



Budget Statement

MFMA Section 71 Report

31 OCTOBER 2024

Govan Mbeki Municipality

DISTRIBUTION:

Executive Mayor: Mr. N.G Zuma

Municipal Manager: Mr. E.N Maseko

Acting Chief Financial Officer: Mr. A.B.M Mavimbela

Sector Departments: National and Provincial Departments

Uploaded to the National Treasury GoMuni 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 2024

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 2024

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 2024

Description	Original Budget 2024/2025	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	3 300 378	216 376	993 868	1 100 126	-106 258	-10%
Total Operating Expenditure	3 988 528	289 644	1 206 920	1 329 510	-122 589	-9%
Surplus /(Deficit) for the year before grant capital revenue	-688 150	-73 268	-213 052	-229 384	16 332	-7%
Grant capital revenue	117 651	14 930	51 255	39 217	12 038	31%
Surplus /(Deficit) for the year	-570 499	-58 339	-161 796	-190 167		
Total Capital Expenditure	273 903	40 038	89 669	91 301	-1 633	-2%

Operating Revenue

The overall performance on the revenue component is 10% below target.

Operating Expenditure

The overall performance on the expenditure component is 9% below target.

Bulk purchases are above target by 82% and inventory consumed is on target, should the trend continue at the same rate there will be an unauthorised expenditure in these line items therefore budget will be adjusted during budget adjustment processes. Relatively interest on overdue accounts/finance costs is above target by 46%.

Cash Management

As of 31 October 2024, the municipality had a positive bank statement balance of R 18 847 627.13 and R 1 625 229.90 in current account and traffic fine account respectively. Cash book had a negative balance of R 57 447 179.19.

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	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		562 205	994 107	-	66 417	262 040	331 369	(69 329)	-21%	994 107
Service charges - Water		456 094	714 085	-	43 756	172 210	238 028	(65 819)	-28%	714 085
Service charges - Waste Water Management		147 473	182 796	-	14 117	54 837	60 902	(6 065)	-10%	182 796
Service charges - Waste management		143 706	180 036	-	13 021	51 934	60 012	(8 078)	-13%	180 036
Sale of Goods and Rendering of Services		7 512	6 455	-	860	2 140	2 152	(12)	-1%	6 455
Agency services		-	-	-	-	-	-	-	-	-
Interest:		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		237 020	213 599	-	19 197	83 150	71 200	11 950	17%	213 599
Interest from Current and Non Current Assets		14 911	16 375	-	1 031	2 681	5 458	(2 778)	-51%	16 375
Dividends		-	25	-	-	171	8	162	1950%	25
Rent on Land		-	3	-	-	-	1	(1)	-100%	3
Rental from Fixed Assets		6 630	5 698	-	530	2 471	1 899	572	30%	5 698
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		1 640	5 851	-	149	841	1 950	(1 109)	-57%	5 851
Non-Exchange Revenue										
Property rates		396 103	445 250	-	32 440	129 301	148 417	(19 115)	-13%	445 250
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4 107	19 836	-	869	3 137	6 612	(3 475)	-53%	19 836
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		459 861	492 163	-	16 156	212 499	164 054	48 444	30%	492 163
Interest:		27 032	21 688	-	2 773	11 399	7 229	4 169	58%	21 688
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	2 500	-	-	-	833	(933)	-100%	2 500
Other Gains		35 658	-	-	5 059	5 059	-	5 059	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		2 499 952	3 300 378	-	216 376	993 868	1 100 126	(106 259)	-10%	3 300 378

Electricity service charges is below the target by 21%

- The energy department is currently installing electricity meters, which is expected to increase revenue by addressing the issue of customers receiving electricity without being billed for it. Additionally, the department is also working on removing illegal connections.

Water service charges and waste water service charges are below the target by 28% and 10% respectively

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

Fines & penalties are below target by 53%, due to traffic fines subsystem not integrated to the main financial system, and only recording traffic fines settled not the total traffic fines issued.

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	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		636 744	787 368	-	64 265	233 863	262 456	(28 593)	-11%	787 368
Remuneration of councillors		35 846	35 480	-	2 591	10 297	11 627	(1 330)	-13%	35 480
Bulk purchases - electricity		1 051 410	853 967	-	82 616	518 439	284 656	233 783	82%	853 967
Inventory consumed		617 831	515 279	-	31 662	171 891	171 763	131	0%	515 279
Debt impairment		-	988 750	-	1	1	329 583	(329 582)	-100%	988 750
Depreciation and amortisation		126 208	165 837	-	10 010	42 532	55 279	(12 747)	-23%	165 837
Interest		279 634	140 087	-	29 227	68 271	46 696	21 576	46%	140 087
Contracted services		329 674	329 863	-	61 281	117 176	109 954	7 222	7%	329 863
Transfers and subsidies		38 490	28 361	-	3 005	12 624	9 454	3 171	34%	28 361
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		138 744	143 537	-	8 926	26 767	47 646	(21 079)	-44%	143 537
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		36 038	-	-	5 059	5 059	-	5 059	#DIV/0!	-
Total Expenditure		3 260 561	3 988 528	-	289 644	1 206 920	1 329 510	(122 589)	-9%	3 988 528

Employee related cost and Remuneration of councillors is below target by 11% and 13% respectively, due to vacant positions not yet filled and upper limit yet to be implemented.

Electricity bulk purchases expense is above target by 82%.

Contracted services are 7% above target.

Operational costs are below target by 44%, due to cashflow constraints some projects/activities are delayed.

Transfers and subsidies are 34% above target due to increase in indigent customers, adjustment will be done during adjustment budget processes

Inventory consumed which include water purchases are on target close monitoring will be on this item, should the trend continue, this item will be overspent before end of the financial year.

Depreciation and impairment of asset is 23% below target.

Finance charges is 46% above target due to cash constraint. Eskom and Rand Water accounts are not serviced on time 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

R thousands	Vote Description	Ref	2023/24 Audited	Budget Year 2024/25					YTD %	Full Year	
				Original	Adjusted	Monthly	YearTD actual	YearTD			
	Capital Expenditure - Functional Classification	1									
	<i>Governance and administration</i>										
	Executive and council		6 741	37 050	-	2 366	2 813	12 350	(9 537)	-77%	37 050
	Finance and administration		740	300	-	-	19	100	(811)	-81%	300
	Internal audit		6 001	36 750	-	2 366	2 794	12 250	(9 456)	-77%	36 750
	<i>Community and public safety</i>										
	Community and social services		2 173	17 150	-	23	30	5 717	(5 695)	-99%	17 150
	Sport and recreation		1 926	10 150	-	23	30	3 383	(3 353)	-99%	10 150
	Public safety		228	7 000	-	-	-	2 333	(2 333)	-100%	7 000
	Housing		19	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-
	<i>Economic and environmental services</i>										
	Planning and development		83 649	67 428	-	7 500	23 203	22 475	728	3%	67 428
	Road transport		63 452	57 276	-	7 500	23 203	19 092	4 112	22%	57 276
	Environmental protection		15 547	10 150	-	-	-	3 383	(3 383)	-100%	10 150
	Trading services		4 650	-	-	-	-	-	-	-	-
	Energy sources		70 289	152 277	-	30 149	63 622	50 759	12 863	25%	152 277
	Water management		40 994	67 390	-	27 188	50 287	22 463	27 824	124%	67 390
	Waste water management		17 953	30 000	-	-	-	10 900	(10 000)	-100%	30 000
	Waste management		11 342	38 083	-	2 961	5 980	12 694	(6 714)	-53%	38 083
	Other		-	16 804	-	-	7 354	5 601	1 753	31%	16 804
	Total Capital Expenditure - Functional Classification	3	162 852	273 903	-	40 038	89 669	91 301	(1 633)	-2%	273 903
	Funded by:										
	National Government		103 627	114 053	-	10 461	48 755	38 018	10 737	28%	114 053
	Provincial Government		5 780	-	-	-	-	-	-	-	-
	Distric Municipality		-	-	-	-	-	-	-	-	-
	Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
	Transfers recognised - capital		109 407	114 053	-	10 461	48 755	38 018	10 737	28%	114 053
	Borrowing	6	-	-	-	-	-	-	-	-	-
	Internally generated funds		48 844	159 800	-	29 577	40 913	53 200	(12 287)	-23%	159 800
	Total Capital Funding		158 251	273 653	-	40 038	89 669	91 218	(1 549)	-2%	273 653

4.4 Cash flows

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

Description	Ref	2023/24		Budget Year 2024/25					Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		YTD variance %
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		338 950	421 981	-	28 489	109 871	140 660	(30 789)	-22%	421 981
Service charges		1 181 476	2 206 114	-	125 377	476 479	735 371	(258 893)	-35%	2 206 114
Other revenue		60 856	37 841	-	4 456	15 430	12 614	2 817	22%	37 841
Transfers and Subsidies - Operational		469 698	492 153	-	531	210 025	164 054	45 971	28%	492 163
Transfers and Subsidies - Capital		143 211	117 651	-	27 645	74 232	39 217	35 015	89%	117 651
Interest		11 954	16 375	-	977	2 483	5 458	(2 975)	-55%	16 375
Dividends		-	25	-	-	-	8	(8)	-100%	25
Payments										
Suppliers and employees		(1 423 200)	(2 800 344)	-	(150 762)	(557 007)	(933 448)	376 441	-40%	(2 800 344)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		782 945	491 806	-	36 713	331 514	163 935	(167 579)	-102%	491 806
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		(14 500)	-	-	-	-	-	-	-	-
Payments										
Capital assets		196 343	(192 253)	-	(15 008)	(71 257)	(64 084)	(7 172)	11%	(192 253)
NET CASH FROM/(USED) INVESTING ACTIVITIES		181 843	(192 253)	-	(15 008)	(71 257)	(64 084)	7 172	-11%	(192 253)
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		964 788	299 552	-	21 705	260 257	99 851	-	-	299 552
Cash/cash equivalents at beginning:		120 545	256 446	-	25 751	25 751	256 446	-	-	25 751
Cash/cash equivalents at month/year end:		1 065 332	555 998	-	286 008	286 008	356 297	-	-	325 303

5. In-year budget statement tables

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

R thousands	Description	Budget Year 2024/25									
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
Financial Performance											
	Property rates	396 103	445 250	—	32 440	129 301	148 417	(19 115)	-13%	445 250	
	Service charges	1 309 477	2 070 934	—	137 311	541 020	690 311	(149 291)	-22%	2 070 934	
	Investment revenue	14 911	16 375	—	1 031	2 681	5 458	(2 778)	-51%	16 375	
	Transfers and subsidies - Operational	459 861	492 163	—	16 156	212 499	164 054	48 444	30%	492 163	
	Other own revenue	319 599	275 656	—	29 438	108 357	91 885	16 482	18%	—	
	Total Revenue (excluding capital transfers and contributions)	2 499 952	3 300 378	—	216 376	993 868	1 100 126	(106 258)	-10%	3 300 378	
	Employee costs	636 744	787 368	—	64 265	233 863	262 456	(29 593)	-11%	787 368	
	Remuneration of Councilors	35 846	35 480	—	2 591	10 297	11 827	(1 530)	-13%	35 480	
	Depreciation and amortisation	126 208	165 837	—	10 010	42 532	55 279	(12 747)	-23%	165 837	
	Interest	279 604	140 087	—	20 227	68 271	46 696	21 576	48%	140 087	
	Inventory consumed and bulk purchases	1 669 211	1 369 246	—	114 278	690 330	456 416	233 914	51%	1 369 246	
	Transfers and subsidies	38 490	28 361	—	3 005	12 624	9 454	3 171	34%	28 361	
	Other expenditure	474 457	1 462 150	—	75 267	149 003	487 383	(338 380)	-69%	1 462 150	
	Total Expenditure	3 260 561	3 988 528	—	289 644	1 206 920	1 329 510	(122 589)	-9%	3 988 528	
	Surplus/(Deficit)	(760 609)	(688 150)	—	(73 268)	(213 052)	(229 384)	16 332	-7%	(688 150)	
	Transfers and subsidies - capital (monetary allocations)	118 018	117 651	—	14 930	51 255	39 217	12 038	31%	117 651	
	Share of surplus/ (deficit) of associate	(642 591)	(570 499)	—	(58 339)	(161 796)	(190 167)	28 370	-15%	(570 499)	
	Surplus/ (Deficit) for the year	(642 591)	(570 499)	—	(58 339)	(161 796)	(190 167)	28 370	-15%	(570 499)	
Capital expenditure & funds sources											
	Capital expenditure	162 852	273 903	—	40 038	89 669	91 301	(1 633)	-2%	273 903	
	Capital transfers recognised	109 407	114 053	—	10 461	48 755	38 018	10 737	28%	114 053	
	Borrowing	—	—	—	—	—	—	—	—	—	
	Internally generated funds	48 544	159 600	—	29 577	40 913	53 200	(12 287)	-23%	159 600	
	Total sources of capital funds	158 251	273 653	—	40 038	89 669	91 218	(1 549)	-2%	273 653	
Financial position											
	Total current assets	2 726 135	1 244 845	—	—	2 403 924	—	—	—	1 244 845	
	Total non current assets	3 066 279	2 936 479	—	—	3 221 322	—	—	—	2 936 479	
	Total current liabilities	7 550 469	4 141 563	—	—	7 686 482	—	—	—	4 141 563	
	Total non current liabilities	373 318	369 440	—	—	421 190	—	—	—	369 440	
	Community wealth/Equity	(2 131 373)	(329 679)	—	—	(2 482 426)	—	—	—	(329 679)	
Cash flows											
	Net cash from (used) operating	782 945	491 806	—	36 713	331 514	163 935	(167 578)	-102%	491 806	
	Net cash from (used) investing	181 843	(192 253)	—	(15 008)	(71 257)	(64 084)	7 172	-11%	(192 253)	
	Net cash from (used) financing	—	—	—	—	—	—	—	—	—	
	Cash/cash equivalents at the month/year end	1 085 332	555 998	—	—	286 008	356 297	70 288	20%	325 303	
Debtors & creditors analysis											
	Debtors Age Analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Over 1Yr	Total	
	Total By Income Source	158 114	93 219	81 505	79 149	75 322	72 138	71 672	3 005 583	3 646 702	
	Creditors Age Analysis	181 627	165 855	239 784	211 595	203 910	33 863	91 753	4 938 116	6 066 504	

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

R thousands	Description	Ref	2023/24		Budget Year 2024/25		YTD	YTD %	Full Year		
			Audited	Original	Adjusted	Monthly				YearTD actual	YearTD
	Revenue - Functional	1									
	Government and administration		936 182	985 052	-	56 695	359 022	328 351	30 671	9%	985 052
	Executive and council		465	-	-	-	-	-	-	-	-
	Finance and administration		935 719	985 052	-	56 688	358 616	328 351	30 265	9%	985 052
	Internal audit		-	-	-	7	406	-	406	#DIV/0!	-
	Community and public safety		7 708	26 569	-	1 219	3 537	8 856	(5 319)	-60%	26 569
	Community and social services		2 094	2 485	-	154	779	828	(50)	-6%	2 485
	Sport and recreation		-	-	-	-	-	-	-	-	-
	Public safety		5 515	24 083	-	1 065	2 693	8 028	(5 334)	-66%	24 083
	Housing		99	-	-	-	65	-	65	#DIV/0!	-
	Health		-	-	-	-	-	-	-	-	-
	Economic and environmental services		82 822	82 696	-	6 971	31 345	27 565	3 779	14%	82 696
	Planning and development		77 242	81 099	-	5 587	25 695	27 033	(1 338)	-5%	81 099
	Road transport		5 579	1 597	-	1 384	5 649	532	5 117	961%	1 597
	Environmental protection		0	-	-	-	-	-	-	-	-
	Trading services		1 591 257	2 323 712	-	166 421	651 220	774 571	(123 351)	-15%	2 323 712
	Energy sources		838 314	1 082 138	-	85 614	361 877	360 713	1 165	0%	1 082 138
	Water management		490 602	817 913	-	43 676	171 898	272 638	(100 740)	-37%	817 913
	Waste water management		148 548	219 337	-	15 572	56 742	73 112	(16 371)	-22%	219 337
	Waste management		113 794	204 324	-	21 559	60 703	68 108	(7 405)	-11%	204 324
	Other	4	-	-	-	-	-	-	-	-	-
	Total Revenue - Functional	2	2 617 970	3 418 029	-	231 306	1 045 124	1 139 343	(84 219)	-8%	3 418 029
	Expenditure - Functional										
	Government and administration		850 044	1 766 780	-	84 974	255 935	588 927	(332 992)	-57%	1 766 780
	Executive and council		67 846	77 135	-	6 153	24 882	25 712	(830)	-3%	77 135
	Finance and administration		777 174	1 684 934	-	78 540	229 521	561 645	(332 123)	-59%	1 684 934
	Internal audit		5 024	4 711	-	281	1 532	1 570	(38)	-2%	4 711
	Community and public safety		208 551	224 538	-	20 777	73 042	74 847	(1 805)	-2%	224 538
	Community and social services		72 984	78 140	-	8 002	30 250	26 047	4 213	15%	78 140
	Sport and recreation		29 404	39 631	-	686	3 256	13 210	(9 954)	-75%	39 631
	Public safety		96 690	94 941	-	10 440	36 197	31 647	4 550	14%	94 941
	Housing		8 501	10 691	-	740	2 920	3 564	(644)	-18%	10 691
	Health		972	1 137	-	110	409	379	31	8%	1 137
	Economic and environmental services		96 432	91 545	-	10 377	33 155	30 515	2 640	9%	91 545
	Planning and development		31 408	40 312	-	4 417	13 297	13 437	(140)	-1%	40 312
	Road transport		64 994	47 711	-	5 960	19 858	15 904	3 954	25%	47 711
	Environmental protection		30	3 521	-	-	-	1 174	(1 174)	-100%	3 521
	Trading services		2 105 532	1 905 663	-	173 516	844 788	635 221	209 567	33%	1 905 663
	Energy sources		1 439 028	1 144 866	-	117 475	635 269	381 622	253 647	66%	1 144 866
	Water management		457 865	507 026	-	34 654	146 580	169 009	(22 429)	-13%	507 026
	Waste water management		119 140	144 586	-	11 916	33 286	48 196	(14 910)	-31%	144 586
	Waste management		99 500	109 185	-	9 472	29 654	36 395	(6 741)	-19%	109 185
	Other		-	-	-	-	-	-	-	-	-
	Total Expenditure - Functional	3	3 260 561	3 988 528	-	289 644	1 206 920	1 329 510	(122 589)	-9%	3 988 528
	Surplus/ (Deficit) for the year		(642 591)	(570 499)	-	(58 339)	(161 796)	(190 167)	28 370	-15%	(570 499)

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

R thousands	Vote Description	Ref	Budget Year 2024/25								
			2023/24 Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD %	Full Year	
Revenue by Vote											
1	Vote 1 - 01 EXECUTIVE AND COUNCIL		73 722	77 528	-	5 024	24 612	25 843	(1 231)	-4.8%	77 528
	Vote 2 - 02 Corporate Services		24 471	25 600	-	14 459	14 495	8 533	5 962	59.9%	25 600
	Vote 3 - 03 Planning and Development		10 164	12 380	-	1 119	4 256	4 127	129	3.1%	12 380
	Vote 4 - 04 Community Services		(23 864)	25 369	-	1 199	3 318	8 456	(5 138)	-60.8%	25 369
	Vote 5 - 05 Financial Services		905 166	950 643	-	41 690	341 419	316 981	24 538	7.7%	950 643
	Vote 6 - Technical Services		1 483 043	2 123 985	-	146 246	596 166	706 995	(110 829)	-15.7%	2 120 986
	Vote 7 - 06 Technical services Continued		-	-	-	-	-	-	-	-	-
	Vote 8 - 01 Executive and Council continued		-	-	-	-	-	-	-	-	-
	Vote 9 - 04 Community Services continued		145 267	205 524	-	21 580	60 857	68 508	(7 650)	-11.2%	205 524
	Vote 10 -		-	-	-	-	-	-	-	-	-
	Vote 11 -		-	-	-	-	-	-	-	-	-
	Vote 12 -		-	-	-	-	-	-	-	-	-
	Vote 13 -		-	-	-	-	-	-	-	-	-
	Vote 14 -		-	-	-	-	-	-	-	-	-
	Vote 15 -		-	-	-	-	-	-	-	-	-
2	Total Revenue by Vote	2	2 617 970	3 418 029	-	231 306	1 045 124	1 139 343	(94 219)	-8.3%	3 418 029
Expenditure by Vote											
1	Vote 1 - 01 EXECUTIVE AND COUNCIL		84 046	92 090	-	6 400	26 026	30 697	(4 671)	-15.2%	92 090
	Vote 2 - 02 Corporate Services		122 734	300 269	-	22 556	55 131	100 090	(44 959)	-44.9%	300 269
	Vote 3 - 03 Planning and Development		40 788	905 881	-	5 148	15 400	301 960	(286 560)	-94.9%	905 881
	Vote 4 - 04 Community Services		215 917	239 230	-	25 611	73 809	79 743	(5 934)	-7.4%	239 230
	Vote 5 - 05 Financial Services		566 524	441 866	-	45 697	151 059	147 289	3 770	2.6%	441 866
	Vote 6 - Technical Services		2 102 670	1 863 853	-	171 733	841 000	621 284	219 716	35.4%	1 863 853
	Vote 7 - 06 Technical services Continued		-	-	-	-	-	-	-	-	-
	Vote 8 - 01 Executive and Council continued		6 728	6 613	-	948	3 437	2 204	1 233	55.9%	6 613
	Vote 9 - 04 Community Services continued		121 153	138 726	-	11 552	41 057	46 242	(5 185)	-11.2%	138 726
	Vote 10 -		-	-	-	-	-	-	-	-	-
	Vote 11 -		-	-	-	-	-	-	-	-	-
	Vote 12 -		-	-	-	-	-	-	-	-	-
	Vote 13 -		-	-	-	-	-	-	-	-	-
	Vote 14 -		-	-	-	-	-	-	-	-	-
	Vote 15 -		-	-	-	-	-	-	-	-	-
2	Total Expenditure by Vote	2	3 260 561	3 988 528	-	289 644	1 206 920	1 329 510	(122 589)	-9.2%	3 988 528
2	Surplus/ (Deficit) for the year	2	(642 591)	(570 499)	-	(58 339)	(161 796)	(190 167)	28 370	-14.9%	(570 499)

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

R thousands	Description	Ref	Budget Year: 2024/25																	
			2023/24 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		562 205	984 107	-	66 417	262 040	331 369	(69 329)	-21%	994 107									
	Service charges - Water		456 094	714 085	-	43 756	172 210	238 028	(65 819)	-28%	714 085									
	Service charges - Waste Water Management		147 473	182 706	-	14 117	54 837	60 902	(6 065)	-10%	182 706									
	Service charges - Waste management		143 706	180 036	-	13 021	51 934	60 012	(8 078)	-13%	180 036									
	Sale of Goods and Rendering of Services		7 512	6 455	-	860	2 140	2 152	(12)	-1%	6 455									
	Agency services		-	-	-	-	-	-	-	-	-									
	Interest		-	-	-	-	-	-	-	-	-									
	Interest earned from Receivables		237 020	213 599	-	19 157	83 150	71 200	11 950	17%	213 599									
	Interest from Current and Non Current Assets		14 911	16 375	-	1 031	2 681	5 458	(2 778)	-51%	16 375									
	Dividends		-	25	-	171	8	8	162	1950%	25									
	Rent on Land		-	3	-	-	1	1	(1)	-100%	3									
	Rent from Fixed Assets		6 530	5 698	-	530	2 471	1 899	572	30%	5 698									
	Licence and permits		1 640	5 851	-	149	841	1 950	(1 109)	-57%	5 851									
	Operational Revenue																			
	Non-Exchange Revenue																			
	Property rates		396 103	445 250	-	32 440	129 301	148 417	(19 115)	-13%	445 250									
	Surcharges and Taxes		4 107	19 836	-	859	3 137	6 612	(3 475)	-53%	19 836									
	Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-									
	Licence and permits		459 861	492 163	-	16 156	212 499	154 054	48 444	30%	492 163									
	Transfers and subsidies - Operational		27 032	21 688	-	2 773	11 399	7 229	4 169	58%	21 688									
	Interest		-	-	-	-	-	-	-	-	-									
	Fuel Levy		-	2 500	-	-	-	833	(833)	-100%	2 500									
	Gains on disposal of Assets		35 658	-	-	5 059	5 059	-	5 059	#DIV/0!	5 059									
	Other Gains		-	-	-	-	-	-	-	-	-									
	Discontinued Operations		-	-	-	-	-	-	-	-	-									
	Total Revenue (including capital transfers and Expenditure By Type		2 499 952	3 300 378	-	215 376	993 858	1 100 126	(106 258)	-10%	3 300 378									
	Employee related costs		636 744	787 368	-	64 265	233 863	262 456	(28 593)	-11%	787 368									
	Remuneration of councillors		35 846	35 480	-	2 591	10 297	11 827	(1 530)	-13%	35 480									
	Bulk purchases - electricity		1 051 410	853 967	-	82 616	518 439	284 656	233 783	82%	853 967									
	Inventory consumed		617 801	515 279	-	31 662	171 891	171 760	131	0%	515 279									
	Debt impairment		-	988 750	-	1	1	329 583	(329 582)	-100%	988 750									
	Depreciation and amortisation		126 208	165 837	-	10 010	42 532	55 279	(12 747)	-23%	165 837									
	Interest		279 604	140 087	-	20 227	68 271	46 696	21 576	46%	140 087									
	Contracted services		329 674	329 863	-	61 281	117 176	109 954	7 222	7%	329 863									
	Transfers and subsidies		38 490	28 361	-	3 005	12 624	9 454	3 171	34%	28 361									
	Irrecoverable debts written off		-	-	-	-	-	-	-	-	-									
	Operational costs		108 744	143 537	-	8 926	26 767	47 846	(21 079)	-44%	143 537									
	Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-									
	Other Losses		36 038	-	-	5 059	5 059	-	5 059	#DIV/0!	5 059									
	Total Expenditure		3 260 561	3 988 528	-	289 544	1 206 920	1 329 570	(122 589)	-9%	3 988 528									
	Surplus/(Deficit)		(760 609)	(688 150)	-	(73 268)	(213 052)	(229 384)	16 332	-7%	(688 150)									
	Transfers and subsidies - capital (monetary allocations)		118 018	117 651	-	14 930	51 255	39 217	12 038	31%	117 651									
	Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-									
	Surplus/(Deficit) after capital transfers & contributions		(642 591)	(570 499)	-	(58 339)	(161 796)	(190 167)	-	-	(570 499)									
	Income Tax		-	-	-	-	-	-	-	-	-									
	Surplus/(Deficit) after income tax		(642 591)	(570 499)	-	(58 339)	(161 796)	(190 167)	-	-	(570 499)									
	Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-									
	Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-									
	Surplus/(Deficit) attributable to municipality		(642 591)	(570 499)	-	(58 339)	(161 796)	(190 167)	-	-	(570 499)									
	Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-									
	Incomparably/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-									
	Surplus/ (Deficit) for the year		(642 591)	(570 499)	-	(58 339)	(161 796)	(190 167)	-	-	(570 499)									

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

R thousands	Description	Ref	2023/24	Budget Year 2024/25		Full Year Forecast
			Audited Outcome	Original Budget	Adjusted Budget	
ASSETS		1				
Cash and cash equivalents			(30 737)	581 262	—	581 262
Trade and other receivables from exchange transactions			707 890	399 704	—	399 704
Receivables from non-exchange transactions			434 670	110 969	—	110 969
Current portion of non-current receivables			—	—	—	—
Inventory			107 144	19 428	—	19 428
VAT			1 504 633	133 483	—	133 483
Other current assets			2 535	—	—	—
Total current assets			2 726 135	1 244 845	2 403 924	1 244 845
Non-current assets						
Investments			(13 551)	—	—	—
Investment property			1 319 932	1 148 475	—	1 148 475
Property, plant and equipment			1 754 293	1 780 810	—	1 780 810
Biological assets			—	—	—	—
Living and non-living resources			—	—	—	—
Heritage assets			5 431	5 431	—	5 431
Intangible assets			0	951	—	951
Trade and other receivables from exchange transactions			175	812	—	812
Non-current receivables from non-exchange transactions			—	—	—	—
Other non-current assets			—	—	—	—
Total non-current assets			3 066 279	2 936 479	3 221 322	2 936 479
TOTAL ASSETS			5 792 414	4 181 325	5 625 246	4 181 325
LIABILITIES						
Current liabilities						
Bank overdraft			—	—	—	—
Financial liabilities			7 028	295	—	295
Consumer deposits			32 502	29 017	—	29 017
Trade and other payables from exchange transactions			6 201 914	3 984 015	—	3 984 015
Trade and other payables from non-exchange transactions			27 808	85 227	—	85 227
Provision			49 842	43 009	—	43 009
VAT			1 229 204	—	—	—
Other current liabilities			2 172	—	—	—
Total current liabilities			7 550 469	4 141 563	7 686 482	4 141 563
Non-current liabilities						
Financial liabilities			5 529	427	—	427
Provision			327 951	327 718	—	327 718
Long term portion of trade payables			—	—	—	—
Other non-current liabilities			39 838	41 296	—	41 296
Total non-current liabilities			373 318	369 440	421 190	369 440
TOTAL LIABILITIES			7 923 787	4 511 003	8 107 671	4 511 003
NET ASSETS		2	(2 131 373)	(329 679)	(2 482 426)	(329 679)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)			(2 131 373)	(329 679)	—	(329 679)
Reserves and funds			—	—	—	—
Other			—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY		2	(2 131 373)	(329 679)	(2 482 426)	(329 679)

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

The total debtors book balance as at 31 October 2024 amounts to R 3 646 702 000. The debtors' payment rate for the month is 69%.

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

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	46 660	29 560	20 011	19 431	17 429	17 606	18 454	949 939	1 119 090	1 022 860	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	44 915	14 626	11 516	10 869	8 694	8 609	8 340	352 025	459 594	388 537	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	26 425	19 078	9 147	8 558	10 291	7 899	7 602	276 547	358 846	311 196	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	14 356	8 889	8 158	7 880	7 090	7 194	7 063	345 308	405 978	374 535	-	-
Receivables from Exchange Transactions - Waste Management	1600	13 045	8 038	7 633	7 330	6 806	6 648	6 546	318 253	374 309	345 593	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	22 530	21 820	24 612	24 280	23 927	23 589	23 280	733 621	897 430	828 697	-	-
Recoverable unauthorised, irregular, trifling and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1930	373	207	429	501	1 085	593	386	29 880	33 454	32 445	-	-
Total By Income Source	2000	168 114	93 219	81 505	79 149	75 322	72 138	71 672	3 005 583	3 646 702	3 303 863	-	-
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	7 557	2 351	1 826	1 675	1 504	1 433	1 339	36 025	53 711	41 976	-	-
Commercial	2300	48 559	16 172	6 927	6 962	7 628	5 859	5 531	193 805	291 442	219 785	-	-
Households	2400	111 999	74 697	72 752	70 512	66 190	64 846	64 801	2 775 753	3 301 550	3 042 102	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	168 114	93 219	81 505	79 149	75 322	72 138	71 672	3 005 583	3 646 702	3 303 863	-	-

7. Creditors' Analysis

The total creditors balance for the month of October 2024 amounted to R 6 066 503 919. 97% 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

R thousands	Description	NT Code	Budget Year 2020/21								Total		
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
	Creditors Age Analysis By Customer Type												
	Bulk Electricity	0100	105 485	133 140	192 456	183 117	222 661	41 801	466 640	3 800 831	5 146 132		
	Bulk Water	0200	39 722	21 212	21 946	41 757	47 934	211 658	112 547	337 913	834 688		
	PAYE deductions	0300											
	VAT (output less input)	0400											
	Pensions / Retirement deductions	0500											
	Loan repayments	0600											
	Trade Creditors	0700	36 421	11 503	25 382	12 339					85 644		
	Auditor General	0800				40					40		
	Other	0900											
	Total By Customer Type	1000	181 627	165 855	239 784	237 253	270 596	253 459	579 186	4 138 744	6 066 504		

5. Investment portfolio analysis

Segment Description	Account Nr	Date of Investment	Interest Rate	Maturity Date	Opening Balance 01/10/2024	Investments Made	Investment Withdrawals/ Reversal	Interest Capitalized /Accrued	Closing Balance 31/10/2024
Long-Investments									
Old Mutual Shares C0777197766	Share nr C0777197766				27 096.93				27 096.93
Old Mutual Shars C0777027950	Share nr C0777027950				372 939.00				372 939.00
Sanlam U0063349159	Share nr U0063349159				198 415.84				198 415.84
Nedbank (70) Withdrawal	70 Shares				17 948.70				17 948.70
Nedbank (966) Withdrawal	966Shares				247 692.06				247 692.06
Quilter plc (624)	Share nr 1521061685				17 228.64				17 228.64
Quilter plc (8599)	Share nr 1521053495				237 418.39				237 418.39
					1 118 739.56				1 118 739.56
Short-term Investments									
ABSA Fixed Deposit	2081676199	10/07/2024	9.44%	08/10/2024	30 643 989.04		30 698 301.37	54 312.33	0.00
Standard Bank Money Market Call Acc	038787024(003)	26/11/2014			510 652.06			3 296.15	513 948.21
Standard Bank Tiered Rate Call Acc	038787024(008)	13/08/2014			29 958 272.46	13 645 000.00	10 000 000.00	134 433.20	33 737 705.66
Standard Bank Money Market Call Acc	038787024(009)	05/06/2016			21 211 170.77			140 516.74	21 351 687.51
					82 324 084.33	13 645 000.00	40 698 301.37	332 558.42	55 603 341.38
					83 442 823.89	13 645 000.00	40 698 301.37	332 558.42	56 722 080.94

Allocation and grant receipts and expenditure

Performance of Capital Grants

Grants	Allocation per DoRA	Received Including rollover	YTD Expenditure (VAT Incl)	Unspent 2024/2025	YTD %
Integrated National Electrification Programme Grant	32 240 000.00	15 000 000.00	17 072 419.47	-2 072 419.47	53%
Municipal Infrastructure Grant	77 528 000.00	57 656 000.00	35 141 654.90	22 514 345.10	45%
Municipal Disaster Recovery Grant	7 883 000.00	9 451 000.00	3 854 470.31	5 596 529.69	49%
Total	127 651 000.00	82 107 000.00	56 068 544.67	26 038 455.33	44%

Total Municipal Infrastructure Grant is inclusive of Project Management Unit operational allocation amounting to R3 597 700. Resulting in a difference on total Capital programme performance. Furthermore, the Capital budget YTD reflecting on C5 Schedule excludes VAT hence the difference of R6 0005 664.50.

Performance of Operational Grants

Grants	Allocation per DoRA	Received Including rollover	Expenditure as at 31 October 2024	Unspent 2024/2025	YTD %
Extended Public works Programme	1 597 000.00	400 000.00	1 597 000.00	-1 197 000.00	100%
Financial Management Grants	3 500 000.00	3 500 000.00	904 481.22	2 595 518.78	26%
Infrastructure Skills Development Grant	24 400 000.00	14 000 000.00	14 000 000.00	0.00	57%
Arts and Culture	-	91 608.25	-	91 608.25	0%
LG Seta	1 000 000.00	530 733.83	495 461.61	35 272.22	50%
Economic Development and Tourism	-	313 901.00	-	313 901.00	0%
Gert Sibande District Municipality	-	274 580.00	-	274 580.00	0%
Energy Efficiency Demand Grant	-	3 469.83	-	3 469.83	0%
Point Duty Officer (SASOL)	3 400 000.00	379 623.94	992 525.00	-612 901.06	29%
Pre-Capacity grant	-	165 007.63	65 439.00	99 568.63	0%
Equitable share	458 066 000.00	190 861 000.00	190 861 000.00	0.00	42%
Total	491 963 000.00	210 519 924.48	208 915 906.83	1 604 017.65	42%

10. Councillor and board member allowances and employee benefits for October 2024

Total staff compliment 1159 (Full time)
 Staff resignations 3
 Staff Appointments 12

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 - October

Summary of Employee and Councillor remuneration	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		26 817	24 545	24 545	1 894	7 536	8 182	(646)	-8%	24 545
Pension and UIF Contributions		3 929	3 171	3 171	280	1 113	1 057	56	5%	3 171
Medical Aid Contributions		294	552	552	26	104	184	(80)	-44%	552
Motor Vehicle Allowance		1 943	4 108	4 108	165	645	1 369	(724)	-53%	4 108
Cellphone Allowance		2 843	3 103	3 103	227	900	1 034	(134)	-13%	3 103
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		21	-	-	-	-	-	-	-	-
Sub Total - Councillors		35 846	35 480	35 480	2 591	10 297	11 827	(1 530)	-13%	35 480
% increase	4		-1.0%	-1.0%						-1.0%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	6 887	5 833	5 833	541	2 474	1 944	530	27%	5 833
Pension and UIF Contributions		836	1 350	1 350	39	182	450	(268)	-60%	1 350
Medical Aid Contributions		229	199	199	24	96	66	30	45%	199
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		944	803	803	63	288	268	20	7%	803
Cellphone Allowance		126	180	180	9	41	60	(19)	-31%	180
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		130	58	58	12	52	19	32	168%	58
Payments in lieu of leave		101	787	787	162	306	262	44	17%	787
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment	2	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1 077	1 273	1 273	-	-	424	(424)	-100%	1 273
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 330	10 483	10 483	851	3 439	3 494	(55)	-2%	10 483
% increase	4		1.5%	1.5%						1.5%
Other Municipal Staff										
Basic Salaries and Wages		302 105	426 784	426 784	35 896	131 669	142 261	(10 592)	-7%	426 784
Pension and UIF Contributions		69 821	103 579	103 579	7 679	29 083	34 526	(5 443)	-16%	103 579
Medical Aid Contributions		40 992	55 925	55 925	2 218	12 911	18 642	(5 731)	-31%	55 925
Overtime		56 794	33 438	33 438	6 636	23 775	11 146	12 629	113%	33 438
Performance Bonus		25 136	83 523	83 523	3 236	10 255	27 641	(17 385)	-63%	83 523
Motor Vehicle Allowance		17 947	21 687	21 687	1 567	6 275	7 229	(654)	-13%	21 687
Cellphone Allowance		2 534	3 339	3 339	211	860	1 113	(253)	-23%	3 339
Housing Allowances		2 071	11 464	11 464	174	723	3 821	(3 058)	-81%	11 464
Other benefits and allowances		94 191	19 430	19 430	2 183	7 733	6 477	1 256	19%	19 430
Payments in lieu of leave		7 552	9 163	9 163	1 197	2 736	3 054	(319)	-10%	9 163
Long service awards		-	477	477	-	-	159	(159)	-100%	477
Post-retirement benefit obligations	2	-	547	547	294	1 178	182	996	546%	547
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		7 269	7 529	7 529	1 124	3 224	2 510	714	28%	7 529
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		626 414	776 884	776 884	63 414	230 424	258 962	(28 538)	-11%	776 884
% increase	4		24.0%	24.0%						24.0%
Total Parent Municipality		672 590	822 847	822 847	66 856	244 160	274 283	(30 123)	-11%	822 847
Unpaid salary, allowances & benefits in arrears:		-	-	-	-	-	-	-	-	-
TOTAL MANAGERS AND STAFF		636 744	787 368	787 368	64 265	233 863	262 456	(28 593)	-11%	787 368

11. Material variances to the service delivery and budget implementation plan

12. Capital programme performance

Description	Funding	Original Budget 2024-2025	Monthly Expenditure Excl VAT	VAT 15%	Monthly Expenditure Inc VAT	YTD Expenditure	Available Balance as at 31 October 2024
Construction of stormwater concrete pipeline EXT22 Emba	MDRG	7 883 000.00	2 960 849.31	444 127.40	3 404 976.71	3 854 470.31	4 028 529.69
Electrical	INEP	32 240 000.00				17 072 419.47	15 167 580.54
Embalenthle Bulk replacement/upgrade (phase 1)	MIG	20 125 978.00	3 868 556.03	580 283.40	4 448 839.43	14 380 543.82	5 745 434.18
Embanzoni Bulk water supply	MIG	10 000 000.00					10 000 000.00
Construction of Bulk water line and reservoir in Leandra	MIG	17 000 000.00	3 631 644.05	544 746.61	4 176 390.66	12 303 479.55	4 696 520.45
Procurement of Specialised Vehicles for Waste Management	MIG	16 804 322.00				8 457 631.53	8 346 690.47
Upgrading of Lebohlang stadium in Leandra (Phase 2)	MIG	10 000 000.00					10 000 000.00
Upgrading of Lebohlang stadium in Leandra (Phase 2)	Revenue	2 000 000.00					2 000 000.00
Fleet	Revenue	25 000 000.00	2 144 071.83	321610.7745	2 465 682.60	2 465 682.60	22 534 317.40
Brendon Village Electrification	Revenue	5 000 000.00					5 000 000.00
Workshop modernisation	Revenue	3 000 000.00					3 000 000.00
Installation of sewer network, pipeline and pump station in Eendracht	Revenue	5 200 000.00					5 200 000.00
Char Cilliers Sewer reticulation and pumpstation	Revenue	2 000 000.00					2 000 000.00
Kinross Waste treatment plant	Revenue	3 000 000.00					3 000 000.00
Resurfacing of road	Revenue	20 000 000.00					20 000 000.00
Chief Albert Luthuli Road Rehabilitation	Revenue	10 000 000.00					10 000 000.00
Emzinoni Stadium Construction	Revenue	5 000 000.00					5 000 000.00
Insurance Replacement Asset	Revenue	5 000 000.00					5 000 000.00
Computer Equipment	Revenue	2 000 000.00	158 197.00	23 729.55	181 926.55	588 304.35	1 411 695.65
Munsoft upgrade	Revenue	1 200 000.00					1 200 000.00
Water services	Revenue	30 000 000.00					30 000 000.00
Reconstruction of Kinross X25 Offices	Revenue	5 000 000.00					5 000 000.00
Reconstruction of Leandra Offices	Revenue	5 000 000.00					5 000 000.00
Acquisition of smart meters	Revenue	30 000 000.00	27 188 236.76	4 078 235.51	31 266 472.27	40 757 848.66	-10 757 848.66
Furniture And Equipment	Revenue	200 000.00					200 000.00
Furniture & Equipment (MM's Office)	Revenue	100 000.00					100 000.00
Furniture & Equipment (Financial Services)	Revenue	150 000.00	63 415.00	9 512.25	72 927.25	159 076.86	-9 076.86
Furniture & Equipment (Community Services)	Revenue	150 000.00	22 790.00	3 418.50	26 208.50	35 006.00	114 994.00
Furniture And Equipment	Revenue	150 000.00					150 000.00
Furniture And Equipment	Revenue	150 000.00					150 000.00
Furniture And Equipment	Revenue	150 000.00					150 000.00
Furniture And Equipment	Revenue	150 000.00					150 000.00
Total		R273 653 300	40 037 759.98	6 005 664.00	46 043 423.98	100 074 463.15	R173 581 836.85

13. Other supporting documents.

See Attached Annexure C

14. Conclusion

Overview on performance of Budget Funding Plan

Year-to-Date Target	Year-to-Date Target %	Year-to-Date Actual	Year-to-Date Actual %	Under Performance
R642 237 666.67	33%	R284 006 906.43	15%	-R358 230 760.24

Council approved the 2024/25 Budget Funding Plan (BFP) together with the budget on the 31st of May 2024.

The progress recorded as at 31 October 2024 is at 15%. The total anticipated revenue is R1 926 713 000 of which an amount of R284 006 906.43 has been collected to date.

15. Annexure A: C-schedules

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

17. Municipal Manager's quality certification

QUALITY CERTIFICATE

I **E.N. Maseko**, the Municipal Manager of **Govan Mbeki Municipality**, hereby certify that: -

- The monthly budget statement report; and
- The supporting documentation for the month of **September 2024** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: ABM Mavimbela

Acting Chief Financial Officer of Govan Mbeki Municipality (MP307)

Signature: 

Date:

Print Name: E.N. Maseko

Municipal Manager of Govan Mbeki Municipality (MP307)

Signature: 


Date: 

18. Recommendations

It is recommended that that the Mayoral Committee / Mayoral Committee meeting take note of -

1. The monthly budget statement for the month ending 31 October 2024.
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 R5 146 132 000 and Rand Water bulk water account R834 688 000.

Annexure A2 - Monthly



Municipal Treasury
Municipal Debt Relief
 MFMA Circular No. 124
 Municipal Finance Management Act No. 56 of 2003

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period: Oct 23
National Financial Year: 2024/25
Demarcation Code of Municipality being assessed: MP307

District: Gert Sibande
Demarcation Description: Govan Mbeki

I, EN MASIKO, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

Notes/Comments

Municipal Debt Relief Conditions (Monthly reporting)		Choose from drop down list
6.2 Maintaining the Eskom and bulk water current account		
6.2.1	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.2.2</i>	Yes
6.2.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://go.muni.gov.za/submit ?	Yes
6.2.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the MSCOA data string and the section 41(2) MFMA statement of the Water Board and/or Water Trading Entity?	Yes
6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "flow arrears" (March 2023 and / or subsequent current accounts) as to the date of MT approval of the application.</i>	Yes
6.3.2	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://go.muni.gov.za/submit ?	Yes
6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the MSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
6.4 Compliance with a funded MTREF		
6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/funding.aspx ?	Yes
6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes
6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 23 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes
6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes
6.4.2	- If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer Item 9.3 of MFMA Budget Circular no. 122, 10 December 2022)?	Yes
6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (with the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in Item 9.3 of MFMA Budget Circular no. 122, 09 December 2022? <i>Note - only the municipalities which do not have an FRP may "No" be selected from the dropdown list</i>	Yes
6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Reporting Table SA 20 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (for example higher water Eskom tariffs, lower January collection rates, etc)?	Yes
6.5	- Cost reflective tariffs - (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 58 and Item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes
6.6 Electricity and water as a customer tool		
6.6.1	- Does the municipality issue a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
6.6.2	- Does the municipality disconnect electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
6.6.3	- Does the municipality restrict and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: in terms of municipal law, the municipality must undertake such restriction through a written notice to the consumer with the municipal engineer responsible for the supply of water.</i>	Yes
6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity and water limits of 50 kilowatt electricity and 6 kilolitres water, respectively? <i>Note - the municipalities which MFMA s.78 is exempt must indicate as part of the period of the indigent registration that it required MFMA s.78</i>	Yes
6.7 Quarterly collection of property rates and service charges		
6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statements and MSCOA data strings uploaded via the GoMuni Upload Portal?	Not yet end of quarter
6.7.1	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:	
6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	not yet end of a quarter
6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied areas?	not yet end of a quarter
6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet end of a quarter
6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes

6.7.6	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect from 2023/24 MTRF with a smart pre-paid meter?	Yes
6.7.7	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
Municipality's Compliance of the Billing System		
6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
6.8.1	- If the response in 6.8.1 is "no", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress reports the action plan to address variances to be uploaded as part of the municipality's debt and compliance reporting in the MFMA s 71 statement</i>	No
6.8.2	- For the latest ending Quarter - Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations resulted in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 96, 107 and 108) to the upload portal on https://gvluploadportal.treasury.gov.za/ ?	Yes
Municipality's Reporting and Compliance		
6.9.1	- MFMA section 71 reporting - Has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the MOCCA data string? <i>Note - custom 6.9.2 has a typing error and must refer to 6.9.1</i>	Yes
6.9.3	- Municipalities with financial recovery plans (FRP) - If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	Yes
6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) through via the GoMuni Upload Portal https://gvluploadportal.treasury.gov.za/ ?	Yes
Provincial Treasury compliance of Provincial treasuries in terms of Section 7 and 14 of the MFMA with effect from April 2023 - compliance with MFMA s 71 statement		
6.10.1	- Has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
6.10.2	- Has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timely uploaded the compliance certificate via the GoMuni Upload Portal https://gvluploadportal.treasury.gov.za/ ? <i>Note - in the case of non-delegated municipalities, the National Treasury to issue the compliance certificate</i>	Yes
6.10.3	- Has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No
6.11	Unfenced on municipality borrowing powers - Has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note - Note 6.11.1 is the same as 6.11.2 and should be used to ensure proper management of resources</i>	No
For the purpose of the Municipal Debt Relief to ensure proper management of resources:		
6.12.1	- Has the municipality expensed and ring-fenced in a sub-account to its primary bank account - (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the assessment of the Local Government Equitable Share (LGES) the municipality earned to provide free basic electricity, water and sanitation?	Yes
6.12.2	- Has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	Yes
<i>Note - The 2023/24 year is the first year of the MFMA s 71 statement and should be used to ensure proper management of resources</i>		
6.13	Supporting evidence - Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s 71 statement collected revenue. Accounting Treatment - Has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrears debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - Note 6.13.1 is the same as 6.13.2 and should be used to ensure proper management of resources</i>	Yes
6.14	MERSA License - Has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note - Note 6.14.1 is the same as 6.14.2 and should be used to ensure proper management of resources</i>	No

A. KUBUKO (ACTING MM)

PT: HOD/ NT / MM Name:

Signature of HOD/ NT/ MM:

[Signature]
14/11/2024

Date:

Note - If the official is signing on behalf of the Head of National Treasury (HOD) / Municipal Manager, the written permission of the HOD/MM must be attached as an Annexure to the Certificate of Compliance.

Note - The Signed Certificate to be uploaded on GoMuni must not include comments column - comments need to be incorporated into the related PT report