



MEDIA STATEMENT

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To: Editors / Producers / Journalists

FINANCE MUNIMEC DELIBERATE ON READINESS FOR MUNICIPAL AUDIT

The Mpumalanga MEC for Finance, Mr Bonakele Majuba, has commended municipalities for the strides made in strengthening internal capacity to prepare Annual Financial Statements (AFS) and reducing reliance on outsourced services.

The meeting took place at a critical stage of the municipal audit cycle and focused on municipal readiness for the submission of Annual Financial Statements, progress in resolving unauthorised, irregular, fruitless and wasteful (UIF&W) expenditure, and the implementation of audit action plans arising from previous audit outcomes.

Addressing the quarterly Intergovernmental Forum on Municipal Finance (MUNIMEC) held virtually on 18 August 2026, MEC Majuba commended municipalities for their collaborative efforts with their districts to improve financial administration. The meeting noted that an increasing number of municipalities are now preparing their financial statements internally.

Municipal Readiness for Submission of Annual Financial Statements

Finance MUNIMEC noted encouraging progress in the preparation of Annual Financial Statements across municipalities, with many nearing completion.

Provincial Treasury reaffirmed its commitment to working closely with municipalities to support efforts of ensuring the credibility of financial information before it is submitted to the Auditor-General South Africa for audit purposes.

In line with the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), municipalities are required to submit their Annual Financial Statements for the 2025/26 financial year to the Auditor-General by 31 August 2026.

The forum further noted that the implementation of GRAP 104, which is being applied for the first time during the current reporting cycle, presents both challenges and opportunities for municipal financial reporting. Municipalities were encouraged to implement measures to address any remaining compliance gaps and to ensure full adherence to the new accounting standard.

To further strengthen support to municipalities ahead of the submission deadline, the Provincial Treasury has scheduled a series of support engagements commencing on 20

August 2026. Municipalities were encouraged to promptly escalate any challenges to designated Provincial Treasury officials to facilitate timely interventions during the audit process.

Progress in Implementing Audit Action Plans

MUNIMEC received progress reports on the implementation of Audit Action Plans developed in response to findings from previous audit cycles.

The forum noted that municipalities continue to implement corrective measures to address outstanding audit findings. Positive progress has been recorded across municipalities, with several audit findings already resolved, while outstanding matters remain subject to ongoing intervention.

While acknowledging the progress achieved to date, MUNIMEC urged municipalities to accelerate efforts to address remaining audit issues before finalising and submitting their financial statements.

The forum further emphasised that the successful implementation of audit action plans remains critical to sustaining improvements in audit outcomes and enhancing public confidence in municipal financial management.

Progress on UIF&W expenditure

The forum received a report on efforts to address Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure in municipalities. MUNIMEC called on municipalities to prioritise the sittings of the Municipal Public Accounts Committees (MPACs) to facilitate the conclusion of matters before them.

Members of Mayoral Committees responsible for Finance were urged to continue actively monitoring the implementation of corrective measures, following up on outstanding matters, and exercising oversight to strengthen transparency and accountability in municipal finances.

Issued by the Mpumalanga Provincial Treasury. For more information, kindly contact Ciara Padayachee (MEC: Media Liaison Officer) on 067 875 4634 or Letshela Jonas (Departmental Communication) on 079 5000 154/ 013 766 4323.