Budget Statement

MFMA Section 71 Report

31 OCTOBER 2025

Govan Mbeki Municipality

DISTRIBUTION:	
Executive Mayor:	**Mr. N.G. Zuma**
Municipal Manager:	**Mr. E.N. Maseko**
Chief Financial Officer:	**Mrs. V.B Nkhata**
Sector Departments:	**National and Provincial Departments**
	Uploaded to the National Treasury Go Muni portal

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer

PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 OCTOBER 2025

TO: THE EXECUTIVE MAYOR

FROM: THE DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 OCTOBER 2025

1. Purpose

To comply with section 71(1) of the Municipal Finance Management Act (MFMA), by submission of a report in a prescribed format to the mayor within 10 working days after the end of each month on the state of the Municipality's budget.

The monthly Budget Statement also aims to provide an update on indicators critical to the municipality's viability and serve as an early warning indicator where remedial action is required. The consolidated performance is a high-level overview of the municipality's viability and sustainability.

2. Background

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating sustainability and better medium-term planning and policy choices on service delivery.

The report has been prepared in terms of the following legislative framework:

i. The Municipal Finance Management Act – No.56 of 2003
ii. And the Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

"28. the monthly budget statement of a municipality must be in the format specified in Schedule C and includes all the required tables, charts, and explanatory information, taking into account any guidelines issued by the Minister in terms of Section 168 (1) of the Act."

The objective of these Regulations is to ensure sound and sustainable management of the budgeting and reporting practices of Municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability, and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

3. Executive summary

Summary of the Budget Performance for the reporting period ending 31 October 2025

Description	Original Budget 2025/2026	Monthly Actual	Year TD Actual	Year to Date Budget	Variance	YTD Variance %
	R'000	R'000		R'000	R'000	R'000
Total Operating Revenue	3,359,877	235,703	1,172,735	1,119,959	52,776	5%
Less Total Operating Expenditure	3,788,023	294,263	1,210,562	1,262,674	- 52,113	- 4%
Surplus /(Deficit) for the year before grant capital revenue	**- 428,146**	**- 58,560**	**-37,827**	**-142,715**	**104,889**	**- 73%**
Add Grant capital revenue	110,975	6,903	32,492	36,992	- 4,499	- 12%
Surplus /(Deficit) for the year	**- 317,171**	**- 51,657**	**5,334**	**- 105,724**		
Total Capital Expenditure	216,314	6,198	54,208	72,105	- 17,897	- 25%

Operating Revenue

Actual revenue is 5 percent above the approved budget for the period. This indicates that collections and billing performance are ahead of expectations, resulting in more income than planned at this stage of the financial year. The positive variance supports cash flow and strengthens the municipality's ability to fund operations

Operating Expenditure

Actual operating expenditure is 4 percent below the approved budget for the period. This reflects controlled spending and improved cost management. The underspending also shows that departments are operating within their allocated budgets, which supports the municipality's cash position. This is a positive outcome, especially given that the municipality is operating with an unfunded budget and must actively reduce expenditure to remain financially stable.

Capital Expenditure

CAPEX	Approved Capital Funding	Received Including rollover	YTD Expenditure	Unspent 2025/2026	YTD % Per Allocation
Integrated National Electrification Programme Grant	40,000,000.00	18,000,000.00	14,268,503.70	3,731,496.30	36%
Municipal Infrastructure Grant	67,426,250.00	48,146,000.00	15,594,605.71	32,551,394.30	24%
Municipal Disaster Recovery Grant	0	2,254,279.22	2,254,279.22	-	100%
Water Services Infrastructure	0	1,972,377.75	0.00	1,972,377.75	0%
Own Funding	108,888,000.00	0.00	30,221,911.22	0.00	28%
Total	**216,314,250.00**	**70,372,656.97**	**62,339,299.84**	**38,255,268.35**	**29%**

4. Budget performance overview

4.1 Operating Revenue by Source (Table 3: Table C4 Financial Performance Revenue)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 - October

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		872,185	994,107	–	72,778	348,779	331,369	17,410	5%	994,107
Service charges - Water		530,770	714,085	–	68,008	231,020	238,028	(7,008)	-3%	714,085
Service charges - Waste Water Management		161,189	182,706	–	14,818	54,993	60,902	(5,909)	-10%	182,706
Service charges - Waste management		155,572	180,036	–	17,621	66,203	60,012	6,191	10%	180,036
Sale of Goods and Rendering of Services		6,441	7,832	–	593	2,240	2,611	(370)	-14%	7,832
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		235,140	223,921	–	19,339	75,745	74,640	1,105	1%	223,921
Interest from Current and Non Current Assets		3,793	15,943	–	462	1,703	5,314	(3,611)	-68%	15,943
Dividends		–	26	–	–	–	9	(9)	-100%	26
Rent on Land		–	3	–	–	–	1	(1)	-100%	3
Rental from Fixed Assets		9,179	10,918	–	778	3,174	3,639	(465)	-13%	10,918
Licence and permits		–	–	–	–	4	–	4	#DIV/0!	–
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		12,260	6,567	–	239	632	2,189	(1,557)	-71%	6,567
Non-Exchange Revenue								–		
Property rates		376,757	456,203	–	38,109	152,010	152,068	(58)	0%	456,203
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		30,881	19,536	–	573	2,905	6,512	(3,607)	-55%	19,536
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		491,443	522,875	–	113	222,936	174,292	48,645	28%	522,875
Interest		33,070	22,620	–	2,272	10,391	7,540	2,851	38%	22,620
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		3,918	2,500	–	–	–	833	(833)	-100%	2,500
Other Gains		392,302	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		3,314,901	3,359,877	–	235,703	1,172,735	1,119,959	52,776	5%	3,359,877

Electricity service charge is above the target by 5%.

- The continuous rollout of installation of electricity meters partnered with removal of bypassed meters is bearing fruit thus the significant increase in billing. Illegal connections and ensuring electricity consumers are metered assists with the reduction of losses as well as increased billing.

Water service charges and wastewater service charges are below the target by 3% and 10% respectively

- The water maintenance and installation of water meters is currently underway to address the underperforming service charges.

Fines and penalties are 55 percent below target.

- The fines issued have not yet been fully integrated into the financial system. Full integration will only take effect once the AARTO implementation process is finalized.

4.2 Operating Expenditure by Type (Table C4 Financial Performance Expenditure)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 - October

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		756 866	800 000	-	66 668	264 217	266 667	(2 450)	-1%	800 000
Remuneration of councillors		33 386	37 005	-	2 696	10 624	12 336	(1 712)	-14%	37 005
Bulk purchases - electricity		1 148 646	828 130	-	81 925	418 452	276 043	142 418	52%	828 130
Inventory consumed		528 333	576 933	-	51 613	211 192	192 311	18 881	10%	576 933
Debt impairment		181 775	526 975	-	-	-	175 658	(175 658)	-100%	526 975
Depreciation and amortisation		129 054	152 108	-	9 586	38 158	50 703	(12 545)	-25%	152 108
Interest		627 323	177 400	-	31 840	114 456	59 133	55 323	94%	177 400
Contracted services		379 794	400 000	-	25 565	81 325	133 333	(52 009)	-39%	400 000
Transfers and subsidies		36 531	-	-	560	8 105	-	8 105	#DIV/0!	-
Irrecoverable debts written off		351 582	126 727	-	16 337	29 520	42 242	(12 623)	-30%	126 727
Operational costs		117 685	162 744	-	7 773	34 404	54 248	(19 844)	-37%	162 744
Losses on Disposal of Assets		8 672	-	-	-	-	-	-		-
Other Losses		430 814	-	-	-	-	-	-		-
Total Expenditure		**4 706 440**	**3 788 023**	-	**294 263**	**1 210 562**	**1 262 674**	**(52 113)**	**-4%**	**3 788 023**

- Employee related cost is below target by 1%.
- Remuneration of councillors is below target by 14%.
- Electricity bulk purchases expense is above target by 52% due to winter tariffs, NERSA approved increase as well as increase of electricity consumption due to winter season.
- Contracted services expenditure is 39% below target as a response to reduce expenditure for financial recovery plan implementation.
- Operational costs are below target by 37%
- Inventory consumed including water purchases is above target by 10%
- Depreciation and impairment of asset is 25% below target due to fully depreciated assets and expired lease during the year and the fact that depreciation for the remaining month has not been processed
- Finance charges are 94% above target due to cash constraint, Eskom and Rand Water accounts are not serviced timely resulting to interest on overdue accounts.

4.3 Capital expenditure

MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 - October

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Capital Expenditure - Functional Classification										
Governance and administration		18,367	12,200	-	-	3,605	4,067	(462)	-11%	12,200
Executive and council		232	1,500	-	-	162	500	(338)	-68%	1,500
Finance and administration		18,135	10,700	-	-	3,443	3,567	(124)	-3%	10,700
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		4,571	12,588	-	462	649	4,196	(3,547)	-85%	12,588
Community and social services		4,192	12,300	-	462	649	4,100	(3,451)	-84%	12,300
Sport and recreation		379	288	-	-	-	96	(96)	-100%	288
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		54,190	65,742	-	5,274	24,321	21,914	2,407	11%	65,742
Planning and development		49,223	49,842	-	5,253	13,561	16,614	(3,053)	-18%	49,842
Road transport		4,968	15,100	-	21	10,760	5,033	5,727	114%	15,100
Environmental protection		-	800	-	-	-	267	(267)	-100%	800
Trading services		218,882	125,785	-	461	25,633	41,928	(16,295)	-39%	125,785
Energy sources		93,850	83,100	-	-	19,172	27,700	(8,528)	-31%	83,100
Water management		31,160	25,000	-	461	4,501	8,333	(3,833)	-46%	25,000
Waste water management		76,514	-	-	-	1,960	-	1,960	#DIV/0!	-
Waste management		17,359	17,585	-	-	-	5,895	(5,895)	-100%	17,585
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	298,011	216,314	-	6,198	54,208	72,105	(17,897)	-25%	216,314
Funded by:										
National Government		167,835	107,426	-	5,253	27,928	35,809	(7,881)	-22%	107,426
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies		-	-	-	-	-	-	-		-
Transfers recognised - capital		167,835	107,426	-	5,253	27,928	35,809	(7,881)	-22%	107,426
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		112,744	108,888	-	945	26,280	36,296	(10,016)	-28%	108,888
Total Capital Funding		280,579	216,314	-	6,198	54,208	72,105	(17,897)	-25%	216,314

4.4 Cash flows

As of 31 October 2025, the municipality had a positive bank statement balance of R33 503 504.31 and Cash book had a negative balance of R43 330 103.74. Below service charges include revenue collected from prepaid electricity (vending) of an amount of R26 837 500.71 for the reporting period.

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M04 - October

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		334,931	337,049	337,049	34,181	122,125	112,350	9,775	9%	337,049
Service charges		1,388,478	1,505,611	1,505,611	156,420	576,165	501,870	74,295	15%	1,505,611
Other revenue		56,494	122,388	122,388	9,880	21,674	40,796	(19,122)	-47%	122,388
Transfers and Subsidies - Operational		490,644	522,875	522,875	523	222,590	174,292	48,298	28%	522,875
Transfers and Subsidies - Capital		119,543	110,975	110,975	–	66,146	36,992	29,154	79%	110,975
Interest		12,857	16,401	16,401	2,060	7,791	5,467	2,324	43%	16,401
Dividends		–	26	26	–	–	9	(9)	-100%	26
Payments										
Suppliers and employees		(1,365,709)	(2,842,282)	(2,842,282)	(114,194)	(633,085)	(947,427)	314,342	-33%	(2,842,282)
Interest		–	(133,050)	133,050	–	–	(44,350)	44,350	-100%	(133,050)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,837,245**	**(360,007)**	**(93,907)**	**88,960**	**383,406**	**(120,002)**	**(503,408)**	**419%**	**(360,007)**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		(175)	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		167,000	(216,314)	(216,314)	(15,498)	(74,530)	(72,105)	(2,425)	3%	(216,314)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**166,825**	**(216,314)**	**(216,314)**	**(15,498)**	**(74,530)**	**(72,105)**	**2,425**	**-3%**	**(216,314)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		**1,204,069**	**(576,322)**	**(310,221)**	**73,461**	**308,876**	**(192,107)**			**(576,322)**
Cash/cash equivalents at beginning:		25,751	25,751	25,751		49,823	25,751			49,823
Cash/cash equivalents at month/year end:		1,229,821	(550,570)	(284,470)		358,699	(166,356)			(526,499)

5.In-year budget statement tables

MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M04 - October

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	376,757	456,203	–	38,109	152,010	152,068	(58)	0%	456,203
Service charges	1,719,716	2,070,934	–	173,225	700,995	690,311	10,684	2%	2,070,934
Investment revenue	3,793	15,943	–	462	1,703	5,314	(3,611)	-68%	15,943
Transfers and subsidies - Operational	491,443	522,875	–	113	222,936	174,292	48,645	28%	522,875
Other own revenue	723,191	293,923	–	23,794	95,091	97,974	(2,884)	-3%	293,923
Total Revenue (excluding capital transfers and contributions)	**3,314,901**	**3,359,877**	–	**235,703**	**1,172,735**	**1,119,959**	**52,776**	**5%**	**3,359,877**
Employee costs	756,866	800,000	–	66,668	264,217	266,667	(2,450)	-1%	800,000
Remuneration of Councillors	33,386	37,005	–	2,696	10,624	12,335	(1,712)	-14%	37,005
Depreciation and amortisation	129,064	152,108	–	9,586	38,158	50,703	(12,545)	-25%	152,108
Interest	627,323	177,400	–	31,840	114,456	59,133	55,323	94%	177,400
Inventory consumed and bulk purchases	1,668,948	1,405,063	–	133,539	629,653	468,354	161,299	34%	1,405,063
Transfers and subsidies	39,531	–	–	560	8,105	–	8,105	#DIV/0!	–
Other expenditure	1,451,322	1,216,447	–	49,374	145,349	405,482	(260,133)	-64%	1,216,447
Total Expenditure	**4,706,440**	**3,788,023**	–	**294,263**	**1,210,562**	**1,262,674**	**(52,113)**	**-4%**	**3,788,023**
Surplus/(Deficit)	**(1,391,539)**	**(428,146)**	–	**(58,560)**	**(37,827)**	**(142,715)**	**104,889**	**-73%**	**(428,146)**
Transfers and subsidies - capital (monetary allocations)	122,958	110,975	–	6,903	32,492	36,992	(4,499)	-12%	110,975
Transfers and subsidies - capital (in-kind)	3,917	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**(1,264,664)**	**(317,171)**	–	**(51,657)**	**(5,334)**	**(105,724)**	**100,389**	**-95%**	**(317,171)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(1,264,664)**	**(317,171)**	–	**(51,657)**	**(5,334)**	**(105,724)**	**100,389**	**-95%**	**(317,171)**
Capital expenditure & funds sources									
Capital expenditure	**296,011**	**216,314**	–	**6,198**	**54,208**	**72,105**	**(17,897)**	**-25%**	**216,314**
Capital transfers recognised	167,835	107,426	–	5,253	27,928	35,809	(7,881)	-22%	107,426
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	112,744	108,888	–	945	26,280	36,296	(10,016)	-28%	108,888
Total sources of capital funds	**280,579**	**216,314**	–	**6,198**	**54,208**	**72,105**	**(17,897)**	**-25%**	**216,314**
Financial position									
Total current assets	2,769,422	1,835,007	–		3,133,108				1,835,007
Total non current assets	3,090,109	3,116,399	–		3,106,160				3,116,399
Total current liabilities	8,788,119	4,121,951	–		9,173,190				4,121,951
Total non current liabilities	446,000	2,578,805	–		446,000				2,578,805
Community wealth/Equity	(3,374,588)	(1,749,350)	–		(3,379,922)				(1,749,350)
Cash flows									
Net cash from (used) operating	1,037,245	(360,007)	(93,907)	88,960	383,406	(120,002)	(503,408)	419%	(360,007)
Net cash from (used) investing	166,825	(216,314)	(216,314)	(15,498)	(74,530)	(72,105)	2,425	-3%	(216,314)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**1,229,821**	**(550,570)**	**(284,470)**	–	**358,699**	**(166,356)**	**(525,055)**	**316%**	**(526,499)**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	206,843	139,194	260,226	89,936	95,103	76,264	72,534	3,342,021	4,282,121
Creditors Age Analysis									
Total Creditors	206,680	180,069	219,112	159,013	373,751	149,429	12,513	5,954,956	7,255,523

MP307 Govan Mbeki - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 - October

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue - Functional										
Governance and administration		1,084,854	1,036,374	–	42,079	386,052	345,458	40,593	12%	1,036,374
Executive and council		–	500	–	–	–	167	(167)	-100%	500
Finance and administration		1,084,571	1,035,874	–	42,079	386,052	345,291	40,760	12%	1,035,874
Internal audit		284	–	–	–	–	–	–		–
Community and public safety		273,503	19,499	–	615	3,410	6,500	(3,090)	-48%	19,499
Community and social services		241,977	3,047	–	141	739	1,016	(277)	-27%	3,047
Sport and recreation		8	–	–	26	33	–	33	#DIV/0!	–
Public safety		31,445	16,452	–	448	2,639	5,484	(2,845)	-52%	16,452
Housing		72	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		66,071	79,302	–	7,348	22,253	26,434	(4,181)	-16%	79,302
Planning and development		64,474	76,363	–	7,348	17,489	25,454	(7,965)	-31%	76,363
Road transport		1,597	2,939	–	–	4,764	980	3,784	386%	2,939
Environmental protection		–	–	–	–	–	–	–		–
Trading services		2,017,347	2,335,677	–	192,564	793,513	778,559	14,954	2%	2,335,677
Energy sources		1,139,565	1,093,146	–	92,117	438,793	364,382	74,411	20%	1,093,146
Water management		528,997	824,420	–	67,916	230,900	274,807	(43,907)	-16%	824,420
Waste water management		174,239	212,719	–	14,818	57,247	70,906	(13,659)	-19%	212,719
Waste management		174,546	205,392	–	17,713	66,573	68,464	(1,891)	-3%	205,392
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	3,441,776	3,470,852	–	242,607	1,205,227	1,156,951	48,277	4%	3,470,852
Expenditure - Functional										
Governance and administration		1,439,418	905,681	–	80,750	302,513	301,894	619	0%	905,681
Executive and council		90,042	113,184	–	7,717	25,730	37,728	(11,998)	-32%	113,184
Finance and administration		1,345,194	788,425	–	72,745	275,627	262,808	12,819	5%	788,425
Internal audit		4,181	4,072	–	287	1,156	1,357	(201)	-15%	4,072
Community and public safety		533,319	253,762	–	20,980	80,551	84,587	(4,036)	-5%	253,762
Community and social services		301,905	115,350	–	8,540	31,666	38,450	(6,784)	-18%	115,350
Sport and recreation		12,232	13,628	–	709	3,524	4,543	(1,019)	-22%	13,628
Public safety		208,859	112,351	–	10,919	42,103	37,450	4,653	12%	112,351
Housing		9,202	10,427	–	724	2,912	3,476	(563)	-16%	10,427
Health		1,121	2,005	–	88	347	668	(322)	-48%	2,005
Economic and environmental services		104,107	114,053	–	7,053	35,577	38,018	(2,441)	-6%	114,053
Planning and development		45,894	52,285	–	3,429	14,103	17,428	(3,326)	-19%	52,285
Road transport		58,213	61,435	–	3,623	21,474	20,478	996	5%	61,435
Environmental protection		–	332	–	–	–	111	(111)	-100%	332
Trading services		2,629,596	2,514,528	–	185,481	791,920	838,176	(46,256)	-6%	2,514,528
Energy sources		1,619,696	1,606,605	–	99,684	506,973	535,535	(28,562)	-5%	1,606,605
Water management		705,679	603,099	–	54,471	201,789	201,033	756	0%	603,099
Waste water management		153,661	172,402	–	19,515	48,555	57,467	(8,912)	-16%	172,402
Waste management		150,560	132,422	–	11,811	34,603	44,141	(9,537)	-22%	132,422
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	4,706,440	3,788,023	–	294,263	1,210,562	1,262,674	(52,113)	-4%	3,788,023
Surplus/ (Deficit) for the year		(1,264,664)	(317,171)	–	(51,657)	(5,334)	(105,724)	100,389	-95%	(317,171)

MP307 Govan Mbeki - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 - October

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		60,501	71,475	–	6,903	15,720	23,825	(8,105)	-34.0%	71,475
Vote 2 - 02 Corporate Services		25,793	23,974	–	39	12,039	7,991	4,047	50.6%	23,974
Vote 3 - 03 Planning and Development		156,111	19,415	–	1,161	4,635	6,472	(1,836)	-28.4%	19,415
Vote 4 - 04 Community Services		273,954	18,243	–	629	3,340	6,081	(2,741)	-45.1%	18,243
Vote 5 - 05 Financial Services		906,995	997,873	–	41,321	371,139	332,624	38,515	11.6%	997,873
Vote 6 - Technical Services		1,844,398	2,133,224	–	174,851	731,703	711,075	20,629	2.9%	2,133,224
Vote 7 - 06 Technical services Continued		–	–	–	–	–	–	–		–
Vote 8 - 01 Executive and Council continued		–	–	–	–	–	–	–		–
Vote 9 - 04 Community Services continued		174,023	206,648	–	17,702	66,651	68,883	(2,232)	-3.2%	206,648
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	3,441,776	3,470,852	–	242,607	1,205,227	1,156,951	48,277	4.2%	3,470,852
Expenditure by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		94,786	117,009	–	7,873	26,053	39,003	(12,950)	-33.2%	117,009
Vote 2 - 02 Corporate Services		145,742	193,381	–	9,529	49,468	64,460	(14,992)	-23.3%	193,381
Vote 3 - 03 Planning and Development		258,901	70,615	–	3,581	16,174	23,538	(7,364)	-31.3%	70,615
Vote 4 - 04 Community Services		535,768	259,488	–	23,396	80,123	86,496	(6,373)	-7.4%	259,488
Vote 5 - 05 Financial Services		911,304	497,667	–	55,604	199,641	165,889	33,752	20.3%	497,667
Vote 6 - Technical Services		2,559,238	2,467,447	–	180,117	789,516	822,482	(32,966)	-4.0%	2,467,447
Vote 7 - 06 Technical services Continued		–	–	–	–	–	–	–		–
Vote 8 - 01 Executive and Council continued		11,790	11,406	–	948	3,993	3,802	191	5.0%	11,406
Vote 9 - 04 Community Services continued		188,912	171,010	–	13,216	45,592	57,003	(11,411)	-20.0%	171,010
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	4,706,440	3,788,023	–	294,263	1,210,562	1,262,674	(52,113)	-4.1%	3,788,023
Surplus/ (Deficit) for the year	2	(1,264,664)	(317,171)	–	(51,657)	(5,334)	(105,724)	100,389	-95.0%	(317,171)

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 - October

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		872,185	994,107	-	72,778	348,779	331,369	17,410	5%	994,107
Service charges - Water		530,770	714,085	-	68,008	231,020	238,028	(7,008)	-3%	714,085
Service charges - Waste Water Management		161,189	182,706	-	14,818	54,993	60,902	(5,909)	-10%	182,706
Service charges - Waste management		155,572	180,036	-	17,621	66,203	60,012	6,191	10%	180,036
Sale of Goods and Rendering of Services		6,441	7,832	-	593	2,240	2,611	(370)	-14%	7,832
Agency services		-	-	-	-	-	-	-		-
Interest		-	-	-	-	-	-	-		-
Interest earned from Receivables		235,140	223,921	-	19,339	75,745	74,640	1,105	1%	223,921
Interest from Current and Non Current Assets		3,793	15,943	-	462	1,703	5,314	(3,611)	-68%	15,943
Dividends		-	26	-	-	-	9	(9)	-100%	26
Rent on Land		-	3	-	-	-	1	(1)	-100%	3
Rental from Fixed Assets		9,178	10,918	-	778	3,174	3,639	(465)	-13%	10,918
Licence and permits		-	-	-	-	4	-	4	#DIV/0!	-
Special Rating Levies		-	-	-	-	-	-	-		-
Operational Revenue		12,260	6,567	-	239	632	2,189	(1,557)	-71%	6,567
Non-Exchange Revenue								-		
Property rates		376,757	456,203	-	38,109	152,010	152,068	(58)	0%	456,203
Surcharges and Taxes		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		30,881	19,536	-	573	2,905	6,512	(3,607)	-55%	19,536
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		491,443	522,875	-	113	222,936	174,292	48,645	28%	522,875
Interest		33,070	22,620	-	2,272	10,391	7,540	2,851	38%	22,620
Fuel Levy		-	-	-	-	-	-	-		-
Operational Revenue		-	-	-	-	-	-	-		-
Gains on disposal of Assets		3,918	2,500	-	-	-	833	(833)	-100%	2,500
Other Gains		392,302	-	-	-	-	-	-		-
Discontinued Operations		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and		3,314,901	3,359,877	-	235,703	1,172,735	1,119,959	52,776	5%	3,359,877

MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 - October

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Capital Expenditure - Functional Classification										
Governance and administration		**18 367**	**12 200**	-	-	**3 605**	**4 067**	(462)	-11%	**12 200**
Executive and council		232	1 500	-	-	162	500	(338)	-68%	1 500
Finance and administration		18 135	10 700	-	-	3 443	3 567	(124)	-3%	10 700
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		**4 571**	**12 588**	-	**462**	**649**	**4 196**	(3 547)	-85%	**12 588**
Community and social services		4 192	12 300	-	462	649	4 100	(3 451)	-84%	12 300
Sport and recreation		379	288	-	-	-	96	(96)	-100%	288
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		**54 190**	**65 742**	-	**5 274**	**24 321**	**21 914**	2 407	11%	**65 742**
Planning and development		49 223	49 842	-	5 253	13 561	16 614	(3 053)	-18%	49 842
Road transport		4 968	15 100	-	21	10 760	5 033	5 727	114%	15 100
Environmental protection		-	800	-	-	-	267	(267)	-100%	800
Trading services		**218 882**	**125 785**	-	**461**	**25 833**	**41 928**	(16 295)	-39%	**125 785**
Energy sources		93 850	83 100	-	-	19 172	27 700	(8 528)	-31%	83 100
Water management		31 160	25 000	-	461	4 501	8 333	(3 833)	-46%	25 000
Waste water management		76 514	-	-	-	1 960	-	1 960	#DIV/0!	-
Waste management		17 359	17 685	-	-	-	5 895	(5 895)	-100%	17 685
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	**296 011**	**216 314**	-	**6 198**	**54 208**	**72 105**	**(17 897)**	**-25%**	**216 314**
Funded by:										
National Government		167 835	107 426	-	5 253	27 928	35 809	(7 881)	-22%	107 426
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies		-	-	-	-	-	-	-		-
Transfers recognised - capital		**167 835**	**107 426**	-	**5 253**	**27 928**	**35 809**	**(7 881)**	**-22%**	**107 426**
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		112 744	108 888	-	945	26 280	36 296	(10 016)	-28%	108 888
Total Capital Funding		**280 579**	**216 314**	-	**6 198**	**54 208**	**72 105**	**(17 897)**	**-25%**	**216 314**

MP307 Govan Mbeki - Table C6 Monthly Budget Statement - Financial Position - M04 - October

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		49,823	(341,631)	–	21,745	(341,631)
Trade and other receivables from exchange transactions		638,881	1,362,396	–	903,924	1,362,396
Receivables from non-exchange transactions		141,525	147,233	–	177,614	147,233
Current portion of non-current receivables		–	–	–	–	–
Inventory		122,774	130,810	–	102,406	130,810
VAT		1,816,419	503,217	–	1,927,419	503,217
Other current assets		0	32,982	–	0	32,982
Total current assets		**2,769,422**	**1,835,007**	**–**	**3,133,108**	**1,835,007**
Non current assets						
Investments		1,210	1,119	–	1,210	1,119
Investment property		1,239,886	1,297,556	–	1,239,886	1,297,556
Property, plant and equipment		1,843,422	1,811,957	–	1,859,487	1,811,957
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		5,431	5,431	–	5,431	5,431
Intangible assets		161	161	–	147	161
Trade and other receivables from exchange transactions		0	175	–	–	175
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**3,090,109**	**3,116,399**	**–**	**3,106,160**	**3,116,399**
TOTAL ASSETS		**5,859,532**	**4,951,406**	**–**	**6,239,268**	**4,951,406**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		3,612	7,169	–	3,612	7,169
Consumer deposits		34,715	32,872	–	34,937	32,872
Trade and other payables from exchange transactions		7,206,272	3,874,730	–	7,459,643	3,874,730
Trade and other payables from non-exchange transactions		5,363	38,372	–	38,640	38,372
Provision		56,008	44,197	–	56,008	44,197
VAT		1,482,150	124,611	–	1,580,350	124,611
Other current liabilities		–	–	–	–	–
Total current liabilities		**8,788,119**	**4,121,951**	**–**	**9,173,190**	**4,121,951**
Non current liabilities						
Financial liabilities		397	2,507	–	397	2,507
Provision		401,175	358,819	–	401,175	358,819
Long term portion of trade payables		0	2,153,806	–	0	2,153,806
Other non-current liabilities		44,428	63,673	–	44,428	63,673
Total non current liabilities		**446,000**	**2,578,805**	**–**	**446,000**	**2,578,805**
TOTAL LIABILITIES		**9,234,120**	**6,700,756**	**–**	**9,619,190**	**6,700,756**
NET ASSETS	2	**(3,374,588)**	**(1,749,350)**	**–**	**(3,379,922)**	**(1,749,350)**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(3,374,588)	(1,749,350)	–	(3,379,922)	(1,749,350)
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**(3,374,588)**	**(1,749,350)**	**–**	**(3,379,922)**	**(1,749,350)**

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M04 - October

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		334,931	337,049	337,049	34,181	122,125	112,350	9,775	9%	337,049
Service charges		1,388,478	1,505,611	1,505,611	156,420	576,165	501,870	74,295	15%	1,505,611
Other revenue		56,494	122,388	122,388	9,880	21,674	40,796	(19,122)	-47%	122,388
Transfers and Subsidies - Operational		490,644	522,875	522,875	523	222,590	174,292	48,298	28%	522,875
Transfers and Subsidies - Capital		119,543	110,975	110,975	-	66,146	36,992	29,154	79%	110,975
Interest		12,857	16,401	16,401	2,060	7,791	5,467	2,324	43%	16,401
Dividends		-	26	26	-	-	9	(9)	-100%	26
Payments										
Suppliers and employees		(1,365,703)	(2,842,282)	(2,842,282)	(114,104)	(633,085)	(947,427)	314,342	-33%	(2,842,282)
Interest		-	(133,050)	133,050	-	-	(44,350)	44,350	-100%	(133,050)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1,037,245**	**(360,007)**	**(93,907)**	**88,960**	**383,406**	**(120,002)**	**(503,408)**	**419%**	**(360,007)**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		(175)	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		167,000	(216,314)	(216,314)	(15,498)	(74,530)	(72,105)	(2,425)	3%	(216,314)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**166,825**	**(216,314)**	**(216,314)**	**(15,498)**	**(74,530)**	**(72,105)**	**2,425**	**-3%**	**(216,314)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		**1,204,069**	**(576,322)**	**(310,221)**	**73,461**	**308,876**	**(192,107)**			**(576,322)**
Cash/cash equivalents at beginning:		25,751	25,751	25,751		49,823	25,751			49,823
Cash/cash equivalents at month/year end:		1,229,821	(550,570)	(284,470)		358,699	(166,356)			(526,499)

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

The total debtors book balance as at 31 October 2025 amounts to R 4 282 121 000. The debtors' payment rate for the reporting month amounts to **69%** of the billed revenue.

MP307 Govan Mbeki - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 - October

Description	NT Code	Budget Year 2025/26											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	73,186	48,120	77,432	22,185	27,529	21,431	19,722	1,062,207	1,351,814	1,153,074	(4,774)	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	46,972	19,815	35,455	14,599	10,962	10,520	10,171	409,564	557,859	455,817	(1,583)	–
Receivables from Non-exchange Transactions - Property Rates	1400	30,422	14,492	21,846	10,750	12,476	8,103	7,655	316,966	422,701	355,941	(797)	–
Receivables from Exchange Transactions - Waste Water Management	1500	15,435	12,802	52,351	9,610	11,665	8,898	8,333	394,271	513,366	432,778	(1,705)	–
Receivables from Exchange Transactions - Waste Management	1600	18,047	21,862	50,898	9,728	10,983	8,284	7,942	364,698	492,441	401,636	(1,554)	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	22,370	21,960	21,324	21,500	19,025	18,805	18,565	789,107	932,656	867,002	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	409	343	921	1,563	2,462	223	145	5,218	11,285	9,612	(6,212)	–
Total By Income Source	**2000**	**206,843**	**139,194**	**260,226**	**89,936**	**95,103**	**76,264**	**72,534**	**3,342,021**	**4,282,121**	**3,675,859**	**(16,625)**	–
2024/25 - totals only		168,114	93,219	81,505	79,149	75,322	72,138	71,672	3,005,583	3,646,702	3,303,863	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	6,435	3,339	2,311	1,488	1,228	1,179	1,100	35,416	52,495	40,411	–	–
Commercial	2300	63,403	11,428	12,079	7,727	6,924	5,530	5,436	231,695	343,221	256,311	–	–
Households	2400	137,005	124,426	245,836	80,721	87,952	69,556	65,998	3,074,910	3,886,404	3,379,137	(16,625)	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**206,843**	**139,194**	**260,226**	**89,936**	**95,103**	**76,264**	**72,534**	**3,342,021**	**4,282,121**	**3,675,859**	**(16,625)**	–

The following table indicates the consumer debtor's payment rate for the month:

Type of Service	Total Settlements	Total Movement	Billing	Credit Notes	Debit Notes	Other Adjustments
Payment	1,001,463.42	- 900.00	-	-	-	- 900.00
Deposits	- 198,037.34	140,572.30	-	-	-	140,572.30
Agreements	- 148,904.83	-	-	-	-	-
Indigent Flat Credit	-	- 534,361.75	-	-	34,938.34	- 569,300.09
Water	- 44,244,791.26	- 82,649,909.41	66,960,370.76	- 2,557,863.39	234,399.72	- 147,286,816.50
Electricity	- 44,770,671.72	42,100,336.83	57,453,385.50	- 533,711.73	501,913.20	- 15,321,250.14
Rates	- 30,557,158.64	13,306,038.68	38,126,569.61	- 507,593.13	393,506.39	- 24,706,444.19
Annual Rates	- 379,761.33	- 901,047.90	-	-	-	- 901,047.90
Refuse	- 6,162,469.51	- 3,658,786.51	17,648,121.82	- 110,295.79	72,904.76	- 21,269,517.30
Sewerage	- 6,406,557.93	- 29,621,062.27	14,064,885.62	- 87,125.36	48,907.14	- 43,647,729.67
Miscellaneous	- 469,807.03	- 6,834,639.20	353,441.57	- 28,941,268.04	28,936,664.97	- 7,183,477.70
Miscellaneous(No Vat)	- 660,375.71	- 113,085.77	623,157.83	- 81,388.76	36,673.20	- 691,528.04
Vat	- 16,293,257.27	- 12,941,171.56	22,818,289.22	- 494,040.11	128,718.77	- 35,394,139.44
Interest	- 1,355,823.12	- 105,957,661.13	22,111,480.81	- 448,044.18	-	- 127,621,097.76
Payment Advanced	- 7,789,022.63	-	-	-	-	-
Total	**- 158,435,174.90**	**- 187,665,677.69**	**240,159,702.74**	**- 33,761,330.49**	**30,388,626.49**	**- 424,452,676.43**

For October, the municipality billed **R240 159 702.74** and collected **R158 435 174.90** (excluding prepaid electricity sales), resulting in a payment rate of **66 percent**. In September, billing amounted to **R230 823 359.02**, with collections of **R151 992 592.00** (excluding prepaid electricity sales).

When comparing the two periods, both billing and collections have increased. Billing increased by approximately **R9.34 million**, and collections increased by **R6.44 million** from September to October. This indicates improved revenue performance and a positive movement in customer payments during October.

Prepaid sales for September amounted to **R37 409 758.78**, increasing total revenue collected to **R189 402 350.90**. When prepaid sales are included, the overall payment rate improves to **70 percent**.

Prepaid sales for October amounted to **R26 837 500.71**, increasing total revenue collected to **R185 272 675.61**. When prepaid sales are included, the overall payment rate improves to **69 percent**.

Comparison:

Total prepaid revenue decreased by **R10 572 258.07** from September to October. This reduction may be influenced by prepaid electricity sales that are not being received consistently from Machite.

Actual Billing	240,159,702.74
Pre-Paid Sales	26,837,500.71
Total Collection Including Pre-Paid Sales	185,272,675.61
Payment rate	69%

Payment Rate (Billing vs Collection)	66%

The Table below reflects towns with low payment rate:

Name of Town	Current Collection Rate %
0200 EMBALENHLE	25%
0600 CHARL CILLIERS	35%
0800 EMZINONI	13%
0900 EENDRACHT	29%
1100 LEBOHANG	2%
1300 TERRA NOVA	37%
1500 BETHAL RAND	30%
2000 SORRENTO PARK	0%
2100 FARM DIVISION - IR	30%

Overall Analysis

The overall payment rate has been assessed against the debtors' book to determine collection performance. Based on this assessment, the payment rate is **69 %** , indicating that just under one-third of billed revenue remains uncollected for the period.

	September	October
Debtors Opening Balance	4,172,909,000.00	4,233,217,000.00
Add: Billing for the Month	240,159,702.74	232,124,113.88
Debtors Write off	20,850,000.00	16,625,000.00
Less: Debtors Closing Balance	4,233,217,000.00	4,282,121,000.00
	159,001,702.74	166,595,113.88
Payment rate	69%	69%

Soft Block Analysis

Toward the end of July 2025, the municipality implemented soft blocking of prepaid meters as part of the revenue enhancement strategy. To date, **5 531 meters have been soft-blocked**, with a total outstanding balance of **R349 934 320.66** linked to these accounts.

From this intervention:

- **R12 135 733.20** has been collected, and
- **R62 920 087.43** has been placed on payment arrangements.

This reflects positive progress in encouraging consumers to settle arrears and enter into structured payment plans.

Impact of pre-paid meter blocking in the first phase (September – October)

Number of Pre-Paid Meters Blocked	5,531
Total Outstanding Linked to Each Pre-Paid Meter	349,934,320.66
Total Received	12,135,733.20
Total Amounts on Arrangements	62,920,087.43

High-performing areas such as Trichardt, Secunda, and Kinross recorded payment rates above 85%, while lower compliance was noted in Emzinoni with 13%, Embalenhle showing 25%.

The results of the soft blocking exercise indicate a positive response across the municipality. Areas with historically higher payment compliance, such as Trichardt, Evander, and Secunda, responded positively to the intervention, with payment rates above 85%. In comparison with the September rate township areas like Emzinoni and Embalenhle displayed a slight increase. which may require targeted community engagement, intensified enforcement, and a review of current credit control measures.

The proportion of outstanding amounts placed under arrangements (14.81%) suggests that while some customers are willing to settle their debt over time, the municipality will need to monitor adherence to these arrangements closely. Lessons from this phase will inform the targeting, communication, and operational approach for the second phase of soft blocking to maximise revenue recovery.

The following table indicates payment rate per area October

Area	2025/2026
0100 SECUNDA	87%
0200 EMBALENHLE	25%
0300 KINROSS	86%
0400 TRICHARDT	88%
0500 EVANDER	84%
0700 BETHAL	75%
0800 EMZINONI	13%

Advantages of Using Soft Blocking Over Engaging a Service Provider

The soft blocking of prepaid meters provides several operational and financial advantages for the municipality:

1. **Cost Savings:**
   - Soft blocking is implemented internally using the municipality's existing systems and staff, eliminating the need to pay external service providers.
   - This ensures that **100% of the revenue collected flows directly into the municipality's accounts**, improving cash flow and reducing revenue leakage through service provider fees.

2. **Direct Control and Oversight:**
   - The municipality retains full control over the blocking, monitoring, and reconnection process, ensuring compliance with internal credit control policies.
   - Reduces the risk of disputes or mismanagement by third parties and expenses to service providers for charging cut-offs and reconnections.

When Service Providers Are Still Needed:

While soft blocking is effective for prepaid customers, there remains a need to engage service providers in certain situations, such as:

- **Postpaid accounts** where physical disconnection is required.
- **Tampered or bridged meters** where specialised technical intervention is needed to restore proper metering and billing.

This blended approach ensures that the municipality uses the most cost-effective method for prepaid customers while still addressing technical and enforcement challenges in other account categories

7. Creditors' Analysis

The total creditors balance for the month of October 2025 amounted to R 7 255 523 000. 98% creditors are above 30 days. The major creditors are Eskom and Rand Water.

MP307 Govan Mbeki - Supporting Table SC4 Monthly Budget Statement - aged creditors – M04 October 2025

Description	NT Code	Budget Year 2025/26								
		0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	100	118,800	96,772	169,024	123,821	129,221	106,504	90,288	5,371,378	**6,205,808**

Bulk Water	200	59,197	54,858	34,840	21,166	32,878	14,375	5,784	643,689	**866,787**
PAYE deductions	300	–	–	–	–	–	–	–	–	–
VAT (output less input)	400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	500	–	–	–	–	–	–	–	–	–
Loan repayments	600	–	–	–	–	–	–	–	–	–
Trade Creditors	700	28,683	28,439	15,248	14,026	87,883	8,649	–	–	**182,928**
Auditor General	800	–	–	–	–	–	–	–	–	–
Other	900	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	**206 680**	**180 069**	**219 112**	**159 013**	**249 982**	**129 528**	**96 072**	**6 015 067**	**7 255 523**

8. Investment portfolio analysis

Segment Description	Opening Balance 01/10/2025	Investments Made	Investment Withdrawals	Interest Capitalized/ Accrued	Closing Balance 31/10/2025
Long-Investments					
Old Mutual Shares C0777197766	26,397.09	-	-	-	26,397.09
Old Mutual Shars C0777027950	363,307.00	-	-	-	363,307.00
Sanlam U0063349159	217,418.84	-	-	-	217,418.84
Nedbank (70) Withdrawal	17,013.50	-	-	-	17,013.50
Nedbank (966) Withdrawal	234,786.30	-	-	-	234,786.30
Quilter plc (624)	23,724.48	-	-	-	23,724.48
Quilter plc (8599)	326,933.98	-	-	-	326,933.98
	1,209,581.19	-	-	-	**1,209,581.19**
Short-term Investments					
Standard Bank Money Market Call Account	548,085.27			3,072.28	551,157.55
Standard Bank Tiered Rate Call Account	24,915,534.93	40,000,000.00	48,000,000.00	197,112.49	17,112,647.42
Standard Bank Money Market Call Account	38,659,873.69			223,274.01	38,883,147.70
Standard Bank Retention Call Account	6,670,164.54			38,239.23	6,708,403.77
	70,793,658.43	**40,000,000.00**	**48,000,000.00**	**461,698.01**	**63,255,356.44**
	72,003,239.62	**40,000,000.00**	**48,000,000.00**	**461,698.01**	**64,464,937.63**

DISTRIBUTION LOSSES

Water and Electricity Distribution Losses for October 2025. (KL / Units)

Service	Purchased	Sold	Previous % Loss Month	Current % Loss Month	Average 24/25	Average 23/24
Electricity	39,239,922	23,685,500	-44.17%	-39.55%	-47.98%	-58.92%
Water	2,347,724	1,770,028	-39.55%	--24.61%	-53.47%	-46.92%

Water and Electricity Distribution Losses: Accumulated: July 2025 to 2025 October (KL / Units)

Service	Purchased	Sold	Previous % Loss YTD	Current % Loss YTD	Average 24/25	Average 23/24
Electricity	182,177,024	100,694,841	-45.18%	-44.73%	-47.98%	-58.92%
Water	10,295,522	6,281,733	-43.23%	-38.99%	-53.47%	-46.92%

Electricity

Distribution losses relating to electricity, the department has identified few elements which affect or cause the high percentages. Those elements include but not limited to; unmeasured connections, illegal connection and tempered meters. The department is currently attending to the said issues which to date is bearing positive results, noting the seasonal unexpected decrease from the prior month 44.17 losses for September 2025 as compared to 39.55% losses for October 2025. The electricity losses are reducing on month to month through the departmental interventions.

Water

Water losses improved from 39.55 % in September to 24.61 % in October 2025, indicating a positive impact from ongoing maintenance and meter-related interventions.

Performance of Capital Grants

Grants	Allocation per DoRA	Received Including rollover	YTD Expenditure	Unspent 2025/2026	YTD % Per Allocation
Integrated National Electrification Programme Grant	40,000,000.00	18,000,000.00	14,268,503.70	3,731,496.30	36%
Municipal Infrastructure Grant	70,975,000.00	48,146,000.00	17,755,899.48	30,390,100.53	24%
Municipal Disaster Recovery Grant		2,254,279.22	2,254,279.22	0.00	100%
Water Services Infrastructure	0	1,972,377.75	0	1,972,377.75	0%
Total	**110,975,000.00**	**70,372,656.97**	**34,278,682.39**	**36,093,974.58**	**29%**

- Above total Municipal Infrastructure Grant allocation is inclusive of Project Management Unit operational allocation amounting to R 3 548 750.00 Furthermore, the Capital budget YTD reflecting on page 9 (C5 Schedule) excludes VAT thus difference.

- WSIG the amount of R1 972 377.75 was a saving on the eMbalenhle water project which was implemented during 2022/23 financial year. National treasury was formal requested to offset the amount against the Govan Mbeki Municipality equitable share, and this was never implemented by National Treasury.

  Department of water affairs has since been engaged to allow the municipality to utilised the money to other related water and sanitation project. The funds will be utilise to pay the water project that are council funded in November 2025 .

Performance of Operational Grants

Grants	Allocation per DoRA	Received Including rollover	Expenditure as at 31 October 2025	Unspent 2025/2026	YTD %
Extended Public works Programme	2,939,000.00	735,000.00	2 939 000.00	-R2,204,000.00	100%
Financial Management Grants	3,500,000.00	3,500,000.00	457,193.57	0.00	13%
Infrastructure Skills Development Grant	22,774,000.00	12,000,000.00	12,000,000.00	0.00	53%
LG Seta	1,200,000.00	514865.15	38,640.00	476,225.15	3%
Point Duty Officer (SASOL)	0	639,421.50	756,136.50	-116,715.00	0%
Art and Culture	0	91,608.25	-	91,608.25	0%
Pre-capacity Grant	0	92,528.63	-	92,528.63	0%
Economic Development and Tourism	0	313,901.00	-	313,901.00	0%
Gert Sibande District Municipality	0	274,580.00	-	274,580.00	0%
Energy Efficiency Demand Grant	0	3,469.83	-	3,469.83	0%
Equitable share	492,462,000.00	205,193,000.00	205,193,000.00	0	42%
Total	**522,875,000.00**	**223,358,374.36**	**221,383,970.07**	**3,019,640.04**	**43%**

In terms of the Economic Development and Tourism grant R 313 901.00, the institution resolved to use this grant to support the development of small and micro enterprises within the jurisdiction of Govan Mbeki municipality. A notice for funding was advertised on 04 February 2025 until 14 February 2025 on all the municipality's boards, pay points and municipal web page encouraging interested companies to apply for support. Adjudication committee is waiting for the approval of terms of reference for selection of the qualifying SMMEs.

It should be noted that an amount of R2 204 000.00 is still due to the municipality from Public Works Department as per the payment schedule and approved DORA. Due to the large number of employees under the Expanded Public Works Program the total allocation of 2 939 000 has been paid out, total expenditure of R4 760 433.00 has been paid out for the program.

9. Councillor and board member allowances and employee benefits for October2025

Total staff compliment	1195 (Permanent)
Staff resignations	8
Staff Appointments	4

MP307 Govan Mbeki - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 - October

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		24,698	25,590	25,590	1,983	7,793	8,530	(736)	-9%	25,590
Pension and UIF Contributions		3,644	3,311	3,311	293	1,151	1,104	47	4%	3,311
Medical Aid Contributions		321	577	577	27	109	192	(83)	-43%	577
Motor Vehicle Allowance		2,008	4,288	4,288	169	677	1,429	(752)	-53%	4,288
Cellphone Allowance		2,714	3,240	3,240	223	893	1,080	(187)	-17%	3,240
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		33,386	37,005	37,005	2,696	10,624	12,335	(1,712)	-14%	37,005
% increase	4		10.8%	10.8%						10.8%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7,150	8,591	8,591	704	4,924	2,864	2,060	72%	8,591
Pension and UIF Contributions		541	825	825	115	468	275	194	70%	825
Medical Aid Contributions		260	311	311	26	95	104	(9)	-8%	311
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		718	928	928	126	403	309	94	30%	928
Cellphone Allowance		101	133	133	13	45	44	1	1%	133
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		97	153	153	14	45	51	(6)	-12%	153
Payments in lieu of leave		326	644	644	–	50	215	(165)	-77%	644
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		1,888	400	400	113	351	133	217	163%	400
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		11,080	11,985	11,985	1,170	6,381	3,995	2,386	60%	11,985
% increase	4		8.2%	8.2%						8.2%
Other Municipal Staff										
Basic Salaries and Wages		410,363	440,213	440,213	36,009	144,435	146,738	(2,303)	-2%	440,213
Pension and UIF Contributions		93,274	101,252	101,252	8,135	32,735	33,751	(1,016)	-3%	101,252
Medical Aid Contributions		40,958	46,087	46,087	3,548	14,344	15,362	(1,019)	-7%	46,087
Overtime		77,915	72,407	72,407	6,654	27,290	24,136	3,154	13%	72,407
Performance Bonus		37,493	47,678	47,678	4,530	12,622	15,893	(3,271)	-21%	47,678
Motor Vehicle Allowance		19,059	20,582	20,582	1,711	6,972	6,861	111	2%	20,582
Cellphone Allowance		2,682	2,937	2,937	229	930	979	(49)	-5%	2,937
Housing Allowances		3,046	3,207	3,207	206	810	1,069	(259)	-24%	3,207
Other benefits and allowances		24,483	26,549	26,549	2,134	9,204	8,850	354	4%	26,549
Payments in lieu of leave		14,650	7,724	7,724	790	3,444	2,575	870	34%	7,724
Long service awards		2,584	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	7,017	3,898	3,898	325	1,212	1,299	(88)	-7%	3,898
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		12,280	12,566	12,566	1,117	3,706	4,189	(482)	-12%	12,566
In kind benefits		–	2,547	2,547	132	132	849	(717)	-84%	2,547
Sub Total - Other Municipal Staff		745,785	787,649	787,649	65,498	257,835	262,550	(4,714)	-2%	787,649
% increase	4		5.6%	5.6%						5.6%
Total Parent Municipality		790,252	836,639	836,639	69,364	274,840	278,880	(4,039)	-1%	836,639

10. Capital programme performance

Project Name	Funding	Total Budget	Monthly Expenditure October 2025	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at 31 October 2025
Emzinoni Substation Phase 3	INEP	40,000,000.00				14,268,503.70	25,731,496.30
Construction of stormwater concrete pipeline EXT22 Emba	MDRG	0.00				2,254,279.22	-2 254 279.22
Construction of Bulk water line and reservoir in Leandra	MIG	14,615,304.00	1,512,728.60	226,909.29	1,739,637.89	7,097,091.15	7,518,212.85
Embalenhle Bulk Replacement/Upgrade (Phase1)	MIG	13,731,591.00	2,557,711.15	383,656.67	2,941,367.82	2,941,367.82	10,790,223.18
Emzinoni Bulk water supply	MIG	11,389,538.00					11,389,538.00
Installation of Sewer Reticulation; Pump Station and Rising	MIG	0.00				-	0.00
Procurement of Specialised Vehicles for Waste Management.	MIG	17,684,542.00					17,684,542.00
Installation of Sewer Reticulation; Pump Station in Eendracht	MIG	10,005,275.00	2,201,072.59	330,160.89	2,531,233.48	2,531,233.48	7,474,041.52
Upgrading of Lebohang Stadium MIG8/3/142/2019	MIG	0.00				3,024,913.25	- 3,024,913.25
Fencing of Facilities	Revenue	3,000,000.00					3,000,000.00
Resealing of Roads	Revenue	15,000,000.00				12,321,320.80	2,678,679.20
Acquisition of Smart Meters & Meter Boxes	Revenue	30,000,000.00				7,779,405.00	22,220,595.00
Reconstruction of technical storeroom	Revenue	3,000,000.00					3,000,000.00
Completion of Floating roof in Secunda Ext 22	Revenue	3,335,744.00					3,335,744.00
Resealing of Roof Slabs	Revenue	1,100,000.00					1,100,000.00
Replacement of Asbestos in Evander	Revenue	5,000,000.00				2,873,040.33	2,126,959.67
Replacement of Asbestos in Secunda	Revenue	-					0.00
Refurbishment on Bethal Stores & Installation of Fuel Tanks	Revenue	-					0.00
Mobile Toilet	Revenue	288,000.00					288,000.00
Temper proof ground and pole mounted boxes	Revenue	10,000,000.00					10,000,000.00
Cable Fault Locator (Thumper)	Revenue	3,000,000.00					3,000,000.00
Furniture & Equipment (Corporate Services)	Revenue	100,000.00				16,732.50	83,267.50
Furniture & Equipment (MM's Office)	Revenue	100,000.00				186,667.56	-86,667.56
Furniture & Equipment (Community Services)	Revenue	100,000.00					100,000.00
Furniture and Equipment (Speaker)	Revenue	200,000.00					200,000.00
Furniture and Equipment (MM)	Revenue	100,000.00					100,000.00
Procurement of books	Revenue	100,000.00					100,000.00

Project Name	Funding	Total Budget	Monthly Expenditure October 2025	Vat	Amount Inclusive Vat	YTD Expenditure	Available Balance as at 31 October 2025
Furniture & Equipment (Financial Services)	Revenue	100,000.00				195,442.50	-95,442.50
Furniture & Equipment (Energy)	Revenue	100,000.00					100,000.00
Furniture & Equipment (Civil)	Revenue	100,000.00	21,350.00	3,202.50	24,552.50	52,816.63	47,183.38
Furniture & Equipment (Planning and Development)	Revenue	100,000.00					100,000.00
Furniture & Equipment (Executive and Council)	Revenue	100,000.00					100,000.00
Air conditioner	Revenue	2,000,000.00	462,341.00	69,351.15	531,692.15	531,692.15	1,468,307.85
Acquisition of Water Meters	Revenue	9,000,000.00	461,220.44	69,183.07	530,403.51	781,179.62	8,218,820.38
Lillian Ngoyi stadium sound system	Revenue	1,000,000.00					1,000,000.00
Machinery and Equipment (EPWP)	Revenue	1,000,000.00					1,000,000.00
3x Falcon slashers/15 x Brush cutters/2 x JD 1445 Ride on mowers	Revenue	800,000.00					800,000.00
Insurance	Revenue	5,000,000.00					5,000,000.00
Installation of Boreholes in GMM Farms	Revenue	1,000,000.00					1,000,000.00
Installation of Water Storage Tanks	Revenue	500,000.00					500,000.00
Computer Equipment	Revenue	2,000,000.00				792,608.75	1,207,391.25
Construction of stormwater concrete pipeline EXT22 Emba	Revenue	4,283,551.00					4,283,551.00
Rehabilitation of road and culverts at Barney Molokwane in Trichardt	Revenue	2,874,319.00					2,874,319.00
Pressure management at Emba ext 15 Reservoir bulk water line	Revenue	1,000,000.00					1,000,000.00
Rehabilitation of Chief Albert Luthuli-Emba	Revenue	3,506,387.00					3,506,387.00
Cleaning of GMM Reservoirs (Water Quality Improvement)	Revenue	0.00				1,086,750.00	- 1,086,750.00
Furniture & Equipment (Facilities 0403)	Revenue	0.00				198,375.00	- 198,375.00
Workshop Modernisation	Revenue	0.00				2,971,157.88	- 2,971,157.88
Replacement of Ac Pipes	Revenue	0.00				434,722.49	- 434,722.49
Total		**216,314,251.00**	**7,216,423.78**	**1,082,463.57**	**8,298,887.35**	**62,339,299.84**	**153,974,951.16**

11. Other supporting documents

See Attached Annexure C

12. Conclusion

14.1 Progress on Budget Funding Plan

Performance over 12 months in Financial Year 2025/2026				
Year-to-Date Target	Year-to-Date Target %	Year-to-Date Actual	Year-to-Date Actual %	Underperformance
R567 279 210.70	22%	R390 013 003.94	15%	R177 266 206.76

Overview on performance of Budget Funding Plan

Council approved the 2025/26 Budget Funding Plan (BFP) together with the budget on the 28th of May 2025.

The progress recorded as at 31 October 2025 is 14% of the full year anticipated revenue. The revised total anticipated revenue for the year is R2 633 995 000 of which an amount of R1 126 657 920.50 has been collected to date. The Budget Funding Plan has been revised to accommodate the Medium-Term Revenue and Expenditure Framework (2026-2028).

15. Annexure A: C-schedules attached

16. Annexure B: Compliance with the conditions for Municipal Debt Relief

Summary of October Compliance Assessment Report

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province		
NP		
Code	District	Code Description
MP307	Gert Sibande	Govan Mbeki

Monthly Performance Report

Municipal Details			Part A: Eskom And Bulk water current account						Part B: Compliance with a funded MTREF					Part C: FRP/BFP & Tariff Assessment			Part D: Electricity and water as collection tools			
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18
25.July25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
26.August25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
27.September25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
28.October25	Govan Mbeki	MP307	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
29.November25	Govan Mbeki	MP307																		
30.December25	Govan Mbeki	MP307																		
31.January26	Govan Mbeki	MP307																		
32.February26	Govan Mbeki	MP307																		
33.March26	Govan Mbeki	MP307																		
34.April26	Govan Mbeki	MP307																		
35.May26	Govan Mbeki	MP307																		
36.June26	Govan Mbeki	MP307																		
37.July26	Govan Mbeki	MP307																		
38.August26	Govan Mbeki	MP307																		
39.September26	Govan Mbeki	MP307																		
40.October26	Govan Mbeki	MP307																		
41.November26	Govan Mbeki	MP307																		

	Part C: Quarterly collection of property rates and services charges							Maximization of Revenue Base			Part E: Oversight													Scoring and Rating	
Month	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Rating
25.July25	No	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	73%	Moderate compliance
26.August25	No	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	76%	Moderate compliance
27.September25	No	Yes	Yes	No	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	73%	Moderate compliance
28.October25	No	Yes	Yes	No	Yes		Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	Moderate compliance
29.November25																								0%	Not completed
30.December25																								0%	Not completed
31.January26																								0%	Not completed
32.February26																								0%	Not completed
33.March26																								0%	Not completed
34.April26																								0%	Not completed
35.May26																								0%	Not completed
36.June26																								0%	Not completed
37.July26																								0%	Not completed
38.August26																								0%	Not completed
39.September26																								0%	Not completed
40.October26																								0%	Not completed
41.November26																								0%	Not completed

Feedback on Compliance with the conditions for Municipal Debt Relief (September)

Compliance status as per treasury feedback for the reporting period ending September 2025 is Non-compliance. The non-compliance results from municipal debt relief conditions not fully met by the municipality.

The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:

- Increase collection rate to enable the municipality to pay its Eskom current account within 30 days.
- Continuous implementation of revenue enhancement to improve cashflow status of the municipality.
- Initiate a cut-off drive to enforce compliance, targeting businesses & government that have not met their payment obligations to improve cashflow status of the municipality.
- Municipal has appointed debt collectors to assist with recovering outstanding debts from customers. About 150 residential and business accounts have been handed over to debt collectors.
- IJIMA program drive done weekly to inspect meter connection, households with rentals as an initiative of recovering lost revenues.
- Municipality to ring fence all collection relating to water and electricity to honour current accounts for both Eskom and Rand water.
- As per Treasury recommendation municipality has uploaded all adopted budget related policies for 2025-26 MTREF and the valuation roll and billing system reconciliation tool.

17. Municipal Manager's quality certification

QUALITY CERTIFICATE

I **G Kubheka**, the Acting Municipal Manager of **Govan Mbeki Municipality**, hereby certify that: -

☐ The monthly budget statement report; and

☐ The supporting documentation for the month of **October 2025** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: V.B. Nkhata

Chief Financial Officer of Govan Mbeki Municipality (MP307)

Signature:

Date: 11/11/2025

Print Name: G. Kubheka

Acting Municipal Manager of Govan Mbeki Municipality (MP307)

Signature:

Date: 11/11/2025

18. Recommendations

It is recommended that that the Mayoral Committee meeting takes note of -

1. The monthly **budget statement for the month ending 31 October 2025.**
2. **The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment set-out in paragraph 16 above;**
3. **The following remedial actions necessary and / or undertaken to** improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
   - Increase collection rate to enable the municipality to pay its Eskom current account within 30 days.
   - Continuous implementation of revenue enhancement to improve cashflow status of the municipality.
   - Initiate a cut-off drive to enforce compliance, targeting businesses & government that have not met their payment obligations to improve cashflow status of the municipality.
4. The balance of the Eskom bulk account amounting to **R 6 205 808 000.00** and Rand Water bulk water account **R 866 787 000.00**