

**EFFICACY OF FRAUD TRIANGLE MODEL IN THE DETECTION OF  
FRAUDULENT FINANCIAL REPORTING IN SOUTH AFRICAN MUNICIPALITIES**

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## DECLARATION

I, **Ambani Tshikovhi**, **Student number: 20023753**, hereby declare that this dissertation for the Master of Commerce in Accounting titled - **EFFICACY OF FRAUD TRIANGLE MODEL IN THE DETECTION OF FRAUDULENT FINANCIAL REPORTING IN SOUTH AFRICAN MUNICIPALITIES** - submitted to the Department of Accountancy at the University of Venda has not been submitted previously for any degree at this or another university. It is original in design and in execution, and all reference materials contained therein have been duly acknowledged.

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## **ABSTRACT**

The purpose of this study is to investigate the efficacy of the - Fraud Triangle Model - in the detection of fraudulent financial reporting in South African Municipalities. Fraudulent financial reporting and misappropriation of assets tend to undermine investors' confidence in audited financial statements. Prior studies have reported the high financial cost of fraudulent financial reporting from municipalities and the subsequent impact on capital and financial markets. The Auditor General, South Africa, (AGSA) has lamented over the high number of irregular, fruitless and wasteful as well as unauthorised expenditure in South African municipalities, over the past decade. This study uses the fraud triangle model as the theoretical framework to investigate the underlying causes of fraudulent financial reporting in all 257 municipalities - Local, District and Metros - in South Africa over a six-year period - 2015/16 to 2020/21 financial years; the data was analysed using the binary regression model. The findings revealed that the fraud risk factors are correlated with the occurrence of fraudulent financial reporting. Additionally, the study found that the three fraud risk factors - pressure (proxied by financial leverage and liquidity), opportunity (measured by capital expenditure), and rationalization (proxied by total accruals and quality of external audit ) - have significant positive associations with the occurrence of fraudulent financial statements. The findings of the study provide new insights into the existing body of knowledge on financial statement fraud in the context of South African municipalities.

### **Keywords:**

Fraud Triangle, Fraud Risk Factors, Opportunity, Pressure, Rationalisation.

## ABBREVIATIONS

ACCA	: Association of Chartered Certified Accountants
ACFE	: Association of Certified Fraud Examiners
AGSA	: Auditor General South Africa
AFS	: Annual Financial Statements
APA	: Auditing Profession Act
ASB	: Accounting Standard Board
CFRR	: Centre for Financial Reporting Reform
CogTA	: Department of Cooperative Governance and Traditional Affairs
COSO	: Committee of Sponsoring Organizations
DA	: Data Analysis
DPSA	: Department of Public Service and Administration
EY	: Ernest and Young
FTM	: Fraud Triangle Model
GDP	: Gross Domestic Product
GRAP	: General Recognised Accounting Practice
HAN	: Hierarchical Attention Network
IAASB	: International Auditing and Assurance Standards Board
IAS	: International Accounting Standards
IFAC	: International Federation of Accountants
IFC	: International Finance Corporation
IFRS	: International Financial Reporting Standard
IRBA	: Independent Regulatory Board for Auditors
ISA	: International Standards on Auditing
MFMA	: Municipal Finance Management Act
ML	: Machine Learning
PA	: Professional Accountant
PFMA	: Public Finance Management Act
PWC	: Pricewaterhousecoopers
SAA	: South African Airways
SAIGA	: Southern Institute of Government Auditors
SALGA	: South African Local Government Association
SAICA	: South African Institute of Chartered Accountants
SAS	: Statement on Auditing Standards
SPSS	: Statistical Package for the Social Sciences
VBS	: Venda Burial Society
UIFW	: Unauthorised, Irregular, Fruitless and Wasteful Expenditures

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## CHAPTER 1

### INTRODUCTION AND BACKGROUND

#### 1. BACKGROUND TO THE STUDY

The role of the external auditor in the detection of fraud has been a subject of much debate, by researchers and practitioners (Kassem, 2014). Big companies, such as - Wirecard, Steinhoff, Enron, Tyco, Worldcom and Global Crossing – have experienced serious accounting scandals in the past, resulting in closure of these companies and subsequent loss to investors (Mohamed, Ali and Nesrine, 2015; Rabiou and Noorhayati, 2017; Shapiro, 2018; Drozdiak, Arons and Syed, 2020; Mongwe and Malan, 2020). According to Laubscher (2012), the lack of effective financial management in South African municipalities, due to the appointment of inexperienced personnel and lack of consequence management are some of the root causes of fraudulent financial reporting. As an example, the Auditor General of South Africa (AGSA) reported that R1.2 billion was wasted in the Free State’s municipalities in the 2009/2010 financial year without expenditures being properly accounted for, while R258 million was spent in Matjhabeng local Municipality without supporting audit evidence (Laubscher, 2012). Arens, Elder, and Beasley (2003) assert that an audit should be done by a competent, independent auditor. The process involves the collection and assessment of evidence and information, in order to decide and report on the degree of correspondence between the information and certain established criteria. The International Standard on Auditing (ISA) 240, maintains that - *“The auditor’s responsibility is to consider fraud in an audit of financial statements”*. In other words, an external auditor should ensure that financial reports are fairly presented without any material misstatements, which might be due to fraud or error. ISA 240 defines fraud as - *‘an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage’*. The above ISAs, implies that, it is the duty of external auditors to obtain assurance that financial statements are not inclusive of errors or fraud.

Two types of fraud are identified by ISA 240 - misappropriation of assets and financial statement fraud (IAASB, 2009). Kassem (2014) defines misappropriation of assets as

the utilisation of an organization's assets without authorization or theft of assets for personal use. Misappropriation of assets is a common type of fraud as identified by prior studies which account for almost 90% of fraud cases (Kassem, 2014). Financial statement fraud, on the other hand, is the deliberate misrepresentation of the financial condition of an enterprise accomplished through the intentional misstatement or omission of amounts or disclosures in the financial statements to deceive financial statement users. Alleyne and Howard (2005) argue that due to technological development, financial statement fraud has become very complicated, and increasingly difficult to detect, especially when it is collusive in nature and committed by top management who are capable of concealing, vital financial information. A typical example is the Steinhoff scandal (News24, 2020). Consequently, auditors have argued that the detection of fraud should not be their sole responsibility. According to Kelly (2016), the primary responsibility, for the prevention and detection of fraud, rests with both those charged with governance of the entity and management, even though the auditors still have a duty to communicate with management when an indication of fraud is identified.

This study is motivated by AGSA's audit reports which have consistently highlighted the high incidence of fraud, as well as unauthorised, irregular, fruitless and wasteful expenditure, among other things, as serious concerns for many municipalities across the country (Ball, 2016; Motubatse, Ngwakwe and Sebola, 2017; Auditor-General South Africa, 2022; Somyo, 2022). This study is further motivated by several high-profile corporate collapses linked to accounting scandals worldwide, since the early 2000s (for example, Lehman Brothers in the USA, VBS in South Africa, Wirecard in Germany) and the urgency to restore stakeholders' confidence in audited financial statements (Ball, 2016; Motau, 2018; Drozdiak, Arons and Syed, 2020; Cronje, 2021).

## **1.1 Problem Statement**

The key principles of the South African auditing profession's code of conduct - honesty, independence, competence, non-disclosure of information and professional behaviour - create the standard of conduct expected from an auditor. These principles emphasise the auditing profession's recognition of its public interest responsibility (SAICA, 2020). According to IRBA (2005), auditors who are registered with governing

body must comply and abide by the code of professional conduct at all times. Section 90 of the Companies Act, No.71 of 2008, as amended, requires state-owned enterprises (SOEs) to appoint external auditors at annual general meetings and all public and state-owned enterprises are required to be audited (SAICA, 2008). ISA 240, stipulates that it is the responsibility of external auditors to obtain appropriate assurance regarding the financial statements submitted for auditing to ensure that they do not include any fraud or errors.

As a result of normal limitations of an audit, there is an inevitable risk that some material errors in the financial statements may not be identified, even though the audit is usually planned properly and complies with the relevant ISAs. International Financial Reporting Standards 1 (IFRS 1), paragraph 15, states that *“the company’s financial performance, position and statement of cash flows should be fairly presented”*. In order to ensure fair presentation, the definition and criteria for recognition of all transactions and balances should be met (IAASB, 2021). Furthermore, the Standards of Generally Recognised Accounting Practice Chapter 1 (GRAP 1), paragraph 17, states that *“Application of GRAP with additional disclosures, when necessary, is presumed to result in financial statements that achieve a fair presentation”* (ASB, 2010).

Despite the clearly stated need to comply with International Auditing Standards, International Financial Reporting Standards, and regulatory bodies in fraud detection (for example, IRBA and SAICA), auditors are still exposed to the risks of non-detection of financial statement fraud. A crucial audit strategy to minimise the exposure to risk and accounting scandals is the use of the Fraud Triangle Model (Salem, 2012; Kassem, 2016; Topor, 2017; IRBA, 2021).

The question that needs to be answered at this juncture is - *“To what extent can the Fraud Triangle Model be used in detecting fraudulent financial reporting in organisations?”* This study attempts to address this question by using the logistics regression model to investigate the efficacy of the *Fraud Triangle Model* in assisting auditors in the detection of fraudulent financial reporting in South African municipalities.

## 1.2 Aim and objectives of the study

### 1.2.1 Aim of the study

- The present study aims to investigate the extent to which the Fraud Triangle Model can be used in the detection of material misstatement (fraud) in financial statements.

### 1.2.2 Objectives of the study

The objectives of the study are:

- To determine the extent to which the Fraud Triangle Model can be used in detecting material misstatement in financial statement in South African municipalities.
- To ascertain the relationship between the fraud risk factor, **PRESSURE**, and fraudulent financial reporting in South African municipalities.
- To measure the relationship between the fraud risk factor, **OPPORTUNITIES**, and fraudulent financial reporting in South African municipalities.
- To evaluate the relationship between fraud risk factor, **RATIONALISATION**, and fraudulent financial reporting in South African municipalities.

## 1.3 Research Questions

The research questions for this study were designed to explore how fraudulent financial reporting in South African municipalities affect auditors' work. The answers to these questions may have implications for an understanding of the model within the scope of financial management in municipalities.

The following research questions were addressed in the study:

- How can the Fraud Triangle model be used to detect fraudulent financial reporting in South African municipalities' annual financial statements?
- What is the relationship between the fraud risk factor, **PRESSURE**, and fraudulent financial reporting in South African municipalities?
- What is the relationship between the fraud risk factor, **OPPORTUNITIES** and fraudulent financial reporting in South African municipalities?

- What is the relationship between the fraud risk factor, **RATIONALISATION**, and fraudulent financial reporting in South African municipalities?

#### 1.4 Significance of the Study

Existing research conducted in the United State of America (USA) shows that the phenomenon of financial fraud is a serious concern for local governments across the USA (Dave, 2016).

Over the past two decades, AGSA's audit reports have consistently lamented the high incidence of fraud, irregular and fruitless expenditure as serious concerns for many municipalities across the country (Auditor-General South Africa, 2022). With 257 municipalities in South Africa, there is an urgent need for municipality officials to implement strong and effective internal controls to detect financial statement fraud as well as to place emphasis on consequence management (Motubatse, Ngwakwe and Sebola, 2017; Auditor-General South Africa, 2022).

The findings of the present study will not only assist municipalities to improve on their financial management but also to enhance their knowledge on fraud and utilise the fraud triangle model. This study will further contribute to the literature in several ways. First, it will highlight the importance of the Fraud Triangle in the detection and prevention of fraud and fraudulent financial reporting in South African municipalities. Second, the findings will be beneficial to the accountancy profession regarding high-risk audit assignments. Another anticipated contribution is that the findings can be used by municipalities and other stakeholders to fight - corruption, fraudulent financial reporting, enforce compliance with auditing and accounting standards, as well as bring awareness of legal and regulatory frameworks addressing fraud. Last, but not the least, the findings can be used by government departments and other organisations such as - Department of Cooperative Governance and Traditional Affairs (CogTA), Department of Public Service and Administration (DPSA), Southern Institute of Government Auditors (SAIGA), Provincial and National Treasury, South African Local Government Association (SALGA), South African Institute of Chartered Accountants (SAICA) and Independent Regulatory Board for Auditors (IRBA) in fraud policy formulation.

## **1.5 Operational Definitions**

This section provides definition of key words relevant to the study.

### **1.5.1 Fraudulent Financial Reporting**

Fraudulent financial reporting is the deliberate misstatement of financial statements by the management of an organisation. Detecting financial statement fraud is difficult due to various judgements which are made on accounting treatments, resulting in a thin line between positive, but acceptable financial statements, and fraud (Institute of Chartered Accountants in England and Wales, 2020).

### **1.5.2 Fraud Triangle**

This is a model or framework commonly used in auditing to explain the reasons behind an individual's decision to commit fraud. The three components of the fraud triangle model are: (1) an incentive or pressure (usually financial); (2) opportunity; and (3) rationalization (Susan Crews, 2011; Khatibi and Azam, 2018).

### **1.5.3 Fraud Risk Factor**

Fraud Triangle Model indicates - incentive to commit fraud, opportunity to effectuate the fraud, or attitude to provide reasons for committing fraudulent action – as its components. These circumstances or determinants are referred to “fraud-risk factors” (Lou and Wang, 2009).

### **1.5.4 Fraud Risk Factor – Opportunity**

Opportunity is a position that facilitates a person’s execution or concealment of unethical behaviour (Yusrianti , Ghozali,Yuyetta, Aryanto and Meirawati, 2020).

### **1.5.5 Fraud Risk Factor – Pressure**

It emanates from incentives that encourage workers to behave in a certain manner which can result in misstatement of earnings and profits (Fikry Mehanna and Mahmoud Soliman, 2021).

### **1.5.6 Fraud Risk Factor – Rationalisation**

Rationalisation is defined as a psychological process of explaining actions by pointing out an incorrect rationale (Lokanan and Satish, 2018).

## 1.6 Outline of the study

This study is divided into five chapters, as follows:

<b>Chapter 1</b>	Introduction and background of the study which covers - the problem statement, aim and objectives, scope, significance of study as well as definition of terms.
<b>Chapter 2</b>	Focuses on a review of the existing literature on the topic
<b>Chapter 3</b>	Details the research methodology utilised in conducting the whole research.
<b>Chapter 4</b>	Presents an analysis and interpretation of the data collected
<b>Chapter 5</b>	Provides the conclusions from the findings, outlines the limitation encountered while conducting the study as well as make recommendations to mitigate the issue of fraud to various stakeholders.

## 1.7 Chapter summary

This chapter introduced the essential nature of the current study by discussing - the key standards governing fraud, legislation, issues of fraud in both local government and global institutions, the extent of accounting scandals, a statement of the problem regarding financial statement frauds, unethical conduct by professionals and how the fraud triangle model can assist auditors in their work. The section also covered the aim and objectives, key research questions and how the current study will address them. Definitions of key terms was provided, as well as the anticipated contributions of the study were also highlighted. The next section provides a review of the literature regarding fraudulent financial reporting.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

A literature review may be defined as a comprehensive study and interpretation of literature that addresses a specific topic (Aveyard, 2010). The primary purpose of a literature review is to aid readers to grasp, to a large extent, the key body of research available on a topic and the deficiencies of such studies within the literature (Rhoades, 2011). The literature review for this study is discussed under two sub-headings: 1) conceptual/theoretical framework, and 2) empirical literature which forms the foundation for the development of an appropriate methodology as well as aiding in the analysis and interpretation of the collected data. The conceptual framework focuses on the Fraud Triangle Model and its elements, as well as fraudulent financial reporting concept and its types. The empirical literature is additionally, discussed under two sub-headings – developed and developing countries.

#### 2.2 Conceptual/Theoretical framework

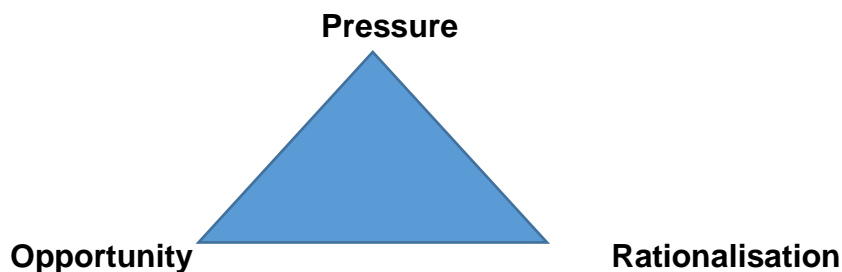
According to Chukwuere (2021), credible, acceptable and generalisability of research should be grounded on relevant theoretical and conceptual frameworks. Knowledge and ideas regarding a certain research problem are addressed by a conceptual framework (Banha, Flores and Coelho, 2022). Conceptual financial reporting framework assists both the Accounting Standards Board and users of financial statements in the updating of IFRS and accounting policies, respectively (Netshisaulu, Van der Poll and Van der Poll, 2022). Shikalepo (2020) points out that a conceptual framework constitutes a mixture of different opinions, theories, findings identified from research, statement policy and other perceptions that guide research project. Conceptual framework is a system/outline which the researcher trusts can illustrate the genuine advancement of the phenomenon under investigation (Adom, Hussain and Joe, 2018). Essentially, a conceptual framework provides the context for conducting research and interpreting findings (Turner, Balmer and Coverdale, 2013). In fact, Adams, Khan, Raeside and White (2007) argue that, without theory/concepts,

it is almost impossible to interpret data, hence, an appropriate conceptual framework is vital for determining the kind of data required to answer the stated research questions. The next section presents the Fraud Triangle Model as the chosen conceptual framework for investigating the research problem for the study.

### 2.2.1 The Fraud Triangle Model

This study uses the Fraud Triangle Model (FTM) as the theoretical or conceptual framework to investigate prevention of fraudulent financial reporting in South African municipalities. The FTM is a three-pronged model which was propounded by Cressey, (1950) to explain why some individuals commit occupational fraud and to explain trust violation. Absence of one of FTM elements will result in an absence of such a violation (Jonson and Geis, 2010). Khatibi and Azam (2018) added that risks arising from employee fraud, can be assessed by making use of FTM. Figure 1 is a diagrammatic representation of the FTM.

Figure 1: The Fraud Triangle Model



**Source:** Kultanen (2017, p. 25).

According to Kultanen (2017), fraud affects the performance and position of the firm especially, its reputation and FTM can be used to understand the real cause of fraud in an organisation. The Institute of Chartered Accountants in England and Wales (2020) explains that fraudulent financial reporting is hard to detect and is usually decided by courts only after a period of time, due to necessary investigations and other follow-ups. In addition, the South African Independent Regulatory Board for Auditors (IRBA, 2021) emphasises that external auditors must make use of FTM since it is the most useful model for identifying and explaining fraud situations and factors. Van Driel (2019), adds that FTM is a classic framework which can be used to study fraud

because the model can assist auditors in identifying what a fraudster benefits by committing fraud and how it is concealed. Lou and Wang (2011) also argue that analysing ratios alone is not adequate to detect fraudulent financial reporting but identifying fraud risk factors using FTM can detect financial statement fraud. Several studies have confirmed that there is a positive correlation between financial reporting fraud and pressure from management as well as complex transactions with high ratios and lack of integrity by managers (Lou and Wang, 2009; Yusof, 2016; Nafchi and Dastgir, 2020; Mehanna and Soliman, 2021).

The Fraud Diamond Model which has all elements of FTM and an extension was also suggested by Sunardi and Amin (2018) to combat fraud activities in financial statements. The Fraud Diamond Theory was first presented in 2004 by Wolfe and Hermanson in CPA journal (Abdullahi and Mansor, 2018). This method added an element of refinement to the FTM, however, for the purposes of the present study, only the FTM was used.

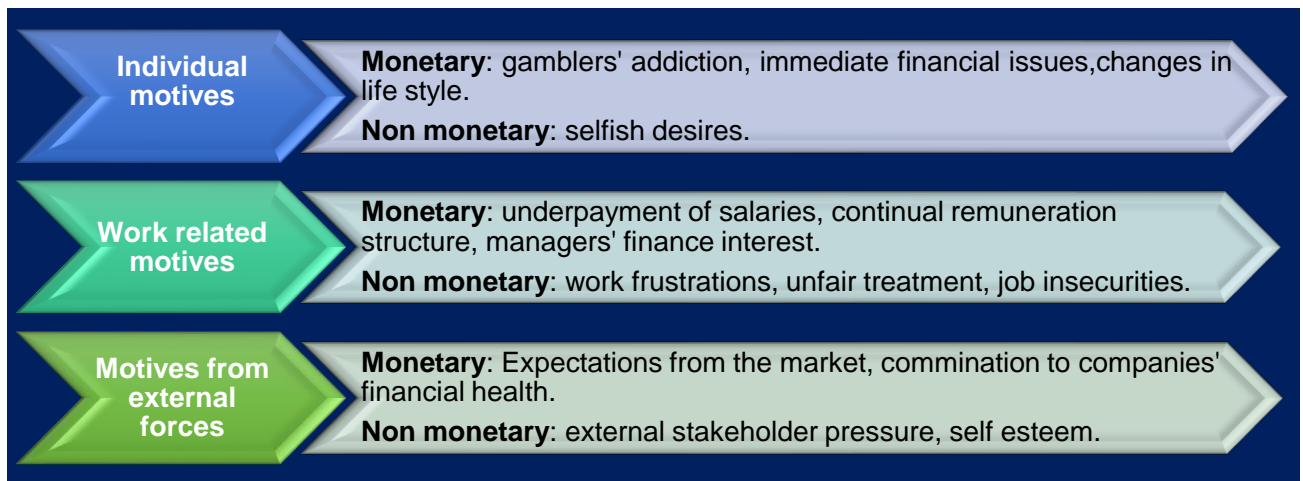
## **2.2.2 Elements of Fraud Triangle Model**

The FTM consists of three interrelated elements - pressure/motives, opportunities and rationalisation (Mohd, Khalid and Mahir , 2015); these elements are discussed next.

### **2.2.2.1 Pressure and Motives**

Pressure is defined as factors which encourage immoral conduct and can either be monetary or non-monetary motives. Monetary motives are the main/common elements that result in unethical conduct (Rabiu and Noorhayati, 2017). These researchers emphasise that for employees to commit fraud, there must be a reason behind it. Higson and Kassem (2013) classified pressure into three categories as depicted in Figure 2.

Figure 2: Three categories of pressure.



**Source:** Adapted from Higson and Kassem (2013, p.15).

Rabiu and Noorhayati (2017) argued that pressure can also be initiated from social and political forces. Alleyne and Howard (2005) contend that pressure to commit fraud usually originates from employees who are paid less than what they normally expect to be paid; such employees tend to be overburdened with too much debt. Employee's remuneration policy should cater for all workers and be in accordance with the Labour Act. Lou and Wang (2011) observed that when management's behaviour is monitored, this results in low fraud risk and assists auditor's fraud risk assessment to detect fraud indicators. The authors add that companies misstate financial statements profit and revenue when conditions, such as the country's economy, is in financial distress; consequently, achieving external stakeholders' expectations and employees' financial sustainability is threatened by the companies' financial health and performance.

According to Chen and Elder (2007), fraud can also be caused by several fundamental groups of incentives - (1) ascribed obligations violation, (2) personal failure problems, (3) reversals of businesses, (4) isolated physically, (5) gaining status, and (6) employee-employer relations. Ventura and Daniel (2010) explain that violation of *ascribed obligations* refers to non-financial obligations which are expected of individuals in repercussion for their occupancy of positions of integrity. *Failure* is the difference between what is targeted and the desired results; this includes both preventable errors and inevitable dismissive outcomes of risk taking (Cannon and Edmondson, 2005). As explicated by Kassem and Higson (2012), *business reversals*

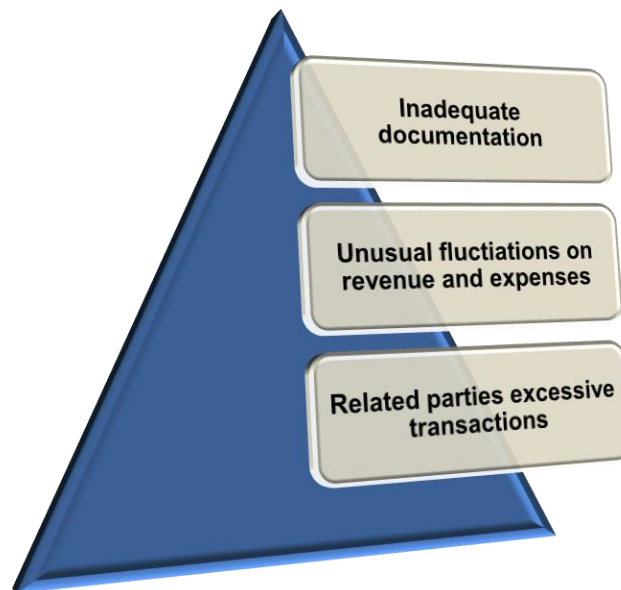
includes business failures which are uncontrollable, like recession and inflation, and *physical isolation* is to be separated from those who can help you. *Status gaining* refers to those who live beyond their means, whereas *employer- employee relations* is in regard to the treatment of employees unfairly by employers.

#### **2.2.2.2 Opportunities**

Opportunity arises, according to Rabiou and Noorhayati (2017), from employers' poor control of systems which enables employees to commit and conceal fraud. The authors went on to state that in most instances the lower the risk of being found, the higher the probability that fraud will occur.

Mohd-Sanusi et al. (2015) point out that a weak control environment and systems, such as lack of segregation of responsibilities and internal control deficiencies, will provide management with an opportunity to commit fraud. In their study, Ghazali, Rahim and Ali (2014) argue that weaknesses in internal controls results in perceived opportunity. Similarly, Srivastava, Mock and Turner (2005) noted that, even when incentives are available, fraudulent financial reporting cannot transpire unless an opportunity is in existence. The authors add that lack of segregation of duties, unfair job rotation and the like, will create opportunities for fraud. Lack of security on properties and ineffective policies are examples of weaker control system which will provide management with opportunities to commit fraud (Fitri, Syukur and Justisa, 2019). Complex accounting transactions, such as related party transactions and complicated financial plans have also been identified as key contributors to fraudulent financial reporting (Lou and Wang, 2011). Figure 3 is an illustration of the opportunity risk-factor red flags.

Figure 3: Fraud Opportunity risk-factors' red flags



**Source:** Authors' own construct

### 2.2.2.3 Rationalisation

Rationalisation may be defined as an individual's justification for committing fraud (Alleyne and Howard (2005). There are two aspects to rationalization. The first is that the fraudster must conclude that the gain to be realized from a fraudulent activity outweighs the possibility for detection and the second is when the fraudster needs to justify the fraud. Justification can be related to job dissatisfaction, or perceived entitlement or making an intention to make the victim benefit in the future. Rationalization is discernible by an observation of the fraudster's comments or attitudes.

According to Mohd-Sanusi et al. (2015) rationalisation is a defensive mechanism utilized by people with no record of any criminal activity and who sees themselves as normal and ordinary people. Mohd-Sanusi et al. (2015), identified the main reason for unethical conduct, as a workers' lack of principles grounded exclusively on honesty. Studies have shown that the attitude of management plays an essential role in preparing annual financial statements which are of high quality. When management's

integrity is questionable, financial statements' accuracy and reliability are at stake (Lou and Wang, 2011). Fraud perpetrators are always protective and defensive in justifying their unethical behaviours by making use of statements such as, "No one was harmed", or "This is for the company's interest" (Fitri, Syukur and Justisa, 2019).

Persons fond of fraudulent activities usually support their actions with statement such as "The money taken will be regarded as debt", "I deserve the cash since the employer is underpaying me", " I had no choice but to take the cash since my family is poor and suffering", "I have to do it since others did it" (Rabiu and Noorhayati, 2017). The authors continue that rationalisation is very difficult to detect since it is not possible to analyse the mindset of fraud perpetrators which enables them to support their rationale for committing fraud. The link between pressure and opportunity emerge when employees or external stakeholders can justify their unethical fraudulent conduct (Rabiu and Noorhayati, 2017). Figure 4 shows the strategic ways rationalisation risk factor can be avoided.

Figure 4: Avoiding the Pitfalls of Rationalizing: Tips for Success



**Source:** Adapted from Ingalls (2023)

### 2.2.3 Fraudulent financial reporting

ISA 240 explicates fraud as a wilful misconduct by individuals in a company, involving the use of lies to acquire an unlawful advantage. Fraudulent financial reporting, on the other hand, involves - manipulation of earnings, tax avoidance and overstating financial performance - to impress top management (Sadgali, Sael and Benabbou (2019). Nafchi and Dastgir (2020) view financial reporting fraud as - incorrect presentation, incomplete disclosure of information and missing items in the financial statement with the aim of deceiving the stakeholders; this is usually done by misstating the account balance and transactions. Reurink (2016) argue that fraudulent financial reporting has two objectives - the first being to hide the misuse of funds (which is usually done by manipulating ledger accounts and hiding supporting evidence) and the second objective is to mislead the users of financial statements (by disclosing incorrect information such as overstating profits in order to attract investment).

Zager, Malis and Novak (2016) assert that, regardless of the extent of the fraud, once identified, it must be reported and all necessary measures to investigate must be undertaken. This must be done by an auditor and management together or by appointing of external fraud investigators and combating fraud involves improving the internal control processes. Fraud often escapes detection until an industry has suffered irrecoverable damage. It is understood that the risk and impact of not identifying key misstatements due to fraud are higher than the risk of not detecting crucial misstatements due to errors, as fraud involves actions aimed at hiding them, thus, an auditor may believe that audit evidence is convincing when, in fact, they are false (Nafchi and Dastgir, 2020). Fraud should be recognised as a systematic risk for the investor because it usually occurs when everything looks satisfactory in the company and this results in higher returns being requested by investors (Kurant, 2014).

The risk of an auditor, according to Topor (2017), not identifying top management fraud is higher than fraud committed by lower-level employees because the position of those charged with governance requires honesty, thereby, less suspicion is placed on them, hence, allowing them to disregard methods to prevent fraud. Kassem (2006) noted that fraud-detection requires the efforts of corporate governance professionals, including the board of directors, the audit committee, top management, internal

auditors, and external auditors. In addition, fraud committed by managers and top officials is difficult to detect because they can easily give instructions to lower management to commit unethical procedures on their behalf (Salem, 2012). Toms (2019) explains that financial fraud or scandal is divided into three elements, namely, utilisation of financial resources, ethics being questionable and finally, the importance of its consequences.

In a recent study, Lukman and Irisha (2020), acknowledged that it is not always the contravention or non-adherence with standards and legislations which results in fraudulent financial reporting but also the gaps which the accountant or management identifies within the standards. These may include determinants, such as incomplete standards and regulations, and unrealistic estimations which may be used to commit fraudulent reporting. Accounting and auditing experts suggest that the conscientizing management of the gravity of financial statement preparation which is guided by accounting standards and reportable framework should be the first thing to do to prevent fraud from occurring (Lukman and Irisha, 2020).

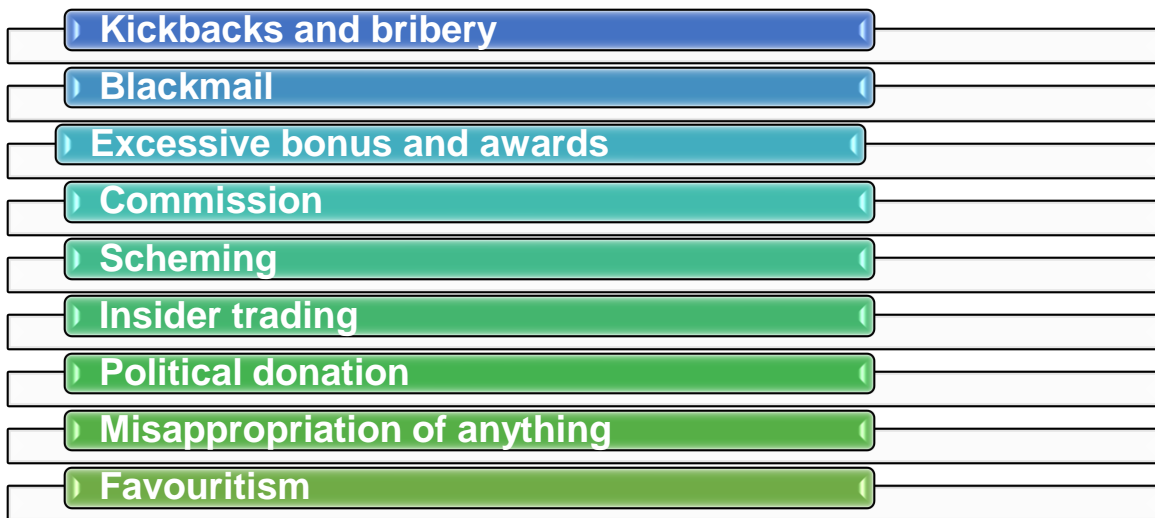
Accounting standards require the preparation of financial statement which can be comparable, timely, verifiable with evidence, be on time and be understood by different stakeholders. Some previous studies including those by ACFE (2016); Catarina (2019) and Higson and Kassem (2013) indicate that accountants sometimes follow instructions and attends to the needs articulated by management when preparing the financial reports, which in most cases, are in contravention of the accounting standards; these lead to misstated financial statements and are usually the root causes of fraudulent financial reporting. For stakeholders to depend on the audited annual financial statements, they need to be of high quality - adhering to relevant standards and other compliance rules (Lukman and Irisha, 2020). Craja, Kim and Lessmann (2020) concludes that small firms and non-profit organisations, with weaker internal control systems are the ones with more incidences of fraud since, it is easier to detect the fraud indicators with them.

Lukman and Irisha (2020) note quality financial reporting as those that include qualitative characteristics - relevance, faithfulness, verifiability and most importantly, reliability; this means financial statements must be free from material errors. Quality

financial reports can be relied upon by users to make informed decisions, such as to invest in a company, emphasising how crucial quality is (Lukman and Irisha, 2020).

In order to gather information which can be used for - fraud-risk identification, risk assessment and risk responses - an auditor should apply SAS no.9 (Michael, 2003). According to the Association of Certified Fraud Examiners Report (2020) to the Nations, which covered 125 countries in the world, the private sector reported - 86% of assets' misappropriation cases, 10% fraudulent financial reporting cases and an overall fraud of 44% in the private sector during the period of 14 months before the 2020 ACFE report was published; ACFE identified ineffective internal control as the major root cause of fraudulent financial reporting. Rudewicz and Michael (2012) cited in Association of Certified Fraud Examiners (ACFE) Report to Nations, indicated that fraud committed by small businesses with less than 100 employees, in 2018, was 31% of the reported cases and had resulted in an estimated \$155 000 (equivalent to R2.2million) median losses; whereas fraud committed by owners and executives resulted in \$723 000 (equivalent to R10.73 million) median losses. Recently, Gee and Button (2019) reported that global fraud losses equate to 6,05% of GDP which is equivalent to \$ 5,127 trillion (equivalent to R74 trillion). These global losses are 80% greater than the United Kingdom's entire GDP. Other recent studies revealed that the financial implications, due to fraud in the past two decades in 125 countries, which include both developed and developing countries is estimated to be up to \$5.127 trillion (equivalent to R74 trillion) around the world, despite the availability of FTM. Losses have increased by almost 50% in the past 10 years and the financial positions of companies have been negatively affected by these losses (Craja, Kim and Lessmann, 2020). Companies suffered big losses and reputational risk due to fraudulent activities, which then affect their going concerns and sometimes the companies even end up being liquidated. A 2001 survey, indicated that 813 European companies suffered an average loss of US\$ 2,1 million (R31,5 million) in that year. Figure 5 shows some examples of the most common types of private sector frauds.

Figure 5: Common types of private sector frauds

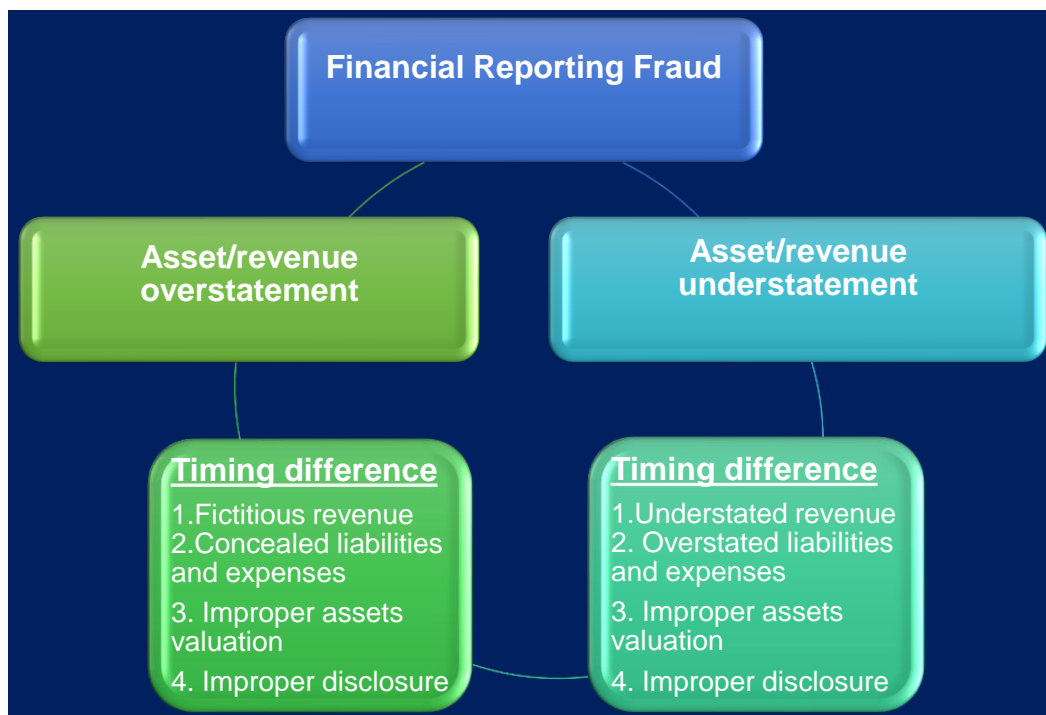


**Source:** Adapted from Ackerman (2007)

#### 2.2.4 Types of Fraudulent Financial Reporting

Fraud is basically a misrepresentation of the truth or concealment of a material facts to induce someone to act to his or her detriment (Matthews (2020). Financial fraud can be categorised into - asset embezzlement, bribery, and financial statement fraud. The most common types of financial statement fraud include - revenue recognition fraud, asset and liabilities valuation fraud, disclosure fraud. These types of financial-statement fraud are shown in Figure 6 (**Kassem, 2016**):

Figure 6: Categories of Financial Reporting Fraud



Source: Adapted from Kassem (2016)

The reasons many auditors find it difficult to detect financial statement fraud are listed in Table 1 (Intal and Do, 2002):

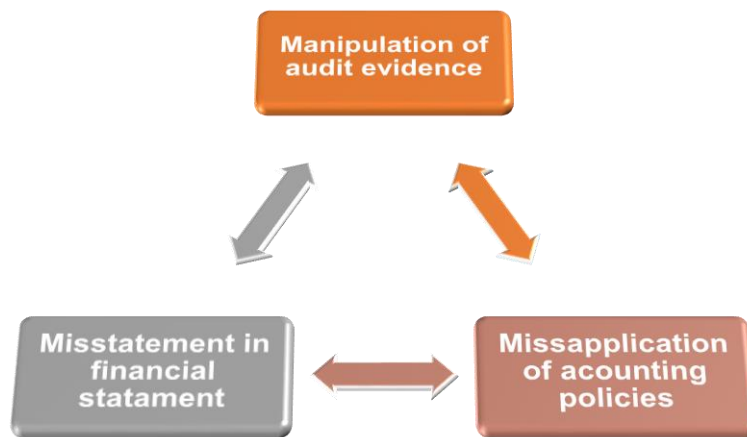
Table 1: Reasons auditors are unable to detect financial statement fraud

Why do auditors not detect financial statement fraud? Reasons are given below:	Suggested solution
Using analytical procedures alone.	• By asking officials.
	• Analysing the final results (findings).
	• Making use of ratio analysis from year-to-year basis.
	• Additional testing required.
	• Mix audit procedures.

Why do auditors not detect financial statement fraud? Reasons are given below:	Suggested solution
Relying on ineffective controls and risk assessment.	<ul style="list-style-type: none"> <li>• Reporting process of auditee to be understood.</li> </ul>
	<ul style="list-style-type: none"> <li>• All biased accounting estimates to be reviewed.</li> </ul>
	<ul style="list-style-type: none"> <li>• Enquiring about all transactions which look unusual.</li> </ul>
Recognition of related parties and revenue applied incorrectly.	<ul style="list-style-type: none"> <li>• Obtaining an understanding of the entity, its environment and parties' relationships.</li> </ul>
	<ul style="list-style-type: none"> <li>• Ensuring the visibility of audit partners throughout the audit.</li> </ul>
	<ul style="list-style-type: none"> <li>• Financials comparisons to be done regularly.</li> </ul>
Too much conflict-of-interest issues	<ul style="list-style-type: none"> <li>• Rotating the auditors as per Regulations and Acts.</li> </ul>
	<ul style="list-style-type: none"> <li>• Having control regarding the employment of auditing staff.</li> </ul>
	<ul style="list-style-type: none"> <li>• Developing a system for assessing independence risk.</li> </ul>

**Source :** Intal and Do, (2002), page 80.

Figure 7: Ways in which fraudulent financial reporting can be accomplished



**Source:** The American Institute of Certified Public Accountants (2002)

## 2.3 Empirical studies

This section reviewed relevant empirical studies which form the foundation for the methodological approach for data collection and analysis. The empirical review focused on fraudulent financial reporting, in both developed and developing economies.

### 2.3.1 Evidence from developed economies

This section focuses exclusively on key empirical evidence on fraudulent financial reporting and its consequences in developed economies, across the globe.

According to Steele (2021), commercial corruption in the private sector which is common in developed countries occur, without the involvement of public money. It is more about diverting company resources, without authorisation, for personal gain which then add to financial losses to the company and can easily increase reputational risk, if discovered. The author adds that ineffective controls and absence of strong corruption policies in private companies are some of the key risk factors. Myint (2000)

notes that fraud is usually committed by one person as compared to bribes which involve more than one person; fraud usually leads to financial losses. Shipley and Pyman (2021) assert that media and civil society should play a crucial role by observing what the private sector is doing, by keeping an eye on how legal and commercial sanctions are being applied to the private sector, in order to guard against corruption.

Lou and Wang (2011) in their study noted that, Enron, a USA-based company, used a complicated financial reporting system to commit fraud. Li (2010) maintains that the collapse of Enron was due to - lack of management integrity regarding the financial health of the company, lack of oversight responsibility by Enron board, and Arthur Andersen acting as both the accountant and the external auditor which created conflict of interest. In the light of this sad event, Said, Alam and Ramli (2017), concluded that majority of corporate failures, of big firms such as Enron, World.com, Lehman Brothers, were the results of accounting scandals which have negatively imparted the capital markets and other stakeholders at large. More recently, it was reported by Hoje and Hsu (2021) that due to fraudulent activities which started in 2015, Wirecard, a German Information Technology firm, filed for insolvency after admitting that an estimated \$2.6 billion (R37,31 billion) of assets could not be accounted for.

Cieslewicz (2012) argued that the FTM which was developed by Cressey (REF??) in the USA does not cover some factors which had an impact on fraud in China. The author continued that the FTM does not cover fraud at international level since it was developed in the USA and only covers the USA society. The author proposed that FTM should be expanded to cover societal factors, for example - political climate and psychological factors (such as, anxiety and depression) (Cieslewicz, 2012; Fitri, Syukur and Justisa, 2019). These authors were of the view that the FTM can be improved by covering significant differences, in the FTM elements, between firms with fraud and those without.

According to EQS (2022), Holmes Elizabeth, the founder and owner of Theranos, a health technology company, based in America, was found guilty of wire fraud and defrauding investors in January 2022. Investors were promised inflated profits as compared to what the company was actually making. Similarly, Dick Smith an Australian retailer collapsed in 2016 due to mismanagement of funds (Knapp, 2016).

A major pharmacy chain, Schlecker in Germany, collapsed due to fraud and the children of the founder and owner were found guilty and jailed because they misled the auditors and shareholders - the company went into bankruptcy in 2012 (BBC, 2017).

Other studies have focused on fraudulent financial reporting in the financial services sector across the globe. A typical example is Lokanan and Satish (2018); a study which reported that London Interbank Offered Rate (LIBOR) has been undercharged by many banks around the world, such as Barclays, as an incentive to attract customers about the financial health of an institution. This LIBOR scandal came into light in 2008 when one of the Barclays employees explained that interest rates were underreported. The logistic regression analytic model was used to examine the relationship between FTM elements and fraud regarding the LIBOR case. The LIBOR case indicated that pressure and opportunity are positively related to banking fraud (Lokanan and Satish, 2018).

In the case of Greece, Spathis (2002) reported that most financial statement fraud can be detected by analysing the nature and number of audit reports' paragraphs issued by external auditors as well as published financial data, such as annual financial statements. The study used a sample of 76 Greece manufacturing companies, which included 38 companies that had received unqualified reports and 38 companies with qualified audit reports, in the year 2000. The sample included a mixture of both public and limited liability companies. A logistic regression analysis model was used to analyse both, financial ratios and audit reports, of the selected companies to detect any fraudulent financial reporting, using a total of 10 financial ratios in the analysis. The Altman (Z-Score) model was also used to determine any relationship between fraudulent financial reporting and financial distress. Using both the ratios and audit reports is effective in detect financial statement fraud. The study recommended that external auditors be allocate more time on auditing financial statement ratios, in order for them to detect financial statements' fraud (Spathis, 2002). The key findings of the study indicated that firms with - higher inventory to sales ratio, low net profit to total assets ratio, high debt to total assets ratio, lower working capital to total assets ratio and Z score which is low - would most likely results in financial statement fraud as per the stepwise logistic model.

Natalia, Feruleva and Shtefan (2017) suggest that financial statements' fraud can be detected by applying different tools during auditing. They support the use of not only external auditors to identify financial statement fraud, but other tools to detect financial statement fraud, in order to save the high costs associated with external audits. In Russia, 70 companies consisting of both non-listed and limited liability firms were selected for investigating (Drozdiak, Arons and Syed, 2020); these firms were operating in agriculture, retail, wholesale, construction and manufacturing sectors. The Beneish tool was used to analyse the data incorporating eight financial ratios covering - sales, total assets, gross margin, depreciation, leverage, receivables as well as, general and administrative expenses - to analyse the data. The results of the study revealed that the Beneish tool was an effective model to differentiate between fraudulent and non-fraudulent financial statements in Russia (Drozdiak, Arons and Syed, 2020).

A study on a mixed sample of 80 French listed and non-listed firms, between 2001 and 2009, was conducted by Amara, Amar and Jarboui (2013), to detect financial statements' fraud and to understand why the fraud was committed. The 80 selected companies included 40 defrauded and 40 clean companies during 2001 and 2009; this companies were selected from Securities and Exchange Commission (SEC). The logistics regression method was used to analyse the data. The findings showed that pressure by managers to over-perform is the dominating factor which results in fraudulent financial reporting. It was further noted that factors associated with - the size of audit firms and financial viability of the company - were not connected with the detection of fraud. The limitation of this study was that, the variables used to analyse the data only focused on pressure and opportunity elements of FTM, however, rationalisation factors were excluded from the study.

According to Kizil and Kasbasi (2018) a comparison between the USA and Japan's accounting scandals and fraud, revealed that external auditors do not detect fraudulent financial reporting, alone. Required also are appropriate and relevant accounting standards as well as, laws and regulatory bodies which are updated regularly to oversee compliance. The authors, therefore, suggested that universities should cover ethics as a major topic in the accounting curriculum to offer students an opportunity to learn about ethical behaviour which will minimise accounting scandals in future.

A significant factor which was found to have encouraged fraudulent financial reporting and fraud globally was the 2008/2009 global economic recession. According to Kaminski (2013) the recession has had a positive correlation with economic crimes in Poland. The increased number of economic crimes in Poland resulted in an increased number of accounting fraud and companies started to implement effective measures such as, supervision of audit firms, effective internal audit and controls, in order to mitigate the risks.

Bauwhede and Willekens, (2014) identified earnings' management as the financial statement component where most Belgium companies commit fraud. This was achieved through - application of inappropriate inventory valuation and accounting policies as well as misstatements of assets, expenses and liabilities. This may be attributed to that fact that managers are faced with pressure to maintain the earnings' (profit) level in order to attract investors and other stakeholders.

A study conducted in Spain, identified a relationship between financial statement fraud and poor health of fraud perpetrators, during the 2015 and 2016 financial year. A sample of 188 volunteers, who were victims of fraud, was selected from 2011 and 2012 the Health Ministry database in Spain, which was easily accessible on the website; data was then collected using questionnaires. The findings of the study revealed that fraud perpetrators experience mental health problems, poor health and they usually struggle to sleep. The study, therefore, concluded that there is close connection between fraud and health status of fraudsters (Victoria, Belanger, Gobbo, Otero, Zunzunegui and Ribera-casadoet, 2017).

Kabir, Su and Rahman (2006) investigated audit failure of 37 New Zealand finance companies between 2006 and 2012. The published annual reports of the selected companies were analysed using archival research method. The method focuses on three key variables - going concern opinion frequency, errors identified in the previous audited financial statements and non-compliance with code of ethics. The findings revealed that 41% of the 37 companies received a going concern audit report paragraphs while 11 companies' financial statements were misstated. Eight of the audit firms which audited the sampled companies breached the code of ethics and disciplinary actions were taken against 9 members of these 8 audit firms.

Royal Ahold, an international grocery store in Netherlands suffered a complete meltdown in 2003 as a result of - poor governance structure, lack of transparency, litigation issues, ineffective strategy, and financial statement fraud and shareholders lost their investments (Mertens, DeJong, Roosenboom and Jong, 2005). Ogutu (2016) also found that one of the biggest dairy producers in Italy (Parmalat Division) collapsed in 2003 due to the lack of effective corporate governance and accounting fraud. This fraudulent financial reporting in Parmalat which occurred from 1990 until 2003, cost the company \$17,5 billion (R262.5 billion) worth of assets which could not be traced to the company's statement of financial position; this, however, was discovered due to Parmalat account with bank of America which included \$3,9 billion (R58,5 billion) which was discovered as being fictitious (Reurink, 2016a).

Private companies in the United States are losing one million dollars every two to three years on average due to fraud, per each incident reported, according to Sprague (2018). Smaller private companies are more hurt by fraud compared to larger private companies due to the size of revenues and also due to the fact that most smaller private companies are not audited as regularly, as compared to bigger private companies; the latter need to know more about their financial affairs, for both decision-making purposes as well as for trust purposes, by the consumers of financial statements (Sprague, 2018). James (1997) concurred that fraud in the private sector is very costly, hence, sound business culture and ethics can assist in limiting fraud in the private sector. Effective leadership and anti-corruption measures are some of the key attributes for fighting corruption and fraud in the private sectors (Sullivan, 2006). The cost of fraud is not easy to quantify since not all fraud are identified (Baten, 2018).

Ball (2009) indicated that financial statements of private sector entities in the United State should be fairly presented as compared to public sector because the ownership of private sector is more vigorous. This is supported by a study conducted by Kassem (2016) which concluded that management, as prepares of financial statements, should ensure that the AFS are fairly presented.

An interesting study by Skinner and Srinivasan (2012) reported that, in 2006, one of Japan's external audit firm, Chuo Aoyama, failed to identify financial statement fraud committed by Kanebo (a Japanese cosmetics company) and this resulted in the audit firm obtaining - a questionable reputation, losing major clients, being penalised for two

months without trading and also litigation claims. A similar study in Australia revealed that - the external auditors and audit committee's independence - in the auditing of HIH insurance company which collapsed in 2001, was questionable since both parties failed to identify the accounting fraud. This resulted in auditing regulations and standards being amended in Australia (Mirshekary, Yaftian and Cross, 2005).

### **2.3.2 Evidence from emerging economies**

This section focuses exclusively on key empirical evidence on fraudulent financial reporting and its consequences in emerging economies across the globe.

In recent times, some public sector companies in emerging countries, such as South Africa, have reported major accounting scandals. South African public companies for example, have experienced numerous high profile fraudulent reporting cases due to certain pressures, rationalisation and opportunities in firms including - Steinhoff, Tongaat Hulett, VBS and South African Airways (SAA) - and some of the Big 4 audit firms' involvement in the state capture (Business Insider SA, 2020; Mongwe and Malan, 2020; Motau, 2018)

According to Manyaka and Nkuna (2014) the legislative framework and strategies in South Africa public sector to fight against fraud and corruption are very sound and strong, however - political interference, unwillingness to comply with the legislation, unavailability of quality monitoring systems - are some of the key challenges that provide an opportunity for fraudulent financial reporting. The authors recommend that Treasury, DPISA and CogTA should intervene by providing assistance to those government entities and municipalities who are not complying with the legislation. Wright (2021) added that political interference could have been avoided if the laws and policies to fight against corruption are reviewed frequently, in order to prevent fraud.

Regarding the VBS saga, KPMG failed to identify fraudulent financial statements and issued unmodified audit opinion and this negatively affected their reputation (Motau, 2018). Deloitte also failed to identify fraudulent financial statements of Steinhoff for 20 years (Business Insider SA, 2020; Mongwe and Malan, 2020). Venda Building Society (VBS), was liquidated in 2018 after a court order was granted due to fraud estimated

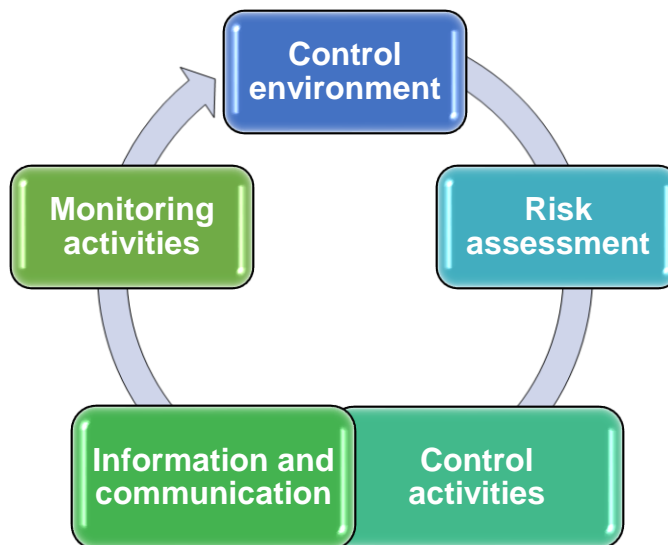
at R2.2 billion (Motau, 2018). Furthermore, AGSA estimated a R3.9 billion material financial loss due to instances of non-compliance and fraud for the financial year ending 2020/2021, which caused serious harm to municipalities and the public as a whole (Somyo, 2022).

In the study by Janine Erasmus (2021) local governments were charged with 16% of corruption allegations, between 2012 and 2020, with Gauteng and Kwazulu Natal experiencing the highest complaints of corruption of 41% and 11%, respectively. The researcher noted further that - bribery, procurement fraud and employment fraud - were the most common forms of corruption at local municipality level. According to Writer (2021), 857 cases of alleged corruption in municipalities were recorded in the 2020 financial year. Four provinces, Western Cape, Eastern Cape, KwaZulu Natal and Free State, recorded an increase of 50% in corruption cases in 2020 financial year. The City of Johannesburg, Ekurhuleni, City of Tshwane, eThekweni and City of Cape Town reported a tremendous number of corruption cases, 700, 354, 325,166 and 125, respectively (Writer, 2021).

Neethling (2024) adds that there are over 71% of corruption complaints in South African's major metro municipalities - Cape Town, Johannesburg and Tshwane. The biggest concern areas, in the year 2023, are - maladministration, followed by fraud which constituted 34% and 21% of the reported cases, respectively.

High vacancy rates in key positions, lack of experience and knowledge, internal control deficiencies without proper remedies - have been identified as sources of serious concern, for local governments (Mnguni and Subban, 2022a). These researchers' recommend that the Committee of Sponsoring Organisations (COSO) framework (as illustrated in Figure 8) can assist municipalities to strengthen the effectiveness of internal controls.

Figure 8 : COSO Framework Components



**Source:** Adapted from Arden (2023)

According to the Auditor-General of South Africa (2022), the problematic issues of - fraud, financial losses, mismanagement of municipal infrastructure budget and lack of effective financial management by municipalities - are still persisting. Even though the audit outcomes for 2021 improved as compared to previous years, this was mainly due to adjustments made in the annual financial statements (Auditor-General South Africa, 2022). Figure 9 presents the most common types of public sector fraud identified by the Auditor-General of South Africa (2022).

Figure 9: Most common types of public sector fraud



**Source:** Lyra *et al.*, (2022)

The quality of governance was identified as one of the root causes of municipalities not achieving clean audit outcomes while AGSA identified leadership, governance and financial management as three essential elements necessary for achieving clean audits (Motubatse, Ngwakwe and Sebola, 2017). Laubscher (2012) further added that the major reasons for municipalities failing to deliver on their mandates are mainly due to challenges, such as - lack of experience among municipal officials, excessive salaries and bonuses, failing to collect debt in arrears and uncontrollable corruption. Mnguni and Subban (2022b) advocated that municipalities should tighten their internal controls and make use of internal audit reports to improve the audit outcomes and enhance service delivery.

David and Cornel (2022) assert that governance issues have been reported repeatedly by AGSA in the financial year, 2015/16 to 2020/21, however their recommendations are not fully implemented. The major issues identified by AGSA regarding the causes of fraudulent financial reporting are, the breakdown in internal controls and ineffective monitoring of the controls by those in charge. The concerns raised by AGSA increased as only 38 out of 257 municipalities received clean audit outcomes in the 2021-2022 financial year. Municipalities have been continuously encouraged by AG - to appoint officials with appropriate skills, focus on consequence management, budget effectively and strengthen internal controls - in order to achieve clean audits and to eliminate irregular, fruitless and wasteful expenditure (Chapfuwa and Jangara, 2023). Ndenze (2023) reiterates that the other major reason fraud and corruption are increasing in municipalities is due to appointing officials who are under investigation. Municipalities are encouraged to follow and adhere to the Municipal System Act and other laws and regulations when appointing officials (Ndenze, 2023). Makinana (2023) narrates that R5.19 billion was lost by municipalities due to material irregularities, mainly due to non-compliance with laws and regulation as well as suspected fraud. AGSA further raised serious concerns due to high levels of municipalities' irregularities amounting to R5.6 billion in 2024 (Felix, 2024). For instance, Kganyago (2022) reported that two former City of Ekurhuleni officials were found guilty and imprisoned for 10 years regarding a tender fraud, worth R21.8 million.

A study by Mukah (2020), reports that several micro-financial institutions in Cameroon experienced financial statement fraud due to unethical behaviour by management which compromised quality of the annual financial statements; the study covered the

period, 2013 to 2018. An online survey was conducted to collect data from a sample of 113 certified fraud-examiners and auditors with an audit and or investigation experience within the micro-financial sectors, around Cameroon. The results revealed that - audit confirmation which are made fraudulently, misstatement of financial information, inaccurate recording of expenses and spurious amendments made to accounting records - are the main determinants of fraudulent financial reporting. The authors recommended that companies need to introduce financial management ethics at the workplace and always check for frauds' red flags. Figure 10 shows some of the categories of fraud schemes in emerging economies.

Figure 10:Categories of fraud schemes in emerging economies



**Source:** Adapted from Ernst & Young (2010)

Kiragu, Wanjau, Gekara and Kanali (2013) pointed out that, in the case of Kenya, the banking sector losses approximately 5% in revenue per year, due to fraud and also that the country has the highest incidences of fraud, in the banking sector in Africa. Surprisingly, the authors indicated that there is no positive correlation between the increasing number of banks and fraudulent financial reporting. The major reasons for the negative correlation were attributed to high levels of integrity checks among staff members, tight fraud governance and maintaining of high ethical conduct in the banking sector (Kiragu, D. N., Wanjau, K. L., Gekara, M., Kanali, 2013).

According to Mirzay, Krishansing and Omoteso (2020), in Iran, gifts to auditors are not considered as threats, to their independence due to the Iranian culture, the study, hence, sought to understand the major threats to auditors' independence in Iran. To conduct the survey, 180 auditing firms and 49 financial media articles between 1994 to 2014 were sampled from Tehran newspapers. Mixed questionnaires which included both open and close-ended questions were used to collect data regarding auditors' independence in Iran. The results revealed that 13 of 49 (26.5%) media articles indicated that bribery exist in Iran, which is a serious threat to auditors' independence. Forty auditing firms responded to the questionnaires, and noted that - non-auditing of accounts, non-existence of audit committees and economic conditions - were regarded as major threats to auditors' independence in Iran (Mirzay Fashami, Krishansing Boolaky and Omoteso, 2020). The authors recommended that for future studies, other factors which will impact auditors' independence need to be considered and the implications of the FTM, need to be checked.

A study by Kassem and Higson, (2015) in the Egyptian context, revealed that internal fraud is the most risky and costly type of fraud. Four areas of fraud were studied - the efforts of internal and external auditors, as well as regulators' and researchers' efforts. It was observed that lack of proper accounting guidelines from the government increase the likelihood of fraud in Egypt. It was also discovered that fraud research conducted in the past was very limited, also the results should not be taken lightly since fraud was, extensively affecting many companies in Egypt, and the economy as a whole.

In their study Hosho, Matowanyika, Chinoda (2013) ten cotton depots in ninety-six locations were randomly selected from one region in Zimbabwe, in 2012; a total of sixty-two locations were visited by internal auditors. The head of internal audit of the cotton industry was also selected to respond purposively. Questionnaires were sent to all selected locations and interviews were conducted with the heads of internal audit in these depots. The results revealed that twenty six out of fifty-three (49%) locations which did not report any fraud during 2011 also did not have any internal audit visits, whereas, thirty five out of forty-three (81.4% locations visited by internal audit reported fraud (Hosho, Matowanyika, Chinoda, 2013). This study indicates clearly that internal audit function plays a pivotal role in the detection and prevention of fraud.

A study was conducted around Saudi Arabian banks to determine the effectiveness of fraud preventative measures. Twelve banks around Saudi Arabia were randomly selected, with one hundred and fifty questionnaires sent to employees of these selected banks. It was concluded that the fraud preventative measures around Saudi Arabian banks, such as - fraud and ethics training, penalties imposed and frequent disciplinary hearings with fraud perpetrators - were very effective. The measures taken under pressure element is less effective as compared to opportunity element, which is the more effective. Banking sector female employees in Saudi Arabia, it was established, tend to participate more in providing positive feedback regarding the effectiveness of the fraud strategies as compared to male employees (Hakami and Rahmat, 2019).

Zakari (2014) conducted a study on the non-implementation of IFRS by Libyan companies. A questionnaire was used to collect data from twenty-nine randomly-selected participants - twenty-two academics, three auditors and four accountants. The results of the study noted challenges experienced in Libya regarding the non-implementation of IFRS by companies, which increased the risk of financial statement fraud. The major challenges identified were, lack of proper education and economic issues, which had delayed the implementation of IFRS.

A study was undertaken in Uganda to determine understanding of the relationship between management of fraud risk and practices by management, in commercial banks in Kampala, Uganda (Nakkungu and Ssendagi, 2019). The study involved 24 commercial banks from which, 124 respondents were sampled randomly and these were - auditors, accountants, finance officials, branch managers and risk officials. A regression model was used to test the data; the analysis indicated that forensic accounting, financial reporting, and accounting information were the main fraud-risk management influencers. The study highlighted greed as the key cause of fraud, with forgery and altering cheques, being the most common types of fraud. The study found a positive relationship between financial management and risk management; in other words, the inappropriate handling of finances results in higher risk of accounting fraud.

According to Ejoh and Ejom (2014) although Nigerian industries appear to have control systems in place, in many cases, these are not effective, mainly because management either overlooks controls or colludes in overriding them. The sector with the highest

incidents of fraud was banking, whereas assets misappropriation was experienced by many European companies. The authors, hence, emphasised that inadequate training of staff members regarding the accounting and financial system, in an organisation, is one of the inherent limitations of internal controls and this can result in fraudulent financial reporting.

Paypers (2016) asserted that FTM can be used to compare different level of fraud in different countries, such Brazil. Brazil is a capitalist country with obvious different wealth-distribution levels according to the United Nation ranking; this means Brazilians need to work extended hours and this creates an incentive to commit fraud. A country like Brazil lacks regulatory-imposed controls which creates more opportunities to commit fraud and because of that, rationalisation also increases.

Tsegba and Upaa (2015) asserted that some companies in Benue State of Nigeria are unable to detect fraud since the FTM does not incorporate an element of unpredictability. A sample of 212 Professional Accountants (PA) and Academic Accountants (AA) was selected using a non-probability purposive sampling technique in order to obtain data regarding the consequences of committing fraud by PA and AA. A questionnaire was used to collect both primary and secondary data and the responses from the participants, as per the questionnaires were analysed using inferential and descriptive statistics. The results showed that PAs were worried about jail sentence as a consequence of committing financial statement fraud, whereas AAs were more concerned about losing their jobs (Tsegba and Upaa, 2015).

According to Abdullahi and Mansor (2018), the public sector in Nigeria has been experiencing major accounting scandals. A quantitative approach was used, a questionnaire was developed and given to 302 from randomly sampled employees and randomly sampled internal auditing departments, accounting departments, in an investigation in Kano State, in Nigeria. Data collected from the questionnaires was analysed using the Structural Equation modelling (SEM)(Abdullahi and Mansor, 2018). According to Joop & Timo, (2015) SEM is an important statistical technique model which is commonly used to detect science behaviour; this method is able to combine different variables when analysing the data. The results indicated that the FTM elements had a close connection with fraud existence in Nigerian public sector (Abdullahi and Mansor, 2018).

According to Fitri, Syukur and Justisa (2019) a sample of 270 public firms listed on the Indonesia Stock Exchange, were selected using non-purposive sampling method during 2013 to 2015 to investigate the motive behind fraud and manipulation of earnings. The Beneish model and FTM were used to analyse the financial reports of the sampled companies. Data was collected from the company's published annual financial reports and also collected by researchers, indirectly, through Indonesia's stock exchange website. The Beneish model score which was above 2.22, indicated fraud signals (Fitri, Syukur and Justisa, 2019). This model is most widely used by academics and businesses and its focus is on income manipulations.

Gyarteng (2014), argues that audit committees and external members sitting on a board of directors play a significant role in the prevention of fraudulent activities. Their effective roles will identify any risk of fraud risk factors. The Beneish model which used the M Score, analysed the reported earnings to determine any fraudulent financial reporting. The results of the study concluded that AngloGold Ashanti (AGA) in Ghana's financial statement fraud could not be confirmed since AGA has an M Score below 2.22 which indicated that there were no manipulating of earnings, during 2010 to 2012 (Amoa-Gyarteng, 2014).

Motshegwa, Mutonono and Mikazhu, (2019) conducted a study in Botswana and found that the lack of transparency regarding public funds can result in fraudulent activities. The study analysed newspapers and financial reports (secondary data) of the National Petroleum Funds of Botswana which was reported to have lost millions of Pula in 2017, due to fraudulent financial reporting. The authors emphasised that Botswana should follow similar approaches implemented by highly-developed countries such as China, Denmark, and New Zealand, where the issue of transparency is highly applauded, and perpetrators are heavily fined and prosecuted.

The Logistic regression analysis was used by Chen and Elder (2008) to investigate fraudulent financial reporting for a sample of 97 Taiwanese-listed firms to determine the relationship between fraud indicators according to the Taiwan standard of auditing 43 and fraudulent financial reporting. This method uses different variables which include - liquidity, debt, external audit quality, performance of the company's finances and independence of the board of directors - to ascertain if managers were

pressurised to commit fraud. The results revealed that firms with financial pressure are more likely to commit fraudulent financial reporting.

A study was conducted in Chile to determine the impact of auditors' rotation on the firm - whether it will be costly or will benefit the firm and its impact on detecting financial statement fraud. Sixty-five listed Chilean firms, with their corresponding external auditors, were selected randomly, from 2004 to 2013. A market model which determines whether an audit firm's rotation will be costly or save cost, was used to analyse the data. It was noted that firms which do not rotate their auditors experience an increase in their share prices, whereas those who rotate their auditors experienced the opposite (Aninat, Bustos and Riutort, 2016). The findings further showed that lack of external auditor's rotation tends to increase the risk of financial statement fraud, primarily due to a familiarity threat experienced by the auditors. Interestingly, the study identified La Polar, Chile's well-known retailer, as having been engaging in fraudulent practices for more than 5 years. External auditors, however, were not able to detect such practices since they were familiar with the firm, hence, had lost their independence; this resulted in the issuing of heavy penalties (Aninat, Bustos and Riutort, 2016). The main implication of these findings is that, as much as there are benefits associated with keeping the same audit firm, this exposes a company to familiarity threat, which in turn increases the risk of fraud not being detected. A mandatory audit firm rotation is, thus very necessary and regulatory firms have since included this requirements in their acts.

In the case of Thailand, Terdpaopong and Trimek (2015), attempted to determine the measures which could have been taken regarding the King Mongkut's Institute of Technology Ladkrabang (KMITL) cash embezzlement. A sample of 5 key internal auditors and 4 key police commanders were selected. The internal auditors selected were knowledgeable and with an excess of 10 years internal audit experience. The commanders selected were from the police station in Thailand, division 1 - a division of crime suppression and investigation unit. The results revealed that an amount of 1,58 billion bht (equivalent to R780 billion) was stolen at King Mongkut's Institute of Technology Ladkrabang (KMITL) in Thailand due to improper internal controls. This also caused the financial statements to be misstated. Questions were raised as to why management, internal and external auditors failed to prevent such an embezzlement.

Salman and Siddiqui, (2013) reported that, the Mehrangate Bank in Pakistan collapsed in the 1990s due to funds which were deposited into fictitious suppliers' accounts. The study revealed that ineffective corporate governance, political instability, and misuse of public funds by the Mehrangate Bank were the major causes of the fraud, which led to the bank being dissolved. This essentially shows that effective corporate governance and ethical culture are the pillars and foundations for any enterprise to fight against fraud.

Case of fraud in private sector in countries like Romania, is very high, especially with the current fast-growing technological systems and globalisation (Luminita, 2009). Audit procedures need to be established and internal controls processes need to be followed in order to reduce the risk of fraud and corruption in the private sectors (Luminita, 2009).

In India, a study was conducted to examine the significance of corporate governance and the ethical culture of Satyam Computers Limited in 2009. Satyam Computers Limited, an Information Technology company based in India, overstated its revenue with an estimated figure of \$1,5 billion (R22,5 billion) in 2009. This accounting scandal was mainly due to lack of integrity and accountability by the chairman, hence, unethical behaviour and governance issues were the primarily sources of the scandal (Lal Bhasin, 2013)

Said et al. (2017) investigated the internal controls in the banking sector in Malaysia; 108 questionnaires were sent to employees working in the 3 biggest public-listed banks in Malaysia. The criteria for selecting the banks were based on total assets value and market capitalisation, as published by Forbes and Bursa Malaysia. Data was analysed using regression, descriptive analysis, and factor analysis. The descriptive analysis focused on - gender, age, employment history, department worked in, salary and experience - of the employee selected; the factor analysis looked at - the three elements of FTM, ethical values and occurrence of employee fraud; the regression analysis tested the relationship between the factor analysis variables. The results found a negative correlation between employee fraud and ethical conduct. The researchers, therefore, recommended that the banking sector should strengthen its internal controls in order to reduce the opportunities and rationalisation which will mitigate employee fraud (Said, Alam and Ramli, 2017).

Imar Bank of Turkey misstated its financial statements by not accounting for major deposits amounting to \$5 billion dollars (R75 billion) which impacted negatively on the completeness of the collected revenue of the country (Yucel and Adiloglu, 2017). This was one of the biggest banking scandals in the history of the Turkish Republic and the world as a whole. The study found that Imar Bank was not transparent to its depositors, and due to this scandal, issuing of banking licences and adherence to banking regulations have been tightened in Turkey.

### **2.3 Summary**

This section covered the conceptual framework of Fraud Triangle Model and its key three elements - pressure, opportunities and rationalisation, which were discussed in detail. The fraudulent financial reporting concepts including the different types of fraudulent financial reporting were also discussed and examples provided.

The literature further reviewed fraudulent financial reporting and its cost implications from the perspective of both developed and emerging economies. The review showed that FTM has been used extensively globally in the analysis of fraudulent financial reporting.

The next section provides the methodology that was used for data collection and analysis to address the research questions.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter presents the research methodology adopted to investigate the research problem and objectives stated in the introduction section. Crotty (1998) explains a research methodology as the orderly scientific process of data collection, data analysis and testing of theories. It is a strategy or an action plan that justifies the choice and use of certain techniques. Basically, this pertains to the methods used for the research based on the – paradigm, design, approach, sampling, processes for data collection and analysis, as well as, the ethical considerations.

#### 3.2 Research Paradigm

A research paradigm refers to how the researcher sees the world. This is basically the principles which will give the researcher an overview of how the study will be conducted and interpreted (Kivunja and Kuyini, 2017). Kassem (2016) argues that the actions of researchers are guided by two research philosophies (paradigms) - ontology and epistemology.

Ontology comes from the Greek word, *ontos*, which means ‘a study’; ontology attempts to seek answers in order to make sense of something or experiences (Kivunja and Kuyini, 2017). Ontology is a description of our faith about real life. Assumptions regarding reality have to be made by researchers in order to understand how they arose and what more can be known about them. Researchers have to ask ontological questions in order to understand the type of reality which exists (Rehman and Alharthi, 2016); Kuhn (1970) added that a paradigm is what people of a scientific association share. A paradigm is what the members of a scientific community share; in other words, a scientific community consists of people who share a common paradigm.

Krauss (2015) indicated that epistemology is closely connected to ontology since reality philosophy can be known; it directs how we understand reality, whereas methodology recognises the particular processes used in achieving reality. Epistemology is derived from the Greek word *episteme* which stands for ‘knowledge’

(Kivunja and Kuyini, 2017). Rehman and Alharthi (2016) explicate 'epistemology' as a branch of philosophy which researches the type of expertise and the process by which knowledge is obtained and substantiated.

According to Kivunja and Kuyini (2017), many research paradigms which were proposed in the past have been grouped together; the three main ones of these philosophies are - positivism, Interpretivism (constructivism) and critical realism.

Positivist philosophy arose in the 19<sup>th</sup> century based on research conducted by Auguste Comte from France; it is governed by well-established laws and regulations and depends highly on experiments (Rehman and Alharthi, 2016). Kassem (2016) adds that positivism follow the tradition of what scientists believe in.

Interpretivism refers to viewpoints which, according to Chowdhury (2014), highlight the significance of people's behaviour and engagement, in both cultural and social contexts; interpretivists observe for reasons and motives behind humans' actions. Ryan (2018) added that researchers cannot distance themselves from what they believe in, as this assists them when collecting data for research purposes. Interpretivists believe in more than one reality, since these are constructed not tracked down (Rehman and Alharthi, 2016).

Critical realism theory emerged from the efforts of five researchers in the 20<sup>th</sup> century who were registered with the Institute of Social Research at the University of Frankfurt (Rehman and Alharthi, 2016). The theory uses both positivist and interpretivist methods to provide a comprehensive account of ontology and epistemology. The criticisms of the positivist and interpretivist theories led to the development of critical realism theory (Lawani, 2020). Researchers observe what transpired in the past in order to look forward, when adopting the critical realism theory (Ryan, 2018). According to Kassem (2016), realists believe in measuring and weighing research studies since they trust in analysing data which is accurate.

### **3.2.1 Justification for the use of the critical realism paradigm**

The objective of the present study was to evaluate the efficacy of FTM in the detection and prevention of fraudulent financial reporting in South African municipalities. This is

in line with the critical realism model, since it strives to understand the reasons for a phenomenon, and requires a detailed understanding of what is happening in the social world, and in this instance, in municipalities. Motivations behind concealment of fraud by management and responses by external auditors were evaluated using this model because in the process, political and economic issues can be uncovered (Barrett, Zachariadis, and Scott, 2010; Kassem, 2016; Kivunja and Kuyini, 2017).

Critical realism paradigm model was adopted for the current study as it builds on different issues, such as - economic, conflict, as well as political, social struggles at the different levels at which these issues might happen. This is also known as the “transformative paradigm”, which is associated with subjection, dialogic methods and axiology that favour agreed-upon rules (Kivunja and Kuyini, 2017).

### **3.3 Research approach**

According to Bryman (2012) there are two research approaches which researchers can select from based on the utilisation of the theory for research purposes. Inductive approach collect data first and then develop the theory based on data analysis, whereas the deductive approach’s theory starts with developing the hypothesis and then followed by a strategy which is used to test the hypothesis (Ghuri and Gronhaug, 2010).

The current study adopted a mixed or combine research approach, which are inductive and deductive approaches to take advantage of the strengths of both approaches. The deductive approach assisted in a review of previous study and to gain understanding of what has been achieved so far - this helps when designing research questions and method to collect and analyse the data (Kassem, 2016).

### **3.4 Hypotheses development**

The pioneering work by Cressey (1953) identified three fraud risk factors: pressure, rationalisation, and opportunity. Cressey (1953) argues that when the three risk factors co-exist, financial fraud will happen (Nakashima, 2017), however, the American Institute of Certified Public Accountants (2002) claimed that only the existence of one fraud risk factor is needed for the occurrence of financial fraud. This is consistent with

the assertion by Maria and Gudono (2017), that the existence of any of Cressey's fraud risk factors does not indicate that fraud has occurred but an indication of the likelihood of fraud in an organisation; thus, the fact that fraud has been rampant in many public sector organizations in South Africa in recent times, especially at the local government level (AGSA, 2019), makes it imperative to test the fraud triangle theory in the local government settings in South Africa.

Cressey's fraud risk factors, also known as the "fraud triangle", was used as a framework to develop the study hypotheses. This study hypothesises that the risk components of the fraud triangle model – pressure, opportunity and rationalisation – are associated with higher probability of fraud in financial reporting in South African municipalities. In mathematical terms, fraud can be viewed as a function of the three risk factors in the following general equation:

Fraud = f (Pressure, Opportunity, Rationalisation),

where each risk factor will be proxied by its related variables. The following variables were used in the study - pressure, opportunity and rationalisation.

### **3.4.1 Proxies for pressure risk factor**

Fraud usually occurs in many firms due to financial motives; Suyanto (2009) asserts that financial ratios are generally considered a useful tool for fraud detection in financial reporting. The author argues that unusual or unexpected changes in financial ratios provide an indication of the probability of fraudulent activities that may be carried out by the company's managers. SAS No. 99 considers financial ratio as one of the basic analytical procedures derived from a company's financial and operational data that help auditors to detect fraud (Latshaw and Elifoglu, 2003). Some studies have shown that when companies experience financial difficulties, there is a high risk of an underlying fraud, due to officials needing to meet financial targets and fraud can be easily, temporarily, concealed. On the basis of the foregoing discussions, one can conclude that there is a positive correlation between pressure and financial statement fraud (Aghghaleh, Shabnam and Zakiah, 2014).

The primary mandate of South African municipalities is to render effective and efficient services to the communities and financial difficulties can result in poor service delivery.

It is worth noting that budgets prepared by municipalities are usually politically driven, thereby, usually, increasing the risk of fraud (Maria and Gudono, 2017). Ozcan (2016) argues that a company with a high leverage might report higher profits in order to meet its debt obligations by manipulating figures in the financial statements. Sabatian and Hutabarat (2020) assert that fraudulent financial statements and financial targets are closely connected. Financial ratios that were utilized by this study include - financial leverage, liquidity, and profitability - which were used as proxies for the pressure risk factor.

Taking into consideration prior literature, this study hypothesizes that the preceding financial ratios are significantly associated with the probability of fraud occurrences in financial reporting, therefore, to examine the role of pressure as a critical element of fraudulent financial reporting in South African municipalities, the first hypothesis of this study is stated as follows:

**H1: There is a positive relationship between pressure and fraud in South African municipalities.**

Sub-hypothesis is:

**H1 a: High leverage ratio increases the tendency toward engaging in fraudulent financial reporting**

### ***Financial Leverage***

Financial distress (high financial leverage) provides a source of incentive to managers to commit fraud (Suyanto, 2009). Pearsons (1995) suggests that higher financial leverage ratio is correlated with higher probability of loan agreement violation and lower ability to obtain additional debt, through borrowing. Kirkos et al. (2007) argue that firms with high debt structure are more likely to be engaged in fraudulent financial statements, thereby, shifting the risk from shareholders to creditors; managers tend to manipulate earnings to meet the requirements of debt covenants. In this context, Amara et al. (2013) maintain that firms whose leverage ratio are significantly high are more likely to act in illegal manner.

This study used debt ratio (total liability/total assets) as a proxy for external pressure. Using debt ratio as a measure of financial leverage is widely employed in prior literature as an indicator for closeness to debt covenants (Lou and Wang, 2009; Manurung and Hadian, 2013); therefore, a sign of this variable is expected to be positive. This study predicted a positively and statistically significant relationship between debt ratio and fraudulent financial reporting occurrence.

### **H1 b: Low liquidity ratio increases the tendency toward engaging in fraudulent financial reporting**

#### **Liquidity**

Pearsons (1995), explains that firms with lower liquidity ratios have higher incentives to engage in committing financial fraud. Similarly, Kirkos et al. (2007) and Amara et al. (2013) affirm that firms with liquidity problems are more likely to engage in fraudulent financial statements than other firms. To portray a good picture of company's liquidity situation, managers may overestimate the value of their companies' assets or re-evaluate some liabilities. This study used, current assets/current liabilities, as proxies for liquidity position; sign of this variable is expected to be negative. This study expected an inverse and statistically significant relationship between liquidity ratio and fraudulent financial reporting.

#### **3.4.2 Proxies for opportunity risk factor**

Prior empirical research documented a significant association between ineffective internal corporate governance mechanisms and fraud occurrences. Beasley (1996) established that - board composition, board independence and board size - had an impact on the probability of fraud occurrences in financial statements. Klein (2002) concurs that corporate boards and audit committees, that are structured to work independently of management, are effective mechanisms to oversight internal control system and financial reporting processes. This suggests that when corporate governance is not strong, the internal control systems are more likely not to work well, leading to opportunistic behaviour by management and the occurrences of financial statement frauds. As pointed out by Lou and Wang (2009), strong and effective internal control systems ensure reliability of financial reports and deter financial fraud, while weaknesses in internal control system increases the probability of material

misstatements in financial reports. Nakashima (2017) also contend that ineffective corporate governance mechanisms are considered constraints that work as an inhibition for fraud occurrence.

This study used corporate governance mechanisms as proxies for opportunity risk factor; these are independence of audit committee, managerial ownership, and institutional ownership.

**H2: There is a positive relationship between opportunity and fraud in South African municipalities.**

**Sub-hypothesis:**

**H2 a. An increase in capital expenditure incurred by municipalities increases their tendency of engaging in fraudulent financial reporting**

Dissymmetry knowledge, between agent and principals, creates an opportunity for agents to carry out fraud in the financials, although, weaker internal controls also create an opportunity for the commitment of fraud. Capital expenditure can be manipulated in order to create an opportunity for fraud (Maria and Gudono, 2017); therefore, to explore the relationship between opportunity and fraud, the second hypothesis of this study is stated as follows:

**H2: There is a relationship between opportunity and fraud in South African municipalities**

### **3.4.3 Proxies for rationalisation factor**

The third component of the fraud triangle model, rationalization is considered a necessary element, yet an individual's rationale or justification is very difficult to observe (Amara et al., 2013). Skousen et al. (2009) and Suyanto (2009) maintain that managers' rationale or attitude is not easy to measure, which make it very difficult to find out accurate risk factors, as proxies for rationalization; auditors cannot easily know what a manager's beliefs and ethical standards are. To increase the element of doubt, some prior empirical studies, for instance, Person (1995); Kirkos et al., (2007) and Aghghaleh et al. (2014) did not include risk factor proxies for rationalization in their

empirical studies because of the limitation or unavailability of public data to surrogate for managers' rationales or attitudes.

Suyanto (2009) and Nakashima (2017), on the other hand, claim that auditors may be aware of some logical reasoning behind the possible presence of managers' attitude that induces their fraudulent behaviour. These may include - auditor changes, audit opinions, audit quality, and accruals - as proxies for rationalization concerning managers' discretions. This study used total accruals and quality of external audit as proxies for rationalization of risk factor. This study, therefore, hypothesizes that:

**H3: There is a relationship between rationalisation and fraud in South African municipalities.**

Sub-hypothesis:

**H3 a. Auditing by Auditor General South Africa (AGSA) decreases the tendency toward producing fraudulent financial statements**

### **Quality of external audit**

AGSA provides better audit quality, thus reducing municipalities' opportunities to become involved in committing financial frauds, by focusing on three key elements - leadership, governance and financial management (Motubatse, Ngwakwe and Sebola, 2017) . The study uses the number of clean audits from 2015/16 to 2020/21, as reported by AGSA, as a proxy for quality of external audit. A period of six years will provide a reasonable trend on how the municipalities performed from the earlier years in the financial years of 2015/16 and the more recent ones of 2020/2021. According to AGSA (2019), the number of municipalities which received unqualified audit opinions decrease from 171 in 2015/16 to 116 in 2020/2021 financial years, which is of great concern.

A positive relationship between the number of clean audits and the quality of external audit, hence, is expected.

### **H3 b. Total accruals reflect the tendency toward engaging in fraudulent financial statements**

#### **Total accruals**

Skousen et al. (2009) argue that total accruals represent managers' rationales and decisions and provide insights into the rationalization behind their financial reporting. Prior literature, regarding earnings' management - estimating firm's discretionary accruals from its total accruals - concluded that discretionary accrual is a metric that provides insights into managers' discretionary behaviour (Skousen et al., 2009; Nakashima, 2017).

This study used accruals ration (surplus - operating and investing cash flows) divided by total assets as a proxy for total accruals. It is hypothesized that municipalities manipulating earnings are more likely to rationalize their fraudulent financial reporting.

From the public sector perspective, auditee's rationalisation to commit fraud can be observed from communication of findings and audit reports (Maria and Gudono, 2017). According to Prayatna and Fitriany (2015), the likelihood of increasing accounting irregularities is positively impacted by rationalization.

### **3.5 Research design**

According to Ghauri, Gronhaug and Strange (2020) a research design provides a framework which is used for collection and analysis of data. Kumar (2011) regards a research design as a plan and strategy which will assist in obtaining data to answer research questions.

Research designs are generally divided into three forms - explanatory, descriptive and exploratory. The descriptive design gives a clear view of certain circumstances or affairs regarding how items are connected when they eventually occur. This form is most suitable for new or under-explored research areas (Lelissa, 2018).

Lelissa (2018) also posits that exploratory design is applicable when there is limited information regarding a research topic. This design is used to analyse a research area in detail (Gounder, 2012). The explanatory design seeks to find answers as to how and why things are happening the way there are (Rajasekar, Philominathan and

Chinnathambi, 2013). Descriptive information is analysed and explained in detail. The reasons and causes of events together with corroborating evidence can be obtained through explanatory design (Lelissa, 2018).

This study focused on the application of FTM in the detection of fraud in South African municipalities, hence, the explanatory design was deemed appropriate in clarifying fraudulent financial reporting in municipalities. The other reason for adopting this research design was based on the fact that similar previous research studies, had set a precedent.

### **3.6 Population and sample**

#### **3.6.1 Population**

Sekaran and Bougie (2009) define population as the entire group of people, events, or things of interest that the researcher wishes to investigate. The population for this study was all the 257 municipalities in South Africa audited by AGSA in the five financial years, 2015/2016 to 2020/2021. These were - 205 local, 44 districts and 8 metropolitan municipalities - in South Africa (AGSA, 2019). A period of six years was deemed long enough to provide a reasonable trend on how the municipalities performed - from 2015/16 to 2020/2021 financial years.

#### **3.6.2 Sample**

A sample is a subset of the population selected for study. By studying the sample, a researcher should be able to draw conclusions that are generalisable to the population of interest (Sekaran and Bougie, 2019). All 257 South African municipalities were selected for testing, despite their audit outcomes - qualified or unqualified - for the selected 6 years period.

### **3.7 Data**

The data collected for the study was based on the three components of the FTM - pressure, opportunity, and rationalization (Özcan, 2016). Data was extracted from published audited financial statements of the sampled municipalities, AGSA website

and local governments' websites. Microsoft excel was used to organise the data and logit regression model code employed to analyse the data (Yusof, 2016).

The independent variables are - pressure, opportunity, and rationalisation - as being the FTM elements. A proxy was used to measure the independent variables as they are difficult to measure directly. Based on previous studies, like Maria and Gudono, (2017), financial ratios were used to measure indicators of financial condition and internal control systems for both pressure and opportunity (Yusof, 2016; Maria and Gudono, 2017) and rationalisation was measured by determining the compliance with laws and regulation, by the municipalities. The independent variables, indicators, corresponding proxies' indicators, description and coding are presented in Table 2.

Table 2 : Fraud Triangle Model, indicators, corresponding proxies, descriptions and coding.

Independent Variables	Indicators	Proxies	Description	Coding
<b>Pressure</b>	Financial efficiency	Financial leverage	$(Total\ liability) / (Total\ Assets)$	LEV
	Financial position	Liquidity	$(Current\ assets) / (Current\ liabilities)$	LIQ
<b>Opportunity</b>	The complexity of the transaction and the organization	Capital Expenditure	Capital expenditure per municipality/Total provincial municipality expenditure	CAPEX
<b>Rationalisation</b>	Audit reports	Quality of external audit	Number of clean audits.	QEA
	Annual financial statements	Accrual ratio	$(Surplus\ less\ cash\ flows) / (Total\ assets)$	AR

**Source** : Adapted from Maria and Gudono (2017), p.238.

### 3.8 Model Specification

As stated in the problem statement in Chapter 1, this study investigates the extent to which the three risk components of the FTM (Pressure, Opportunity and Rationalisation) can be used to detect fraudulent financial reporting in South African municipalities. The theoretical relationship between fraud and FTM variables is shown in the following general function:

$$Fraud_t = f(Pressure_t, Opportunity_t, Rationalisation_t)$$

where:

- Pressure represents the extent to which the manager in authority has a motivation to become involved in committing financial fraud.
- Opportunity represents to what extent financial fraud could be committed due to weak corporate governance mechanisms or ineffective internal control systems.
- Rationalization represents to what extent the attitudes or ethical values of managers in authority would allow them to engage in financial fraud (Nakashima, 2017).

Nakashima (2017) explains that it can be expected that if - pressure, opportunity and rationalization - equal 0, then it is expected that fraud will be equal to 0. On the contrary, if all the three risk components co-exist in any given situation, the probability of fraudulent financial statements occurrence would be very high.

### 3.9 Empirical model

Since the dependent variable, fraud, is a dummy variable, the study used the logistic regression model to analyse the relationship between fraud risk factors and fraudulent financial statements. Most researchers frequently used this model because the relationship and strength between independent and dependent variables are identified and predictions are also made (Mooi, 2016). The empirical model includes risk factors

related to - pressure, opportunity and rationalization - that lead to the probability of committing fraud in the financial statements.

The following logistic regression model was used to test the stated hypotheses:

$$Fraud_i = \beta_0 + \beta_1 LEV_i + \beta_2 LIQ_i + \beta_3 CAPEX_i + \beta_4 QEA_i + \beta_5 TA_i + \varepsilon_i$$

where:

FRAUD = Coded 1, if the municipality experienced qualified audit report previously, and 0, otherwise.

$\beta_1 \dots \dots \beta_n$  are the coefficients of the independent variables (pressure, opportunity, and rationalization)

LEV = Financial leverage (Total Liability/Total Assets)

LIQ = Liquidity (Current Assets/Current Liabilities)

CAPEX= Capital Expenditure (Capital expenditure per municipality/Total provincial municipality expenditure).

QEA = Quality of external audit (Number of clean audit reports).

AR= Accruals (Surplus less cash flows from investing and operating activities/Total assets)

$\varepsilon_i$  = Error term.

### 3.10 Ethical considerations

Application of suitable ethical principles is regarded as absolutely necessary in research, especially, when dealing with human subjects (Parveen and Showkat, 2017). This study was subjected to the University of Venda's ethical requirements, hence, it adhered to the same ethical principles as stipulated by the University of Venda Research Ethics Committee. This study used secondary data which is accessible to everyone on internet, therefore, there were no participants required for the purpose of this study.

### 3.11 Chapter Summary

This chapter presented the methodology used for the study. The critical realism paradigm which was explanatory was applied because it can examine different issues, such as - economic, conflict as well as political, social struggles at different levels in which these issues might happen. The population was all municipalities in South Africa. Data in the form of audit reports and audited annual financial reports were collected from the internet. Microsoft Excel was used to organise the data imported into Stata Software and the logistic regression model was used to analyse the data. Minimum ethical principles were adhered to as the study did not involve human participants and the data is readily available to the public on the internet.

## CHAPTER 4

### RESEARCH RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter presents and discusses the results of the data analysis using Stata Perpetual Statistical Software version 18. The rest of the chapter is organised as follows - Section 4.2 presents the descriptive statistics of the dependent, independent and control variables; Section 4.3 focuses on correlational analysis for all the variables. This was followed by the logistics regression analysis in Section 4.4 and the chapter concludes with a summary of the findings in Section 4.5

#### 4.2. Descriptive statistics (Univariate statistics)

Generally, the first step in an analysis of data is to investigate each variable separately by examining the range of values, measures of central tendency, and the standard deviation of the values. The primary purpose of univariate analysis is to describe each variable on its own based on its descriptive statistics. Descriptive statistics, therefore, gives us a general idea about the characteristics of the study variables. The following descriptive statistics are presented in Table 3 - mean and standard deviations for the dependent and independent variables. The independent variables are - LEV (Financial Leverage) and LIQ (Liquidity) (which are all proxies for pressure risk factors), and the AR (Accrual Ratio) (which is the proxy for rationalisation). Opportunity risk factor is measured by CAPEX (Capital Expenditure). The dependent variable is Fraud which refers to a qualified audit (for example, a disclaimer or adverse).

**DEPENDENT VARIABLE (FRAUD):** This variable is proxied by qualified audit/unclean audit.

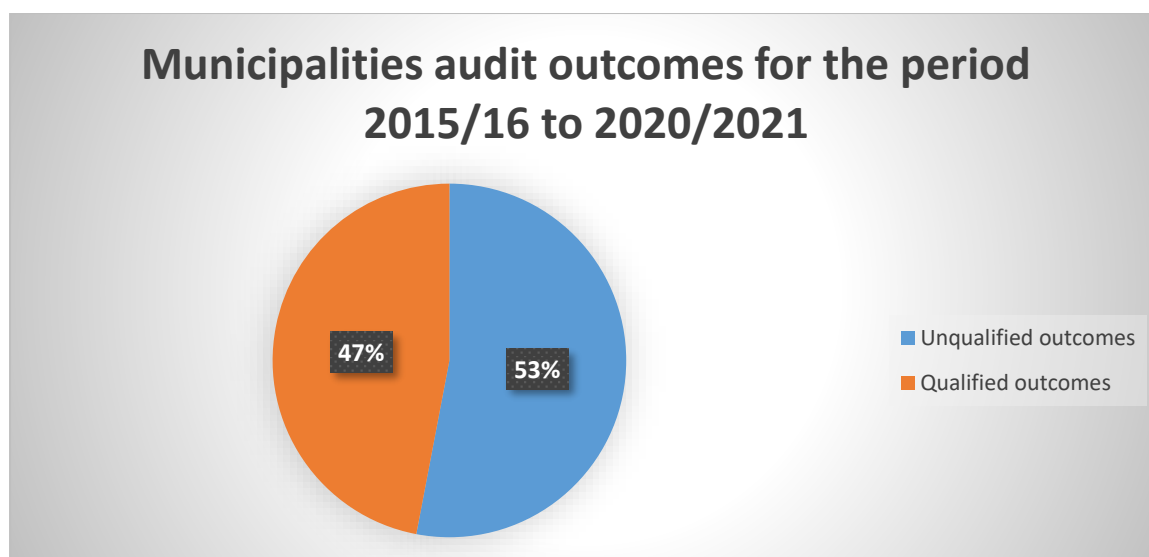
Table 3: Descriptive statistics for dependent and independent variables

Variable	Mean	Std. dev.	Observations
Qualified audit (Fraud)	0.470	0.360	1,542
LEV	0.287	0.314	1,538
LIQ	1.345	14.163	1,538
AR	0.014	0.258	1,537
CAPEX	0.035	0.061	1,542

Table 3 shows that 47% of the municipalities had qualified audits, implying that 53% (100%-47%) had unqualified audits over the six years period (AGSA, 2019, 2021; Somyo, 2022). The implication is that municipalities with qualified audit reports had experienced a high risk of fraudulent financial reporting; this is consistent with AGSA's reports of 2021.

This is displayed in the pie chart below:

Figure 11: Municipalities audit outcomes for the 6 years period



## LEVERAGE

As shown in Table 3, the average values for the fraud risk factors (independent variables) can be explained as - First, the mean of 0.287 for LEV suggests that for a one-unit increase in LEV, we expect 0.287 increase in the likelihood of the dependent

variable (fraud) occurring. This is consistent with findings by prior studies, such as Spathis (2002) and Natalia et al. (2017).

## **ACCRUAL RATIO**

Secondly, the mean of 0.014 for AR suggests that, for a one-unit increase in AR, we expect 0.014 increase in the likelihood of the dependent variable (fraud), occurring. It can be concluded that there is a low probability of fraud occurring as the AR risk is relatively low. This is consistent with the findings by prior studies, such as, Wadhwa, Saini and Kumar (2020).

It can be noted that municipalities with qualified audit have lower accruals ratio than those with unqualified audits. This result is consistent with some prior studies which reported that the quality of earnings in municipalities with qualified audit is much lower than that of municipalities with unqualified audits (Wadhwa, Saini and Kumar, 2020; Fikry Mehanna and Mahmoud Soliman, 2021).

## **CAPEX**

Table 3 shows that CAPEX has a mean of 0.035 indicating that for a one-unit increase in CAPEX, we expect 0.0035 increase in the likelihood of the dependent variable (fraud). This suggests a low probability of fraud occurring when there is a CAPEX risk. This is consistent with findings by prior studies, such as, Maria and Gudono (2017).

According to AGSA (2019, 2021), municipalities with capital expenditure are more likely to commit fraudulent financial reporting by understating their expenses. The reason for a lower mean is usually due to low spending by municipalities. This is supported by AGSA reports which indicate that majority of municipalities surrender their revenues at the end of each financial year, due to underspending.

#### 4.2.1 Qualified and Unqualified audits by Province and Municipality

Figure 12: Number of municipalities with qualified and unqualified audits for the period 2015/16 to 2020/21

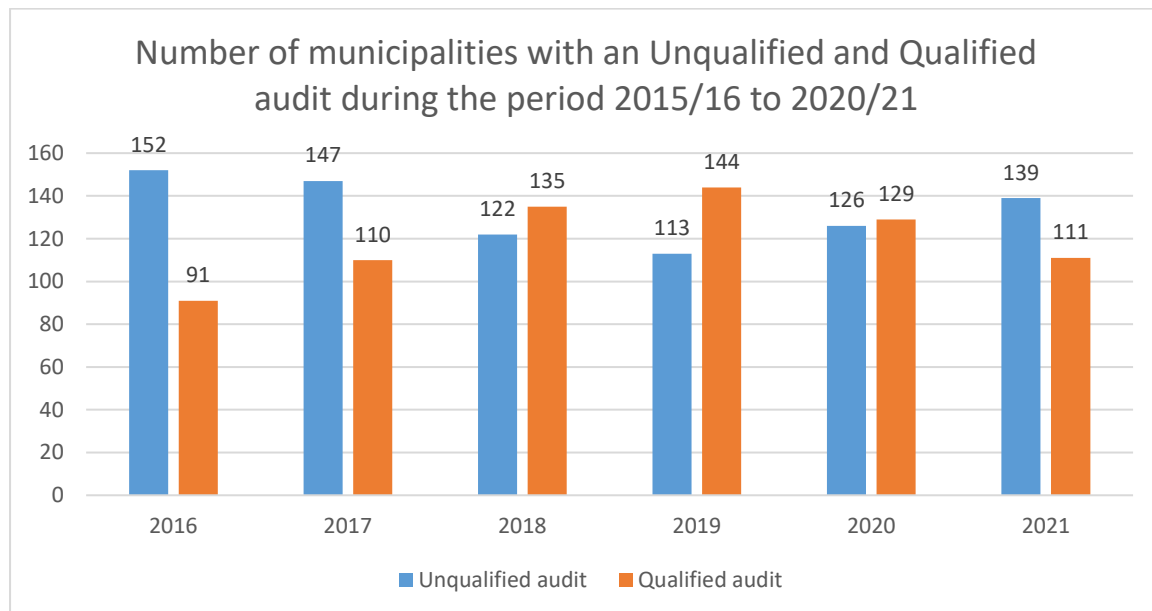


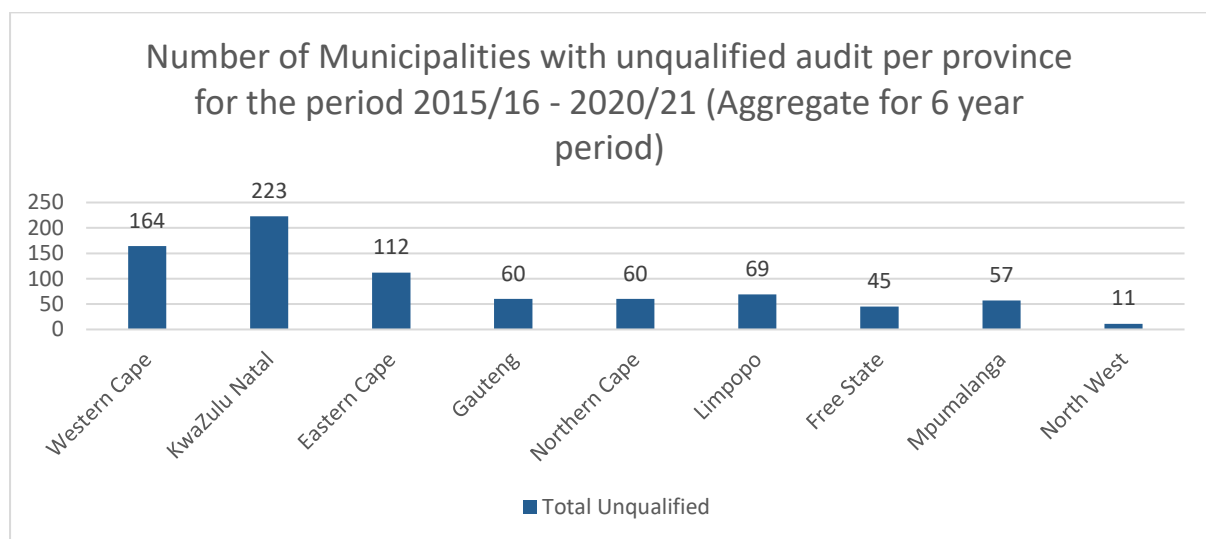
Figure 12 presents the number of South African municipalities which received, either a qualified or unqualified audit outcome for the 6-year period. A total of 152 municipalities received an unqualified report during the financial year 2016 as compared to 91 municipalities which received a qualified audit, whereas 14 audits were not finalised on time. The year, 2016 was when the highest number of unqualified audits were observed.

The number of municipalities with unqualified audit reports declined by 5 in 2017, whereas those with qualified audits increased to 110. The number of unqualified audit outcomes further dropped to 122 and 113 in 2018 and 2019, respectively, while the number of qualified audits increased to 135 and 144 in 2018 and 2019, respectively. In 2020 and 2021, however, the number of unqualified audits increased to 126 and 139 respectively, unqualified audits declined to 111, in 2021.

From 2016 to 2019, the number of qualified audits increased, although, the number started to decline from 144 in 2019 to 111 in 2020. This can indicate that the audit provided by AGSA is of high quality and it decreased the tendency of municipalities to

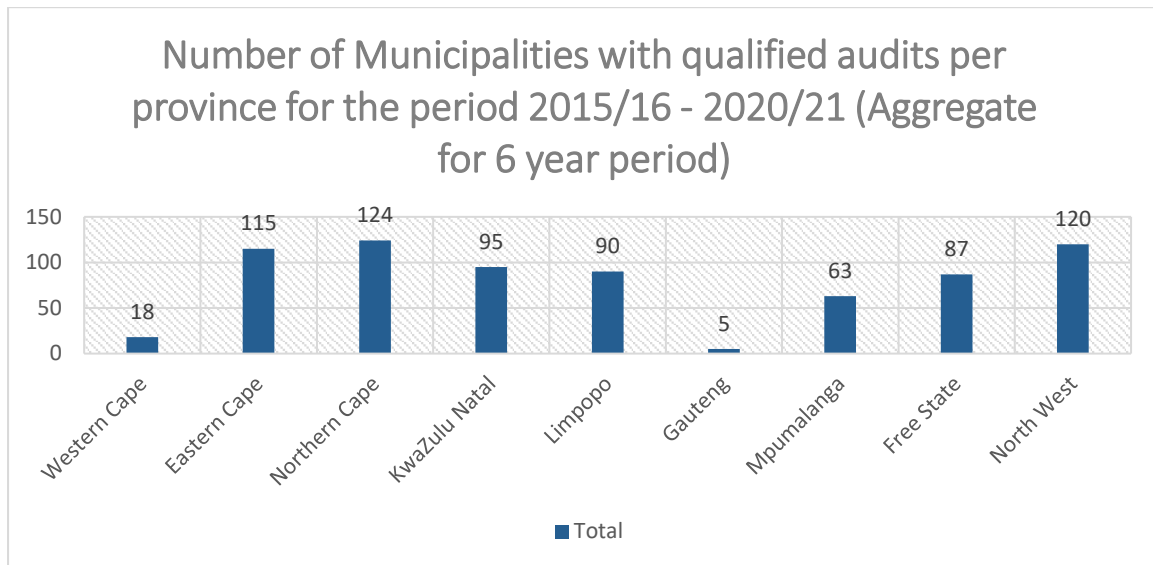
engage in fraudulent financial reporting. This point is also supported by the tremendous increase in the number of unqualified audits - from 113 in 2019 to 139 in 2021. This is consistent with prior studies such as Motubatse, Ngwakwe and Sebola (2017); AGSA (2019 & 2021) and Somyo (2022). This is further supported Auditor-General, South Africa's report of (2022), which narrated that the number of clean audits has improved by 24% from 2016/17 to 2020/21 financial years.

Figure 13: Number of municipalities with unqualified audit, per province, for the period 2015/16 - 2020/21 (Aggregate for 6-year period)



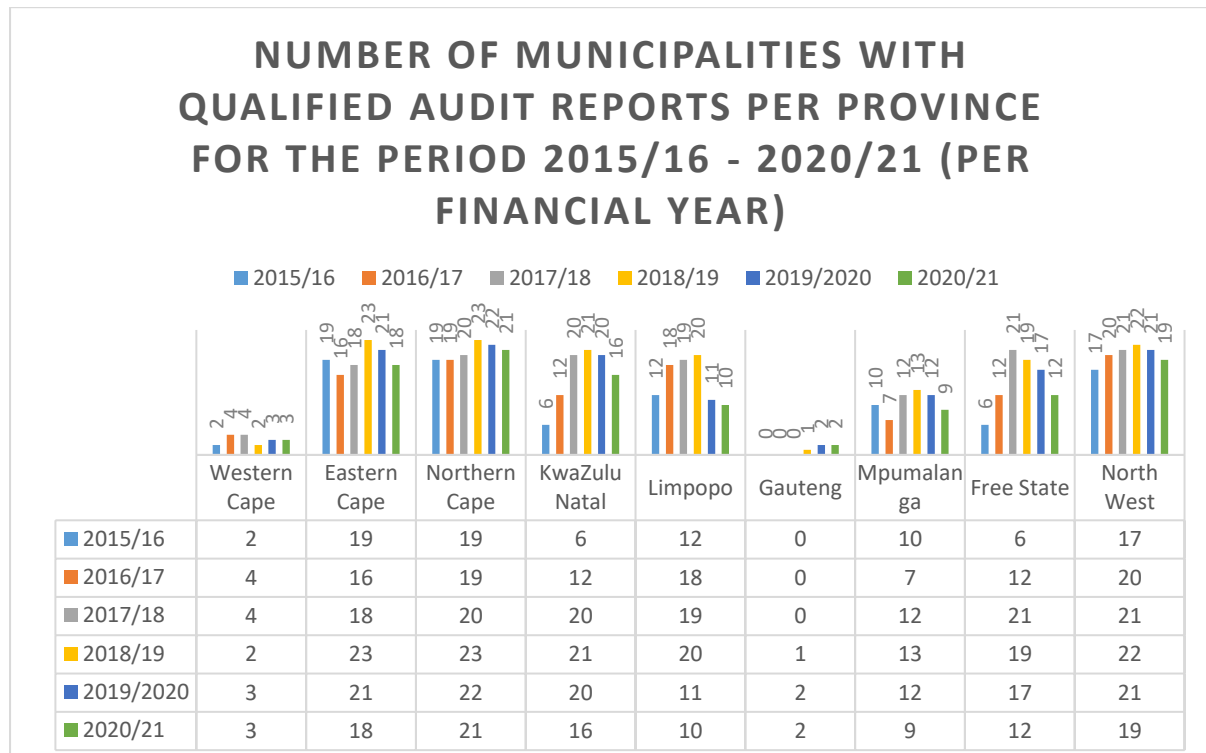
A total of 223 municipalities in Kwazulu Natal obtained the overall highest number of unqualified audits for the period 2016 to 2021, whereas Northwest municipalities performed very poorly, with only 11 municipalities receiving unqualified audits in aggregate for the 6-year period. Western Cape and Eastern Cape's municipalities are ranked number 2 and 3, with 164 and 112 unqualified audit reports in aggregate. Gauteng and Northern Cape municipalities received 60 positive outcomes, during the 2016 to 2021 financial years. Limpopo municipalities performed better than 5 municipalities with an overall 69 unqualified audits reports.

Figure 14: Number of Municipalities with unqualified audit, per province, for the period 2015/16 - 2020/21 (Aggregate for 6-year period)



According to Figure 14, Gauteng received an impressive 5 qualified audits reports in aggregate for the period 2016 to 2021, whereas Northern Cape received the highest number of qualified audits of 124 municipalities which had performed poorly. The second municipality with the highest number of qualified audits is Northwest with 120 qualified reports followed by Eastern Cape with 115 qualified reports. Even though KwaZulu Natal obtained the highest unqualified audits, it still performed poorly by obtaining 95 qualified audits. Limpopo and Free state both obtained 90 and 87 qualified audits respectively.

Figure 15: Number of Municipalities with unqualified audit per province for the period 2015/16 - 2020/21 (Aggregate for 6-year period)



Gauteng Province recorded an impressive 5 qualified audit reports in the 6-year period. There was no qualified audits reported in 2016, 2017 and 2018. One qualified audit was reported in 2019 and increase to 2 qualified audits in both 2020 and 2021, each.

Western Cape recorded the second lowest number of qualified audits after Gauteng; 2 qualified audit reports were reported in 2016 and 2019 and 4 qualified audit outcomes were achieved in both 2017 and 2018, being the highest reported within the 6-year period. The number of qualified reports then decreased to 2 in 2019 and then increase again to 3 qualified reports in both 2020 and 2021.

Northern Cape recorded the highest number of qualified audits reports, of which 23 were reported in 2019. The financial year 2016 and 2017 showed 19 qualified audit reports each, while 2020 and 2021 reported 22 and 21 qualified audit reports, respectively.

Northwest reported the second highest number of qualified audit reports; 17 qualified reports were obtained in 2016, this number then increased to 20, 21 and 22 in 2017,

2018 and 2019 respectively. The qualified reports declined to 21 in 2020 and 19 in 2021.

Eastern Cape then followed Northwest with the highest number of qualified reports at 19 which were reported in 2016 and was consistent with Northern Cape. The number of qualified reports dropped to 16 in 2017 and then increase to 18 and 23 in 2018 and 2019, respectively. The qualified reports dropped to 21 and 18 in 2020 and 2021.

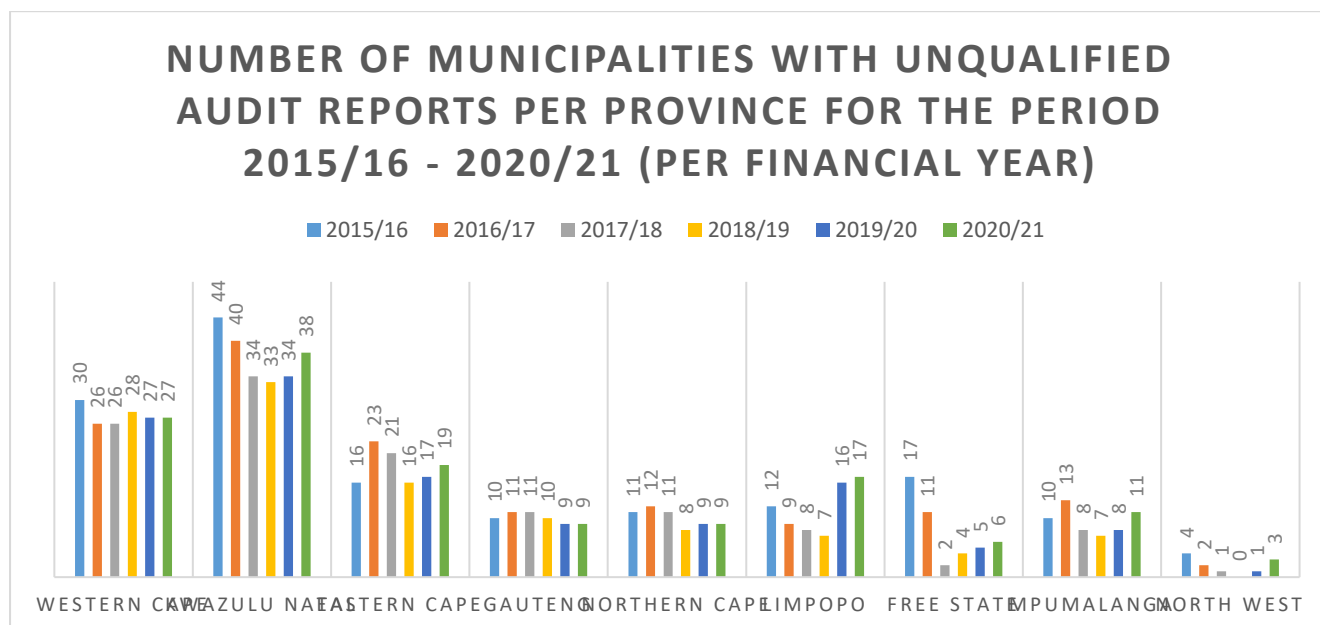
A total number of 6 qualified reports was obtained by KwaZulu Natal in 2016. The number then increased to 12, 20 and 21 in 2017, 2018 and 2019 respectively. In 2020, there were 20 qualified reports achieved, which was consistent with 2018 financial year. The number of qualified reports in 2021 dropped to 16.

Limpopo started well in 2016 with 12 qualified reports. The number then increased in 2017, 2018 and 2019 with 18,19 and 20 qualified reports obtained, respectively. The year 2020 and 2021 indicated a drop in qualified reports to 11 and 10 which was similar to the 2016 financial year.

Mpumalanga achieved 10 qualified audits in 2016, which then dropped to 7 in 2017. The number then increased to 12 and 13 in 2018 and 2019, respectively. The number of qualified audits in 2020 was the same as 2018, with 12 qualified audits. The year 2021 reported 9 qualified audits.

Free State started with 6 qualified audits in 2016, which is the same as KwaZulu Natal. The qualified audits increased to 12 and 21 in both 2017 and 2018, respectively. The qualified audits dropped to 19,17 and 12 in 2019, 2020 and 2021, respectively.

Figure 16 : Number of municipalities with unqualified audit reports per province for the period 2015/16 to 2020/21



KwaZulu Natal performed extremely well in all the selected financial years with the highest unqualified audit outcomes of 44 in 2016 followed by 40 in 2017. The number of unqualified reports declined to 34 in 2018, which is the same number as in 2020. For the year 2021, there was a slight increase of unqualified audit, which added up to 38.

Western Cape had the second highest number of unqualified audits outcomes. There were 30 unqualified audits in 2016, which then decreased to 26 in 2017 and 2018. The number increased by 1 in 2019. For the remaining two years, there were 27 unqualified audits each, in 2020 and 2021.

Eastern Cape receives the third highest number of unqualified audits; 23 unqualified audits were reported in 2017; 2016 and 2019 received 16 unqualified audits each. The outcomes in 2021 increased to 17 unqualified audit reports.

The number of unqualified audit reports in Gauteng was very constant with, 10 unqualified audit reports in 2016 and 2019, whereas 11 unqualified audit reports were

recorded in 2017 and 2018, each. There was a decline in the number of unqualified reports from 10 in 2019 to 9 for 2020 and 2021 each.

Northern Cape also received a constant number of unqualified audit reports for 2016 and 2018, each received 11 unqualified audit reports; 2020 and 2021 received 9 unqualified audit reports each, similar to the reports obtained by Gauteng in those years.

Limpopo Province started well in 2016 with 12 unqualified audit reports which then declined to 9, 8 and 7 reports in 2017, 2018 and 2019, respectively. The number of unqualified audit outcomes increased to 16 and 17 in 2020 and 2021, respectively.

Free State started well in 2016 with 17 unqualified reports, this was followed by a decline to 11 in 2017 and 2 reports in 2018. The number of unqualified audits then increased to 4, 5 and 6 in 2019, 2020 and 2021.

Mpumalanga recorded 10 unqualified audits reports in 2016; followed by 13 in 2017. The number then dropped to 8 unqualified audits in both 2018 and 2020 which then increased to 11 in 2021.

North West recorded the lowest number of unqualified audits in all 9 provinces; 4 unqualified audits are reported in 2016, which then decreased to 2 and 1, in 2017 and 2018, respectively. There were no unqualified audits reports in 2019; this is the only municipality, for the 6-year period, where there were no unqualified audits. Only 3 unqualified audits were reported in 2021.

### 4.2.3 Analysis of FTM proxies by province

Table 4: Averages of proxies by province

Province	LEV	LIQ	AR	CAPEX
Eastern Cape	0.16	1.83	0.02	0.01
Free State	0.40	-3.11	-0.04	0.05
Gauteng	0.55	0.77	0.02	0.02
KwaZulu-Natal	0.16	2.33	0.04	0.04
Limpopo	0.21	1.81	0.05	0.02
Mpumalanga	0.32	1.67	0.00	0.04
North-West	0.39	1.13	-0.12	0.05
Northern Cape	0.43	1.00	0.04	0.04
Western Cape	0.32	2.44	0.04	0.05

#### 4.2.3.1 Financial Leverage per province

Municipalities with higher financial leverage ratio above 0.00 are more likely to commit fraud and the ratio is expected to be positive in order to indicate fraud risk. This is supported by Fikry Mehanna and Mahmoud Soliman (2021), who maintained that illegal acts are likely to be committed by high leverage municipalities.

The Table 4 shows that Gauteng has the highest LEV (0.55) as compared to other provinces, which indicates that the risk of pressure fraud is very high in Gauteng. Eastern Cape and KwaZulu Natal, have LEV of 0.16 each, which indicate that the pressure fraud risk factor is low in these provinces. Northern Cape and Free State have a LEV of 0.43 and 0.40 respectively, which is still high and indicate the likelihood of fraudulent financial statements. The LEV of Limpopo, Mpumalanga, North-West and Western Cape are below 0.40 which indicate that the probability of fraud is there but on a low scale.

#### 4.2.3.2 Liquidity per province

The lower the liquidity ratio, the more likely fraud will be committed; this ratio is likely to be either negative or much lower than zero (Mehanna and Soliman, 2021).

Free State had the lowest liquidity with an average proxy of -3.11, which indicates that the likelihood of fraud is very high, followed by Gauteng with average proxy of 0.77, Northern Cape with average proxy of 1 and North West with average proxy of 1.13. The likelihood of fraud is very low in Western Cape with average proxy of 2.44, followed by KwaZulu Natal and Eastern Cape with average proxies of 2.33 and 1.83, respectively. The probability of fraud at Mpumalanga and Limpopo is minimal with average proxy of 1.81 and 1.67, respectively.

#### **4.2.3.3 Accrual ratio per province**

The accruals proxy measures the current assets to current liabilities. The ratio above 0 indicates risk of fraud. Negative ratios indicate that the company is making losses, and the probability of fraud is lower.

The current assets to current liabilities ratio, for Free state and Northwest are negative with average proxy of -0,04 and -0,12, respectively, which may be attributed to losses experienced.

Limpopo has the highest average proxy of 0.05 followed by Kwazulu Natal, Northern Cape and Western Cape with average proxy of 0.04 each, which illustrate that the risk of fraud is high as well. The average proxy of Gauteng and Limpopo were 0.02 each which indicates a lower risk.

#### **4.2.3.4 Capital expenditure per province**

Capital expenditure for municipalities is used to deliver the services to community. The higher the CAPEX, the likelihood of fraud. Municipalities with an average proxy above 0 (positive) are more likely to commit fraud (Wadhwa, Saini and Kumar, 2020).

Northwest, Free State and Western Cape have high average CAPEX for the period, at 0.05 each, which creates more opportunity to commit fraud. Northern Cape, Mpumalanga and KwaZulu Natal are the second highest provinces with an average proxy of 0.04 each and the chance to commit fraud is high.

Limpopo, Gauteng and Eastern Cape have a lower average proxy of 0.02, 0.02 and 0.01, respectively, which indicates a low risk of fraud.

#### 4.2.4 Averages of proxies used in the study, by year

Table 5: Averages of proxies used in the study by year.

Year	LEV	LIQ	AR	CAPEX
2016	0.241	1.617	0.018	0.035
2017	0.278	1.713	0.006	0.035
2018	0.272	1.814	0.040	0.035
2019	0.304	-0.441	0.020	0.035
2020	0.304	1.589	-0.008	0.035
2021	0.320	1.758	0.010	0.035

Table 5 shows the model estimation of the average proxies used in the study. Leverage and liquidity measure pressure risk factor, whereas accrual ratio is measuring rationalisation risk factor and capital expenditure measures the opportunity risk factor.

#### LEVERAGE (LEV)

The leverage is measured by total liabilities to total assets. A high leverage is either due to an increase in total liabilities or decrease in total assets. The increase in total liabilities indicates that municipalities have a higher debt ratio. An increase in leverage indicates more debt which municipalities are accumulating, and this can result in fraudulent financial reporting, if those debts are not managed properly. The positive leverage above 0 but below 0.5 is considered a low risk of fraud (Amara, Jarboui & Amar, 2013 and Mehanna and Soliman (2021)).

Leverage in 2016 started at 0.241 and increased to 0.278 in 2017, which indicates that there was an increase in debts by municipalities. In 2018, LEV decreased to 0.272 due to either an increase in total assets or decrease in liabilities, however, the LEV increased in 2019 and 2020 to 0.304 for each financial year. The 2021 financial year had the highest LEV of 0.320. LEV moves between 0.2 and 0.3, which also poses a lower risk of fraud. This is consistent with literature (Amara, Jarboui & Amar, 2013 and Mehanna and Soliman, 2021)

## **LIQUIDITY (LIQ)**

LIQ is measured by current assets to current liabilities. Current assets assist municipalities to render services on a short term and current liabilities indicate short-term debts. High LIQ is either due to higher current assets or lower current liabilities. The lower the liquidity, the probability of fraud increases, hence, liquidity below 0 are more susceptible to fraud (Persons, 1995; Lou & Wang, 2009 and Mehanna & Soliman, 2021).

The average proxies for 2018 were the highest at 1.814 which indicated that there was an increase in current assets, and this was followed by an average proxy of 1.758 and 1.713 in 2021 and 2017, respectively. The 2020 and 2016 financial years had the second and third lowest average proxies which illustrated higher risk of fraud. The financial year 2019 has the lowest with a negative average proxy of -0.441 which indicated an increase in short-term debt, lower current assets and higher risk of fraudulent financial reporting. From the Table 5, it was clear that liquidity has the lowest pressure risk factor for all financial years, except 2019, where the risk factor was too high. All average proxies for LIQ below 0 indicate high risk. This indicates that the current liabilities exceeded the current assets which means an increased risk of fraud at financial statement level. This is consistent with literature from Persons (1995) and Wadhwa, Saini and Kumar (2020), thus, there is a positive correlation between pressure risk factor and fraud.

## **ACCRUAL RATIO (AR)**

The accrual ratio measures the profit after deducting all cash flows to total assets; this indicates earnings received by municipalities. This ratio can assist in determining if the earnings are manipulated or not, therefore, an increase in this ratio can have an impact on fraudulent financial reporting.

In 2018, the average proxy was the highest, at 0.040, indicating low risk of fraud. This was followed by an average proxy of 0.020 and 0.018 in 2019 and 2016, respectively. When surplus cash flows are smaller than the total assets, this poses a rationalisation risk factor. The average proxy for 2020 was at -0.008 which indicated that the

municipalities made losses, and the risk of fraud is low. The financial year of 2017 had the second lowest accrual ratio of 0.006, which also indicates a low fraud risk.

There is a positive correlation between rationalisation risk factor and fraud due to manipulation of earnings. Total accruals reflect the tendency towards engaging in fraudulent financial statements; this is consistent with year studies (Nakashima, 2017; Wadhwa, Saini and Kumar, 2020).

### **CAPITAL EXPENDITURE (CAPEX)**

Capital expenditure ratio is calculated by taking CAPEX per municipality to total provincial municipality CAPEX. The higher the ratio the more CAPEX allocated per municipality, as compared to provincial CAPEX.

Capital expenditure measures the amount of money which municipalities spend on capital projects to enhance service delivery. The bulk of money is provided by the treasury in the form of grants to assist municipalities. Some municipalities consider this as an opportunity to loot the money which is supposed to be used on capital projects. Other municipalities do not use the funds for the purpose, as per the grant letter and this results in irregular and unauthorized expenditure (AGSA, 2019).

The average proxy of CAPEX for all 6 financial years was constant at 0.035. This indicates that on average, municipalities didn't overspend the money provided to them, however, the risk of fraud is low since the average proxy is below 1, although, positive. This is consistent with a study by Wadhwa, Saini and Kumar (2020).

### 4.3 Correlation matrix of independent and dependent variables (Bivariate analysis)

Table 6: Pairwise correlation matrix of proxies against qualified audit

	Qualified Audit (Fraud)	LEV	LIQ	AR	CAPEX
Qualified Audit (Fraud)	1				
LEV	-0.017	1			
	0.510				
LIQ	-0.036	-0.008	1		
	0.155	0.760			
AR	-0.048*	-0.038	0.116***	1	
	0.060	0.133	0.000		
CAPEX	-0.045*	0.084***	-0.038	-0.037	1
	0.080	0.001	0.133	0.153	

\*\*\*Significant at 1%; \*\*Significant at 5%; Significant at 10%

Table 6 presents the Pearson's correlation matrix. The correlation matrix shows whether the correlations' degree between dependent and independent variables are either low, moderate or high.

Regarding the correlation coefficient of financial statements fraud and financial ratios representing the pressure dimension of fraud triangle model, the Pearson correlation matrix shows that financial fraud (FRAUD) has an insignificant negative correlation with financial leverage (LEV) and liquidity (LIQ). This is consistent with prior studies which found that firms with leverage and liquidity problems are more likely to engage in frauds (Persons, 1995; Suyanto, 2009; Amara, Amar and Jarboui, 2013; Mehanna and Soliman, 2021). By contrast, the findings of the present study contradict the findings of Mehanna and Soliman (2021). Both proxies indicated a negative sign of -0.017 (LEV) and -0.036 (LIQ), respectively.

The correlation coefficient between fraud (qualified audit) and total accruals (TA) is (-0.048), which is statistically significant and inconsistent to what was suggested in prior literature (Nakashima, 2017). It is worth noting that even though the sign is negative, higher capital expenditure is an indication of higher risk of fraud.

Total liability to total assets (LEV) and current assets to current liabilities (LIQ) are found to have negative relationships with fraud. CAPEX and AR have negative sign

which also indicates that they are negatively correlated with likelihood of fraudulent financial statement, contradicting the stated hypothesis (Beasley *et al.*, 2000; Wadhwa, Saini and Kumar, 2020).

#### 4.4 Logistic regression analysis

Logistics regression model was used to further establish the relationship between fraudulent financial reporting and the independent variables. The results are shown in Table 7.

Table 7: Logistic regression results for estimating the fraud triangle model

Variables	<u>Estimates</u>		<u>Marginal effect</u>	
	Coefficient	std. err.	Coefficient	std. err.
LEV	0.188	0.133	0.041	0.029
LIQ	0.106	0.017	0.023***	0.004
AR	0.271	0.164	0.060*	0.036
CAPEX	1.251	0.556	0.275**	0.123
_cons	-1.334	0.072		

N = 1,537; likelihood ratio  $\chi^2 = 46.57$ ; Prob( $\chi^2$ ) = 0.000; Pseudo R<sup>2</sup> = 0.035; log likelihood = -633.92. \* $\rho < 0.1$ , \*\* $\rho < 0.05$ ; \*\*\* $\rho < 0.01$

Table 7 presents the regression results examining the potential effects of the fraud risk factors of Pressure, Opportunity and Rationalisation, as well as the probability of fraudulent financial statements.

#### Pressure Risk Factor Analysis

##### LEVERAGE

It can be seen from Table 7 that LEV risk (0.188) is positive and insignificant. This means that fraud (fraudulent financial reporting) is expected to grow larger at 0.188 times for each year.

## **LIQUIDITY**

It the case of LIQ, Table 7 shows that LIQ risk (0.106) is positive and significant. This means that fraud (fraudulent financial reporting) is expected to grow at 0.106 times for each year.

## **ACCRUAL RATIO**

Table 7 shows that AR risk (0.271) is positive and significant. This means that fraud (fraudulent financial reporting) is expected to increase at 0.271 times for each year. Furthermore, Total accrual (TA) is significantly associated with financial statements frauds (FRAUD). This result is consistent with prior studies (Nakashima, 2017; Wadhwa, Saini and Kumar, 2020; Mehanna and Mahmoud, 2021).

## **CAPITAL EXPENDITURE**

Fourthly according to Table 7, the CAPEX risk (1.251) is positive and above the norm of 1. This means that fraud (fraudulent financial reporting) is expected to grow significantly each year.

The results indicate that municipalities with high capital expenditure are more exposed to the opportunity fraud risk factor. These findings are consistent with prior studies (Beasley *et al.*, 2000; Nakashima, 2017; Wadhwa, Saini and Kumar, 2020; Mehanna and Mahmoud, 2021).

## 4.5 Chapter Summary

This chapter employed correlational and logistics regression methods to analyse the data to determine and examine the relationship between fraudulent financial reporting and the FTM variables.

The key findings are as follows:

- **First:** Municipalities with significant leverage LEV and significant LIQ have higher tendency toward engaging in fraudulent financial statements and they try to make their financial reports look presentable by manipulating their financial statements.
- **Second:** Municipalities with significant capital expenditure are more exposed to opportunity fraud risk factor.
- **Third:** Municipalities with higher tendency to manipulating their profit are more likely to rationalize their fraudulent financial reporting.
- **Fourth:** AGSA decreases the tendency of municipalities in committing fraudulent financial reporting.

These findings are consistence with prior studies (Persons, 1995; Lou and Wang, 2009; Aghghaleh, 2014; Motubatse, Ngwakwe and Sebola, 2017; Nakashima, 2017; Mehanna and Mahmoud, 2021).

## CHAPTER 5

### CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This study evaluated the efficacy of the fraud triangle model in the detection and prevention of fraudulent financial reporting in South African municipalities. This chapter discusses results of the study in the context of prior empirical studies that explored the relationship fraudulent financial reporting and FTM variables. Section 5.2 discusses the key findings regarding the research objectives/hypotheses stated in Chapters 1 and 3, respectively. Section 5.3 highlights linkages between findings of this study and some prior studies. The section also provides suggestions on what could be the underlying differences between the present study's findings and prior studies. Section 5.4 concludes the chapter and is followed by Section 5.5 which suggests further work to be done in congruence with this study.

#### 5.2 Key findings regarding research objectives

**H1: There is a positive relationship between pressure and fraud in South African municipalities.**

**H1 a: High leverage ratio increases the tendency toward engaging in fraudulent financial reporting.**

The results of the current study show that, there is a significant positive relationship between pressure and fraud in South African municipalities as supported by sub-hypothesis explained below:

The results shows that the mean for leverage is positive, and a one-unit increase resulted in an increase in the likelihood of fraud as a dependent variable. It was further identified that Gauteng followed by Eastern Cape and Kwazulu Natal have the highest leverage ratio which indicated that municipalities in these provinces are more likely to commit fraud as compared to other provinces.

The study also found that the leverage ratio started to increase from 2019 to 2021 financial year, which indicated that municipalities experienced high risk of pressure risk fraud within those years. Even though the correlation matrix indicated that there is a negative correlation between fraud and leverage ratio, the results from the binary regression model proved a positive relationship between fraud and leverage ratio.

The findings of the current study suggest that municipalities with significant leverage ratio have a tendency of engaging in fraudulent financial reporting.

### **H1 b: Low liquidity ratio increases the tendency toward engaging in fraudulent financial reporting**

The study found that there was a low liquidity ratio for municipalities, especially in 2019 financial year, which indicated highest risk of fraud. Even though the correlation matrix indicated that there is a negative correlation between fraud and liquidity ratio, the results from the binary regression model proved a significant positive relationship between fraud and liquidity ratio. It can be concluded that municipalities with low liquidity ratio increases their tendency toward engaging in fraudulent financial reporting.

### **H2: There is a positive relationship between opportunity and fraud in South African municipalities.**

#### **H2 a. An increase in capital expenditure incurred by municipalities increases their tendency of engaging in fraudulent financial reporting**

The results of the study revealed that there is a significant positive relationship between opportunity and fraud in South African.

The study found that the average proxies for capital expenditure for all the 6-year period were positive and small; despite the size of the proxies, one can conclude that there is a positive relationship between fraud and spending by municipalities. The study further found that Northwest, Free State and Western Cape have the highest average CAPEX, which indicates a higher risk of fraud in the municipalities in these provinces.

Even though the correlation matrix indicated that there is a negative correlation between fraud and capital expenditure, the results from the binary regression model identified a positive relationship between fraud and capital expenditure. Based on these results, it can be concluded that municipalities with positive capital expenditure increases their tendency of engaging in fraudulent financial reporting.

### **H3: There is a positive relationship between rationalisation and fraud in South African municipalities**

#### **H3 a. Auditing by Auditor General South Africa (AGSA) decreases the tendency toward engaging in fraudulent financial statements.**

The results of the current study shows that there is a significant positive relationship between rationalisation and fraud in South African municipalities.

The analysis found that the number of municipalities which obtained unqualified audit outcomes increased from 113 in 2019 to 139 in 2021 and municipalities which received qualified audit outcomes decreased from 144 in 2019 to 111 in 2021 due to the high-quality audit performed by AGSA. This number of unqualified audit outcomes on average were higher than qualified audit outcomes (53% unqualified audit outcomes as compared to 47% qualified audit outcomes).

Based on the results, it can be concluded that auditing by AGSA decreased the tendency of municipalities engaging in fraudulent financial reporting.

#### **H3 b. Total accruals reflect the tendency toward engaging in fraudulent financial statements**

The results show that the average accrual ratio was low and positive for municipalities within the 6-year period which indicates that the accrual risk fraud is low. Limpopo, Kwazulu Natal, and Western Cape had the highest accrual ratios, as compared to other provinces which indicated that the rationalisation fraud risk factor is higher in those municipalities. This is further supported by lower average proxies in the period of the study.

It is important to emphasise that even though the correlation matrix indicated that there is a negative correlation between fraud and accrual ratio, the results from the binary regression model produced a significant positive relationship between fraud and total accrual ratio. It can, therefore, be concluded that significant positive total accruals reflect the tendency toward engaging in fraudulent financial reporting by municipalities.

### **5.3 Linking findings of this study to prior studies**

The objective was to investigate the extent to which the Fraud Triangle Model can be used in the detection of material misstatement (fraud) in financial statements. Material misstatement in the financial statements can be in the form of overstatement of profit and misappropriation of assets in municipalities. Municipalities reputation can be highly affected by these misstatements.

According to Suyanto (2009) opportunity and pressure risk factors are positively correlated with fraudulent financial reporting. The pressure risk factor was measured by net profit to total assets and opportunity risk factor was measured by related party transactions and inventory to total assets ratio. The rationalisation risk factor proxies, however, were not connected significantly with fraudulent financial reporting.

According to Amara, Jarboui and Amar (2013) pressure risk factor is significantly associated with fraud. Pressure on managers to perform beyond their means was identified as an element of pressure risk factor, however, the size of audit firms as well as liquidity and debt factors were not significantly correlated to fraud.

Fikry Mehanna and Mahmoud Soliman (2021) further found that the three fraud risk factors of pressure, opportunity and rationalisation which are measured by sales to total assets and financial leverage and audit committee independence as well as total accruals respectively were significantly associated with fraud.

According to Skousen, Smith and Wright (2009) pressure risk factor was measured by five proxies and opportunity by two proxies, whereas, rationalisation was not tested. It was found that four of the pressure risk factor proxies are significantly linked with fraud. These proxies consist of growth in assets, an increase in cash needed, external finance and share ownership. Pressure and opportunity risk factor were all significantly associated with fraud.

The findings of a study revealed that the risk of fraudulent financial reporting in Taiwan companies is very high, since indicators, such as cash flow from operations being negative, forecast errors and high related party transactions are all visible (Chen and Elder, 2007).

The study conducted in the Nigerian public sector find that FTM elements have a close connection with fraud existence in Nigerian public sector (Abdullahi and Mansor, 2018). The cases of financial statement fraud, in Indonesia, demonstrated that there is positive relationship between the FTM and Beneish model in the detection of fraudulent financial reporting.

All these previous studies indicated the literature is consistent with the current study that investigated the extent to which the fraud triangle model can be used in the detection of material misstatement (fraud) in financial statements.

#### **5.4 Conclusion**

In the past, South Africa was disturbed by several fraudulent accounting scandals such as the VBS saga and the State Capture scandal. This resulted in the public raising concerns regarding the reliability of financial statements and published annual reports (Motau, 2018; Kagias *et al.*, 2022).

The present study investigated three fraud risk factors embraced from the fraud triangle model, which is foundation of different standards, to evaluate the likelihood of fraud occurrence. For this purpose, 53% clean audit reports and 47% qualified reports for the total of 257 South African municipalities were selected to research and scrutinize a logistic regression model that evaluated the probability of fraudulent financial reporting.

Proxy variables explored in the study include total liability into total assets (LEV) and Liquidity (LIQ) for pressure and Capital Expenditure (CAPEX) for opportunity and quality of external audit (QEA) and Accrual Ratio (AR) for rationalisation.

It is concluded that the correlation between significant leverage ratio and low liquidity ratio are positively consistent to prior research. The results of the average proxies,

mean are all significant. The binary regression model identified the leverage as positive but not significant, whereas, the liquidity was identified as significant. The results found that pressure proved a significantly positive factor to activate fraudulent financial reporting.

It is further concluded that the correlation between accrual ratio and capital expenditure are positively consistent to prior research even though the average proxies and mean are insignificant. The results of binary regression model, however, found that the accrual ratio is significant. The two risk fraud factors of rationalisation and opportunity, are proved as positive factors to activate fraudulent financial reporting.

There are numerous constraints that might have influenced the outcomes of the research. These are:

- **First**, all variables used to identify fraudulent financial reporting were restricted to the fraud triangle model;
- **Second**, it is suggested the introduction of an independent variable that can be used to identify and detect fraud in financial statements, such as smoothing of income, audit fees which are not expected and managing profits and income;
- **Third**, the sample selected was limited to South African municipalities only. It is suggested that other samples to be included, from other types of companies, such as, public and private and those from foreign countries.

## 5.5 Recommendations

This study has contributed to the fraud risk factors literature, particularly, the Fraud Triangle Model. Taking note that fraud is a vast subject and can have compounded circumstances, however, this research investigated fraud risk factors. Findings can be used to expose fraud elements in financial statements being produced in other countries and private companies. It can also assist other parties involved, such as internal auditors during fraud risk assessments. This study can also assist professional bodies and organisation such as - SAICA, AGSA, Treasury, Audit Firms, CogTA, Chogsta, ASB and IRBA - to identify early signs of fraud and measures regarding the prevention of fraud.

The future research can be undertaken by grouping the municipalities into three groups - firstly, municipalities which have defrauded; secondly, municipalities which attempted to commit fraud and lastly municipalities which have not committed fraud (Amara, Jarboui and Amar, 2013).

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## ANNEXURE A: DATA EXTRACTED (FOR THE PERIOD 2015-2016 – 2020-2021)

### Annexure A.1 : Pressure Proxies (Ratio Analysis)

Part A	Local Municipalities	Province	2015/16		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
1	Amahlathi Municipality	Eastern Cape	0,1	2,8	0,0
2	Blue Crane Route Municipality	Eastern Cape	0,1	0,9	0,0
3	Dr Beyers Naudé Municipality	Eastern Cape	0	0	0
4	Elundini Municipality	Eastern Cape	0,1	1,7	0,0
5	Emalahleni Municipality	Eastern Cape	0,1	1,1	0,0
6	Dr AB Xuma Local Municipality (formerly Engcobo)	Eastern Cape	0,1	2,1	-0,1
7	Enoch Mgijima Municipality	Eastern Cape	0	0	0
8	Great Kei Municipality	Eastern Cape	0,1	0,5	0,1
9	Ingquza Hill Municipality	Eastern Cape	0,1	2,7	0,0
10	Intsika Yethu Municipality	Eastern Cape	0,1	1,9	0,1
11	Inxuba Yethemba Municipality	Eastern Cape	0,2	0,2	-0,1
12	King Sabata Dalindyebo Municipality	Eastern Cape	0,1	0,3	0,1
13	Kouga Municipality	Eastern Cape	0,1	0,8	0,0
14	Koukamma Municipality	Eastern Cape	0,1	0,6	0,0
15	Makana Municipality	Eastern Cape	0,3	0,3	0,0
16	Matatiele Municipality	Eastern Cape	0,1	2,6	0,1
17	Mbhashe Municipality	Eastern Cape	0,1	1,9	0,1
18	Mhlontlo Municipality	Eastern Cape	0,0	2,5	0,0
19	Mnquma Municipality	Eastern Cape	0,1	0,9	0,0
20	Ndlambe Municipality	Eastern Cape	0,2	0,9	0,0
21	Nggqushwa Municipality	Eastern Cape	0,2	1,0	0,1
22	Ntabankulu Municipality	Eastern Cape	0,1	0,5	0,1
23	Nyandeni Municipality	Eastern Cape	0,0	5,3	0,1
24	Port St Johns Municipality	Eastern Cape	0,1	1,1	0,0
25	Raymond Mhlaba Municipality	Eastern Cape	0	0	0
26	Sakhisizwe Municipality	Eastern Cape	0,2	0,7	0,1
27	Senqu Municipality	Eastern Cape	0,1	7,8	0,1
28	Sundays River Valley Municipality	Eastern Cape	0,1	1,1	0,1
29	Umzimvubu Municipality	Eastern Cape	0,0	3,8	0,1
30	Walter Sisulu Municipality	Eastern Cape	0	0	0
31	Winnie Madikizela-Mandela Municipality (formerly)	Eastern Cape	0,1	2,1	0,0

Part A	Local Municipalities	Province	2015/16		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
32	Dihlabeng Municipality	Free State	0,2	0,3	0,0
33	Kopanong Municipality	Free State	0,3	0,2	-0,1
34	Letsemeng Municipality	Free State	0,1	1,4	0,0
35	Mafube Municipality	Free State	0,4	0,4	-0,1
36	Maluti-A-Phofung Municipality	Free State	0,5	0,3	-0,2
37	Mantsopa Municipality	Free State	0,1	0,7	0,0
38	Masilonyana Municipality	Free State	0,3	0,3	0,0
39	Matjhabeng Municipality	Free State	0,5	0,3	-0,1
40	Metsimaholo Municipality	Free State	0,2	1,0	0,0
41	Mohokare Municipality	Free State	0,2	0,4	0,1
42	Moqhaka Municipality	Free State	0,1	0,6	0,0
43	Nala Municipality	Free State	0,2	0,4	0,0
44	Ngwathe Municipality	Free State	1,1	0,1	-0,2
45	Nketoana Municipality	Free State	0,2	0,1	0,0
46	Phumelela Municipality	Free State	0,3	0,1	0,0
47	Setsotho Municipality	Free State	0,0	2,0	-0,1
48	Tokolologo Municipality	Free State	0,1	0,4	0,0
49	Tswelopele Municipality	Free State	0,1	0,6	0,0
50	Emfuleni Municipality	Gauteng	0,2	0,5	-0,1
51	Lesedi Municipality	Gauteng	0,3	0,8	-0,1
52	Merafong City Municipality	Gauteng	0,2	0,9	0,0
53	Midvaal Municipality	Gauteng	0,1	1,7	-0,1
54	Mogale City Municipality	Gauteng	0,2	0,6	0,0
55	Rand West City Municipality	Gauteng	0	0	0
56	AbaQulusi Municipality	KwaZulu-Natal	0,1	1,2	0,0
57	Alfred Duma Municipality	KwaZulu-Natal	0	0	0
58	Big 5 Hlabisa Municipality	KwaZulu-Natal	0,2	0,4	0,1
59	City of uMhlatuze Municipality	KwaZulu-Natal	0,2	1,3	0,0
60	Dannhauser Municipality	KwaZulu-Natal	0,0	4,0	0,0

Part A	Local Municipalities	Province	2015/16		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
61	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	0	0	0
62	eDumbe Municipality	KwaZulu-Natal	0,2	0,4	0,0
63	eMadlangeni Municipality	KwaZulu-Natal	0,2	2,5	0,1
64	Endumeni Municipality	KwaZulu-Natal	0,3	1,8	0,0
65	Greater Kokstad	KwaZulu-Natal	0,1	2,4	0,0
66	Impendle Municipality	KwaZulu-Natal	0,1	1,9	0,1
67	Inkosi Langalibalele Municipality	KwaZulu-Natal	0	0	0
68	Jozini Municipality	KwaZulu-Natal	0,1	3,2	0,0
69	KwaDukuza Municipality	KwaZulu-Natal	0,3	2,2	0,1
70	Mandeni Municipality	KwaZulu-Natal	0,1	2,6	0,1
71	Maphumulo Municipality	KwaZulu-Natal	0,2	0,9	0,1
72	Mkhambathini Municipality	KwaZulu-Natal	0,1	4,0	0,1
73	Mpofana Municipality	KwaZulu-Natal	0,5	0,7	0,0
74	Msunduzi Municipality	KwaZulu-Natal	0,2	2,2	0,0
75	Mthonjaneni Municipality	KwaZulu-Natal	0,1	6,6	0,1
76	Mtubatuba Municipality	KwaZulu-Natal	0,1	2,0	0,1
77	Ndwedwe Municipality	KwaZulu-Natal	0,1	4,5	0,1
78	Newcastle Municipality	KwaZulu-Natal	0,1	1,2	-0,1
79	Nkandla Municipality	KwaZulu-Natal	0,1	0,6	0,1
80	Nongoma Municipality	KwaZulu-Natal	0,1	2,0	0,2
81	Nquthu Municipality	KwaZulu-Natal	0,0	9,3	0,3
82	Okhahlamba Municipality	KwaZulu-Natal	0,2	1,7	0,2
83	Ray Nkonyeni Municipality	KwaZulu-Natal	0	0	0
84	Richmond Municipality	KwaZulu-Natal	0,2	3,4	0,1
85	Ubuhlebezwe Municipality	KwaZulu-Natal	0,1	3,7	0,1
86	Ulundi Municipality	KwaZulu-Natal	0,3	0,4	0,0
87	Umdoni Municipality	KwaZulu-Natal	0,1	3,0	0,0
88	uMfolozi Municipality	KwaZulu-Natal	0,2	0,4	0,2
89	uMhlabuyalingana Municipality	KwaZulu-Natal	0,1	3,8	0,1
90	uMlalazi Municipality	KwaZulu-Natal	0,1	1,8	0,1

Part A	Local Municipalities	Province	2015/16		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
91	uMngeni Municipality	KwaZulu-Natal	0,1	2,5	0,0
92	uMshwathi Municipality	KwaZulu-Natal	0,1	7,2	0,2
93	uMsinga Municipality	KwaZulu-Natal	0,1	4,2	0,3
94	Umuziwabantu Municipality	KwaZulu-Natal	0,1	6,9	0,1
95	Umvoti Municipality	KwaZulu-Natal	0,1	2,8	0,2
96	Umzimkhulu Municipality	KwaZulu-Natal	0,1	3,6	0,1
97	Umzumbe Municipality	KwaZulu-Natal	0,1	5,9	0,1
98	uPhongolo Municipality	KwaZulu-Natal	0,2	1,4	0,2
99	Ba-Phalaborwa Municipality	Limpopo	0,2	4,5	0,0
100	Bela-Bela Municipality	Limpopo	0,3	0,4	0,0
101	Blouberg Municipality	Limpopo	0,1	1,2	0,0
102	Collins Chabane Municipality	Limpopo	0	0	0
103	Elias Motsoaledi Municipality	Limpopo	0,2	0,8	0,0
104	Ephraim Mogale Municipality	Limpopo	0,1	3,0	0,0
105	Fetakgomo-Tubatse Municipality	Limpopo	0	0	0
106	Greater Giyani Municipality	Limpopo	0,1	3,0	0,1
107	Greater Letaba Municipality	Limpopo	0,1	2,5	0,3
108	Greater Tzaneen Municipality	Limpopo	0,2	1,6	0,0
109	Lepelle-Nkumpi Municipality	Limpopo	0,1	4,6	0,1
110	Lephalale Municipality	Limpopo	0,2	1,6	0,0
111	Makhado Municipality	Limpopo	0,2	1,5	0,0
112	Makhuduthamaga Municipality	Limpopo	0,1	2,9	0,1
113	Maruleng Municipality	Limpopo	0,1	2,6	0,0
114	Modimolle-Mookgophong Municipality	Limpopo	0	0	0
115	Mogalakwena Municipality	Limpopo	0,2	2,0	0,1
116	Molemole Municipality	Limpopo	0,2	3,0	0,0
117	Musina Municipality	Limpopo	0,6	0,6	-0,1
118	Polokwane Municipality	Limpopo	0,1	0,9	0,0
119	Thabazimbi Municipality	Limpopo	0,4	0,3	-0,1
120	Thulamela Municipality	Limpopo	0,1	3,9	0,1

Part A	Local Municipalities	Province	2015/16		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
121	Bushbuckridge Municipality	Mpumalanga	0,2	1,2	0,2
122	Chief Albert Luthuli Municipality	Mpumalanga	0,2	0,6	0,1
123	City of Mbombela Municipality	Mpumalanga	0,3	0,3	0,0
124	Dipaleseng Municipality	Mpumalanga	0,3	0,3	0,0
125	Dr JS Moroka Municipality	Mpumalanga	0,1	0,8	0,0
126	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	0,2	3,0	0,0
127	Emakhazeni Municipality	Mpumalanga	0,2	0,4	0,0
128	Emalahleni Municipality	Mpumalanga	0,3	0,3	-0,1
129	Govan Mbeki Municipality	Mpumalanga	0,3	0,4	-0,1
130	Lekwa Municipality	Mpumalanga	0,5	0,3	-0,1
131	Mkhondo Municipality	Mpumalanga	0,1	0,3	0,1
132	Msukaligwa Municipality	Mpumalanga	0,3	0,2	-0,1
133	Nkomazi Municipality	Mpumalanga	0,2	0,8	0,1
134	Steve Tshwete Municipality	Mpumalanga	0,1	3,2	0,0
135	Thaba Chweu Municipality	Mpumalanga	0,2	0,2	-0,1
136	Thembisile Hani Municipality	Mpumalanga	0,1	1,8	0,0
137	Victor Khanye Municipality	Mpumalanga	0,1	1,2	0,0
138	City of Matlosana Municipality	North West	0,2	0,4	-0,1
139	Ditsobotla Municipality	North West	0,3	0,4	-0,1
140	Greater Taung Municipality	North West	0,1	5,5	0,1
141	JB Marks Municipality	North West	0	0	0
142	Kagisano-Molopo Municipality	North West	0,0	1,0	0,0
143	Kgetlengrivier Municipality	North West	0,2	0,7	0,0
144	Lekwa-Teemane Municipality	North West	0,7	0,1	0,0
145	Madibeng Municipality	North West	0,3	0,7	-0,1
146	Mahikeng Municipality	North West	0,5	0,7	0,0
147	Mamusa Municipality	North West	0,3	0,9	-0,1
148	Maquassi Hills Municipality	North West	0,2	0,5	0,1
149	Moretele Municipality	North West	0,3	1,2	0,2
150	Moses Kotane Municipality	North West	0,1	3,4	0,0

Part A	Local Municipalities	Province	2015/16		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
151	Naledi Municipality	North West	0,6	0,2	-0,1
152	Ramotshere Moiloa Municipality	North West	0,2	1,1	0,1
153	Ratlou Municipality	North West	0,2	2,1	0,0
154	Rustenburg Municipality	North West	0,2	1,0	0,0
155	Tswaing Municipality	North West	0,8	0,3	-1,4
156	!Kheis Municipality	Northern Cape	0,1	0,6	0,0
157	Dawid Kruiper Municipality	Northern Cape	0	0	0
158	Dikgatlong Municipality	Northern Cape	0,2	1,2	0,0
159	Emthanjeni Municipality	Northern Cape	0,1	2,3	-0,1
160	Ga-Segonyana Municipality	Northern Cape	0,2	0,8	0,0
161	Gamagara Municipality	Northern Cape	0,2	0,1	-0,1
162	Hantam Municipality	Northern Cape	0,3	0,8	0,0
163	Joe Morolong Municipality	Northern Cape	0,1	0,5	0,0
164	Kai !Garib Municipality	Northern Cape	0,3	0,3	-0,1
165	Kamiesberg Municipality	Northern Cape	0,6	0,2	0,0
166	Kareeberg Municipality	Northern Cape	0,2	6,1	0,0
167	Karoo Hoogland Municipality	Northern Cape	0,2	0,3	0,0
168	Kgatelopele Municipality	Northern Cape	0,1	0,7	0,0
169	Khai-Ma Municipality	Northern Cape	0,3	0,3	0,0
170	Magareng Municipality	Northern Cape	0,4	0,2	0,0
171	Nama Khoi Municipality	Northern Cape	0,4	0,3	0,0
172	Phokwane Municipality	Northern Cape	0,2	1,3	-0,2
173	Renosterberg Municipality	Northern Cape	0,1	0,4	0,0
174	Richtersveld Municipality	Northern Cape	0,2	0,5	0,0
175	Siyancuma Municipality	Northern Cape	0,4	0,3	0,0
176	Siyathemba Municipality	Northern Cape	0,2	0,4	-0,1
177	Sol Plaatje Municipality	Northern Cape	0,3	4,8	0,1
178	Thembelihle Municipality	Northern Cape	0,3	0,3	0,0
179	Tsantsabane Municipality	Northern Cape	0,2	0,7	-0,1
180	Ubuntu Municipality	Northern Cape	0,3	0,9	0,0

Part A	Local Municipalities	Province	2015/16		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
181	Umsobomvu Municipality	Northern Cape	0,1	0,8	0,0
182	Beaufort West Municipality	Western Cape	0,2	1,1	0,0
183	Bergrivier Municipality	Western Cape	0,4	3,1	0,0
184	Bitou Municipality	Western Cape	0,3	1,7	0,0
185	Breede Valley Municipality	Western Cape	0,3	2,1	0,0
186	Cape Agulhas Municipality	Western Cape	0,3	1,7	0,0
187	Cederberg Municipality	Western Cape	0,3	0,6	0,0
188	Drakenstein Municipality	Western Cape	0,3	1,3	0,0
189	George Municipality	Western Cape	0,2	2,1	0,0
190	Hessequa Municipality	Western Cape	0,4	1,8	0,1
191	Kannaland Municipality	Western Cape	0,3	0,4	0,0
192	Knysna Municipality	Western Cape	0,3	1,6	0,1
193	Laingsburg Municipality	Western Cape	0,1	1,4	0,0
194	Langeberg Municipality	Western Cape	0,3	1,5	0,0
195	Matzikama Municipality	Western Cape	0,2	0,8	0,1
196	Mossel Bay Municipality	Western Cape	0,1	2,7	0,0
197	Oudtshoorn Municipality	Western Cape	0,5	0,4	-0,1
198	Overstrand Municipality	Western Cape	0,2	1,8	0,0
199	Prince Albert Municipality	Western Cape	0,3	1,7	0,0
200	Saldanha Bay Municipality	Western Cape	0,1	3,7	0,1
201	Stellenbosch Municipality	Western Cape	0,1	2,7	0,1
202	Swartland Municipality	Western Cape	0,1	3,7	0,0
203	Swellendam Municipality	Western Cape	0,4	1,1	0,0
204	Theewaterskloof Municipality	Western Cape	0,3	1,0	0,1
205	Witzenberg Municipality	Western Cape	0,3	1,7	0,0
206	Alfred Nzo District	Eastern Cape	0,1	0,4	0,1
207	Amathole District	Eastern Cape	0,1	0,9	0,0
208	Chris Hani District	Eastern Cape	0,1	2,6	0,1
209	Joe Gqabi District	Eastern Cape	0,1	0,1	0,1
210	OR Tambo District	Eastern Cape	0,1	1,2	0,1

Part A	Local Municipalities	Province	2015/16		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
211	Sarah Baartman District	Eastern Cape	0,3	8,0	0,0
212	Fezile Dabi District	Free State	0,5	2,9	0,0
213	Lejweleputswa District	Free State	0,3	4,4	-0,1
214	Thabo Mofutsanyana District	Free State	1,4	0,2	1,3
215	Xhariep District	Free State	1,0	0,2	-0,3
216	Sedibeng District	Gauteng	0,7	0,3	-0,2
217	West Rand District	Gauteng	1,0	0,9	0,2
218	Amajuba District	KwaZulu-Natal	0,2	0,4	0,0
219	Harry Gwala District	KwaZulu-Natal	0,1	0,3	0,1
220	iLembe District	KwaZulu-Natal	0,2	0,8	0,2
221	King Cetshwayo District (formerly Uthungulu Dist	KwaZulu-Natal	0,2	2,5	0,1
222	Ugu District	KwaZulu-Natal	0,1	1,6	0,0
223	uMgungundlovu District	KwaZulu-Natal	0,2	2,0	0,2
224	uMkhanyakude District	KwaZulu-Natal	0,1	1,0	0,1
225	uMzinyathi District	KwaZulu-Natal	0,1	1,4	0,1
226	uThukela District	KwaZulu-Natal	0,1	1,0	0,1
227	Zululand District	KwaZulu-Natal	0,1	0,4	0,1
228	Capricorn District	Limpopo	0,1	1,5	0,1
229	Mopani District	Limpopo	0,2	0,8	0,1
230	Sekhukhune District	Limpopo	0,1	0,8	0,2
231	Vhembe District	Limpopo	0,3	0,7	0,0
232	Waterberg District	Limpopo	0,4	2,3	-0,2
233	Ehlanzeni District	Mpumalanga	0,7	1,0	0,0
234	Gert Sibande District	Mpumalanga	0,1	2,5	0,0
235	Nkangala District	Mpumalanga	0,0	13,6	0,0
236	Bojanala Platinum District	North West	0,9	0,2	0,0
237	Dr Kenneth Kaunda District	North West	1,1	0,8	-0,5
238	Dr Ruth Segomotsi Mompati District	North West	0,1	0,7	0,1
239	Ngaka Modiri Molema District	North West	0,2	0,5	-0,1
240	Frances Baard District	Northern Cape	0,4	3,6	0,0

Part A	Local Municipalities	Province	2015/16		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
241	John Taolo Gaetsewe District	Northern Cape	0,2	0,2	0,0
242	Namakwa District	Northern Cape	0,7	3,7	0,0
243	Pixley Ka Seme District	Northern Cape	1,1	0,1	0,0
244	ZF Mgcawu District	Northern Cape	2,3	0,1	-0,2
245	Cape Winelands District	Western Cape	0,2	13,4	0,0
246	Central Karoo District	Western Cape	1,1	0,9	0,1
247	Garden Route District (Formerly Eden District Mu	Western Cape	0,4	2,9	0,0
248	Overberg District	Western Cape	1,0	1,2	0,0
249	West Coast District	Western Cape	0,3	5,8	0,0
250	Buffalo City Metropolitan	Eastern Cape	0,9	1,5	0,1
251	Nelson Mandela Bay Metropolitan	Eastern Cape	0,3	1,5	0,0
252	Mangaung Metropolitan	Free State	0,3	0,9	0,0
253	City of Ekurhuleni Metropolitan	Gauteng	0,3	1,7	0,0
254	City of Johannesburg Metropolitan	Gauteng	0,5	1,0	0,1
255	City of Tshwane Metropolitan	Gauteng	0,6	0,6	0,0
256	eThekweni Metropolitan	KwaZulu-Natal	0,4	0,6	0,0
257	City of Cape Town Metropolitan	Western Cape	0,4	1,4	0,1



Part A	Local Municipalities	Province	2016/17		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
31	Winnie Madikizela-Mandela Municipality ( <i>former</i> )	Eastern Cape	0,1	2,1	0,1
32	Dihlabeng Municipality	Free State	0,2	0,3	0,0
33	Kopanong Municipality	Free State	0,3	0,1	-0,1
34	Letsemeng Municipality	Free State	0,1	1,3	0,0
35	Mafube Municipality	Free State	0,5	0,5	-0,1
36	Maluti-A-Phofung Municipality	Free State	0,7	0,2	-0,2
37	Mantsopa Municipality	Free State	0,2	1,0	0,0
38	Masilonyana Municipality	Free State	0,0	0,0	0,0
39	Matjhabeng Municipality	Free State	0,8	0,0	-0,1
40	Metsimaholo Municipality	Free State	0,2	1,0	0,0
41	Mohokare Municipality	Free State	0,3	0,5	0,0
42	Moqhaka Municipality	Free State	0,2	0,5	-0,1
43	Nala Municipality	Free State	0,2	0,3	0,0
44	Ngwathe Municipality	Free State	1,2	0,2	-0,2
45	Nketoana Municipality	Free State	0,2	0,1	-0,1
46	Phumelela Municipality	Free State	0,4	0,1	0,0
47	Setsotho Municipality	Free State	0,1	1,6	0,0
48	Tokolologo Municipality	Free State	0,2	0,3	-0,4
49	Tswelopele Municipality	Free State	0,2	0,4	0,0
50	Emfuleni Municipality	Gauteng	0,2	0,4	-0,1
51	Lesedi Municipality	Gauteng	0,3	0,8	0,0
52	Merafong City Municipality	Gauteng	0,2	0,7	-0,1
53	Midvaal Municipality	Gauteng	0,1	2,1	0,0
54	Mogale City Municipality	Gauteng	0,3	0,5	0,0
55	Rand West City Municipality	Gauteng	0,3	0,5	0,0
56	AbaQulusi Municipality	KwaZulu-Natal	0,1	0,8	0,0
57	Alfred Duma Municipality	KwaZulu-Natal	0,1	0,5	-0,2
58	Big 5 Hlabisa Municipality	KwaZulu-Natal	0,2	0,7	0,0
59	City of uMhlatuze Municipality	KwaZulu-Natal	0,2	1,5	0,0
60	Dannhauser Municipality	KwaZulu-Natal	0,1	3,1	0,0

Part A	Local Municipalities	Province	2016/17		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
61	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	0,2	1,9	0,1
62	eDumbe Municipality	KwaZulu-Natal	0,2	0,6	0,1
63	eMadlangeni Municipality	KwaZulu-Natal	0,2	1,6	0,1
64	Endumeni Municipality	KwaZulu-Natal	0,2	1,7	0,1
65	Greater Kokstad	KwaZulu-Natal	0,1	2,8	0,0
66	Impendle Municipality	KwaZulu-Natal	0,1	1,2	0,0
67	Inkosi Langalibalele Municipality	KwaZulu-Natal	0,2	1,3	-0,1
68	Jozini Municipality	KwaZulu-Natal	0,1	3,5	0,1
69	KwaDukuza Municipality	KwaZulu-Natal	0,2	2,0	0,0
70	Mandeni Municipality	KwaZulu-Natal	0,1	1,6	0,1
71	Maphumulo Municipality	KwaZulu-Natal	0,1	1,2	0,1
72	Mkhambathini Municipality	KwaZulu-Natal	0,1	4,3	0,0
73	Mpofana Municipality	KwaZulu-Natal	0,4	0,5	0,0
74	Msunduzi Municipality	KwaZulu-Natal	0,2	1,8	0,0
75	Mthonjaneni Municipality	KwaZulu-Natal	0,1	3,9	0,2
76	Mtubatuba Municipality	KwaZulu-Natal	0,1	1,3	0,1
77	Ndwedwe Municipality	KwaZulu-Natal	0,1	5,7	0,1
78	Newcastle Municipality	KwaZulu-Natal	0,1	1,0	0,0
79	Nkandla Municipality	KwaZulu-Natal	0,1	0,4	0,0
80	Nongoma Municipality	KwaZulu-Natal	0,1	1,1	0,1
81	Nquthu Municipality	KwaZulu-Natal	0,0	15,6	0,1
82	Okhahlamba Municipality	KwaZulu-Natal	0,0	1,3	0,1
83	Ray Nkonyeni Municipality	KwaZulu-Natal	0,2	1,4	-0,1
84	Richmond Municipality	KwaZulu-Natal	0,1	3,7	0,1
85	Ubuhlebezwe Municipality	KwaZulu-Natal	0,1	4,4	0,0
86	Ulundi Municipality	KwaZulu-Natal	0,2	0,5	0,0
87	Umdoni Municipality	KwaZulu-Natal	0,1	2,7	0,2
88	uMfolozi Municipality	KwaZulu-Natal	0,2	0,3	0,1
89	uMhlabuyalingana Municipality	KwaZulu-Natal	0,1	1,3	0,1
90	uMlalazi Municipality	KwaZulu-Natal	0,1	2,1	0,0

Part A	Local Municipalities	Province	2016/17		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
91	uMngeni Municipality	KwaZulu-Natal	0,1	2,2	0,0
92	uMshwathi Municipality	KwaZulu-Natal	0,1	5,1	0,1
93	uMsinga Municipality	KwaZulu-Natal	0,1	3,4	0,1
94	Umuziwabantu Municipality	KwaZulu-Natal	0,1	8,6	0,1
95	Umvoti Municipality	KwaZulu-Natal	0,1	0,9	0,0
96	Umzimkhulu Municipality	KwaZulu-Natal	0,1	3,1	0,0
97	Umzumbe Municipality	KwaZulu-Natal	0,0	8,0	0,0
98	uPhongolo Municipality	KwaZulu-Natal	0,1	1,7	0,1
99	Ba-Phalaborwa Municipality	Limpopo	0,4	1,8	-0,2
100	Bela-Bela Municipality	Limpopo	0,2	0,3	0,1
101	Blouberg Municipality	Limpopo	0,1	2,1	0,1
102	Collins Chabane Municipality	Limpopo	0,1	3,8	0,6
103	Elias Motsoaledi Municipality	Limpopo	0,2	0,9	0,0
104	Ephraim Mogale Municipality	Limpopo	0,1	3,9	0,0
105	Fetakgomo-Tubatse Municipality	Limpopo	0,1	2,5	0,0
106	Greater Giyani Municipality	Limpopo	0,1	3,8	0,2
107	Greater Letaba Municipality	Limpopo	0,1	0,3	0,1
108	Greater Tzaneen Municipality	Limpopo	0,2	1,6	0,0
109	Lepelle-Nkumpi Municipality	Limpopo	0,1	4,4	0,1
110	Lephalale Municipality	Limpopo	0,2	1,3	0,0
111	Makhado Municipality	Limpopo	0,2	1,7	0,0
112	Makhuduthamaga Municipality	Limpopo	0,1	2,2	0,1
113	Maruleng Municipality	Limpopo	0,1	5,2	0,1
114	Modimolle-Mookgophong Municipality	Limpopo	0,3	0,6	0,1
115	Mogalakwena Municipality	Limpopo	0,1	1,5	0,0
116	Molemole Municipality	Limpopo	0,1	2,4	0,1
117	Musina Municipality	Limpopo	0,6	0,6	0,0
118	Polokwane Municipality	Limpopo	0,1	1,3	0,1
119	Thabazimbi Municipality	Limpopo	0,0	0,0	0,0
120	Thulamela Municipality	Limpopo	0,1	5,1	0,0

Part A	Local Municipalities	Province	2016/17		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
121	Bushbuckridge Municipality	Mpumalanga	0,2	1,6	0,2
122	Chief Albert Luthuli Municipality	Mpumalanga	0,8	0,8	0,1
123	City of Mbombela Municipality	Mpumalanga	0,3	0,3	0,0
124	Dipaleseng Municipality	Mpumalanga	0,3	0,1	0,0
125	Dr JS Moroka Municipality	Mpumalanga	0,1	0,8	0,0
126	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	0,2	4,0	0,0
127	Emakhazeni Municipality	Mpumalanga	0,2	0,4	0,0
128	Emalahleni Municipality	Mpumalanga	0,4	0,3	-0,1
129	Govan Mbeki Municipality	Mpumalanga	0,4	0,3	-0,2
130	Lekwa Municipality	Mpumalanga	0,8	0,4	-0,1
131	Mkhondo Municipality	Mpumalanga	0,2	0,2	0,0
132	Msukaligwa Municipality	Mpumalanga	0,4	0,2	-0,1
133	Nkomazi Municipality	Mpumalanga	0,1	1,2	0,1
134	Steve Tshwete Municipality	Mpumalanga	0,1	3,0	0,0
135	Thaba Chweu Municipality	Mpumalanga	0,2	0,5	0,1
136	Thembisile Hani Municipality	Mpumalanga	0,0	2,6	0,1
137	Victor Khanye Municipality	Mpumalanga	0,1	1,3	0,0
138	City of Matlosana Municipality	North West	0,2	0,6	-0,1
139	Ditsobotla Municipality	North West	0,4	0,6	0,0
140	Greater Taung Municipality	North West	0,1	5,0	0,0
141	JB Marks Municipality	North West	0,1	2,2	0,0
142	Kagisano-Molopo Municipality	North West	0,1	1,5	0,1
143	Kgetlengrivier Municipality	North West	0,3	0,7	0,0
144	Lekwa-Teemane Municipality	North West	0,6	0,4	0,2
145	Madibeng Municipality	North West	0,3	0,9	0,0
146	Mahikeng Municipality	North West	0,5	0,4	-0,1
147	Mamusa Municipality	North West	0,3	0,9	0,0
148	Maquassi Hills Municipality	North West	0,3	0,4	0,0
149	Moretele Municipality	North West	0,2	0,5	0,0
150	Moses Kotane Municipality	North West	0,1	2,2	0,0

Part A	Local Municipalities	Province	2016/17		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
151	Naledi Municipality	North West	0,7	0,2	0,0
152	Ramotshere Moiloa Municipality	North West	0,2	0,8	0,0
153	Ratlou Municipality	North West	0,1	1,5	0,1
154	Rustenburg Municipality	North West	0,2	0,9	0,0
155	Tswaing Municipality	North West	0,3	0,3	-0,1
156	!Kheis Municipality	Northern Cape	0,2	0,6	0,0
157	Dawid Kruiper Municipality	Northern Cape	0,2	0,7	0,0
158	Dikgatlong Municipality	Northern Cape	0,2	1,0	0,0
159	Emthanjeni Municipality	Northern Cape	0,8	1,0	0,0
160	Ga-Segonyana Municipality	Northern Cape	0,9	0,7	0,0
161	Gamagara Municipality	Northern Cape	0,3	0,1	-0,1
162	Hantam Municipality	Northern Cape	0,3	0,3	0,0
163	Joe Morolong Municipality	Northern Cape	0,1	1,9	-0,1
164	Kai !Garib Municipality	Northern Cape	0,4	0,2	-0,1
165	Kamiesberg Municipality	Northern Cape	0,2	0,4	0,3
166	Kareeberg Municipality	Northern Cape	0,3	2,3	0,0
167	Karoo Hoogland Municipality	Northern Cape	0,3	0,8	0,0
168	Kgatelopele Municipality	Northern Cape	1,0	0,9	0,0
169	Khai-Ma Municipality	Northern Cape	0,5	0,3	0,0
170	Magareng Municipality	Northern Cape	0,5	0,2	-0,1
171	Nama Khoi Municipality	Northern Cape	0,3	0,3	-0,1
172	Phokwane Municipality	Northern Cape	0,1	0,5	-0,1
173	Renosterberg Municipality	Northern Cape	0,2	0,4	0,0
174	Richtersveld Municipality	Northern Cape	0,2	0,3	0,0
175	Siyancuma Municipality	Northern Cape	0,4	0,2	0,0
176	Siyathemba Municipality	Northern Cape	0,1	0,2	-0,1
177	Sol Plaatje Municipality	Northern Cape	0,2	5,1	0,1
178	Thembelihle Municipality	Northern Cape	0,4	0,1	-0,1
179	Tsantsabane Municipality	Northern Cape	0,2	0,6	0,0
180	Ubuntu Municipality	Northern Cape	0,1	0,2	-0,1

Part A	Local Municipalities	Province	2016/17		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
181	Umsobomvu Municipality	Northern Cape	0,2	0,8	0,0
182	Beaufort West Municipality	Western Cape	0,2	0,9	0,1
183	Bergrivier Municipality	Western Cape	0,4	3,2	0,0
184	Bitou Municipality	Western Cape	0,3	1,6	0,1
185	Breede Valley Municipality	Western Cape	0,3	1,8	0,0
186	Cape Agulhas Municipality	Western Cape	0,4	1,3	-0,1
187	Cederberg Municipality	Western Cape	0,7	0,7	0,0
188	Drakenstein Municipality	Western Cape	0,3	1,2	0,1
189	George Municipality	Western Cape	0,3	1,9	0,0
190	Hessequa Municipality	Western Cape	0,3	2,5	0,1
191	Kannaland Municipality	Western Cape	0,3	0,2	0,2
192	Knysna Municipality	Western Cape	0,3	1,7	0,0
193	Laingsburg Municipality	Western Cape	0,1	1,1	0,0
194	Langeberg Municipality	Western Cape	0,3	2,0	0,1
195	Matzikama Municipality	Western Cape	0,2	1,0	0,1
196	Mossel Bay Municipality	Western Cape	0,1	2,5	0,0
197	Oudtshoorn Municipality	Western Cape	0,4	0,8	0,0
198	Overstrand Municipality	Western Cape	0,2	2,2	0,0
199	Prince Albert Municipality	Western Cape	0,2	2,7	0,5
200	Saldanha Bay Municipality	Western Cape	0,2	3,6	0,1
201	Stellenbosch Municipality	Western Cape	0,2	2,2	0,0
202	Swartland Municipality	Western Cape	0,1	3,9	0,0
203	Swellendam Municipality	Western Cape	0,4	1,7	0,0
204	Theewaterskloof Municipality	Western Cape	0,3	1,4	0,0
205	Witzenberg Municipality	Western Cape	0,2	2,0	0,1
206	Alfred Nzo District	Eastern Cape	0,1	0,3	0,1
207	Amathole District	Eastern Cape	0,1	0,7	-0,1
208	Chris Hani District	Eastern Cape	0,1	1,8	0,2
209	Joe Gqabi District	Eastern Cape	0,1	1,2	0,1
210	OR Tambo District	Eastern Cape	0,1	1,1	1,0

Part A	Local Municipalities	Province	2016/17		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
211	Sarah Baartman District	Eastern Cape	0,3	5,7	0,0
212	Fezile Dabi District	Free State	0,4	4,0	0,1
213	Lejweleputswa District	Free State	2,3	7,6	0,0
214	Thabo Mofutsanyana District	Free State	1,4	0,2	-0,2
215	Xhariep District	Free State	1,0	0,2	-0,3
216	Sedibeng District	Gauteng	0,9	0,3	-0,2
217	West Rand District	Gauteng	1,2	0,5	-0,1
218	Amajuba District	KwaZulu-Natal	0,1	0,6	0,0
219	Harry Gwala District	KwaZulu-Natal	0,1	0,5	0,1
220	iLembe District	KwaZulu-Natal	0,1	0,6	0,1
221	King Cetshwayo District (formerly Uthungulu District)	KwaZulu-Natal	0,1	2,3	0,1
222	Ugu District	KwaZulu-Natal	0,1	1,3	0,0
223	uMgungundlovu District	KwaZulu-Natal	0,2	2,4	0,1
224	uMkhanyakude District	KwaZulu-Natal	0,2	0,9	0,1
225	uMzinyathi District	KwaZulu-Natal	0,1	0,9	0,1
226	uThukela District	KwaZulu-Natal	0,1	0,7	0,0
227	Zululand District	KwaZulu-Natal	0,0	0,4	0,1
228	Capricorn District	Limpopo	0,1	2,4	0,0
229	Mopani District	Limpopo	0,3	0,4	0,0
230	Sekhukhune District	Limpopo	0,1	1,6	0,0
231	Vhembe District	Limpopo	0,1	1,1	0,0
232	Waterberg District	Limpopo	0,3	5,1	-0,2
233	Ehlanzeni District	Mpumalanga	0,7	2,0	0,2
234	Gert Sibande District	Mpumalanga	0,2	2,8	0,2
235	Nkangala District	Mpumalanga	0,1	9,8	0,0
236	Bojanala Platinum District	North West	1,7	0,1	-6,1
237	Dr Kenneth Kaunda District	North West	0,9	0,7	-0,2
238	Dr Ruth Segomotsi Mompati District	North West	1,2	0,8	0,1
239	Ngaka Modiri Molema District	North West	0,2	0,2	-0,1
240	Frances Baard District	Northern Cape	0,5	2,7	0,0

Part A	Local Municipalities	Province	2016/17		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
241	John Taolo Gaetsewe District	Northern Cape	0,2	1,4	0,0
242	Namakwa District	Northern Cape	1,6	0,9	3,2
243	Pixley Ka Seme District	Northern Cape	1,6	0,4	0,0
244	ZF Mgcawu District	Northern Cape	2,3	0,1	-0,2
245	Cape Winelands District	Western Cape	0,2	16,1	0,0
246	Central Karoo District	Western Cape	0,9	1,4	0,1
247	Garden Route District (Formerly Eden District Mu	Western Cape	0,4	3,7	0,1
248	Overberg District	Western Cape	0,9	3,7	-0,1
249	West Coast District	Western Cape	0,2	6,2	0,0
250	Buffalo City Metropolitan	Eastern Cape	0,1	2,3	0,0
251	Nelson Mandela Bay Metropolitan	Eastern Cape	0,3	1,6	0,0
252	Mangaung Metropolitan	Free State	0,3	1,0	0,1
253	City of Ekurhuleni Metropolitan	Gauteng	0,3	1,4	0,1
254	City of Johannesburg Metropolitan	Gauteng	0,5	0,8	0,1
255	City of Tshwane Metropolitan	Gauteng	0,5	0,8	0,1
256	eThekweni Metropolitan	KwaZulu-Natal	0,4	1,3	0,0
257	City of Cape Town Metropolitan	Western Cape	0,3	1,4	0,1

Part A	Local Municipalities	Province	2017/18		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
1	Amahlathi Municipality	Eastern Cape	0,2	0,6	0,0
2	Blue Crane Route Municipality	Eastern Cape	0,1	0,9	0,0
3	Dr Beyers Naudé Municipality	Eastern Cape	0,2	0,3	0,0
4	Elundini Municipality	Eastern Cape	0,1	2,1	0,1
5	Emalahleni Municipality	Eastern Cape	0,1	0,6	0,0
6	Dr AB Xuma Local Municipality (formerly Engcobo)	Eastern Cape	0,1	1,7	0,0
7	Enoch Mgijima Municipality	Eastern Cape	0,2	0,5	0,0
8	Great Kei Municipality	Eastern Cape	0,2	0,3	-0,1
9	Ingquza Hill Municipality	Eastern Cape	0,1	3,4	0,0
10	Intsika Yethu Municipality	Eastern Cape	0,1	2,4	0,0
11	Inxuba Yethemba Municipality	Eastern Cape	0,1	0,3	0,0
12	King Sabata Dalindyebo Municipality	Eastern Cape	0,2	0,3	0,0
13	Kouga Municipality	Eastern Cape	0,1	1,1	0,0
14	Koukamma Municipality	Eastern Cape	0,1	1,5	0,0
15	Makana Municipality	Eastern Cape	0,4	0,2	0,0
16	Matatiele Municipality	Eastern Cape	0,1	2,9	0,0
17	Mbhashe Municipality	Eastern Cape	0,1	0,5	0,0
18	Mhlontlo Municipality	Eastern Cape	0,1	2,2	-0,1
19	Mnquma Municipality	Eastern Cape	0,1	0,6	0,0
20	Ndlambe Municipality	Eastern Cape	0,2	1,1	0,0
21	Ngqushwa Municipality	Eastern Cape	0,1	1,5	0,2
22	Ntabankulu Municipality	Eastern Cape	0,1	0,5	0,2
23	Nyandeni Municipality	Eastern Cape	0,1	3,8	0,0
24	Port St Johns Municipality	Eastern Cape	0,1	1,6	0,0
25	Raymond Mhlaba Municipality	Eastern Cape	0,4	0,3	0,1
26	Sakhisizwe Municipality	Eastern Cape	0,2	0,6	0,1
27	Senqu Municipality	Eastern Cape	0,1	8,2	0,0
28	Sundays River Valley Municipality	Eastern Cape	0,1	1,5	0,1
29	Umzimvubu Municipality	Eastern Cape	0,0	3,1	-0,1
30	Walter Sisulu Municipality	Eastern Cape	0,5	0,3	0,0

Part A	Local Municipalities	Province	2017/18		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
31	Winnie Madikizela-Mandela Municipality ( <i>former</i> )	Eastern Cape	0,1	3,4	0,0
32	Dihlabeng Municipality	Free State	0,2	0,2	-0,1
33	Kopanong Municipality	Free State	0,0	0,0	0,0
34	Letsemeng Municipality	Free State	0,1	1,1	0,0
35	Mafube Municipality	Free State	0,6	0,4	-0,3
36	Maluti-A-Phofung Municipality	Free State	0,0	0,0	0,0
37	Mantsopa Municipality	Free State	0,2	0,4	-0,1
38	Masilonyana Municipality	Free State	0,0	0,0	0,0
39	Matjhabeng Municipality	Free State	0,8	0,3	-0,1
40	Metsimaholo Municipality	Free State	0,2	1,3	0,1
41	Mohokare Municipality	Free State	0,3	0,5	0,1
42	Moqhaka Municipality	Free State	0,2	0,4	0,0
43	Nala Municipality	Free State	0,2	0,3	0,0
44	Ngwathe Municipality	Free State	1,3	0,2	-0,2
45	Nketoana Municipality	Free State	0,2	0,2	-0,1
46	Phumelela Municipality	Free State	0,2	0,2	0,1
47	Setsotho Municipality	Free State	0,1	1,8	0,0
48	Tokolologo Municipality	Free State	0,2	0,2	0,2
49	Tswelopele Municipality	Free State	0,2	0,5	0,0
50	Emfuleni Municipality	Gauteng	0,3	0,4	-0,1
51	Lesedi Municipality	Gauteng	0,3	1,0	0,0
52	Merafong City Municipality	Gauteng	0,3	0,5	0,0
53	Midvaal Municipality	Gauteng	0,2	2,3	0,0
54	Mogale City Municipality	Gauteng	0,2	0,5	0,0
55	Rand West City Municipality	Gauteng	0,3	0,3	0,0
56	AbaQulusi Municipality	KwaZulu-Natal	0,1	0,9	0,0
57	Alfred Duma Municipality	KwaZulu-Natal	0,1	2,4	0,0
58	Big 5 Hlabisa Municipality	KwaZulu-Natal	0,2	0,9	0,1
59	City of uMhlatuze Municipality	KwaZulu-Natal	0,2	1,5	0,1
60	Dannhauser Municipality	KwaZulu-Natal	0,1	3,6	0,0

Part A	Local Municipalities	Province	2017/18		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
61	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	0,1	3,3	0,1
62	eDumbe Municipality	KwaZulu-Natal	0,2	0,7	0,1
63	eMadlangeni Municipality	KwaZulu-Natal	0,2	2,1	0,1
64	Endumeni Municipality	KwaZulu-Natal	0,3	1,3	0,1
65	Greater Kokstad	KwaZulu-Natal	0,1	3,0	0,1
66	Impendle Municipality	KwaZulu-Natal	0,1	1,3	-0,1
67	Inkosi Langalibalele Municipality	KwaZulu-Natal	0,2	1,6	0,0
68	Jozini Municipality	KwaZulu-Natal	0,1	2,1	0,1
69	KwaDukuza Municipality	KwaZulu-Natal	0,2	2,3	0,0
70	Mandeni Municipality	KwaZulu-Natal	0,1	2,8	0,1
71	Maphumulo Municipality	KwaZulu-Natal	0,1	1,2	0,1
72	Mkhambathini Municipality	KwaZulu-Natal	0,1	6,6	0,1
73	Mpofana Municipality	KwaZulu-Natal	0,8	0,4	-0,3
74	Msunduzi Municipality	KwaZulu-Natal	0,2	1,4	0,0
75	Mthonjaneni Municipality	KwaZulu-Natal	0,1	3,0	0,1
76	Mtubatuba Municipality	KwaZulu-Natal	0,2	1,1	0,0
77	Ndwedwe Municipality	KwaZulu-Natal	0,1	4,3	0,1
78	Newcastle Municipality	KwaZulu-Natal	0,2	0,8	-0,1
79	Nkandla Municipality	KwaZulu-Natal	0,1	0,6	0,0
80	Nongoma Municipality	KwaZulu-Natal	0,1	1,5	0,1
81	Nquthu Municipality	KwaZulu-Natal	0,1	8,7	0,0
82	Okhahlamba Municipality	KwaZulu-Natal	0,2	1,4	0,2
83	Ray Nkonyeni Municipality	KwaZulu-Natal	0,2	1,5	0,0
84	Richmond Municipality	KwaZulu-Natal	0,1	1,8	-0,1
85	Ubuhlebezwe Municipality	KwaZulu-Natal	0,1	4,5	0,1
86	Ulundi Municipality	KwaZulu-Natal	0,3	0,5	-0,1
87	Umdoni Municipality	KwaZulu-Natal	0,1	4,8	0,1
88	uMfolozi Municipality	KwaZulu-Natal	0,2	0,3	0,1
89	uMhlabuyalingana Municipality	KwaZulu-Natal	0,1	2,3	0,0
90	uMlalazi Municipality	KwaZulu-Natal	0,1	2,7	0,0

Part A	Local Municipalities	Province	2017/18		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
91	uMngeni Municipality	KwaZulu-Natal	0,2	2,1	0,0
92	uMshwathi Municipality	KwaZulu-Natal	0,0	15,0	0,1
93	uMsinga Municipality	KwaZulu-Natal	0,2	1,3	0,0
94	Umuziwabantu Municipality	KwaZulu-Natal	0,1	9,2	0,1
95	Umvoti Municipality	KwaZulu-Natal	0,1	0,9	0,1
96	Umzimkhulu Municipality	KwaZulu-Natal	0,1	3,8	0,0
97	Umzumbe Municipality	KwaZulu-Natal	0,0	7,9	0,0
98	uPhongolo Municipality	KwaZulu-Natal	0,1	2,7	0,1
99	Ba-Phalaborwa Municipality	Limpopo	0,4	1,4	-0,1
100	Bela-Bela Municipality	Limpopo	0,3	0,2	0,0
101	Blouberg Municipality	Limpopo	0,1	1,8	0,0
102	Collins Chabane Municipality	Limpopo	0,1	4,2	0,3
103	Elias Motsoaledi Municipality	Limpopo	0,2	0,8	0,0
104	Ephraim Mogale Municipality	Limpopo	0,1	3,2	0,0
105	Fetakgomo-Tubatse Municipality	Limpopo	0,1	0,5	0,1
106	Greater Giyani Municipality	Limpopo	0,1	1,1	-0,1
107	Greater Letaba Municipality	Limpopo	0,1	0,4	0,1
108	Greater Tzaneen Municipality	Limpopo	0,2	1,6	0,0
109	Lepelle-Nkumpi Municipality	Limpopo	0,1	5,2	0,2
110	Lephalale Municipality	Limpopo	0,2	1,4	0,0
111	Makhado Municipality	Limpopo	0,2	1,4	0,0
112	Makhuduthamaga Municipality	Limpopo	0,2	1,0	0,0
113	Maruleng Municipality	Limpopo	0,1	4,7	0,1
114	Modimolle-Mookgophong Municipality	Limpopo	0,0	0,0	0,0
115	Mogalakwena Municipality	Limpopo	0,1	1,1	0,1
116	Molemole Municipality	Limpopo	0,1	3,4	0,2
117	Musina Municipality	Limpopo	0,7	0,5	-0,1
118	Polokwane Municipality	Limpopo	0,1	1,2	0,0
119	Thabazimbi Municipality	Limpopo	0,8	0,2	0,2
120	Thulamela Municipality	Limpopo	0,1	5,5	0,0

Part A	Local Municipalities	Province	2017/18		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
121	Bushbuckridge Municipality	Mpumalanga	0,1	1,7	0,1
122	Chief Albert Luthuli Municipality	Mpumalanga	0,2	1,2	0,1
123	City of Mbombela Municipality	Mpumalanga	0,3	0,3	0,0
124	Dipaleseng Municipality	Mpumalanga	0,4	0,2	0,2
125	Dr JS Moroka Municipality	Mpumalanga	0,1	1,0	0,1
126	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	0,2	3,5	0,0
127	Emakhazeni Municipality	Mpumalanga	0,2	0,7	0,0
128	Emalahleni Municipality	Mpumalanga	0,3	0,8	-0,1
129	Govan Mbeki Municipality	Mpumalanga	0,4	0,5	0,0
130	Lekwa Municipality	Mpumalanga	0,1	0,3	-0,3
131	Mkhondo Municipality	Mpumalanga	0,2	0,2	0,0
132	Msukaligwa Municipality	Mpumalanga	0,3	0,3	0,0
133	Nkomazi Municipality	Mpumalanga	0,1	1,7	0,1
134	Steve Tshwete Municipality	Mpumalanga	0,1	3,3	0,0
135	Thaba Chweu Municipality	Mpumalanga	0,5	0,5	0,0
136	Thembisile Hani Municipality	Mpumalanga	0,1	3,4	0,0
137	Victor Khanye Municipality	Mpumalanga	0,2	1,2	0,1
138	City of Matlosana Municipality	North West	0,2	0,7	-0,1
139	Ditsobotla Municipality	North West	0,4	0,9	0,1
140	Greater Taung Municipality	North West	0,1	4,3	0,0
141	JB Marks Municipality	North West	0,1	2,3	0,0
142	Kagisano-Molopo Municipality	North West	0,1	0,9	0,0
143	Kgetlengrivier Municipality	North West	0,3	0,7	0,0
144	Lekwa-Teemane Municipality	North West	0,9	0,3	-0,4
145	Madibeng Municipality	North West	0,4	1,0	0,0
146	Mahikeng Municipality	North West	0,6	0,5	-0,3
147	Mamusa Municipality	North West	0,4	0,9	0,0
148	Maquassi Hills Municipality	North West	0,5	-0,2	0,1
149	Moretele Municipality	North West	0,2	0,3	0,0
150	Moses Kotane Municipality	North West	0,0	18,1	-0,1

Part A	Local Municipalities	Province	2017/18		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
151	Naledi Municipality	North West	0,5	0,2	0,0
152	Ramotshere Moiloa Municipality	North West	0,3	0,8	0,0
153	Ratlou Municipality	North West	0,1	2,4	0,0
154	Rustenburg Municipality	North West	0,2	0,8	0,0
155	Tswaing Municipality	North West	0,3	0,2	0,0
156	!Kheis Municipality	Northern Cape	0,2	0,6	0,0
157	Dawid Kruiper Municipality	Northern Cape	0,2	0,7	0,0
158	Dikgatlong Municipality	Northern Cape	0,2	0,8	0,0
159	Emthanjeni Municipality	Northern Cape	0,2	0,9	0,0
160	Ga-Segonyana Municipality	Northern Cape	0,1	1,0	0,0
161	Gamagara Municipality	Northern Cape	0,4	0,2	-0,1
162	Hantam Municipality	Northern Cape	0,3	0,3	0,2
163	Joe Morolong Municipality	Northern Cape	0,1	1,9	0,0
164	Kai !Garib Municipality	Northern Cape	0,5	0,2	-0,1
165	Kamiesberg Municipality	Northern Cape	0,2	0,4	0,0
166	Kareeberg Municipality	Northern Cape	0,3	2,1	0,0
167	Karoo Hoogland Municipality	Northern Cape	0,3	0,5	0,1
168	Kgatelopele Municipality	Northern Cape	0,1	1,1	0,0
169	Khai-Ma Municipality	Northern Cape	0,5	0,2	0,0
170	Magareng Municipality	Northern Cape	0,6	0,2	-0,1
171	Nama Khoi Municipality	Northern Cape	0,4	0,3	-0,1
172	Phokwane Municipality	Northern Cape	0,2	0,7	0,0
173	Renosterberg Municipality	Northern Cape	No AFS	c	c
174	Richtersveld Municipality	Northern Cape	0,2	0,5	0,1
175	Siyancuma Municipality	Northern Cape	0,5	0,3	-0,1
176	Siyathemba Municipality	Northern Cape	0,3	0,4	0,1
177	Sol Plaatje Municipality	Northern Cape	0,2	4,3	0,1
178	Thembelihle Municipality	Northern Cape	0,4	0,1	0,0
179	Tsantsabane Municipality	Northern Cape	0,0	0,0	0,0
180	Ubuntu Municipality	Northern Cape	0,2	0,2	0,0

Part A	Local Municipalities	Province	2017/18		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
181	Umsobomvu Municipality	Northern Cape	0,2	0,6	0,0
182	Beaufort West Municipality	Western Cape	0,2	0,9	0,1
183	Bergrivier Municipality	Western Cape	0,4	3,8	0,0
184	Bitou Municipality	Western Cape	0,3	1,7	0,0
185	Breede Valley Municipality	Western Cape	0,3	1,6	0,0
186	Cape Agulhas Municipality	Western Cape	0,4	1,8	0,0
187	Cederberg Municipality	Western Cape	0,3	0,7	0,0
188	Drakenstein Municipality	Western Cape	0,4	0,9	0,1
189	George Municipality	Western Cape	0,2	2,1	0,0
190	Hessequa Municipality	Western Cape	0,3	2,8	0,0
191	Kannaland Municipality	Western Cape	0,3	5,6	0,0
192	Knysna Municipality	Western Cape	0,3	1,5	0,1
193	Laingsburg Municipality	Western Cape	0,8	1,2	0,0
194	Langeberg Municipality	Western Cape	0,3	1,8	0,0
195	Matzikama Municipality	Western Cape	0,3	1,0	0,0
196	Mossel Bay Municipality	Western Cape	0,1	2,7	0,0
197	Oudtshoorn Municipality	Western Cape	0,3	1,1	0,0
198	Overstrand Municipality	Western Cape	0,2	2,9	0,0
199	Prince Albert Municipality	Western Cape	0,2	4,3	0,4
200	Saldanha Bay Municipality	Western Cape	0,2	3,5	0,0
201	Stellenbosch Municipality	Western Cape	0,1	2,2	0,0
202	Swartland Municipality	Western Cape	0,1	4,2	0,0
203	Swellendam Municipality	Western Cape	0,3	2,0	0,0
204	Theewaterskloof Municipality	Western Cape	0,3	1,7	0,2
205	Witzenberg Municipality	Western Cape	0,2	2,2	0,0
206	Alfred Nzo District	Eastern Cape	0,0	1,3	0,0
207	Amathole District	Eastern Cape	0,2	0,6	0,1
208	Chris Hani District	Eastern Cape	0,1	1,6	0,0
209	Joe Gqabi District	Eastern Cape	0,1	1,2	0,0
210	OR Tambo District	Eastern Cape	0,1	0,9	0,1

Part A	Local Municipalities	Province	2017/18		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
211	Sarah Baartman District	Eastern Cape	0,3	12,4	0,0
212	Fezile Dabi District	Free State	0,2	3,0	0,1
213	Lejweleputswa District	Free State	0,2	6,8	0,0
214	Thabo Mofutsanyana District	Free State	1,7	0,3	-0,4
215	Xhariep District	Free State	0,8	0,4	0,0
216	Sedibeng District	Gauteng	1,4	0,1	1,7
217	West Rand District	Gauteng	2,1	0,2	-1,1
218	Amajuba District	KwaZulu-Natal	0,2	0,6	0,0
219	Harry Gwala District	KwaZulu-Natal	0,1	0,7	0,1
220	iLembe District	KwaZulu-Natal	0,1	0,7	0,1
221	King Cetshwayo District (formerly Uthungulu District)	KwaZulu-Natal	0,0	2,2	0,0
222	Ugu District	KwaZulu-Natal	0,1	0,9	0,0
223	uMgungundlovu District	KwaZulu-Natal	0,2	1,0	0,0
224	uMkhanyakude District	KwaZulu-Natal	0,1	1,0	0,1
225	uMzinyathi District	KwaZulu-Natal	0,1	1,3	0,0
226	uThukela District	KwaZulu-Natal	0,1	0,6	0,1
227	Zululand District	KwaZulu-Natal	0,1	0,3	0,1
228	Capricorn District	Limpopo	0,1	1,5	0,1
229	Mopani District	Limpopo	0,3	0,3	0,0
230	Sekhukhune District	Limpopo	0,2	0,7	0,1
231	Vhembe District	Limpopo	0,2	0,7	0,3
232	Waterberg District	Limpopo	0,3	5,0	-0,1
233	Ehlanzeni District	Mpumalanga	0,6	2,5	-0,2
234	Gert Sibande District	Mpumalanga	0,1	3,6	-0,1
235	Nkangala District	Mpumalanga	0,1	12,9	0,0
236	Bojanala Platinum District	North West	1,9	0,1	0,1
237	Dr Kenneth Kaunda District	North West	0,8	0,7	0,0
238	Dr Ruth Segomotsi Mompati District	North West	0,1	0,3	0,0
239	Ngaka Modiri Molema District	North West	0,1	0,8	0,0
240	Frances Baard District	Northern Cape	0,4	3,6	0,0

Part A	Local Municipalities	Province	2017/18		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
241	John Taolo Gaetsewe District	Northern Cape	0,8	1,1	0,1
242	Namakwa District	Northern Cape	1,3	1,5	0,0
243	Pixley Ka Seme District	Northern Cape	1,5	0,4	3,2
244	ZF Mgcawu District	Northern Cape	2,5	0,1	2,9
245	Cape Winelands District	Western Cape	0,2	15,4	0,0
246	Central Karoo District	Western Cape	0,9	1,1	-0,3
247	Garden Route District (Formerly Eden District Mu	Western Cape	0,4	3,3	0,0
248	Overberg District	Western Cape	0,9	1,3	0,0
249	West Coast District	Western Cape	0,3	7,1	0,0
250	Buffalo City Metropolitan	Eastern Cape	0,1	1,8	0,0
251	Nelson Mandela Bay Metropolitan	Eastern Cape	0,3	1,7	0,0
252	Mangaung Metropolitan	Free State	0,3	1,0	0,0
253	City of Ekurhuleni Metropolitan	Gauteng	0,3	1,2	0,1
254	City of Johannesburg Metropolitan	Gauteng	0,5	0,8	0,0
255	City of Tshwane Metropolitan	Gauteng	0,5	0,8	0,0
256	eThekweni Metropolitan	KwaZulu-Natal	0,4	1,2	0,0
257	City of Cape Town Metropolitan	Western Cape	0,3	1,5	0,1

Part A	Local Municipalities	Province	2018/19		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
1	Amahlathi Municipality	Eastern Cape	0,3	0,4	-0,2
2	Blue Crane Route Municipality	Eastern Cape	0,2	0,9	0,0
3	Dr Beyers Naudé Municipality	Eastern Cape	0,3	0,3	-0,1
4	Elundini Municipality	Eastern Cape	0,2	1,7	0,0
5	Emalahleni Municipality	Eastern Cape	0,1	0,6	0,0
6	Dr AB Xuma Local Municipality (formerly Engcobo)	Eastern Cape	0,1	2,1	0,2
7	Enoch Mgijima Municipality	Eastern Cape	0,2	0,4	-0,1
8	Great Kei Municipality	Eastern Cape	0,2	0,8	0,0
9	Ingquza Hill Municipality	Eastern Cape	0,0	2,6	0,0
10	Intsika Yethu Municipality	Eastern Cape	0,1	3,0	0,0
11	Inxuba Yethemba Municipality	Eastern Cape	0,2	0,3	-0,1
12	King Sabata Dalindyebo Municipality	Eastern Cape	0,2	0,3	0,0
13	Kouga Municipality	Eastern Cape	0,2	1,4	0,0
14	Koukamma Municipality	Eastern Cape	0,2	1,3	-0,1
15	Makana Municipality	Eastern Cape	0,4	0,4	0,0
16	Matatiele Municipality	Eastern Cape	0,1	2,5	0,0
17	Mbhashe Municipality	Eastern Cape	0,1	1,2	0,0
18	Mhlontlo Municipality	Eastern Cape	0,1	1,5	-0,1
19	Mnquma Municipality	Eastern Cape	0,1	0,6	-0,4
20	Ndlambe Municipality	Eastern Cape	0,2	1,2	0,0
21	Ngqushwa Municipality	Eastern Cape	0,1	1,7	0,1
22	Ntabankulu Municipality	Eastern Cape	0,1	0,8	0,0
23	Nyandeni Municipality	Eastern Cape	0,1	6,6	0,1
24	Port St Johns Municipality	Eastern Cape	0,1	1,9	0,1
25	Raymond Mhlaba Municipality	Eastern Cape	0,4	0,3	0,0
26	Sakhisizwe Municipality	Eastern Cape	0,2	0,8	-0,1
27	Senqu Municipality	Eastern Cape	0,1	7,5	0,1
28	Sundays River Valley Municipality	Eastern Cape	0,1	0,8	0,1
29	Umzimvubu Municipality	Eastern Cape	0,1	2,4	-0,1
30	Walter Sisulu Municipality	Eastern Cape	0,5	0,3	-0,1

Part A	Local Municipalities	Province	2018/19		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
31	Winnie Madikizela-Mandela Municipality ( <i>former</i> )	Eastern Cape	0,1	4,0	0,1
32	Dihlabeng Municipality	Free State	0,2	0,3	-0,1
33	Kopanong Municipality	Free State	1,0	1,0	0,1
34	Letsemeng Municipality	Free State	0,1	0,7	-0,1
35	Mafube Municipality	Free State	0,5	0,6	0,1
36	Maluti-A-Phofung Municipality	Free State	0,0	0,0	0,0
37	Mantsopa Municipality	Free State	0,3	0,5	0,0
38	Masilonyana Municipality	Free State	0,0	0,0	0,0
39	Matjhabeng Municipality	Free State	1,0	0,3	0,1
40	Metsimaholo Municipality	Free State	0,2	1,0	0,0
41	Mohokare Municipality	Free State	0,3	0,4	0,0
42	Moqhaka Municipality	Free State	0,2	0,4	0,2
43	Nala Municipality	Free State	0,3	0,4	-0,1
44	Ngwathe Municipality	Free State	0,5	0,2	-0,1
45	Nketoana Municipality	Free State	0,3	0,1	0,0
46	Phumelela Municipality	Free State	0,3	0,1	0,0
47	Setsotho Municipality	Free State	0,1	1,7	-0,1
48	Tokolologo Municipality	Free State	0,0	-547,5	-1,1
49	Tswelopele Municipality	Free State	0,2	0,4	0,0
50	Emfuleni Municipality	Gauteng	0,3	0,4	-0,1
51	Lesedi Municipality	Gauteng	0,3	1,0	0,0
52	Merafong City Municipality	Gauteng	0,3	0,4	0,0
53	Midvaal Municipality	Gauteng	0,2	2,2	0,0
54	Mogale City Municipality	Gauteng	0,2	0,5	0,0
55	Rand West City Municipality	Gauteng	0,3	0,2	0,0
56	AbaQulusi Municipality	KwaZulu-Natal	0,1	1,0	0,0
57	Alfred Duma Municipality	KwaZulu-Natal	0,1	2,5	0,0
58	Big 5 Hlabisa Municipality	KwaZulu-Natal	0,2	0,9	-0,1
59	City of uMhlatuze Municipality	KwaZulu-Natal	0,2	1,7	0,0
60	Dannhauser Municipality	KwaZulu-Natal	0,1	1,2	0,0

Part A	Local Municipalities	Province	2018/19		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
61	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	0,1	3,1	0,0
62	eDumbe Municipality	KwaZulu-Natal	0,1	1,5	0,2
63	eMadlangeni Municipality	KwaZulu-Natal	0,2	2,8	0,0
64	Endumeni Municipality	KwaZulu-Natal	0,2	1,3	0,0
65	Greater Kokstad	KwaZulu-Natal	0,1	3,4	0,1
66	Impendle Municipality	KwaZulu-Natal	0,1	1,2	0,0
67	Inkosi Langalibalele Municipality	KwaZulu-Natal	0,2	1,1	-0,3
68	Jozini Municipality	KwaZulu-Natal	0,1	2,0	0,0
69	KwaDukuza Municipality	KwaZulu-Natal	0,2	2,4	0,0
70	Mandeni Municipality	KwaZulu-Natal	0,1	4,0	0,0
71	Maphumulo Municipality	KwaZulu-Natal	0,1	0,7	0,1
72	Mkhambathini Municipality	KwaZulu-Natal	0,1	10,1	0,1
73	Mpofana Municipality	KwaZulu-Natal	0,9	0,5	-0,2
74	Msunduzi Municipality	KwaZulu-Natal	0,3	0,8	0,0
75	Mthonjaneni Municipality	KwaZulu-Natal	0,1	1,5	0,0
76	Mtubatuba Municipality	KwaZulu-Natal	0,3	1,0	-0,1
77	Ndwedwe Municipality	KwaZulu-Natal	0,0	5,9	0,1
78	Newcastle Municipality	KwaZulu-Natal	0,2	0,8	0,0
79	Nkandla Municipality	KwaZulu-Natal	0,1	0,7	0,0
80	Nongoma Municipality	KwaZulu-Natal	0,1	1,2	0,0
81	Nquthu Municipality	KwaZulu-Natal	0,1	9,8	0,1
82	Okhahlamba Municipality	KwaZulu-Natal	0,2	1,1	0,0
83	Ray Nkonyeni Municipality	KwaZulu-Natal	0,2	1,3	0,0
84	Richmond Municipality	KwaZulu-Natal	0,1	1,5	0,0
85	Ubuhlebezwe Municipality	KwaZulu-Natal	0,1	5,2	0,0
86	Ulundi Municipality	KwaZulu-Natal	0,4	0,4	-0,1
87	Umdoni Municipality	KwaZulu-Natal	0,1	4,2	0,0
88	uMfolozi Municipality	KwaZulu-Natal	0,1	0,7	0,2
89	uMhlabuyalingana Municipality	KwaZulu-Natal	0,1	1,9	0,0
90	uMlalazi Municipality	KwaZulu-Natal	0,1	2,8	0,0

Part A	Local Municipalities	Province	2018/19		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
91	uMngeni Municipality	KwaZulu-Natal	0,1	1,8	-0,1
92	uMshwathi Municipality	KwaZulu-Natal	0,1	7,7	0,1
93	uMsinga Municipality	KwaZulu-Natal	0,1	1,6	0,1
94	Umuziwabantu Municipality	KwaZulu-Natal	0,1	10,8	0,1
95	Umvoti Municipality	KwaZulu-Natal	0,1	0,8	0,0
96	Umzimkhulu Municipality	KwaZulu-Natal	0,1	4,9	0,0
97	Umzumbe Municipality	KwaZulu-Natal	0,1	6,5	0,0
98	uPhongolo Municipality	KwaZulu-Natal	0,1	1,4	0,0
99	Ba-Phalaborwa Municipality	Limpopo	0,0	0,0	0,0
100	Bela-Bela Municipality	Limpopo	0,2	0,3	0,0
101	Blouberg Municipality	Limpopo	0,1	1,9	0,0
102	Collins Chabane Municipality	Limpopo	0,1	0,2	0,2
103	Elias Motsoaledi Municipality	Limpopo	0,2	0,8	0,0
104	Ephraim Mogale Municipality	Limpopo	0,1	5,0	0,0
105	Fetakgomo-Tubatse Municipality	Limpopo	1,6	0,7	0,0
106	Greater Giyani Municipality	Limpopo	1,3	1,8	0,0
107	Greater Letaba Municipality	Limpopo	0,1	1,6	0,1
108	Greater Tzaneen Municipality	Limpopo	0,3	1,4	0,0
109	Lepelle-Nkumpi Municipality	Limpopo	0,1	3,0	0,0
110	Lephalale Municipality	Limpopo	0,2	1,8	0,0
111	Makhado Municipality	Limpopo	0,2	1,2	0,0
112	Makhuduthamaga Municipality	Limpopo	0,3	0,4	0,1
113	Maruleng Municipality	Limpopo	0,1	3,7	0,1
114	Modimolle-Mookgophong Municipality	Limpopo	0,6	0,6	0,3
115	Mogalakwena Municipality	Limpopo	0,0	0,0	0,0
116	Molemole Municipality	Limpopo	0,2	3,0	0,1
117	Musina Municipality	Limpopo	0,8	1,9	-0,1
118	Polokwane Municipality	Limpopo	0,1	0,8	0,0
119	Thabazimbi Municipality	Limpopo	0,6	0,7	-0,1
120	Thulamela Municipality	Limpopo	0,1	3,7	0,0

Part A	Local Municipalities	Province	2018/19		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
121	Bushbuckridge Municipality	Mpumalanga	0,1	1,8	0,1
122	Chief Albert Luthuli Municipality	Mpumalanga	0,2	1,4	0,1
123	City of Mbombela Municipality	Mpumalanga	0,3	0,3	0,0
124	Dipaleseng Municipality	Mpumalanga	0,4	0,2	0,0
125	Dr JS Moroka Municipality	Mpumalanga	0,2	0,7	0,1
126	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	0,2	1,3	0,0
127	Emakhazeni Municipality	Mpumalanga	0,2	0,9	0,2
128	Emalahleni Municipality	Mpumalanga	0,4	0,8	0,0
129	Govan Mbeki Municipality	Mpumalanga	Non submission	Non submission	Non submission
130	Lekwa Municipality	Mpumalanga	1,2	0,3	-0,1
131	Mkhondo Municipality	Mpumalanga	0,2	0,2	-0,1
132	Msukaligwa Municipality	Mpumalanga	0,3	0,3	-0,1
133	Nkomazi Municipality	Mpumalanga	0,1	2,3	0,1
134	Steve Tshwete Municipality	Mpumalanga	0,1	2,6	0,0
135	Thaba Chweu Municipality	Mpumalanga	0,6	0,4	-0,1
136	Thembisile Hani Municipality	Mpumalanga	0,1	1,9	0,0
137	Victor Khanye Municipality	Mpumalanga	0,5	0,3	0,3
138	City of Matlosana Municipality	North West	0,3	0,7	-0,1
139	Ditsobotla Municipality	North West	0,4	0,9	0,0
140	Greater Taung Municipality	North West	0,1	6,4	0,0
141	JB Marks Municipality	North West	0,1	1,9	0,0
142	Kagisano-Molopo Municipality	North West	0,1	1,5	0,0
143	Kgetlengrivier Municipality	North West	0,4	0,5	0,0
144	Lekwa-Teemane Municipality	North West	0,8	0,4	-0,8
145	Madibeng Municipality	North West	0,4	0,6	-0,2
146	Mahikeng Municipality	North West	0,6	0,8	-0,7
147	Mamusa Municipality	North West	0,4	0,3	-0,4
148	Maquassi Hills Municipality	North West	0,4	0,4	-0,1
149	Moretele Municipality	North West	0,2	0,2	0,0
150	Moses Kotane Municipality	North West	0,1	0,4	-0,1

Part A	Local Municipalities	Province	2018/19		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
151	Naledi Municipality	North West	0,5	0,2	0,1
152	Ramotshere Moiloa Municipality	North West	0,3	0,6	0,0
153	Ratlou Municipality	North West	0,1	1,2	0,0
154	Rustenburg Municipality	North West	0,2	0,8	-0,1
155	Tswaing Municipality	North West	0,3	0,2	-0,1
156	!Kheis Municipality	Northern Cape	0,2	0,6	0,0
157	Dawid Kruiper Municipality	Northern Cape	0,2	11,3	0,1
158	Dikgatlong Municipality	Northern Cape	0,3	0,9	0,0
159	Emthanjeni Municipality	Northern Cape	0,2	1,0	-0,1
160	Ga-Segonyana Municipality	Northern Cape	0,1	1,0	0,0
161	Gamagara Municipality	Northern Cape	0,4	0,3	0,0
162	Hantam Municipality	Northern Cape	0,3	0,6	0,2
163	Joe Morolong Municipality	Northern Cape	0,1	2,2	0,1
164	Kai !Garib Municipality	Northern Cape	0,7	0,4	-0,1
165	Kamiesberg Municipality	Northern Cape	0,3	0,3	0,0
166	Kareeberg Municipality	Northern Cape	0,2	2,4	0,1
167	Karoo Hoogland Municipality	Northern Cape	0,3	1,3	0,1
168	Kgatelopele Municipality	Northern Cape	0,1	0,9	0,0
169	Khai-Ma Municipality	Northern Cape	0,6	0,2	0,0
170	Magareng Municipality	Northern Cape	0,7	0,2	0,2
171	Nama Khoi Municipality	Northern Cape	0,5	0,3	-0,1
172	Phokwane Municipality	Northern Cape	0,3	0,4	-0,1
173	Renosterberg Municipality	Northern Cape	No AFS		
174	Richtersveld Municipality	Northern Cape	0,3	0,3	-0,1
175	Siyancuma Municipality	Northern Cape	0,5	0,2	0,0
176	Siyathemba Municipality	Northern Cape	0,3	0,4	0,1
177	Sol Plaatje Municipality	Northern Cape	0,2	3,6	0,6
178	Thembelihle Municipality	Northern Cape	0,4	0,2	0,0
179	Tsantsabane Municipality	Northern Cape	No AFS		
180	Ubuntu Municipality	Northern Cape	0,2	0,3	0,0

Part A	Local Municipalities	Province	2018/19		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
181	Umsobomvu Municipality	Northern Cape	0,2	1,0	0,0
182	Beaufort West Municipality	Western Cape	0,2	0,8	0,0
183	Bergrivier Municipality	Western Cape	0,3	4,1	0,1
184	Bitou Municipality	Western Cape	0,3	1,6	0,0
185	Breede Valley Municipality	Western Cape	0,2	1,5	0,1
186	Cape Agulhas Municipality	Western Cape	0,3	2,0	539187827,0
187	Cederberg Municipality	Western Cape	0,2	0,6	0,1
188	Drakenstein Municipality	Western Cape	0,4	0,6	0,1
189	George Municipality	Western Cape	0,2	2,2	0,0
190	Hessequa Municipality	Western Cape	0,3	3,2	0,3
191	Kannaland Municipality	Western Cape	0,0	0,3	0,0
192	Knysna Municipality	Western Cape	0,3	1,2	0,1
193	Laingsburg Municipality	Western Cape	0,2	0,6	0,1
194	Langeberg Municipality	Western Cape	0,2	1,9	0,1
195	Matzikama Municipality	Western Cape	0,3	0,8	0,1
196	Mossel Bay Municipality	Western Cape	0,1	2,5	0,0
197	Oudtshoorn Municipality	Western Cape	0,3	1,2	0,0
198	Overstrand Municipality	Western Cape	0,2	3,2	0,0
199	Prince Albert Municipality	Western Cape	0,2	3,4	0,3
200	Saldanha Bay Municipality	Western Cape	1,0	1,0	1,0
201	Stellenbosch Municipality	Western Cape	0,8	1,8	0,0
202	Swartland Municipality	Western Cape	0,1	5,2	0,0
203	Swellendam Municipality	Western Cape	0,3	2,1	0,0
204	Theewaterskloof Municipality	Western Cape	0,3	1,7	0,0
205	Witzenberg Municipality	Western Cape	0,2	2,0	0,1
206	Alfred Nzo District	Eastern Cape	0,0	2,5	0,1
207	Amathole District	Eastern Cape	0,2	0,7	0,1
208	Chris Hani District	Eastern Cape	0,1	1,3	0,0
209	Joe Gqabi District	Eastern Cape	0,1	1,3	0,0
210	OR Tambo District	Eastern Cape	0,1	0,8	0,1

Part A	Local Municipalities	Province	2018/19		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
211	Sarah Baartman District	Eastern Cape	0,3	7,6	-0,1
212	Fezile Dabi District	Free State	0,2	4,3	0,1
213	Lejweleputswa District	Free State	0,3	3,9	0,1
214	Thabo Mofutsanyana District	Free State	1,1	0,9	-0,1
215	Xhariep District	Free State	0,6	0,8	0,1
216	Sedibeng District	Gauteng	1,7	0,1	0,5
217	West Rand District	Gauteng	1,8	0,3	0,9
218	Amajuba District	KwaZulu-Natal	0,2	0,7	0,1
219	Harry Gwala District	KwaZulu-Natal	0,1	0,7	0,1
220	iLembe District	KwaZulu-Natal	0,9	0,9	0,0
221	King Cetshwayo District (formerly Uthungulu District)	KwaZulu-Natal	0,2	1,7	0,0
222	Ugu District	KwaZulu-Natal	0,9	0,6	0,0
223	uMgungundlovu District	KwaZulu-Natal	0,8	1,0	0,1
224	uMkhanyakude District	KwaZulu-Natal	0,1	0,8	0,0
225	uMzinyathi District	KwaZulu-Natal	0,1	0,9	0,1
226	uThukela District	KwaZulu-Natal	0,2	0,8	0,1
227	Zululand District	KwaZulu-Natal	0,1	0,3	0,1
228	Capricorn District	Limpopo	0,1	2,7	0,1
229	Mopani District	Limpopo	0,3	0,4	0,1
230	Sekhukhune District	Limpopo	0,2	0,6	0,1
231	Vhembe District	Limpopo	0,2	0,7	0,0
232	Waterberg District	Limpopo	0,3	3,7	0,0
233	Ehlanzeni District	Mpumalanga	0,6	2,5	0,0
234	Gert Sibande District	Mpumalanga	0,2	3,6	0,1
235	Nkangala District	Mpumalanga	0,9	10,1	0,0
236	Bojanala Platinum District	North West	1,5	0,1	0,1
237	Dr Kenneth Kaunda District	North West	0,6	1,8	-0,1
238	Dr Ruth Segomotsi Mompati District	North West	0,1	0,5	0,0
239	Ngaka Modiri Molema District	North West	0,1	1,0	0,1
240	Frances Baard District	Northern Cape	0,3	4,7	0,0

Part A	Local Municipalities	Province	2018/19		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
241	John Taolo Gaetsewe District	Northern Cape	0,2	2,1	-0,1
242	Namakwa District	Northern Cape	1,6	1,0	0,2
243	Pixley Ka Seme District	Northern Cape	1,2	0,8	-0,2
244	ZF Mgcawu District	Northern Cape	1,8	0,1	0,5
245	Cape Winelands District	Western Cape	0,2	18,0	0,0
246	Central Karoo District	Western Cape	0,8	1,6	0,2
247	Garden Route District (Formerly Eden District Mu	Western Cape	0,4	2,8	0,0
248	Overberg District	Western Cape	0,9	1,4	0,2
249	West Coast District	Western Cape	0,3	7,5	-0,1
250	Buffalo City Metropolitan	Eastern Cape	0,1	0,2	0,0
251	Nelson Mandela Bay Metropolitan	Eastern Cape	0,3	2,0	0,0
252	Mangaung Metropolitan	Free State	0,3	1,0	0,0
253	City of Ekurhuleni Metropolitan	Gauteng	0,3	1,1	0,0
254	City of Johannesburg Metropolitan	Gauteng	0,4	1,1	0,1
255	City of Tshwane Metropolitan	Gauteng	0,5	1,0	0,1
256	eThekweni Metropolitan	KwaZulu-Natal	0,4	1,2	0,0
257	City of Cape Town Metropolitan	Western Cape	0,3	2,0	0,0

Part A	Local Municipalities	Province	2019/20		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
1	Amahlathi Municipality	Eastern Cape	0,4	0,5	-0,1
2	Blue Crane Route Municipality	Eastern Cape	0,1	0,9	0,0
3	Dr Beyers Naudé Municipality	Eastern Cape	0,3	0,1	0,0
4	Elundini Municipality	Eastern Cape	0,2	1,7	0,0
5	Emalahleni Municipality	Eastern Cape	0,1	0,6	0,0
6	Dr AB Xuma Local Municipality (formerly Engcobo)	Eastern Cape	0,1	2,0	0,0
7	Enoch Mgijima Municipality	Eastern Cape	0,4	0,4	-0,3
8	Great Kei Municipality	Eastern Cape	0,3	0,7	-0,1
9	Ingquza Hill Municipality	Eastern Cape	0,1	3,2	0,0
10	Intsika Yethu Municipality	Eastern Cape	0,1	2,7	0,0
11	Inxuba Yethemba Municipality	Eastern Cape	0,2	0,3	0,0
12	King Sabata Dalindyebo Municipality	Eastern Cape	0,2	0,4	-0,1
13	Kouga Municipality	Eastern Cape	0,2	1,3	0,0
14	Koukamma Municipality	Eastern Cape	0,1	1,6	0,1
15	Makana Municipality	Eastern Cape	0,3	0,5	0,1
16	Matatiele Municipality	Eastern Cape	0,1	4,2	0,1
17	Mbhashe Municipality	Eastern Cape	0,1	2,3	0,0
18	Mhlontlo Municipality	Eastern Cape	0,1	1,7	0,0
19	Mnquma Municipality	Eastern Cape	0,1	1,5	-0,1
20	Ndlambe Municipality	Eastern Cape	0,2	0,8	0,0
21	Ngqushwa Municipality	Eastern Cape	0,1	2,3	-0,1
22	Ntabankulu Municipality	Eastern Cape	0,2	0,8	-0,1
23	Nyandeni Municipality	Eastern Cape	0,1	7,3	0,0
24	Port St Johns Municipality	Eastern Cape	0,1	2,0	0,0
25	Raymond Mhlaba Municipality	Eastern Cape	0,5	0,3	-0,1
26	Sakhisizwe Municipality	Eastern Cape	0,2	1,1	0,0
27	Senqu Municipality	Eastern Cape	0,1	8,5	0,0
28	Sundays River Valley Municipality	Eastern Cape	0,2	0,7	0,1
29	Umzimvubu Municipality	Eastern Cape	0,1	2,8	0,0
30	Walter Sisulu Municipality	Eastern Cape	0,5	0,3	-0,1

Part A	Local Municipalities	Province	2019/20		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
31	Winnie Madikizela-Mandela Municipality ( <i>former</i> )	Eastern Cape	0	0	0
32	Dihlabeng Municipality	Free State	0,3	0,4	0,0
33	Kopanong Municipality	Free State	0,0	0,0	0,0
34	Letsemeng Municipality	Free State	0,2	0,5	0,0
35	Mafube Municipality	Free State	0,6	0,2	-0,1
36	Maluti-A-Phofung Municipality	Free State	1,3	0,2	-0,2
37	Mantsopa Municipality	Free State	0,4	0,3	-0,1
38	Masilonyana Municipality	Free State	0,0	0,0	0,0
39	Matjhabeng Municipality	Free State	1,2	0,2	-0,2
40	Metsimaholo Municipality	Free State	0,2	1,0	0,0
41	Mohokare Municipality	Free State	0,4	0,2	0,0
42	Moqhaka Municipality	Free State	0,3	0,4	-0,1
43	Nala Municipality	Free State	0,3	0,4	-0,1
44	Ngwathe Municipality	Free State	1,1	0,2	-0,1
45	Nketoana Municipality	Free State	0,6	0,1	-0,4
46	Phumelela Municipality	Free State	0,5	0,2	0,0
47	Setsotho Municipality	Free State	0,1	1,5	0,0
48	Tokolologo Municipality	Free State	0,0	0,0	0,0
49	Tswelopele Municipality	Free State	0,2	0,5	0,0
50	Emfuleni Municipality	Gauteng	0,4	0,3	-0,1
51	Lesedi Municipality	Gauteng	0,3	1,0	0,1
52	Merafong City Municipality	Gauteng	0,3	0,7	0,0
53	Midvaal Municipality	Gauteng	0,2	2,5	0,0
54	Mogale City Municipality	Gauteng	0,3	0,5	0,0
55	Rand West City Municipality	Gauteng	0,4	0,2	-0,1
56	AbaQulusi Municipality	KwaZulu-Natal	0,1	1,3	0,0
57	Alfred Duma Municipality	KwaZulu-Natal	0,1	2,6	0,0
58	Big 5 Hlabisa Municipality	KwaZulu-Natal	0,2	1,0	0,0
59	City of uMhlatuze Municipality	KwaZulu-Natal	0,2	1,6	0,0
60	Dannhauser Municipality	KwaZulu-Natal	0,1	1,5	0,0

Part A	Local Municipalities	Province	2019/20		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
61	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	0,1	3,2	0,1
62	eDumbe Municipality	KwaZulu-Natal	0,1	2,1	0,0
63	eMadlangeni Municipality	KwaZulu-Natal	0,2	1,5	0,0
64	Endumeni Municipality	KwaZulu-Natal	0,3	1,2	0,0
65	Greater Kokstad	KwaZulu-Natal	0,1	2,2	0,0
66	Impendle Municipality	KwaZulu-Natal	0,1	1,1	0,0
67	Inkosi Langalibalele Municipality	KwaZulu-Natal	0,2	1,1	0,0
68	Jozini Municipality	KwaZulu-Natal	0,1	3,4	0,1
69	KwaDukuza Municipality	KwaZulu-Natal	0,2	2,5	0,0
70	Mandeni Municipality	KwaZulu-Natal	0,1	3,4	0,0
71	Maphumulo Municipality	KwaZulu-Natal	0,1	0,7	0,1
72	Mkhambathini Municipality	KwaZulu-Natal	0,1	10,9	0,1
73	Mpofana Municipality	KwaZulu-Natal	0,8	0,5	-0,1
74	Msunduzi Municipality	KwaZulu-Natal	0,3	1,5	0,0
75	Mthonjaneni Municipality	KwaZulu-Natal	0,1	1,2	0,0
76	Mtubatuba Municipality	KwaZulu-Natal	0,2	0,8	0,0
77	Ndwedwe Municipality	KwaZulu-Natal	0,0	5,9	0,1
78	Newcastle Municipality	KwaZulu-Natal	0,2	0,8	-0,1
79	Nkandla Municipality	KwaZulu-Natal	0,1	1,5	0,0
80	Nongoma Municipality	KwaZulu-Natal	0,2	1,1	0,0
81	Nquthu Municipality	KwaZulu-Natal	0,1	6,3	0,1
82	Okhahlamba Municipality	KwaZulu-Natal	0,2	1,2	0,0
83	Ray Nkonyeni Municipality	KwaZulu-Natal	0,2	1,4	0,0
84	Richmond Municipality	KwaZulu-Natal	0,1	1,3	0,0
85	Ubuhlebezwe Municipality	KwaZulu-Natal	0,1	7,9	0,1
86	Ulundi Municipality	KwaZulu-Natal	0,3	0,4	0,2
87	Umdoni Municipality	KwaZulu-Natal	0,1	4,5	-0,1
88	uMfolozi Municipality	KwaZulu-Natal	0,1	0,9	0,1
89	uMhlabuyalingana Municipality	KwaZulu-Natal	0,2	1,6	0,0
90	uMlalazi Municipality	KwaZulu-Natal	0,1	2,8	0,0

Part A	Local Municipalities	Province	2019/20		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
91	uMngeni Municipality	KwaZulu-Natal	0,2	1,2	0,0
92	uMshwathi Municipality	KwaZulu-Natal	0,0	15,4	0,1
93	uMsinga Municipality	KwaZulu-Natal	0,1	2,0	0,1
94	Umuziwabantu Municipality	KwaZulu-Natal	0,1	6,4	0,0
95	Umvoti Municipality	KwaZulu-Natal	0,1	0,9	0,0
96	Umzimkhulu Municipality	KwaZulu-Natal	0,1	3,6	0,0
97	Umzumbe Municipality	KwaZulu-Natal	0,1	3,6	0,0
98	uPhongolo Municipality	KwaZulu-Natal	0,1	1,7	0,0
99	Ba-Phalaborwa Municipality	Limpopo	0,5	0,4	-0,1
100	Bela-Bela Municipality	Limpopo	0,3	0,4	0,0
101	Blouberg Municipality	Limpopo	0,0	0,0	0,0
102	Collins Chabane Municipality	Limpopo	0,1	5,1	0,1
103	Elias Motsoaledi Municipality	Limpopo	0,2	1,0	0,1
104	Ephraim Mogale Municipality	Limpopo	0,0	0,0	0,0
105	Fetakgomo-Tubatse Municipality	Limpopo	0,1	1,2	0,0
106	Greater Giyani Municipality	Limpopo	0,1	2,3	0,0
107	Greater Letaba Municipality	Limpopo	0,9	0,6	0,0
108	Greater Tzaneen Municipality	Limpopo	0,2	2,0	0,1
109	Lepelle-Nkumpi Municipality	Limpopo	0,0	0,0	0,0
110	Lephalale Municipality	Limpopo	0,2	2,3	0,0
111	Makhado Municipality	Limpopo	0,2	6,7	0,0
112	Makhuduthamaga Municipality	Limpopo	0,3	0,4	0,0
113	Maruleng Municipality	Limpopo	0,1	4,0	0,1
114	Modimolle-Mookgophong Municipality	Limpopo	0,5	0,7	0,0
115	Mogalakwena Municipality	Limpopo	0,1	1,6	0,0
116	Molemole Municipality	Limpopo	0,0	0,0	0,0
117	Musina Municipality	Limpopo	0,8	0,2	0,0
118	Polokwane Municipality	Limpopo	0,9	0,9	0,0
119	Thabazimbi Municipality	Limpopo	0,6	0,4	0,0
120	Thulamela Municipality	Limpopo	0,1	5,4	0,0

Part A	Local Municipalities	Province	2019/20		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
121	Bushbuckridge Municipality	Mpumalanga	0,1	2,7	0,1
122	Chief Albert Luthuli Municipality	Mpumalanga	0,2	1,4	0,0
123	City of Mbombela Municipality	Mpumalanga	0,3	0,3	0,0
124	Dipaleseng Municipality	Mpumalanga	0,4	0,8	0,3
125	Dr JS Moroka Municipality	Mpumalanga	0,1	1,9	0,1
126	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	0,2	1,3	-0,1
127	Emakhazeni Municipality	Mpumalanga	0,1	1,8	0,0
128	Emalahleni Municipality	Mpumalanga	0,6	0,5	-0,1
129	Govan Mbeki Municipality	Mpumalanga	0,9	0,2	-0,2
130	Lekwa Municipality	Mpumalanga	0,9	0,2	-0,3
131	Mkhondo Municipality	Mpumalanga	0,3	0,2	0,0
132	Msukaligwa Municipality	Mpumalanga	0,6	0,3	0,0
133	Nkomazi Municipality	Mpumalanga	0,1	2,3	0,1
134	Steve Tshwete Municipality	Mpumalanga	0,1	2,3	0,0
135	Thaba Chweu Municipality	Mpumalanga	0,7	0,5	0,0
136	Thembisile Hani Municipality	Mpumalanga	0,1	2,3	0,1
137	Victor Khanye Municipality	Mpumalanga	0,5	0,3	-0,1
138	City of Matlosana Municipality	North West	0,4	0,6	-0,1
139	Ditsobotla Municipality	North West	0,6	0,5	-0,2
140	Greater Taung Municipality	North West	0,1	3,6	0,1
141	JB Marks Municipality	North West	0,6	1,7	0,0
142	Kagisano-Molopo Municipality	North West	0,1	1,3	0,1
143	Kgetlengrivier Municipality	North West	0,6	0,2	-0,2
144	Lekwa-Teemane Municipality	North West	0,7	0,3	-1,2
145	Madibeng Municipality	North West	0,4	0,6	0,0
146	Mahikeng Municipality	North West	0,6	0,6	-0,7
147	Mamusa Municipality	North West	0,5	0,3	-0,4
148	Maquassi Hills Municipality	North West	0,5	0,2	-0,1
149	Moretele Municipality	North West	0,1	0,5	0,1
150	Moses Kotane Municipality	North West	0,1	1,0	0,0

Part A	Local Municipalities	Province	2019/20		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
151	Naledi Municipality	North West	0,6	0,2	-0,1
152	Ramotshere Moiloa Municipality	North West	0,3	0,8	0,0
153	Ratlou Municipality	North West	0,1	2,2	-0,1
154	Rustenburg Municipality	North West	0,3	0,6	0,0
155	Tswaing Municipality	North West	0,4	0,3	0,0
156	!Kheis Municipality	Northern Cape	0,4	0,7	-0,2
157	Dawid Kruiper Municipality	Northern Cape	0,0	0,6	0,0
158	Dikgatlong Municipality	Northern Cape	0,1	0,8	0,0
159	Emthanjeni Municipality	Northern Cape	0,0	0,9	0,0
160	Ga-Segonyana Municipality	Northern Cape	0,1	0,4	0,0
161	Gamagara Municipality	Northern Cape	0,3	0,6	0,1
162	Hantam Municipality	Northern Cape	0,2	0,5	0,2
163	Joe Morolong Municipality	Northern Cape	0,0	5,3	0,0
164	Kai !Garib Municipality	Northern Cape	0,5	0,1	-0,1
165	Kamiesberg Municipality	Northern Cape	0,3	0,2	0,1
166	Kareeberg Municipality	Northern Cape	0,1	4,9	0,0
167	Karoo Hoogland Municipality	Northern Cape	0,2	1,6	0,0
168	Kgatelopele Municipality	Northern Cape	0,9	1,0	0,0
169	Khai-Ma Municipality	Northern Cape	0,6	0,2	0,0
170	Magareng Municipality	Northern Cape	0,6	0,2	0,0
171	Nama Khoi Municipality	Northern Cape	0,4	0,3	-0,1
172	Phokwane Municipality	Northern Cape	0,3	0,4	-0,1
173	Renosterberg Municipality	Northern Cape	0,3	0,1	-0,1
174	Richtersveld Municipality	Northern Cape	0,3	0,2	-0,1
175	Siyancuma Municipality	Northern Cape	0,5	0,6	0,1
176	Siyathemba Municipality	Northern Cape	0,3	0,3	0,0
177	Sol Plaatje Municipality	Northern Cape	0,3	3,1	0,1
178	Thembelihle Municipality	Northern Cape	0,5	0,1	-0,1
179	Tsantsabane Municipality	Northern Cape	0,5	0,1	-0,1
180	Ubuntu Municipality	Northern Cape	0,2	0,4	0,0

Part A	Local Municipalities	Province	2019/20		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
181	Umsobomvu Municipality	Northern Cape	0,2	1,0	0,0
182	Beaufort West Municipality	Western Cape	0,0	0,0	0,0
183	Bergrivier Municipality	Western Cape	0,4	3,3	0,0
184	Bitou Municipality	Western Cape	0,0	0,0	0,0
185	Breede Valley Municipality	Western Cape	0,2	0,6	0,0
186	Cape Agulhas Municipality	Western Cape	0,3	1,9	0,2
187	Cederberg Municipality	Western Cape	0,3	0,5	0,0
188	Drakenstein Municipality	Western Cape	0,4	0,9	0,0
189	George Municipality	Western Cape	0,0	0,0	0,0
190	Hessequa Municipality	Western Cape	0,0	0,0	0,0
191	Kannaland Municipality	Western Cape	0,0	0,0	0,0
192	Knysna Municipality	Western Cape	0,0	0,0	0,0
193	Laingsburg Municipality	Western Cape	0,2	0,6	0,0
194	Langeberg Municipality	Western Cape	0,3	2,2	0,1
195	Matzikama Municipality	Western Cape	0,3	0,5	0,0
196	Mossel Bay Municipality	Western Cape	0,1	2,5	0,0
197	Oudtshoorn Municipality	Western Cape	0,3	1,3	0,0
198	Overstrand Municipality	Western Cape	0,2	2,7	0,0
199	Prince Albert Municipality	Western Cape	0,2	2,2	0,3
200	Saldanha Bay Municipality	Western Cape	0,2	3,2	0,0
201	Stellenbosch Municipality	Western Cape	0,2	1,8	0,0
202	Swartland Municipality	Western Cape	1,3	5,2	0,0
203	Swellendam Municipality	Western Cape	0,3	1,9	0,1
204	Theewaterskloof Municipality	Western Cape	0,3	1,8	0,1
205	Witzenberg Municipality	Western Cape	0,2	1,6	0,8
206	Alfred Nzo District	Eastern Cape	0,1	3,1	0,1
207	Amathole District	Eastern Cape	0,2	0,6	0,0
208	Chris Hani District	Eastern Cape	0,3	1,1	0,1
209	Joe Gqabi District	Eastern Cape	0,9	1,9	0,0
210	OR Tambo District	Eastern Cape	0,1	0,7	0,0

Part A	Local Municipalities	Province	2019/20		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
211	Sarah Baartman District	Eastern Cape	0,3	5,1	-0,1
212	Fezile Dabi District	Free State	0,3	3,2	-0,3
213	Lejweleputswa District	Free State	0,2	4,5	0,0
214	Thabo Mofutsanyana District	Free State	0,7	1,4	-0,3
215	Xhariep District	Free State	0,7	0,9	-0,1
216	Sedibeng District	Gauteng	1,7	0,1	-0,2
217	West Rand District	Gauteng	2,0	0,1	0,1
218	Amajuba District	KwaZulu-Natal	0,2	0,8	0,0
219	Harry Gwala District	KwaZulu-Natal	0,1	0,8	0,1
220	iLembe District	KwaZulu-Natal	0,2	1,2	0,0
221	King Cetshwayo District (formerly Uthungulu District)	KwaZulu-Natal	0,2	1,5	0,0
222	Ugu District	KwaZulu-Natal	0,2	0,5	-0,1
223	uMgungundlovu District	KwaZulu-Natal	0,2	0,6	0,0
224	uMkhanyakude District	KwaZulu-Natal	0,2	0,7	0,0
225	uMzinyathi District	KwaZulu-Natal	0,1	0,4	0,0
226	uThukela District	KwaZulu-Natal	0,1	0,8	0,1
227	Zululand District	KwaZulu-Natal	0,1	0,3	0,1
228	Capricorn District	Limpopo	0,1	2,2	0,1
229	Mopani District	Limpopo	0,3	0,4	0,0
230	Sekhukhune District	Limpopo	0,2	0,5	0,9
231	Vhembe District	Limpopo	0,3	0,5	0,1
232	Waterberg District	Limpopo	0,3	2,6	0,0
233	Ehlanzeni District	Mpumalanga	0,7	1,5	0,2
234	Gert Sibande District	Mpumalanga	0,2	2,0	-0,3
235	Nkangala District	Mpumalanga	0,1	9,2	0,0
236	Bojanala Platinum District	North West	1,8	0,3	0,2
237	Dr Kenneth Kaunda District	North West	0,4	3,2	-0,1
238	Dr Ruth Segomotsi Mompati District	North West	0,2	0,3	0,0
239	Ngaka Modiri Molema District	North West	0,1	1,9	0,0
240	Frances Baard District	Northern Cape	0,3	0,4	0,0

Part A	Local Municipalities	Province	2019/20		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
241	John Taolo Gaetsewe District	Northern Cape	0,2	2,1	-0,1
242	Namakwa District	Northern Cape	1,5	1,2	0,2
243	Pixley Ka Seme District	Northern Cape	0,8	1,1	0,0
244	ZF Mgcawu District	Northern Cape	2,0	0,1	0,0
245	Cape Winelands District	Western Cape	0,2	15,2	0,0
246	Central Karoo District	Western Cape	0,9	1,1	-0,3
247	Garden Route District (Formerly Eden District Mu	Western Cape	0,4	3,6	-0,1
248	Overberg District	Western Cape	0,7	1,5	0,0
249	West Coast District	Western Cape	0,3	4,0	0,0
250	Buffalo City Metropolitan	Eastern Cape	0,1	1,4	0,0
251	Nelson Mandela Bay Metropolitan	Eastern Cape	0,3	2,1	0,0
252	Mangaung Metropolitan	Free State	0,3	1,1	0,0
253	City of Ekurhuleni Metropolitan	Gauteng	0,3	0,9	0,0
254	City of Johannesburg Metropolitan	Gauteng	0,4	1,0	0,0
255	City of Tshwane Metropolitan	Gauteng	0,5	0,7	-0,1
256	eThekweni Metropolitan	KwaZulu-Natal	0,4	1,0	0,0
257	City of Cape Town Metropolitan	Western Cape	0,3	2,0	0,1

Part A	Local Municipalities	Province	2020/21		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
1	Amahlathi Municipality	Eastern Cape	0,4	0,3	0,1
2	Blue Crane Route Municipality	Eastern Cape	0,1	1,0	0,0
3	Dr Beyers Naudé Municipality	Eastern Cape	0,4	0,1	-0,1
4	Elundini Municipality	Eastern Cape	0,1	2,0	0,1
5	Emalahleni Municipality	Eastern Cape	0,1	1,5	0,0
6	Dr AB Xuma Local Municipality (formerly Engcobo)	Eastern Cape	0,1	2,2	0,1
7	Enoch Mgijima Municipality	Eastern Cape	0,5	0,2	0,0
8	Great Kei Municipality	Eastern Cape	0,3	0,3	0,0
9	Ingquza Hill Municipality	Eastern Cape	0,0	4,5	0,0
10	Intsika Yethu Municipality	Eastern Cape	0,1	2,2	0,0
11	Inxuba Yethemba Municipality	Eastern Cape	0,3	0,2	-0,1
12	King Sabata Dalindyebo Municipality	Eastern Cape	0,2	0,7	0,0
13	Kouga Municipality	Eastern Cape	0,1	1,3	0,0
14	Koukamma Municipality	Eastern Cape	0,1	1,5	0,0
15	Makana Municipality	Eastern Cape	0,4	0,4	0,0
16	Matatiele Municipality	Eastern Cape	0,1	4,1	0,0
17	Mbhashe Municipality	Eastern Cape	0,1	5,8	0,0
18	Mhlontlo Municipality	Eastern Cape	0,1	4,9	0,1
19	Mnquma Municipality	Eastern Cape	0,1	2,9	0,0
20	Ndlambe Municipality	Eastern Cape	0,1	1,7	0,0
21	Ngqushwa Municipality	Eastern Cape	0,1	3,2	-0,1
22	Ntabankulu Municipality	Eastern Cape	0,2	0,8	0,0
23	Nyandeni Municipality	Eastern Cape	0,0	9,9	0,1
24	Port St Johns Municipality	Eastern Cape	0,1	2,3	0,0
25	Raymond Mhlaba Municipality	Eastern Cape	0,6	0,3	0,0
26	Sakhisizwe Municipality	Eastern Cape	0,2	1,3	0,1
27	Senqu Municipality	Eastern Cape	0,1	7,4	0,0
28	Sundays River Valley Municipality	Eastern Cape	0,1	1,2	0,0
29	Umzimvubu Municipality	Eastern Cape	0,1	3,1	0,0
30	Walter Sisulu Municipality	Eastern Cape	0,6	0,3	-0,1

Part A	Local Municipalities	Province	2020/21		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
31	Winnie Madikizela-Mandela Municipality ( <i>former</i> )	Eastern Cape	0	0	0
32	Dihlabeng Municipality	Free State	0,3	0,4	-0,1
33	Kopanong Municipality	Free State	0,0	0,0	0,0
34	Letsemeng Municipality	Free State	0,2	0,6	0,0
35	Mafube Municipality	Free State	0,7	0,2	-0,1
36	Maluti-A-Phofung Municipality	Free State	1,3	0,3	-0,2
37	Mantsopa Municipality	Free State	0,4	1,7	0,1
38	Masilonyana Municipality	Free State	0,0	0,0	0,0
39	Matjhabeng Municipality	Free State	1,4	0,2	-0,2
40	Metsimaholo Municipality	Free State	0,3	1,4	0,1
41	Mohokare Municipality	Free State	0,4	0,4	0,0
42	Moqhaka Municipality	Free State	0,2	0,9	0,0
43	Nala Municipality	Free State	0,3	0,4	0,0
44	Ngwathe Municipality	Free State	0,5	0,2	0,0
45	Nketoana Municipality	Free State	0,4	0,2	0,0
46	Phumelela Municipality	Free State	0,3	0,2	0,0
47	Setsotho Municipality	Free State	0,1	1,8	-0,1
48	Tokolologo Municipality	Free State	0,2	0,4	0,0
49	Tswelopele Municipality	Free State	0,2	0,6	0,0
50	Emfuleni Municipality	Gauteng	0,5	0,4	0,0
51	Lesedi Municipality	Gauteng	0,3	0,9	0,0
52	Merafong City Municipality	Gauteng	0,4	0,3	-0,1
53	Midvaal Municipality	Gauteng	0,2	3,1	0,1
54	Mogale City Municipality	Gauteng	0,3	0,6	0,0
55	Rand West City Municipality	Gauteng	0,4	0,2	0,0
56	AbaQulusi Municipality	KwaZulu-Natal	0,1	1,1	0,0
57	Alfred Duma Municipality	KwaZulu-Natal	0,1	3,2	0,0
58	Big 5 Hlabisa Municipality	KwaZulu-Natal	0,1	2,3	0,1
59	City of uMhlatuze Municipality	KwaZulu-Natal	0,2	1,9	0,0
60	Dannhauser Municipality	KwaZulu-Natal	0,1	0,9	-0,2

Part A	Local Municipalities	Province	2020/21		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
61	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	0,1	3,9	0,1
62	eDumbe Municipality	KwaZulu-Natal	0,1	1,9	0,1
63	eMadlangeni Municipality	KwaZulu-Natal	0,2	1,3	0,0
64	Endumeni Municipality	KwaZulu-Natal	0,3	1,0	0,0
65	Greater Kokstad	KwaZulu-Natal	0,2	1,4	0,1
66	Impendle Municipality	KwaZulu-Natal	0,1	1,2	0,0
67	Inkosi Langalibalele Municipality	KwaZulu-Natal	0,2	1,7	0,1
68	Jozini Municipality	KwaZulu-Natal	0,1	3,6	0,2
69	KwaDukuza Municipality	KwaZulu-Natal	0,2	2,8	0,0
70	Mandeni Municipality	KwaZulu-Natal	0,1	3,4	0,0
71	Maphumulo Municipality	KwaZulu-Natal	0,1	0,9	0,1
72	Mkhambathini Municipality	KwaZulu-Natal	0,1	7,5	0,1
73	Mpofana Municipality	KwaZulu-Natal	0,9	0,4	-0,2
74	Msunduzi Municipality	KwaZulu-Natal	0,3	1,2	0,0
75	Mthonjaneni Municipality	KwaZulu-Natal	0,1	1,2	0,1
76	Mtubatuba Municipality	KwaZulu-Natal	0,2	1,1	0,1
77	Ndwedwe Municipality	KwaZulu-Natal	0,1	3,4	0,1
78	Newcastle Municipality	KwaZulu-Natal	0,2	0,9	0,0
79	Nkandla Municipality	KwaZulu-Natal	0,1	2,3	0,1
80	Nongoma Municipality	KwaZulu-Natal	0,2	0,9	0,0
81	Nquthu Municipality	KwaZulu-Natal	0,1	3,6	0,1
82	Okhahlamba Municipality	KwaZulu-Natal	0,2	1,5	0,1
83	Ray Nkonyeni Municipality	KwaZulu-Natal	0,2	1,8	0,0
84	Richmond Municipality	KwaZulu-Natal	0,1	1,8	0,0
85	Ubuhlebezwe Municipality	KwaZulu-Natal	0,1	6,3	0,0
86	Ulundi Municipality	KwaZulu-Natal	0,3	0,6	0,1
87	Umdoni Municipality	KwaZulu-Natal	0,1	3,0	-0,1
88	uMfolozi Municipality	KwaZulu-Natal	0,1	3,1	0,1
89	uMhlabuyalingana Municipality	KwaZulu-Natal	0,1	4,0	0,1
90	uMlalazi Municipality	KwaZulu-Natal	0,1	2,8	0,0

Part A	Local Municipalities	Province	2020/21		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
91	uMngeni Municipality	KwaZulu-Natal	0,2	1,0	0,0
92	uMshwathi Municipality	KwaZulu-Natal	0,1	6,5	-0,2
93	uMsinga Municipality	KwaZulu-Natal	0,1	3,5	0,2
94	Umuziwabantu Municipality	KwaZulu-Natal	0,1	5,9	0,1
95	Umvoti Municipality	KwaZulu-Natal	0,2	1,5	0,1
96	Umzimkhulu Municipality	KwaZulu-Natal	0,0	9,7	0,2
97	Umzumbe Municipality	KwaZulu-Natal	0,1	4,7	0,1
98	uPhongolo Municipality	KwaZulu-Natal	0,1	0,8	0,1
99	Ba-Phalaborwa Municipality	Limpopo	0,5	0,6	0,1
100	Bela-Bela Municipality	Limpopo	0,0	0,0	0,0
101	Blouberg Municipality	Limpopo	0,0	0,0	0,0
102	Collins Chabane Municipality	Limpopo	0,1	3,8	0,2
103	Elias Motsoaledi Municipality	Limpopo	0,1	1,2	0,0
104	Ephraim Mogale Municipality	Limpopo	0,0	0,0	0,0
105	Fetakgomo-Tubatse Municipality	Limpopo	0,1	1,8	0,0
106	Greater Giyani Municipality	Limpopo	0,1	3,0	0,1
107	Greater Letaba Municipality	Limpopo	0,1	0,6	0,1
108	Greater Tzaneen Municipality	Limpopo	0,2	2,6	0,1
109	Lepelle-Nkumpi Municipality	Limpopo	0,1	4,7	-0,1
110	Lephalale Municipality	Limpopo	0,2	2,1	0,1
111	Makhado Municipality	Limpopo	0,2	7,9	0,1
112	Makhuduthamaga Municipality	Limpopo	0,2	0,9	0,1
113	Maruleng Municipality	Limpopo	0,1	4,4	0,2
114	Modimolle-Mookgophong Municipality	Limpopo	0,5	0,5	0,0
115	Mogalakwena Municipality	Limpopo	0,1	1,0	-0,1
116	Molemole Municipality	Limpopo	0,1	5,4	0,0
117	Musina Municipality	Limpopo	0,8	0,2	0,0
118	Polokwane Municipality	Limpopo	0,1	1,0	0,0
119	Thabazimbi Municipality	Limpopo	0,6	0,4	0,1
120	Thulamela Municipality	Limpopo	0,1	4,9	0,0

Part A	Local Municipalities	Province	2020/21		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
121	Bushbuckridge Municipality	Mpumalanga	0,1	3,6	0,1
122	Chief Albert Luthuli Municipality	Mpumalanga	0,1	1,5	0,2
123	City of Mbombela Municipality	Mpumalanga	0,4	0,3	0,0
124	Dipaleseng Municipality	Mpumalanga	0,0	1,0	0,0
125	Dr JS Moroka Municipality	Mpumalanga	0,1	2,5	0,0
126	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	0,2	1,2	-0,1
127	Emakhazeni Municipality	Mpumalanga	0,1	1,5	0,0
128	Emalahleni Municipality	Mpumalanga	0,7	0,5	-0,1
129	Govan Mbeki Municipality	Mpumalanga	1,1	0,2	-0,2
130	Lekwa Municipality	Mpumalanga	1,8	0,2	-0,2
131	Mkhondo Municipality	Mpumalanga	0,3	0,0	-0,1
132	Msukaligwa Municipality	Mpumalanga	0,4	0,3	0,1
133	Nkomazi Municipality	Mpumalanga	0,1	2,1	0,0
134	Steve Tshwete Municipality	Mpumalanga	0,0	1,3	0,0
135	Thaba Chweu Municipality	Mpumalanga	0,9	0,2	-0,2
136	Thembisile Hani Municipality	Mpumalanga	0,1	2,4	0,1
137	Victor Khanye Municipality	Mpumalanga	0,6	0,3	-0,1
138	City of Matlosana Municipality	North West	0,4	0,5	-0,1
139	Ditsobotla Municipality	North West	0,8	0,4	0,0
140	Greater Taung Municipality	North West	0,1	4,4	-0,2
141	JB Marks Municipality	North West	0,2	1,4	0,0
142	Kagisano-Molopo Municipality	North West	0,1	1,7	0,1
143	Kgetlengrivier Municipality	North West	0,7	0,2	0,0
144	Lekwa-Teemane Municipality	North West	0,6	0,3	-1,3
145	Madibeng Municipality	North West	0,5	0,7	0,0
146	Mahikeng Municipality	North West	0,6	0,5	-0,3
147	Mamusa Municipality	North West	0,5	0,2	-0,2
148	Maquassi Hills Municipality	North West	0,5	0,5	0,0
149	Moretele Municipality	North West	0,1	1,9	0,0
150	Moses Kotane Municipality	North West	0,1	0,9	0,0

Part A	Local Municipalities	Province	2020/21		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
151	Naledi Municipality	North West	1,1	0,3	-0,1
152	Ramotshere Moiloa Municipality	North West	0,3	1,0	0,0
153	Ratlou Municipality	North West	0,1	2,3	0,0
154	Rustenburg Municipality	North West	0,2	0,7	0,0
155	Tswaing Municipality	North West	0,4	0,4	0,0
156	!Kheis Municipality	Northern Cape	0,6	0,9	0,0
157	Dawid Kruiper Municipality	Northern Cape	0,2	0,5	0,0
158	Dikgatlong Municipality	Northern Cape	0,3	0,8	0,0
159	Emthanjeni Municipality	Northern Cape	0,3	0,7	-0,1
160	Ga-Segonyana Municipality	Northern Cape	0,1	2,2	0,0
161	Gamagara Municipality	Northern Cape	0,4	0,5	0,0
162	Hantam Municipality	Northern Cape	0,2	0,8	0,1
163	Joe Morolong Municipality	Northern Cape	0,5	2,2	-0,2
164	Kai !Garib Municipality	Northern Cape	0,6	0,1	-0,1
165	Kamiesberg Municipality	Northern Cape	0,4	0,3	0,0
166	Kareeberg Municipality	Northern Cape	0,3	1,5	-0,2
167	Karoo Hoogland Municipality	Northern Cape	0,1	1,6	0,0
168	Kgatelopele Municipality	Northern Cape	0,9	1,0	0,0
169	Khai-Ma Municipality	Northern Cape	0,6	0,2	0,0
170	Magareng Municipality	Northern Cape	0,6	0,2	0,0
171	Nama Khoi Municipality	Northern Cape	0,5	0,2	-0,1
172	Phokwane Municipality	Northern Cape	0,3	0,4	-0,1
173	Renosterberg Municipality	Northern Cape	0,4	0,1	-0,1
174	Richtersveld Municipality	Northern Cape	0,4	0,2	-0,1
175	Siyancuma Municipality	Northern Cape	0,5	0,7	0,1
176	Siyathemba Municipality	Northern Cape	0,3	0,4	0,0
177	Sol Plaatje Municipality	Northern Cape	0,3	2,7	0,0
178	Thembelihle Municipality	Northern Cape	0,5	0,1	-0,1
179	Tsantsabane Municipality	Northern Cape	0,6	0,1	0,0
180	Ubuntu Municipality	Northern Cape	0,2	0,4	0,0

Part A	Local Municipalities	Province	2020/21		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
181	Umsobomvu Municipality	Northern Cape	0,1	1,3	0,0
182	Beaufort West Municipality	Western Cape	0,0	0,0	0,0
183	Bergrivier Municipality	Western Cape	0,4	3,2	0,0
184	Bitou Municipality	Western Cape	0,2	1,0	0,0
185	Breede Valley Municipality	Western Cape	0,2	1,8	0,0
186	Cape Agulhas Municipality	Western Cape	0,3	1,8	0,0
187	Cederberg Municipality	Western Cape	0,3	0,4	0,0
188	Drakenstein Municipality	Western Cape	0,4	1,1	0,0
189	George Municipality	Western Cape	0,2	2,2	0,0
190	Hessequa Municipality	Western Cape	0,3	3,2	0,0
191	Kannaland Municipality	Western Cape	0,0	0,0	0,0
192	Knysna Municipality	Western Cape	0,4	1,0	0,1
193	Laingsburg Municipality	Western Cape	0,2	1,2	0,1
194	Langeberg Municipality	Western Cape	0,3	2,1	0,0
195	Matzikama Municipality	Western Cape	0,3	0,4	0,0
196	Mossel Bay Municipality	Western Cape	0,0	0,0	0,0
197	Oudtshoorn Municipality	Western Cape	0,3	1,6	0,1
198	Overstrand Municipality	Western Cape	0,8	2,5	0,0
199	Prince Albert Municipality	Western Cape	0,2	2,6	0,1
200	Saldanha Bay Municipality	Western Cape	0,1	3,4	0,0
201	Stellenbosch Municipality	Western Cape	0,2	1,5	0,0
202	Swartland Municipality	Western Cape	0,9	5,6	0,0
203	Swellendam Municipality	Western Cape	0,4	1,6	0,0
204	Theewaterskloof Municipality	Western Cape	0,3	1,9	0,0
205	Witzenberg Municipality	Western Cape	0,2	1,7	0,0
206	Alfred Nzo District	Eastern Cape	0,0	4,0	2,0
207	Amathole District	Eastern Cape	0,2	0,4	0,0
208	Chris Hani District	Eastern Cape	0,0	1,1	0,0
209	Joe Gqabi District	Eastern Cape	0,1	2,1	0,1
210	OR Tambo District	Eastern Cape	0,1	0,7	0,0

Part A	Local Municipalities	Province	2020/21		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
211	Sarah Baartman District	Eastern Cape	0,7	7,4	0,0
212	Fezile Dabi District	Free State	0,3	2,8	0,0
213	Lejweleputswa District	Free State	0,2	5,9	0,0
214	Thabo Mofutsanyana District	Free State	0,6	2,1	0,1
215	Xhariep District	Free State	0,9	0,7	-0,1
216	Sedibeng District	Gauteng	2,0	0,1	-0,2
217	West Rand District	Gauteng	2,3	0,1	-0,2
218	Amajuba District	KwaZulu-Natal	0,2	0,8	0,0
219	Harry Gwala District	KwaZulu-Natal	0,1	1,0	0,1
220	iLembe District	KwaZulu-Natal	0,1	1,7	0,1
221	King Cetshwayo District (formerly Uthungulu District)	KwaZulu-Natal	0,9	1,5	0,1
222	Ugu District	KwaZulu-Natal	0,2	0,7	0,0
223	uMgungundlovu District	KwaZulu-Natal	0,8	0,6	0,0
224	uMkhanyakude District	KwaZulu-Natal	0,2	1,3	0,1
225	uMzinyathi District	KwaZulu-Natal	0,1	0,4	0,0
226	uThukela District	KwaZulu-Natal	0,2	0,3	0,0
227	Zululand District	KwaZulu-Natal	0,9	0,3	0,1
228	Capricorn District	Limpopo	0,1	3,0	0,1
229	Mopani District	Limpopo	0,3	0,6	0,1
230	Sekhukhune District	Limpopo	0,1	1,0	0,1
231	Vhembe District	Limpopo	0,3	0,2	0,1
232	Waterberg District	Limpopo	0,3	2,1	0,1
233	Ehlanzeni District	Mpumalanga	0,6	1,8	0,1
234	Gert Sibande District	Mpumalanga	0,3	1,7	-0,1
235	Nkangala District	Mpumalanga	0,9	7,2	0,0
236	Bojanala Platinum District	North West	0,3	1,6	0,7
237	Dr Kenneth Kaunda District	North West	0,4	3,3	-0,1
238	Dr Ruth Segomotsi Mompati District	North West	0,3	0,4	0,0
239	Ngaka Modiri Molema District	North West	0,1	2,5	0,0
240	Frances Baard District	Northern Cape	0,3	5,5	0,0

Part A	Local Municipalities	Province	2020/21		
			(Total Liabilities)/ (Total Assets) LEV	(Current Assets)/ Current Liabilities) LIQ	(Surplus Less Cash flows)/ (Total Assets) AR
241	John Taolo Gaetsewe District	Northern Cape	0,2	2,0	0,0
242	Namakwa District	Northern Cape	1,7	1,2	-0,2
243	Pixley Ka Seme District	Northern Cape	1,0	0,8	-0,2
244	ZF Mgcawu District	Northern Cape	1,9	0,3	0,0
245	Cape Winelands District	Western Cape	0,2	16,4	0,0
246	Central Karoo District	Western Cape	0,8	1,5	0,0
247	Garden Route District (Formerly Eden District Mu	Western Cape	0,4	2,9	0,0
248	Overberg District	Western Cape	0,7	1,6	-0,1
249	West Coast District	Western Cape	0,3	5,1	-0,1
250	Buffalo City Metropolitan	Eastern Cape	0,1	1,7	0,0
251	Nelson Mandela Bay Metropolitan	Eastern Cape	0,3	2,2	-0,1
252	Mangaung Metropolitan	Free State	0,3	1,0	0,0
253	City of Ekurhuleni Metropolitan	Gauteng	0,3	0,9	0,0
254	City of Johannesburg Metropolitan	Gauteng	0,4	1,2	0,0
255	City of Tshwane Metropolitan	Gauteng	0,5	0,7	0,0
256	eThekweni Metropolitan	KwaZulu-Natal	0,4	1,1	0,0
257	City of Cape Town Metropolitan	Western Cape	0,3	1,8	0,0

**Annexure A.2 : Rationalisation Proxy (Number of clean audits)**

Part A	Local Municipalities	Province	Six (6) Year Period
			Number of clean audits
1	Amahlathi Municipality	Eastern Cape	0
2	Blue Crane Route Municipality	Eastern Cape	0
3	Dr Beyers Naudé Municipality	Eastern Cape	0
4	Elundini Municipality	Eastern Cape	2
5	Emalahleni Municipality	Eastern Cape	0
6	Dr AB Xuma Local Municipality (formerly Engcobo)	Eastern Cape	0
7	Enoch Mgijima Municipality	Eastern Cape	0
8	Great Kei Municipality	Eastern Cape	0
9	Ingquza Hill Municipality	Eastern Cape	2
10	Intsika Yethu Municipality	Eastern Cape	0
11	Inxuba Yethemba Municipality	Eastern Cape	0
12	King Sabata Dalindyebo Municipality	Eastern Cape	0
13	Kouga Municipality	Eastern Cape	0
14	Koukamma Municipality	Eastern Cape	0
15	Makana Municipality	Eastern Cape	0
16	Matatiele Municipality	Eastern Cape	1
17	Mbhashe Municipality	Eastern Cape	0
18	Mhlontlo Municipality	Eastern Cape	0
19	Mnquma Municipality	Eastern Cape	0
20	Ndlambe Municipality	Eastern Cape	0
21	Ngqushwa Municipality	Eastern Cape	0
22	Ntabankulu Municipality	Eastern Cape	0
23	Nyandeni Municipality	Eastern Cape	1
24	Port St Johns Municipality	Eastern Cape	0
25	Raymond Mhlaba Municipality	Eastern Cape	0
26	Sakhisizwe Municipality	Eastern Cape	0
27	Senqu Municipality	Eastern Cape	6
28	Sundays River Valley Municipality	Eastern Cape	0
29	Umzimvubu Municipality	Eastern Cape	0
30	Walter Sisulu Municipality	Eastern Cape	0
31	Winnie Madikizela-Mandela Municipality (formerly)	Eastern Cape	0
32	Dihlabeng Municipality	Free State	0
33	Kopanong Municipality	Free State	0
34	Letsemeng Municipality	Free State	0
35	Mafube Municipality	Free State	0
36	Maluti-A-Phofung Municipality	Free State	0
37	Mantsopa Municipality	Free State	0
38	Masilonyana Municipality	Free State	0
39	Matjhabeng Municipality	Free State	0
40	Metsimaholo Municipality	Free State	0

<b>Part A</b>	<b>Local Municipalities</b>	<b>Province</b>	<b>Six (6) Year Period</b>
41	Mohokare Municipality	Free State	0
42	Moqhaka Municipality	Free State	0
43	Nala Municipality	Free State	0
44	Ngwathe Municipality	Free State	0
45	Nketoana Municipality	Free State	0
46	Phumelela Municipality	Free State	0
47	Setsoto Municipality	Free State	0
48	Tokologo Municipality	Free State	0
49	Tswelopele Municipality	Free State	0
50	Emfuleni Municipality	Gauteng	0
51	Lesedi Municipality	Gauteng	0
52	Merafong City Municipality	Gauteng	0
53	Midvaal Municipality	Gauteng	6
54	Mogale City Municipality	Gauteng	0
55	Rand West City Municipality	Gauteng	0
56	AbaQulusi Municipality	KwaZulu-Natal	0
57	Alfred Duma Municipality	KwaZulu-Natal	0
58	Big 5 Hlabisa Municipality	KwaZulu-Natal	0
59	City of uMhlatuze Municipality	KwaZulu-Natal	4
60	Dannhauser Municipality	KwaZulu-Natal	0
61	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	0
62	eDumbe Municipality	KwaZulu-Natal	0
63	eMadlangeni Municipality	KwaZulu-Natal	0
64	Endumeni Municipality	KwaZulu-Natal	1
65	Greater Kokstad	KwaZulu-Natal	0
66	Impendle Municipality	KwaZulu-Natal	0
67	Inkosi Langalibalele Municipality	KwaZulu-Natal	0
68	Jozini Municipality	KwaZulu-Natal	0
69	KwaDukuza Municipality	KwaZulu-Natal	0
70	Mandeni Municipality	KwaZulu-Natal	1
71	Maphumulo Municipality	KwaZulu-Natal	0
72	Mkhambathini Municipality	KwaZulu-Natal	0
73	Mpofana Municipality	KwaZulu-Natal	0
74	Msunduzi Municipality	KwaZulu-Natal	0
75	Mthonjaneni Municipality	KwaZulu-Natal	0
76	Mtubatuba Municipality	KwaZulu-Natal	0
77	Ndwedwe Municipality	KwaZulu-Natal	0
78	Newcastle Municipality	KwaZulu-Natal	0
79	Nkandla Municipality	KwaZulu-Natal	0
80	Nongoma Municipality	KwaZulu-Natal	0



Part A	Local Municipalities	Province	Six (6) Year Period
81	Nquthu Municipality	KwaZulu-Natal	0
82	Okhahlamba Municipality	KwaZulu-Natal	6
83	Ray Nkonyeni Municipality	KwaZulu-Natal	1
84	Richmond Municipality	KwaZulu-Natal	0
85	Ubuhlebezwe Municipality	KwaZulu-Natal	1
86	Ulundi Municipality	KwaZulu-Natal	0
87	Umdoni Municipality	KwaZulu-Natal	0
88	uMfolozi Municipality	KwaZulu-Natal	1
89	uMhlabyalingana Municipality	KwaZulu-Natal	2
90	uMlalazi Municipality	KwaZulu-Natal	0
91	uMngeni Municipality	KwaZulu-Natal	0
92	uMshwathi Municipality	KwaZulu-Natal	0
93	uMsinga Municipality	KwaZulu-Natal	0
94	Umuziwabantu Municipality	KwaZulu-Natal	2
95	Umvoti Municipality	KwaZulu-Natal	0
96	Umzimkhulu Municipality	KwaZulu-Natal	0
97	Umzumbe Municipality	KwaZulu-Natal	2
98	uPhongolo Municipality	KwaZulu-Natal	0
99	Ba-Phalaborwa Municipality	Limpopo	0
100	Bela-Bela Municipality	Limpopo	0
101	Blouberg Municipality	Limpopo	0
102	Collins Chabane Municipality	Limpopo	0
103	Elias Motsoaledi Municipality	Limpopo	0
104	Ephraim Mogale Municipality	Limpopo	0
105	Fetakgomo-Tubatse Municipality	Limpopo	0
106	Greater Giyani Municipality	Limpopo	0
107	Greater Letaba Municipality	Limpopo	0
108	Greater Tzaneen Municipality	Limpopo	0
109	Lepelle-Nkumpi Municipality	Limpopo	0
110	Lephalale Municipality	Limpopo	0
111	Makhado Municipality	Limpopo	0
112	Makhuduthamaga Municipality	Limpopo	0
113	Maruleng Municipality	Limpopo	0
114	Modimolle-Mookgophong Municipality	Limpopo	0
115	Mogalakwena Municipality	Limpopo	0
116	Molemole Municipality	Limpopo	0
117	Musina Municipality	Limpopo	0
118	Polokwane Municipality	Limpopo	0
119	Thabazimbi Municipality	Limpopo	0
120	Thulamela Municipality	Limpopo	0
121	Bushbuckridge Municipality	Mpumalanga	0
122	Chief Albert Luthuli Municipality	Mpumalanga	0
123	City of Mbombela Municipality	Mpumalanga	0
124	Dipaleseng Municipality	Mpumalanga	0
125	Dr JS Moroka Municipality	Mpumalanga	0
126	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	0

Part A	Local Municipalities	Province	Six (6) Year Period
127	Emakhazeni Municipality	Mpumalanga	0
128	Emalahleni Municipality	Mpumalanga	0
129	Govan Mbeki Municipality	Mpumalanga	0
130	Lekwa Municipality	Mpumalanga	0
131	Mkhondo Municipality	Mpumalanga	0
132	Msukaligwa Municipality	Mpumalanga	0
133	Nkomazi Municipality	Mpumalanga	0
134	Steve Tshwete Municipality	Mpumalanga	3
135	Thaba Chweu Municipality	Mpumalanga	0
136	Thembisile Hani Municipality	Mpumalanga	0
137	Victor Khanye Municipality	Mpumalanga	0
138	City of Matlosana Municipality	North West	0
139	Ditsobotla Municipality	North West	0
140	Greater Taung Municipality	North West	0
141	JB Marks Municipality	North West	0
142	Kagisano-Molopo Municipality	North West	0
143	Kgetlengrivier Municipality	North West	0
144	Lekwa-Teemane Municipality	North West	0
145	Madibeng Municipality	North West	0
146	Mahikeng Municipality	North West	0
147	Mamusa Municipality	North West	0
148	Maquassi Hills Municipality	North West	0
149	Moretele Municipality	North West	0
150	Moses Kotane Municipality	North West	0
151	Naledi Municipality	North West	0
152	Ramotshere Moiloa Municipality	North West	0
153	Ratlou Municipality	North West	0
154	Rustenburg Municipality	North West	0
155	Tswaing Municipality	North West	0
156	!Kheis Municipality	Northern Cape	0
157	Dawid Kruiper Municipality	Northern Cape	0
158	Dikgatlong Municipality	Northern Cape	0
159	Emthanjeni Municipality	Northern Cape	0
160	Ga-Segonyana Municipality	Northern Cape	0
161	Gamagara Municipality	Northern Cape	0
162	Hantam Municipality	Northern Cape	1
163	Joe Morolong Municipality	Northern Cape	0
164	Kai !Garib Municipality	Northern Cape	0
165	Kamiesberg Municipality	Northern Cape	0
166	Kareeberg Municipality	Northern Cape	0
167	Karoo Hoogland Municipality	Northern Cape	0
168	Kgatelopele Municipality	Northern Cape	0
169	Khai-Ma Municipality	Northern Cape	0
170	Magareng Municipality	Northern Cape	0

Part A	Local Municipalities	Province	Six (6) Year Period
171	Nama Khoi Municipality	Northern Cape	0
172	Phokwane Municipality	Northern Cape	0
173	Renosterberg Municipality	Northern Cape	0
174	Richtersveld Municipality	Northern Cape	0
175	Siyancuma Municipality	Northern Cape	0
176	Siyathemba Municipality	Northern Cape	0
177	Sol Plaatje Municipality	Northern Cape	0
178	Thembelihle Municipality	Northern Cape	0
179	Tsantsabane Municipality	Northern Cape	0
180	Ubuntu Municipality	Northern Cape	0
181	Umsobomvu Municipality	Northern Cape	0
182	Beaufort West Municipality	Western Cape	0
183	Bergvriervier Municipality	Western Cape	6
184	Bitou Municipality	Western Cape	1
185	Breede Valley Municipality	Western Cape	5
186	Cape Agulhas Municipality	Western Cape	6
187	Cederberg Municipality	Western Cape	4
188	Drakenstein Municipality	Western Cape	5
189	George Municipality	Western Cape	3
190	Hessequa Municipality	Western Cape	6
191	Kannaland Municipality	Western Cape	0
192	Knysna Municipality	Western Cape	1
193	Laingsburg Municipality	Western Cape	0
194	Langeberg Municipality	Western Cape	5
195	Matzikama Municipality	Western Cape	4
196	Mossel Bay Municipality	Western Cape	4
197	Oudtshoorn Municipality	Western Cape	0
198	Overstrand Municipality	Western Cape	6
199	Prince Albert Municipality	Western Cape	3
200	Saldanha Bay Municipality	Western Cape	5
201	Stellenbosch Municipality	Western Cape	4
202	Swartland Municipality	Western Cape	4
203	Swellendam Municipality	Western Cape	5
204	Theewaterskloof Municipality	Western Cape	5
205	Witzenberg Municipality	Western Cape	6
206	Alfred Nzo District	Eastern Cape	0
207	Amathole District	Eastern Cape	0
208	Chris Hani District	Eastern Cape	0
209	Joe Gqabi District	Eastern Cape	3
210	OR Tambo District	Eastern Cape	0
211	Sarah Baartman District	Eastern Cape	0
212	Fezile Dabi District	Free State	1
213	Lejweleputswa District	Free State	0
214	Thabo Mofutsanyana District	Free State	0
215	Xhariep District	Free State	0
216	Sedibeng District	Gauteng	0

Part A	Local Municipalities	Province	Six (6) Year Period
217	West Rand District	Gauteng	1
218	Amajuba District	KwaZulu-Natal	0
219	Harry Gwala District	KwaZulu-Natal	0
220	iLembe District	KwaZulu-Natal	1
221	King Cetshwayo District (formerly Uthungulu Dist	KwaZulu-Natal	2
222	Ugu District	KwaZulu-Natal	1
223	uMgungundlovu District	KwaZulu-Natal	1
224	uMkhanyakude District	KwaZulu-Natal	0
225	uMzinyathi District	KwaZulu-Natal	0
226	uThukela District	KwaZulu-Natal	0
227	Zululand District	KwaZulu-Natal	0
228	Capricorn District	Limpopo	2
229	Mopani District	Limpopo	0
230	Sekhukhune District	Limpopo	0
231	Vhembe District	Limpopo	0
232	Waterberg District	Limpopo	1
233	Ehlanzeni District	Mpumalanga	4
234	Gert Sibande District	Mpumalanga	3
235	Nkangala District	Mpumalanga	4
236	Bojanala Platinum District	North West	0
237	Dr Kenneth Kaunda District	North West	0
238	Dr Ruth Segomotsi Mompati District	North West	0
239	Ngaka Modiri Molema District	North West	0
240	Frances Baard District	Northern Cape	3
241	John Taolo Gaetsewe District	Northern Cape	3
242	Namakwa District	Northern Cape	1
243	Pixley Ka Seme District	Northern Cape	0
244	ZF Mgcawu District	Northern Cape	5
245	Cape Winelands District	Western Cape	6
246	Central Karoo District	Western Cape	2
247	Garden Route District (Formerly Eden District Mu	Western Cape	2
248	Overberg District	Western Cape	4
249	West Coast District	Western Cape	6
250	Buffalo City Metropolitan	Eastern Cape	0
251	Nelson Mandela Bay Metropolitan	Eastern Cape	0
252	Mangaung Metropolitan	Free State	0
253	City of Ekurhuleni Metropolitan	Gauteng	1
254	City of Johannesburg Metropolitan	Gauteng	0
255	City of Tshwane Metropolitan	Gauteng	0
256	eThekweni Metropolitan	KwaZulu-Natal	1
257	City of Cape Town Metropolitan	Western Cape	1



### Annexure A.3 : Rationalisation Proxy (Analysis of audit outcomes on municipalities in South Africa)

No	Local Municipalities	Province	OPINIONS: FINANCIAL PERIODS					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
1	Amahlathi Municipality	Eastern Cape	Qualified	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings
2	Blue Crane Route Municipality	Eastern Cape	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
3	Dr Beyers Naudé Municipality	Eastern Cape	0	Disclaimer	Disclaimer	Disclaimer	Qualified	Qualified
4	Elundini Municipality	Eastern Cape	Qualified	Unqualified with Findings	Adverse	Unqualified with Findings	Clean Audit	Clean Audit
5	Emalahleni Municipality	Eastern Cape	Disclaimer	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified
6	Dr AB Xuma Local Municipality (formerly Engcobo Municipality)	Eastern Cape	Qualified	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings	Qualified
7	Enoch Mgijima Municipality	Eastern Cape	0	Disclaimer	Disclaimer	Adverse	Qualified	Qualified
8	Great Kei Municipality	Eastern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Disclaimer	Qualified	Unqualified with Findings
9	Ingquza Hill Municipality	Eastern Cape	Clean Audit	Clean Audit	Qualified	Disclaimer	Disclaimer	Qualified
10	Intsika Yethu Municipality	Eastern Cape	Unqualified with Findings	Qualified	Unqualified with Findings	Qualified	Qualified	Qualified
11	Inxuba Yethemba Municipality	Eastern Cape	Disclaimer	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
12	King Sabata Dalindyebo Municipality	Eastern Cape	Qualified	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified
13	Kouga Municipality	Eastern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
14	Koukamma Municipality	Eastern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
15	Makana Municipality	Eastern Cape	Qualified	Qualified	Qualified	Disclaimer	Disclaimer	Disclaimer
16	Matatiele Municipality	Eastern Cape	Clean Audit	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
17	Mbhashe Municipality	Eastern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
18	Mhlonlto Municipality	Eastern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings
19	Mnquma Municipality	Eastern Cape	Unqualified with Findings	Disclaimer	Adverse	Qualified	Unqualified with Findings	Unqualified with Findings
20	Ndlambe Municipality	Eastern Cape	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified
21	Ngqushwa Municipality	Eastern Cape	Qualified	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified
22	Ntabankulu Municipality	Eastern Cape	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
23	Nyandeni Municipality	Eastern Cape	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
24	Port St Johns Municipality	Eastern Cape	Qualified	Qualified	Qualified	Qualified	Qualified	Unqualified with Findings
25	Raymond Mhlaba Municipality	Eastern Cape	0	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified
26	Sakhisizwe Municipality	Eastern Cape	Qualified	Unqualified with Findings	Unqualified with Findings	Qualified	Adverse	Qualified
27	Senqu Municipality	Eastern Cape	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
28	Sundays River Valley Municipality	Eastern Cape	Adverse	Qualified	Qualified	Disclaimer	Disclaimer	Disclaimer
29	Umtzimvubu Municipality	Eastern Cape	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified	Unqualified with Findings
30	Walter Sisulu Municipality	Eastern Cape	0	Disclaimer	Disclaimer	Disclaimer	Qualified	Disclaimer
31	Winnie Madikizela - Mandela Local	Eastern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	0	0
32	Dihlabeng Municipality	Free State	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified
33	Kopanong Municipality	Free State	Unqualified with Findings	Qualified	Qualified	Qualified	Disclaimer	0
34	Letsemeng Municipality	Free State	Qualified	Disclaimer	Qualified	Qualified	Qualified	Qualified
35	Mafube Municipality	Free State	Disclaimer	Disclaimer	Disclaimer	Qualified	Qualified	Qualified

No	Local Municipalities	Province	OPINIONS: FINANCIAL PERIODS					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
36	Maluti-A-Phofung Municipality	Free State	Qualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer
37	Mantsopa Municipality	Free State	Qualified	Qualified	Qualified	Qualified	Qualified	0
38	Masilonyana Municipality	Free State	Disclaimer	Disclaimer	Disclaimer	Disclaimer	0	0
39	Matjhabeng Municipality	Free State	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified
40	Metsimaholo Municipality	Free State	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified
41	Mohokare Municipality	Free State	Unqualified with Findings	Disclaimer	Qualified	Qualified	Qualified	Qualified
42	Moqhaka Municipality	Free State	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified
43	Nala Municipality	Free State	Unqualified with Findings	Unqualified with Findings	Qualified	Disclaimer	Qualified	Qualified
44	Ngwathe Municipality	Free State	Unqualified with Findings	Qualified	Disclaimer	Qualified	Qualified	Qualified
45	Nketoana Municipality	Free State	Qualified	Disclaimer	Qualified	Disclaimer	Disclaimer	0
46	Phumelela Municipality	Free State	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
47	Setsotho Municipality	Free State	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified
48	Tokolologo Municipality	Free State	Unqualified with Findings	Disclaimer	Disclaimer	Disclaimer	Qualified	0
49	Tswelopele Municipality	Free State	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
50	Emfuleni Municipality	Gauteng	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings
51	Lesedi Municipality	Gauteng	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
52	Merafong City Municipality	Gauteng	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Adverse
53	Midvaal Municipality	Gauteng	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
54	Mogale City Municipality	Gauteng	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
55	Rand West City Municipality	Gauteng	0	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified
56	AbaQulusi Municipality	KwaZulu-Natal	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings	Qualified	Qualified
57	Alfred Duma Municipality	KwaZulu-Natal	0	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
58	Big 5 Hlabisa Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified	Unqualified with Findings
59	City of uMhlatuze Municipality	KwaZulu-Natal	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit
60	Dannhauser Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified
61	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	0	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
62	eDumbe Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified
63	eMadlangeni Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified
64	Endumeni Municipality	KwaZulu-Natal	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified
65	Greater Kokstad	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings

No	Local Municipalities	Province	OPINIONS: FINANCIAL PERIODS					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
66	Impendle Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
67	Inkosi Langalibalele Municipality	KwaZulu-Natal	0	Disclaimer	Adverse	Adverse	Disclaimer	Disclaimer
68	Jozini Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings
69	KwaDukuza Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
70	Mandeni Municipality	KwaZulu-Natal	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
71	Maphumulo Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
72	Mkhambathini Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
73	Mpofana Municipality	KwaZulu-Natal	Disclaimer	Qualified	Disclaimer	Disclaimer	Qualified	Qualified
74	Msunduzi Municipality	KwaZulu-Natal	Qualified	Disclaimer	Adverse	Qualified	Qualified	Unqualified with Findings
75	Mthonjaneni Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
76	Mtubatuba Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified
77	Ndwedwe Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
78	Newcastle Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
79	Nkandla Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
80	Nongoma Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Adverse	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
81	Nquthu Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Disclaimer	Disclaimer
82	Okhahlamba Municipality	KwaZulu-Natal	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
83	Ray Nkonyeni Municipality	KwaZulu-Natal	0	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
84	Richmond Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Adverse	Qualified	Unqualified with Findings	Unqualified with Findings
85	Ubuhlebezwe Municipality	KwaZulu-Natal	Clean Audit	Unqualified with Findings	Qualified	Qualified	Qualified	Unqualified with Findings
86	Ulundi Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
87	Umdoni Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings
88	uMfolozi Municipality	KwaZulu-Natal	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
89	uMhlabuyalingana Municipality	KwaZulu-Natal	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
90	uMlalazi Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
91	uMngeni Municipality	KwaZulu-Natal	Unqualified with Findings	Qualified	Unqualified with Findings	Qualified	Qualified	Qualified
92	uMshwathi Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Qualified
93	uMsinga Municipality	KwaZulu-Natal	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
94	Umuziwabantu Municipality	KwaZulu-Natal	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
95	Umvoti Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
96	Umzimkhulu Municipality	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings
97	Umzumbe Municipality	KwaZulu-Natal	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
98	uPhongolo Municipality	KwaZulu-Natal	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
99	Ba-Phalaborwa Municipality	Limpopo	Disclaimer	Disclaimer	Qualified	Qualified	Qualified	Qualified
100	Bela-Bela Municipality	Limpopo	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified	Qualified

No	Local Municipalities	Province	OPINIONS: FINANCIAL PERIODS					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
101	Blouberg Municipality	Limpopo	Qualified	Qualified	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
102	Collins Chabane Municipality	Limpopo	0	Qualified	Disclaimer	Qualified	Unqualified with Findings	Unqualified with Findings
103	Elias Motsoaledi Municipality	Limpopo	Qualified	Qualified	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings
104	Ephraim Mogale Municipality	Limpopo	Qualified	Qualified	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings
105	Fetakgomo-Tubatse Municipality	Limpopo	0	Qualified	Qualified	Qualified	Qualified	Unqualified with Findings
106	Greater Giyani Municipality	Limpopo	Qualified	Adverse	Qualified	Qualified	Unqualified with Findings	Qualified
107	Greater Letaba Municipality	Limpopo	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
108	Greater Tzaneen Municipality	Limpopo	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
109	Lepelle-Nkumpi Municipality	Limpopo	Qualified	Qualified	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
110	Lephalale Municipality	Limpopo	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
111	Makhado Municipality	Limpopo	Qualified	Adverse	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
112	Makhuduthamaga Municipality	Limpopo	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
113	Maruleng Municipality	Limpopo	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
114	Modimolle-Mookgophong Municipality	Limpopo	0	Disclaimer	Disclaimer	Disclaimer	Qualified	Qualified
115	Mogalakwena Municipality	Limpopo	Adverse	Adverse	Adverse	Adverse	Adverse	Qualified
116	Molemole Municipality	Limpopo	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
117	Musina Municipality	Limpopo	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
118	Polokwane Municipality	Limpopo	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified	Qualified
119	Thabazimbi Municipality	Limpopo	Disclaimer	Disclaimer	Disclaimer	Qualified	Qualified	Qualified
120	Thulamela Municipality	Limpopo	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
121	Bushbuckridge Municipality	Mpumalanga	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
122	Chief Albert Luthuli Municipality	Mpumalanga	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
123	City of Mbombela Municipality	Mpumalanga	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings
124	Dipaleseng Municipality	Mpumalanga	Unqualified with Findings	Unqualified with Findings	Qualified	Disclaimer	Disclaimer	Disclaimer
125	Dr JS Moroka Municipality	Mpumalanga	Qualified	Qualified	Adverse	Disclaimer	Disclaimer	Disclaimer
126	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Disclaimer	Disclaimer	Qualified
127	Emakhazeni Municipality	Mpumalanga	Qualified	Qualified	Qualified	Adverse	Adverse	Adverse
128	Emalahleni Municipality	Mpumalanga	Disclaimer	Qualified	Qualified	Qualified	Qualified	Qualified
129	Govan Mbeki Municipality	Mpumalanga	Unqualified with Findings	Unqualified with Findings	Disclaimer	Disclaimer	Disclaimer	Qualified
130	Lekwa Municipality	Mpumalanga	Unqualified with Findings	Unqualified with Findings	Qualified	Disclaimer	Disclaimer	Disclaimer

No	Local Municipalities	Province	OPINIONS: FINANCIAL PERIODS					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
131	Mkhondo Municipality	Mpumalanga	Qualified	Qualified	Qualified	Qualified	Qualified	Unqualified with Findings
132	Msukaligwa Municipality	Mpumalanga	Qualified	Qualified	Adverse	Adverse	Adverse	Qualified
133	Nkomazi Municipality	Mpumalanga	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
134	Steve Tshwete Municipality	Mpumalanga	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit
135	Thaba Chweu Municipality	Mpumalanga	Disclaimer	Disclaimer	Qualified	Qualified	Qualified	Unqualified with Findings
136	Thembisile Hani Municipality	Mpumalanga	Qualified	Unqualified with Findings	Qualified	Qualified	Qualified	Unqualified with Findings
137	Victor Khanye Municipality	Mpumalanga	Qualified	Qualified	Qualified	Disclaimer	Qualified	Qualified
138	City of Matlosana Municipality	North West	Qualified	Qualified	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings
139	Ditsobotla Municipality	North West	Qualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer
140	Greater Taung Municipality	North West	Qualified	Qualified	Qualified	Qualified	Disclaimer	Disclaimer
141	JB Marks Municipality	North West	0	Disclaimer	Qualified	Qualified	Qualified	Qualified
142	Kagisano-Molopo Municipality	North West	Unqualified with Findings	Qualified	Disclaimer	Qualified	Qualified	Qualified
143	Kgetlengrivier Municipality	North West	Unqualified with Findings	Unqualified with Findings	Disclaimer	Disclaimer	Disclaimer	Disclaimer
144	Lekwa-Teemane Municipality	North West	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Qualified
145	Madibeng Municipality	North West	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer
146	Mahikeng Municipality	North West	Disclaimer	Qualified	Disclaimer	Disclaimer	Qualified	Qualified
147	Mamusa Municipality	North West	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer
148	Maquassi Hills Municipality	North West	Qualified	Qualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer
149	Moretele Municipality	North West	Qualified	Qualified	Qualified	Qualified	Qualified	Unqualified with Findings
150	Moses Kotane Municipality	North West	Qualified	Disclaimer	Disclaimer	Qualified	Qualified	Qualified
151	Naledi Municipality	North West	Unqualified with Findings	Qualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer
152	Ramotshere Moiloa Municipality	North West	Qualified	Qualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer
153	Ratlou Municipality	North West	Qualified	Qualified	Qualified	Disclaimer	Disclaimer	Disclaimer
154	Rustenburg Municipality	North West	Qualified	Qualified	Qualified	Qualified	Disclaimer	Qualified
155	Tswaing Municipality	North West	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified
156	!Kheis Municipality	Northern Cape	Qualified	Qualified	Disclaimer	Disclaimer	Disclaimer	Adverse
157	Dawid Kruiper Municipality	Northern Cape	0	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
158	Dikgatlong Municipality	Northern Cape	Qualified	Qualified	Disclaimer	Disclaimer	Qualified	Qualified
159	Emthanjeni Municipality	Northern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified
160	Ga-Segonyana Municipality	Northern Cape	Disclaimer	Qualified	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings

No	Local Municipalities	Province	OPINIONS: FINANCIAL PERIODS					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
161	Gamagara Municipality	Northern Cape	Unqualified with Findings	Qualified	Disclaimer	Qualified	Qualified	Qualified
162	Hantam Municipality	Northern Cape	Qualified	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings	Clean Audit
163	Joe Morolong Municipality	Northern Cape	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Disclaimer
164	Kai !Garib Municipality	Northern Cape	Qualified	Qualified	Qualified	Disclaimer	Disclaimer	Qualified
165	Kamiesberg Municipality	Northern Cape	Qualified	Unqualified with Findings	Qualified	Disclaimer	Qualified	Qualified
166	Kareeberg Municipality	Northern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
167	Karoo Hoogland Municipality	Northern Cape	Qualified	Qualified	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings
168	Kgatelopele Municipality	Northern Cape	Qualified	Disclaimer	Disclaimer	Disclaimer	Qualified	Disclaimer
169	Khai-Ma Municipality	Northern Cape	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified
170	Magareng Municipality	Northern Cape	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified
171	Nama Khoi Municipality	Northern Cape	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified
172	Phokwane Municipality	Northern Cape	Disclaimer	Qualified	Qualified	Qualified	Disclaimer	0
173	Renosterberg Municipality	Northern Cape	Qualified	Qualified	Disclaimer	Disclaimer	Disclaimer	Disclaimer
174	Richtersveld Municipality	Northern Cape	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified
175	Siyancuma Municipality	Northern Cape	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified
176	Siyathemba Municipality	Northern Cape	Disclaimer	Disclaimer	Qualified	Qualified	Qualified	Qualified
177	Sol Plaatje Municipality	Northern Cape	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified
178	Thembelihle Municipality	Northern Cape	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified
179	Tsantsabane Municipality	Northern Cape	Qualified	Disclaimer	Disclaimer	Qualified	Qualified	Qualified
180	Ubuntu Municipality	Northern Cape	Disclaimer	Qualified	Qualified	Qualified	Qualified	Qualified
181	Umsobomvu Municipality	Northern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified
182	Beaufort West Municipality	Western Cape	Unqualified with Findings	Disclaimer	Qualified	Qualified	Disclaimer	Qualified
183	Bergrivier Municipality	Western Cape	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
184	Bitou Municipality	Western Cape	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
185	Breede Valley Municipality	Western Cape	Clean Audit	Clean Audit	Clean Audit	Unqualified with Findings	Clean Audit	Clean Audit
186	Cape Agulhas Municipality	Western Cape	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
187	Cederberg Municipality	Western Cape	Unqualified with Findings	Clean Audit	Clean Audit	Clean Audit	Unqualified with Findings	Clean Audit
188	Drakenstein Municipality	Western Cape	Clean Audit	Clean Audit	Unqualified with Findings	Clean Audit	Clean Audit	Clean Audit
189	George Municipality	Western Cape	Clean Audit	Clean Audit	Qualified	Unqualified with Findings	Unqualified with Findings	Clean Audit
190	Hessequa Municipality	Western Cape	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
191	Kannaland Municipality	Western Cape	Disclaimer	Qualified	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified
192	Knysna Municipality	Western Cape	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
193	Laingsburg Municipality	Western Cape	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified	Qualified
194	Langeberg Municipality	Western Cape	Clean Audit	Clean Audit	Unqualified with Findings	Clean Audit	Clean Audit	Clean Audit
195	Matzikama Municipality	Western Cape	Clean Audit	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Clean Audit

No	Local Municipalities	Province	OPINIONS: FINANCIAL PERIODS					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
196	Mossel Bay Municipality	Western Cape	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit
197	Oudtshoorn Municipality	Western Cape	Qualified	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
198	Overstrand Municipality	Western Cape	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
199	Prince Albert Municipality	Western Cape	Unqualified with Findings	Clean Audit	Unqualified with Findings	Clean Audit	Clean Audit	Unqualified with Findings
200	Saldanha Bay Municipality	Western Cape	Clean Audit	Clean Audit	Unqualified with Findings	Clean Audit	Clean Audit	Clean Audit
201	Stellenbosch Municipality	Western Cape	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit
202	Swartland Municipality	Western Cape	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit
203	Swellendam Municipality	Western Cape	Clean Audit	Clean Audit	Clean Audit	Unqualified with Findings	Clean Audit	Clean Audit
204	Theewaterskloof Municipality	Western Cape	Clean Audit	Clean Audit	Unqualified with Findings	Clean Audit	Clean Audit	Clean Audit
205	Witzenberg Municipality	Western Cape	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
206	Alfred Nzo District	Eastern Cape	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
207	Amathole District	Eastern Cape	Unqualified with Findings	Qualified	Qualified	Disclaimer	Adverse	Adverse
208	Chris Hani District	Eastern Cape	Qualified	Qualified	Qualified	Disclaimer	Disclaimer	Disclaimer
209	Joe Gqabi District	Eastern Cape	Clean Audit	Unqualified with Findings	Clean Audit	Unqualified with Findings	Unqualified with Findings	Clean Audit
210	OR Tambo District	Eastern Cape	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified
211	Sarah Baartman District	Eastern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
212	Fezile Dabi District	Free State	Clean Audit	Adverse	Qualified	Disclaimer	Qualified	Qualified
213	Lejweleputswa District	Free State	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
214	Thabo Mofutsanyana District	Free State	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Qualified	Unqualified with Findings
215	Xhariep District	Free State	Unqualified with Findings	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
216	Sedibeng District	Gauteng	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
217	West Rand District	Gauteng	Unqualified with Findings	Unqualified with Findings	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
218	Amajuba District	KwaZulu-Natal	Qualified	Qualified	Qualified	Qualified	Disclaimer	Qualified
219	Harry Gwala District	KwaZulu-Natal	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
220	iLembe District	KwaZulu-Natal	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
221	King Cetshwayo District (formerly Uthungulu District Municipality)	KwaZulu-Natal	Clean Audit	Unqualified with Findings	Qualified	Unqualified with Findings	Unqualified with Findings	Clean Audit
222	Ugu District	KwaZulu-Natal	Clean Audit	Qualified	Adverse	Qualified	Qualified	Qualified
223	uMgungundlovu District	KwaZulu-Natal	Clean Audit	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
224	uMkhanyakude District	KwaZulu-Natal	Adverse	Adverse	Qualified	Qualified	Adverse	Disclaimer
225	uMzinyathi District	KwaZulu-Natal	Qualified	Adverse	Adverse	Disclaimer	Disclaimer	Qualified
226	uThukela District	KwaZulu-Natal	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified	Qualified
227	Zululand District	KwaZulu-Natal	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified	Unqualified with Findings
228	Capricorn District	Limpopo	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit	Unqualified with Findings
229	Mopani District	Limpopo	Adverse	Disclaimer	Adverse	Qualified	Qualified	Disclaimer
230	Sekhukhune District	Limpopo	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Qualified	Qualified	Qualified
231	Vhembe District	Limpopo	Disclaimer	Disclaimer	Disclaimer	Qualified	Qualified	Qualified
232	Waterberg District	Limpopo	Unqualified with Findings	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings	Clean Audit
233	Ehlanzeni District	Mpumalanga	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit
234	Gert Sibande District	Mpumalanga	Qualified	Unqualified with Findings	Clean Audit	Clean Audit	Unqualified with Findings	Clean Audit
235	Nkangala District	Mpumalanga	Clean Audit	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit	Clean Audit

No	Local Municipalities	Province	OPINIONS: FINANCIAL PERIODS					
			2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
236	Bojanala Platinum District	North West	Disclaimer	Disclaimer	Disclaimer	Disclaimer	Qualified	Qualified
237	Dr Kenneth Kaunda District	North West	Qualified	Qualified	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
238	Dr Ruth Segomotsi Mompati District	North West	Unqualified with Findings	Unqualified with Findings	Qualified	Disclaimer	Disclaimer	Qualified
239	Ngaka Modiri Molema District	North West	Disclaimer	Disclaimer	Disclaimer	Adverse	Adverse	Adverse
240	Frances Baard District	Northern Cape	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit
241	John Taolo Gaetsewe District	Northern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit	Clean Audit
242	Namakwa District	Northern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Clean Audit
243	Pixley Ka Seme District	Northern Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Disclaimer	Disclaimer	Qualified
244	ZF Mgcawu District	Northern Cape	Clean Audit	Clean Audit	Clean Audit	Unqualified with Findings	Clean Audit	Clean Audit
245	Cape Winelands District	Western Cape	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
246	Central Karoo District	Western Cape	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Clean Audit	Clean Audit
247	Garden Route District (Formerly Eden District Municipality)	Western Cape	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Clean Audit
248	Overberg District	Western Cape	Clean Audit	Clean Audit	Clean Audit	Unqualified with Findings	Unqualified with Findings	Clean Audit
249	West Coast District	Western Cape	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
250	Buffalo City Metropolitan	Eastern Cape	Qualified	Unqualified with Findings	Qualified	Qualified	Qualified	Qualified
251	Nelson Mandela Bay Metropolitan	Eastern Cape	Qualified	Qualified	Qualified	Qualified	Qualified	Qualified
252	Mangaung Metropolitan	Free State	Unqualified with Findings	Qualified	Qualified	Qualified	Unqualified with Findings	Unqualified with Findings
253	City of Ekurhuleni Metropolitan	Gauteng	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
254	City of Johannesburg Metropolitan	Gauteng	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
255	City of Tshwane Metropolitan	Gauteng	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
256	eThekweni Metropolitan	KwaZulu-Natal	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings
257	City of Cape Town Metropolitan	Western Cape	Clean Audit	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings	Unqualified with Findings

### Annexure A.4 : Opportunity Proxies (Ratio Analysis)

No	Municipality Name	Provinces	2015/16		2016/17	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
1	Amahlathi Municipality	Eastern Cape	626 403 000	0,08	601 541 000	0,07
2	Blue Crane Route Municipality	Eastern Cape	12 331 422	0,00	16 465 760	0,00
3	Dr Beyers Naudé Municipality	Eastern Cape	-	-	50 587 981	0,01
4	Elundini Municipality	Eastern Cape	43 769 530	0,01	80 631 764	0,01
5	Emalahleni Municipality	Eastern Cape	30 615 000	0,00	26 170 100	0,00
6	Dr AB Xuma Local Municipality (formerly Engcobo Municipality)	Eastern Cape	92 271 719	0,01	60 744 152	0,01
7	Enoch Mgijima Municipality	Eastern Cape	-	-	68 037 818	0,01
8	Great Kei Municipality	Eastern Cape	34 201 192	0,00	13 747 291	0,00
9	Ingquza Hill Municipality	Eastern Cape	96 294 105	0,01	109 181 112	0,01
10	Intsika Yethu Municipality	Eastern Cape	88 800 705	0,01	67 547 818	0,01
11	Inxuba Yethemba Municipality	Eastern Cape	25 379 132	0,00	26 666 515	0,00
12	King Sabata Dalindyebo Municipality	Eastern Cape	328 099 430	0,04	365 188 548	0,05
13	Kouga Municipality	Eastern Cape	85 659 705	0,01	49 865 910	0,01
14	Koukamma Municipality	Eastern Cape	17 541 365	0,00	15 790 962	0,00
15	Makana Municipality	Eastern Cape	28 401 055	0,00	52 894 334	0,01
16	Matatiele Municipality	Eastern Cape	68 691 619	0,01	136 087 728	0,02
17	Mbhashe Municipality	Eastern Cape	121 256 718	0,02	124 080 483	0,02
18	Mhlontlo Municipality	Eastern Cape	48 910 409	0,01	55 963 975	0,01
19	Mnquma Municipality	Eastern Cape	66 048 037	0,01	56 569 535	0,01
20	Ndlambe Municipality	Eastern Cape	30 717 859	0,00	49 964 434	0,01
21	Ngqushwa Municipality	Eastern Cape	27 266 020	0,00	22 388 196	0,00
22	Ntabankulu Municipality	Eastern Cape	88 468 747	0,01	87 219 436	0,01
23	Nyandeni Municipality	Eastern Cape	68 437 504	0,01	65 345 745	0,01
24	Port St Johns Municipality	Eastern Cape	31 729 801	0,00	51 930 587	0,01
25	Raymond Mhlaba Municipality	Eastern Cape	-	-	14 246 847	0,00
26	Sakhisizwe Municipality	Eastern Cape	27 565 550	0,00	16 223 699	0,00
27	Senqu Municipality	Eastern Cape	38 799 636	0,01	41 823 909	0,01
28	Sundays River Valley Municipality	Eastern Cape	66 792 311	0,01	55 370 603	0,01
29	Umzimvubu Municipality	Eastern Cape	134 029 239	0,02	106 357 980	0,01
30	Walter Sisulu Municipality	Eastern Cape	-	-	29 226 442	0,00

No	Municipality Name	Provinces	2015/16		2016/17	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
31	Winnie Madikizela-Mandela Municipality (formerly Mbizana Local Municipality )	Eastern Cape	112 331 569	0,02	83 164 435	0,01
32	Alfred Nzo District	Eastern Cape	515 403 866	0,07	479 983 107	0,06
33	Amathole District	Eastern Cape	642 413 579	0,09	569 682 867	0,07
34	Chris Hani District	Eastern Cape	620 937 067	0,08	725 125 186	0,09
35	Joe Gqabi District	Eastern Cape	179 638 113	0,02	227 354 414	0,03
36	OR Tambo District	Eastern Cape	434 220 033	0,06	809 271 813	0,10
37	Sarah Baartman District	Eastern Cape	1 403 299	0,00	6 122 147	0,00
38	Buffalo City Metropolitan	Eastern Cape	1 186 372 958	0,16	1 276 301 316	0,16
39	Nelson Mandela Bay Metropolitan	Eastern Cape	1 352 298 000	0,18	1 403 912 000	0,17
			<b>7 373 499 294</b>		<b>8 098 777 949</b>	
40	Dihlabeng Municipality	Free State	75 859 682	0,03	74 948 851	0,03
41	Kopanong Municipality	Free State	29 469 000	0,01	37 574 834	0,01
42	Letsemeng Municipality	Free State	30 079 516	0,01	59 225 804	0,02
43	Mafube Municipality	Free State	9 031 915	0,00	5 088 791	0,00
44	Maluti-A-Phofung Municipality	Free State	206 867 020	0,07	187 862 000	0,07
45	Mantsopa Municipality	Free State	62 960 779	0,02	65 918 366	0,03
46	Masilonyana Municipality	Free State	63 999 933	0,02	-	-
47	Matjhabeng Municipality	Free State	134 043 596	0,05	157 451 414	0,06
48	Metsimaholo Municipality	Free State	114 337 832	0,04	90 412 886	0,04
49	Mohokare Municipality	Free State	29 419 382	0,01	40 694 741	0,02
50	Moqhaka Municipality	Free State	106 404 053	0,04	55 483 140	0,02
51	Nala Municipality	Free State	19 822 450	0,01	26 310 209	0,01
52	Ngwathe Municipality	Free State	5 474 374	0,00	117 840 481	0,05
53	Nketoana Municipality	Free State	59 549 009	0,02	43 711 901	0,02
54	Phumelela Municipality	Free State	26 372 718	0,01	64 707 552	0,03
55	Setsoto Municipality	Free State	99 608 089	0,04	59 018 960	0,02
56	Tokologo Municipality	Free State	54 356 000	0,02	118 196 177	0,05
57	Tswelopele Municipality	Free State	32 305 533	0,01	103 196 226	0,04
58	Fezile Dabi District	Free State	5 085 220	0,00	1 328 590	0,00
59	Lejweleputswa District	Free State	552 308	0,00	667 371	0,00
60	Thabo Mofutsanyana District	Free State	2 732 704	0,00	3 207 867	0,00
61	Xhariep District	Free State	424 354	0,00	212 275	0,00
62	Mangaung Metropolitan	Free State	1 630 343 006	0,58	1 197 044 609	0,48
			<b>2 799 098 473</b>		<b>2 510 103 045</b>	

No	Municipality Name	Provinces	2015/16		2016/17	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
63	Emfuleni Municipality	Gauteng	240 745 131	0,03	252 064 831	0,03
64	Lesedi Municipality	Gauteng	42 657 415	0,00	34 574 663	0,00
65	Merafong City Municipality	Gauteng	167 427 584	0,02	92 868 764	0,01
66	Midvaal Municipality	Gauteng	70 024 221	0,01	86 581 659	0,01
67	Mogale City Municipality	Gauteng	434 890 630	0,05	234 441 142	0,02
68	Rand West City Municipality	Gauteng	-	0,00	226 993 586	0,02
69	Sedibeng District	Gauteng	9 033 475	0,00	5 618 496	0,00
70	West Rand District	Gauteng	540 834	0,00	22 806	0,00
71	City of Ekurhuleni Metropolitan	Gauteng	4 348 608 311	0,47	5 467 112 141	0,57
72	City of Johannesburg Metropolitan	Gauteng	8 403 523	0,00	7 727 950	0,00
73	City of Tshwane Metropolitan	Gauteng	3 968 594 186	0,43	3 194 634 274	0,33
			<b>9 290 925 310</b>		<b>9 602 640 312</b>	
74	AbaQulusi Municipality	KwaZulu-Natal	132 259 233	0,03	42 968 616	0,01
75	Alfred Duma Municipality	KwaZulu-Natal	-	-	185 537 874	0,03
76	Big 5 Hlabisa Municipality	KwaZulu-Natal	20 318 495	0,00	23 738 969	0,00
77	City of uMhlathuze Municipality	KwaZulu-Natal	186 626 216	0,04	238 434 469	0,04
78	Dannhauser Municipality	KwaZulu-Natal	68 274 619	0,01	47 627 497	0,01
79	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	-	-	62 020 937	0,01
80	eDumbe Municipality	KwaZulu-Natal	21 879 635	0,00	17 430 041	0,00
81	eMadlangeni Municipality	KwaZulu-Natal	25 744 024	0,00	20 491 083	0,00
82	Endumeni Municipality	KwaZulu-Natal	36 723 528	0,01	26 502 827	0,00
83	Greater Kokstad	KwaZulu-Natal	35 196 899	0,01	37 337 616	0,01
84	Impendle Municipality	KwaZulu-Natal	16 936 681	0,00	22 376 609	0,00
85	Inkosi Langalibalele Municipality	KwaZulu-Natal	-	-	51 383 461	0,01
86	Jozini Municipality	KwaZulu-Natal	48 404 033	0,01	80 946 006	0,02
87	KwaDukuza Municipality	KwaZulu-Natal	311 031 832	0,06	275 991 103	0,05
88	Mandeni Municipality	KwaZulu-Natal	49 467 516	0,01	79 623 372	0,01
89	Maphumulo Municipality	KwaZulu-Natal	27 388 830	0,01	27 963 484	0,01
90	Mkhambathini Municipality	KwaZulu-Natal	18 260 917	0,00	15 330 877	0,00
91	Mpofana Municipality	KwaZulu-Natal	27 401 897	0,01	40 400 298	0,01
92	Msunduzi Municipality	KwaZulu-Natal	131 883 128	0,03	238 480 906	0,04
93	Mthonjaneni Municipality	KwaZulu-Natal	33 620 731	0,01	48 075 514	0,01
94	Mtubatuba Municipality	KwaZulu-Natal	48 956 110	0,01	67 036 483	0,01
95	Ndwedwe Municipality	KwaZulu-Natal	42 439 393	0,01	54 500 798	0,01
96	Newcastle Municipality	KwaZulu-Natal	306 804 404	0,06	365 015 869	0,07
97	Nkandla Municipality	KwaZulu-Natal	68 303 930	0,01	40 652 084	0,01
98	Nongoma Municipality	KwaZulu-Natal	52 438 182	0,01	46 705 955	0,01
99	Nquthu Municipality	KwaZulu-Natal	103 188 129	0,02	49 531 893	0,01
100	Okhahlamba Municipality	KwaZulu-Natal	72 475 108	0,01	61 642 676	0,01

No	Municipality Name	Provinces	2015/16		2016/17	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
101	Ray Nkonyeni Municipality	KwaZulu-Natal	-	-	104 948 224	0,02
102	Richmond Municipality	KwaZulu-Natal	33 034 530	0,01	38 351 389	0,01
103	Ubuhlebezwe Municipality	KwaZulu-Natal	87 324 686	0,02	34 639 446	0,01
104	Ulundi Municipality	KwaZulu-Natal	35 668 448	0,01	68 881 043	0,01
105	Umdoni Municipality	KwaZulu-Natal	57 664 630	0,01	70 730 962	0,01
106	uMfolozi Municipality	KwaZulu-Natal	49 292 290	0,01	40 657 450	0,01
107	uMhlabuyalingana Municipality	KwaZulu-Natal	77 572 283	0,02	96 243 070	0,02
108	uMlalazi Municipality	KwaZulu-Natal	49 482 779	0,01	74 560 516	0,01
109	uMngeni Municipality	KwaZulu-Natal	19 009 699	0,00	42 544 869	0,01
110	uMshwathi Municipality	KwaZulu-Natal	9 637 199	0,00	31 084 814	0,01
111	uMsinga Municipality	KwaZulu-Natal	90 857 085	0,02	39 954 560	0,01
112	Umuziwabantu Municipality	KwaZulu-Natal	63 104 305	0,01	29 892 190	0,01
113	Umvoti Municipality	KwaZulu-Natal	57 706 870	0,01	34 619 316	0,01
114	Umzimkhulu Municipality	KwaZulu-Natal	92 367 165	0,02	44 311 334	0,01
115	Umzumbe Municipality	KwaZulu-Natal	73 563 696	0,01	43 589 540	0,01
116	uPhongolo Municipality	KwaZulu-Natal	52 811 060	0,01	60 008 406	0,01
117	Amajuba District	KwaZulu-Natal	5 598 647	0,00	1 626 191	0,00
118	Harry Gwala District	KwaZulu-Natal	242 817 184	0,05	194 447 009	0,04
119	iLembe District	KwaZulu-Natal	499 890 310	0,10	208 160 007	0,04
120	King Cetshwayo District (formerly Uthungulu District Municipality)	KwaZulu-Natal	390 521 873	0,08	368 776 826	0,07
121	Ugu District	KwaZulu-Natal	362 184 967	0,07	310 207 300	0,06
122	uMgungundlovu District	KwaZulu-Natal	426 663 752	0,08	299 133 435	0,06
123	uMkhanyakude District	KwaZulu-Natal	231 339 421	0,04	236 408 896	0,04
124	uMzinyathi District	KwaZulu-Natal	89 600 582	0,02	11 583 971	0,00
125	uThukela District	KwaZulu-Natal	178 260 347	0,03	175 803 188	0,03
126	Zululand District	KwaZulu-Natal	589 925	0,00	416 095 452	0,08
127	eThekweni Metropolitan	KwaZulu-Natal	2 288 986	0,00	1 442 027	0,00
			<b>5 164 876 189</b>		<b>5 346 448 748</b>	

No	Municipality Name	Provinces	2015/16		2016/17	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
128	Ba-Phalaborwa Municipality	Limpopo	52 367 881	0,01	48 040 707	0,01
129	Bela-Bela Municipality	Limpopo	359 461 422	0,09	58 495 241	0,01
130	Blouberg Municipality	Limpopo	80 528 122	0,02	74 998 908	0,02
131	Collins Chabane Municipality	Limpopo		0,00	70 731 232	0,02
132	Elias Motsoaledi Municipality	Limpopo	108 388 067	0,03	80 664 683	0,02
133	Ephraim Mogale Municipality	Limpopo	64 980 181	0,02	53 765 322	0,01
134	Fetakgomo-Tubatse Municipality	Limpopo	-	0,00	113 483 005	0,03
135	Greater Giyani Municipality	Limpopo	80 642 531	0,02	30 523 586	0,01
136	Greater Letaba Municipality	Limpopo	86 684 860	0,02	68 822 158	0,02
137	Greater Tzaneen Municipality	Limpopo	175 880 774	0,04	122 755 326	0,03
138	Lepelle-Nkumpi Municipality	Limpopo	86 696 505	0,02	89 510 830	0,02
139	Lephalale Municipality	Limpopo	77 034 054	0,02	98 438 352	0,02
140	Makhado Municipality	Limpopo	165 619 535	0,04	140 658 307	0,03
141	Makhuduthamaga Municipality	Limpopo	155 517 751	0,04	141 048 887	0,03
142	Maruleng Municipality	Limpopo	52 589 741	0,01	49 302 580	0,01
143	Modimolle-Mookgophong Municipality	Limpopo	-	0,00	126 390 416	0,03
144	Mogalakwena Municipality	Limpopo	514 354 550	0,12	450 274 499	0,11
145	Molemole Municipality	Limpopo	14 101 374	0,00	8 331 220	0,00
146	Musina Municipality	Limpopo	7 293 645	0,00	12 335 409	0,00
147	Polokwane Municipality	Limpopo	588 468 033	0,14	818 957 743	0,20
148	Thabazimbi Municipality	Limpopo	-	0,00	31 113 934	0,01
149	Thulamela Municipality	Limpopo	262 258 968	0,06	84 426 372	0,02
150	Capricorn District	Limpopo	415 878 605	0,10	593 766 654	0,14
151	Mopani District	Limpopo	88 405 488	0,02	317 788 000	0,08
152	Sekhukhune District	Limpopo	335 002 732	0,08	339 509 537	0,08
153	Vhembe District	Limpopo	374 285 623	0,09	168 675 438	0,04
154	Waterberg District	Limpopo	3 705 972	0,00	253 689	0,00
			<b>4 150 146 414</b>		<b>4 193 062 035</b>	

No	Municipality Name	Provinces	2015/16		2016/17	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
155	Bushbuckridge Municipality	Mpumalanga	529 435 261	0,18	613 827 602	0,18
156	Chief Albert Luthuli Municipality	Mpumalanga	118 413 922	0,04	119 661 131	0,03
157	City of Mbombela Municipality	Mpumalanga	609 769 743	0,21	638 016 608	0,18
158	Dipaleseng Municipality	Mpumalanga	20 810 203	0,01	56 429 665	0,02
159	Dr JS Moroka Municipality	Mpumalanga	174 592 920	0,06	115 031 856	0,03
160	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	28 483 487	0,01	40 771 255	0,01
161	Emakhazeni Municipality	Mpumalanga	54 845 212	0,02	57 407 301	0,02
162	Emalahleni Municipality	Mpumalanga	10 902 180	0,00	60 330 624	0,02
163	Govan Mbeki Municipality	Mpumalanga	92 453 478	0,03	613 978 013	0,18
164	Lekwa Municipality	Mpumalanga	22 228 348	0,01	40 288 391	0,01
165	Mkhondo Municipality	Mpumalanga	212 634 672	0,07	32 470 800	0,01
166	Msukaligwa Municipality	Mpumalanga	42 694 855	0,01	47 122 399	0,01
167	Nkomazi Municipality	Mpumalanga	334 373 160	0,12	254 180 574	0,07
168	Steve Tshwete Municipality	Mpumalanga	276 447 493	0,10	308 979 081	0,09
169	Thaba Chweu Municipality	Mpumalanga	79 754 339	0,03	85 845 891	0,02
170	Thembisile Hani Municipality	Mpumalanga	219 323 739	0,08	306 165 544	0,09
171	Victor Khanye Municipality	Mpumalanga	13 991 174	0,00	26 239 740	0,01
172	Ehlanzeni District	Mpumalanga	2 947 297	0,00	4 024 935	0,00
173	Gert Sibande District	Mpumalanga	1 962 506	0,00	9 691 449	0,00
174	Nkangala District	Mpumalanga	29 180 873	0,01	37 745 948	0,01
			<b>2 875 244 862</b>		<b>3 468 208 807</b>	
175	City of Matlosana Municipality	North West	11 769 573	0,00	31 693 235	0,01
176	Ditsobotla Municipality	North West	33 758 172	0,01	80 506 697	0,03
177	Greater Taung Municipality	North West	75 529 946	0,02	107 716 567	0,04
178	JB Marks Municipality	North West	-	0,00	159 732 765	0,05
179	Kagisano-Molopo Municipality	North West	38 328 716	0,01	51 133 033	0,02
180	Kgetlengrivier Municipality	North West	50 502 720	0,01	47 735 514	0,02
181	Lekwa-Teemane Municipality	North West	17 646 847	0,00	45 089 038	0,02
182	Madibeng Municipality	North West	289 000 262	0,07	252 614 259	0,09
183	Mahikeng Municipality	North West	245 687 171	0,06	126 115 369	0,04
184	Mamusia Municipality	North West	34 728 341	0,01	16 931 177	0,01
185	Maquassi Hills Municipality	North West	77 689 696	0,02	62 807 153	0,02
186	Moretele Municipality	North West	253 189 841	0,07	97 522 669	0,03
187	Moses Kotane Municipality	North West	1 218 679 470	0,32	1 218 679 470	0,41
188	Naledi Municipality	North West	10 484 349	0,00	18 256 652	0,01
189	Ramotshere Moiloa Municipality	North West	55 145 926	0,01	47 592 003	0,02
190	Ratlou Municipality	North West	67 962 176	0,02	50 602 415	0,02
191	Rustenburg Municipality	North West	1 297 131	0,00	701 379	0,00
192	Tswaing Municipality	North West	335 890 485	0,09	62 499 806	0,02
193	Bojanala Platinum District	North West	16 652 630	0,00	19 030 831	0,01
194	Dr Kenneth Kaunda District	North West	35 487 030	0,01	2 155 815	0,00
195	Dr Ruth Segomotsi Mompati District	North West	193 978 721	0,05	358 528 205	0,12
196	Ngaka Modiri Molema District	North West	795 542 523	0,21	93 149 259	0,03
			<b>3 858 951 726</b>		<b>2 950 793 311</b>	

No	Municipality Name	Provinces	2015/16		2016/17	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
197	IKheis Municipality	Northern Cape	16 138 403	0,02	8 348 915	0,01
198	Dawid Kruiper Municipality	Northern Cape	30 347 678	0,04	185 585 903	0,17
199	Dikgatlong Municipality	Northern Cape	23 675 173	0,03	56 140 536	0,05
200	Emthanjeni Municipality	Northern Cape	11 646 409	0,01	20 831 738	0,02
201	Ga-Segonyana Municipality	Northern Cape	63 569 978	0,08	102 127 484	0,09
202	Gamagara Municipality	Northern Cape	67 598 654	0,08	68 676 489	0,06
203	Hantam Municipality	Northern Cape	7 421 246	0,01	13 980 560	0,01
204	Joe Morolong Municipality	Northern Cape	127 184 255	0,16	107 054 401	0,10
205	Kai !Garib Municipality	Northern Cape	38 634 036	0,05	82 398 966	0,08
206	Kamiesberg Municipality	Northern Cape	9 168 623	0,01	8 984 858	0,01
207	Kareeberg Municipality	Northern Cape	5 770 057	0,01	13 037 547	0,01
208	Karoo Hoogland Municipality	Northern Cape	7 421 781	0,01	9 965 769	0,01
209	Kgatelopele Municipality	Northern Cape	20 168 711	0,03	16 105 133	0,01
210	Khai-Ma Municipality	Northern Cape	10 833 983	0,01	13 772 276	0,01
211	Magareng Municipality	Northern Cape	20 146 676	0,03	13 812 313	0,01
212	Nama Khoi Municipality	Northern Cape	45 317 898	0,06	82 528 646	0,08
213	Phokwane Municipality	Northern Cape	74 031 969	0,09	34 176 279	0,03
214	Renosterberg Municipality	Northern Cape	19 675 010	0,02	7 011 361	0,01
215	Richtersveld Municipality	Northern Cape	6 102 130	0,01	11 034 506	0,01
216	Siyancuma Municipality	Northern Cape	33 617 000	0,04	32 159 000	0,03
217	Siyathemba Municipality	Northern Cape	2 411 233	0,00	6 282 962	0,01
218	Sol Plaatje Municipality	Northern Cape	44 751 427	0,06	92 345 319	0,09
219	Thembelihle Municipality	Northern Cape	17 649 100	0,02	6 637 039	0,01
220	Tsantsabane Municipality	Northern Cape	16 325 529	0,02	22 375 592	0,02
221	Ubuntu Municipality	Northern Cape	2 251 554	0,00	4 611 743	0,00
222	Umsobomvu Municipality	Northern Cape	64 578 683	0,08	26 379 467	0,02
223	Frances Baard District	Northern Cape	5 582 005	0,01	7 324 712	0,01
224	John Taolo Gaetsewe District	Northern Cape	1 237 000	0,00	801 530	0,00
225	Namakwa District	Northern Cape	7 916 930	0,01	23 128 748	0,02
226	Pixley Ka Seme District	Northern Cape	1 105 240	0,00	2 303 746	0,00
227	ZF Mgcawu District	Northern Cape	468 053	0,00	1 707 369	0,00
			<b>802 746 424</b>		<b>1 081 630 907</b>	

No	Municipality Name	Provinces	2015/16		2016/17	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
228	Beaufort West Municipality	Western Cape	18 487 000	0,01	42 380 983	0,02
229	Bergrivier Municipality	Western Cape	32 221 247	0,02	27 822 698	0,01
230	Bitou Municipality	Western Cape	96 762 173	0,05	120 669 508	0,05
231	Breede Valley Municipality	Western Cape	83 578 000	0,04	101 711 000	0,04
232	Cape Agulhas Municipality	Western Cape	21 215 204	0,01	21 229 904	0,01
233	Cederberg Municipality	Western Cape	44 016 502	0,02	28 253 461	0,01
234	Drakenstein Municipality	Western Cape	321 065 885	0,15	544 259 706	0,23
235	George Municipality	Western Cape	258 235 581	0,12	107 295 313	0,04
236	Hessequa Municipality	Western Cape	49 236 646	0,02	117 351 257	0,05
237	Kannaland Municipality	Western Cape	27 144 648	0,01	26 150 761	0,01
238	Knysna Municipality	Western Cape	54 005 029	0,03	59 951 613	0,02
239	Laingsburg Municipality	Western Cape	13 350 542	0,01	8 272 028	0,00
240	Langeberg Municipality	Western Cape	74 395 341	0,04	52 377 241	0,02
241	Matzikama Municipality	Western Cape	27 390 832	0,01	25 250 000	0,01
242	Mossel Bay Municipality	Western Cape	147 023 268	0,07	144 823 488	0,06
243	Oudtshoorn Municipality	Western Cape	24 018 140	0,01	35 080 900	0,01
244	Overstrand Municipality	Western Cape	30 127 283	0,01	80 691 293	0,03
245	Prince Albert Municipality	Western Cape	15 039 484	0,01	14 816 418	0,01
246	Saldanha Bay Municipality	Western Cape	165 162 447	0,08	188 114 525	0,08
247	Stellenbosch Municipality	Western Cape	345 447 084	0,16	406 171 832	0,17
248	Swartland Municipality	Western Cape	86 942 337	0,04	76 822 440	0,03
249	Swellendam Municipality	Western Cape	17 677 781	0,01	14 778 036	0,01
250	Theewaterskloof Municipality	Western Cape	65 231 000	0,03	63 010 433	0,03
251	Witzenberg Municipality	Western Cape	74 818 282	0,04	58 783 063	0,02
252	Cape Winelands District	Western Cape	4 395 553	0,00	11 185 330	0,00
253	Central Karoo District	Western Cape	714 015	0,00	1 056 000	0,00
254	Garden Route District (Formerly Eden District Municipality)	Western Cape	1 962 306	0,00	12 953 993	0,01
255	Overberg District	Western Cape	3 476 929	0,00	6 607 312	0,00
256	West Coast District	Western Cape	7 513 396	0,00	10 835 891	0,00
257	City of Cape Town Metropolitan	Western Cape	7 513 396	0,00	7 513 396	0,00
			<b>2 118 167 331</b>		<b>2 416 219 823</b>	

No	Municipality Name	Provinces	2017/18		2018/19	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
1	Amahlathi Municipality	Eastern Cape	20 744 649	0,00	18 706 022	0,00
2	Blue Crane Route Municipality	Eastern Cape	29 658 155	0,00	79 193 975	0,01
3	Dr Beyers Naudé Municipality	Eastern Cape	53 459 027	0,01	38 179 134	0,01
4	Elundini Municipality	Eastern Cape	70 432 225	0,01	-	0,00
5	Emalahleni Municipality	Eastern Cape	28 461 979	0,00	22 103 105	0,00
6	Dr AB Xuma Local Municipality (formerly Engcobo Municipality)	Eastern Cape	68 288 433	0,01	-	0,00
7	Enoch Mgijima Municipality	Eastern Cape	82 404 075	0,01	78 711 901	0,01
8	Great Kei Municipality	Eastern Cape	21 276 508	0,00	9 234 818	0,00
9	Ingquza Hill Municipality	Eastern Cape	137 929 827	0,02	158 473 710	0,02
10	Intsika Yethu Municipality	Eastern Cape	49 934 544	0,01	48 572 225	0,01
11	Inxuba Yethemba Municipality	Eastern Cape	35 707 696	0,00	26 514 733	0,00
12	King Sabata Dalindyebo Municipality	Eastern Cape	265 801 509	0,04	164 760 725	0,02
13	Kouga Municipality	Eastern Cape	47 819 219	0,01	93 427 038	0,01
14	Koukamma Municipality	Eastern Cape	16 340 742	0,00	16 340 724	0,00
15	Makana Municipality	Eastern Cape	35 745 100	0,00	27 884 476	0,00
16	Matatiele Municipality	Eastern Cape	137 409 347	0,02	133 347 182	0,02
17	Mbhashe Municipality	Eastern Cape	52 952 272	0,01	68 935 067	0,01
18	Mhlonlto Municipality	Eastern Cape	63 005 012	0,01	55 253 746	0,01
19	Mnquma Municipality	Eastern Cape	18 175 365	0,00	73 220 862	0,01
20	Ndlambe Municipality	Eastern Cape	37 958 421	0,01	74 281 403	0,01
21	Ngqushwa Municipality	Eastern Cape	93 759 397	0,01	42 569 078	0,01
22	Ntabankulu Municipality	Eastern Cape	90 641 227	0,01	72 392 295	0,01
23	Nyandeni Municipality	Eastern Cape	87 282 902	0,01	156 561 402	0,02
24	Port St Johns Municipality	Eastern Cape	43 273 961	0,01	87 834 157	0,01
25	Raymond Mhlaba Municipality	Eastern Cape	13 957 867	0,00	14 708 867	0,00
26	Sakhisizwe Municipality	Eastern Cape	29 503 313	0,00	17 007 140	0,00
27	Senqu Municipality	Eastern Cape	45 948 919	0,01	57 573 267	0,01
28	Sundays River Valley Municipality	Eastern Cape	108 720 167	0,01	76 081 784	0,01
29	Umzimvubu Municipality	Eastern Cape	118 086 499	0,02	7 292 600	0,00
30	Walter Sisulu Municipality	Eastern Cape	35 063 346	0,00	16 342 210	0,00
31	Winnie Madikizela-Mandela Municipality (formerly Mbizana Local Municipality )	Eastern Cape	75 808 467	0,01	98 856 997	0,01
32	Alfred Nzo District	Eastern Cape	488 432 486	0,07	434 950 014	0,06
33	Amathole District	Eastern Cape	446 517 852	0,06	335 474 686	0,05
34	Chris Hani District	Eastern Cape	415 899 161	0,06	328 236 391	0,04
35	Joe Gqabi District	Eastern Cape	125 091 318	0,02	238 660 917	0,03
36	OR Tambo District	Eastern Cape	856 756 005	0,12	867 222 032	0,12
37	Sarah Baartman District	Eastern Cape	2 064 796	0,00	3 865 997	0,00
38	Buffalo City Metropolitan	Eastern Cape	1 426 513 802	0,19	1 755 987 403	0,24
39	Nelson Mandela Bay Metropolitan	Eastern Cape	1 643 457 000	0,22	1 680 126 000	0,23
			<b>7 420 282 590</b>		<b>7 380 984 086</b>	

		2017/18		2018/19		
40	Dihlabeng Municipality	Free State	150 550 000	0,07	120 569 000	0,11
41	Kopanong Municipality	Free State	37 608 347	0,02	-	0,00
42	Letsemeng Municipality	Free State	27 028 091	0,01	36 856 000	0,03
43	Mafube Municipality	Free State	132 490	0,00	10 521 000	0,01
44	Maluti-A-Phofung Municipality	Free State	-	0,00	153 098 000	0,14
45	Mantsopa Municipality	Free State	43 004 259	0,02	57 136 692	0,05
46	Masilonyana Municipality	Free State	-	-	5 412 000	0,00
47	Matjhabeng Municipality	Free State	166 955 602	0,08	114 102 000	0,10
48	Metsimaholo Municipality	Free State	20 593 384	0,01	117 110 630	0,11
49	Mohokare Municipality	Free State	23 688 545	0,01	43 913 449	0,04
50	Moqhaka Municipality	Free State	67 835 838	0,03	8 604 000	0,01
51	Nala Municipality	Free State	42 796 929	0,02	28 013 275	0,03
52	Ngwathe Municipality	Free State	84 666 274	0,04	66 296 982	0,06
53	Nketoana Municipality	Free State	35 028 417	0,02	35 557 000	0,03
54	Phumelela Municipality	Free State	84 240 834	0,04	41 976 351	0,04
55	Setsotho Municipality	Free State	111 391 527	0,05	58 026 756	0,05
56	Tokologo Municipality	Free State	104 133 940	0,05	4 160 000	0,00
57	Tswelopele Municipality	Free State	31 056 101	0,01	119 604 702	0,11
58	Fezile Dabi District	Free State	463 290	0,00	1 817 768	0,00
59	Lejweleputswa District	Free State	2 980 074	0,00	2 799 837	0,00
60	Thabo Mofutsanyana District	Free State	721 825	0,00	3 069 684	0,00
61	Xhariep District	Free State	1 373 402	0,00	1 067 952	0,00
62	Mangaung Metropolitan	Free State	1 138 697 219	0,52	82 419 526	0,07
			<b>2 174 946 388</b>		<b>1 112 132 604</b>	
63	Emfuleni Municipality	Gauteng	228 126 941	0,02	152 273 140	0,01
64	Lesedi Municipality	Gauteng	59 955 580	0,01	63 422 972	0,01
65	Merafong City Municipality	Gauteng	181 125 378	0,02	119 069 348	0,01
66	Midvaal Municipality	Gauteng	150 425 371	0,01	117 558 614	0,01
67	Mogale City Municipality	Gauteng	374 893 200	0,04	446 024 025	0,04
68	Rand West City Municipality	Gauteng	232 018 823	0,02	371 669 044	0,03
69	Sedibeng District	Gauteng	3 125 963	0,00	3 530 000	0,00
70	West Rand District	Gauteng	44 602	0,00	292 667	0,00
71	City of Ekurhuleni Metropolitan	Gauteng	5 807 403 557	0,58	6 136 964 608	0,57
72	City of Johannesburg Metropolitan	Gauteng	13 442 320	0,00	7 645 674	0,00
73	City of Tshwane Metropolitan	Gauteng	3 046 712 512	0,30	3 288 831 832	0,31
			<b>10 097 274 247</b>		<b>10 707 281 924</b>	

		2017/18		2018/19		
74	AbaQulusi Municipality	KwaZulu-Natal	32 282 050	0,01	39 012 000	0,01
75	Alfred Duma Municipality	KwaZulu-Natal	79 996 198	0,02	89 982 383	0,02
76	Big 5 Hlabisa Municipality	KwaZulu-Natal	26 462 679	0,01	21 950 860	0,01
77	City of uMhlathuze Municipality	KwaZulu-Natal	174 542 686	0,04	107 699 669	0,03
78	Dannhauser Municipality	KwaZulu-Natal	35 597 644	0,01	66 905 317	0,02
79	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	67 049 989	0,01	10 143 493	0,00
80	eDumbe Municipality	KwaZulu-Natal	19 755 193	0,00	40 553 556	0,01
81	eMadlangeni Municipality	KwaZulu-Natal	19 312 355	0,00	14 891 926	0,00
82	Endumeni Municipality	KwaZulu-Natal	37 200 744	0,01	19 523 070	0,00
83	Greater Kokstad	KwaZulu-Natal	72 594 155	0,02	92 563 292	0,02
84	Impendle Municipality	KwaZulu-Natal	12 999 741	0,00	12 999 741	0,00
85	Inkosi Langalibalele Municipality	KwaZulu-Natal	38 427 707	0,01	38 184 324	0,01
86	Jozini Municipality	KwaZulu-Natal	58 308 722	0,01	-	-
87	KwaDukuza Municipality	KwaZulu-Natal	145 828 532	0,03	146 488 626	0,04
88	Mandeni Municipality	KwaZulu-Natal	58 220 906	0,01	112 512 268	0,03
89	Maphumulo Municipality	KwaZulu-Natal	36 468 907	0,01	27 731 830	0,01
90	Mkhambathini Municipality	KwaZulu-Natal	41 009 241	0,01	55 460 100	0,01
91	Mpofana Municipality	KwaZulu-Natal	11 756 832	0,00	21 260 706	0,01
92	Msunduzi Municipality	KwaZulu-Natal	125 796 610	0,03	262 900	0,00
93	Mthonjaneni Municipality	KwaZulu-Natal	41 734 955	0,01	34 872 944	0,01
94	Mtubatuba Municipality	KwaZulu-Natal	40 328 680	0,01	33 986 774	0,01
95	Ndwedwe Municipality	KwaZulu-Natal	55 423 696	0,01	48 976 090	0,01
96	Newcastle Municipality	KwaZulu-Natal	181 241 513	0,04	146 656 618	0,04
97	Nkandla Municipality	KwaZulu-Natal	20 039 084	0,00	30 435 133	0,01
98	Nongoma Municipality	KwaZulu-Natal	51 737 319	0,01	31 561 678	0,01
99	Nquthu Municipality	KwaZulu-Natal	4 813 413	0,00	75 951 139	0,02
100	Okhahlamba Municipality	KwaZulu-Natal	79 767 435	0,02	50 659 238	0,01
101	Ray Nkonyeni Municipality	KwaZulu-Natal	116 639 411	0,02	127 000 736	0,03
102	Richmond Municipality	KwaZulu-Natal	22 587 123	0,00	24 663 487	0,01
103	Ubuhlebezwe Municipality	KwaZulu-Natal	38 020 020	0,01	41 598 798	0,01
104	Ulundi Municipality	KwaZulu-Natal	89 329 000	0,02	74 544 916	0,02
105	Umdoni Municipality	KwaZulu-Natal	55 782 565	0,01	38 686 072	0,01

		2017/18		2018/19		
106	uMfolozi Municipality	KwaZulu-Natal	30 437 078	0,01	64 191 037	0,02
107	uMhlabuyalingana Municipality	KwaZulu-Natal	38 416 794	0,01	40 634 933	0,01
108	uMlalazi Municipality	KwaZulu-Natal	46 129 088	0,01	52 401 707	0,01
109	uMngeni Municipality	KwaZulu-Natal	89 417 639	0,02	26 168 611	0,01
110	uMshwathi Municipality	KwaZulu-Natal	29 641 843	0,01	44 931 822	0,01
111	uMsinga Municipality	KwaZulu-Natal	33 744 022	0,01	45 430 205	0,01
112	Umuziwabantu Municipality	KwaZulu-Natal	20 604 997	0,00	47 561 395	0,01
113	Umvoti Municipality	KwaZulu-Natal	40 783 227	0,01	38 418 462	0,01
114	Umzimkhulu Municipality	KwaZulu-Natal	41 332 111	0,01	67 915 812	0,02
115	Umzumbe Municipality	KwaZulu-Natal	51 363 107	0,01	43 807 120	0,01
116	uPhongolo Municipality	KwaZulu-Natal	49 457 183	0,01	24 517 244	0,01
117	Amajuba District	KwaZulu-Natal	50 138 407	0,01	116 770 400	0,03
118	Harry Gwala District	KwaZulu-Natal	220 516 883	0,05	267 097 231	0,06
119	iLembe District	KwaZulu-Natal	306 023 076	0,07	238 545 018	0,06
120	King Cetshwayo District (formerly Uthungulu District Municipality)	KwaZulu-Natal	186 071 624	0,04	197 702 359	0,05
121	Ugu District	KwaZulu-Natal	290 536 256	0,06	294 187 966	0,07
122	uMgungundlovu District	KwaZulu-Natal	435 090 023	0,09	206 894 452	0,05
123	uMkhanyakude District	KwaZulu-Natal	206 443 570	0,04	-	0,00
124	uMzinyathi District	KwaZulu-Natal	10 326 714	0,00	293 109 073	0,07
125	uThukela District	KwaZulu-Natal	241 038 614	0,05	8 095 794	0,00
126	Zululand District	KwaZulu-Natal	386 507 450	0,08	380 942 122	0,09
127	eThekweni Metropolitan	KwaZulu-Natal	3 049 632	0,00	1 589 935	0,00
			<b>4 698 124 443</b>		<b>4 178 632 382</b>	

			2017/18		2018/19	
128	Ba-Phalaborwa Municipality	Limpopo	54 338 004	0,01	54 338 004	0,01
129	Bela-Bela Municipality	Limpopo	128 185 534	0,02	216 964 608	0,05
130	Blouberg Municipality	Limpopo	60 166 187	0,01	46 522 604	0,01
131	Collins Chabane Municipality	Limpopo	127 048 141	0,02	171 660 166	0,04
132	Elias Motsoaledi Municipality	Limpopo	107 563 233	0,02	105 947 953	0,02
133	Ephraim Mogale Municipality	Limpopo	51 204 873	0,01	33 933 804	0,01
134	Fetakgomo-Tubatse Municipality	Limpopo	206 549 611	0,04	102 439 924	0,02
135	Greater Giyani Municipality	Limpopo	6 185 626	0,00	3 114 286	0,00
136	Greater Letaba Municipality	Limpopo	153 768 699	0,03	124 316 782	0,03
137	Greater Tzaneen Municipality	Limpopo	124 629 010	0,02	167 837 321	0,04
138	Lepelle-Nkumpi Municipality	Limpopo	64 617 779	0,01	49 323 770	0,01
139	Lephalale Municipality	Limpopo	111 675 775	0,02	53 438 481	0,01
140	Makhado Municipality	Limpopo	119 504 305	0,02	162 680 499	0,04
141	Makhuduthamaga Municipality	Limpopo	160 282 264	0,03	107 385 028	0,02
142	Maruleng Municipality	Limpopo	83 092 761	0,02	97 498 775	0,02
143	Modimolle-Mookgophong Municipality	Limpopo	88 060 828	0,02	78 127 097	0,02
144	Mogalakwena Municipality	Limpopo	616 559 700	0,11	282 000 992	0,07
145	Molemole Municipality	Limpopo	35 306 419	0,01	41 869 214	0,01
146	Musina Municipality	Limpopo	26 531 913	0,00	122 156	0,00
147	Polokwane Municipality	Limpopo	987 402 655	0,18	462 018 467	0,11
148	Thabazimbi Municipality	Limpopo	104 996 238	0,02	29 596 080	0,01
149	Thulamela Municipality	Limpopo	118 027 341	0,02	175 880 287	0,04
150	Capricorn District	Limpopo	347 390 981	0,06	326 461 874	0,08
151	Mopani District	Limpopo	541 698 254	0,10	465 111 806	0,11
152	Sekhukhune District	Limpopo	417 639 149	0,08	485 449 373	0,11
153	Vhembe District	Limpopo	550 714 740	0,10	445 977 170	0,10
154	Waterberg District	Limpopo	1 437 228	0,00	26 143 608	0,01
			<b>5 394 577 248</b>		<b>4 316 160 129</b>	



			2017/18		2018/19	
155	Bushbuckridge Municipality	Mpumalanga	460 984 717	0,17	462 037 079	0,15
156	Chief Albert Luthuli Municipality	Mpumalanga	89 607 628	0,03	102 225 060	0,03
157	City of Mbombela Municipality	Mpumalanga	528 560 428	0,20	514 341 022	0,17
158	Dipaleseng Municipality	Mpumalanga	38 868 224	0,01	41 535 955	0,01
159	Dr JS Moroka Municipality	Mpumalanga	98 928 934	0,04	135 493 557	0,04
160	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	49 059 915	0,02	52 670 851	0,02
161	Emakhazeni Municipality	Mpumalanga	125 019 760	0,05	80 680 643	0,03
162	Emalahleni Municipality	Mpumalanga	244 317 614	0,09	393 727 083	0,13
163	Govan Mbeki Municipality	Mpumalanga	48 686 000	0,02	-	0,00
164	Lekwa Municipality	Mpumalanga	34 362 681	0,01	82 080 038	0,03
165	Mkhondo Municipality	Mpumalanga	122 109 846	0,05	133 566 360	0,04
166	Msukaligwa Municipality	Mpumalanga	67 079 736	0,02	107 197 257	0,04
167	Nkomazi Municipality	Mpumalanga	169 766 368	0,06	253 144 387	0,08
168	Steve Tshwete Municipality	Mpumalanga	268 129 046	0,10	392 789 514	0,13
169	Thaba Chweu Municipality	Mpumalanga	88 843 055	0,03	73 378 501	0,02
170	Thembisile Hani Municipality	Mpumalanga	182 088 525	0,07	164 949 725	0,05
171	Victor Khanye Municipality	Mpumalanga	16 781 892	0,01	7 285 579	0,00
172	Ehlanzeni District	Mpumalanga	3 570 209	0,00	3 384 249	0,00
173	Gert Sibande District	Mpumalanga	26 355 498	0,01	32 073 550	0,01
174	Nkangala District	Mpumalanga	21 447 211	0,01	19 792 189	0,01
			<b>2 684 567 287</b>		<b>3 052 352 599</b>	
175	City of Matlosana Municipality	North West	175 241 380	0,08	224 583 739	0,09
176	Ditsobotla Municipality	North West	10 010 466	0,00	30 577 658	0,01
177	Greater Taung Municipality	North West	88 657 454	0,04	65 215 267	0,03
178	JB Marks Municipality	North West	178 327 284	0,08	154 236 710	0,07
179	Kagisano-Molopo Municipality	North West	45 101 192	0,02	28 148 693	0,01
180	Kgetlengrivier Municipality	North West	31 237 688	0,01	68 500 288	0,03
181	Lekwa-Teemane Municipality	North West	68 428 201	0,03	20 647 350	0,01
182	Madibeng Municipality	North West	214 819 453	0,09	199 524 717	0,08
183	Mahikeng Municipality	North West	95 705 676	0,04	71 285 346	0,03
184	Mamusa Municipality	North West	11 799 704	0,01	26 681 875	0,01
185	Maquassi Hills Municipality	North West	144 682 760	0,06	98 018 079	0,04
186	Moretele Municipality	North West	203 770 830	0,09	236 688 346	0,10
187	Moses Kotane Municipality	North West	316 252 728	0,14	261 173 951	0,11
188	Naledi Municipality	North West	28 474 295	0,01	132 629 767	0,06
189	Ramotshere Moiloa Municipality	North West	35 994 409	0,02	21 488 851	0,01
190	Ratlou Municipality	North West	27 750 115	0,01	5 380 157	0,00
191	Rustenburg Municipality	North West	732 178	0,00	1 158 961	0,00
192	Tswaing Municipality	North West	43 296 268	0,02	35 641 667	0,02
193	Bojanala Platinum District	North West	13 681 960	0,01	1 753 764	0,00
194	Dr Kenneth Kaunda District	North West	5 740 171	0,00	3 228 788	0,00
195	Dr Ruth Segomotsi Mompati District	North West	375 162 696	0,16	443 460 586	0,19
196	Ngaka Modiri Molema District	North West	221 111 304	0,09	237 470 130	0,10
			<b>2 335 978 212</b>		<b>2 367 494 690</b>	

			2017/18		2018/19	
197	IKheis Municipality	Northern Cape	1 004 469	0,00	15 238 848	0,02
198	Dawid Kruiper Municipality	Northern Cape	60 848 297	0,06	14 540 965	0,02
199	Dikgatlong Municipality	Northern Cape	30 658 758	0,03	29 300 759	0,03
200	Emthanjeni Municipality	Northern Cape	32 312 047	0,03	29 221 988	0,03
201	Ga-Segonyana Municipality	Northern Cape	79 150 053	0,08	130 756 898	0,15
202	Gamagara Municipality	Northern Cape	65 316 396	0,07	10 219 885	0,01
203	Hantam Municipality	Northern Cape	95 874 546	0,10	54 499 882	0,06
204	Joe Morolong Municipality	Northern Cape	77 172 262	0,08	590 681	0,00
205	Kai !Garib Municipality	Northern Cape	45 384 083	0,05	79 292 345	0,09
206	Kamiesberg Municipality	Northern Cape	17 719 423	0,02	45 538 096	0,05
207	Kareeberg Municipality	Northern Cape	15 220 660	0,02	28 782 947	0,03
208	Karoo Hoogland Municipality	Northern Cape	22 221 220	0,02	53 845 556	0,06
209	Kgatelopele Municipality	Northern Cape	26 733 683	0,03	38 433 298	0,04
210	Khai-Ma Municipality	Northern Cape	16 774 054	0,02	16 400 553	0,02
211	Magareng Municipality	Northern Cape	16 642 738	0,02	23 464 559	0,03
212	Nama Khoi Municipality	Northern Cape	75 909 529	0,08	91 143 888	0,11
213	Phokwane Municipality	Northern Cape	69 283 000	0,07	1 492 253	0,00
214	Renosterberg Municipality	Northern Cape	25 027 000	0,03	22 437 000	0,03
215	Richtersveld Municipality	Northern Cape	1 550 476	0,00	7 286 426	0,01
216	Siyancuma Municipality	Northern Cape	12 506 000	0,01	26 171 000	0,03
217	Siyathemba Municipality	Northern Cape	17 718 552	0,02	1 001 543	0,00
218	Sol Plaatje Municipality	Northern Cape	19 265 108	0,02	7 141 797	0,01
219	Thembelihle Municipality	Northern Cape	15 654 817	0,02	497 179	0,00
220	Tsantsabane Municipality	Northern Cape	79 376 000	0,08	93 690 000	0,11
221	Ubuntu Municipality	Northern Cape	11 266 640	0,01	9 109 773	0,01
222	Umsobomvu Municipality	Northern Cape	31 448 941	0,03	14 719 846	0,02
223	Frances Baard District	Northern Cape	3 716 156	0,00	9 194 801	0,01
224	John Taolo Gaetsewe District	Northern Cape	2 399 367	0,00	614 698	0,00
225	Namakwa District	Northern Cape	3 211 612	0,00	5 274 550	0,01
226	Pixley Ka Seme District	Northern Cape	3 392 384	0,00	3 888 238	0,00
227	ZF Mgcawu District	Northern Cape	78 725	0,00	1 883 700	0,00
			<b>974 836 996</b>		<b>865 673 952</b>	

			2017/18		2018/19	
228	Beaufort West Municipality	Western Cape	55 585 276	0,02	30 103 158	0,01
229	Bergrivier Municipality	Western Cape	31 376 854	0,01	42 629 354	0,01
230	Bitou Municipality	Western Cape	113 062 121	0,04	83 321 089	0,03
231	Breede Valley Municipality	Western Cape	201 022 000	0,07	266 083 000	0,09
232	Cape Agulhas Municipality	Western Cape	30 073 250	0,01	38 657 910	0,01
233	Cederberg Municipality	Western Cape	45 684 315	0,02	104 238 676	0,03
234	Drakenstein Municipality	Western Cape	652 874 343	0,23	572 533 531	0,19
235	George Municipality	Western Cape	202 852 847	0,07	243 235 948	0,08
236	Hessequa Municipality	Western Cape	62 299 779	0,02	68 065 162	0,02
237	Kannaland Municipality	Western Cape	17 563 397	0,01	16 536 830	0,01
238	Knysna Municipality	Western Cape	64 819 687	0,02	49 858 727	0,02
239	Laingsburg Municipality	Western Cape	3 806 027	0,00	2 438 735	0,00
240	Langeberg Municipality	Western Cape	44 888 802	0,02	93 290 434	0,03
241	Matzikama Municipality	Western Cape	40 655 000	0,01	47 719 000	0,02
242	Mossel Bay Municipality	Western Cape	137 836 426	0,05	167 113 360	0,06
243	Oudtshoorn Municipality	Western Cape	63 737 290	0,02	54 035 000	0,02
244	Overstrand Municipality	Western Cape	27 463 896	0,01	83 066 243	0,03
245	Prince Albert Municipality	Western Cape	10 725 785	0,00	8 942 324	0,00
246	Saldanha Bay Municipality	Western Cape	238 420 533	0,08	235 138 392	0,08
247	Stellenbosch Municipality	Western Cape	432 960 732	0,15	487 925 719	0,16
248	Swartland Municipality	Western Cape	100 407 862	0,04	92 031 331	0,03
249	Swellendam Municipality	Western Cape	12 880 405	0,00	13 943 591	0,00
250	Theewaterskloof Municipality	Western Cape	87 213 990	0,03	76 532 726	0,03
251	Witzenberg Municipality	Western Cape	63 800 406	0,02	63 667 495	0,02
252	Cape Winelands District	Western Cape	18 208 007	0,01	13 984 893	0,00
253	Central Karoo District	Western Cape	1 336 000	0,00	981 000	0,00
254	Garden Route District (Formerly Eden District Municipality)	Western Cape	5 987 172	0,00	5 308 000	0,00
255	Overberg District	Western Cape	36 715 386	0,01	5 318 103	0,00
256	West Coast District	Western Cape	8 095 890	0,00	9 420 647	0,00
257	City of Cape Town Metropolitan	Western Cape	5 751 396	0,00	7 513 396	0,00
			<b>2 818 104 874</b>		<b>2 983 633 774</b>	

No	Municipality Name	Provinces	2019/20		2020/21	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
1	Amahlathi Municipality	Eastern Cape	13 649 432	0,00	679 994 000	0,09
2	Blue Crane Route Municipality	Eastern Cape	46 656 602	0,01	29 574 572	0,00
3	Dr Beyers Naudé Municipality	Eastern Cape	67 198 346	0,01	41 557 662	0,01
4	Elundini Municipality	Eastern Cape	62 154 185	0,01	70 117 727	0,01
5	Emalahleni Municipality	Eastern Cape	29 727 158	0,01	56 353 495	0,01
6	Dr AB Xuma Local Municipality (formerly Engcobo Municipality)	Eastern Cape	45 387 776	0,01	84 678 107	0,01
7	Enoch Mgijima Municipality	Eastern Cape	25 250 400	0,00	127 824 031	0,02
8	Great Kei Municipality	Eastern Cape	12 194 518	0,00	17 128 761	0,00
9	Ingquza Hill Municipality	Eastern Cape	54 028 873	0,01	54 028 873	0,01
10	Intsika Yethu Municipality	Eastern Cape	52 189 766	0,01	69 209 519	0,01
11	Inxuba Yethemba Municipality	Eastern Cape	38 219 408	0,01	48 975 562	0,01
12	King Sabata Dalindyebo Municipality	Eastern Cape	148 576 543	0,03	134 255 362	0,02
13	Kouga Municipality	Eastern Cape	26 081 699	0,00	60 359 110	0,01
14	Koukamma Municipality	Eastern Cape	32 185 558	0,01	24 632 706	0,00
15	Makana Municipality	Eastern Cape	70 674 445	0,01	93 491 939	0,01
16	Matatiele Municipality	Eastern Cape	147 468 541	0,03	155 237 125	0,02
17	Mbhashe Municipality	Eastern Cape	58 121 394	0,01	82 682 022	0,01
18	Mhlontlo Municipality	Eastern Cape	78 736 995	0,01	76 283 721	0,01
19	Mnquma Municipality	Eastern Cape	66 029 899	0,01	130 647 443	0,02
20	Ndlambe Municipality	Eastern Cape	65 589 378	0,01	131 824 877	0,02
21	Ngqushwa Municipality	Eastern Cape	19 522 843	0,00	21 601 906	0,00
22	Ntabankulu Municipality	Eastern Cape	73 757 690	0,01	35 701 895	0,00
23	Nyandeni Municipality	Eastern Cape	86 952 232	0,02	101 315 741	0,01
24	Port St Johns Municipality	Eastern Cape	65 068 294	0,01	120 024 518	0,02
25	Raymond Mhlaba Municipality	Eastern Cape	14 168 152	0,00	20 844 853	0,00
26	Sakhisizwe Municipality	Eastern Cape	18 363 922	0,00	45 693 773	0,01
27	Senqu Municipality	Eastern Cape	43 812 482	0,01	18 934 405	0,00
28	Sundays River Valley Municipality	Eastern Cape	64 368 687	0,01	47 431 286	0,01
29	Umzimvubu Municipality	Eastern Cape	106 809 387	0,02	168 794 251	0,02
30	Walter Sisulu Municipality	Eastern Cape	18 206 473	0,00	14 694 728	0,00
31	Winnie Madikizela-Mandela Municipality (formerly Mbizana Local Municipality )	Eastern Cape	-	-	-	-
32	Alfred Nzo District	Eastern Cape	385 993 779	0,07	428 667 994	0,06
33	Amathole District	Eastern Cape	59 483 277	0,01	153 342 783	0,02
34	Chris Hani District	Eastern Cape	333 215 762	0,06	526 815 373	0,07
35	Joe Gqabi District	Eastern Cape	119 319 000	0,02	150 057 534	0,02
36	OR Tambo District	Eastern Cape	730 406 432	0,13	560 515 231	0,07
37	Sarah Baartman District	Eastern Cape	2 461 407	0,00	1 992 684	0,00
38	Buffalo City Metropolitan	Eastern Cape	1 547 666 469	0,27	1 591 352 323	0,21
39	Nelson Mandela Bay Metropolitan	Eastern Cape	858 525 000	0,15	1 312 701 000	0,18
			<b>5 688 222 204</b>		<b>7 489 338 892</b>	

No	Municipality Name	Provinces	2019/20		2020/21	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
40	Dihlabeng Municipality	Free State	94 350 565	0,05	73 255 070	0,04
41	Kopanong Municipality	Free State	-	0,00	-	0,00
42	Letsemeng Municipality	Free State	38 072 125	0,02	51 505 667	0,03
43	Mafube Municipality	Free State	40 370 686	0,02	54 795 418	0,03
44	Maluti-A-Phofung Municipality	Free State	764 422 557	0,37	237 870 116	0,12
45	Mantsopa Municipality	Free State	20 992 256	0,01	43 768 000	0,02
46	Masilonyana Municipality	Free State	2 338 120	0,00	773 000	0,00
47	Matjhabeng Municipality	Free State	199 369 837	0,10	250 959 188	0,13
48	Metsimaholo Municipality	Free State	48 645 725	0,02	45 467 179	0,02
49	Mohokare Municipality	Free State	47 366 006	0,02	107 254 000	0,05
50	Moqhaka Municipality	Free State	46 229 646	0,02	59 329 647	0,03
51	Nala Municipality	Free State	28 004 520	0,01	43 529 770	0,02
52	Ngwathe Municipality	Free State	86 962 373	0,04	94 593 700	0,05
53	Nketoana Municipality	Free State	48 107 090	0,02	42 729 085	0,02
54	Phumelela Municipality	Free State	40 547 512	0,02	6 855 500	0,00
55	Setsoto Municipality	Free State	19 927 117	0,01	91 200 251	0,05
56	Tokologo Municipality	Free State	65 038 000	0,03	65 038 000	0,03
57	Tswelopele Municipality	Free State	13 595 910	0,01	39 608 172	0,02
58	Fezile Dabi District	Free State	4 401 865	0,00	695 103	0,00
59	Lejweleputswa District	Free State	770 418	0,00	3 970 418	0,00
60	Thabo Mofutsanyana District	Free State	3 378 904	0,00	802 812	0,00
61	Xhariep District	Free State	318 483	0,00	407 916	0,00
62	Mangaung Metropolitan	Free State	461 982 627	0,22	689 204 819	0,34
			<b>2 075 192 342</b>		<b>2 003 612 831</b>	

No	Municipality Name	Provinces	2019/20		2020/21	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
63	Emfuleni Municipality	Gauteng	114 436 906	0,01	128 318 663	0,01
64	Lesedi Municipality	Gauteng	47 062 436	0,01	94 086 160	0,01
65	Merafong City Municipality	Gauteng	119 069 348	0,01	159 569 987	0,02
66	Midvaal Municipality	Gauteng	117 558 614	0,01	249 910 372	0,03
67	Mogale City Municipality	Gauteng	225 412 649	0,03	222 694 677	0,02
68	Rand West City Municipality	Gauteng	104 194 656	0,01	395 898 271	0,04
69	Sedibeng District	Gauteng	630 000	0,00	5 693 418	0,00
70	West Rand District	Gauteng	24 999	0,00	4 039 634	0,00
71	City of Ekurhuleni Metropolitan	Gauteng	4 975 760 941	0,57	4 574 860 864	0,50
72	City of Johannesburg Metropolitan	Gauteng	6 219 893	0,00	6 356 000	0,00
73	City of Tshwane Metropolitan	Gauteng	2 950 409 068	0,34	3 273 893 388	0,36
			<b>8 660 779 510</b>		<b>9 115 321 434</b>	
74	AbaQulusi Municipality	KwaZulu-Natal	35 103 782	0,01	48 098 980	0,01
75	Alfred Duma Municipality	KwaZulu-Natal	86 849 238	0,02	100 316 802	0,02
76	Big 5 Hlabisa Municipality	KwaZulu-Natal	20 318 495	0,00	32 043 609	0,01
77	City of uMhlatuze Municipality	KwaZulu-Natal	76 674 199	0,02	94 880 652	0,02
78	Dannhauser Municipality	KwaZulu-Natal	55 479 714	0,01	66 794 806	0,01
79	Dr Nkosazana Dlamini Zuma Municipality	KwaZulu-Natal	10 523 092	0,00	6 118 231	0,00
80	eDumbe Municipality	KwaZulu-Natal	34 293 196	0,01	45 298 994	0,01
81	eMadlangeni Municipality	KwaZulu-Natal	13 696 242	0,00	17 575 619	0,00
82	Endumeni Municipality	KwaZulu-Natal	15 290 915	0,00	28 479 014	0,01
83	Greater Kokstad	KwaZulu-Natal	89 610 135	0,02	120 220 971	0,03
84	Impendle Municipality	KwaZulu-Natal	11 743 670	0,00	16 624 337	0,00
85	Inkosi Langalibalele Municipality	KwaZulu-Natal	38 979 597	0,01	4 131 214	0,00
86	Jozini Municipality	KwaZulu-Natal	33 493 684	0,01	53 232 537	0,01
87	KwaDukuza Municipality	KwaZulu-Natal	164 820 124	0,04	149 688 840	0,03
88	Mandeni Municipality	KwaZulu-Natal	33 349 528	0,01	83 135 100	0,02
89	Maphumulo Municipality	KwaZulu-Natal	41 655 953	0,01	44 631 283	0,01
90	Mkhambathini Municipality	KwaZulu-Natal	216 699 000	0,05	251 159 000	0,05
91	Mpofana Municipality	KwaZulu-Natal	15 829 291	0,00	11 153 906	0,00
92	Msunduzi Municipality	KwaZulu-Natal	78 998	0,00	1 244 169	0,00
93	Mthonjaneni Municipality	KwaZulu-Natal	35 281 621	0,01	36 307 698	0,01
94	Mtubatuba Municipality	KwaZulu-Natal	54 710 207	0,01	61 305 225	0,01
95	Ndwedwe Municipality	KwaZulu-Natal	48 420 229	0,01	73 409 464	0,02

No	Municipality Name	Provinces	2019/20		2020/21	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
96	Newcastle Municipality	KwaZulu-Natal	119 980 637	0,03	53 694 000	0,01
97	Nkandla Municipality	KwaZulu-Natal	31 589 162	0,01	27 104 602	0,01
98	Nongoma Municipality	KwaZulu-Natal	34 098 507	0,01	41 682 096	0,01
99	Nquthu Municipality	KwaZulu-Natal	70 363 000	0,02	32 439 000	0,01
100	Okhahlamba Municipality	KwaZulu-Natal	32 514 150	0,01	50 625 880	0,01
101	Ray Nkonyeni Municipality	KwaZulu-Natal	103 425 409	0,02	121 784 827	0,03
102	Richmond Municipality	KwaZulu-Natal	18 184 040	0,00	82 325 000	0,02
103	Ubuhlebezwe Municipality	KwaZulu-Natal	9 048 627	0,00	53 836 292	0,01
104	Ulundi Municipality	KwaZulu-Natal	33 516 583	0,01	65 965 000	0,01
105	Umdoni Municipality	KwaZulu-Natal	23 979 426	0,01	24 193 575	0,01
106	uMfolozi Municipality	KwaZulu-Natal	32 171 155	0,01	56 339 624	0,01
107	uMhlabuyalingana Municipality	KwaZulu-Natal	29 356 337	0,01	54 159 157	0,01
108	uMlalazi Municipality	KwaZulu-Natal	58 307 968	0,01	74 120 971	0,02
109	uMngeni Municipality	KwaZulu-Natal	30 412 108	0,01	40 882 666	0,01
110	uMshwathi Municipality	KwaZulu-Natal	24 524 853	0,01	29 707 304	0,01
111	uMsinga Municipality	KwaZulu-Natal	51 964 184	0,01	41 806 052	0,01
112	Umuziwabantu Municipality	KwaZulu-Natal	62 995 041	0,01	57 810 199	0,01
113	Umvoti Municipality	KwaZulu-Natal	24 969 732	0,01	41 806 052	0,01
114	Umzimkhulu Municipality	KwaZulu-Natal	54 627 163	0,01	104 116 796	0,02
115	Umzumbe Municipality	KwaZulu-Natal	60 929 894	0,01	83 741 285	0,02
116	uPhongolo Municipality	KwaZulu-Natal	29 065 757	0,01	51 525 425	0,01
117	Amajuba District	KwaZulu-Natal	62 813 290	0,01	84 791 732	0,02
118	Harry Gwala District	KwaZulu-Natal	234 435 122	0,05	291 988 236	0,06
119	iLembe District	KwaZulu-Natal	243 074 406	0,05	233 896 969	0,05
120	King Cetshwayo District (formerly Uthungulu District Municipality)	KwaZulu-Natal	283 212 637	0,06	238 188 155	0,05
121	Ugu District	KwaZulu-Natal	362 995 350	0,08	154 698 160	0,03
122	uMgungundlovu District	KwaZulu-Natal	365 848 432	0,08	165 906 088	0,04
123	uMkhanyakude District	KwaZulu-Natal	243 024 559	0,05	1 419 591	0,00
124	uMzinyathi District	KwaZulu-Natal	263 529 535	0,06	230 855 519	0,05
125	uThukela District	KwaZulu-Natal	6 279 306	0,00	279 415 923	0,06
126	Zululand District	KwaZulu-Natal	410 477 198	0,09	341 455 840	0,07
127	eThekweni Metropolitan	KwaZulu-Natal	3 766 769	0,00	57 664 630	0,01
			<b>4 548 381 247</b>		<b>4 615 797 097</b>	

No	Municipality Name	Provinces	2019/20		2020/21	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
128	Ba-Phalaborwa Municipality	Limpopo	33 027 552	0,01	55 714 651	0,01
129	Bela-Bela Municipality	Limpopo	60 335 239	0,01	78 991 612	0,02
130	Blouberg Municipality	Limpopo	49 456 671	0,01	58 599 839	0,01
131	Collins Chabane Municipality	Limpopo	337 248 115	0,07	301 418 306	0,06
132	Elias Motsoaledi Municipality	Limpopo	95 814 287	0,02	85 237 793	0,02
133	Ephraim Mogale Municipality	Limpopo	37 331 294	0,01	82 488 210	0,02
134	Fetakgomo-Tubatse Municipality	Limpopo	93 723 861	0,02	234 898 807	0,04
135	Greater Giyani Municipality	Limpopo	861 959	0,00	18 515 427	0,00
136	Greater Letaba Municipality	Limpopo	87 739 696	0,02	108 319 604	0,02
137	Greater Tzaneen Municipality	Limpopo	174 556 001	0,04	252 363 651	0,05
138	Lepelle-Nkumpi Municipality	Limpopo	71 755 215	0,02	48 496 321	0,01
139	Lephalale Municipality	Limpopo	69 413 106	0,01	113 074 736	0,02
140	Makhado Municipality	Limpopo	169 279 064	0,04	-	0,00
141	Makhuduthamaga Municipality	Limpopo	37 298 518	0,01	26 392 491	0,01
142	Maruleng Municipality	Limpopo	168 714 985	0,04	182 639 995	0,03
143	Modimolle-Mookgophong Municipality	Limpopo	38 817 551	0,01	101 842 011	0,02
144	Mogalakwena Municipality	Limpopo	418 694 433	0,09	221 781 172	0,04
145	Molemole Municipality	Limpopo	34 155 640	0,01	42 218 906	0,01
146	Musina Municipality	Limpopo	1 979 630	0,00	37 793 234	0,01
147	Polokwane Municipality	Limpopo	567 846 698	0,12	824 198 067	0,16
148	Thabazimbi Municipality	Limpopo	113 813 976	0,02	132 020 580	0,03
149	Thulamela Municipality	Limpopo	178 987 815	0,04	131 086 854	0,03
150	Capricorn District	Limpopo	402 221 013	0,09	346 510 000	0,07
151	Mopani District	Limpopo	416 403 406	0,09	628 913 531	0,12
152	Sekhukhune District	Limpopo	418 902 239	0,09	472 458 306	0,09
153	Vhembe District	Limpopo	561 065 641	0,12	650 595 974	0,12
154	Waterberg District	Limpopo	19 736 859	0,00	4 468 080	0,00
			<b>4 659 180 464</b>		<b>5 241 038 158</b>	



No	Municipality Name	Provinces	2019/20		2020/21	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
155	Bushbuckridge Municipality	Mpumalanga	465 997 847	0,14	544 556 597	0,15
156	Chief Albert Luthuli Municipality	Mpumalanga	200 214 927	0,06	373 837 762	0,10
157	City of Mbombela Municipality	Mpumalanga	613 306 321	0,19	468 141 642	0,13
158	Dipaleseng Municipality	Mpumalanga	178 794 221	0,05	89 716 142	0,02
159	Dr JS Moroka Municipality	Mpumalanga	128 681 233	0,04	111 701 727	0,03
160	Dr Pixley Ka Isaka Seme Municipality	Mpumalanga	83 575 627	0,03	41 780 286	0,01
161	Emakhazeni Municipality	Mpumalanga	112 009 068	0,03	100 438 688	0,03
162	Emalahleni Municipality	Mpumalanga	91 652 608	0,03	230 234 521	0,06
163	Govan Mbeki Municipality	Mpumalanga	197 085 498	0,06	169 367 190	0,05
164	Lekwa Municipality	Mpumalanga	8 916 123	0,00	59 468 373	0,02
165	Mkhondo Municipality	Mpumalanga	135 755 739	0,04	135 178 449	0,04
166	Msukaligwa Municipality	Mpumalanga	100 943 934	0,03	161 876 329	0,04
167	Nkomazi Municipality	Mpumalanga	272 609 547	0,08	253 733 955	0,07
168	Steve Tshwete Municipality	Mpumalanga	333 428 626	0,10	654 239 000	0,17
169	Thaba Chweu Municipality	Mpumalanga	83 998 714	0,03	83 068 591	0,02
170	Thembisile Hani Municipality	Mpumalanga	164 155 852	0,05	211 124 429	0,06
171	Victor Khanye Municipality	Mpumalanga	41 715 417	0,01	18 340 435	0,00
172	Ehlanzeni District	Mpumalanga	5 744 676	0,00	5 498 945	0,00
173	Gert Sibande District	Mpumalanga	48 030 124	0,01	13 726 939	0,00
174	Nkangala District	Mpumalanga	36 259 112	0,01	15 079 703	0,00
			<b>3 302 875 214</b>		<b>3 741 109 703</b>	
175	City of Matlosana Municipality	North West	112 696 750	0,05	191 472 532	0,09
176	Ditsobotla Municipality	North West	35 065 795	0,01	64 809 323	0,03
177	Greater Taung Municipality	North West	126 034 484	0,05	64 758 000	0,03
178	JB Marks Municipality	North West	170 332 070	0,07	173 954 042	0,08
179	Kagisano-Molopo Municipality	North West	58 796 584	0,02	25 303 889	0,01
180	Kgetlengrivier Municipality	North West	25 929 839	0,01	39 898 451	0,02
181	Lekwa-Teemane Municipality	North West	27 812 211	0,01	48 855 000	0,02
182	Madibeng Municipality	North West	147 448 086	0,06	1 364 831	0,00
183	Mahikeng Municipality	North West	543 962 715	0,22	119 900 046	0,05
184	Mamusa Municipality	North West	22 195 246	0,01	42 761 000	0,02
185	Maquassi Hills Municipality	North West	47 689 994	0,02	51 392 890	0,02
186	Moretele Municipality	North West	247 636 585	0,10	265 141 611	0,12
187	Moses Kotane Municipality	North West	316 990 635	0,13	376 048 931	0,17
188	Naledi Municipality	North West	37 308 020	0,02	12 741 803	0,01
189	Ramotshere Moiloa Municipality	North West	39 058 674	0,02	30 748 620	0,01
190	Ratlou Municipality	North West	2 598 460	0,00	47 669 213	0,02
191	Rustenburg Municipality	North West	1 105 533	0,00	469 725	0,00
192	Tswaing Municipality	North West	43 951 904	0,02	61 152 428	0,03
193	Bojanala Platinum District	North West	20 150	0,00	2 095 804	0,00
194	Dr Kenneth Kaunda District	North West	1 796 423	0,00	3 329 597	0,00
195	Dr Ruth Segomotsi Mompati District	North West	257 559 045	0,10	249 072 189	0,11
196	Ngaka Modiri Molema District	North West	220 891 296	0,09	314 669 988	0,14
			<b>2 486 880 499</b>		<b>2 187 609 913</b>	

No	Municipality Name	Provinces	2019/20		2020/21	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
197	!Kheis Municipality	Northern Cape	4 359 728	0,01	12 198 286	0,02
198	Dawid Kruiper Municipality	Northern Cape	1 056 557	0,00	2 803 461	0,00
199	Dikgatlong Municipality	Northern Cape	28 209 074	0,04	19 217 360	0,03
200	Emthanjeni Municipality	Northern Cape	34 345 131	0,04	16 716 000	0,02
201	Ga-Segonyana Municipality	Northern Cape	177 417 589	0,23	185 746 919	0,25
202	Gamagara Municipality	Northern Cape	13 964 894	0,02	16 745 878	0,02
203	Hantam Municipality	Northern Cape	92 394 701	0,12	72 702 288	0,10
204	Joe Morolong Municipality	Northern Cape	29 954 540	0,04	69 107 952	0,09
205	Kai !Garib Municipality	Northern Cape	54 348 156	0,07	2 299 151	0,00
206	Kamiesberg Municipality	Northern Cape	7 199 627	0,01	21 806 229	0,03
207	Kareeberg Municipality	Northern Cape	5 971 594	0,01	16 293 872	0,02
208	Karoo Hoogland Municipality	Northern Cape	1 160 627	0,00	9 607 542	0,01
209	Kgatelopele Municipality	Northern Cape	31 691 443	0,04	35 915 588	0,05
210	Khai-Ma Municipality	Northern Cape	16 953 145	0,02	7 209 991	0,01
211	Magareng Municipality	Northern Cape	28 524 111	0,04	61 227 390	0,08
212	Nama Khoi Municipality	Northern Cape	124 947 286	0,16	28 233 969	0,04
213	Phokwane Municipality	Northern Cape	193 494	0,00	-	0,00
214	Renosterberg Municipality	Northern Cape	15 346 463	0,02	18 799 570	0,03
215	Richtersveld Municipality	Northern Cape	9 869 240	0,01	15 872 376	0,02
216	Siyancuma Municipality	Northern Cape	30 319 000	0,04	33 180 000	0,04
217	Siyathemba Municipality	Northern Cape	1 353 236	0,00	7 218 569	0,01
218	Sol Plaatje Municipality	Northern Cape	7 260 749	0,01	4 556 094	0,01
219	Thembelihle Municipality	Northern Cape	325 437	0,00	2 679 235	0,00
220	Tsantsabane Municipality	Northern Cape	10 313 710	0,01	18 641 072	0,03
221	Ubuntu Municipality	Northern Cape	19 061 540	0,02	17 867 680	0,02
222	Umsobomvu Municipality	Northern Cape	23 701 444	0,03	31 329 981	0,04
223	Frances Baard District	Northern Cape	1 101 264	0,00	1 374 713	0,00
224	John Taolo Gaetsewe District	Northern Cape	647 359	0,00	5 733 733	0,01
225	Namakwa District	Northern Cape	987 581	0,00	182 000	0,00
226	Pixley Ka Seme District	Northern Cape	1 464 728	0,00	3 399 559	0,00
227	ZF Mgcawu District	Northern Cape	166 783	0,00	840 613	0,00
			<b>774 610 231</b>		<b>739 507 071</b>	

No	Municipality Name	Provinces	2019/20		2020/21	
			Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province	Capital Expenditure	CAPEX: Municipality/ Total CAPEX: Province
228	Beaufort West Municipality	Western Cape	26 423 000	0,01	8 278 000	0,00
229	Bergvriervier Municipality	Western Cape	40 882 447	0,02	49 952 593	0,02
230	Bitou Municipality	Western Cape	51 981 619	0,02	79 202 738	0,03
231	Breede Valley Municipality	Western Cape	195 480 918	0,08	124 588 000	0,05
232	Cape Agulhas Municipality	Western Cape	41 850 138	0,02	64 010 442	0,02
233	Cederberg Municipality	Western Cape	34 583 834	0,01	45 109 136	0,02
234	Drakenstein Municipality	Western Cape	269 757 841	0,11	221 646 458	0,08
235	George Municipality	Western Cape	156 018 467	0,06	191 278 657	0,07
236	Hessequa Municipality	Western Cape	67 055 000	0,03	114 416 996	0,04
237	Kannaland Municipality	Western Cape	22 032 347	0,01	19 178 000	0,01
238	Knysna Municipality	Western Cape	89 741 000	0,04	138 560 000	0,05
239	Laingsburg Municipality	Western Cape	5 148 064	0,00	21 372 741	0,01
240	Langeberg Municipality	Western Cape	59 083 454	0,02	57 634 651	0,02
241	Matzikama Municipality	Western Cape	63 557 384	0,03	47 266 786	0,02
242	Mossel Bay Municipality	Western Cape	242 039 591	0,10	227 891 038	0,08
243	Oudtshoorn Municipality	Western Cape	73 279 000	0,03	77 454 912	0,03
244	Overstrand Municipality	Western Cape	73 108 393	0,03	132 231 939	0,05
245	Prince Albert Municipality	Western Cape	12 722 996	0,01	17 813 786	0,01
246	Saldanha Bay Municipality	Western Cape	177 523 215	0,07	221 551 059	0,08
247	Stellenbosch Municipality	Western Cape	405 767 712	0,17	392 961 647	0,15
248	Swartland Municipality	Western Cape	123 246 787	0,05	219 363 959	0,08
249	Swellendam Municipality	Western Cape	45 878 016	0,02	28 180 288	0,01
250	Theewaterskloof Municipality	Western Cape	78 722 856	0,03	85 614 625	0,03
251	Witzenberg Municipality	Western Cape	34 468 286	0,01	66 943 531	0,02
252	Cape Winelands District	Western Cape	7 572 770	0,00	5 522 550	0,00
253	Central Karoo District	Western Cape	193 767	0,00	872 139	0,00
254	Garden Route District (Formerly Eden District Municipality)	Western Cape	8 182 000	0,00	13 822 476	0,01
255	Overberg District	Western Cape	2 997 817	0,00	5 036 268	0,00
256	West Coast District	Western Cape	10 932 079	0,00	10 611 953	0,00
257	City of Cape Town Metropolitan	Western Cape	7 513 396	0,00	6 557 569	0,00
			<b>2 427 744 194</b>		<b>2 694 924 937</b>	

## **ANNEXURE B : REPORT FROM Language EDITOR**

Attached separately.