



OFFICE OF THE MUNICIPAL MANAGER

PUBLIC CLARIFICATION ON REMUNERATION OF POLITICAL OFFICE BEARERS

Kannaland Municipality wishes to clarify recent public discussions regarding alleged overpayments relating to the remuneration and benefits of certain Political Office Bearers. The Municipality takes the matter seriously and has already initiated the necessary process to establish the circumstances that resulted in the identified overpayments.

The verification of Political Office Bearers' remuneration commenced during the 2025/26 financial year and was concluded prior to the submission of the Municipality's 2025/26 Annual Financial Statements. The amounts identified as overpayments were appropriately accounted for and disclosed in the Annual Financial Statements in accordance with the applicable financial reporting requirements relating to the remuneration and benefits of Political Office Bearers, including amounts receivable from Political Office Bearers.

It is important to clarify that the matter relates primarily to the administrative configuration and processing of remuneration and benefits on the Municipality's payroll system. Preliminary management investigations identified, amongst other matters, incorrect treatment of certain medical aid and pension fund contributions, as well as errors in the calculation of the amounts subsequently identified as recoverable.

The Municipality has therefore requested SAMRAS to provide a detailed system audit trail to establish how the remuneration packages of the respective Political Office Bearers were initially captured, who performed the capturing, and whether any subsequent amendments were made to the packages. This audit trail is important to ensure that the Municipality's final findings are based on objective and verifiable evidence.

Following receipt and consideration of the SAMRAS audit trail, Management will prepare a comprehensive report for consideration by Council. The affected Political Office Bearers will also be afforded an opportunity to provide their inputs before the matter is finally concluded.

It is anticipated that the matter will be presented to a Special Council meeting by or before 20 October 2026, subject to the availability of the required audit information and the necessary administrative processes.

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The Municipality will thereafter determine the appropriate remedial action, recovery arrangements and any consequence-management processes that may be applicable, based on the findings and relevant legislation and policies.

The Municipality also acknowledges that the affected Political Office Bearers have indicated their willingness to engage constructively on the matter and, where amounts are confirmed as recoverable, to make appropriate arrangements for settlement.

Kannaland Municipality further appeals to members of the public and all stakeholders to allow the investigation and due process to run their course. The fact that an overpayment was disclosed in the Annual Financial Statements should not be interpreted to mean that individual Political Office Bearers caused, authorised or captured the payments themselves. Establishing responsibility requires a proper investigation into the administrative and system processes that resulted in the payments.

The Municipality remains committed to transparency, accountability, due process and the recovery of any amounts confirmed to be owing, while ensuring that all parties are treated fairly and that the facts are established before conclusions are drawn.

The Municipality will communicate the outcome of the process once the relevant investigation and Council processes have been concluded.

KANNALAND MUNICIPALITY

**ADV D SEREO
OFFICE OF THE MUNICIPAL MANAGER**

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