



OFFICE OF THE EXECUTIVE MAYOR

City of Ekurhuleni
| 1st Floor Civic Centre
Cnr Queen and Cross Streets | Germiston | PO Box 145 | Germiston | 1400
Tel: +27 11 999 0906/7 | Fax: +27 11 999 1564 | Website: www.ekurhuleni.gov.za

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For immediate release

EXECUTIVE MAYOR CLLR MZWANDILE MASINA WELCOMES THE AUDITOR GENERAL'S 2017/2018 FINANCIAL YEAR AUDIT

The Executive Mayor Cllr Mzwandile Masina has welcomed the Auditor General's (AG) 2017/2018 Financial Year Audit, which gave the city an unqualified audit opinion. The City of Ekurhuleni's Audit Committee tabled the AG's Report during the first ordinary council meeting on the 31 January 2018. The Committee reviewed and discussed the Annual Financial Statements of the Municipality and its entities.

The AG found an improvement in the overall outcome of performance reporting. The City received a clean audit on performance information and no audit findings were reported. In addition to this the following improvements were noted:

- 1) The city did not incur fruitless and wasteful, and unauthorized expenditure in the 2017-18 financial year
- 2) No audit findings on the incorrect application of SCM regulation 36, all deviations approved were in line with SCM regulation 36.
- 3) A decrease of R198 million (42%) in irregular expenditure from R472.6 to R274.5 million
- 4) The overall financial viability assessed as good, no long term borrowings for financing day to day operations of the city.

"We have continued to display our commitment to good governance and accountability following the AG's 2016/2017 financial year audit. Our ability to decrease irregular expenditure by 42% allows us to further service our impoverished communities and amplify our service delivery in line with our pro-poor Government stance. We will continue to cut irregular expenditure and maintain a zero tolerance approach to fruitless, wasteful and

unauthorised expenditure. Good governance allows the City to attract much needed investment, which will allow us to grow economic activity in the City of Ekurhuleni.” said Mayor Masina.

The Audit Committee is satisfied with the great improvement of the City’s performance and acknowledged the achievement of a Clean Audit opinion for the 2017/18 FY on the performance information. Concerns over the lack of improvement in the quality of the annual financial statements submitted and poor document management processes in finance were highlighted on the report.

“We committed to implementing the AG’s recommendations expeditiously. The City remains committed to transparency, accountability and clean governance. The citizens of Ekurhuleni remain at the centre of our efforts as an administration. Our fiscal management must be dedicated to producing the maximum output of quality service delivery to our people.” said Mayor Masina.

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For more media enquiries:

Phakamile Mbengashe
Acting Spokesperson to the Executive Mayor
082 850 6084

Themba Gadebe
Spokesperson for the City of Ekurhuleni
076 303 7594

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