

**S52d BUDGET STATEMENT AS AT 31 March 2025****STATEMENT OF FINANCIAL PERFORMANCE, POSITION AND THE IMPLEMENTATION OF THE 2024/25 BUDGET  
(MFMA SECTION 52d) FOR THE PERIOD ENDED 31 March 2025**

(File No: 9/1/2/3)  
(Author: KM/SM/LL)  
(1<sup>st</sup> Level: MANCO 02/04/2025)  
(2<sup>nd</sup> Level: STANCO /04/2025)  
(3<sup>rd</sup> Level: EXCO /04/2025)  
(4<sup>th</sup> Level :COUNCIL /04/2025)

**1. PURPOSE**

The purpose of the report is for the council to consider and note the statement of the financial performance and the implementation of the 2024/25 budget of the Umzimvubu Local Municipality for the period ending 31 March 2025.

To also inform Management and Council about ratio analysis of the current financial affairs of the municipality as outlined in MFMA Circular 71.

**2. AUTHORITY**

Council

**3. LEGAL / STATUTORY REQUIREMENTS**

The constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003 Chapter 8, Section 71

Municipal Budget Reporting Regulations

**4. BACKGROUND**

The Quarterly budget statement is prepared in terms of section 71 of the Municipal Finance Management Act No 56, 2003 and Municipal Budget and Reporting regulations as per Government Gazzette 32141.

The information in this report is the financial performance for the transaction processed up to the close of business on 31 March 2025 for the year ending 30 June 2025. This report has been compiled in order to comply with Section 52d of the MFMA

**FINANCIAL IMPLICATIONS**

Failure to spend on conditional grants might result in reduction in current year's allocation.

**Dashboard summary**

Overall Operating Results		Capital Grants Results	
Income	R 455,254,965	Income	R 128,802,918
Expenditure	R 267,192,582	Expenditure	R 112,135,430
<b>Operating Surplus/Deficit</b>	<b>R 188,062,383</b>	<b>Surplus (Deficit)</b>	<b>R 16,667,488</b>
<b>Financial Ratios</b>		<b>Capital Grants Performance</b>	
Cash coverage	<b>4 months</b>	MIG	95%
Current ratio	<b>2.79</b>	INEP	63%
Liquidity ratio	<b>2.76</b>	Disaster Recovery	62%
		Human Settlement	21%
Spending of Operating Budget (Opex)	<b>58%</b>		
Spending of Capital Budget (Capex)	<b>33%</b>		
Spending on Repairs and Maintenance	<b>41%</b>		
Current Debtors Collection rate	<b>44%</b>		

**UMZIMVUBU LOCAL MUNICIPALITY**  
**3RD QUARTER RATIOS AS INFORMED BY MFMA CIRCULAR NO. 71**  
**FY 2024/2025**

RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	INTERPRETATION
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**1. FINANCIAL POSITION**

**A. Asset Management/Utilisation**

1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		29%	Please refer to page 2 of MFMA Circular No. 71
					Total Operating Expenditure	222 919 765	
					Taxation Expense	-	
					Total Capital Expenditure	89 950 521	

3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		1%	Please refer to page 4 of MFMA Circular No. 71
					Total Repairs and Maintenance Expenditure	9 073 149	
					PPE at carrying value	1 087 156 839	
					Investment Property at Carrying value	26 105 040	

**C. Liquidity Management**

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		4 Month	Please refer to page 7 of MFMA Circular No. 71
					Cash and cash equivalents	176 043 747	
					Unspent Conditional Grants	27 514 284	
					Overdraft	-	
					Short Term Investments	-	
					Total Annual Operational Expenditure	222 919 765	

2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		2,70	Please refer to page 7 of MFMA Circular No. 71
					Current Assets	247 367 911	
					Current Liabilities	91 534 630	

**E. Sustainability**

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital)	Statement Financial Position, Budget and AR	100%		99%	Please refer to page 9 of MFMA Circular No. 71
					Cash and cash Equivalents	176 043 747	
					Bank Overdraft	-	
					Short Term Investment	-	
					Long Term Investment	-	
					Unspent Grants	27 514 284	
					Net Assets	1 260 136 021	

**REVENUE MANAGEMENT:.**

Description	Total Budget	Mar-25	Year-To-Date	Actual Percentage
<b>Revenue</b>	<b>- 624,937,233.00</b>	<b>- 78,741,250.83</b>	<b>- 434,778,932.60</b>	70%
Agency Services	- 2,900,000.00	-	- 1,564,337.11	54%
Fines; Penalties and Forfeits	- 4,527,000.00	- 45,987.00	- 993,689.57	22%
Interest	- 2,200,000.00	-	- 3,633,144.90	165%
Interest; Dividend and Rent on Land	- 10,580,000.00	-	- 6,763,551.06	64%
Licences or Permits	- 1,965,000.00	- 171,689.96	- 1,770,289.09	90%
Operational Revenue	- 4,035,000.00	- 230,386.50	- 590,941.91	15%
Property Rates by Usage	- 66,903,978.00	-	- 36,511,338.41	55%
Rental from Fixed Assets	- 7,355,000.00	- 24,800.09	- 2,458,950.44	33%
Sales of Goods and Rendering of Serv	- 23,194,310.00	- 12,639.46	- 13,313,921.44	57%
Service Charges	- 1,482,600.00	-	- 402,196.77	27%
Transfers and Subsidies	- 499,794,345.00	- 78,255,747.82	- 366,776,571.90	73%

**Remarks:**

- The municipality's approved adjusted revenue budget amounts to R624,9 million. Revenue for the month of March 2025 amounts to R78,7 million and year to date revenue of R434,7 million. The revenue recognised to date is 70% of the total approved revenue budget.

**EXPENDITURE MANAGEMENT:**

Description	Total Budget	Mar-25	Year-To-Date	Actual Percentage
<b>Expenditure</b>	<b>458,660,111.00</b>	<b>21,226,876.44</b>	<b>267,192,581.59</b>	58%
Contracted Services	121,604,580.00	5,517,827.08	71,314,611.54	59%
Depreciation and Amortisation	93,470,000.00	-	44,254,922.43	47%
Employee Related Cost	98,880,431.00	7,315,007.01	70,134,929.23	71%
Inventory Consumed	7,773,502.00	422,291.00	4,967,324.19	64%
Irrecoverable Debts Written Off	8,780,000.00	-	105.65	0%
Operating Leases	1,167,218.00	123,383.70	715,805.78	61%
Operational Cost	82,939,171.00	4,642,266.28	46,189,298.30	56%
Remuneration of Councillors	24,485,405.00	1,785,351.46	16,671,571.55	68%
Transfers and Subsidies	19,559,804.00	1,420,749.91	12,944,224.22	66%

**Remarks:**

- The municipality's approved adjusted expenditure budget of R458,66 million. Expenditure for the month of March 2025 amounts to R21,2 million and year to date expenditure of R267.2 million. Total expenditure incurred to date is 58% of the total approved expenditure budget.

**CAPITAL EXPENDITURE MANAGEMENT:****Departmental capital Budget**

Description	Total Budget	Mar-25	Year-To-Date	Actual Percentage
<b>Budget and Treasury Office</b>	<b>1,450,000.00</b>	-	<b>56,100.00</b>	4%
<b>Own Revenue Funding</b>	<b>1,450,000.00</b>	-	<b>56,100.00</b>	4%
Computer Equipment 200700010	300,000.00	-	-	0%
Furniture equipment Finance 200700002	370,000.00	-	56,100.00	15%
Motor Vehicle 200700040	780,000.00	-	-	0%

### Budget and Treasury Office

#### Remarks:

- Budget and treasury office's approved adjusted capital expenditure budget amounts to R1,450,000. No Capital Expenditure incurred on the month of March 2025 and year to date expenditure of R56,100 as of 31 March 2025, which is 4% of the total capital expenditure budget.

### Corporate Services

Description	Total Budget	Mar-25	Year-To-Date	Actual Percentage
<b>Corporate Services</b>	<b>3,114,010.00</b>	-	<b>1,202,737.60</b>	39%
<b>Own Revenue Funding</b>	<b>3,114,010.00</b>	-	<b>1,202,737.60</b>	39%
Computer equipment ICT 201700000	1,500,000.00	-	1,202,737.60	80%
Furniture equipment Corporate 201700002	220,000.00	-	-	0%
ICT PROGRAMMES software 201700005	1,394,006.00	-	-	0%

#### Remarks:

- Corporate Services approved adjusted capital expenditure budget amounts to R3.1 million with no capital Expenditure incurred on the month March 2025 year to date expenditure of R1,2 million which is 39% of total capital budget.

### Council

Description	Total Budget	Mar-25	Year-To-Date	Actual Percentage
<b>Council</b>	<b>305,000.00</b>	-	-	0%
<b>Own Revenue Funding</b>	<b>305,000.00</b>	-	-	0%
Furniture and office equipment 202700002	305,000.00	-	-	0%

#### Remarks:

- Council approved adjusted capital expenditure budget amounts to R305,000 with no capital Expenditure incurred to date.

**Infrastructure and planning**



**Umzimvubu Local Municipality**
**S52d budget Statements**

Description	Total Budget	Mar-25	Year-To-Date	Actual Percentage
<b>Infrastructure and Planning</b>	<b>232,012,520.00</b>	<b>9,208,797.16</b>	<b>92,595,771.35</b>	40%
<b>Human Settlement Housing Grant</b>	<b>111,000,000.00</b>	<b>1,475,550.00</b>	<b>23,234,321.32</b>	21%
Human Settlement Housing Project-Cabazana A&B	41,070,000.00	1,475,550.00	15,145,535.00	37%
Human Settlement Housing Project-Cancele	5,550,000.00	-	-	0%
Human Settlement Housing Project-Dundee	6,290,000.00	-	299,726.14	5%
Human Settlement Housing Project-Nguse	13,875,000.00	-	-	0%
Human Settlement Housing Project-Nkungwini	7,215,000.00	-	315,109.21	4%
Human Settlement Housing Project-Nqalweni/Matyeni	12,950,000.00	-	6,763,386.75	52%
Human Settlement Housing Project-Qadu	14,800,000.00	-	-	0%
Human Settlement Housing Project-Xhameni	9,250,000.00	-	710,564.22	8%
<b>Municipal Disaster Recovery Grant</b>	<b>36,575,345.00</b>	<b>1,175,341.68</b>	<b>21,209,270.00</b>	58%
Badibanise Internal Roads	3,500,000.00	-	1,450,671.97	41%
Bonga AR	4,250,000.00	438,565.91	2,747,373.66	65%
Gxaku Access Road	2,246,421.00	-	1,951,419.48	87%
Lovu Access Road	1,598,000.00	-	1,007,815.01	63%
Lubhacweni Access Road	313,490.00	-	272,599.99	87%
Mhlozini AR & Bridge	4,500,000.00	736,775.77	2,431,320.83	54%
Mqhokweni Bridge	6,427,764.00	-	5,516,976.73	86%
NGCOZANA AR & BRIDGE	7,250,000.00	-	2,407,098.42	33%
Sibhozweni AR & Bridge	2,500,000.00	-	1,805,148.61	72%
Sirhoqobeni Slab	1,250,000.00	-	-	0%
Sirhoqobeni sport facility	2,000,000.00	-	1,007,815.00	50%
Tyinirha Bridge	739,670.00	-	611,030.30	83%
<b>Municipal Infrastructure Grant</b>	<b>42,125,709.00</b>	<b>3,810,801.79</b>	<b>35,117,851.50</b>	83%
Bhakaleni to Sekileni via Mqoma Access Road- MIG	8,100,000.00	1,081,409.76	6,328,731.76	78%
KwaBhaca High Masts	5,285,328.00	-	5,034,993.82	95%
KwaBhaca Surfacing Phase 8	14,122,620.00	1,767,743.37	12,321,632.06	87%
Mpungulelweni AR - 4.2 km virgin road with bridge	9,870,734.00	455,072.54	8,053,098.87	82%
Mt White AR with concrete slab	1,000,000.00	-	223,230.85	22%
Tholeni AR new	3,747,027.00	506,576.12	3,156,164.14	84%
<b>Own Revenue Funding</b>	<b>42,437,167.00</b>	<b>2,747,103.69</b>	<b>13,034,328.53</b>	31%
Centres:Completion of multi - Purpose Centre	549,329.00	428,859.00	428,859.00	78%
Dungu AR Maintenance	500,000.00	-	-	0%
Gubhuzi AR Maintenance	450,000.00	-	-	0%
Installation of 25 Street lights	168,338.00	-	31,797.15	19%
Installation of new streetlights at KwaBhaca	836,300.00	-	286,178.76	34%
KwaNyathi to Mnambithi AR - New	2,500,000.00	851,513.00	1,906,838.01	76%
Lusuthu AR Maintenance	1,200,000.00	156,019.00	1,008,025.25	84%
Lutateni AR Maintenance	1,700,000.00	-	-	0%
Magontsini AR Maintenance	1,590,000.00	-	529,152.50	33%
Mbodleni; Bhibha via Cabazi AR Maint	2,200,000.00	-	901,091.33	41%
Mnqwane AR Maintenance	1,610,000.00	-	1,221,770.00	76%
Mnxekazi AR Maint	2,000,000.00	342,762.69	1,783,440.89	89%
Municipal Offices	6,800,000.00	-	836,398.49	12%
Mvakomzi AR Maintenance	1,719,500.00	-	1,307,536.35	76%
Ncunteni AR Maint	2,000,000.00	-	-	0%
New Street lights 30	1,013,700.00	-	63,700.00	6%
Ngojini via Ngxonga AR Maint	1,700,000.00	-	756,935.40	45%
Nqalweni AR new	1,600,000.00	-	576,105.40	36%
Ntenetyana - Godola AR Maint	1,900,000.00	-	-	0%
Nxashini AR Maintenance	1,600,000.00	-	-	0%
Nyathini Bridge	2,150,000.00	967,950.00	967,950.00	45%
SDA - Magwaca AR Maint	2,300,000.00	-	-	0%
Sikolweni AR Maintenance	1,250,000.00	-	428,550.00	34%
Velem via Mthonjeni - Gamakhulu AR Maintenance	2,000,000.00	-	-	0%
Zimbileni via Mntwana AR Maint	1,100,000.00	-	-	0%

**Remarks:**

- Infrastructure and planning's approved adjusted capital expenditure budget amounts R232 million. Capital Expenditure incurred on the month of March 2025 amounts to R9.2 million and year to date expenditure of R92,5 million which is equivalent to 40% of the total capital budget.
- Capital expenditure funded by Human Settlements Grant incurred seating at R23,2 million which is equivalent to 21%
- Capital expenditure funded by Disaster Recovery Grant incurred is R21,2 million which is equivalent to 58%
- Capital expenditure funded by the Municipal infrastructure grant incurred is R35.1 million which is 83%.
- Capital expenditure funded by integrated electrification grant incurred is R15.3 million which is 66%.
- Capital expenditure funded by the Internally generated funds incurred seating to R13 million which is 31%.

**Local Economic Development**

Description	Total Budget	Mar-25	Year-To-Date	Actual Percentage
<b>Local Economic Development</b>	<b>3,780,004.00</b>	<b>1,021,327.48</b>	<b>2,096,894.90</b>	55%
<b>Own Revenue Funding</b>	<b>3,280,000.00</b>	<b>1,021,327.48</b>	<b>2,096,894.90</b>	64%
Construction of Auction pens	500,004.00	-	-	0%
LED Projects 205700025	500,000.00	-	-	0%
Ntenetyana camp site	780,000.00	150,863.66	150,863.66	19%
Ntsizwa Hiking trail	2,000,000.00	870,463.82	1,946,031.24	97%

**Remarks:**

- Local economic development approved capital expenditure budget amounts to R3,78 million with March 2025 expenditure of R2 million which is 55% of total capital budget.

**Citizen and Community Services**

<b>Citizen &amp; Community Services</b>	<b>22,358,067.00</b>	<b>2,160,874.97</b>	<b>12,521,584.39</b>	56%
<b>Library Grant</b>	<b>350,000.00</b>	-	-	0%
Dutyini Library Contrete Slab	250,000.00	-	-	0%
Library office Furniture	100,000.00	-	-	0%
<b>Municipal Infrastructure Grant</b>	<b>12,199,992.00</b>	<b>962,586.55</b>	<b>9,720,251.31</b>	80%
Gugwini Community Hall	3,099,996.00	177,213.08	2,603,084.08	84%
Lower Cabazana Community Hall	3,000,000.00	785,373.47	1,741,092.99	58%
Ntutha Community Hall	3,000,000.00	-	2,587,462.99	86%
Sipilini Community Hall	3,099,996.00	-	2,788,611.25	90%
<b>Own Revenue Funding</b>	<b>9,808,075.00</b>	<b>1,198,288.42</b>	<b>2,801,333.08</b>	29%
Fencing of Emaxesibeni landfill site	500,000.00	-	-	0%
Machinery and equipment 208700036	500,000.00		257,600.00	52%
Nature Reserves Fencing of emaxesibeni botanical gardens	500,000.00	-	-	0%
Parks Construction of chithwa recreational park	2,000,000.00	-	154,429.08	8%
Police:Construction of KwaBhaca vehicle pound facility	1,868,075.00	-	885,274.00	47%
Police:EmaXesibeni Pound upgrading first phase	2,167,570.00	592,844.21	712,715.79	33%
Police:KwaBhaca Pound upgrading second phase	1,732,430.00	605,444.21	605,444.21	35%
Security equipment 209700023	100,000.00	-	-	0%
Shooting range Construction	200,000.00	-	20,822.00	10%
Tools & equipment 209	240,000.00	-	165,048.00	69%

**Remarks:**

- Citizen and community services approved adjusted capital expenditure budget amounts R22,3 million. Capital Expenditure incurred to date expenditure is R12.5 million which is equivalent to 56% of the department capital budget.
- Capital expenditure funded by the Municipal infrastructure grant incurred is R8.6 million which is at 80%.
- No Capital expenditure incurred to date which is funded by library grant.
- Capital expenditure funded by the Internally generated funds incurred seating to R2.8 million which is 29%

**BUDGET VIREMENTS:****Operating Expenditure****Remarks:**

There were no virements on operating expenditure

**Capital Expenditure****Remarks:**

There were no virements on capital expenditure

**MSOA Implementation:**

The municipality is currently operating on mSCOA. All the reports are generated from mSCOA transactions.

- The municipality uploaded the monthly creditors strings and were successfully loaded on the portal with no errors.
- The monthly debtors age analysis strings were successfully loaded on the portal with no errors.
- The monthly performance actuals strings were successfully loaded on the portal with no errors.

**Budget Process Plan:**

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
<b>Q1 JULY – OCTOBER 2024</b>				
<b>PLANNING PHASE</b>	<b>IDP</b>	Preparation of the Draft IDP / Budget and PMS Process Plan. Section 27, 28 & 29 of MSA No.32 of 2000 and Section 21 of MFMA No.56 of 2003	01 July 2024	M: IDP & PMS
		Presentation of Draft Process Plan to Management Committee	02 October 2024	M: IDP & PMS
		Exco - consideration of draft IDP, PMS & Budget Process Plan.	23 October 2024	AO
		Tabling of the IDP, PMS & Budget Process to Council for adoption. Section 28 of MSA No.32 of 2000	29 October 2024	Honourable Mayor

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		Submission of IDP, PMS and Budget Process Plan to the District Municipality and DLGTA. Section 27 of MSA No. 32 of 2000	31 OCTOBER 2024	M: IDP & PMS
		Advertise IDP, PMS and Budget Process Plan in Municipal Website and in local newspapers. Section 28 of MSA No.32 of 2000	06 October 2024	M: IDP & PMS
		Consolidation of Situational Analysis Reports	1-29 October 2024	All HODs & Sector Departments
		IDP Steering Committee- Presentation of IDP Process Plan and MEC's Comments on the Previous IDP	20 October 2024	AO
		IDP Representative Forum – Presentation of IDP Process Plan and MEC's Comments on the Previous IDP	26 October 2024	Honourable Mayor
	<b>PMS</b>	Signing of new performance contracts for Section 57 Managers and submission to EXCO. Section 69 of the MFMA and Section 57 of the MSA	28 July 2024	AO
		Submission of 2023/2024FY C88 Fourth Performance Report	30 July 2024	M: IDP & PMS
		Submission of the Annual Performance Reports to Council for Adoption Section 46 of MSA 2000 to Council	29 October 2024	M: IDP & PMS & AO
		Submission of Annual Performance Report to Auditor General		

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
	<b>BUDGET</b>	Submission of Section 71 Report to Provincial & National Treasuries  Section 71(1) –The accounting officer of a municipality must by no more than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.	14 July 2024	CFO and M: Budgeting & Reporting
		Submission of Section 52 (d) Report to council  Section 52(d) –The Mayor must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality	31 July 2024	Honorable Mayor
		Develop process and timetable for the 2025/2026 Budget  Section 21(1)(b - )At least 10 months before the start of the budget year the mayor of the Municipality must table in the municipal council a time schedule outlining key deadlines for the preparation , tabling and approval of the annual budget ; annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act and the budget related policies ; the tabling and adoption of any amendments to the integrated development plan and the budget related policies and any consultative processes forming part of the processes	15 July 2024	CFO and M: Budgeting & Reporting
		Submission of Section 71 Report to Provincial & National Treasuries  Section 71(1) –The accounting officer of a municipality must by no more than 10 working days after the end of each month submit to the mayor of the municipality and the relevant	14 October 2024	CFO and M: Budgeting & Reporting

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		provincial treasury a statement in the prescribed format on the state of the municipality’s budget.		
		Council adopts Budget process plan  Section 21(1)(b - )At least 10 months before the start of the budget year the mayor of the Municipality must table in the municipal council a time schedule outlining key deadlines for the preparation , tabling and approval of the annual budget ; annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act and the budget related policies ; the tabling and adoption of any amendments to the integrated development plan and the budget related policies and any consultative processes forming part f the processes	31 October 2024	Honorable Mayor
		2023/2024 Annual Financial Statements submitted to Auditor-General	31 October 2024	AO & CFO
		Submission of Section 71 Report to Provincial & National Treasuries. Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget.	14 October 2024	CFO and M: Budgeting & Reporting
Q2 OCTOBER - DECEMBER 2024				
SITUATIONAL ANALYSIS	IDP	IDP Outreach - Feedback on IDP Implementation, Data Collection & Analysis continues	14-17 October 2024	Honourable Mayor, Exco, AO & All HODs
		Further Consolidation of situational analysis report inclusive of IDP Outreach Ward Service Delivery Priorities	25-31 October 2024	M: IDP & PMS & All HODs

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		Review of objectives, strategies, programmes, KPI's, targets (operational plans)	01 – 30 November 2024	All Internal Depts. & Sector Depts.
		IDP Steering Committee Meeting to present consolidated situational analysis report	December 2024	AO, All HODs & Sector Departments
		IDP Rep Forum Meeting to present consolidated situational analysis report	December 2024	Honourable Mayor
		<b>Performance Management System</b>		
	<b>PMS</b>	Submission of 2024/2025FY First Quarter C88 Performance Report	31 October 2024	M: IDP & PMS
		Compilation of 2024/2025FY S52(d) First Quarter Performance Report	16 October 2024	M: IDP & PMS & All HODs
		Finalize the draft 2024/2025FY Annual Report incorporating financial and Non-financial on performance, audit reports and annual financial statements.	11 December 2024	M: IDP & PMS & All HODs
		<b>Budgeting Process</b>		
	<b>BUDGET</b>	Submission of Section 71 Report to Provincial & National Treasuries	14th October 2024	CFO and M: Budgeting & Reporting
		Section 71(1) –The accounting officer of a municipality must by no more than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget		
		Submission of Section 52 Report to council	31st October 2024	Honorable Mayor



PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		Section 52(d) –The Mayor must ,within 30 days of the end of each quarter ,submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality		
		Submission of Budget Request Forms General Expenses-Capital outlay ,Capital Budget ,Operating Projects and Review of Tariffs  Section 21 of the MFMA 56 of 2003:Budget Preparation Process	29th December 2024	All HODs
		Check with National, Provincial Governments and District Municipalities for any information in relation to budget and adjustment budget to projected allocations for the next three years.	06-30 December 2024	M: Budgeting & Reporting /CFO
		Submission of Section 71 Report to Provincial & National Treasuries  Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.	14th December 2024	CFO & M: Budgeting & Reporting
		Submission of Section 71 Report to Provincial & National Treasuries  Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.	14th December 2024	CFO & M: Budgeting & Reporting

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
<b>Q3 JANUARY - MARCH 2025</b>				
<b>PROJECTS PRIORITISATION</b>	<b>IDP</b>	Prioritization of IDP projects	February 2025	Honourable Mayor & EXCO
		Integration & alignment of projects and programmes of LM, DM, sector departments and parastatals.	February 2025	M: IDP & PMS
		IDP Steering Committee sit to discuss prioritized projects for 2025 / 2026 period	February 2025	AO, HODs & M: IDP & PMS
		Consolidation of draft IDP Document	01– 16 March 2025	M: IDP & PMS
		IDP Representative Forum - presentation of 2025/2026 Draft IDP Review	18 March 2025	ULM Council, All HODs & Sector Departments
		Draft IDP& Budget submission to Council for noting	31 March 2025	Honourable Mayor
	<b>Performance Management System</b>			
	<b>PMS</b>	Submission of 2025/2026FY Second Quarter C88 Performance Report	31 March 2025	M: IDP & PMS
		All HODs to submit Mid - year Assessment Report (MFMA S72 reports)	15 February 2025	M: IDP & PMS & All HODs
		Strategic Planning Session for Mid – year assessment report. Refining objectives and strategies	8-10 February 2025	AO
		Municipal Manager submits Midterm/Midyear Report to Exco & Council	25 February 2025	AO/ Honourable Mayor
		Submit 2023/2024FY Draft Annual Report to Council	25 February 2025	
		Revise SDBIP in accordance with adjusted budget	February 2025	

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		Submit S72 Report to AG, Provincial Treasury and CoGTA.	05 February 2025	AO/ Honorable Mayor
		2023/2024 Oversight report on the Annual Report	30 March 2025	
		2023/2024 Annual Report	30 March 2025	
		Council adopts the 2023/2024 Annual report with the comments of the Oversight Committee.	30 March 2025	
	BUDGET	Obtain any projected adjustment allocations from National, Provincial Governments & District Municipality for the next three years.	25th Jan 2025	Manager: Budgeting & Reporting /CFO
		Section 21 of the MFMA 56 of 2003:Budget Preparation Process		
		Submission of Section 71 Reports to Provincial & National Treasuries	14th February 2025	CFO and M: Budgeting & Reporting
		Submission of Mid-year assessment report to council		
		Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget.		
Special Council Meeting – Table in to the Council an annual report, the audit report for 2023/2024, and Mid –year report 2024/2025	25 Jan 2025	Honorable Mayor		
Section 72 (1) of the MFMA: The Accounting Officer of a Municipality must by 25 January of each year assess the performance of the Municipality during the first half of the				

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		financial year. Section 121 of the MFMA: Preparation and adoption of the annual report		
		Submission of Section 52(d) Report to council  Section 52(d) –The Mayor must ,within 30 days of the end of each quarter ,submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality	25 Jan 2025	Honorable Mayor
		Budget adjustment Consultation Process begins  Section 28 of the MFMA the Municipality May revise an approved annual budget though an adjustment budget	20th February 2025	M: Budgeting & Reporting/CFO
		ULM Mid-Year Engagement	18th February 2025	EC Provincial Treasury
		Submission of 71 Report to Provincial & National Treasuries  Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.	14th February 2025	CFO and M: Budgeting & Reporting
		Budget Steering Committee - To discuss the and Finalize the Adjustment Budget  Section 21 of the MFMA 56 of 2003: Budget Preparation Process	20th February 2025	AO/ Honorable Mayor
		Council to approve Adjustment Budget  Section 28 of the MFMA the Municipality May revise an approved annual budget though an adjustment budget and read together with Section 72(3) The Accounting Officer must	31 March 2025	AO/ Honorable Mayor

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		as part of the review make recommendations as to whether an adjustment budget is necessary and recommend revised projection of revenue and expenditure to the extent that this may be necessary		
		<p>Consultation with departments for submission of 2025/2026 First Draft Budget</p> <p>Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year</p> <p>Section 43 of the MFMA</p>	4th March 2025	CFO, all HODs and M: Budgeting & Reporting
		<p>2025/2026 First Draft Budget to Budget Steering Committee</p> <p>Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year</p> <p>Section 43 of the MFMA</p>	10th March 2025	Portfolio Head: BTO
		<p>Council adopts First Draft Budget for 2025/2026</p> <p>Section 16(2) Annual Budget: The Mayor of a Municipality must table the annual budget at a council meeting 90 days before the start of the budget year</p> <p>Section 43 of the MFMA</p>	31 March 2025	Honorable Mayor
		<p>Submission of Section 71 Report to Provincial &amp; National Treasuries</p> <p>Section 71(1) – The accounting officer of a municipality must by no more than 10 working days after the end of each month submit to the mayor of the municipality and the relevant</p>	14th March 2025	CFO and M: Budgeting & Reporting

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON	
		provincial treasury a statement in the prescribed format on the state of the municipality’s budget.			
Q4 APRIL – JUNE 2025					
APPROVAL PHASE	IDP	Publicize / advertise the IDP & Budget Road - show schedule.	04 April 2025	M: IDP & PMS	
		Submission of Draft IDP documents, Provincial Treasury and the MEC for Local Government ad Traditional Affairs	04 April 2025	M: IDP & PMS	
		Draft IDP advertised for public reviewing & comments	04 April 2025	M: IDP & PMS	
		IDP & Budget Road-shows	14 – 17 April 2025	Local & DM Mayors	
		IDP Steering Committee– consideration and incorporation of public comments in the IDP & Budget	28 April 2025	AO/ Honorable Mayor	
		Incorporation of community inputs into the IDP	12 - 16 May 2025	M: IDP & PMS	
		Draft IDP Presented to the IDP Representative forum	20 May 2025	AO/ Honourable Mayor	
		Mayor tables 2025/2026 IDP Review and Budget to Council for final adoption.	30 May 2025	AO/ Honourable Mayor	
		Public notices on approval of the final IDP 2025/2026	06 June 2025	M: IDP & PMS	
		Uploading the adopted IDP and Budget to the Municipal Website	06 June 2025		
		Submission of the final IDP to COGTA	05 June 2025		
		Performance Management System			

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
	PMS	Submit Annual Report to AG, Provincial Treasury, Legislature and CoGTA.	02 April 2025	M: IDP & PMS
		Compilation of Third Quarter Performance Report	16 April 2025	
		Drafting of new scorecards by s56 managers	17 June 2025	All HODs
		Draft SDBIP & Performance Agreements to the Mayor 14 days after adoption of IDP & Budget	02 June 2025	MM, All HODs & All Ms
		The Mayor approves Institutional SDBIP within 28 days of Budget approval	17 June 2025	AO/ Honourable Mayor
		Submit Approved SDBIP to National & Provincial Treasury	20 June 2025	M: IDP & PMS
	<b>Budgeting</b>			
	BUDGET	Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government Draft Annual Budget  Regulation 15(4)a: The Municipal Manager must send copies of the annual budget and supporting documentation as tabled in the Municipal Council in electronic format	14th April 2025	AO
		ULM Budget benchmarking session with Provincial Treasury	15 <sup>th</sup> April 2025	AO/CFO
		Budget advertised for public comments, Public Meetings & Consultation  Section 22(a) after an annual budget is tabled in the municipal Council ,the Accounting Officer must make public the annual budget and documents referred to in section 17(3) and invite the local Community to submit representation in connection with the budget	05th April 2025	AO /CFO

PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		Submission of Section 71 Report to Provincial & National Treasuries  Section 71(1) –The accounting officer of a municipality must by no more than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.	14th April 2025	CFO and M: Budgeting & Reporting
		Section 23(1)a when the annual budget has been tabled the Municipal council must consider views of local community	30th April 2025	Honorable Mayor and All Councilors
		Section 71(1) –The accounting officer of a municipality must by no more than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget the start of the budget year considers approval of the annual budget  Submission of Section 71 Report to Provincial & National Treasuries	14th April 2025	CFO & M : Budget & Accounting
		2025/2026 Final Draft Budget to IDP, Budget and PMS Steering Committee Section 24(1) the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget	19th May 2025	Portfolio Head Finance
		Council considers adoption of Final Draft Budget for 2025/2026  Section 24(1)-The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget	31st May 2025	AO/ Honorable Mayor



PHASE	PROCESS	ACTIVITIES	TIMEFRAMES	RESPONSIBLE PERSON
		MTREF Budget, Budget related policies, annual report published on Council website.  Section 75(1)(a,b)The Accounting Officer of a Municipality must place on the website referred to in section 21Aof the systems Act the following documents: Annual and Adjustment budget and all related policies	5th June 2025	M: Budgeting & Reporting and AM: ICT
		Annual Budget Reports to National & Provincial Treasury.  Regulation 20(1) The Municipal Manager must comply with section 24(3) of the Act within 10 working days after the council has approved the annual budget, The Municipal Manager must submit to National Treasury and relevant provincial Treasury in both electronic and printed form	14th June 2025	CFO and M: Budgeting & Reporting
		Submission of Section 71 Report to Provincial & National Treasuries  Section 71(1) –The accounting officer of a municipality must by no more than10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.	14th June 2025	CFO and M: Budgeting & Reporting

**RISK IMPLICATIONS**

The risk register is maintained on monthly basis.

**LABOUR IMPLICATIONS**

None

**SERVICE DELIVERY IMPLICATIONS**

None

## **FINANCIAL IMPLICATIONS**

None

## **OTHER PARTIES CONSULTED**

All the departments

## **SALIENT POINTS FOR DELIBERATIONS**

None

## **RECOMMENDATIONS**

1. That, the report on the implementation of the budget and the financial situation of the municipality for the 8<sup>th</sup> month of the 2024/25 be approved by council.
- That, the municipality's approved revenue budget amounts to R624,9 million. Revenue for the first nine months of 2024/25 amounted to R434.7 million. The revenue recognized to date is 70% of the total approved revenue budget.
2. That, the municipality's approved expenditure budget of R458, 6 million. Expenditure incurred for the first nine months amounted to R267,1 million. Expenditure incurred to date is 58% of the total approved operating expenditure budget.
3. That, the municipality's approved capital expenditure budget amounts R263 million. Capital Expenditure incurred first nine months amounted to R108,5 million. Capital expenditure to date is 41% of the total capital expenditure budget.
  - Capital expenditure funded by the Municipal infrastructure grant to date is at 83%.
  - Capital expenditure funded by integrated electrification grant incurred to date is at 66%.
  - Capital expenditure funded by Disaster Recovery Grant to date 58%.
  - Capital expenditure funded by Human Settlements Grant incurred to date is at 21%.
  - Capital expenditure funded by the Internally Funded incurred to date is at 32%
4. That, the municipality is transacting on mSCOA.

**BUDGET AND TREASURY DEPARTMENT: REPORT ON GRANT SPENDING FOR THE PERIOD 31 March 2025****1. PURPOSE**

The purpose of the report is for the council to consider and note the grant spending for the 2024/25 budget of the Umzimvubu Local Municipality for the period ending 31 March 2025.

**2. AUTHORITY**

Council

**3. LEGAL / STATUTORY REQUIREMENTS**

The constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003 Chapter 8, Section 71

Municipal Budget Reporting Regulations

**4. BACKGROUND**

The municipality is expected to spend 100% of its allocation by 30<sup>th</sup> of June 2025 and, thus far, the expenditure is 95% on MIG which gives an indication that municipality will achieve its target by the end of financial year and also for INEP which is sitting to 63%.

**4.1 Operating Grants**

Description	Budget 2024/25	Receipts	Actual Recognised	Unspent	Actual Percentage
<b>Operating Transfers and Grants</b>					
<b>National Government</b>	<b>294,686,000.00</b>	<b>293,666,096.12</b>	<b>293,158,559.35</b>	<b>507,537</b>	<b>99%</b>
Local Government Equitable Share	289,930,000.00	289,930,000.00	289,930,000.00	-	100%
Expanded Public Works Programme integrated Grant	2,656,000.00	1,859,000.00	2,656,000.00	- 797,000	100%
Local Government Financial Management Grant	1,700,000.00	1,700,000.00	395,463.23	1,304,537	23%
LG SETA	400,000.00	177,096.12	177,096.12	-	44%
<b>Provincial Government</b>	<b>1,434,000.00</b>	<b>1,434,000.00</b>	<b>565,118.10</b>	<b>868,882</b>	<b>39%</b>
Capacity Building and other: Library Grant	1,434,000.00	1,434,000.00	565,118.10	868,882	39%
<b>Total Operating Transfers and Grants</b>	<b>296,120,000.00</b>	<b>295,100,096.12</b>	<b>293,723,677.45</b>	<b>1,376,419</b>	<b>99%</b>

**Remarks:**

- The total operating grants allocated to the municipality as per approved adjusted budget amounts to R296,1 million. Grants amounting to R293,6 million had been recognised for the period ended 31 March 2025.
- 100% has been received for equitable share has been received as of 31 March 2025,
- 100% for Finance Management grant has been received as of 31 March 2025 and 23% recognised.
- 100% for Expanded Public Works Programme has been received as of 31 March 2025, and 100% recognised.
- 44% for LG Seta has been received and recognised as of 31 March 2025,
- 100% for Library Grant has been received as of 31 March 2025 and 39% recognised.

**4.2 Capital Grants**

<b>Capital Transfers and Grants</b>					
<b>National Government</b>	<b>114,638,344.75</b>	<b>114,638,344.75</b>	<b>89,293,837.70</b>	<b>25,344,507</b>	<b>78%</b>
Integra national electrification programme (INEP)	24,228,000.00	24,228,000.00	15,303,167.52	8,924,832	63%
Municipal Infrastructure Grant (MIG)	54,199,000.00	54,199,000.00	51,464,765.57	2,734,234	95%
Municipal Disaster Recovery Grant	36,211,344.75	36,211,344.75	22,525,904.61	13,685,440	62%
<b>Provincial Government</b>	<b>111,000,000.00</b>	<b>23,527,917.60</b>	<b>23,234,321.32</b>	<b>293,596</b>	<b>21%</b>
Human Settlement Housing Projects	111,000,000.00	23,527,917.60	23,234,321.32	293,596	21%
<b>Total Capital Transfers and Grants</b>	<b>225,638,344.75</b>	<b>138,166,262.35</b>	<b>112,528,159.02</b>	<b>25,638,103</b>	<b>50%</b>

**Remarks:**

- The total capital grants allocated to the municipality as per approved adjusted budget amounts to R225,6 million. Total amount received to date is R138.2 million.
- Total amount received for INEP is 100% of total allocation and revenue recognised is 63%
- Total amount received for MIG is 100% of total allocation and revenue recognised is 95%
- Total amount received for Disaster recovery grant is 100% of total allocation and revenue recognised is 62%
- Total amount received and utilised for Human Settlement Housing Projects is 21% of total allocation.

**RISK IMPLICATIONS**

The risk register is maintained on monthly basis.

**LABOUR IMPLICATIONS**

None

**SERVICE DELIVERY IMPLICATIONS**

None

**FINANCIAL IMPLICATIONS**

None

**OTHER PARTIES CONSULTED**

All the departments

**SALIENT POINTS FOR DELIBERATIONS**

None

**RECOMMENDATIONS**

- The total operating grants allocated to the municipality as per approved adjusted budget amounts to R296,1 million. Grants amounting to R293,6 million had been recognised for the period ended 31 March 2025.

- 100% has been received for equitable share has been received as of 31 March 2025,
  - 100% for Finance Management grant has been received as of 31 March 2025 and 23% recognised.
  - 100% for Expanded Public Works Programme has been received as of 31 March 2025, and 100% recognised.
  - 44% for LG Seta has been received and recognised as of 31 March 2025,
  - 100% for Library Grant has been received as of 31 March 2025 and 39% recognised.
- 
- The total capital grants allocated to the municipality as per approved adjusted budget amounts to R225,6 million. Total amount received to date is R138.2 million.
  - Total amount received for INEP is 100% of total allocation and revenue recognised is 63%
  - Total amount received for MIG is 100% of total allocation and revenue recognised is 95%
  - Total amount received for Disaster recovery grant is 100% of total allocation and revenue recognised is 62%
  - Total amount received and utilised for Human Settlement Housing Projects is 21% of total allocation.

## **BUDGET AND TREASURY DEPARTMENT: REPORT ON UIFWE FOR THE PERIOD 31 MARCH 2025**

### **1. PURPOSE**

The purpose of the report is for the Council to note amount relating to Unauthorized expenditure, the Irregular and Fruitless and wasteful expenditure incurred by the Municipality for the period ending 31<sup>st</sup> of March 2025.

### **2. AUTHORITY**

Council

### **3. LEGAL / STATUTORY REQUIREMENTS**

The constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003 Chapter 8, Section 71

Municipal Budget Reporting Regulations

### **4. BACKGROUND**

The reported figure relates to the fruitless expenditure incurred in the prior financial years and there's still investigations taking place, there's also a recovery to be made from the estate of the late employee.

<b>EC442</b>					
<b>Register for Irregular, fruitless and wasteful expenditure 2024/25 FY</b>					
	<b>Opening balance</b>	<b>Additions</b>	<b>Write off</b>	<b>Recovered</b>	<b>Balance as at 31/03/2025</b>
Unauthorized expenditure	-	-	-	-	-
Irregular expenditure	5,530,575.00	-	-	-	<b>5,530,575.00</b>
<b>Fruitless and Wasteful expenditure</b>	839,721.00	-	-	-	<b>839,721.00</b>
	<b>6,370,296.00</b>	-	-	-	<b>6,370,296.00</b>

### Recommendation

- That, the report on Unauthorized Irregular and Fruitless and Wasteful Expenditure for the period ended March 2025 be approved by Council.
- That, the Fruitless and Wasteful Expenditure amounting to R839 721 for the period ended 31 March 2025 be approved by Council
- That, the Irregular Expenditure amounting to R5 530 575.00 for the period ended 31 March 2025 be approved by Council.

**BUDGET AND TREASURY OFFICE DEPARTMENT: ASSET MANAGEMENT REPORT FOR THE MONTH ENDED 31 MARCH 2025**

( File No.: 02/9/1/2)

(Author: Chief Financial Officer/ KM/ XB)

(1<sup>st</sup> Level: MTM - 02/04/2025)

(2<sup>nd</sup> Level: BTO STANCO -/04/2025)

(3<sup>rd</sup> Level: EXCO -/04/2025)

(4<sup>th</sup> Level: Council - /04/2025)

**PURPOSE**

The purpose of the report is for the council to consider and note asset management of Umzimvubu Local Municipality for the period ending 31 March 2025.

**AUTHORITY**

Council

**LEGAL / STATUTORY REQUIREMENTS**

The constitution of the Republic of South Africa, 1996  
Municipal Finance Management Act No 56, 2003  
GRAP Standards



**BACKGROUND**

Section 63. of the MFMA states that:

(1) The accounting officer of a municipality is responsible for the management of—

- (a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and
- (b) the liabilities of the municipality.

(2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure—

- (a) that the municipality has and maintains management, accounting and information system that accounts for the assets and liabilities of the municipality.
- (b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognized accounting practice; and
- (c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

Municipality must ensure that a complete, accurate and up-to-date computerized fixed asset register is maintained. The fixed asset register shall be maintained in the format determined by the chief financial officer, which format shall comply with the requirements of generally recognized accounting practice (GRAP)

**SERVICE DELIVERY IMPLICATIONS**

Capital projects taking longer to be completed will have a negative impact on delivery service.

**STAFF IMPLICATIONS**

There are no staff implications.

### **FINANCIAL IMPLICATIONS**

Given the current conditions of the assets, the municipality may incur high costs of completing the projects as their condition has deteriorated.

### **OTHER PARTIES CONSULTED**

None

### **ATTACHMENTS**

Yes

### **DISCUSSIONS**

#### **1.Movables Assets Additions as at end March 2025**

No Movement

#### **2.Completed Capital projects**

Sibhozwi Access road

Lusuthu Access road

#### **Immovable Additions / Completed Projects July 2024 to March 2025**

Construction of Chithwa Park
Ngqumane Access Road
Tyindirha Bridge
Gxaku Access Road
Lubhacweni Access Road
Profetional fees Chithwa Village
Profetional fees - instalation of 25 street lights
Profetional fees KwaBhaca High Masts
KwaBhaca High Masts
Installation of 25 Street lights
Ntutha Community Hall
Sibhozweni AR & Bridge
Lusuthu AR

Opening balance	R12 099 748
Retention paid	R 5 316 919
Retention raised	R 6 364 337
Closing balance(Mar'25)	R13 147 166

**Overdue Retentions**

Nophoyi Sport field

Upgrading of Emaxesibeni Street CBD Phase 2

**3.Delayed Infrastructure Projects**

Project Name	Type	Class	Status	Closing Balance 2024
Fencing of EmaXesibeni botanical garden phase 2	B	Community	WIP	920,740.48
Dungu AR Maintenance	I	Infrastructure	WIP	1,261,467.00
Gubhuzi AR Maintenance	I	Infrastructure	WIP	1,085,743.48

**Challenges:**

- These projects do not have a budget in 2024/25 financial years.
- Negative impact on the municipal performance report.

**Remedial actions**

- That the projects be completed in the current year.
- Infrastructure and planning need to identify saving to funding the above mentioned projects.

**Summary of WIP as at March 2025**

	Infrastructure	Buildings	Total
Opening balance	58,027,794.32	42,715,461.82	100,743,256.14
Additions/capital expenditure	R42,589,117.00	R11,600,031.00	54,189,148.00
Transferred to completed items	- 36,724,139.00	- 3,992,400.00	- 40,716,539.00
	<b>63,892,772.32</b>	<b>50,323,092.82</b>	<b>114,215,865.14</b>

**4. Work in Progress as at 31 March 2025**

- Annexure A

**5. Capital Commitment as at March 2025**

Building	R 2,300,819.40
Infrastructure	R 41,991,335.69
Total Capital Commitment Amount	<b>R 44,292,155.09</b>

**Project on Commitment register**

- **Annexure B**

**Recommendation**

That the report for March 2025(S71) be approved by Council.

**BUDGET AND TREASURY DEPARTMENT: REPORT ON VAT FOR THE PERIOD ENDED 31 MARCH 2025 REPORT.**

(File No: 02/04/25)

(Author: FT/LL)

(1<sup>st</sup> Level: MANCO 02/04/2025)(2<sup>nd</sup> Level: STANCO /04/2025)(3<sup>rd</sup> Level: EXCO /04/2025)(4<sup>th</sup> Level: COUNCIL /04/2025)**PURPOSE**

The purpose of the report is for the council to consider and note the VAT report of the Umzimvubu Local Municipality for the period ending 31 March 2025.

**AUTHORITY**

Council

**LEGAL / STATUTORY REQUIREMENTS**

The constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003

Value Added Tax (VAT) Act of 1991

**BACKGROUND**

ULM is a VAT vendor as required by the VAT Act of 1991.

The municipality monthly is obligated by the VAT act to collect and pay over the portion of VAT that is owing to the Receiver of Revenue. To ensure that all VAT that is due to the municipality is recovered within a reasonable period.

The information in this report is the VAT for the transaction processed up to the close of business on 31 July 2024 for the year ending 30 June 2025.

**DISCUSSION**

- SARS requires that ULM submitted VAT returns by the 25<sup>th</sup> of each month following the month submitted for.

- The submission consists of Input VAT which is tax added when the municipality procures good and services and Output VAT which is tax charged by the municipality on services rendered to the community.
- Therefore, ULM submit to SARS the Net off Input and Output VAT
- When Input VAT is more that Output SARS will refund the amount to ULM
- When Input is lesser than Output, ULM will pay SARS.
- The table below is the summary of VAT refundable as from July 2024 to June 2025.



2024-2025 VAT RETURNS SUMMARY REPORT						
Month	VAT Input	VAT Output	Submitted	Received	Difference	Comment
July'2024	2,957,428.12	- 280,656.93	2,676,771.19	2,676,771.19	-	N/A
August'24	2,022,818.01	- 63,999.38	1,958,818.63	1,958,818.63	-	N/A
September'24	2,320,478.38	- 15,793.19	2,304,685.19	2,304,685.19	-	N/A
October'24	3,347,318.62	- 161,779.96	3,185,538.66	3,185,538.66	-	N/A
November'24	2,125,748.44	- 107,568.12	2,018,180.32	2,018,180.32	-	N/A
December'24	4,399,782.70	- 54,853.60	4,344,929.10	4,344,929.10	-	N/A
January'25	815,489.46	- 146,889.93	668,599.53	668,599.53	-	N/A
February'25	2,559,805.92	- 179,095.38	2,380,710.54	2,380,710.54	-	NA
March'25	2,523,413.91	- 39,858.06	2,483,555.85	-	2,483,555.85	SARS Verification
	<b>23,072,283.56</b>	<b>- 1,050,494.55</b>	<b>22,021,789.01</b>	<b>19,538,233.16</b>	<b>2,483,555.85</b>	

## **CHALLENGIES**

SARS take it is time to finalize the audit on the returns submitted.

## **RECOMMENDATION**

Council to note the report.

## **BUDGET AND TREASURY DEPARTMENT: REPORT ON COST CONTAINMENT MEASURES FOR THE PERIOD ENDED 31 MARCH 2025 REPORT**

(File No: 02/04/25)  
(Author: FT/LL)  
(1<sup>st</sup> Level: MANCO 02/04/2025)  
(2<sup>nd</sup> Level: STANCO /04/2025)  
(3<sup>rd</sup> Level: EXCO /04/2025)  
(4<sup>th</sup> Level: COUNCIL /04/2025)

### **PURPOSE**

The purpose of the report is for the council to consider and note the Cost Containment Measures report of the Umzimvubu Local Municipality for the period ending 31 March 2025.

### **AUTHORITY**

Council

### **LEGAL / STATUTORY REQUIREMENTS**

Municipal Finance Management Act No 56, 2003  
COGTA and National Treasury Circular of the 1st of July 2019  
Umzimvubu Cost Containment Policy

### **BACKGROUND**

Section 65 of the MFMA states that the accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

The national government has been aware of the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure. In reinforcing the above, the Minister of Finance also announced further cost containment measures and a circular was issued in this regard which urged Municipal Manager's and Mayors of municipalities to exercise and oversee the elimination of wasteful expenditure.

The information in this report is the performance of the municipality against Cost Containment Measures on the transaction processed up to the close of business on from July 24 to June 2025.

## **DISCUSSION**

During the month of June 2019, the minister of finance approved Municipal Cost Containment regulations effective from 1 July 2019. The regulations required municipalities to develop, adopt and implement policies as part of its budget related policies to support cost containment measures. The council of Umzimvubu Local municipality developed and adopted a policy on cost containment that is now being implemented and is being reviewed annually.

Below is a report on expenditures incurred Implementing such policy, which indicates that the Implementation of this policy is yet effective:

Cost Containment Report as at 31 March 2025			
	To-Date		
Cost Containment Measures	Budget	Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	17,546,404.00	9,574,267.71	7,972,136.29
Travel and subsistence	2,111,800.00	1,759,579.44	352,220.56
Domestic accommodation	5,934,339.00	5,111,572.32	822,766.68
Sponsorships, events and catering	3,977,300.00	3,153,920.43	823,379.57
Communication	1,617,496.00	1,466,399.52	151,096.48
	<b>R31,187,339.00</b>	<b>R21,065,739.42</b>	<b>R10,121,599.58</b>

### **CHALLENGIES**

- Lack of close monitoring of operational expenditure

### **REMEDIAL ACTIONS**

- That it is the obligation of every municipal official and councilor to ensure the proper implementation as well as application of this circular to avoid irregular or fruitless expenditure.
- User departments to monitor closely their expenditure and to adhere to cost containment measures.

### **RECOMMENDATIONS**

Council to note the report.

# **BUDGET AND TREASURY DEPARTMENT: REPORT ON PAYMENT OF CREDITORS FOR THE PERIOD ENDED 31 MARCH 2025 REPORT**

(File No: 02/04/25)  
(Author: FT/LL)  
(1<sup>st</sup> Level: MANCO 02/04/2025)  
(2<sup>nd</sup> Level: STANCO /04/2025)  
(3<sup>rd</sup> Level: EXCO /04/2025)  
(4<sup>th</sup> Level: COUNCIL /04/2025)

## **PURPOSE**

The purpose of the report is for the council to consider and note the Payment of creditors report of the Umzimvubu Local Municipality for the period ending 31 March 2025.

## **AUTHORITY**

Council

## **LEGAL / STATUTORY REQUIREMENTS**

The constitution of the Republic of South Africa, 1996  
Municipal Finance Management Act No 56, 2003  
Supply Chain Management Policy  
Subsistence and Travel Policy

## **BACKGROUND**

According to MFMA the municipality must pay all its creditors with 30 days of receipt of a valid invoice.

Umzimvubu Local Municipality due to it being rural and dealing with SMME's in most cases developed its own Standard Procedure Manual to pay its creditors every Friday.

ULM has adopted a weekly payment run.

ULM has a Policy which clearly states that all invoices must be submitted by not later than Tuesday for payment, any invoice received after Tuesday will be paid in the next payment run.

## **DISCUSSION**

As part of their daily responsibilities, the expenditure section works with user departments, receive invoices from service providers, assess such invoice and agree to all the details in the invoice.

After that stage it is when by law the municipality can declare that they have received an invoice for payment.

The invoice is then date stamped and must be paid within 30 days from the date of the stamp.

Below is a summary of creditors paid during the year:

<b>2024-2025 EXPENDITURE SUMMARY REPORT</b>					
<b>No of Creditors, Invoices &amp; Paid within 30 days</b>					
<b>Month</b>	<b>Amount Due</b>	<b>Received</b>	<b>Amount Paid</b>	<b>Difference</b>	<b>Paid after 30 days</b>
July'24	R23,560,002.35	111	R23,560,002.35	-	None
August'24	R26,512,196.13	116	R26,512,196.13	-	None
September'24	R27,704,400.13	151	R27,704,400.13	-	None
October'24	R36,553,560.30	160	R36,553,560.30	-	None
November'24	R21,125,698.39	125	R21,125,698.39	-	None
December'24	R54,465,398.95	236	R54,465,398.95	-	None
January'25	R13,663,710.34	88	R13,663,710.34	-	None
February'25	R29,432,171.52	161	R29,432,171.52	-	None
March'25	R29,264,963.74	209	R29,264,963.74	-	None
	<b>R262,282,101.85</b>	<b>1357.00</b>	<b>R262,282,101.85</b>	-	<b>None</b>

## **CHALLENGIES**

- Incomplete documentation on the voucher
- Upon submission of full vouchers, inconsistency on the voucher vs invoices.
- Late submission of payment vouchers
- Submission of Invoices with closed account by Suppliers
- Lack of adherence to Internal Control on submission of Payment Vouchers

## **RECOMMENDATION**

- User Department to make sure all the supporting documents needed per voucher are attached before submitting for payment.
- To adhere to Expenditure Internal Control on submission of payment Vouchers
- Council to note the report.

# **BUDGET AND TREASURY DEPARTMENT: REPORT ON PAYMENT OF PAYROL FOR THE MONTH ENDED 31 MARCH 2025 REPORT**

(File No: 02/04/25)  
(Author: FT/LL)  
(1<sup>st</sup> Level: MANCO 02/04/2025)  
(2<sup>nd</sup> Level: STANCO /04/2025)  
(3<sup>rd</sup> Level: EXCO /04/2025)  
(4<sup>th</sup> Level: COUNCIL /04/2025)

## **PURPOSE**

The purpose of the report is for the council to consider and note the payroll report of the Umzimvubu Local Municipality for the period ending 31 March 2025.

## **AUTHORITY**

Council

## **LEGAL / STATUTORY REQUIREMENTS**

The constitution of the Republic of South Africa, 1996  
Municipal Finance Management Act No 56, 2003  
Income Tax Act 58 of 1962

## **BACKGROUND**

In terms of section 66 of the Municipal Finance Management Act No. 56 of 2003, the Accounting Officer of the municipality must report to the Council in the format and for the periods prescribed, all expenses relating to staff salaries, allowances, and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid. Umzimvubu policy provides two payroll runs which by the 15th of each month councilors salaries are paid and by the 25th of each month all staff are paid.

Payments of Subsistence and travelling are paid upon return of an official or councilor travelling for work related activity which might be a meeting /conference /seminar /workshop /site visits etc. within municipal jurisdiction and beyond.  
Umzimvubu Municipal jurisdiction includes Mt Ayliff and Mount Frere as determined by the Demarcation Board.



## **ANNEXURE**

<b>2024-2025 Payroll Summary Report</b>				
	<b>Councillors</b>		<b>Officials (Staff, HOD's &amp; Casuals)</b>	
<b>Period</b>	<b>Salary bill</b>	<b>Substance &amp; Travel Claim</b>	<b>Salary bill</b>	<b>Substance &amp; Travel Claim</b>
July'24	R1,596,503.27	R31,153.72	R7,508,589.59	R50,890.57
August'24	R1,600,404.14	R28,395.14	R8,300,740.48	R61,676.34
September'24	R1,595,965.32	R23,281.44	R8,198,958.56	R145,349.84
October'24	R1,610,032.93	R37,349.05	R7,451,456.70	R215,578.41
November'24	R1,576,939.52	R33,126.90	R12,816,659.20	R24,643.09
December'24	R2,538,895.52	R96,827.76	R8,314,017.18	R428,323.45
January'25	R1,699,264.26	R21,219.30	R7,362,723.82	R109,457.43
February'25	R2,079,584.39	R117,889.81	R7,287,669.89	R133,043.76
March'25	R1,679,420.81	R25,755.08	R7,352,950.21	R132,339.58
<b>Total</b>	<b>R15,977,010.16</b>	<b>R414,998.20</b>	<b>R74,593,765.63</b>	<b>R1,301,302.47</b>

## **CHALLENGIES**

- Late submission of payroll inputs, these inputs include:
- Change of banking details
- Removal on the system of an employee who resigned after the 15<sup>th</sup> which is the deadline of input submission: this mostly affects EPWP.
- Late submission of S & T claims

## **REMEDIAL ACTIONS**

- User department to strictly monitor the submission of input.
- Adherence of deadline on submission of S & T Claim

## **RECOMMENDATION**

Council to note the report.

**BUDGET AND TREASURY OFFICE DEPARTMENT: SUPPLY CHAIN MANAGEMENT REPORT  
FOR THE PERIOD ENDED 31 MARCH 2025**

(File No.: 02/9/1/2)

(Author: Chief Financial Officer/ KM/ XB)

(1<sup>st</sup> Level: MTM - 02/04/2025)

(2<sup>nd</sup> Level: BTO STANCO -10/04/2025)

(3<sup>rd</sup> Level: EXCO -23/04/2025)

(4<sup>th</sup> Level: Council - /04/2025)

**PURPOSE**

To report Supply Chain Management processes and other procurements matters for the reporting Month ended **31 March 2025**.

The municipality did not have any deviations for the month of **31 March 2025**.

To report bids invited, evaluated, adjudicated, and awarded for the reporting month ended **31 March 2025**

To report an identified irregular expenditure.

**LEGAL REQUIREMENTS AND AUTHORITY OR MANDATE**

Local Government: Municipal Finance Management Act, No 56 of 2003, Section 56-66 and Chapter 11 (Part 1).

Local Government: Municipal Systems Act No.32 of 2000.

Construction Industry Development Board Act No 38 of 2000

Preferential Procurement Policy Framework Act No 5 of 2000 and Regulations dated 07 December 2011 as well as new regulations dated **04 November 2022**.

Approved Supply Chain Management Policy.

**BACKGROUND AND REASONING**

For the month ended **31 March 2025**, the Municipality has operated financially through procurement processes as follows:

## DASHBOARD / PERFORMANCE SUMMARY

	31 March 2025
<b>BIDS AND QUOTATIONS INVITED</b>	
Quotations below 30 000.00	107
Invited Quotations above 30 000.00	6
Invited Bids	3
<b>AWARDED BIDS</b>	
Quotations below 30 000.00	100
Awarded Quotations above 30 000.00	15
Awarded Bids	4
<b>Total Summary values of Procurements,</b>	
Below R30 000 (SCM Orders)	<b>R1 164 664,22</b>
R30 001 – R300 000 (Seven days' notice)	<b>R2 280 645,60</b>
Above R300 000	<b>R4 584 176,15</b>
Section 32	<b>0</b>
Deviations (Section 36)	<b>0</b>
<b>% of Competitive Bids awarded per area,</b>	
Local (Mount Frere and Mount Ayliff)	80,89%
Region (Alfred Nzo)	0%
Province (Eastern Cape)	0%
National (Excluding Mount Ayliff and Mount frere)	19,11%
<b>% of Quotations awarded per area, (R30 001 – R300 000)</b>	
Local (Mount Frere and Mount Ayliff)	95,97%
Region (Alfred Nzo)	0%
Province (Eastern Cape)	0%
National (Excluding Mount Frere and Mount Ayliff)	4,03%

Number of meetings set successfully	<b>7</b>
Bid Specification Committee	2
Bid Evaluation Committee	3
Bid Adjudication Committee	2
Objections received	1
Cancelled bids	1
Irregular expenditure	Nil

## 1. Bids

The purpose of this report is to report to Council in terms of section 6(2) and 6 (3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ended **31 March 2025**.

- **113 Quotations** were advertised on the notice board and Municipal website for a period of seven days in the reporting Month of **March 2025**.
- **3 Competitive bids** were advertised on the daily dispatch and E-tender portal, Municipal website month of **March 2025**.
- **115 Quotations** were awarded in the for the month ended **31 March 2025**.
- **4 Competitive bids** were awarded in the month ended **31 March 2025**.

## Procurements

The awards are made in accordance with the provisions of the Supply Chain Management Policy, also the different thresholds are adhered to in terms of procurement ranges.

- **100** Procurement below R30 000 through SCM orders requesting three quotations for the reporting month ended **31 March 2025**, amounts to **R1 164 664,22**

Procurement above **R 30,000.00-R 300,000.00** which is advertised on the Municipal notice board and website for a period of seven days, for the reporting month ended **31 March 2025**, amounts to **R2 280 645,60**

- Procurement above R300 000.00 which are done through formal submission of bids advertised and placed at public notices for 14 or more days, for the month ended **31 March 2025**, amounts to **R4 584 176,15**
- No Deviations done for the month of **31 March 2025**.
- No section 32 awards were made for the reporting quarter ended **31 March 2025**.

## Percentage of bids awarded.

The municipality is taking cognisance of the developmental goals and objectives of the local economic development department in ensuring that the local suppliers are elevated and considered for procurement of goods and services. Notwithstanding the above-mentioned objective however an award for a specific service is made to a competent and highest scoring points service provider regardless of the location within the country, it is therefore not always practical to award local service providers for all procurement. Be that as it may, for Quotations the municipality / SCM at most report **100%** to Local service providers.

- For the reporting month ended **31 March 2025**, above R300 000.00 awarded bids through open / **competitive bidding 80,89%** was awarded to local suppliers within Mount Ayliff and Mount Frere.
- For the reporting month ended **31 March 2025**, quotations between R30 001 – R300 000.00, **95,97%** was awarded to local suppliers within Umzimvubu Local municipality.

## **DEVIATION ILLUSTRATED BY GRAPH MONTHLY**

No deviations for the month of March 2025.

### **2. IRREGULAR EXPENDITURE**

On review of procurement for the month, 0 non-compliances with SCM prescripts have been identified and as a result no Irregular Expenditure identified to be reported to Council, MEC and Auditor General.

### **3. Inventory Management:**

Inventory on hand is valued at an amount of **R820 918,78** for the month of **March 2025**.

Schedule of **Annexure B** for Inventory Reconciliation has been attached.

### **Compliance**

An identified irregular expenditure will be reported to all relevant structures. Bid committees have been established and members are expected to converge as per the scheduled and communicated timeframes of meetings. Monthly reports have been submitted as required by regulation of Supply Chain Management Policy of the Council. Bid committee meetings have been recorded with the statistics of presence and absenteeism of members. Written apologies are recorded in the Monthly report. The number of bid committee meetings for the agenda items as listed in the report are recorded in the dashboard.

#### 4. **BID COMMITTEE SITTING**

##### 8.1. **BID SPECIFICATION COMMITTEE**

DATE	MEMBERS	PRESENT	ABSENT	REASON	THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:
ch	1.Mr L Luzipho 2. Ms Madlanga 3. Ms Qwane 4. Ms Dina 5. Ms Ndlangisa	All Members			HOUSING SECTOR PLAN
rch	1.Mr L Luzipho 2. Ms Madlanga 3. Ms Qwane 4. Ms Dina 5. Ms Ndlangisa	All Members			Construction of Maduna Majojweni Link and 15 Households

##### 4.4. **BID EVALUATION COMMITTEE**

DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
					<b>THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:</b>
h	Mr Gamedala Mr M. Mafumbatha Mr Z Tyebisa Mr L Maqalekana Ms Z Mbono Mr Jojo Mr Nyembezi				Ngxashini AR Maintenance  Panel for Repairs of streetlights  Installation of 30 Streetlights  Panel for Supply and Delivery of Street Repair Material



DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
h	Mr Gamedala Mr M. Mafumbatha Mr Z Tyebisa Mr L Maqalekana Ms Z Mbono Mr Jojo Mr Nyembezi	All Members			Panel for Environmental Professionals  Panel for Repairs of streetlights  Installation of 30 Streetlights
h	Mr Gamedala Mr M. Mafumbatha Mr Z Tyebisa Mr L Maqalekana Ms Z Mbono Mr Jojo Mr Nyembezi	All Members			Panel for Civil Engineers  Supply and Delivery of PPE  Velem Via Mthonjeni AR  Auction pans phase 4A  MT white AR

DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments

#### 4.5. BID ADJUDICATION COMMITTEE

DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
	Mr. K Mehlomakhulu Mr. J Moleko Mr L Makanda Mrs Zembe Dr K Tshazi Ms. N Cezu				Provision of Banking Services Installation of 30 Streetlights Panel for Repairs of streetlights Velem Via Mthonjeni AR Supply and Delivery of Tools and Equipment Panel for Supply and Delivery of Street Repair Material.

DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
28 March 2025	Mr L Makanda				Auction pans phase 4A
	Ms. N Cezu				Supply and Delivery of PPE
	Mr. J Moleko				Review of ULM Human
	Mrs Zembe				Settlement sector plan
	Dr K Tshazi				Panel for Environmental
	Mr. K Mehlomakhulu				Professionals
					Zimbileni via Mntwana AR
					Maintenance

## 5. OBJECTIONS RECEIVED

As per SCM policy, unsuccessful bidders have a period of 14 calendar days to object and provide reasons of such if feel disgruntled by the award and further allowed to lodge an appeal within that 14 days period then an appeal committee will adjudicate the reasons and conclude on the merits then give a ruling or a judgement based on the facts gathered to both parties If needs be arbitration will take place.

- There is 1 objection received in the reporting month ended **31 March 2025**.

## 6. **CONTRACT MANAGEMENT**

The unit did not receive S116 Reports for the following contracts in the reporting month ended 31 March 2025.

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
CS-ICT	1. Network Maintenance	Manager-ICT
	2. Website Hosting	
	3. Computer Equipment Contract	
	4. Umzinvubu Free Wi-Fi in Ward 09	
C&CS-Community Safety/INFRA	1. Construction of Emaxesibeni Pound	Manager-Building/Manager-Public Safety
	2. Construction Of Kwabhaca Transport Pound Phase 1	
INFRA-Building Section	1. Construction Of Municipal Offices	Manager-Building
	2. Turnkey Project For Cabazana B400(181) Rural Housing Project	
	3. Turnkey Project For Nqalweni/Matyeni 170(163) Rural Housing Project	
	4. Turnkey Project For Dundee 500(34)	

	Rural Housing Project	
	5. Lower Cabazana Community Hall	
	6. Turnkey Project For Cancele	
	7. 3. Turnkey Project For Nkungwini	
	8. 3. Turnkey Project For Xhameni	
INFRA-PMU	1. Ntelezini Electrification	Manager-PMU
	2. Emadameni Electrification	
	3. Bhubesini Electrification	
	4. Mtshikawuse Electrification	
	5. Rode Electrification	
	6. LangeniElectrification	
	7. Bhakaleni To Sekileni Via Mqoma Access Road	
	8. Mpungulelweni AR	
	9. Surfacing of Street phase 8	
INFRA-Maintenance	1. Bonga Access Road Maintenance	

2. Sikolweni & Hlombe  
Access Road  
Maintenance
3. Magontsini Access  
Road Maintenance
4. Mvakomzi Access  
Road Maintenance
5. Badibanise Internal  
Streets
6. Sbhozweni Access  
Road And Bridge
7. Mbodleni AR  
Maintenance
8. Mnqwane AR  
Maintenance
9. Mnxekazi AR  
Maintenance
10. Ngojini AR  
Maintenance
11. Nqalweni AR  
Maintenance
12. Nyathini AR  
Maintenance

INFRA-Planning

Manager-Planning

LED/INFRA

1. Panel Of Land  
Surveyors For Period  
Of Three Years
1. Development of  
ntenetyane Dam-  
Phase 1

Manager-Building/Manager  
LED

2. Construction of Ntsizwa Hiking Trail Phase 1
3. Ploughing Cluster A
4. Ploughing Cluster B
5. Ploughing Cluster C

## **7. CANCELLED BIDS**

As per the SCM Guide by National Treasury, Bids can be must be cancelled subject to the following conditions, in the event that in the application of the application of the 80/20 preference point system as stipulated in the tender documents, all tenders received exceed the estimated value of R50 000 000.00; in the event that in the application of the application of the 90/10 preference point system as stipulated in the tender documents, all tenders received are equal or below the estimated value of R50 000 000.00;if there is no longer a need for the services; funds are no longer available to cover the total envisaged expenditure; and if no acceptable tenders are received.

- There is 1 cancelled bids in the reporting quarter ended **31 March 2025**.

## **PROCUREMENT PLAN**

Procurement plan as approved is being implemented and procurements are done as per plan except for those projects that have to be re-advertised due to various reasons, non-responsiveness etc.

- See Annexure

## **RISK IMPLICATIONS**

The risk implications and risk register will be reported on a Monthly basis through Monthly reports.

## **LABOUR IMPLICATIONS**

None

## **SERVICE DELIVERY IMPLICATIONS**

Delays on awards for bids negatively affect the service delivery.

## **FINANCIAL IMPLICATIONS**

None

## **OTHER PARTIES CONSULTED**

All the departments

## **SALIENT POINTS FOR DELIBERATIONS**

***None***

## **Annexures**

“A” –Updated Implementation of Procurement Plan

”B”- Inventory Reconciliation

”C” – Quotation Register

”D” -Tender Register

”E”- Procured Goods Report as per Thresholds

“F” – SDBIP Report

“G”-Status of Projects



## **RECOMMENDATIONS**

1. That, the report on supply chain management for the reporting month ended 31 March 2025 be approved and approved by Council.
2. That, for the reporting month ended 31 March 2025 the has been no irregular expenditure detected and No Deviations incurred to be approved.

Projects status for the reporting month ended 31 March 2025 be approved

**BUDGET AND TREASURY DEPARTMENT: DEBTORS AND REVENUE COLLECTED REPORT AS AT 31 March 2025**

(Author: MM)  
 (1st Level: Manco 02 April 2025)  
 (2nd Level: B&T Comm 10 April 2025)  
 (3rd Level: Exco April 2025)

**1. PURPOSE**

The purpose of the report is for the Council to consider and note collection of monies due to the municipality for the month of March 2025  
 To also inform Management and Council of the steps taken to recover municipal monies as required by MFMA.

**2. AUTHORITY**

Council.

**3. LEGAL / STATUTORY REQUIREMENTS**

Municipal Finance Management Act No 56, 2003 Chapter 7, Section 52.  
 Municipal Property Rates Act No. 6 of 2004  
 Municipal systems Act.  
 All Revenue policy.

**4. BACKGROUND**

In terms of section 64 (1) of the Municipal Finance Management Act No 56, 2003 Chapter 8, “the Accounting officer is responsible for the management of the revenue of the municipality and must henceforth (2) take all reasonable steps to ensure that there are systems and controls in place to account for such revenue”.

**DEBT BALANCES BY TYPE**

The municipality closed with a debt book of R 74 856 946.00 for March 2025 made up of the rates, refuse removal and Interest for various consumer debtors.

**Detail Report**

Region	Department	Current	30 Days	60 Days	90 Days	120 Days +	Total
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<b>Umzimvubu</b>	Agriculture	921.72	893.30	865.06	836.98	21,278.99	<b>23,552.21</b>
	Health	3,453.30	3,425.06	3,396.98	3,369.14	90,049.08	<b>103,711.09</b>
	Public Works	219,441.99	218,875.83	219,363.08	219,345.67	26,703,999.83	<b>27,581,026.40</b>
	Alfred Ndzo	7,437.52	7,435.53	7,433.55	7,431.56	1,088,901.84	<b>1,118,640.00</b>
	Social Development	1,290.68	1,280.00	-	-	-69.94	<b>2,500.74</b>
	Transport & Roads	-	-	-	-	-	<b>-</b>
	Residents	533,489.48	507,132.84	477,597.28	480,592.76	15,950,321.97	<b>17,949,134.33</b>
	Councillors	1,207.24	-	-	-	-	<b>1,207.24</b>
	Staff	-144.50	-10.69	-	-	-	<b>-155.19</b>
	Industries	712,845.03	515,333.82	498,114.79	497,974.73	22,011,786.24	<b>24,236,054.61</b>
	DrDar	7,920.52	7,918.09	7,915.66	7,913.22	932,751.95	<b>964,419.44</b>
	Nat. Departments	26,260.91	26,979.82	29,239.59	29,188.85	2,765,185.96	<b>2,876,855.13</b>
	<b>Grand Total</b>	<b>1,514,123.89</b>	<b>1,289,263.60</b>	<b>1,243,925.99</b>	<b>1,246,652.91</b>	<b>69,564,205.92</b>	<b>74,856,946.00</b>

Staff and Councillors debt is broken down as follows: -

<b>Staff/ Councillor</b>	<b>Erf No.</b>	<b>Town</b>	<b>Current</b>	<b>30 days</b>	<b>60 days</b>	<b>90+ days</b>	<b>Outstanding amount</b>
Cllr Garane	75	EMaxesibeni	R 565.42	R 0.00	R 0.00	R 0.00	R 565.25
Cllr Mdzinwa	521	Kwa-Bhaca	R 642.00	R 0.00	R 0.00	R 0.00	R 642.00
Mr Nota	238	EMaxesibeni	R -9.62	R 0.00	R 0.00	R 0.00	R -9.62
Mr Nota	540	Kwa-Bhaca	R -50.80	R 0.00	R 0.00	R 0.00	R -50.08

Mr Makanda	3769	Kwa-Bhaca	R -48.69	R 0.00	R 0.00	R 0.00	R -48.69
Mr Makanda	3770	Kwa-Bhaca	R -46.80	R 0.00	R 0.00	R 0.00	R -46.80
<b>Total</b>							<b>R 1 052.23</b>

**TRAFFIC FINES REPORT****TRAFFIC FINES BILLING vs PAYMENTS**

	<b>Billing</b>	<b>Receipts</b>	<b>Balance</b>
Op Bal			10,480,380.00
24-Jul	75,450.00	56,000.00	19,450.00
24-Aug	124,900.00	56,950.00	67,950.00
24-Sep	136,100.00	28,050.00	108,050.00
24-Oct	145,250.00	52,510.00	92,740.00
24-Nov	111,100.00	38,075.00	73,025.00
24-Dec	101,300.00	25,650.00	75,650.00
25-Jan	130,900.00	24,300.00	106,600.00
25-Feb	136,500.00	31,750.00	104,750.00
25-Mar	140,500.00	37,040.00	103,460.00

<b>Total</b>	<b>1,102,000.00</b>	<b>350,325.00</b>	<b>11,128,595.00</b>
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For the month of **March 2025**, traffic fines received to date amounted to **R 37 040.00**

#### **ACTIONS TAKEN TO REDUCE DEBTOR.**

- The Municipality continues to reconcile Government debt and ownership through arear debt meetings that are championed by COGTA.
- Sent our Consumer Debtors information for CAATs verification so as to know the status of our Consumers and also to update our Consumer Data.
- Debtors' reconciliations are done internally for all Government Departments.
- A reconciliation of enforceable traffic fines is being carried out between our Community Safety and Department of Justice and Constitutional Development.

#### **RECOMMENDATIONS**

- That, the report on debtors and revenue collection for the month of March 2025 be approved and approved by Council.
- That, the report on outstanding traffic fines for the month of March 2025 amounting to R 11 127 095.00 be approved and approved by Council.
- That, the following aged outstanding debtors balance of R 74 856 946.00 for the month ended 31 March 2025 be approved and approved by Council:
  - Current – R 1 514 123.89
  - 30 days – R 1 289 263.60
  - 60 days – R 1 243 925.99
  - 90 days – R 1 246 652.91
  - 120 +days – R 69 564 205.92
- That, the following categorised outstanding debtor type be approved and approved by Council:
  - Residential debt – R 17 949 134.33
  - Commercial debt – R 24 236 054.61
  - Government debt – R 32 670 705.01
- That, the total amount owed by Councillors and Staff members amounting to R 1 052.23 be approved and approved by Council.

## **REVENUE COLLECTION RATE AND INVESTMENT REPORT AS AT 28 MARCH 2025**

(File No.)

(Author: MM)

(1st Level: Manco 02 APRIL 2025)

(2nd Level: B&T Comm 10 APRIL 2025)

(3rd Level: Exco APRIL 2025)

### **PURPOSE**

The purpose of the report is for the Council to consider and note collection of monies due to the municipality for the month of March 2025

To also inform Management and Council of the steps taken to recover municipal monies as required by MFMA.

#### **1. AUTHORITY**

Council

#### **2. LEGAL / STATUTORY REQUIREMENTS**

Municipal Finance Management Act No 56, 2003 Chapter 7, Section 52

Municipal systems Act

Debt collection and credit control policy

#### **4. BACKGROUND**

In terms of section 64 (1) of the Municipal Finance Management Act No 56, 2003 Chapter 8, “the Accounting officer is responsible for the management of the revenue of the municipality and must henceforth (2) take all reasonable steps to ensure that there are systems and controls in place to account for such revenue”.

A municipal bills are sent to the ratepayers monthly once billing for the services (rates and refuse) is completed. The payments received towards the bill inform the revenue collection rate of the municipality for each period. The municipality considers payments received through direct payments and walk through payments. The municipality bills, monthly the following categories of ratepayers:

- Residents

- Businesses
- Government departments

The bill considers all the rebates and exemptions. The collection rate as at the month ended 31 March 2025 was 131% as depicted in the tables below:

	Collection Analysis for March 2025		
Category	Billing	Collection	Collection %
Business	652,148.81	348,183.75	53%
Residential	241,698.74	104,865.81	43%
Public Service Purpose	13,595.45	981,454.85	
Vacant	128,631.20	13,489.74	10%
Refuse Removal	111,435.24	53,824.24	48%
Total	1,147,509.44	1,501,818.39	131%

The overall collection rate from July 2024 to March 2025 is sitting at 47%

Collection Analysis

Period	Billing	Collection	Coll %
Jul-24	49,976,880.78	- 2,663,478.52	-5%
Aug-24	10,851,496.10	- 12,498,069.09	-115%
Sep-24	1,152,088.98	- 15,680,490.37	-1361%
Oct-24	1,133,398.86	- 983,578.49	-87%
Nov-24	1,145,770.91	- 402,344.43	-35%
Dec-24	1,145,428.39	- 368,208.04	-32%
Jan-25	1,145,770.91	- 808,314.22	-71%
Feb-25	1,140,623.31	- 497,965.44	-44%
Mar-25	1,147,509.44	1,501,818.39	131%
<b>Total</b>	<b>68,838,967.68</b>	<b>- 32,400,630.21</b>	<b>-47%</b>

A collection percentage of 131% has been achieved for the month of March 2025 i.e. collection of R 1 501 818.39 against the billing of R1 147 509.44.

## INVESTMENTS



Institution	System #	Bank Name	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Int Capitalised	Balance
FNB	'000031	Operational Bank Inv	'60029450715	202503	10				129.43	21,442.04
FNB	'000032	Service Delivery Ban	'62033254723	202503	10		96,482,000.00	- 21,000,000.00	284,657.62	81,331,408.11
FNB	'000034	Nedbank	7881112786	202503	5.57				243,337.91	38,960,992.47
STD	'000045	STD BANK INVEST 4201	'420111972	202503	7.9	30,632,465.75	40,000,000.00	- 30,632,465.75		40,000,000.00
<b>Total Unconditional Grants</b>						<b>30,632,465.75</b>	<b>136,482,000.00</b>	<b>- 51,632,465.75</b>	<b>528,124.96</b>	<b>160,313,842.62</b>
Institution	System #	Bank Name	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Int Capitalised	Balance
FNB	'000033	Mig Bank Investment	'62086036714	202503	10		10,491,000.00	- 3,537,367.29	19,700.14	11,028,869.38
FNB	'000035	Guarantee Bank Inves	'62068742157	202503	10				1,039.65	172,243.15
FNB	'000036	Fmg Bank Investment	'62276187294	202503	10				10,864.21	1,799,917.36
FNB	'000037	Electrification Bank	'62288560925	202503	10		1,500,000.00	- 270,726.10	45,122.45	8,729,670.78
FNB	'000038	Housing Bank Investm	'62891519971	202503	10				1.16	192.44
FNB	'000044	MD RECOVERY GRANT IN	'63093652965	202503	10			- 1,351,642.94	126,067.23	19,708,828.50
<b>Total Conditional Grants</b>						<b>-</b>	<b>11,991,000.00</b>	<b>- 5,159,736.33</b>	<b>202,794.84</b>	<b>41,439,721.61</b>
<b>GRAND TOTAL</b>						<b>30,632,465.75</b>	<b>148,473,000.00</b>	<b>- 56,792,202.08</b>	<b>730,919.80</b>	<b>201,753,564.23</b>

The municipality has investments into two bank that are registered in terms of the Banks Act No. 94 of 1990 read with section 7 (1) (2) of MFMA Act No. 56 Of 2003.

For the reporting period, the municipality had a balance of R41 439 721.6123 for conditional investments and R 160 313 842.62 for unconditional investments all totalling to R 201 753 564.23.

The above-mentioned investments are made up of money that is not immediately required for use as per section 13 (1) of MFMA Act No. 56 of 2003.

## RECOMMENDATIONS

- That, the report on revenue collection rate for the month of March 2025 be approved and approved by Council.
- That, the billing amounting to R1, 140 623.31 for Property Rates, and Refuse Removal (including interest charged) for the month March 2025 be approved and approved by Council.

- That, the total amount of R 1 501 818.39 that has been received for the month of March 2025 be approved and approved by Council.
- That, the collection rate for the month ending 31 March 2025 amounting to 47% be approved and approved by Council.
- That, the total investments for the month ending 31 March 2025 amounting to R 201 753 564.23 be approved and approved by Council.

## **BUDGET AND TREASURY DEPARTMENT: FREE BASIC SERVICES / INDIGENT REPORT AS AT MARCH 2025**

### **PURPOSE**

To report to the Council on Free basic serves for the month of March 2025.

### **LEGAL REQUIREMENTS**

Constitution of the Republic of South Africa, 1996.  
Local Government: Municipal Systems Act, No 32 of 2000.

### **STATUTORY**

Constitution of the Republic of SA – section 27 (1) (c).  
Local Government Municipal systems act- section 73 (1) (c).

### **BACKGROUND AND REASONING**

The municipality's CAAT's verified indigent register is made up of electricity = 3271, solar =1386 and paraffin 2027 which gives to a total 6684 approved indigent households. Indigent beneficiaries are subsidized with monthly maintenance on solar, 50kWh subsidy of electricity supplied by Eskom and paraffin as another means of alternative electricity.

The table below presents indigent beneficiation per type of service: -

Type of service	Number of beneficiaries	Status
Solar	1431	The service provider is currently busy on site replacing old solar batteries. 199 out of 384 new solar batteries has been replaced.
Electricity (ESKOM)	1127	Monthly subsidies.
Paraffin	1950	The distribution of paraffin has been completed to all 28 wards of Umzinvubu municipality.

**LABOUR IMPLICATIONS**

None

**FINANCIAL IMPLICATIONS**

Expenditure incurred as of March 2025 amounted to R 4 090 717.62

**SERVICE DELIVERY IMPLICATIONS**

Provision of free basic services.

**Recommendation**

For the Council to Approve the S52d for the period ending 31 March 2025.