



CITY OF JOHANNESBURG  
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**FOR IMMEDIATE RELEASE**  
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## **EXECUTIVE MAYOR DADA MORERO ENGAGES WITH AUDITOR-GENERAL ON CITY OF JOHANNESBURG 2024/2025 AUDIT OUTCOMES**

In accordance with the 2026/2027 Integrated Development Plan (IDP), the Budget, Monitoring, Evaluation and Reporting Process Plan, the Municipal Systems Act, 32 of 2000, and the Municipal Finance Management Act, 56 of 2003, the Executive Mayor of the City of Johannesburg is mandated to consult and engage with stakeholders—including National and Provincial Government, the Auditor-General of South Africa (AGSA), and residents of the City. These engagements are grounded in Chapter 7 of the Constitution of the Republic of South Africa.

In the spirit of transparency and good governance, the Executive Mayor of the City of Johannesburg, Councillor Dada Morero, convened a meeting of the Mayoral Committee to assess the City's preparation for the upcoming National Treasury benchmarking exercise. This benchmarking process forms part of ongoing engagements aimed at evaluating the City's financial management systems, governance controls, revenue collection mechanisms, and institutional reform programme. The City views this as a critical opportunity to assess challenges candidly, measure progress, and reinforce interventions needed to enhance service delivery and financial governance.

In fulfilling this responsibility, the Executive Mayor also met with the Auditor-General of South Africa and members of the City's administration to receive a comprehensive briefing on the City's audit outcomes for the 2024/2025 financial year. The engagement was characterised by open, constructive, and robust discussions focused on strengthening collaboration between the City and the Auditor-General, with the shared aim of enhancing governance, accountability, and long-term financial sustainability.

Executive Mayor Morero welcomed the guidance and counsel provided by the AGSA, particularly on matters requiring urgent intervention within the City's accountability framework. The Mayor reaffirmed the City's commitment to collaborating closely with the AGSA to improve audit outcomes and strengthen institutional governance processes. As part of this commitment, the Executive Mayor extended an invitation to the AGSA to continue supporting the City's administration throughout the audit process by providing technical expertise and reinforcing governance mechanisms. These efforts are intended to promote clean governance and improve audit performance across the institution.

The discussions also reflected on the City's ongoing financial challenges and the interventions required to secure long-term sustainability. While notable progress has been achieved in specific areas, including favourable court rulings on issues affecting municipal finances, significant financial pressures persist and require decisive intervention.

The City acknowledges that many of Johannesburg's financial and governance challenges are well documented. However, there is a pressing need to expedite the implementation of existing turnaround plans, strengthen consequence management, and enforce accountability across the administration. Enterprise-wide risk management and institutional discipline remain central to restoring financial stability and rebuilding public trust.

Executive Mayor Morero reiterated the City's commitment to stabilising municipal finances, strengthening accountability, enforcing consequence management where necessary, and ensuring that residents receive quality services from a capable and responsive municipality. The Executive Mayor further appeals to residents of Johannesburg and all stakeholders concerned about the recent correspondence from the Minister of Finance to allow space for constructive institutional engagement between the City and the National Government.

Importantly, the City seeks to dispel misinformation and politically motivated interpretations regarding the Minister's correspondence. At no point does the Minister state that the City of Johannesburg is bankrupt. Instead, the correspondence identifies financial matters requiring remedial intervention, which are currently being addressed through direct engagement between the Minister and the Executive Mayor. The City further clarifies that claims suggesting it was rejected by Agence Française de Développement (AFD) for additional funding during the current financial year are factually incorrect. This matter has already been addressed by City officials and can be verified directly with the French Development Agency.

The City also confirms that it has not been downgraded by any ratings agency. Rather, the City has been placed under ratings review pending the finalisation of the audit process. The City has consistently communicated that delays arose from the dispute resolution process with the Auditor-General regarding the audit of Core, which has now been concluded. This delay affected the City's ability to meet prescribed timeframes for regulatory submissions to Council and the Johannesburg Stock Exchange (JSE), resulting in the temporary suspension of the City's bonds on the JSE. The audit of the Group Financial Statements has since been finalised.

The Executive Mayor met with the AGSA on Thursday, 07 May 2026, as the City prepares to table the Integrated Annual Report before Council by 31 May 2026, as committed to the JSE and ratings agencies. The City anticipates that this process will facilitate the lifting of the suspension on the JSE and enable ratings agencies to reconsider the current ratings watch, with the expectation that the City's existing credit ratings will be retained.

### **Clarification Regarding the JSE Suspension**

The suspension of the City's bonds on the JSE does not, in itself, constitute a default under the terms of the City's debt instruments. Rather, it is a regulatory action resulting from non-compliance with the JSE Debt and Specialist Securities Listings Requirements relating to the prescribed timeframe for the publication of annual financial statements. Accordingly, this should be understood as a regulatory compliance matter rather than an indication of financial distress, insolvency, or imminent credit impairment.

The suspension does not affect the City's contractual obligations. The City continues to service interest and repay capital in accordance with the terms of its debt instruments. While trading of the bonds is temporarily suspended, the bonds remain valid and enforceable. The City remains committed to restoring full compliance, strengthening governance, and ensuring financial sustainability in the interests of residents, investors, and all stakeholders.

**ENDS**

ISSUED BY THE OFFICE OF THE EXECUTIVE MAYOR

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