

S71 MONTHLY BUDGET STATEMENT AS AT 31 OCTOBER 2025**STATEMENT OF FINANCIAL PERFORMANCE, POSITION AND THE IMPLEMENTATION OF THE 2025/26 BUDGET (MFMA SECTION 71) FOR THE PERIOD ENDED OCTOBER 2025**

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: MANCO 04/11/2025)
(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level :COUNCIL /11/2025)

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 31 October 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 Gazette 32141.

The information in this report is the financial performance for the transaction processed up to the close of business on 31 October 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	R215 515 076	Income	R66 342 189
Expenditure	R44 987 300	Expenditure	R43 111 938
Operating Surplus/Deficit	R170 527 776	Surplus (Deficit)	R23 230 251
Financial Ratios		Capital Grants Performance	
Cash coverage	3 months	MIG	48%
Current ratio	4:8	INEP	45%
Liquidity ratio	4:7	MDRG	5%
Spending of Operating Budget (Opex)	26 %		
Spending of Capital Budget (Capex)	8%		
Spending on Repairs and Maintenance	11%		

Budget vs Actuals-Revenue

Row Labels	Sum of TotalBudget	Sum of 202510	Sum of TotalActual	Sum of RemainingBudget	
Revenue	- 556 680 281,00	307 800,31	- 222 179 144,77	- 334 501 136,23	40%
Agency Services	- 2 900 000,00	- 190 684,27	- 740 428,89	- 2 159 571,11	26%
Fines; Penalties and Forfeits	- 4 527 000,00	- 81 994,00	- 355 106,40	- 4 171 893,60	78%
Interest	- 2 200 000,00	-	- 1 631 924,80	- 568 075,20	74%
Interest; Dividend and Rent on Land	- 10 580 000,00	-	- 2 854 422,10	- 7 725 577,90	27%
Licences or Permits	- 1 965 000,00	- 216 435,45	- 833 015,80	- 1 131 984,20	42%
Operational Revenue	- 2 313 000,00	978 090,06	- 58 967,40	- 2 254 032,60	25%
Property Rates by Usage	- 66 903 980,00	-	- 62 541 741,60	- 4 362 238,40	93%
Rental from Fixed Assets	- 7 355 000,00	- 33 133,68	- 653 114,59	- 6 701 885,41	0.08%
Sales of Goods and Rendering of Services	- 13 433 701,00	- 37 143,62	- 5 512 546,31	- 7 921 154,69	41%
Service Charges	- 1 482 600,00	-	- 366 598,36	- 1 116 001,64	25%
Transfers and Subsidies	- 443 020 000,00	- 110 898,73	- 146 631 278,52	- 296 388 721,48	33%
Grand Total	- 556 680 281,00	307 800,31	- 222 179 144,77	- 334 501 136,23	

Attention is drawn to a percentage of 0.08% for rental of fixed assets as there are properties that are not yet occupied in order to generate revenue.

The billing for property rates is currently the highest amongst other line items as the municipality reconciled the GV in order to have accurate billing

Budget vs Actuals- Expenditure

Row Labels	Sum of TotalBudget	Sum of 202510	Sum of TotalActual	Sum of RemainingBudget	
Expenditure	447 403 914,00	23 085 409,86	115 219 045,83	332 184 868,17	26%
Contracted Services	116 219 996,00	6 730 734,13	35 422 761,52	80 797 234,48	31%
Depreciation and Amortisation	89 550 000,00	-	15 690 504,17	73 859 495,83	18%
Employee Related Cost	106 006 255,00	7 839 745,04	30 845 812,44	75 160 442,56	29%
Inventory Consumed	10 493 502,00	2 633,80	2 385 729,87	8 107 772,13	23%
Irrecoverable Debts Written Off	-	-	-	-	
Operating Leases	1 167 220,00	561 061,42	561 061,42	606 158,58	48%
Operational Cost	81 007 657,00	6 166 702,12	15 925 631,25	65 082 025,75	20%
Remuneration of Councillors	25 562 784,00	1 780 802,48	7 559 893,62	18 002 890,38	30%
Transfers and Subsidies	17 396 500,00	3 730,87	6 827 651,54	10 568 848,46	39%
(blank)					
(blank)					
Grand Total	447 403 914,00	23 085 409,86	115 219 045,83	332 184 868,17	

The total operational expenditure is currently sitting at 26% with operating leases being the highest contributor towards the total expenditure percentage.

The implementation of cost containment measures remains the cause of the reduction in operational costs

Recommendation

That, the operating surplus of R170 million be noted by the Council

That, the CAPEX surplus of R23 million be noted by the Council

That the ratios be noted by the Council

That, the 26% expenditure incurred 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 04/11/2025)
(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level :COUNCIL /11/2025)

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 31/10/2025
Unauthorized expenditure	-	-	-	-	-
Irregular expenditure	1 539 361,00	-	-	-	1 539 361,00
Fruitless and Wasteful expenditure	839 721,00	-	-	-	839 721,00
	2 379 082,00	-	-	-	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

\

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: October 2025												
UMZIMVUBU LOCAL MUNICIPALITY												
Ref			Balance	Amount	Total	Expenditure				Balance	%	Allocation
No	Description	Total Allocation	BF	Received	Liability	Operating	Capital	VAT	Total	Unspent @ 31.10.2025	Spending	Spending%
1	MUNICIPAL INFRASTRUCTURE	57 096 000,00	-	37 540 000	37 540 000		24 452 909	2 822 848	27 275 757	10 264 243	73%	48%
2	FINANCIAL MANAGEMENT	1 800 000,00	-	1 800 000	1 800 000	152 233		4 860	157 093	1 642 907	9%	9%
3	ELECTRIFICATION PROJECT	14 970 000,00	2 007 957	6 737 000	8 744 957		5 920 107	888 016	6 808 123	1 936 834	78%	45%
4	EXPANDED PUBLIC WORKS	2 773 000,00		693 000	693 000	2 773 000		-	2 773 000	-2 080 000	400%	100%
5	EPWP-INCENTIVE GRANT	2 574 000,00	169 902	1 544 000	1 713 902	993 300		-	993 300	720 602	58%	39%
6	ARTS AND CULTURE	1 473 000,00	321 518	1 473 000	1 794 518	873 779		74 975	948 755	845 763	53%	64%
7	Municipal Disaster Recovery Grant	26 848 000,00	-	8 054 000	8 054 000		1 129 806	169 471	1 299 277	6 754 723	16%	5%
8	Human Settlement Housing Project	61 800 000,00	-	14 011 189	14 011 189		7 728 781	-	7 728 781	6 282 408	55%	13%
	Grand total	169 334 000	2 499 377	71 852 189	74 351 566	4 792 312	30 373 016	3 960 170	38 956 028	26 367 480	52%	23%

Discussion

The second tranche for MIG was received and the municipality carried on with payments of service providers which increased the percentage spending to 48%

There is a slight improvement on MDRG as compared to the previous month as the % spending is currently sitting at 5% as opposed to the 0% reported last month.

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 48% spending on MIG be noted by the Council

That, the 45% 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 31 OCTOBER 2025

(File No:
9/1/2/3)
(Author: KM/SM/SJ)
(1st Level: MANCO 04/11/2025)
(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level :COUNCIL /11/2025)

PURPOSE

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

Item Name	Barcode	Location	Custodian	EFT No.	GL Amount	Classification
Desktop	101449	BTO	N.Nkonzo	EF019859-0002	14,500.00	Computer Equipment
Desktop	100896	BTO	M.Kolisa	EF019859-0002	14,500.00	Computer Equipment
Desktop	100888	Library	K Mehlomakhulu	EF019859-0003	23,800.00	Computer Equipment
Desktop	100891	Library	K Mehlomakhulu	EF019859-0004	23,800.00	Computer Equipment
Chainsaw	100887	Sophia Park	Ms B Ndlangisa	EF019826-0010	13,800.00	Machinery

Reconciliation of Property, plant and equipment September 2026	Opening Balance	Additions	Disposals / Write off	Depreciation	Impairment loss	Total
Furniture and Office Equipment	4,486,407	-		(235,155)	-	4,251,252
Machinery and Equipment	4,277,934	320,000		(210,090)	-	4,387,844
Computer Equipment	7,839,981	1,303,495		(498,344)	-	8,645,131
Transport Assets	18,177,508	2,468,040	-	(1,008,028)	-	19,637,520
	34,781,830	4,091,534	-	(1,951,617)	-	36,921,747

2. Completed Capital projects October 2025

Completed Projects 2025/2026 financial year				
Month	Project Name	Amount	Completion date	Ward
July				
August	Velem Via Gamakhulu access road	R2 460 447.28	28/08/2025	22
September				
October	Lugangeni Feedlot	R1 764 332.55	23/09/2025	15

BOQ has been sent to Engineers for unbundling

Retention register as at October 2025 (Annexure c)

Retention 2025/2026 Financial year				
	July	August	September	October
Opening	13,756,011.38	14,315,238.76	14,044,445.12	14,620,853.91
Raised	559,227.38	67,041.30	1,868,531.43	1,047,935.18
Paid	-	337,834.94	1,292,122.64	290,380.21
Closing	14,315,238.76	14,044,445.12	14,620,853.91	15,378,408.88

Overdue retentions

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


WIP AS AT 31 October 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 October 2025

- **Annexure A**

6 Political Office – Usage Vehicle

Office Bearers Vehicle Usage Report			
			
Municipality:	UMZIMVUBU LOCAL MUNICIPALITY		
Month	July - October 2025		
Financial Year:	2025/2026		
Description - July 2025	Mayoral - JVF 565 E& KPF 437 EC	Speaker - JZX 814 EC	Chief Whip -
Jul-25			
Fuel	19 129,45	12 322,58	-
Maintenance	4 257,44	11 680,00	-
Total	23 386,89	24 002,58	-
Mielage	167 - 4792 KM	179 306 - 184 115 KM	0
Aug-25			KDM 418 EC
Fuel	22 957,55	13 688,66	8 918,69
Maintenance	-	-	-
Total	22 957,55	13 688,66	8 918,69
Mielage	4792 - 13183 KM	184 115 - 189 347 KM	97 964 - 102 761 KM
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
Mielage	13 183 - 22 959 KM	189 347 - 195 485 KM	102 761 - 109 080 KM
Oct-25			KDM 398 EC
Fuel	26 559,59	12 245,59	4 161,30
Maintenance	-	-	-
Total	26 559,59	12 245,59	4 161,30
Mielage	22 959 - 23 895.75 KM	195 485 - 199 948 KM	90 262 - 91 952 KM
Grand Total	99 463,62	67 062,88	25 249,09

Recommendation

That, the R26 thousand cost of fuel on a Mayoral vehicle be noted by the Council

That, the R12 thousand cost of fuel on a Speaker's vehicle be noted by the Council

That, the R4 thousand cost of fuel on a Chief Whip's vehicle be noted by the Council

BUDGET AND TREASURY DEPARTMENT: REPORT ON VAT FOR THE MONTH ENDED 31 OCTOBER 2025 REPORT.

(File No: 04/11/25)
(Author: FT/LL)
(1st Level: MANCO 04/11/2025)

(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level: COUNCIL /11/2025)

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 October 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	Comment
July'25	5,560,801.62	- 1,025,852.28	To set off INEP VAT Debt
August'25	1,805,106.19	- 32,007.42	To set off INEP VAT Debt
September'25	3,638,596.32	- 62,662.09	To set off INEP VAT Debt
October'25	2,767,141.81	- 63,452.96	To set off INEP VAT Debt
	13,771,645.94	- 1,183,974.75	

VAT INEP	
SARS VAT Debt	
Initial Total VAT Disclosure	10,253,869.57
Initial Interest Charged	3,077,271.73
Additional Interest	2,965,105.59
Total SARS VAT Debt	16,296,246.89
VAT 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
October'25	2,703,688.85
Total paid to-date	15,369,464.32

Total Debt to-date	926,782.57
--------------------	------------

CHALLENGES

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

RECOMMENDATION

Council to note the report.

BUDGET AND TREASURY DEPARTMENT: REPORT ON COST CONTAINMENT MEASURES FOR THE MONTH ENDED 31 OCTOBER 2025 REPORT

(File No: 04/11/25)
(Author: FT/LL)
(1st Level: MANCO 04/11/2025)
(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level: COUNCIL /11/2025)

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 October 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 31 October 2025			
	To-Date		
Cost Containment Measures	Budget	Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	17583400	5,753,564.39	11,829,835.61
Travel and subsistence	2166800	753,634.86	1,413,165.14
Domestic accommodation	4702000	1,018,164.07	3,683,835.93
Sponsorships, events and catering	3423596	1,338,679.74	2,084,916.26
Communication	1009500	554,263.58	455,236.42
	R28,885,296.00	R9,418,306.64	R19,466,989.36

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

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 31
OCTOBER 2025 REPORT**

(File No: 04/11/25)
(Author: FT/LL)
(1st Level: MANCO 04/11/2025)
(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level: COUNCIL /11/2025)

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 October 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
October'25	30,776,678.29	192	30,776,678.29		None
	148,506,746.56	640	148,506,746.56	-	

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 31 OCTOBER
2025 REPORT**

(File No: 04/11/25)
(Author: FT/LL)
(1st Level: MANCO 04/11/2025)
(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level: COUNCIL /11/2025)

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 October 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
October'25	R1,681,354.13	R27,724.71	R8,090,798.52	R133,364.99
Total	R6,810,896.13	R196,269.50	R32,551,654.23	R565,125.13

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.

BUDGET AND TREASURY DEPARTMENT: DEBTORS AND REVENUE COLLECTED REPORT AS AT OCTOBER 2025

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: MANCO 04/11/2025)
(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level :COUNCIL /11/2025)

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 October 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 108 314 793 AS AT 31 October 2025 made up of the rates, refuse removal and interest on outstanding debt for various consumer debtors.

Region	Department	Current	30 days	60 days	90 days	120 Days +	Total
e.g Umzim	Agriculture	9,911,52	9,770,07	23,825,40	14,616,17	1,344,163,87	1,402,287,03
	Health	6,705,48	3,371,15	5,855,05	790,52	7,108,14	23,830,34
	Public Works	393,446,84	504,614,33	46,379,069,23	55,736,66	7,561,574,00	54,894,441,06
	Alfred Ndzo	12,807,24	12,656,44	444,648,89	7,764,52	1,161,674,24	1,639,551,33
	Socila Developments	1,342,07	-	-	-	-	1,342,07
	Residents	801,399,69	419,162,43	483,752,86	473,310,38	17,080,193,19	19,257,818,55
	Councillors	1,256,83	-	-	-	-	1,256,83
	Staff	- 736,58	- 175,51	- 308,65	- 25,96	- 39,49	- 1,286,19
	Industries	1,090,737,77	511,865,00	499,778,59	501,404,96	23,841,077,52	26,444,863,84
	Nat.Departments	46,947,91	41,753,48	3,257,580,36	14,537,43	1,289,869,72	4,650,688,90
	Grand Total	2,363,818,77	1,503,017,39	51,094,201,73	1,068,134,68	52,285,621,19	108,314,793,76

Staff and Councillors debt October 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 624.83	R 0.00	R 0.00	R 0.00	R 624.83
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 -619.01
Mr Nota	540	Kwa-Bhaca	R -71.67	R -149.29	R -31.71	R -98.42	R -372.05
Mr Makanda	3769	Kwa-Bhaca	R -42.60	R -42.60	R 0.00	R -47.63	R -145.21
Mr Makanda	3770	Kwa-Bhaca	R -42.20	R-24.93	R 0.00	R -26.53	R -149.92

Total					R -29.36
--------------	--	--	--	--	-----------------

OCTOBER 2025 RENTAL DEBTORS

RENTAL DEBTOR REPORT	
DATE RANGE	202510
TARIFF CODE	TOTAL
'002530 LEASE RENTALS	221,785,49
'002531 RESIDENTIAL RENTALS	18,034,00
'008888 PAYMENTS	-201,081,51
'009008 VAT LEVIED	33,267,82
	72,005,80

OCTOBER 2025 TRAFFIC FINES REPORT

	Billing	Reciepts	Balance	Collection %
Op Bal			11,504,205,00	
25-Jul	142,950,00	26,400,00	116,550,00	18%
25-Aug	132,850,00	31,400,00	101,450,00	24%
25-Sep	103,000,00	29,950,00	73,050,00	29%
25-Oct	115,400,00	30,250,00	85,150,00	26%
Total	494,200,00	118,000,00	11,880,405,00	24%

For the month of **October 2025**, traffic fines received to date amounted to **R 30 250.00**

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 October 2025

SegmentDesc	Total Budget	TotalActual	Collection Percentage
	- 58,793,995,00	- 21,257,491,02	36%
Vehicle Registration 209104080	- 966,668,00	- 740,428,89	77%
Drivers Learners Licenses 209104010	- 533,332,00	- 732,995,00	137%
Vehicle testing station 209104085	- 55,000,00	- 44,502,00	81%
Sundry income Marathon 200116087	- 50,000,00	- 77,653,94	155%
Sophia Recreational 207111015	- 53,332,00	- 66,139,64	124%
Hall Rental 207111010	- 16,668,00	- 51,631,29	310%
Parks 207116054	- 1,668,00	-	0%
Plant Rental 203111060	1,00	- 5,491,86	-549186%
Sportsfield 207116081	1,00	- 863,48	-86348%
Plant Rental 203111060	- 16,668,00	-	0%
Lease Rolyats Group 200	- 1,446,668,00	- 769,472,16	53%
Advertising Mt Ayliff Billboard 206116005	- 53,332,00	- 11,200,85	21%
Rezoning Application 203116073	- 2,768,00	-	0%
Building Plan Fees 203116010	- 46,668,00	- 59,622,77	128%
Funeral Plot Fees 207116026	1,00	- 3,660,88	-366088%
Funeral Plot Fees 207116026	- 5,000,00	-	0%
Rezoning Certificate 203116074	- 2,668,00	- 4,526,07	170%
Clearance Certificate 200116017	- 5,000,00	- 860,88	17%
Traffic Escort Fees	1,00	- 5,138,26	-513826%
Special Conccent 203116079	- 672,00	-	0%
SG Diagrams 203116075	- 1,000,00	-	0%
Tender Fees 203116091	- 16,668,00	-	0%
Subdivision 203116085	1,00	- 7,324,35	-732435%
Subdivision 203116085	- 5,000,00	-	0%
Landfill Site Disposal Charges	1,00	- 1,304,35	-130435%
Refuse Removal 208110070	- 494,200,00	- 486,851,44	99%
Traffic Fines 209102060	- 1,059,000,00	- 117,545,00	11%
Pound fees 207116062	- 450,000,00	- 240,271,40	53%
Licences or Permits Trading	1,00	- 8,930,39	-893039%
Trading Licence 205103080	- 66,668,00	- 48,852,11	73%
Total	- 64,142,636,00	- 24,742,758,03	39%

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 October 2025 amounting to **R 830 291.90** be noted and approved by Council.
- That, the report on outstanding traffic fines for the month of October 2025 amounting to **R 11 880 405.00** be noted and approved by Council.
- That, the following aged outstanding debtors balance of **R 108 314 793** for the month ending October 2025 be noted and approved by Council:
 - Current – R 2,363,818,77
 - 30 days – R 1,503,017,39
 - 60 days – R 51,094,201,73
 - 90 days – R 1,068,134,68
 - 120 +days – R 52,285,621,19

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

- Residential debt – R 19,257,789,19
- Commercial debt – R 26,444,863,84
- Government debt – R 62,612,140,73

That, the total amount owed by Councillors and Staff members amounting to **-R 29.36** be noted and approved by Council.

REVENUE COLLECTION RATE AND INVESTMENT REPORT AS AT 31 OCTOBER 2025

(File No: 9/1/2/3)
(Author: KM/SM/FS)
(1st Level: MANCO 04/11/2025)
(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level :COUNCIL /11/2025)

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 October 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 October 2025 was 36% as depicted in the tables below:

Collection Analysis for October 2025			
Category	Billing	Collection	Collection %
Business	609 327.76	256 500.01	42%
Residential	357 950.39	190 365.51	53%
Public Service Purpose			0%
Vacant	89 277.76	60 768.76	68%
Refuse Removal	139 790.00	59 877.18	43%
Interest	462 145.80	31 448.93	7%
Total	1 658 491.21	598 960.39	36%

The overall collection from July 2025 to June 2026 is sitting at 20%

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%

Oct-25	1 658 491.21	-	598 960.39	-36%
Total	62,864,355.17	-	12 302 201.38	-20%

A collection percentage of 36% has been achieved for the month of October 2025 i.e. collection of R 598 960.39 against the billing of 1 658 491.21.

INVESTMENTS

The municipality has investments into three banks 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.

Institution	System #	Bank Nam	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Interest Pa	Int Capitalised	Charges	Balance
FNB	'000031	Operation	'60029450	202510	10	22,194,28				125,36		22,319,64
FNB	'000032	Service De	'62033254	202510	10	13,722,808,17	28,000,000,00	- 19,000,000,00		138,175,53		22,860,983,70
NEDBANK	'000034	Nedbank B	'78811127	202510	5,75	40,378,138,12				236,627,03		40,614,765,15
STD	'000045	STD BANK	'42011197	202510	7,9	30,345,226,03		- 30,599,260,27		254,034,24		
Total Unconditional Grants						84,468,366,60	28,000,000,00	- 49,599,260,27	-	628,962,16	-	63,498,068,49
Investments	System #	Bank Nam	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Interest Pa	Int Capitalised	Charges	Balance
FNB	'000033	Mig Bank li	'62086036	202510	10	499,216,94	18,270,000,00	- 5,135,543,59		11,146,56		13,644,819,91
FNB	'000035	Guarantee	'62068742	202510	10	178,285,93				1,006,95		179,292,88
FNB	'000036	Fmg Bank	'62276187	202510	10	1,818,269,06				10,269,48		1,828,538,54
FNB	'000037	Electrifica	'62288560	202510	10	2,682,832,22		- 705,218,40		12,892,76		1,990,506,58
FNB	'000038	Housing B	'62891519	202510	10	199,20				1,12		200,32
FNB	'000044	MD RECOV	'63093652	202510	10	10,735,147,66		- 1,299,276,86		60,394,81		9,496,265,61
Total Conditional Grants						15,913,951,01	18,270,000,00	- 7,140,038,85	-	95,711,68	-	27,139,623,84
Grand Total						100,382,317,61	46,270,000,00	- 56,739,299,12	-	724,673,84	-	90,637,692,33

For the reporting period, the municipality had a balance of R 27 139 623.84 for conditional investments and R 63 498 068.49 for unconditional investments all totalling to R 90 637 692.23

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. evacuate

RECOMMENDATIONS

- That, the report on revenue collection rate of 36% for the month of October 2025 be noted and approved by Council.
- That, the billing amounting to 1 658 491.21 for Property Rates, Refuse Removal (including interest charged) for the month October 2025 be noted and approved by Council.
- That, the total amount of R 598 960.39 has been received from Rates and Services for the month of October 2025 be noted and approved by Council.
- That, the 36% collection rate for the period ending October 2025 be noted and approved by Council.
- That, the total investments for the month ending October 2025 amounting to R 90 637 692.23 be noted and approved by Council.

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

(File No: 9/1/2/3)
(Author: KM/SM/FS)
(1st Level: MANCO 04/11/2025)
(2nd Level: STANCO /11/2025)
(3rd Level: EXCO /11/2025)
(4th Level :COUNCIL /11/2025)

PURPOSE

To report to the Council on Free basic services for the month of October 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 approved 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	Currently the service provider is on-site installing solar home systems to 59

	subsidy, we maintain, replace or install solar systems only when there is a need.	approved 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)	1074	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 October 2025 amounted to R2 341 325.47

SERVICE DELIVERY IMPLICATIONS

Provision of free basic services.

RECOMMENDATIONS

That, the R2.3 million expenditure on Free Basic Services be noted by the Council

BUDGET AND TREASURY OFFICE DEPARTMENT: SUPPLY CHAIN MANAGEMENT REPORT FOR THE MONTH ENDED 31 OCTOBER 2025

(File No:
9/1/2/3)

(Author: KM/SM/XB)

(1st Level: MANCO 04/11/2025)

(2nd Level: STANCO /11/2025)

(3rd Level: EXCO /11/2025)

(4th Level :COUNCIL /11/2025

PURPOSE

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

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

To report bids invited, evaluated, adjudicated, and awarded for the reporting month ended **31 October 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 October 2025**, the Municipality has operated financially through procurement processes as follows:

DASHBOARD / PERFORMANCE SUMMARY

	31 October 2025
BIDS AND QUOTATIONS INVITED	
Quotations below 30 000.00	41
Invited Quotations above 30 000.00	15
Invited Bids	2
AWARDED BIDS	
Quotations below 30 000.00	40
Awarded Quotations above 30 000.00	8
Awarded Bids	11
Total Summary values of Procurements,	
Below R30 000 (SCM Orders)	R589,226.17
R30 001 – R300 000 (Seven days' notice)	R1,071,977.50
Above R300 000	R7,637,959.85
Section 32	0
Deviations (Section 36)	0

% of Competitive Bids awarded per area,	
Local (Mount Frere and Mount Ayliff)	100%
Region (Alfred Nzo)	0%
Province (Eastern Cape)	0%
National (Excluding Mount Ayliff and Mount frere)	0%
% of Quotations awarded per area, (R30 001 – R300 000)	
Local (Mount Frere and Mount Ayliff)	92%
Region (Alfred Nzo)	8%
Province (Eastern Cape)	0%
National (Excluding Mount Frere and Mount Ayliff)	0%
Number of meetings set successfully	7
Bid Specification Committee	2
Bid Evaluation Committee	4
Bid Adjudication Committee	1

Objections received	1
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 **31 October 2025**.

- **41 Quotations** below 30K were requested in the reporting Month of September 2025.
- **15 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**.
- **2 Competitive bids** were advertised on the daily dispatch and E-tender portal, Municipal website month of **September 2025**.
- **40 Quotations** below 30k were awarded in the for the month ended **31 October 2025**.
- **8 Quotations** above 30k were awarded in the for the month ended **31 October 2025**.
- **11 Competitive bids** were awarded in the month ended **31 October 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 **31 October 2025**, amounts to **R589,226.17**.
- 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 October 2025**, amounts to **R1,071,977.50**.
- 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 October 2025**, amounts to **R7,637,959.85**.
- No Deviations done for the month of **31 October 2025**.
- No section 32 awards were made for the reporting quarter ended **31 October 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 October 2025**, above R300 000.00 awarded bids through open / **competitive bidding 100%** was awarded to local suppliers within Mount Ayliff and Mount Frere.
- For the reporting month ended **31 October 2025**, quotations between R30 001 – R300 000.00, **92%** was awarded to local suppliers within Umzimvubu Local municipality.
- For the reporting month ended **31 October 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
7(92%)	1(8%)	0(0%)	0(0%)	8

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
11(100%)	0(0%)	0(0%)	0(0%)	11

1.3. SECTION 32 PROCUREMENT

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

1.4. DEVIATIONS (Section 36)

No deviations for the month of October 2025.

DEVIATION ILLUSTRATED BY GRAPH MONTHLY

No deviations for the month of October 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:
2 October 2025	1. Mr L Luzipho 2. Ms Madlanga 3. Ms Bingwa 4. Ms Dina 5. Ms Ndlangisa 6. Mr Ngejane	All Members			Internal Audit Services
28 October 2025	1. Mr L Luzipho 2. Ms Madlanga 3. Ms Bingwa 4. Ms Dina 5. Ms Ndlangisa 6. Mr Ngejane	All Members			Ploughing Programme

3.4. BID EVALUATION COMMITTEE

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
					<p>THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:</p>
<p>08 October 2025</p>	<p>Mr Gamedala Mr M. Mafumbatha Mr Mbuyeleni Ms Z Mbono Mr Jojo Mr Matola</p>				<p>Mtshazi to Komkhulu AR Nophoyi Sportfield Phase 2 RM of Emaxesibeni Landfill site weighbridge</p>

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
16 October 2025	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Nophoyi Sportfield Phase 2 Mtshazi to Komkhulu AR Construction of Emaxesibeni Parking Area Cabane Slab Lutshikini AR General/Supplementary Roll

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
29 October 2025	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Cabane Slab Lutshikini AR Emaxesibeni Security RM of municipal buildings Panel of waste specialised vehicle Billboards Maintenance
30 October 2025	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Cabane Slab Lutshikini AR Emaxesibeni Security RM of municipal buildings Panel of waste specialised vehicle Billboards Maintenance

3.5. BID ADJUDICATION COMMITTEE

BAC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
15 October 2025	Mr. K Mehlomakhulu				Nophoyi Sportfield Phase 2 Mtshazi to Komkhulu AR IT Free WiFi Hotspot Landfill site weighbridge Installation Solar to deserving indigent beneficiaries
	Mr. J Moleko				
	Mr L Makanda				
	Mrs Zembe				
	Dr. Tshazi				
	Mr X Blaweni				
	Mrs Kubone				

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 **31 October 2025**.

No	Project Name	Objection end date	Status

1.	Bislani-Mpindweni Access Road Maintenance	10 October 2025	Handed over to a Law firm
----	---	-----------------	------------------------------

5. CONTRACT MANAGEMENT

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

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
C&CS-Community Safety/INFRA	1. Construction of Chithwa Recreational Park- Phase 2.	Manager-Building/Manager- Public Safety-Mr Yakobi/Mr Nyembezi
INFRA-Building Section	1. Construction of Municipal Offices. 2. Turnkey Project For Cabazana B400(181) Rural Housing Project. 3. Turnkey Project For Dundee 500(34) Rural Housing Project. 4. Turnkey Project For Cancele	Manager-Building- Mr. Yakobi

	5. 3. Turnkey Project For Nkungwini 6. Sikhumbeni Community Hall. 7. Sogoni Community Hall.	
--	---	--

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 **31 October 2025**.

7. RELATED PARTIES DISCLOSURE

Company name	Appointment date	Description	Amount	Related Employee
--------------	------------------	-------------	--------	------------------

The Drops Reno Trading	08-Oct-25	Catering for 100 People for Handover of Mpungulelweni AR	R11 000.00	Yes, Spouse (Mr S Mathontsi)
---------------------------	-----------	--	-------------------	---------------------------------

8. PROCUREMENT PLAN IMPLEMENTATION STATUS

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.

7.1. 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

That, the report on supply chain management for the reporting month ended 31 October 2025 be noted by Council.

That, for the reporting month ended 31 October 2025 the has been no irregular expenditure detected and No Deviations incurred to be noted.

That, the projects status for the reporting month ended 31 October 2025 be noted by the Council

