



a world class African city

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City of Johannesburg Council Strengthens Consequence Management Through Referral of Alleged Financial Misconduct Matters for Independent Investigation

The City of Johannesburg Council yesterday approved the referral of thirteen (13) alleged acts of financial misconduct, with a combined value of approximately R4.07 billion, to the City's independent Disciplinary Board for preliminary investigations in accordance with the Municipal Finance Management Act (MFMA) Regulations on Financial Misconduct Procedures and Criminal Proceedings.

The matters relate to allegations of unauthorised, irregular, and fruitless and wasteful expenditure arising from alleged non-compliance with the Municipal Finance Management Act (MFMA), Supply Chain Management legislation and other applicable legislative and regulatory requirements across various municipal departments and functions.

Council's decision gives effect to the City's statutory obligation to investigate allegations of financial misconduct and reinforces its commitment to strengthening governance, accountability and consequence management. The referral enables the independent Disciplinary Board to conduct preliminary investigations to determine whether the allegations are founded and whether further investigations, disciplinary proceedings, criminal proceedings or any other appropriate action should be recommended.

Importantly, the accounting treatment of unauthorised, irregular, fruitless and wasteful expenditure is separate from the conduct of officials. While Council may, in appropriate circumstances and in accordance with the MFMA, regularise or write off expenditure where investigations have found that there was no financial loss or prejudice to the City, such decisions do not absolve any official from accountability. Where there is evidence of alleged financial misconduct, the conduct of the officials concerned remains subject to investigation and, where warranted, disciplinary or criminal proceedings in accordance with the law.

Commenting on Council's decision, the Executive Deputy Mayor and Member of Mayoral Committee for Finance, Cllr Loyiso Masuku, said:

"Yesterday's resolution sends a clear message that the City of Johannesburg is committed to ensuring that accountability extends beyond financial reporting and that consequence management will be pursued wherever the facts and the law require it.

The City remains committed to ensuring that allegations of financial misconduct are dealt with transparently, fairly and without fear or favour. Council's approval demonstrates its commitment to allowing the independent governance mechanisms established in law to perform their statutory functions and to uphold the highest standards of ethical governance.

This resolution is not merely about compliance with legislation; it is about strengthening public confidence in the City's governance systems and reinforcing the principle that every allegation of financial misconduct must be subjected to an independent, transparent and lawful process. The City will continue to protect public resources by ensuring that accountability is applied consistently and without exception."

It is important to emphasise that today's resolution does not constitute a finding of guilt against any official. These remain allegations at this stage, and all affected officials are entitled to due process in accordance with the Constitution, the MFMA, labour legislation and other applicable laws. The Disciplinary Board will now undertake preliminary investigations and report back to Council on whether each matter warrants a detailed investigation and any further action.

Today's decision forms part of the City's broader programme to strengthen financial governance, restore public confidence in municipal institutions and ensure that public resources are managed responsibly. As the City continues implementing reforms to improve financial sustainability, institutional integrity and ethical governance, consequence management remains a cornerstone of good governance.

The City of Johannesburg will continue to update Council and the public on the progress of these matters, where appropriate and within the confines of applicable legislation, while safeguarding the integrity of the investigative process.

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