Status Report

ACTis | Anti-Corruption Tracker Information System

ACTis provides risk analysis and early intervention recommendations against state capture and corruption in South African government institutions

MUNICIPAL GOVERNMENT

ACT | ACCOUNTABILITY TRACKER

ISS | INSTITUTE FOR SECURITY STUDIES

Govan Mbeki Local Municipality

Date issued: **23 September 2026**

About the Institution

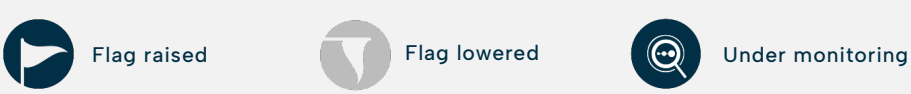
The Govan Mbeki Local Municipality (GMM) is part of the Gert Sibande District Municipality in Mpumalanga. The Municipality is responsible for delivering local services, including water, electricity, sewage and sanitation, and solid waste services. The Mayor is the political head, and the Municipal Manager is the administrative head and accounting officer. In 2024/25, GMM reported expenditure of R3.88bn.[1]

Flag Status

1	2	3	4	5	6	7	8	9
								
Improper appointments	Co-opting key functions	Climate of fear or favour	Corrupt awards	Financial malpractice	Obstructing accountability	Manipulating perceptions	Private gain	Shadow network

ISS Analysis

- ACTis has raised two flags for GMM and placed two under monitoring.
- Publicly available evidence points to irregularities in contract awards and financial mismanagement at the Municipality. These issues not only undermine the Municipality's functioning and sustainability, but also often contribute to state capture scenarios.
- Findings suggest that multiple senior officials may have benefited from remuneration arrangements that fell outside prescribed guidelines. Such dynamics may be isolated incidents, but they may also reinforce behaviours that support financial and procurement irregularities.
- The Municipality's working environment is being monitored to determine whether a climate of fear or favour exists. Such dynamics can pressure staff to engage in irregular actions, typically to direct corrupt awards or financial payments.
- The impact of poor financial management is evident in the Municipality's substantial debt to Eskom and Rand Water, and in questions about its status as a going concern and capacity to deliver services.
- Prolonged water outages and sewer leaks linked to failed infrastructure projects have disrupted services and



affected communities across the municipality. [2]

Findings

Flag #3
Climate of Fear or Favour

The flag is being monitored to determine whether the working environment favours compliant employees and is hostile to those who act with integrity and independence.

- The Municipality's 2024/25 Annual Report reflects a high rate of professional vacancies, which ACTis uses as a proxy for gauging the appeal of the working environment. This includes a 48% vacancy rate in Legal Risk and Procurement positions, with 17 of 33 approved posts filled, and a 47% vacancy rate in Financial Services, with 121 of 232 approved posts filled.[3]

Flag #4
Corrupt Awards

The flag is being monitored to determine whether procurement irregularities form part of a broader pattern in which the same companies or related actors receive favourable treatment.

- In April 2026, GMM's Municipal Public Accounts Committee reportedly identified irregularities in the administration of a R780 000 water tanker services contract awarded in 2024. The Committee found that logbooks to verify water deliveries were not maintained, purchase orders were missing, and truck registration numbers recorded on water collection receipts did not match those of the contracted service providers.[4]
- In 2024, GMM reportedly paid R160 000 to a Secunda-based driving school to obtain truck driving licences for four municipal employees, allegedly at a cost far above prevailing market rates. Opposition parties alleged that the Municipality paid approximately R40 000 per employee, compared with the standard rate of about R6 000.[5] In October 2024, the Mayor acknowledged the fees were excessive and said the Municipal Manager would investigate the payment.[6] No public information is available on whether the investigation was conducted or on its outcome.
- In its 2024/25 audit of GMM, the Auditor-General of South Africa (AGSA) found that some contracts were awarded to bidders based on points-scoring that violated procurement laws and regulations.[7]
- A 2020 forensic investigation into a security contract that GMM awarded to Hesh Tag Imvumo reportedly recommended that the Municipality cancel the contract because of

irregularities. GMM allegedly offered Hesh Tag Imvumo month-to-month contract extensions after the contract expired in 2022.[8] This appears to be the same security contract reportedly discussed at a GMM Council meeting in May 2025, where it was noted that two attempts to appoint a new contractor failed to identify a suitable service provider, causing R20m in irregular expenditure, with R5m accruing each month.[9]

Flag #5
Financial Malpractice

The flag is raised due to systemic weaknesses in financial management.

- In both 2023/24 and 2024/25, the AGSA noted material uncertainty regarding the Municipality's ability to continue as a going concern.[10] In 2024/25, the GMM recorded a net loss of R733m, while its liabilities exceeded its assets by R2.8bn.[11] As of March 2026, the Municipality owed Eskom over R6bn, and Rand Water R895m.[12]
    - Since 2023, the Municipality has been part of the National Treasury debt relief programme designed to help municipalities resolve their debts to Eskom. However, GMM has reportedly failed to meet the programme's conditions because it has not paid its Eskom accounts in full and on time. As a result, Eskom is reportedly pushing the National Treasury to terminate the Municipality's participation in the initiative.[13]
    - The Municipality has a revised debt settlement agreement under Rand Water's Debt Relief Programme.[14]
- In its 2024/25 audit, the AGSA reported an unresolved Material Irregularity from 2023/24 relating to water pollution resulting from a failure to maintain wastewater treatment works.[15]
- In its 2024/25 audit, the AGSA found internal control deficiencies related to management's performance reporting.[16]

Flag #8
Private Gain

The flag is raised because there is a pattern of senior officials benefiting unduly through remuneration arrangements.

- A 2024 report by the Mpumalanga Department of Cooperative Governance and Traditional Affairs reportedly found that the Municipality had allegedly overpaid senior managers for two years in contravention of municipal remuneration frameworks. The report found that the Municipal Manager received an annual remuneration package of R1.98m instead of R1.48m. It also found that the Director of Electrical Engineering and

Maintenance, the Chief Financial Officer, the Director of Planning and Economic Development and other managers at the same level received annual remuneration packages of R1.42m instead of R1.2m.[17]

Recommended Actions

	DUTY BEARER	ACTION(S)	ASSOCIATED FLAGS
1.	Govan Mbeki Local Municipality Municipal Manager	• Prioritise filling vacancies in key departments in the Municipality. • Implement consequence management for officials responsible for irregular and wasteful expenditure, including overpaying officials. • Strengthen internal financial and procurement controls.	Flag #3: Climate of Fear or Favour Flag #5: Financial Malpractice
2.	Govan Mbeki Local Municipality Municipal Council	• Ensure remuneration levels for senior positions accord with local government remuneration frameworks and regulations. • Initiate independent forensic investigations into contracts flagged for irregularities in this report.	Flag #8: Private Gain Flag #4: Corrupt Awards
3.	Special Investigating Unit	• Advocate for a proclamation to investigate tenders awarded by GMM flagged for irregularities in this report.	Flag #4: Corrupt Awards
4.	Mpumalanga Provincial Legislature Portfolio Committee on Human Settlements, Cooperative Governance and Traditional Affairs	• Require the Municipal Manager to account for reports of overpaying senior managers. • Monitor the Municipality's debt repayments to Eskom and Rand Water.	Flag #8: Private Gain Flag #5: Financial Malpractice

Flag raised Flag lowered Under monitoring

The 9 Flags

Flag #1
Improper Appointments

Improper appointments, dismissals or failure to remove individuals in senior positions may be used to drive a corrupt agenda.

Flag #2
Co-opting Key Functions

Informal control may be established over critical functions within the institution to abuse them.

Flag #3
Climate of Fear or Favour

The working culture favours loyalty over duty; alignment with a corrupt agenda is rewarded, and resistance is punished.

Flag #4
Corrupt Awards

Contracts, licences, partnerships, loans and/or investments may be awarded irregularly and repeatedly benefit the same actors.

Flag #5
Financial Malpractice

The institution's financial management practices may be abused to advance a corrupt agenda.

Flag #6
Obstructing Accountability

The institution's internal operations might be deliberately obscured to hide potential misconduct.

Flag #7
Manipulating Perceptions

A public narrative that frames misconduct as innocence may be promoted.

Flag #8
Private Gain

Illicit gains may be distributed to benefit the same actors.

Flag #9
Shadow Network

The same public and private actors may collude to gain control over an institution's assets and functions, benefiting repeatedly.

About ACTis

What is ACTis?

The Anti-Corruption Tracker Information System is an initiative of the Anti-Corruption and Accountability Project at the Institute for Security Studies. It provides analysis on corruption and state capture in South Africa, to inform early intervention and enforcement. It utilises a system of indicators and an AI-driven data-collection and analysis tool, validated by human experts. It identifies risks within individual government institutions and produces actionable recommendations to address them, with a view to disrupting patterns of state capture and corruption. Findings are shared directly with government and other duty-bearers, civil society organisations, the media and the public, empowering authorities to intervene, strengthening accountability, and enabling citizens activism.

Links to ACTis Information:

Further project information may be found at the following links:

Terms and Definitions

Project Methodology and Analytical Framework

About the Anti-Corruption and Accountability project

About the Institute for Security Studies

Contact us:
actis@issafrica.org

Disclaimer: This report is produced in the public interest and is based on official public records and other reputable publicly available sources considered reliable at the time of publication. The ISS has taken reasonable care to verify the information presented. Any analysis or opinions expressed are based on the available information and do not constitute findings of criminal, civil or administrative liability.

Flag raised | Flag lowered | Under monitoring

References

[1] Govan Mbeki Local Municipality, Annual Report 2024/25, https://lg.treasury.gov.za/supportingdocs/MP307/MP307_Annual%20Report%20Final_2025_Y_20260130T103038Z_sharon_p.pdf, p. 154.
[2] Ridge Times, Many taps in Govan Mbeki are still dry on day 8, 25 July 2026, https://www.citizen.co.za/ridge-times/news-headlines/local-municipal-news/2026/07/25/many-taps-in-govan-mbeki-municipality-are-still-dry-on-day-8/; Ridge Times, Municipality's failed project concerns eMbalenhle residents, 11 May 2026, https://www.citizen.co.za/ridge-times/news-headlines/local-news/2026/05/11/municipalitys-failed-project-concerns-embalenhle-residents-2/.
[3] Govan Mbeki Municipality, Annual Report 2024/25, https://lg.treasury.gov.za/supportingdocs/MP307/MP307_Annual%20Report%20Final_2025_Y_20260130T103038Z_sharon_p.pdf, pp. 110, 142.
[4] Ridge Times, MPAC calls for investigation into R780 800 water tanker expenditure in Govan Mbeki Municipality, 16 May 2026, https://www.citizen.co.za/ridge-times/news-headlines/local-news/2026/05/16/mpac-calls-for-investigation-into-r780-800-water-tanker-expenditure-3/.
[5] Ridge Times, GMM spends R160 000 on four licence upgrades, 2 October 2024, https://www.citizen.co.za/ridge-times/news-headlines/2024/10/02/gmm-spends-r160-000-on-four-licence-upgrades-2/.
[6] SABC News, Govan Mbeki Municipality probes controversial licenses payments, 20 September 2024, https://www.sabcnews.com/sabcnews/927066-2/.
[7] Govan Mbeki Local Municipality, Annual Report 2024/25, https://lg.treasury.gov.za/supportingdocs/MP307/MP307_Annual%20Report%20Final_2025_Y_20260130T103038Z_sharon_p.pdf, p.176.
[8] City Press, Corruption claims pile up ahead of no confidence vote on Govan Mbeki mayor, 30 January 2025, https://www.news24.com/citypress/politics/corruption-claims-pile-up-ahead-of-no-confidence-vote-on-govan-mbeki-mayor-20250130.
[9] Ridge Times, Govan Mbeki Municipality probes R20m security contract irregularities, 4 June 2025, https://www.citizen.co.za/ridge-times/news-headlines/2025/06/04/govan-mbeki-municipality-probes-r20m-security-contract-irregularities/.
[10] Govan Mbeki Local Municipality, Annual Report 2023/24, https://lg.treasury.gov.za/supportingdocs/MP307/MP307_Annual%20Report%20Final_2024_Y_20260130T103300Z_sharon_p.pdf, p. 156.
[11] Govan Mbeki Local Municipality, Annual Report 2024/25, https://lg.treasury.gov.za/supportingdocs/MP307/MP307_Annual%20Report%20Final_2025_Y_20260130T103038Z_sharon_p.pdf, p. 170.
[12] Ridge Times, Eskom threatens cuts as GMM fails to pay its debt, 17 March 2026, https://www.citizen.co.za/ridge-times/news-headlines/local-news/2026/03/17/eskom-threatens-cuts-as-gmm-fails-to-pay-its-debt-2/; Ridge Times, GMM struggles with Eskom and Rand Water debt, 3 April 2026, https://www.citizen.co.za/ridge-times/news-headlines/local-news/2026/04/03/gmm-struggles-with-eskom-and-rand-water-debt-2/.
[13] Ridge Times, Govan Mbeki Municipality considers Eskom agreement amid debt crisis, 7 April 2026, https://www.citizen.co.za/ridge-times/news-headlines/local-news/2026/04/07/govan-mbeki-municipality-considers-eskom-agreement-amid-debt-crisis-2/.
[14] Ridge Times, GMM struggles with Eskom and Rand Water debt, 3 April 2026, https://www.citizen.co.za/ridge-times/news-headlines/local-news/2026/04/03/gmm-struggles-with-eskom-and-rand-water-debt-2/.
[15] Govan Mbeki Local Municipality, Annual Report 2024/25, https://lg.treasury.gov.za/supportingdocs/MP307/MP307_Annual%20Report%20Final_2025_Y_20260130T103038Z_sharon_p.pdf, p. 177.
[16] Govan Mbeki Local Municipality, Annual Report 2024/25, https://lg.treasury.gov.za/supportingdocs/MP307/MP307_Annual%20Report%20Final_2025_Y_20260130T103038Z_sharon_p.pdf, p. 176.
[17] The Citizen, Govan Mbeki municipality 'overpays' its senior managers – report, 2 October 2024, https://www.citizen.co.za/news/govan-mbeki-municipality-overpays-its-senior-managers-report/.