Status Report

ACTis | Anti-Corruption Tracker Information System

ACTis provides risk analysis and early intervention recommendations against state capture and corruption in South African government institutions

PUBLIC ENTITY

ACT | ACCOUNTABILITY TRACKER

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Limpopo-Olifants Catchment Management Agency

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About the Institution

The Limpopo-Olifants Catchment Management Agency (LOCMA) is a national public entity established in 2023 to manage water resources in the Limpopo-Olifants Water Management Area (merging the previously established Limpopo, Olifants and Crocodile West Marico Water Management Areas). It manages water resources across the North West, Gauteng, Mpumalanga and Limpopo provinces, as well as water resources on international borders with Mozambique and Zimbabwe.[1] LOCMA reports to the Minister of Water and Sanitation, and its Board is its accounting authority. However, some transactions and contractual obligations remain the responsibility of the Department of Water and Sanitation (DWS) while LOCMA is in a transitional phase, gradually assuming water resource management functions previously centralised within DWS. This process was expected to be complete by October 2025, but has been delayed.[2] In 2024/2025, the agency's expenditure was R313m.[3]

Flag Status

1	2	3	4	5	6	7	8	9
								
Improper appointments	Co-opting key functions	Climate of fear or favour	Corrupt awards	Financial malpractice	Obstructing accountability	Manipulating perceptions	Private gain	Shadow network

ISS Analysis

- ACTis has raised one flag for LOCMA and placed three under monitoring.
- LOCMA is a relatively new organisation and is still transitioning from DWS. Its Board was established only in 2024, so it is still too early to report on the organisation's day-to-day operations.
- LOCMA's challenges are mainly related to financial governance. However, because DWS provided this function in 2024/25, LOCMA had limited control over it. Although accountability lines between the two institutions have been blurred during the transition, LOCMA has demonstrated a willingness to address the issues, drafting a detailed action plan to address the shortcomings identified by the Auditor-General of South Africa (AGSA) in its audit outcomes.



- The flags under monitoring reflect administrative weaknesses in LOCMA, not deliberate coordination by officials.

Findings

Flag #1
Improper Appointments

The flag is being monitored because of delays in appointing senior officials.

- The LOCMA Board was appointed in December 2024 and is chaired by Advocate Thato Moeeng. Because the appointments occurred late in the 2024/25 financial year, the Board could not develop or approve core strategies, policies or business processes as part of the transition.[4]
    - The Board also could not complete the recruitment processes required to fill six key organisational positions.
- Solomon Mathebula was appointed Interim CEO in December 2024 during the agency's initial transition and remained CEO through October 2025.[5] Siboniso Phillip Mkhaliphi was listed as Acting CEO in April 2026.[6]

Flag #4
Corrupt Awards

The flag is being monitored to assess whether procurement irregularities form part of a wider pattern involving the same companies or the same *modus operandi.*

- In 2024/25, the DWS provided the procurement function for LOCMA. [7]
- The AGSA identified some irregularities in contract awards made in 2024/25.[8] These included:
    - Some goods and services were procured without obtaining the required three quotations. There was also insufficient evidence that contracts were awarded to businesses or individuals providing reasonable prices for services, as required by Section 57b of the Public Finance Management Act.
    - Officials failed to check whether bidders for some contracts had submitted declarations of whether they were employed by the government or connected to government officials, and whether they had adequately declared their tax matters to the South African Revenue Service.
    - There was insufficient evidence that preferential point systems were correctly applied in the procurement of services and that contract awards were made to the highest-scoring suppliers.

Flag raised Flag lowered Under monitoring

Flag #5

Financial Malpractice



The flag is raised due to systemic weaknesses in the institution's financial management system.

- The DWS provided financial management functions for LOCMA in 2024/25.[9]
- The AGSA identified several financial control issues by management, including:
    - A lack of adequate controls over transaction processing and reconciliation, resulting in numerous misstatements in the financial statements
    - A lack of adequate record-keeping processes
    - Insufficient controls to monitor compliance with applicable procurement legislation, and
    - Failure to adequately review the financial statements for errors and correct them.[10]

Flag #6

Obstructing Accountability



The flag is being monitored to assess whether signs of a lack of accountability are part of a broader pattern.

- LOCMA received a disclaimer of audit opinion from the AGSA for 2024/25. The core reasons for the disclaimer included:
    - Lack of evidence showing that the delegated accounting authority fulfilled its responsibilities for financial statement preparation
    - Inadequate documentation supporting the recognition and measurement of revenue from exchange transactions
    - A SAP system failure during the financial period temporarily prevented retrieval of the debtors' ledger and affected audit readiness
    - Non-compliance with Generally Recognised Accounting Practice (GRAP) standards, particularly regarding the transfer of functions from DWS (GRAP 105) and related party disclosures (GRAP 20).[11]
- LOCMA produced a detailed action plan to address all issues the AGSA identified during its annual audit.[12]



Recommended Actions

	DUTY BEARER	ACTION(S)	ASSOCIATED FLAGS
1.	Portfolio Committee on Water and Sanitation	• Require a strategy from LOCMA on how they will establish finance and procurement functions that do not inherit weaknesses from DWS structures, identified in external audit reports. • Request that LOCMA report on progress in the implementation of the action plan to address the AGSA's concerns from the 2024/25 audit.	Flag #5: Financial Malpractice Flag #6: Obstructing Accountability
2.	Department of Water and Sanitation	• Identify weaknesses within the DWS procurement and financial management functions that impacted LOCMA's audit outcome, and pursue consequence management for those responsible.	Flag #4: Corrupt Awards Flag #5: Financial Malpractice
3.	Limpopo-Olifants Catchment Management Agency Board and Chief Executive Officer	• Prioritise recruitment processes and the appointment of skilled individuals for critical positions to finalise the transition from DWS. • Ensure that any staff transfers from DWS are properly vetted. • Establish strong internal financial management and procurement units, staffed by experienced individuals with irreproachable records. • Ensure implementation of the action plan to address the AGSA's concerns from the 2024/25 audit.	Flag #1: Improper Appointments Flag #5: Financial Malpractice Flag #6: Obstructing Accountability

Flag raised Flag lowered Under monitoring

The 9 Flags

Flag #1
Improper Appointments

Improper appointments, dismissals or failure to remove individuals in senior positions may be used to drive a corrupt agenda.

Flag #2
Co-opting Key Functions

Informal control may be established over critical functions within the institution to abuse them.

Flag #3
Climate of Fear or Favour

The working culture favours loyalty over duty; alignment with a corrupt agenda is rewarded, and resistance is punished.

Flag #4
Corrupt Awards

Contracts, licences, partnerships, loans and/or investments may be awarded irregularly and repeatedly benefit the same actors.

Flag #5
Financial Malpractice

The institution's financial management practices may be abused to advance a corrupt agenda.

Flag #6
Obstructing Accountability

The institution's internal operations might be deliberately obscured to hide potential misconduct.

Flag #7
Manipulating Perceptions

A public narrative that frames misconduct as innocence may be promoted.

Flag #8
Private Gain

Illicit gains may be distributed to benefit the same actors.

Flag #9
Shadow Network

The same public and private actors may collude to gain control over an institution's assets and functions, benefiting repeatedly.

About ACTis

What is ACTis?

The Anti-Corruption Tracker Information System is an initiative of the Anti-Corruption and Accountability Project at the Institute for Security Studies. It provides analysis on corruption and state capture in South Africa, to inform early intervention and enforcement. It utilises a system of indicators and an AI-driven data-collection and analysis tool, validated by human experts. It identifies risks within individual government institutions and produces actionable recommendations to address them, with a view to disrupting patterns of state capture and corruption. Findings are shared directly with government and other duty-bearers, civil society organisations, the media and the public, empowering authorities to intervene, strengthening accountability, and enabling citizens activism.

Links to ACTis Information:

Further project information may be found at the following links:

Terms and Definitions

Project Methodology and Analytical Framework

About the Anti-Corruption and Accountability project

About the Institute for Security Studies

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Flag raised | Flag lowered | Under monitoring

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[1] LOCMA, Limpopo-Olifants Catchment Management Agency Annual Performance Plan, https://www.dws.gov.za/Documents/AnnualReports/Limpopo-Olifants%20Catchment%20Management%20Agency%202024-25%20Annual%20Performance%20Plan_.pdf, p. 8.
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[3] LOCMA, Annual Report Presentation to Portfolio Committee of Water and Sanitation, 14 October 2025, https://static.pmg.org.za/251021_LOCMA_2024_25_Annual_Report_Presentation.pdf. p. 40.
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[9] LOCMA, Annual Report Presentation to Portfolio Committee of Water and Sanitation, 14 October 2025, https://static.pmg.org.za/251021_LOCMA_2024_25_Annual_Report_Presentation.pdf, p. 9.
[10] LOCMA, Annual Report Presentation to Portfolio Committee of Water and Sanitation, 14 October 2025, https://static.pmg.org.za/251021_LOCMA_2024_25_Annual_Report_Presentation.pdf, pp. 50-52.
[11] LOCMA, Annual Report Presentation to Portfolio Committee of Water and Sanitation, 14 October 2025, https://static.pmg.org.za/251021_LOCMA_2024_25_Annual_Report_Presentation.pdf. p. 39.
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