

S71 MONTHLY BUDGET STATEMENT AS AT 30 SEPTEMBER 2025**STATEMENT OF FINANCIAL PERFORMANCE, POSITION AND THE IMPLEMENTATION OF THE 2025/26 BUDGET (MFMA SECTION 71) FOR THE PERIOD ENDED SEPTEMBER 2025**

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level :COUNCIL 31/10/2025)

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 2025/26 budget of the Umzimvubu Local Municipality for the period ending 30 September 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 Monthly 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 30 September 2025 for the year ending 30 June 2026. This report has been compiled in order to comply with Section 71 of the MFMA

FINANCIAL IMPLICATIONS**Dashboard summary**

Overall Operating Results		Capital Grants Results	
Income	R199 087 482	Income	R 40 455 723
Expenditure	R35 044 267	Expenditure	R 30 263 794
Operating Surplus/Deficit	R164 043 215	Surplus (Deficit)	R10 191 929
Financial Ratios		Capital Grants Performance	
Cash coverage	3 months	MIG	38%
Current ratio	2:1	INEP	41%
Liquidity ratio	2:0	MDRG	0%
Spending of Operating Budget (Opex)	16 %		
Spending of Capital Budget (Capex)	4 %		
Spending on Repairs and Maintenance	0.06%		

Budget vs Actuals-Revenue

Row Labels	Sum of TotalBudget	Sep-25	Sum of TotalActual	
Revenue	- 556 680 281,00	20 695,89	- 203 261 397,97	37%
Agency Services	- 2 900 000,00	- 300 564,08	- 549 744,62	19%
Fines; Penalties and Forfeits	- 4 527 000,00	- 112 935,40	- 272 412,40	6%
Interest	- 2 200 000,00	-	- 968 673,93	44%
Interest; Dividend and Rent on Land	- 10 580 000,00	- 21 731,87	- 2 186 891,87	21%
Licences or Permits	- 1 965 000,00	- 202 095,88	- 616 580,35	31%
Operational Revenue	- 2 313 000,00	- 54 737,16	- 1 038 604,46	45%
Property Rates by Usage	- 66 903 980,00	-	- 61 756 000,44	92%
Rental from Fixed Assets	- 7 355 000,00	- 27 252,00	- 443 376,52	6%
Sales of Goods and Rendering of Services	- 13 433 701,00	- 21 640,01	- 1 991 826,06	15%
Service Charges	- 1 482 600,00	-	- 245 040,93	17%
Transfers and Subsidies	- 443 020 000,00	761 652,29	- 133 192 246,39	30%

The total collection against the budget is currently at 37% and the interest charged to overdue account is mostly contributing towards the reported percentage.

Attention is drawn to the rental of fixed assets and fines as there's only 6% collection against the projected revenue.

Budget vs Actuals- Expenditure

Row Labels	Sum of TotalBudget	Sep-25	Sum of TotalActual	
Expenditure	447 403 914,00	8 086 814,25	71 102 245,89	16%
Contracted Services	116 219 996,00	4 917 985,11	26 182 287,76	23%
Depreciation and Amortisation	89 550 000,00	-	10 581 995,10	12%
Employee Related Cost	106 006 255,00	-	15 106 312,57	14%
Inventory Consumed	10 493 502,00	-	1 950 642,55	19%
Operating Leases	1 167 220,00	-	-	0%
Operational Cost	81 007 657,00	1 580 572,78	7 981 452,66	10%
Remuneration of Councillors	25 562 784,00	-	3 989 190,67	16%
Transfers and Subsidies	17 396 500,00	1 588 256,36	5 310 364,58	31%

The 0% on the operating leases is affected by the dispute between the municipality and the service provider responsible for the printing machines

The 10% on the operating costs is an indication of the implementation of cost containment regulation

The cost for contracted services includes services which are paid for on a monthly basis

Recommendation

That, the operating surplus of R164 million be noted by the Council

That, the CAPEX surplus of R10.1 million be noted by the Council

That the ratios be noted by the Council

That, the 16% expenditure incurred be noted by the Council

That, the 37% actual collection against the budget be noted by the Council

BUDGET AND TREASURY DEPARTMENT:REPORT ON UIFWE FOR THE PERIOD 30 SEPTEMBER 2025

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level :COUNCIL 31/10/2025)

Purpose

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 30th of September 2025.

Statutory requirements

The Constitution of RSA
MFMA
MBRR

Parties consulted

None

Authority

Council

Financial Implications

The Fruitless and Wasteful amount reported in the current financial year was incurred in the prior financial years pending the investigation as well the high court ruling on the recovery of funds from the estate of the deceased employee.

Due to the award made to the Panel of Attorneys where the advert was for a period less than 30 days, it was resolved that as long as the contract is still valid, the expenditure incurred will be disclosed as Irregular until the expiration of the contract.

Annexure

EC442					
Register for Irregular, fruitless and wasteful expenditure 2025/26 FY					
	Opening balance	Additions	Write off	Recovered	Balance as at 30/09/2025
Unauthorized expenditure	-	-	-	-	-
Irregular expenditure		1 539 361,00		-	1 539 361,00
Fruitless and Wasteful expenditure	839 721,00	-	-	-	839 721,00
	839 721,00	1 539 361,00	-	-	2 379 082,00

Recommendations

That, the Fruitless and wasteful expenditure amounting to R839 721 be noted by Council

That, the Irregular expenditure amounting to R1 539 36 be noted by the Council

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BUDGET AND TREASURY DEPARTMENT: RPORT ON GRANT EXPENDITURE FOR THE PERIOD ENDED 30 SEPTEMBER 2025

(File
No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level :COUNCIL 31/10/2025)

Purpose

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 30th of September 2025.

Statutory requirements

The Constitution of RSA

MFMA

MBRR

Parties consulted

None

Authority

Council

Annexure

Month: September 2025												
UMZIMVUBU LOCAL MUNICIPALITY												
Ref			Balance	Amount	Total	Expenditure				Balance	%	Allocation
No	Description	Total Allocation	BF	Received	Liability	Operating	Capital	VAT	Total	Unspent @ 31.07.2023	Spending	Spending%
1	MUNICIPAL INFRASTRUCTURE	57 096 000,00	-	19 270 000	19 270 000		19 715 855	2 226 459	21 942 314	-2 672 314	114%	38%
2	FINANCIAL MANAGEMENT	1 800 000,00	-	1 800 000	1 800 000	121 067		4 860	125 927	1 674 073	7%	7%
3	ELECTRIFICATION PROJECT	14 970 000,00	2 007 957	6 737 000	8 744 957		5 306 873	796 031	6 102 904	2 642 053	70%	41%
4	EXPANDED PUBLIC WORKS	2 773 000,00		693 000	693 000	2 153 325		-	2 153 325	-1 460 325	311%	78%
5	EPWP-INCENTIVE GRANT	2 574 000,00	169 902	1 544 000	1 713 902	744 163		-	744 163	969 739	43%	29%
6	ARTS AND CULTURE	1 434 000,00	321 518	1 473 000	1 794 518	688 364		61 863	750 227	1 044 291	42%	52%
7	Municipal Disaster Recovery Grant	26 848 000,00	-	8 054 000	8 054 000		-	-	-	8 054 000	0%	0%
8	Human Settlement Housing Project	61 800 000,00	-	4 386 766	4 386 766		2 218 576	-	2 218 576	2 168 190	51%	4%
	Grand total	169 295 000	2 499 377	43 957 766	46 457 143	3 706 918	25 022 728	3 089 213	31 818 860	12 419 707	68%	19%

Discussion

The first tranche of MIG is exhausted during the first quarter of the financial year and the excess amount of R2.6 million was funded from the equitable share to ensure that there's progress on sites.

As much as there is a receipt of MDRG, there is no expenditure to date as the department is currently processing RFQ's to be issued to the panel of plant hire.

The expenditure on FMG is only incurred for the interns stipend however the interns have enrolled to study CPMD where most of the expenditure will be incurred.

Recommendations

That, the 38% spending on MIG be noted by the Council

That, the 41% spending on INEP be noted by the Council

That, the spending on other operating transfers be noted by the Council

BUDGET AND TREASURY OFFICE DEPARTMENT: ASSET MANAGEMENT REPORT FOR THE MONTH ENDED 30 SEPTEMBER 2025

(File No: 9/1/2/3)
(Author: KM/SM/SJ)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level :COUNCIL 31/10/2025)

PURPOSE

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

55 Laptops for Councilors


1 Tractor for Community services

2.Completed Capital projects September 2025

Velem Access road

BOQ has been sent to Engineers for unbundling

Summary of Retention register as at September 2025 (Annexure c)

 Retention Schedule Reconciliation	
Municipality:	UMZIMVUBU LOCAL MUNICIPALITY
Period:	Sep-25
Opening Balance as at 01 July 2025	13,756,011.38
Retention Paid 2025/2026	1,629,957.58
Retention Raised to date 2025/2026	1,341,437.42
Closing Balance as at September 2025	13,467,491.22

Overdue retentions

- Upgrading of EmaXesibeni Streets along CBD Phase 2
- Mpemba Bridge with 6km
- Phepheni Sports Facility Phase 2
- Completion of Nophoyi Sport field


WIP AS AT 30 SEPTEMBER 2025

Reconciliation of Work-in-Progress			
	Infrastructure	Buildings	Total
Opening balance	R50,785,446.00	R43,063,663.00	R93,849,109.00
Additions/capital expenditure	R11,329,245.00	R10,874,030.71	R22,203,275.71
Transferred to completed items	- 2,460,447.28	-	- 2,460,447.28
	59,654,243.72	53,937,693.71	113,591,937.43

4. Work in Progress as at September 2025

- Annexure A

6 Political Office – Usage Vehicle

Office Bearers Vehicle Usage Report				
				
Municipality:	UMZIMVUBU LOCAL MUNICIPALITY			
Month	July - December 2025			
Financial Year:	2025/2026			
Description - July 2025	Mayoral - JVF 565 E& KPF 437 EC	Speaker - JZX 814 EC	Chief Whip - KDM418 EC	
Jul-25				
Fuel	19,129.45	12,322.58	-	
Maintenance	4,257.44	11,680.00	-	
Total	23,386.89	24,002.58	-	
Aug-25				
Fuel	22,957.55	13,688.66	8,918.69	
Maintenance	-	-	-	
Total	22,957.55	13,688.66	8,918.69	
Sep-25			KDM 418 EC	
Fuel	26,559.59	17,126.05	12,169.10	
Maintenance	-	-	-	
Total	26,559.59	17,126.05	12,169.10	
Grand Total	72,904.03	54,817.29	21,087.79	

Recommendation

That, the movable and immovable assets additions to the FAR be noted by the Council

That, the R113 million value of WIP be noted by the Council

That, the R26.5 million value of a Mayoral vehicle cost be noted by the Council

That, the R17.1 million value of a Speakers vehicle cost be noted by the Council

Tha, the R12.1 million value of a Chief Whip's vehicle cost be noted by the Council

That, the R13.4 million value of retentions be noted by the Council.

BUDGET AND TREASURY DEPARTMENT: REPORT ON VAT FOR THE MONTH ENDED 30 SEPTEMBER 2025 REPORT.

(File No: 02/10/25)
(Author: FT/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level: COUNCIL /10/2025)

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 30 September 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 2025 for the year ending 30 June 2026.

DISCUSSION

- SARS requires that ULM submitted VAT returns by the 25th 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 2025 to June 2026.

2025-2026 VAT RETURNS SUMMARY REPORT						
Month	VAT Input	VAT Output	Submitted	Received	Difference	Comment
July'25	5,560,801.62	- 1,025,852.28	4,534,949.34	-	4,534,949.34	To set off INEP VAT Debt
August'25	1,805,106.19	- 32,007.42	1,773,098.77	-	1,773,098.77	To set off INEP VAT Debt
September'25	3,638,596.32	- 62,662.09	3,575,934.23		3,575,934.23	To set off INEP VAT Debt
	<u>11,004,504.13</u>	<u>- 1,120,521.79</u>	<u>9,883,982.34</u>	<u>-</u>	<u>9,883,982.34</u>	

VAT INEP	
SARS Debt	
Initial Tatal VAT Disclosure	10,253,869.57
Interest Charged	3,077,271.73
Total SARS VAT Debt	<u>13,331,141.30</u>
Returns Submitted	
June'25	2,781,793.13
July'25	4,534,949.34
August'25	1,773,098.77
September'25	3,575,934.23
Total paid to-date	<u>12,665,775.47</u>
Total Debt to-date	<u>665,365.83</u>

CHALLENGES

- SARS take it is time to finalize the audit on the returns submitted.
- Municipality owes SARS though INEP allocation
- Interests are charged monthly on balance

RECOMMENDATION

Council to note the report.

**BUDGET AND TREASURY DEPARTMENT: REPORT ON COST CONTAINMENT
MEASURES FOR THE MONTH ENDED 30 SEPTEMBER 2025 REPORT**

(File No: 02/10/25)
(Author: FT/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level: COUNCIL /10/2025)

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 30 September 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 25 to June 2026.

Cost Containment Report as of 30 September 2025			
	To-Date		
Cost Containment Measures	Budget	Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	17583400	5373439.19	12,209,960.81
Travel and subsistence	2166800	592581.49	1,574,218.51
Domestic accommodation	4702000	387933.28	4,314,066.72
Sponsorships, events, and catering	3423596	183425	3,240,171.00
Communication	1009500	168679.39	840,820.61
	R28,885,296.00	R6,706,058.35	R22,179,237.65

DISCUSSION

During the month of June 2019, the minister of finance 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

CHALLENGES

- 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 MONTH ENDED 30 SEPTEMBER 2025 REPORT

(File No: 02/10/25)
(Author: FT/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level: COUNCIL /10/2025)

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 30 September 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:

2025-2026 EXPENDITURE SUMMARY REPORT					
No of Creditors, Invoices & Paid within 30 days					
Month	Amount Due	Received	Amount Paid	Difference	Paid after 30 days
July'25	57,287,148.56	194	57,287,148.56	-	None
August'25	19,948,995.02	126	19,948,995.02	-	None
September'25	40,493,924.69	128	40,493,924.69		None
	117,730,068.27	448	117,730,068.27	-	

CHALLENGES

- 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 30 SEPTEMBER 2025 REPORT

(File No: 02/10/25)
(Author: FT/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level: COUNCIL /10/2025)

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 30 September 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

2025-2026 Payroll Summary Report				
	Councillors		Officials (Staff, HOD's & Casuals)	
Period	Salary bill	Substance & Travel Claim	Salary bill	Substance & Travel Claim
July'25	R1,681,390.44	R27,724.71	R7,593,043.82	R126,957.88
August'25	R1,692,014.57	R38,348.83	R7,788,221.78	R70,663.41
September'25	R1,756,136.99	R102,471.25	R9,079,590.11	R234,138.85

Total	R5,129,542.00	R168,544.79	R24,460,855.71	R431,760.14
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CHALLENGES

- Late submission of payroll inputs, these inputs include:
- Change of banking details
- Removal on the system of an employee who resigned after the 15th 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.

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level :COUNCIL 31/10/2025)

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 September 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 107 041 880.09 AS AT 30 September 2025 made up of the rates, refuse removal and interest on outstanding debt for various consumer debtors.

Detail Report						
Region	Department	Current	30 Days	60 Days	90 Days	120 Days +
e.g. Umzim	Agriculture	-	-	-	-	-900.21
	Health	6,671.15	5,855.05	790.52	705.07	6,403.07
	Public Works	454,846.99	46,380,086.09	56,583.78	42,831.61	7,533,342.59
	Alfred Ndzo	13,554.94	444,648.89	7,764.52	7,760.18	1,153,914.06
	Social Development	2,651.07	10.60	-	-	-
	Residents	787,780.37	499,321.86	487,461.71	414,455.68	17,143,102.78
	Councillors	1,254.27	-	-	-	-
	Staff	-688.31	-339.10	-55.92	-78.75	-67.11
	Industries	1,091,325.22	504,526.13	505,641.22	497,735.61	23,364,848.20
	DrDar	7,704.77	16,732.17	7,628.85	7,628.85	979,420.63
	Nat. Departments	47,033.48	3,257,580.36	14,537.43	15,176.79	1,274,692.93
	Grand Total	2,412,133.95	51,108,422.05	1,080,352.11	986,215.04	51,454,756.94

Staff and Councillors debt September 2025 is broken down as follows: -

Staff/ Councillor	Erf No.	Town	Current	30 days	60 days	90 days	Outstanding amount
Cllr Garane	75	EMaxesibeni	R 566.12	R 56.05	R 0.00	R 0.00	R 622.17
Cllr Mdzinwa	521	Kwa-Bhaca	R 632.00	R 0.00	R 0.00	R 0.00	R 632.00
Mr Nota	238	EMaxesibeni	R - 316.29	R -10.13	R -282.46	R 0.00	R -608.88
Mr Nota	540	Kwa-Bhaca	R -71.67	R -149.29	R -31.71	R -98.42	R -351.09
Mr Makanda	3769	Kwa-Bhaca	R -42.60	R -42.60	R 0.00	R -47.63	R -132.83
Mr Makanda	3770	Kwa-Bhaca	R -42.20	R -24.93	R 0.00	R -26.53	R -136.29
Total							R 25.08

SEPTEMBER 2025 RENTAL DEBTORS

RENTAL DEBTORS LEVY PERIOD	
DATE RANGE	202509
DESCRIPTION	TOTAL
002530 LEASE RENTALS	139,846.32
002531 RESIDENTIAL RENTALS - STAFF HOUSING	17,358.34
008888 PAYMENTS	-196,559.94
009001 INTEREST ON SUNDRY DEBTORS	7,490.98
009008 VAT LEVIED	22,763.26
	- 9,101.04

SEPTEMBER 2025 TRAFFIC FINES REPORT

TRAFFIC FINES BILLING vs PAYMENTS				
	Billing	Receipts	Balance	Collection %
Op Bal			11,504,205.00	
Jul-25	142,950.00	26,400.00	116,550.00	18%
Aug-25	132,850.00	31,400.00	101,450.00	24%
Sep-25	103,000.00	29,950.00	73,050.00	29%
Total	378,800.00	87,750.00	11,795,255.00	23%

For the month of **September 2025**, traffic fines received to date amounted to **R 29 950.00**

REPORTING ON REVENUE ENHANCEMENT STREAMS

The purpose of the report is to monitor and evaluating initiatives aimed at improving the municipality's revenue collection. It ensures transparency, accountability and compliance with legislations and policies. This report presents an overview of revenue collection and enhancement activities for the month of September 2025

SegmentDesc	TotalBudget	Actual	Collectinon Percentage
Property Rates & Refuse Removal	- 57,235,349.00	- 21,257,498.02	37%
Vehicle Registration 209104080	- 2,900,000.00	- 549,744.62	19%
Drivers Learners Licenses 2091040	- 1,600,000.00	- 536,768.00	34%
Vehicle testing station 209104085	- 165,000.00	- 35,502.00	22%
Sundry income Marathon 200116087	- 150,000.00	- 79,341.11	53%
Land sales 203119030	1.00	- 510,759.00	-51075900%
Sophia Recreational 207111015	- 160,000.00	- 45,420.74	28%
Hall Rental 207111010	- 50,000.00	- 38,761.73	78%
Parks 207116054	- 5,000.00	-	0%
Plant Rental 203111060	1.00	- 5,491.86	-549186%
Sportsfield 207116081	1.00	- 653.91	-65391%
Plant Rental 203111060	- 50,000.00	-	0%
Lease Rolyats Group 200	- 4,340,000.00	- 353,048.28	8%
Rezoning Aplication 203116073	- 8,300.00	-	0%
Building Plan Fees 203116010	- 140,000.00	- 36,252.19	26%
Funeral Plot Fees 207116026	1.00	- 2,928.70	-292870%
Funeral Plot Fees 207116026	- 15,000.00	-	0%
Rezoning Certificate 203116074	- 8,000.00	- 1,460.86	18%
Clearance Certificate 200116017	- 15,000.00	- 430.44	3%
Traffic Escort Fees	1.00	- 5,138.26	-513826%
Special Concent 203116079	- 2,010.00	-	0%
SG Diagrams 203116075	- 3,000.00	-	0%
Tender Fees 203116091	- 50,000.00	-	0%
Subdivision 203116085	1.00	- 7,324.35	-732435%
Subdivision 203116085	- 15,000.00	-	0%
Landfill Site Disposal Charges	1.00	- 1,304.35	-130435%
Refuse Removal 208110070	- 1,482,600.00	- 243,736.58	16%
Traffic Fines 209102060	- 3,177,000.00	- 86,595.00	3%
Pound fees 207116062	- 1,350,000.00	- 185,817.40	14%
Trading Licence 205103080	- 200,000.00	- 44,310.35	22%

ACTIONS TAKEN TO REDUCE DEBTOR.

- 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 collection and revenue collection of for the month of September 2025 amounting to **R 19 848 973.74** be noted and by Council.
- That, the report on outstanding traffic fines for the month of September 2025 amounting to **R 11 795 255.00** be noted and by Council.
- That, the following aged outstanding debtors balance of **R 107 041 880.09** for the month ending September 2025 be noted and by Council:
 - Current – R 2 412 133.95
 - 30 days – R 51 108 422.05

- 60 days – R 1 080 352.11
- 90 days – R 986 215.04
- 120 +days – R 51 454 756.94

That, the following categorised outstanding debtor type be noted and by Council:

- Residential debt – R 19 332 147.48
- Commercial debt – R 25 964 076.38
- Government debt – R 61 745 656.23

That, the total amount owed by Councillors and Staff members amounting to **R 28.08** be noted and by Council.

REVENUE COLLECTION RATE AND INVESTMENT REPORT AS AT 30 SEPTEMBER 2025

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level :COUNCIL 31/10/2025)

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 September 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”.

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 September 2025 was 495% as depicted in the tables below:

Collection Analysis for September 2025			
Category	Billing	Collection	Collection %
Business	743,426.21	273,927.22	37%
Residential	441,692.21	97,398.84	22%
Public Service Purpose		8,805,372.90	0%
Vacant	110,759.19	23,523.93	21%
Refuse Removal	122,131.34	42,131.18	34%
Interest	462,145.80	70,386.67	15%
Total	1,880,154.75	9,312,740.74	495%

The overall collection from July 2025 to June 2026 is sitting at 18%

Collection Analysis

Period	Billing	Collection	Coll %
Jul-25	60,984,200.42	- 1,944,757.28	-3%
Aug-25	1,880,154.75	- 445,742.97	-24%
Sep-25	1,880,154.75	- 9,312,740.74	-495%
Total	62,864,355.17	- 11,257,498.02	-18%

A collection percentage of 495% has been achieved for the month of September 2025 i.e. collection of R 9 312 740.74 against the billing of 1 880 154.75.

INVESTMENTS

The municipality has investments into three banks that are registered in terms of the Banks Act No. 94 of 1990 read with section

Investments	System #	Bank Name	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Int Capitalised	Balance
FNB	'000031	Operational Bank Inv	'60029450715	202509	10	22,073.63	-		120.65	22,194.28
FNB	'000032	Service Delivery Ban	'62033254723	202509	10	39,557,508.70	-	26,000,000.00	165,299.47	13,722,808.17
NEDBANK	'000034	Nedbank Bank Investm	'7881112786	202509	5.75	40,150,435.92	-		227,702.40	40,378,138.32
STD	'000045	STD BANK INVEST 4201	'420111972	202509	7.9	30,345,226.03				30,345,226.03
Total Unconditional Grants						110,075,244.28	-	26,000,000.00	393,122.52	84,468,366.80
Institution	System #	Bank Name	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Int Capitalised	Balance
FNB	'000033	Mig Bank Investment	'62086036714	202509	10	9,940,534.00	-	9,457,579.43	16,262.37	499,216.94
FNB	'000035	Guarantee Bank Inves	'62068742157	202509	10	177,316.76			969.17	178,285.93
FNB	'000036	Fmg Bank Investment	'62276187294	202509	10	1,808,384.87	-		9,884.19	1,818,269.06
FNB	'000037	Electrification Bank	'62288560925	202509	10	6,607,668.48		3,952,376.46	27,540.20	2,682,832.22
FNB	'000038	Housing Bank Investm	'62891519971	202509	10	198.11			1.09	199.20
FNB	'000044	MD RECOVERY GRANT IN	'63093652965	202509	10	2,628,628.54	8,054,000.00		52,519.12	10,735,147.66
Total Conditional Grants						21,162,730.76	8,054,000.00	13,409,955.89	107,176.14	15,913,951.01
GRAND TOTAL						131,237,975.04	8,054,000.00	39,409,955.89	500,298.66	100,382,317.81

7 (1) (2) of MFMA Act No. 56 Of 2003.

For the reporting period, the municipality had a balance of R 15 913 951.01 for conditional investments and R 84 468 366.80 for unconditional investments all totalling to R 100 382 317.81

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. evacuate

RECOMMENDATIONS

- That, the report on revenue collection rate of 495% for the month of September 2025 be noted and by Council.
- That, the billing amounting to 1 880 154.75for Property Rates, Refuse Removal (including interest charged) for the month September 2025 be noted and by Council.
- That, the total amount of R 9 312740.74 has been received from Rates and Services for the month of September 2025 be noted and by Council.
- That, the 495% collection rate for the period ending September 2025 be noted and by Council.
- That, the total investments for the month ending September 2025 amounting to R 100 382 317.81.38 be noted and by Council.

BUDGET AND TREASURY DEPARTMENT: FREE BASIC SERVICES / INDIGENT REPORT AS AT September 2025

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level :COUNCIL 31/10/2025)

PURPOSE

To report to the Council on Free basic services for the month of September 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 = 3242, solar =1322 and paraffin = 1752 which gives to a total 6316 indigent households for the whole municipality. 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	1322 registered indigent households for solar subsidy, we maintain, replace or install solar systems only when there is a need.	Currently the service provider is on-site installing solar home systems to 59 indigent households to 14 wards both mount frere and mount Ayliff. The current contract will be expiring in November 2025, and the Tender Advert is already issued and closed on the 22 September 2025.
Electricity (ESKOM)	1114	It’s a monthly subsidy where each registered indigent household receive 50 KWh free basic electricity token on monthly basis , we have submitted 805 new applications to ESKOM which will add the current FBE beneficiaries.
Paraffin	1538 indigent households have benefited from paraffin subsidy where each household receive 20L.	The contract has ended, and we are busy with tender procurement processes.

LABOUR IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Expenditure incurred as of September 2025 amounted to R126 281.91

SERVICE DELIVERY IMPLICATIONS

Provision of free basic services.

Recommendations

That, the implementation of Free Basic Services be noted by the Council

**BUDGET AND TREASURY OFFICE DEPARTMENT: SUPPLY CHAIN MANAGEMENT REPORT
FOR THE MONTH ENDED 30 SEPTEMBER 2025**

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: MANCO 02/10/2025)
(2nd Level: STANCO /10/2025)
(3rd Level: EXCO /10/2025)
(4th Level :COUNCIL 31/10/2025)

4th Level: Council - /10/2025)

PURPOSE

To report Supply Chain Management processes and other procurements matters for the reporting Month ended **30 September 2025**.

The municipality did not have any deviations for the month of **30 September 2025**.

To report bids invited, evaluated, adjudicated, and awarded for the reporting month ended **30 September 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**.

Supply Chain Management Policy.

BACKGROUND AND REASONING

For the month ended **30 September 2025**, the Municipality has operated financially through procurement processes as follows:

DASHBOARD / PERFORMANCE SUMMARY

	30 September 2025
BIDS AND QUOTATIONS INVITED	
Quotations below 30 000.00	34
Invited Quotations above 30 000.00	14
Invited Bids	5
AWARDED BIDS	
Quotations below 30 000.00	32
Awarded Quotations above 30 000.00	9
Awarded Bids	19
Total Summary values of Procurements,	
Below R30 000 (SCM Orders)	R470,513.39
R30 001 – R300 000 (Seven days' notice)	R999,365.00
Above R300 000	R25,194,433.91
Section 32	0
Deviations (Section 36)	0
% of Competitive Bids awarded per area,	
Local (Mount Frere and Mount Ayliff)	68.42%
Region (Alfred Nzo)	10.53%
Province (Eastern Cape)	10.53%
National (Excluding Mount Ayliff and Mount frere)	10.53%
% of Quotations awarded per area, (R30 001 – R300 000)	
Local (Mount Frere and Mount Ayliff)	76%
Region (Alfred Nzo)	24%
Province (Eastern Cape)	0%
National (Excluding Mount Frere and Mount Ayliff)	0%

Number of meetings set successfully	9
Bid Specification Committee	2
Bid Evaluation Committee	5
Bid Adjudication Committee	2
Objections received	7
Cancelled bids	0
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 **30 September 2025**.

- **34 Quotations** below 30K were requested in the reporting Month of September 2025.
- **14 Quotations** above 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Month of **September 2025**.
- **5 Competitive bids** were advertised on the daily dispatch and E-tender portal, Municipal website month of **September 2025**.
- **32 Quotations** below 30k were awarded in the for the month ended **30 September 2025**.
- **9 Quotations** above 30k were awarded in the for the month ended **30 September 2025**.
- **19 Competitive bids** were awarded in the month ended **30 September 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.

- Procurement below R30 000 through SCM orders requesting three quotations for the reporting month ended **30 September 2025**, amounts to **R470,513.39**.
- 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 **30 September 2025**, amounts to **R999,365.00**.
- 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 **30 September 2025**, amounts to **R25,194,433.91**.
- No Deviations done for the month of **30 September 2025**.
- No section 32 awards were made for the reporting quarter ended **30 September 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 **30 September 2025**, above R300 000.00 awarded bids through open / **competitive bidding 68.42%** was awarded to local suppliers within Mount Ayliff and Mount Frere.
- For the reporting month ended **30 September 2025**, quotations between R30 001 – R300 000.00, **76%** was awarded to local suppliers within Umzimvubu Local municipality.

- For the reporting month ended **30 September 2025**, quotations between R2001 – R30 000.00, **100%** was awarded to local suppliers within Umzimvubu Local municipality.

1.1. QUOTATIONS INVITED

PERCENTAGES ON TOTAL PROCUREMENTS OF QUOTATIONS ABOVE R 30 001 THE ALLOCATIONS HAVE BEEN DONE AS TABULATED BELOW

Umzimvubu LM	District	Province-EC	National	Total Procurements above R30 001
8(76%)	1(24%)	0(0%)	0(0%)	9

1.2 BIDS AWARDED

Percentages on total procurements of bids the allocations have been done as tabulated below,

Umzimvubu LM	District	Province-EC	National	Total Procurements above R300 000
13(68.42%)	2(10.53%)	2(10.53%)	2(10.53%)	19

1.3. SECTION 32 PROCUREMENT

- No section 32 awards were made for the month of September 2025.

1.4. DEVIATIONS (Section 36)

No deviations for the month of September 2025.

DEVIATION ILLUSTRATED BY GRAPH MONTHLY

No deviations for the month of September 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.

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.

3. BID COMMITTEE SITTING**8.1. BID SPECIFICATION COMMITTEE**

BSC DATE	MEMBERS	PRESENT	ABSENT	REASON	THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:
9 September 2025	1. Mr L Luzipho 2. Ms Madlanga 3. Ms Bingwa 4. Ms Dina 5. Ms Ndlangisa 6. Mr Ngejane	All Members			Panel of attorneys/Law firms
16 September 2025	1. Mr L Luzipho 2. Ms Madlanga 3. Ms Bingwa 4. Ms Dina 5. Ms Ndlangisa 6. Mr Ngejane	All Members			Reconstruction of Lutshikini AR Cabane Slab

3.4. BID EVALUATION COMMITTEE

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
					<p>THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:</p>
<p>03 September 2025</p>	<p>Mr Gamedala Mr M. Mafumbatha Mr Mbuyeleni Ms Z Mbono Mr Jojo Mr Matola</p>				<p>Ndakeni To Malenge AR Fadeni AR Mpoza AR Goodhope AR Panel of Ad-Hoc plant hire Upper Dambeni AR</p>

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
04 September 2025	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Mqhekezweni AR Nkangala-Nkwazini AR Mpoza AR Fadeni AR Goodhope AR KwaBhaca old offices Network Construction of Public Transport pound
11 September 2025	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Rainwater Harvesting Donga Rehabilitation Nkangala-Nkwazini AR

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
16 September 2025	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Rainwater Harvesting Donga Rehabilitation Nkangala-Nkwazini AR
25 September 2025	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Nophoyi Sportfield Phase 2 Solar System for deserving indigent households Panel for hire of waste specialised Plant and Equipment

3.5. BID ADJUDICATION COMMITTEE

BAC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
5 September 2025	Mr. K Mehlomakhulu Mr. J Moleko Mr L Makanda Mrs Zembe Dr. Tshazi Mr X Blaweni Mrs Kubone				Mqhekezweni AR Nkangala-Nkwazini AR Mpoza AR Fadeni AR Goodhope AR KwaBhaca old offices Network Construction of Public Transport pound Bilan-Mpindweni AR Panel of Ad-hoc plant hire Ndakeni-Malenge AR Upper Dambeni AR

BAC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
26 September 2025	Mr. K Mehlomakhulu Mr. J Moleko Mr L Makanda Mrs Zembe Mr Ntlamba Mr X Blaweni Mrs Kubone				Donga Rehabilitation Rainwater harvesting Fadeni AR Maintenance

4. 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 7 objection received in the reporting month ended **30 September 2025**.

No	Project Name	Objection end date	Status
1.	Thwa Access Road Maintenance	10 September 2025	Handed over to a Law firm-Arbitration

			scheduled for 8 October 2025
2.	Qhanqu Access Road Maintenance	15 September 2025	Handed over to a Law firm-Arbitration scheduled for 8 October 2025
3.	Luxwesa Access Road Maintenance	10 September 2025	Two Objections closed and awarded
4.	Mpoza Access Road Maintenance	29 September 2025	Handed over to a Law firm
5.	Moyeni-Galali Access Road Maintenance	09 September 2025	Objection closed and awarded
6.	Panel of Ad-hoc for Emergency maintenance and disaster related	30 September 2025	Handed over to a Law firm

5. CONTRACT MANAGEMENT

The unit received all S116 Reports for active contracts in the reporting month ended 30 September 2025.

6. 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 0 cancelled bids in the reporting month ended **30 September 2025**.

7. RELATED PARTIES DISCLOSURE

None

8. PROCUREMENT PLAN IMPLEMENTATION STATUS

Procurement plan as 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.

1.1. NON-SUBMISSION AND LATE SUBMISSIONS

None.

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" –Procurement Plan

"B" – Quotation Register

"C" -Tender Register

"D"- Procured Goods Report as per Thresholds

"E" – 45 Related Party Disclosure

"G"-Status of Projects

RECOMMENDATIONS

1. That, the report on supply chain management for the reporting month ended 30 September 2025 be noted by Council.
2. That, for the reporting month ended 30 September 2025 the has been no irregular expenditure detected and No Deviations incurred to be noted.
3. Projects status for the reporting month ended 30 September 2025 be noted.