

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING**

2026.06.04

ITEM MPAC- SC (02(a)-2026)

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE: REPORT ON THE ANNUAL REPORT, INCLUSIVE OF ANNUAL FINANCIAL STATEMENTS (AFS) FOR THE 2024/25 FINANCIAL YEAR AND THE AUDITOR GENERAL OF SOUTH AFRICA'S (AGSA'S) REPORT

PURPOSE

To report to Council on Municipal Public Accounts Committee's (MPAC's) consideration of the Annual Report, Inclusive of Annual Financial Statements (AFS) for the 2024/25 financial year and the Auditor General of South Africa's (AGSA) Report.

EXECUTIVE SUMMARY

The Annual Report, Inclusive of Annual Financial Statements (AFS) for the 2024/25 financial year and the AGSA's report is the final draft of the annual report including the AGSA's report after the Unaudited Annual Report was dealt with by the end of December. This report was referred to the MPAC on 5 February 2025 for consideration and reporting in accordance with Rule 135 of the standing Orders By-law of Council, 2018. The Committee convened on 8 April 2026 to consider the item and begin the public hearings. This meeting was followed by public hearings on the 17 April 2026 and on 8 May 2026 the Committee deliberated on and adopted this oversight report.

KEY DELIBERATIONS

The Annual Report, Inclusive of Annual Financial Statements (AFS) for the 2024/25 financial year and the AGSA's report, was submitted to the MPAC for oversight as per Circular 63, read together with section 127 to 129 of the Municipal Finance Management Act (MFMA) (no. 56 of 2003).

According to these prescripts, the Unaudited Annual Report, Inclusive of Draft Annual Financial Statements, should be submitted to Council within two months after the end of the financial year, i.e., in August, for oversight by Council. After 7 months, i.e., by the end of January of each year, the final Annual Report, together with AGSA's report, must be tabled in Council and the MPAC must make its final pronouncement on the financial statements in conclusion of the oversight process of Council.

The MFMA further empowers the municipal Council to develop an oversight report, within the context of the separations of roles as outlined in MFMA Circular 32, on the submission of the report by the Executive Mayor. Section 129 (1) of the MFMA stipulates that the oversight report on the Annual Report must include a statement whether Council:

- (a) Has approved the annual report with or without reservations;*
- (b) Has rejected the annual reports;*
- (c) Has referred the annual report back for revision of those components that can be revised.*

In addition to the interrogation of unauthorised, irregular, fruitless and wasteful expenditure – recorded as note 47 of the AFS - as per the provision of section 32 of the MFMA. To this effect, the Committee recommends that the Annual Report, Inclusive of Annual Financial Statements (AFS) for the 2024/25 financial year and the AGSA's report be approved without reservations.

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING**

2026.06.04

ITEM MPAC- SC (02(a)-2026)

LEGAL COMMENTS

In terms of Rule 122(1) read with 135(1)(c) of the Standing Orders By-Law 2023, the Committee is required to submit a written report on its consideration on the City's annual report, inclusive of the Annual Financial Statements (AFS) for the 2023/24 financial year and the Auditor-General's report. The process followed was in line with the reporting requirements as set out in the Municipal Finance Management Act (Act 56 of 2003), the Municipal Structures Act (Act 117 of 1998) and the Municipal Systems Act (Act 32 of 2000). The Municipal Public Accounts Committee's terms of reference is also instructive in these instances in that Clause 4.1 authorizes the committee to scrutinize the annual reports of the City and its entities submitted to the Municipal Council pursuant to the provision of legislation.

It is upon the above premise that this report is supported from a legal perspective.

RECOMMENDATION

1. **That** the contents of the Annual Report, Inclusive of Annual Financial Statements (AFS) for the 2024/25 financial year and the AGSA's Report, **BE NOTED**.
2. **That** the Accounting Officer, in accordance with section 21A of the Municipal Systems Act **MAKE PUBLIC** this oversight report, within seven (7) days of its adoption by Council.
3. **That** the Annual Report, Inclusive of Annual Financial Statements (AFS) for the 2024/25 financial year and the AGSA's report **BE APPROVED** without reservations.
4. **That** the Accounting Officer **SUBMITS** this oversight report to the Gauteng Provincial Legislature, within seven (7) days of its adoption by Council.
5. **That** the Accounting Officer provide feedback on the report to Council by **30 June 2026**.