national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ADDRESS BY THE ACCOUNTANT-GENERAL

Welcome Address by the Accountant-General, Mr Shabeer Khan, at the MFMA AFS Consistency Workshop, DBSA, Midrand & Online (Hybrid)

15 July 2026

Programme Director,

MEC of Finance: Gauteng Province,

Representatives from Provincial Treasuries,

Municipal Managers, Chief Financial Officers and Municipal Finance Practitioners,

Representatives from the Auditor-General South Africa, the Accounting Standards Board, SARS, SAICA and CIGFARO,

Colleagues from National Treasury

Ladies and Gentlemen.

It is my pleasure to welcome you to the third MFMA Annual Financial Statements Consistency Workshop.

This workshop has become an important feature in our calendar, where finance practitioners, standard setters, auditors and oversight institutions come together to discuss practical challenges, share experiences and improve the quality and consistency of municipal financial reporting. It reflects our collective commitment to strengthening financial governance and accountability across local government.

We meet at a particularly significant moment. The Minister of Finance has recently exercised his powers to temporarily withhold the equitable share transfers to 69 municipalities. This intervention reflects serious concerns regarding persistent financial governance failures; including unfunded budgets, escalating debt to creditors, especially Eskom and Water Boards; and continued non-compliance with the Municipal Finance Management Act and related prescripts.

It has been explained that this action is not intended to punish municipalities. Rather, it is a corrective measure aimed at restoring fiscal discipline, strengthening accountability and safeguarding public resources. It reminds us that sound financial management is not optional, it is fundamental to sustainable service delivery, public confidence and the credibility of our democratic institutions.

Against this backdrop, the purpose of this workshop becomes even more significant.

Consistency matters because reliable financial reporting is one of the cornerstones of transparent, accountable and responsible government.

Annual Financial Statements are far more than a statutory compliance requirement. They are a public account of stewardship. They demonstrate how public resources have been managed and provide assurance to citizens that public money has been used responsibly, efficiently and for its intended purpose. In many respects, they represent a covenant of accountability between municipalities and the communities they serve.

Our objective over the next two days is therefore not simply to discuss technical accounting matters. It is to strengthen a common and consistent application of accounting standards and reporting requirements so that municipal financial statements are complete, credible, transparent and comparable across the country.

National Treasury remains committed to supporting municipalities through practical guidance, technical assistance and collaboration with Provincial Treasuries, the Auditor-General South Africa, the Accounting Standards Board and all our partners represented here today. This workshop is a practical demonstration of that commitment.

As I draw my remarks to a close, let me leave you with one final thought.

This workshop is much more than an annual technical engagement. It is an opportunity for all of us as practitioners, regulators, auditors and oversight institutions to reflect on the role we each play in strengthening public financial management.

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- What must we do differently?
- What must we do better?
- And what must we do together?

The answers to those questions will not be found in legislation alone. They will be found in the choices we make as public finance professionals: how we strengthen financial governance before municipalities reach crisis point; how we improve the integrity and credibility of financial reporting; how we identify and mitigate risks earlier; and how we work together to build the capability needed to sustain sound financial management.

That is the challenge before us. And it is not merely a technical challenge. It goes to the heart of our responsibility as custodians of public finances.

I encourage every delegate to participate actively over the next two days. Share your experiences. Ask difficult questions. Challenge assumptions. Learn from one another. The real measure of this workshop will not only be the quality of our discussions, but the improvements we make when we return to our municipalities and institutions.

If we leave this workshop with new ideas, stronger partnerships and a renewed commitment to excellence, consistency and integrity, we will have contributed not only to better Annual Financial Statements, but to stronger municipalities, better governance and, ultimately, improved service delivery for all South Africans.

Before I conclude, I would like to express my sincere appreciation to everyone who made this workshop possible. My thanks go to our colleagues from the Office of the Accountant-General, the Western Cape and Gauteng Provincial Treasuries, the Accounting Standards Board, the Auditor-General South Africa, SARS, SAICA, CIGFARO, our speakers, facilitators and every stakeholder who contributed to organising this event. Your commitment to strengthening public financial management is deeply appreciated.

I wish you a productive and successful workshop.