



Budget Statement

MFMA Section 71 Report

30 NOVEMBER 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 30 NOVEMBER 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 30 NOVEMBER 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 30 November 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	181 844	1 175 712	1 375 157	-199 445	-15%
Total Operating Expenditure	3 988 528	246 803	1 453 723	1 661 887	-208 163	-13%
Surplus /(Deficit) for the year before grant capital revenue	-688 150	-64 959	-278 011	-286 730	8 718	-3%
Grant capital revenue	117 651	7 642	58 897	49 021	9 876	20%
Surplus /(Deficit) for the year	-570 499	-57 318	-219 114	-237 708	18 594	-8%
Total Capital Expenditure	273 903	25 991	115 660	114 126	-1 533	1%

Operating Revenue

The overall performance on the revenue component is 15% below target.

Operating Expenditure

The overall performance on the expenditure component is 13% below target.

Bulk purchases are above target by 66% 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 53%.

Cash Management

As of 30 November 2024, the municipality had a positive bank statement balance of R 11 992 706.75 and R 1 723 673.48 in current account and traffic fine account respectively. Cash book had a negative balance of R213 434 982.23.

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) - M05 - November

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										
Revenue										
Exchange Revenue										
Service charges - Electricity		582 235	664 137	-	58 736	321 746	414 211	(92 465)	-22%	664 137
Service charges - Water		456 094	714 085	-	38 295	238 506	237 536	(8 930)	-30%	714 085
Service charges - Waste Water Management		147 473	182 736	-	12 775	57 613	73 128	(8 515)	-11%	182 736
Service charges - Waste management		143 736	193 036	-	13 057	65 031	76 015	(9 984)	-13%	193 036
Sale of Goods and Rendering of Services		7 512	6 465	-	889	3 028	2 680	348	13%	6 465
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		237 020	213 556	-	15 475	132 528	85 030	13 626	15%	213 556
Interest from Current and Non Current Assets		14 911	15 375	-	323	3 034	6 623	(3 819)	-56%	15 375
Dividends		-	25	-	-	171	10	160	1540%	25
Rent on Land		-	3	-	-	-	1	(1)	-100%	3
Rentals from Fixed Assets		5 630	5 558	-	1 229	7 482	2 374	1 125	47%	5 558
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		1 640	5 951	-	95	528	2 438	(1 512)	-62%	5 951
Non-Exchange Revenue										
Property rates		396 108	445 253	-	32 491	161 752	185 521	(23 726)	-13%	445 253
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4 107	19 833	-	800	3 837	8 285	(4 328)	-52%	19 836
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		459 851	482 163	-	2 028	214 535	235 388	9 469	5%	482 163
Interest		27 332	21 588	-	2 841	14 238	8 037	5 203	58%	21 588
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	2 500	-	-	-	1 242	(1 042)	-100%	2 500
Other Gains		35 558	-	-	-	5 055	-	5 059	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		2 499 952	3 300 378	-	181 844	1 175 712	1 375 157	(199 445)	-15%	3 300 378

Electricity service charges is below the target by 22%

- 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 30% and 11% respectively

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

Fines & penalties are below target by 52%, 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) - M05 - November

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		535 744	787 358	-	69 232	294 095	328 070	133 975	-10%	737 358
Remuneration of councillors		35 848	35 480	-	2 594	12 988	14 783	11 895	-13%	35 480
Bulk purchases - electricity		1 051 410	653 837	-	72 737	561 176	355 823	235 358	66%	553 657
Inventory consumed		617 891	515 279	-	41 755	213 647	214 700	1 052	0%	515 279
Debt impairment		-	968 750	-	1	-	411 579	1 411 979	-100%	968 750
Depreciation and amortisation		125 298	155 837	-	9 317	51 845	65 095	17 249	-25%	155 837
Interest		279 504	140 597	-	20 855	95 137	58 965	33 767	53%	140 597
Contracted services		326 874	326 853	-	25 745	142 522	137 443	5 479	4%	326 853
Transfers and subsidies		38 493	28 351	-	3 043	15 857	11 817	3 850	33%	28 351
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		108 744	143 537	-	10 515	37 283	55 807	122 524	-38%	143 537
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other losses		35 038	-	-	-	5 055	-	5 055	ND/ND	-
Total Expenditure		3 260 561	3 988 528	-	246 803	1 453 723	1 661 887	(208 163)	-13%	3 988 528

Employee related cost is below target by 10% due to vacant positions not yet filled and Remuneration of councillors is below target 13% due to upper limit yet to be implemented.

Electricity bulk purchases expense is above target by 66%.

Contracted services are 4% above target.

Operational costs are below target by 38%, due to cashflow constraints some projects/activities are delayed.

Transfers and subsidies are 33% 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 25% below target.

Finance charges is 53% 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 05 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 - November

R thousands	Vote Description	2023/24 Audited	Ref	Budget Year 2024/25				YTD	YTD %	Full Year	
				Original	Adjusted	Monthly	YearTD actual				
	Capital Expenditure - Functional Classification										
	Governance and administration										
	Executive and court	6 741		37 050	-	587	3 400	15 438	12 038	-78%	37 050
	Finance and administration	740		300	-	15	33	125	154	-74%	300
	Information	6 001		30 750	-	673	3 267	15 513	11 942	-78%	30 750
	Community and public safety										
	Community and social services	2 173		17 156	-	-	30	7 146	7 115	100%	17 156
	Sport and recreation	1 006		16 150	-	-	33	4 225	4 159	-99%	16 150
	Public safety	228		7 000	-	-	-	2 517	2 977	100%	7 000
	Housing	19		-	-	-	-	-	-	-	-
	Health	-		-	-	-	-	-	-	-	-
	Economic and environmental services										
	Planning and development	63 649		67 426	-	11 737	34 960	28 094	6 865	24%	67 426
	Road transport	40 452		57 276	-	11 731	24 935	23 865	11 070	-49%	57 276
	Environment protection	16 547		10 150	-	25	25	4 229	4 204	-99%	10 150
	Trading services	4 652		152 277	-	13 647	77 266	63 449	13 821	22%	152 277
	Energy services	40 664		67 391	-	1 441	51 728	38 075	13 585	54%	67 391
	Waste management	17 753		30 000	-	-	-	12 650	12 500	-100%	30 000
	Waste water management	11 342		36 003	-	2 305	6 295	15 860	7 563	-48%	36 003
	Waste management	-		18 654	-	9 001	17 262	7 362	10 254	-15%	18 654
	Other										
	Total Capital Expenditure - Functional Classification	162 852	3	273 903		25 951	115 660	114 126	1 523	1%	273 903
	Funded by:										
	National Government	103 627		114 053	-	25 256	74 011	47 522	26 485	56%	114 053
	Provincial Government	5 790		-	-	-	-	-	-	-	-
	District Municipalities	-		-	-	-	-	-	-	-	-
	Transfers and subsidies - capital monetary accounts - (2) Provincial Government	-		-	-	-	-	-	-	-	-
	Transfers recognised - capital	169 437		114 853	-	25 256	74 011	47 522	26 486	56%	114 853
	Borrowing	-		-	-	-	-	-	-	-	-
	Intergovernmental funds	48 544	6	149 600	-	736	41 649	66 500	24 951	37%	149 600
	Total Capital Funding	169 251		273 653		25 991	115 660	114 022	1 637	1%	273 653

4.4 Cash flows

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M06 - November

Description	Ref	2023/24		Budget Year 2024/25				YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property/leases		238 950	421 981	-	27 329	156 900	138 925	138 925	-22%	421 981
Service charges		1 181 476	2 206 114	-	109 431	585 890	1 333 335	1 333 335	-38%	2 206 114
Other revenue		50 856	37 841	-	5 754	21 184	5 417	5 417	34%	37 841
Transfers and Subsidiaries - Operations		469 599	452 163	-	718	210 743	205 088	205 088	3%	452 163
Transfers and Subsidiaries - Capital		143 211	17 551	-	17 249	91 472	49 021	42 451	87%	117 351
Interest		11 554	16 375	-	323	2 806	1 417	1 417	-59%	19 375
Dividends		-	25	-	-	-	10	10	-100%	25
Payments										
Suppliers and employees		(1 423 200)	(2 800 344)	-	(227 552)	(784 585)	(1 165 810)	(1 165 810)	-33%	(2 800 344)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidiaries		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		762 945	491 806	-	(67 099)	284 416	(59 467)	(59 467)	-28%	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	(152 253)	-	(25 800)	(57 357)	(16 952)	(16 952)	21%	(152 253)
NET CASH FROM/(USED) INVESTING ACTIVITIES		181 843	(192 253)	-	(25 800)	(57 357)	(80 105)	(80 105)	-21%	(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	(62 099)	(62 099)	187 359	124 813	124 813		299 552
Cash/cash equivalents at beginning:		120 646	259 448	-	25 751	25 751	258 448	258 448		25 751
Cash/cash equivalents at month/year end:		1 085 434	558 999	-	193 110	193 110	381 259	381 259		325 303

5. In-year budget statement tables

MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M05 - November

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	-	32 491	161 792	185 521	(23 729)	-13%	445 250	
Service charges	1 909 477	2 070 934	-	121 875	662 895	862 589	(199 694)	-23%	2 070 934	
Investment revenue	14 911	16 375	-	323	3 004	6 823	(3 819)	-66%	16 375	
Transfers and subsidies - Operational	459 861	492 163	-	2 038	214 536	205 068	9 468	5%	492 163	
Other own revenue	319 599	275 556	-	25 117	133 495	114 857	18 638	16%	-	
Total Revenue (excluding capital transfers and contributions)	2 489 952	3 300 378	-	181 844	1 175 712	1 375 757	(199 445)	-15%	3 300 378	
Employee costs	636 744	787 368	-	60 232	294 095	328 070	(33 975)	-10%	787 368	
Remuneration of Councilors	35 846	35 480	-	2 591	12 888	14 763	(1 875)	-13%	35 480	
Depreciation and amortisation	126 208	165 837	-	9 317	51 649	69 099	(17 449)	-25%	165 837	
Interest	279 604	140 957	-	20 885	89 137	58 969	30 167	53%	140 957	
Inventory consumed and bulk purchases	1 669 211	1 369 266	-	114 494	804 824	570 519	234 304	41%	1 369 266	
Transfers and subsidies	38 490	28 361	-	3 043	15 067	3 850	11 217	33%	28 361	
Other expenditure	474 487	1 482 150	-	36 261	185 254	609 229	(423 965)	-70%	1 482 150	
Total Expenditure	3 269 591	3 988 528	-	246 863	1 453 723	1 661 857	(208 163)	-13%	3 988 528	
Surplus/(Deficit)	(780 609)	(688 150)	-	(64 959)	(278 011)	(286 105)	8 718	-3%	(688 150)	
Transfers and subsidies - capital (monetary allocations)	119 018	117 051	-	7 642	58 857	49 021	9 876	20%	117 051	
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	(642 591)	(570 499)	-	(57 318)	(219 144)	(237 704)	18 564	-9%	(570 499)	
Surplus/ (Deficit) for the year	(642 591)	(570 499)	-	(57 318)	(219 144)	(237 704)	18 564	-8%	(570 499)	
Capital expenditure & funds sources										
Capital expenditure	162 852	273 980	-	25 091	115 966	114 126	1 833	1%	273 980	
Capital transfers recognised	109 407	114 053	-	25 256	74 011	47 522	26 489	56%	114 053	
Borrowing	48 844	159 500	-	735	41 849	66 500	(24 651)	-37%	159 500	
Total sources of capital funds	158 251	273 953	-	25 991	115 666	114 622	1 037	1%	273 953	
Financial position										
Total current assets	2 637 780	1 244 845	-	2 282 983	2 282 983	-	-	-	1 244 845	
Total non current assets	2 842 622	2 986 479	-	3 115 091	3 115 091	-	-	-	2 986 479	
Total current liabilities	7 551 067	4 141 953	-	5 192 858	5 192 858	-	-	-	4 141 953	
Total non current liabilities	373 318	369 440	-	2 574 995	2 574 995	-	-	-	369 440	
Community wealth/Equity	(2 343 863)	(329 879)	-	(2 428 261)	(2 428 261)	-	-	-	(329 879)	
Cash flows										
Net cash from (used) operating	782 945	491 806	-	(87 098)	264 416	204 919	(59 497)	-20%	491 806	
Net cash from (used) investing	181 843	(192 253)	-	(25 800)	(97 057)	(80 106)	16 952	-21%	(192 253)	
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	
Net cash equivalents at the month/year end	1 065 332	555 998	-	493 118	493 118	331 259	188 149	48%	325 393	
Debtors & creditors analysis										
Debtors	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	
Debtors	183 520	68 995	79 256	79 401	77 814	74 324	71 338	3 065 794	3 700 442	
Creditors	129 566	116 922	147 735	219 393	181 891	175 798	31 860	5 025 490	6 028 801	

MP307 Goyan Mbeki - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M05 - November

R thousands	Description	Ref	2023/24		Adjusted	Monthly	Budget Year 2024/25		YTD	YTD %	Fifth Year
			Audited	Original			YearTD actual	YearTD			
	Revenue - Functional										
	<i>Governance and administration</i>	1	936 182	985 052	-	37 336	396 358	410 438	(14 060)	-3%	985 052
	Executive and council		465	-	-	80	80	-	80	#DIV/0!	-
	Finance and administration		935 718	985 052	-	37 256	395 872	410 438	(14 566)	-4%	985 052
	Internal audit		-	-	-	-	406	-	406	#DIV/0!	-
	<i>Community and public safety</i>		7 788	26 569	-	1 391	4 928	11 070	(6 142)	-55%	26 569
	Community and social services		2 094	2 485	-	130	909	1 036	(127)	-12%	2 485
	Sport and recreation		-	-	-	-	-	-	-	-	-
	Public safety		5 515	24 083	-	1 259	3 952	10 035	(6 083)	-61%	24 083
	Housing		99	-	-	2	68	-	68	#DIV/0!	-
	Health		-	-	-	-	-	-	-	-	-
	<i>Economic and environmental services</i>		82 822	82 696	-	6 371	37 715	34 457	3 259	9%	82 696
	Planning and development		77 242	81 099	-	5 086	30 781	33 791	(3 010)	-9%	81 099
	Road transport		5 579	1 597	-	1 285	6 934	665	6 269	942%	1 597
	Environmental protection		0	-	-	-	-	-	-	-	-
	<i>Trading services</i>		1 591 257	2 323 712	-	144 388	795 608	988 273	(172 666)	-18%	2 323 712
	Energy sources		838 314	1 002 138	-	79 181	441 058	450 891	(9 833)	-2%	1 002 138
	Waste management		490 602	817 913	-	36 215	208 113	340 797	(132 685)	-39%	817 913
	Waste water management		148 548	219 337	-	15 814	72 556	91 390	(18 835)	-21%	219 337
	Waste management		113 794	204 324	-	13 178	73 881	85 135	(11 253)	-13%	204 324
	Other		-	-	-	-	-	-	-	-	-
	Total Revenue - Functional	4	2 617 970	3 418 020	-	189 485	1 234 609	1 424 179	(189 570)	-13%	3 418 020
	Expenditure - Functional	2									
	<i>Governance and administration</i>		850 044	1 766 780	-	63 769	319 644	736 159	(416 514)	-57%	1 766 780
	Executive and council		67 846	77 135	-	6 012	30 894	32 140	(1 246)	-4%	77 135
	Finance and administration		777 174	1 684 934	-	57 590	287 111	702 058	(414 945)	-59%	1 684 934
	Internal audit		5 024	4 711	-	108	1 640	1 963	(323)	-18%	4 711
	<i>Community and public safety</i>		208 551	224 539	-	21 506	94 547	93 558	989	1%	224 539
	Community and social services		72 984	78 140	-	8 742	39 002	32 558	6 443	20%	78 140
	Sport and recreation		29 404	39 631	-	605	3 861	16 513	(12 652)	-77%	39 631
	Public safety		98 690	94 941	-	11 267	47 463	39 559	7 905	20%	94 941
	Housing		8 501	10 891	-	787	3 707	4 455	(748)	-17%	10 891
	Health		972	1 137	-	105	515	474	41	9%	1 137
	<i>Economic and environmental services</i>		96 432	91 545	-	11 784	38 144	38 144	6 775	18%	91 545
	Planning and development		31 408	40 312	-	3 136	16 433	16 797	(364)	-2%	40 312
	Road transport		64 984	47 711	-	8 628	28 486	19 860	8 607	43%	47 711
	Environmental protection		30	3 521	-	-	-	1 467	(1 467)	-100%	3 521
	<i>Trading services</i>		2 105 532	1 905 663	-	149 824	994 612	794 926	200 586	25%	1 905 663
	Energy sources		1 439 028	1 144 866	-	90 938	726 207	477 028	249 179	52%	1 144 866
	Waste management		457 865	507 026	-	36 551	183 130	211 261	(28 130)	-13%	507 026
	Waste water management		119 140	144 586	-	14 301	47 587	60 244	(12 658)	-21%	144 586
	Waste management		89 500	109 185	-	8 035	37 689	45 494	(7 805)	-17%	109 185
	Other		-	-	-	-	-	-	-	-	-
	Total Expenditure - Functional	3	3 260 591	3 988 528	-	246 893	1 453 723	1 569 887	(208 163)	-13%	3 988 528
	Surplus/ (Deficit) for the year		(642 591)	(570 499)	-	(57 318)	(219 114)	(237 708)	18 594	-8%	(570 499)

MP307 Govan Mbeki - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 - November

Vote Description	2023/24		Budget Year 2024/25					YTD %	YTD	Full Year
	Ref	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD			
R thousands										
Revenue by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		73 722	77 528	-	4 684	29 295	32 303	(3 008)	77 528	
Vote 2 - 02 Corporate Services		24 471	25 600	-	72	14 567	10 667	3 900	25 600	
Vote 3 - 03 Planning and Development		10 164	12 380	-	1 480	5 736	5 168	577	12 380	
Vote 4 - 04 Community Services		(23 864)	25 369	-	1 387	4 705	10 570	(5 865)	25 369	
Vote 5 - 05 Financial Services		905 186	950 643	-	36 190	377 608	396 101	(18 493)	950 643	
Vote 6 - Technical Services		1 483 043	2 120 986	-	132 484	728 661	883 744	(155 084)	2 120 986	
Vote 8 - 06 Technical services Continued		-	-	-	-	-	-	-	-	
Vote 9 - 04 Executive and Council continued		-	-	-	-	-	-	-	-	
Vote 9 - 04 Community Services continued		145 267	205 524	-	13 179	74 037	85 635	(11 598)	205 524	
Vote 10 -		-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	
Total Revenue by Vote	2	2 617 970	3 418 629	-	189 485	1 234 609	1 424 179	(189 570)	3 418 629	
Expenditure by Vote	1									
Vote 1 - 01 EXECUTIVE AND COUNCIL		34 046	92 090	-	5 691	31 857	36 371	(6 514)	92 090	
Vote 2 - 02 Corporate Services		122 734	300 269	-	11 415	66 546	125 112	(58 566)	300 269	
Vote 3 - 03 Planning and Development		40 788	905 881	-	3 766	19 166	377 450	(358 284)	905 881	
Vote 4 - 04 Community Services		215 917	239 230	-	21 542	95 351	99 679	(4 328)	239 230	
Vote 5 - 05 Financial Services		566 524	441 866	-	40 198	191 258	184 111	7 147	441 866	
Vote 6 - Technical Services		2 102 670	1 863 853	-	151 714	992 714	776 605	216 109	1 863 853	
Vote 7 - 06 Technical services Continued		-	-	-	-	-	-	-	-	
Vote 8 - 01 Executive and Council continued		6 728	6 613	-	1 018	4 455	2 755	1 700	6 613	
Vote 9 - 04 Community Services continued		121 153	138 726	-	11 319	52 376	57 802	(5 426)	138 726	
Vote 10 -		-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	
Total Expenditure by Vote	2	3 260 561	3 988 528	-	246 883	1 453 723	1 661 887	(208 163)	3 988 528	
Surplus/ (Deficit) for the year	2	(642 591)	(570 499)	-	(57 318)	(219 114)	(237 708)	18 594	(570 499)	

MP307 Govan Mbeki - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 - November

R thousands	Description	Ref	2023/24		Budget Year 2024/25		YTD variance	YTD variance %	Full Year Forecast
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual			
	Revenue								
	Exchange Revenue			964 107					964 107
	Service charges - Electricity		562 205			56 706			
	Service charges - Water		459 094			31 235			
	Service charges - Waste Water Management		147 473			152 712			714 085
	Service charges - Waste management					12 775			183 708
	Sale of goods and Rendering of Services					163 046			180 036
	Agency services					5 455			6 455
	Interest:								
	Interest earned from Receivables								
	Interest from Current and Non Current Assets		237 020			15 476			
	Dividends		14 911			3 004			213 596
	Rent on Land					923			16 375
	Rent from Fixed Assets					171			180
	Licence and permits								11
	Operational Revenue		5 620			1 028			2 374
	Non-Exchange Revenue		1 640			85			1 125
	Property rent								2 438
	Surcharges and Taxes		963 103			32 451			185 521
	Fines, penalties and forfeits								128 720
	Licence and permits		4 127			8 200			14 320
	Transfers and subsidies - Operational								8 265
	Interest		459 851			2 038			535 048
	Fuel Levy		27 032			2 841			9 007
	Operational Revenue								
	Gains on disposal of Assets								1 042
	Other Gains		35 658						5 356
	Discontinued Operations								
	Total Revenue (excluding capital transfers and Expenditure by Tax)		2 469 952	3 300 378		1 773 715	1 375 157	(199 445)	3 300 378
	Expenditure								
	Employee related costs		535 744			30 232			329 070
	Remuneration of councillors		35 845			2 591			14 783
	Bulk purchases - electricity		1 951 410			72 737			11 865
	Inventory consumed		617 801			591 175			366 820
	Debt impairment					41 758			214 700
	Depreciation and amortisation								11 062
	Interest		128 208			11			411 979
	Contracted services		279 804			9 217			59 000
	Transfers and subsidies		329 674			20 895			89 137
	Irrecoverable debts written off		38 140			25 746			142 922
	Operational costs					3 043			16 387
	Losses on Disposal of Assets								
	Other Losses								37 280
	Total Expenditure		3 260 561	3 968 528		5 055		5 055	
	Surplus/(Deficit)		(790 609)	(668 150)		246 803	1 453 723	(1 661 387)	(208 163)
	Transfers and subsidies - capital (in-kind)		118 518			8 842			8 870
	Surplus/(Deficit) after capital transfers & contributions		(642 591)	(570 499)		(57 318)	(219 114)		(237 708)
	Income Tax								
	Surplus/(Deficit) after Income tax		(642 591)	(570 499)		(57 318)	(219 114)		(237 708)
	Share of Surplus/Deficit attributable to Joint Venture								
	Share of Surplus/Deficit attributable to Minors								
	Surplus/(Deficit) attributable to municipality		(642 591)	(570 499)		(57 318)	(219 114)		(237 708)
	Share of Surplus/Deficit attributable to Associates								
	Intercompany/Parent subsidiary transactions								
	Surplus/ (Deficit) for the year		(642 591)	(570 499)		(57 318)	(219 114)		(237 708)

MP307 Govan Mbeki - Table C6 Monthly Budget Statement - Financial Position - M06 - November

Description	Ref	2023/24		Budget Year 2024/25		Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
R thousands						
ASSETS						
Current assets	1					
Cash and cash equivalents		(30 737)	581 262	-	(162 150)	581 262
Trade and other receivables from exchange transactions		707 860	398 704	-	616 426	398 704
Receivables from non-exchange transactions		434 568	110 969	-	134 803	110 969
Current portion of non-current receivables		-	-	-	-	-
Inventory		16 431	16 428	-	(13 928)	16 428
VAT		1 504 833	133 483	-	1 664 184	133 483
Other current assets		2 535	-	-	287	-
Total current assets		2 637 780	1 244 845	-	2 232 583	1 244 845
Non-current assets						
Investments		(13 551)	-	-	1 118	-
Investment property		1 204 984	1 148 475	-	1 297 559	1 148 475
Property, plant and equipment		1 845 582	1 780 810	-	1 810 594	1 780 810
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		5 431	5 431	-	5 431	5 431
Intangible assets		0	951	-	189	951
Trade and other receivables from exchange transactions		175	812	-	175	812
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non-current assets		2 942 822	2 936 479	-	3 115 091	2 936 479
TOTAL ASSETS		5 580 402	4 181 325	-	5 347 674	4 181 325
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		7 528	295	-	7 159	295
Consumer deposits		32 502	29 017	-	33 112	29 017
Trade and other payables from exchange transactions		8 202 511	3 984 015	-	3 720 026	3 984 015
Trade and other payables from non-exchange transactions		27 808	85 227	-	39 722	85 227
Provision		45 842	43 006	-	53 123	43 006
VAT		1 229 204	-	-	1 336 707	-
Other current liabilities		2 172	-	-	-	-
Total current liabilities		7 551 067	4 141 563	-	5 192 858	4 141 563
Non-current liabilities						
Financial liabilities		5 526	427	-	2 607	427
Provision		327 951	327 718	-	358 919	327 718
Long term portion of trade payables		-	-	-	2 163 805	-
Other non-current liabilities		39 839	41 290	-	59 084	41 290
Total non-current liabilities		373 316	369 440	-	369 440	369 440
TOTAL LIABILITIES		7 924 383	4 511 003	-	7 767 853	4 511 003
NET ASSETS	2	(2 343 981)	(329 678)	-	(2 420 208)	(329 678)
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(2 343 981)	(329 678)	-	(2 420 208)	(329 678)
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	(2 343 981)	(329 678)	-	(2 420 208)	(329 678)

PART 2: SUPPORTING DOCUMENTATION

6. Debtors' Analysis

The total debtors book balance as at 30 November 2024 amounts to R 3 700 442 000. Household represents 90% of the total outstanding debtors while commercial and organs of state represents 2% and 8% respectively. The debtors' payment rate for the month ended 30 November 2024 is 66%.

MP307 Govan Mbeki - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 - November

Description	NT Code	Budget Year 2024/25										Total	Over 1Yr	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts Lt.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dys-1 Yr	Dys-1 Yr	Total	Dys-1 Yr						
R thousands																	
Debtors Age Analysis By Income Source																	
Trade and Other Receivables from Exchange Transactions - Water	1200	45 778	24 022	20 556	19 833	19 134	17 224	17 404	935 203	1 128 955	1 038 598	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	41 278	13 793	11 573	10 725	10 638	8 541	8 486	358 112	463 044	396 400	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	27 257	10 388	8 652	8 585	8 430	9 980	7 724	281 705	363 976	316 379	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	13 137	9 705	8 428	8 036	7 752	7 007	7 123	351 175	412 332	381 064	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	13 293	9 955	7 853	7 427	7 226	6 734	6 986	323 701	381 355	351 715	-	-	-	-	-	-
Receivables from Exchange Transactions - Property/Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	22 362	22 217	21 757	24 555	24 237	23 883	23 549	755 005	918 473	852 143	-	-	-	-	-	-
Recoverable unauthorised, irregular, nullus and wasseM expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	215	-	-	496	1 033	-	29 988	83 207	32 372	-	-	-	-	-	-
Total By Income Source	2000	183 711	88 995	79 256	79 401	77 814	74 324	71 338	3 065 794	3 700 442	3 347 045	-	-	-	-	-	-
2023/24 - totals on ly		183 711	88 995	79 256	79 401	77 814	74 324	71 338	3 065 794	3 700 442	3 347 045	-	-	-	-	-	-
Debtors Age Analysis By Customer Group																	
Organs of State	2200	5 381	1 888	1 515	1 522	1 538	1 399	1 493	37 381	51 756	42 972	-	-	-	-	-	-
Commercial	2300	50 639	6 035	6 857	5 575	6 778	7 526	5 724	198 513	280 747	225 116	-	-	-	-	-	-
Households	2400	107 502	79 072	70 784	71 934	89 499	85 399	84 182	2 830 200	3 357 939	3 100 584	-	-	-	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2500	163 520	88 995	79 256	79 401	77 814	74 324	71 338	3 065 794	3 700 442	3 347 045	-	-	-	-	-	-

7. Creditors' Analysis

The total creditors balance for the month of November 2024 amounted to R 6 028 801. 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 - M05 November

R thousands	Description	NT Code	Budget Year 2024/25										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	63 755	84 301	131 008	192 456	171 404	113 904	24 318	4 387 162	5 168 308				
	Bulk Water	0200	43 880	12 196	7 240	7 469	7 324	7 540	7 656	683 469	776 774				
	PAYE deductions	0300													
	VAT (output less input)	0400													
	Pensions / Retirement deductions	0500													
	Loan repayments	0600													
	Trade Creditors	0700	21 961	20 425	9 487	19 468	3 163	9 156	6		83 665				
	Auditor General	0800				54					54				
	Other	0900													
	Total By Customer Type	1000	129 596	116 922	147 735	219 447	181 891	130 600	31 980	5 070 631	6 028 801				

5. Investment portfolio analysis

Segment Description	Account Nr	Date of Investment	Interest Rate	Maturity Date	Opening Balance 01/11/2024	Investments Made	Investment Withdrawals/ Reversal	Interest Capitalized/ Accrued	Closing Balance 30/11/2024
Long-term Investments									
Old Mutual Shares C0777197766	Share nr C0777197766				27 096.93				27 096.93
Old Mutual Shares 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									
Standard Bank Money Market Call Acc	038787024(003)	26/11/2014			513 948.21			3 182.25	517 130.46
Standard Bank Tiered Rate Call Acc	038787024(008)	13/08/2014			33 737 705.66		7 000 000.00	171 458.82	26 909 164.48
Standard Bank Money Market Call Acc	038787024(009)	05/06/2016			21 351 687.51			135 714.84	21 487 402.35
					55 603 341.38		7 000 000.00	310 355.91	48 913 697.29
					56 722 080.94		7 000 000.00	310 355.91	50 032 436.85

Allocation and grant receipts and expenditure

Performance of Capital Grants

Grants	Allocation per DoRA	Received Including rollover	YTD Expenditure	Unspent 2024/2025	YTD %
Integrated National Electrification Programme Grant	32 240 000.00	32 240 000.00	18 772 694.47	13 467 305.53	58%
Municipal Infrastructure Grant	77 418 000.00	57 656 000.00	56 795 262.19	860 737.81	73%
Municipal Disaster Recovery Grant	7 883 000.00	9 451 000.00	6 504 984.56	2 946 015.44	83%
Water Services Infrastructure		1 972 377.75	0.00	1 972 377.75	0%
Total	117 541 000.00	101 319 377.75	82 072 941.22	18 385 68.72	70%

Total Municipal Infrastructure Grant reflected in the note above is inclusive of Project Management Unit operational allocation amounting to R3 870 900 resulting in a difference of the total allocation as reflected on C5.

Furthermore, the Capital budget YTD reflecting on C5 Schedule above is R74 010 852.35 exclusive of VAT resulting the difference of R8 062 088.87 between the performance of capital grants note and c-schedule (C5).

It should be noted that total Municipal Infrastructure Grant allocation has been reduced and the adjustment will be reflected on c-schedules after the February Adjustment budget.

Performance of Operational Grants

Grants	Allocation per DoRA	Received including rollover	Expenditure as at 30 November 2024	Unspent 2024/2025	YTD %
Extended Public works Programme	1 597 000.00	1 118 000.00	1 597 000.00	-479 000.00	100%
Financial Management Grants	3 500 000.00	3 500 000.00	1 011 073.51	2 488 926.49	29%
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	581 261.56	-50 527.73	58%
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	1 182 607.00	1 182 607.00	0.00	35%
Pre-Capacity grant	-	165 007.63	72 479.00	92 528.63	0%
Equitable share	458 066 000.00	190 861 000.00	190 861 000.00	0.00	42%
Total	491 963 000.00	212 040 907.54	209 305 421.07	2 735 486.47	43%

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

Total staff complement 1228 (Full time)
 Staff resignations 3
 Staff Appointments 72

MP307 Govan Mbeki - Supporting Table SG8 Monthly Budget Statement - councillor and staff benefits - M05 - November

Summary of Employee and Councillor remuneration	Ref	Budget Year 2024/25								
		7923-24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Fin. Year Forecast
K thousands		1	2	3					4	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		28 817	28 845	-	1 894	9 420	10 227	-796	-8%	24 945
Pension and UIF Contributions		3 926	3 974	-	285	1 519	1 321	198	5%	3 121
Medical Aid Contributions		294	82	-	28	33	230	-175	-43%	532
Motor Vehicle Allowance		1 943	4 108	-	158	812	1 711	-899	-53%	4 108
Telephone Allowance		2 843	3 131	-	227	1 327	1 293	34	-13%	3 333
Housing Allowance		-	-	-	-	-	-	-	-	-
Other benefits and allowances		21	-	-	-	-	-	-	-	-
Sub Total - Councillors		35 846	35 848		2 591	12 831	14 783	(1 952)	-12%	35 490
% Increase	4		-1 0%							-1 0%
Senior Managers of the Municipality										
Basic Salaries and Wages		8 887	8 837	-	432	2 895	2 431	476	-25%	8 837
Pension and UIF Contributions		836	1 260	-	31	251	862	(641)	-61%	1 351
Medical Aid Contributions		228	199	-	21	118	80	38	-45%	599
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		344	823	-	92	344	335	9	3%	823
Telephone Allowance		120	184	-	7	41	25	16	-25%	184
Housing Allowance		-	-	-	-	-	-	-	-	-
Other benefits and allowances		130	56	-	14	56	24	32	172%	56
Payments in lieu of leave		131	787	-	-	326	328	-2	7%	787
Long service awards		-	-	-	-	-	-	-	-	-
Post retirement benefits (PRBF)		-	-	-	-	-	-	-	-	-
Employment		-	-	-	-	-	-	-	-	-
Search		-	-	-	-	-	-	-	-	-
Aging and post related allowance		1 071	1 272	-	-	-	604	(-521)	-1,2%	1 272
Other benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 330	10 483		507	4 688	4 368	(320)	-8%	10 483
% Increase	4		1 5%							1 5%
Other Municipal Staff										
Basic Salaries and Wages		322 329	425 784	-	34 378	165 040	177 827	(11 787)	-7%	425 784
Pension and UIF Contributions		88 824	123 878	-	7 341	36 424	40 450	(3 734)	-16%	123 878
Medical Aid Contributions		40 862	35 925	-	3 227	18 138	23 803	7 164	-21%	35 925
Overtime		51 746	31 438	-	3 965	27 441	13 932	15 508	177%	33 438
Performance Bonus		25 128	32 523	-	2 880	13 117	24 691	21 697	-62%	32 523
Motor Vehicle Allowance		17 047	21 887	-	1 874	7 647	8 028	(381)	-1%	21 887
Telephone Allowance		2 534	2 336	-	217	1 077	1 291	(214)	-23%	2 336
Housing Allowance		2 073	14 454	-	116	325	4 777	(4 337)	-81%	14 454
Other benefits and allowances		94 131	99 433	-	1 106	8 826	8 096	730	-2%	99 433
Payments in lieu of leave		7 562	9 163	-	505	2 244	2 218	24	-1%	9 163
Long service awards		-	87	-	-	-	186	(-186)	-1,2%	87
Post retirement benefits (PRBF)		-	517	-	254	1 472	229	1 243	1,6%	517
Employment		-	-	-	-	-	-	-	-	-
Search		-	-	-	-	-	-	-	-	-
Aging and post related allowance		7 238	7 526	-	1 297	4 121	3 111	1 010	-41%	7 526
Other benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		626 414	776 884		59 963	290 967	323 782	(33 815)	-10%	776 884
% Increase	4		24 0%							24 0%
Total Parent Municipality		672 960	822 847		62 823	306 983	342 853	(35 871)	-10%	822 847
% Increase			22 3%							22 3%
TOTAL SALARY, ALLOWANCES & BENEFITS		672 960	822 847		62 823	306 983	342 853	(35 871)	-10%	822 847
% Increase	4		22 3%							22 3%
TOTAL MANAGERS AND STAFF		436 744	587 398		38 232	254 895	278 078	(23 183)	-10%	587 398

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 30 November 2024
Upgrading of Lebohang Stadium in Leandra (Phase 2)	MIG	10 000 000.00	-	-	-	-	10 000 000.00
Embalenhle Bulk Replacement/Upgrade (Phase1)	MIG	20 125 978.00	4 603 588.55	690 538.28	5 294 126.83	19 674 670.65	451 307.35
Emzinoni Bulk water supply	MIG	3 000 000.00	248 077.03	37 211.55	286 288.58	285 288.58	2 714 711.42
Upgrade of cement gravity main pipe in Kinross	MIG	1 285 832.00	-	-	-	-	1 285 832.00
Construction of Bulk water line and reservoir in Leandra	MIG	22 330 968.00	6 719 557.75	1 007 933.66	7 727 491.41	20 030 970.96	2 299 997.04
Procurement of Specialised Vehicles for Waste Management	MIG	16 804 322.00	7 257 991.71	1 088 698.76	8 346 690.47	16 804 332	-
Construction of stormwater concrete pipeline EXT22 Emba	MDRG	7 883 000.00	2 304 795.00	345 719.25	2 650 514.25	6 504 984.56	-
Emzinoni Substation Phase 3	INEP	32 240 000.00	1 478 500.00	221 775.00	1 700 275.00	18 772 694.47	1 378 015.44
Kinross waste treatment plant	Revenue	3 000 000.00	-	-	-	-	13 467 305.53
Resurfacing of road	Revenue	20 000 000.00	-	-	-	-	3 000 000.00
Chief Albert Luthuli Road Rehabilitation	Revenue	10 000 000.00	-	-	-	-	20 000 000.00
Water Services	Revenue	30 000 000.00	-	-	-	-	10 000 000.00
Acquisition of Smart Meters	Revenue	30 000 000.00	-	-	-	-	30 000 000.00
Refurbishment of Leandra Offices	Revenue	5 000 000.00	-	-	-	40 757 848.66	-
Refurbishment of kinross offices	Revenue	5 000 000.00	-	-	-	-	5 000 000.00
Refurbishment of Emzinoni Stadium	Revenue	5 000 000.00	-	-	-	-	5 000 000.00
Upgrading of Leandra Stadium	Revenue	5 000 000.00	-	-	-	-	5 000 000.00
Brendon Village Electrification	Revenue	5 000 000.00	-	-	-	-	2 000 000.00
Workshop Modernisation	Revenue	3 000 000.00	-	-	-	-	5 000 000.00
Installation of sewer network; pipeline in Eendracht	Revenue	5 200 000.00	-	-	-	-	3 000 000.00
Chart cilliers sewer retification and pump station	Revenue	2 000 000.00	-	-	-	-	5 200 000.00
Furniture & Equipment (Community Services)	Revenue	150 000.00	-	-	-	-	2 000 000.00
Furniture & Equipment (Financial Services)	Revenue	150 000.00	-	-	-	35 006.00	114 994.00
Furniture and OE Technical services	Revenue	150 000.00	-	-	-	159 076.86	9 076.86
Furniture & Equipment (Technical Services)	Revenue	150 000.00	8 200.00	1 230.00	9 430.00	9 430.00	140 570.00
Furniture & Equipment (Corporate Services)	Revenue	150 000.00	25 000.00	3 750.00	28 750.00	28 750.00	121 250.00
Furniture & Equipment (Planning and Development)	Revenue	150 000.00	-	-	-	-	150 000.00
Furniture & Equipment (Executive and Council)	Revenue	200 000.00	160 300.00	24 045.00	184 345.00	184 345.00	34 345.00
Furniture & Equipment (MM's Office)	Revenue	100 000.00	14 546.50	2 181.98	16 728.48	16 728.48	200 000.00
Munsoft Hardware Upgrade	Revenue	1 200 000.00	-	-	-	-	83 271.53
Insurance	Revenue	5 000 000.00	-	-	-	-	1 200 000.00
Acquisition of Fleet	Revenue	25 000 000.00	2 643 086.04	396 482.91	3 303 548.94	5 505 231.54	5 000 000.00
Computer Equipment	Revenue	2 000 000.00	572 796.02	85 919.40	658 715.42	1 247 019.77	19 494 768.46
TOTAL		273 270 100.00	26 036 438.60	3 905 465.79	29 941 904.39	130 016 367.54	143 253 732.46

13. Other supporting documents

See Attached Annexure C

14. Conclusion

Year-to-Date Target	Year-to-Date Target %	Year-to-Date Actual	Year-to-Date Actual %	Under Performance
R802 797 083.35	42%	R344 690 118.68	18%	-R458 106 964.67

Overview on performance of Budget Funding Plan

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

The progress recorded as at 30 November 2024 is at 18%. The total anticipated revenue is R1 926 713 000 of which an amount of R458 106 964.67 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 **November 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: 12/12/2024

Print Name: E.N. Maseko

Municipal Manager of Govan Mbeki Municipality (MP307)

Signature: 

Date: 12/12/2024

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 30 November 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 168 307 000 and Rand Water bulk water account R776 773 000.



Annexure A2 - Monthly

National 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:
 National Financial Year:
 Demarcation Code of Municipality being assessed:
 District:
 Demarcation Description:

I, EN Maseko, 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:

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

6.3 Maintaining the Eskom and bulk water current account –		
Condition 6.12 (current account for the purpose of this exercise means the account for a single month's consumption)		
1	6.12.2 - 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 6.12.2</i>	<input type="text" value="Yes"/>
2	6.12.2 - 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://guploadportal.treasury.gov.za?	<input type="text" value="Yes"/>
3	6.12.2 - 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?	<input type="text" value="Yes"/>
4	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 "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	<input type="text" value="Yes"/>
5	6.3.2 6.3.3 - 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://guploadportal.treasury.gov.za?	<input type="text" value="Yes"/>
6	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?	<input type="text" value="Yes"/>
6.4 Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)		<input type="text" value="Select"/>
7	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?	<input type="text" value="Yes"/>
8	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?	<input type="text" value="Yes"/>
9	6.4.1 - Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	<input type="text" value="Yes"/>
<p><i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the Debt Impairment to balance the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as "NO".</i></p>		
10	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?	<input type="text" value="Yes"/>

Note - If the municipality is unable to provide a credible budget funding plan to the extent of the budget and does not reach minimum revenue targets, the municipality must indicate the reason for this in the 'Notes' section of the submission. If the municipality is unable to provide a credible budget funding plan, the dropdown list should be set to "No".

11	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, 09 December 2022)?	Yes
<p>Note - If the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</p>			
12	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 (will 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)?	Yes
<p>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</p>			
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - 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 winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 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
<p>6.6 Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies that:</p>			
15	6.6.1	- the municipality issues 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
16	6.6.2	- the municipality disconnects 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
17	6.6.3	- the municipality is restricting 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? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.	Yes
18	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? Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the indigent information in the required NT format.	Yes
<p>6.6 Supporting evidence: The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF related budget and/or by-laws demonstrate compliance with section 6.6</p>			
19	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	Not yet end of quarter
19	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 statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	
<p>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</p>			
20	6.7.2	- 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 :	not yet the end of a quarter
20	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 the end of a quarter
21	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 area(s)?	not yet the end of a quarter
22	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?	Yes
23	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

24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	No
25	6.7.5	- 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
6.8 Municipality's Compliance with the revenue base -			
26	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
27	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 against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Select
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://uploadportal.treasury.gov.za ?	Yes
6.9 Monitor and report on Implementation -			
29	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
30	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 mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes
31	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?	
32	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) timeously via the GoMuni Upload Portal https://uploadportal.treasury.gov.za ? <i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	Yes
6.10 Provincial Treasury Note - Provincial Treasury certification of municipal compliance - in terms of section 5 and 74 of the MEMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:			
33	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
34	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 timeously uploaded the compliance certificate via the GoMuni Upload Portal https://uploadportal.treasury.gov.za ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
35	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? <i>Note - if the Provincial Treasury fails to rectify any non-compliance, it will be considered as non-compliance by the municipality in terms of paragraph 6.11.</i>	
36	6.11	Limitation 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 - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124 condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans entered into after the effective date of debt relief approval, as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in year bridging purposes are not considered within the ambit of this condition.</i>	No
6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
37	6.12.1	- has the municipality apportioned 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 component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	
38	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? <i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MEMA s.73L.</i>	Yes
			Yes

6.9		Yes
6.13	<p>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.</p> <p>Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear 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 - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i></p>	
6.14	<p>NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	
<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant process for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>		

PT: HOD/ NT / MM Name:

E. M. T. M. M. S. E. K. O.

Signature of HOD/ NT/ MM:

[Handwritten Signature]

Date:

11/21/24

****Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procuration of the HOD / MM must be attached as an Annexure to this 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**