

S52d BUDGET STATEMENT AS AT DECEMBER 2025

**STATEMENT OF FINANCIAL PERFORMANCE, POSITION AND THE IMPLEMENTATION OF THE 2025/26 BUDGET
(MFMA SECTION 71) FOR THE PERIOD ENDED DECEMBER 2025**

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16 /01/2026)
(3rd Level :COUNCIL 23/01/2026)

1. PURPOSE

The purpose of the report is for the council to consider and approve the statement of the financial performance and the implementation of the 2025/26 budget of the Umzimvubu Local Municipality for the period ending December 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 72
Municipal Budget Reporting Regulations

4. BACKGROUND

The Midterm budget statement is prepared in terms of section 72 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 December 2025 for the year ending 30 June 2026. This report has been compiled in order to comply with Section 72 of the MFMA

FINANCIAL IMPLICATIONS

Dashboard summary

Overall Operating Results		Capital Grants Results	
Income	R340 861 091	Income	R 69 846 146
Expenditure	R313 143 518	Expenditure	R 53 103 605
Operating Surplus/Deficit	R27 717 573	Surplus (Deficit)	R16 742 541
Financial Ratios		Capital Grants Performance	
Cash coverage	3 months	MIG	67%
Current ratio	5:6	INEP	60%
Liquidity ratio	5:4	Disaster Recovery	18%
		Human Settlement	22%
Spending of Operating Budget (Opex)	37 %		
Spending on Repairs and Maintenance	18 %		

Commented [MK1]: We have already reported 69% for MIG, 70% for INEP, 20% for Disaster as per the presentation during EXCO Strategic Planning what has changed now?

Commented [LL2R1]: I used the latest grants register Hlubi which is an attachment to the report

Budget vs Actuals- Revenue

Description	Total Budget	Year-To-Date	Actual Percentage
Revenue	- 559 218 657,00	- 254 334 461,87	45%
Agency Services	- 2 900 000,00	- 1 067 133,62	37%
Fines; Penalties and Forfeits	- 4 527 000,00	- 491 906,40	11%
Interest	- 2 200 000,00	- 3 034 314,71	138%
Interest; Dividend and Rent on Land	- 10 580 000,00	- 4 360 098,26	41%
Licences or Permits	- 1 965 000,00	- 1 236 922,27	63%
Operational Revenue	- 2 313 000,00	- 111 991,21	5%
Property Rates by Usage	- 66 903 980,00	- 64 375 306,98	96%
Rental from Fixed Assets	- 7 355 000,00	- 1 168 122,63	16%
Sales of Goods and Rendering of Services	- 77 241 657,00	- 22 337 154,15	29%
Service Charges	- 1 482 600,00	- 609 713,22	41%
Transfers and Subsidies	- 381 750 420,00	- 155 541 798,42	41%

The municipality anticipated to receive an interest amounting to R2.2 million for the year but the actual amount received is R3 million which is above the anticipated amount.

Billing for property rates by usage is currently sitting at 96% as a result of data cleansing exercise conducted during the first quarter of the financial year.

Attention is drawn to the 16% on rental of fixed assets as a result of rental properties that are currently not occupied as well as non payment of rental on those that are occupied.

Budget vs Actuals- Expenditure

Description	Total Budget	Year-To-Date	Actual Percentage
Expenditure	518 360 290,00	190 520 283,49	37%
Contracted Services	179 165 854,00	66 119 261,09	37%
Depreciation and Amortisation	89 550 000,00	26 056 213,26	29%
Employee Related Cost	106 006 255,00	48 321 134,72	46%
Inventory Consumed	10 313 502,00	2 503 256,54	24%
Operating Leases	1 167 220,00	655 287,44	56%
Operational Cost	83 843 657,00	26 277 487,17	31%
Remuneration of Councillors	25 562 784,00	11 130 596,58	44%
Transfers and Subsidies	17 332 418,00	9 457 046,69	55%
Impairment Loss	5 418 600,00	-	0%

The total expenditure of R190 million against the budget of R518 million translates to the 37% at midterm.

The 31% reported on operational costs is as a result of the implementation of cost containment regulation.

The impairment of assets and debtors is normally performed at year end hence the 0% reported at midterm.

BUDGET VS ACTUALS- CAPEX

Department	Total Budget	Year-To-Date	Pending	Available Budget	Actual Percentage
⇒ Budget and Treasury Office	5 000 000,00	-	724 291,06	4 275 708,94	0%
Computer Equipment 200700010	400 000,00	-	93 000,00	307 000,00	0%
Furniture equipment Finance 200700002	3 100 000,00	-	-	3 100 000,00	0%
Motor Vehicle 200700040	1 500 000,00	-	631 291,06	868 708,94	0%
⇒ Citizen and Community Services	22 683 000,00	12 986 257,83	28 268,73	9 668 473,44	57%
Dutyini Library Concrete Slab	243 000,00	28 000,00	-	215 000,00	12%
Emaxesibeni Municipal hall parking area	1 400 000,00	-	-	1 400 000,00	0%
Machinery and equipment 208700036	600 000,00	475 300,00	-	124 700,00	79%
Osborn Community hall	3 100 000,00	2 994 837,78	27 468,73	77 693,49	97%
Parks Construction of chithwa recreational park	2 000 000,00	1 420 339,20	-	579 660,80	71%
Police: Construction of KwaBhaca vehicle pound facility	2 000 000,00	-	-	2 000 000,00	0%
Shooting range Construction	4 000 000,00	-	-	4 000 000,00	0%
Sikhumbeni Community hall	3 000 000,00	2 933 040,00	-	66 960,00	98%
SOGONI COMMUNITY HALL	3 000 000,00	2 381 736,01	-	618 263,99	79%
Tools & equipment 209	240 000,00	149 466,44	800,00	89 733,56	62%
⇒ Corporate Services	3 500 000,00	1 743 214,50	-	1 756 785,50	50%
Computer equipment ICT 201700000	2 000 000,00	1 332 494,50	410 720,00	256 785,50	67%
Furniture equipment Corporate 201700002	500 000,00	-	-	500 000,00	0%
ICT PROGRAMMES software 201700005	1 000 000,00	410 720,00	410 720,00	1 000 000,00	41%
⇒ Infrastructure and Planning	118 644 558,00	37 303 391,55	12 294 515,38	69 046 651,07	31%
Bethane via Luqotweni to Bhakaneni AR Maint	2 100 000,00	1 221 910,00	429 960,00	448 130,00	58%
Bhakateni to Seklani via Mqoma Access Road-MIG	8 273 003,00	6 042 562,96	-	2 230 440,04	73%
Bislan Mpindweni AR Maintenance	1 900 000,00	-	-	1 900 000,00	0%
Completion of Nophoyi Cluster Sport Facility	1 600 000,00	-	-	1 600 000,00	0%
Construction of ext 8 services	800 000,00	-	-	800 000,00	0%
Emaxesibeni Car-Wash	300 000,00	-	-	300 000,00	0%
Extension of Silindini bridge\	5 200 000,00	319 642,50	72 344,25	4 808 013,25	6%
Fadeni AR Maint	930 000,00	483 800,00	-	446 200,00	52%
Good Hope via Komkhulu Access Road	1 800 000,00	1 114 079,70	683 884,11	2 036,19	62%
Kwabhaca Installation of Solar Street lights Phase 1 - MIG	2 000 000,00	-	805 517,46	1 194 482,54	0%
KwaBhaca Surfacing Phase 8	12 612 359,00	1 917 609,67	2 356 044,82	8 338 704,51	15%
Luxwesa AR Maintenance	1 672 834,00	1 386 721,91	-	286 112,09	83%
Magcakini to Majuba AR Maintenance	1 176 806,00	1 023 281,76	-	153 524,24	87%
Magwaca - Qwidlana Clinic AR Maint	1 260 000,00	928 759,23	-	331 240,77	74%
Mmangweni Access Road	1 830 000,00	1 689 596,95	-	140 403,05	92%
Moyeni - Gatali AR Maint	1 800 000,00	1 082 792,52	-	717 207,48	60%
Mpoza AR Maint	1 024 000,00	550 257,00	-	473 743,00	54%
Mqekazeweni AR M	1 900 000,00	-	649 230,00	1 250 770,00	0%
Mt White AR with concrete slab	8 400 000,00	4 266 556,28	2 199 791,62	1 933 652,10	51%
Mtshazi koMkhulu to Qumra	2 100 000,00	-	-	2 100 000,00	0%
Municipal Offices	6 100 000,00	-	-	6 100 000,00	0%
Ndakeni to Malenge AR Maint	1 190 000,00	669 710,00	-	520 290,00	56%
Ngwekazana/Gudlintaba Access Road	500 000,00	358 711,31	-	141 288,69	72%
Nkangala to Nkwazini AR	900 000,00	-	-	900 000,00	0%
Nqalweni AR new	732 028,00	518 321,78	-	213 706,22	71%
Ntenetyana - Godola AR Maint	630 000,00	288 021,47	-	341 978,53	46%
Nxashini AR Maintenance	1 620 360,00	1 339 275,00	-	281 085,00	83%
Nyathini Bridge	366 680,00	236 290,00	-	130 390,00	64%
Reconstruction of Bangweni to Njijini bridge	8 000 000,00	367 722,36	1 858 103,84	5 774 173,80	5%
Reconstruction of Lutshikini AR	3 348 000,00	-	-	3 348 000,00	0%
Reconstruction of Mwaca Bridge	7 500 000,00	442 441,10	1 728 924,22	5 328 634,68	6%
Rehabilitation of Cabane concrete slab	2 800 000,00	-	-	2 800 000,00	0%
SDA - Magwaca AR Maint	750 000,00	351 931,60	-	398 068,40	47%
Sigidini AR Maint	2 000 000,00	1 556 941,30	-	443 058,70	78%
Sigundwaneni AR Maint	1 900 000,00	512 020,00	-	1 387 980,00	27%
Sikotweni - Magontsini AR Maint	1 700 000,00	-	-	1 700 000,00	0%
Sikotweni AR Maintenance	600 950,00	371 261,23	-	129 688,77	74%
Sivumela AR Maint	1 600 000,00	1 386 760,00	-	213 240,00	87%
Specialised Waste Management Vehicles	2 635 783,00	2 468 039,89	36 000,00	131 743,11	94%
Thabo Access Road	4 350 855,00	1 577 669,25	1 474 715,06	1 298 470,69	36%
Thwa AR Maint	1 440 000,00	-	-	1 440 000,00	0%
Upgrading of Zinkawini Bridge	6 124 000,00	524 214,00	-	5 599 786,00	9%
Upper Dambeni AR Maint	1 800 000,00	1 158 794,00	-	641 206,00	64%
Velem via Mthonjeni - Gamakhulu AR Maintenance	780 000,00	763 917,28	-	16 082,72	98%
Zimbiteni via Mntwana AR Maint	696 900,00	383 779,50	-	313 120,50	55%
⇒ Local Economic Development	3 700 000,00	2 633 317,81	-	1 066 682,19	71%
Construction of Auction pens	200 000,00	-	-	200 000,00	0%
Ntenetyana camp site	400 000,00	-	-	400 000,00	0%
Ntsizwa Hiking trail	3 100 000,00	2 633 317,81	-	466 682,19	85%
Grand Total	153 527 558,00	54 666 181,69	13 047 075,17	85 814 301,14	36%

SUMMARY OF BUDGET VS ACTUALS-CAPEX

Department	Total Budget	Year-To-Date	Pending	Available Budget	Actual Percentage
Budget and Treasury Office	5 000 000,00	-	724 291,06	4 275 708,94	0%
Citizen and Community Services	22 683 000,00	12 986 257,83	28 268,73	9 668 473,44	57%
Corporate Services	3 500 000,00	1 743 214,50	-	1 756 785,50	50%
Infrastructure and Planning	118 644 558,00	37 303 391,55	12 294 515,38	69 046 651,07	31%
Local Economic Development	3 700 000,00	2 633 317,81	-	1 066 682,19	71%
Grand Total	153 527 558,00	54 666 181,69	13 047 075,17	85 814 301,14	36%

Budget and treasury department has not incurred any expenditure as the procurement processes of furniture is still underway.

Citizens and community services department is performing well on expenditure and the most contributing factors is the expenditure incurred on construction of community halls.

Internally funded projects as well as Human Settlement Housing Projects are very low on expenditure which negatively affects the overall percentage of Infrastructure and Planning Department.

BUDGET AND TREASURY DEPARTMENT: REPORT ON GRANT EXPENDITURE FOR THE PERIOD ENDING IN DECEMBER 2025

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16/01/2026)
(3rd Level :COUNCIL 23/01/2026)

Purpose

Purpose of the report is for the Council to approve the spending on conditional and unconditional grants for the period ending December 2025.

Statutory requirements

The Constitution of RSA
MFMA
MBRR

Parties consulted

None

Authority

Council

Month: December 2025												
UMZIMVUBU LOCAL MUNICIPALITY												
Ref			Balance	Amount	Total	Expenditure				Balance		Allocation
No	Description	Total Allocation	BF	Received	Liability	Operating	Capital	VAT	Total	Unspent @ 31.12.2025	Spending	Spending%
1	MUNICIPAL INFRASTRUCTURE	57 096 000,00	-	50 101 000	50 101 000		33 829 154	4 208 948	38 038 101	12 062 899	76%	67%
2	FINANCIAL MANAGEMENT	1 800 000,00	-	1 800 000	1 800 000	235 457		7 994	243 450	1 556 550	14%	14%
3	ELECTRIFICATION PROJECT	16 977 957,00	2 007 957	8 233 000	10 240 957		8 805 686	1 297 981	10 103 667	137 290	99%	60%
4	EXPANDED PUBLIC WORKS	2 773 000,00		1 941 000	1 941 000	2 773 000		-	2 773 000	-832 000	143%	100%
5	EPWP-INCENTIVE GRANT	2 743 902,00	169 902	1 544 000	1 713 902	1 498 007		-	1 498 007	215 895	87%	55%
6	ARTS AND CULTURE	1 473 000,00	321 518	1 473 000	1 794 518	1 004 556		78 951	1 083 507	711 011	60%	74%
7	Municipal Disaster Recovery Grant	26 848 000,00	-	8 054 000	8 054 000		4 090 758	613 614	4 704 371	3 349 629	58%	18%
8	Human Settlement Housing Project	61 800 000,00	-	15 865 948	15 865 948		16 500 453	-	16 500 453	-634 505	104%	27%
	Grand total	171 511 859	2 499 377	89 011 948	91 511 325	5 511 019	42 634 840	6 207 487	53 739 732	16 566 768	59%	31%

The municipality received all tranches that are due on MIG and the current expenditure against the total allocation is currently sitting at 67% and the targeted % at midterm is 60% as per RAS imperatives which gives an indication that the grant might be fully spent at year end.

Commented [MK3]: Please refer to my comment above relating to the already reported %

The INEP grant performance shows a positive outlook as there is a 60% expenditure against allocation and a 99% of the total amount received. Additional to the funds available for INEP is the amount rolled over from the last financial year and not yet fully spent.

The projects funded by Disaster Recovery Grant are implemented by the panel of contractors and there were delays in the appointment of the panel hence the 18% expenditure. The instruction letters have been issued to the panel to resume the works and the expenditure is being incurred in that regard.

Expanded Public Works Grant is already depleted and the program is currently funded internally to supplement the grant.

The municipality managed to spend 100% of the amount received from Human Settlement however the percentage against allocation is still at 27%.

BUDGET AND TREASURY DEPARTMENT:REPORT ON UIFWE FOR THE PERIOD 31 DECEMBER 2025

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

(Author: KM/SM/LL)

(1st Level: STANCO 14/01/2026)

(2nd Level: EXCO 16/01/2026)

(4th Level :COUNCIL 23/01/2026)

Commented [MK4]: Please refer to my above comment as all the reports have the same error

Purpose

Purpose of the report is for the Council to approve amount relating to Unauthorized expenditure, the Irregular and Fruitless and wasteful expenditure incurred by the Municipality for the period ending 31st December 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.

EC442					
Register for Irregular, fruitless and wasteful expenditure 2025/26 FY					
	Opening balance	Additions	Write off	Recovered	Balance as at 31/12/2025
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

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16 /01/2026)
(3rd Level :COUNCIL 23/01/2026)

PURPOSE

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

Count	Asset Barcode	Reporting	Asset Type Description	Supplier	Cost Incl VAT	Acquisition Cost	Ready For Use Date
Additions 2025/26	100524	TRANSPORT	TLB JCB,3CX PLUS	Bell	1,564,950.85	1,360,826.83	2025/07/14
Additions 2025/26	100863	TRANSPORT	Tractor	Tumelo Fleet Solution	1,273,295.02	1,107,213.06	2025/08/26

Additions 2025/26	100801	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100818	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100505	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100862	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100870	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100875	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100835	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100834	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	101868	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100869	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100832	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100866	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100867	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26

Additions 2025/26	100865	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100833	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100831	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100830	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100802	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100864	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	100836	MACHINERY AND EQUIPMENT	brush cutter	Ngakane Holding PTY	18,400.00	16,000.00	2025/08/26
Additions 2025/26	101326	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101318	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	100319	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101320	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101321	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101322	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101323	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101316	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101324	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28

Additions 2025/26	101325	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101309	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	100359	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101366	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101364	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101343	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101365	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101357	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101310	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101363	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101368	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101342	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101354	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101349	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101382	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101395	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101315	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101383	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28

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Additions 2025/26	101399	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101388	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101313	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101311	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101389	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101360	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101305	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101385	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101392	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101331	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101314	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101372	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101304	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101302	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101301	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101312	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101384	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101369	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28

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Additions 2025/26	101390	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101376	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101373	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101355	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101339	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101317	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101303	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101340	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101396	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101384	COMPUTER EQUIPMENT	Laptop	Khulani Office Solutions	27,254.88	23,699.90	2025/08/28
Additions 2025/26	101449	COMPUTER EQUIPMENT	Desktop	Sibanesam	14,500.00	14,500.00	2025/09/25
Additions 2025/26	100896	COMPUTER EQUIPMENT	Desktop	Sibanesam	14,500.00	14,500.00	2025/09/25
Additions 2025/26	100887	MACHINERY AND EQUIPMENT	Chain saw	Ngakane Holding PTY	13,800.00	13,800.00	2025/09/25
Additions 2025/26	100888	COMPUTER EQUIPMENT	Desktop	Nozulu Civil PTY LTD	23,800.00	23,800.00	2025/09/23
Additions 2025/26	100891	COMPUTER EQUIPMENT	Desktop	Nozulu Civil PTY LTD	23,800.00	23,800.00	2025/09/23
Additions 2025/26	100890	TOOLS & EQUIPMENT	Breathalyzers	Mantwanantle	28,500.00	28,500.00	2025/10/27
Additions 2025/26	100874	TOOLS & EQUIPMENT	Breathalyzers	Mantwanantle	28,500.00	28,500.00	2025/10/27
Additions 2025/26	100883	TOOLS & EQUIPMENT	Breathalyzers	Mantwanantle	28,500.00	28,500.00	2025/10/27

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Additions 2025/26	100898	TOOLS & EQUIPMENT	Breathalyzers	The Ant Capital	28,500.00	28,500.00	2025/10/27
Additions 2025/26	100513	TOOLS & EQUIPMENT	Breathalyzers	The Ant Capital	28,500.00	28,500.00	2025/10/27
Additions 2025/26	100854	MACHINERY & EQUIPMENT	Treadmil/Gym Material	Ooketshe	40,000.00	40,000.00	2025/11/10
Additions 2025/26	100859	MACHINERY & EQUIPMENT	Treadmil/Gym Material	Ooketshe	40,000.00	40,000.00	2025/11/10
Additions 2025/26	NOT BARCODEBLE	MACHINERY & EQUIPMENT	Body vibrating machine	Ooketshe	5,500.00	5,500.00	2025/11/10
Additions 2025/26	100855	MACHINERY & EQUIPMENT	Bench Press	Ooketshe	7,000.00	7,000.00	2025/11/10
Additions 2025/26	100856	MACHINERY & EQUIPMENT	Back Machine	Ooketshe	20,000.00	20,000.00	2025/11/10
Additions 2025/26	NOT BARCODEBLE	MACHINERY & EQUIPMENT	50kg punching bag	Ooketshe	10,000.00	10,000.00	2025/11/10
Additions 2025/26	NOT BARCODEBLE	MACHINERY & EQUIPMENT	Dumbbells	Ooketshe	4,000.00	4,000.00	2025/11/10
Additions 2025/26	NOT BARCODEBLE	MACHINERY & EQUIPMENT	Dumbbells	Ooketshe	4,000.00	4,000.00	2025/11/10
Additions 2025/26	NOT BARCODEBLE	MACHINERY & EQUIPMENT	Dumbbells	Ooketshe	4,000.00	4,000.00	2025/11/10
Additions 2025/26	NOT BARCODEBLE	MACHINERY & EQUIPMENT	Dumbbells	Ooketshe	4,000.00	4,000.00	2025/11/10
Additions 2025/26	NOT BARCODEBLE	MACHINERY & EQUIPMENT	Weight plates	Ooketshe	3,400.00	3,400.00	2025/11/10
Additions 2025/26	NOT BARCODEBLE	MACHINERY & EQUIPMENT	Weight plates	Ooketshe	3,400.00	3,400.00	2025/11/10

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Additions 2025/26	NOT BARCODEBLE	MACHINERY & EQUIPMENT	Wireless Speaker	Ooketshe	5,000.00	5,000.00	2025/11/10
Additions 2025/26	100860	MACHINERY & EQUIPMENT	Bar row platform	Ooketshe	5,000.00	5,000.00	2025/11/10

Reconciliation of Property, plant and equipment November 2025	Opening Balance	Additions	Disposals / Write off	Depreciation	Impairment los	Total
Furniture and Office Equipment	4,486,407	-		(391,072)	-	4,095,335
Machinery and Equipment	4,277,934	619,766		(360,778)	-	4,536,923
Computer Equipment	7,839,981	1,385,095		(859,660)	-	8,365,415
Transport Assets	18,177,508	2,468,040	-	(1,691,320)	-	18,954,228
	34,781,830	4,472,901	-	(3,302,830)	-	35,951,900

2.Completed Capital projects December 2025

Commented [MK5]: Please also confirm with Infra as they have more projects that have been completed

Completed project 2025/26			
Project Name	Amount (GL)	Completion Date	Ward Number
Sivumela AR Maintenance	1 386 760,00	12/12/2025	24
Magcakeni - Majuba Access Road Maintenance	1 023 281,76	17/12/2025	20
Ntenetyane Campsite	2 000 000,00	30/11/2025	15
Sidakeni Community Hall	2 603 538,40	06/11/2025	2
Osborn Community Hall	3 022 306,51	14/11/2025	19
Bhakaleni to Sekileni via Mqoma Access Road	15 216 612,38	28/08/2025	19
Nyathini Bridge	2 042 975,00	19/09/2025	8
Ngxashini AR Maintenance	1 339 275,00	12/12/2025	10
Nqalweni AR new	1 380 902,60	15/08/2025	14
Mmangweni Via Madamara to Senyukele AR	1 689 596,95	08/12/2025	1
Luxwesa AR Maintenance	1 386 721,91	12/12/2025	9
Bethane via Luqolweni to Bhakaneni AR Maintenance	1 651 870,00	12/12/2025	13
Good hope via Komkhulu to Archie AR Maintenance	1 797 963,81	17/12/2025	22
Velem via Mthonjeni - Gamakhulu AR Maintenance	2 460 447,28	28/08/2025	22
Sikolweni AR Maintenance	1 090 716,23	07/08/2025	6
Lugangeni Feedlot	1 764 332,55	25/09/2025	15

BOQ has been sent to Engineers for unbundling

Retention register as at December 2025 (Annexure A)

Retention 2025/2026 Financial year					
	July	August	September	October	November
Opening	13,756,011.38	14,315,238.76	14,044,445.12	14,620,853.91	15,378,408.88
Raise	559,227.38	67,041.30	1,868,531.43	1,047,935.18	2,564,644.74
paid	-	337,834.94	1,292,122.64	290,380.21	1,762,430.30
Closing	14,315,238.76	14,044,445.12	14,620,853.91	15,378,408.88	16,180,623.32

Overdue retentions

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

WIP AS AT 31 December 2025

2026			
Reconciliation of Work-in-Progress			
	Infrastructure	Buildings	Total
Opening balance	50,785,446	43,063,663	R93,849,109.00
Additions/capital expenditure	R30,758,682.35	R11,812,209.30	R42,570,891.65
Transferred to completed items	- 20,963,207.36	- 1,567,297.99	-R22,530,505.35
	60,580,920.99	53,308,574.31	113,889,495.30

4. Work in Progress as at December 2025

- **Annexure**

Recommendation

That, the movable assets additions be approved by the Council
 That, the immovable assets additions be approved by the Council
 That, the delayed projects be approved by the Council
 That, the WIP amounting to R113 million be approved by the Council

BUDGET AND TREASURY DEPARTMENT:REPORT ON VEHICLE USAGE FOR POLITICAL OFFICE BEARERS FOR THE QUARTER ENDED 31 DECEMBER 2025

(File No:
9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16/01/2026)
(4th Level :COUNCIL 23/01/2026)

Commented [MK6]: Please refer to my above comment as all the reports have the same error

Purpose

Purpose of the report is for the Council to approve report on the usage of the political office bearers' vehicles and the expenditure incurred by the Municipality for the period ending 31st December 2025.

Statutory requirements

The Constitution of RSA
MFMA
MBRR

Parties consulted

None

Authority

Council

Financial Implications

The expenditure incurred in maintenance and fuel on the political office bearers vehicles

Background

The Political Office Bearers of Umzimvubu Local Municipality are currently allocated vehicles of which the maintenance and fuel expenditure are reported in order to ensure compliance with legislation.


The office of the Chief Whip is utilizing various pool vehicles as there's currently no specific vehicle allocated to the office hence various vehicle appear on the report.

Recommendations

That, the expenditure on a Mayoral vehicle amounting to R120 thousand be approved by the Council

That, the expenditure on a Speaker's vehicle amounting to R75 thousand be approved by the Council

That, the expenditure on a Chief Whip's vehicle amounting to R41 thousand be approved by the Council

 Office Bearers Vehicle Usage Report				
Municipality:	UMZIMVUBU LOCAL MUNICIPALITY			
Month	July - November 2025			
Financial Year:	2025/2026			
Description - July 2025-Oct 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
Travel KM	4625	4719		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
Travel KM	8391	5233		4797
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
Travel KM	9776	6138		6319
Oct-25	KPF 437 EC			KDM 398 EC
Fuel	23 895,75	12 245,59		4 161,30
Maintenance	-	-		-
Total	23 895,75	12 245,59		4 161,30
Mielage	22 959 - 31771 KM	195 485 - 199 948 KM		90 262 - 91 952 KM
Travel KM	8 812,00	4 463,00		1 690,00
Nov-25	KPF 437 EC	JZX 814 EC		KDM 426 EC & JVF 565 EC
Fuel	23 394,79	8 562,14		16 132,58
Maintenance	-	-		-
Total	23 394,79	8 562,14		16 132,58
Mielage	31 771 - 40 688 KM	199 948 - 203 060 KM		
Travel KM	8 917,00	3 112,00		1659 & 4799
Grand Total	120 194,57	75 625,02		41 381,67

BUDGET AND TREASURY OFFICE DEPARTMENT: SUPPLY CHAIN MANAGEMENT S52D REPORT FOR THE QUARTER ENDED 31 DECEMBER 2025

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16 /01/2026)
(3rd Level :COUNCIL 23/01/2026)

PURPOSE

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

The municipality did not have any deviations for the Quarter of **31 DECEMBER 2025**.

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

DASHBOARD / PERFORMANCE SUMMARY

	31 DECEMBER 2025			
BIDS AND QUOTATIONS INVITED	Oct	Nov	Dec	Total
Quotations below 30 000.00	41	52	34	127
Invited Quotations above 30 000.00	15	11	14	27
Invited Bids	2	1	0	3
AWARDED BIDS	Oct	Nov	Dec	Total
Quotations below 30 000.00	40	46	32	118
Awarded Quotations above 30 000.00	8	3	9	20
Awarded Bids	11	2	19	32
Total Summary values of Procurements,	Oct	Nov	Dec	Total
Below R30 000 (SCM Orders)	R589,226.17	R647,579.78	R483,475.18	R1,720,281.13
R30 001 – R300 000 (Seven days' notice)	R1,071,977.50	R3,555,214.10	R1,245,442.05	R5,872,633.65
Above R300 000	R7,637,959.85	R11,651,901.91	R5,788,367.03	R25,078,228.79
Section 32	0	0	0	0

Deviations (Section 36)	0	0	0	0
% of Competitive Bids awarded per area,	Oct	Nov	Dec	
Local (Mount Frere and Mount Ayliff)	100%	100%	100%	
Region (Alfred Nzo)	0%	0%	0%	
Province (Eastern Cape)	0%	0%	0%	
National (Excluding Mount Ayliff and Mount frere)	0%	0%	0%	
% of Quotations awarded per area, (R30 001 – R300 000)				
Local (Mount Frere and Mount Ayliff)	92%	89%	100%	
Region (Alfred Nzo)	8%	0%	0%	
Province (Eastern Cape)	0%	11%	0%	
National (Excluding Mount Frere and Mount Ayliff)	0%	0%	0%	
	Oct	Nov	Dec	Total
Number of meetings set successfully				
Bid Specification Committee	2	1	1	4
Bid Evaluation Committee	4	3	1	8
Bid Adjudication Committee	1	2	1	4

Objections received	1	0	0	1
Cancelled bids	0	0	0	0
Irregular expenditure	Nil	Nil	Nil	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 DECEMBER 2025**.

- **127 Quotations** below 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Quarter ended **DECEMBER 2025**.
- **27 Quotations** above 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Quarter ended **DECEMBER 2025**.
- **3 Competitive bids** were advertised on the daily dispatch and E-tender portal, Municipal website Quarter ended **DECEMBER 2025**.
- **118 Quotations** below 30k were awarded in the for the Quarter ended **31 December 2025**.
- **20 Quotations** above 30k were awarded in the for the Quarter ended **31 December 2025**.
- **32 Competitive bids** were awarded in the Quarter ended **31 December 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 Quarter ended **31 December 2025**, amounts to **R1,720,281.13**
- 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 Quarter ended **31 December 2025**, amounts to **R5,872,633.65**
- 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 Quarter ended **31 December 2025**, amounts to **R25,078,228.79**
- No Deviations done for the Quarter of **31 December 2025**.
- No section 32 awards were made for the reporting quarter ended **31 December 2025**.

1.3. SECTION 32 PROCUREMENT

- No section 32 awards were made for the Quarter Ended DECEMBER 2025.

1.4. DEVIATIONS (Section 36)

No deviations for the Quarter ended DECEMBER 2025.

DEVIATION ILLUSTRATED BY GRAPH QUARTERLY

No deviations for the Quarter ended DECEMBER 2025.

2. IRREGULAR EXPENDITURE

On review of procurement for the Quarter, 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. Quarterly 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 Quarterly report. The number of bid committee meetings for the agenda items as listed in the report are recorded in the dashboard.

3. 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 Quarter ended **31 DECEMBER 2025**.

No	Project Name	Objection end date	Status
1.	Bislani-Mpindweni Access Road Maintenance	10 October 2025	Objection closed and awarded

4. CONTRACT MANAGEMENT

The unit received all S116 Reports for active contracts in the reporting Quarter ended 31 December 2025.

5. 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 Quarter ended **31 December 2025**.

6. 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)
Brotherly Love Trading and Projects	10-Oct-25	Transport Vouchers for Emaxesibeni wards Exco Outreach roads	R156,700.00	Yes, Spouse (Mrs N Zembe)
Brotherly Lo	27-Nov-25	Service provider to supply and deliver field	297,960.00	Yes, Spouse (Mrs N Zembe)

ve Trading and Projects		demonstration plots inputs		
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7. 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.

1.1. NON-SUBMISSION AND LATE SUBMISSIONS

None

RISK IMPLICATIONS

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

LABOUR IMPLICATIONS

None

SERVICE DELIVERY IMPLICATIONS

Delays on awards for bids negatively affect the service delivery.

FINANCIAL IMPLICATIONS

None

OTHER PARTIES CONSULTED

All the departments

SALIENT POINTS FOR DELIBERATIONS

None

Annexures

"A" –Updated Implementation of Procurement Plan

"B"- Inventory Reconciliation

"C" – Quotation Register

"D" -Tender Register

"E"- Procured Goods Report as per Thresholds

"F" – SDBIP Report

"G"-Status of Projects

RECOMMENDATIONS

1. That, the report on supply chain management for the reporting Quarter ended 31 December 2025 approved by Council.

2. That, for the reporting Quarter ended 31 December 2025 the has been no irregular expenditure detected and No Deviations incurred to be approved by Council.
3. Projects status for the reporting Quarter ended 31 December 2025 approved by Council.

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

(File No: /01/26)
(Author: KM/SM/NM)
(1st Level: MANCO /01/2026)
(2nd Level: STANCO /01/2026)
(3rd Level: EXCO /01/2026)
(4th Level: COUNCIL /01/2026)

PURPOSE

The purpose of the report is for the council to consider and approve the VAT report of the Umzimvubu Local Municipality for the period ending 31 December 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	VAT Receivable	Comment
July'25	5,560,801.62	- 1,025,852.28	4,534,949.34	To set off INEP VAT Debt
August'25	1,805,106.19	- 32,007.42	1,773,098.77	To set off INEP VAT Debt
September'25	3,638,596.32	- 62,662.09	3,575,934.23	To set off INEP VAT Debt
October'25	2,767,141.81	- 63,452.96	2,703,688.85	To set off INEP VAT Debt
November'25	2,400,614.49	- 242,537.80	2,158,076.69	To set off INEP VAT Debt Balance
December'25	3,142,813.98	- 351,197.05	2,791,616.93	Awaiting SARS Verification
	19,315,074.41	- 1,777,709.60	17,537,364.81	

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

That, the R2.7 million VAT refund be approved by the Council

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

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16 /01/2026)
(3rd Level :COUNCIL 23/01/2026)

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 December 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 December 2025			
Cost Containment Measures	To-Date		
	Budget	Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	17,583,400.00	7,727,931.15	9,855,468.85
Travel and subsistence	2,166,800.00	1,340,764.95	826,035.05
Domestic accommodation	4,702,000.00	2,260,108.53	2,441,891.47
Sponsorships, events, and catering	3,423,596.00	607,719.00	2,815,877.00
Communication	1,189,500.00	282,338.38	907,161.62
	R29,065,296.00	R12,218,862.01	R16,846,433.99

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

That, the savings on cost containment measures amounting to R16.8 million be approved by the Council

**BUDGET AND TREASURY DEPARTMENT: REPORT ON PAYMENT OF CREDITORS FOR THE MONTH ENDED 31 DECEMBER 2025
REPORT**

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16 /01/2026)
(3rd Level :COUNCIL 23/01/2026)

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 December 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.

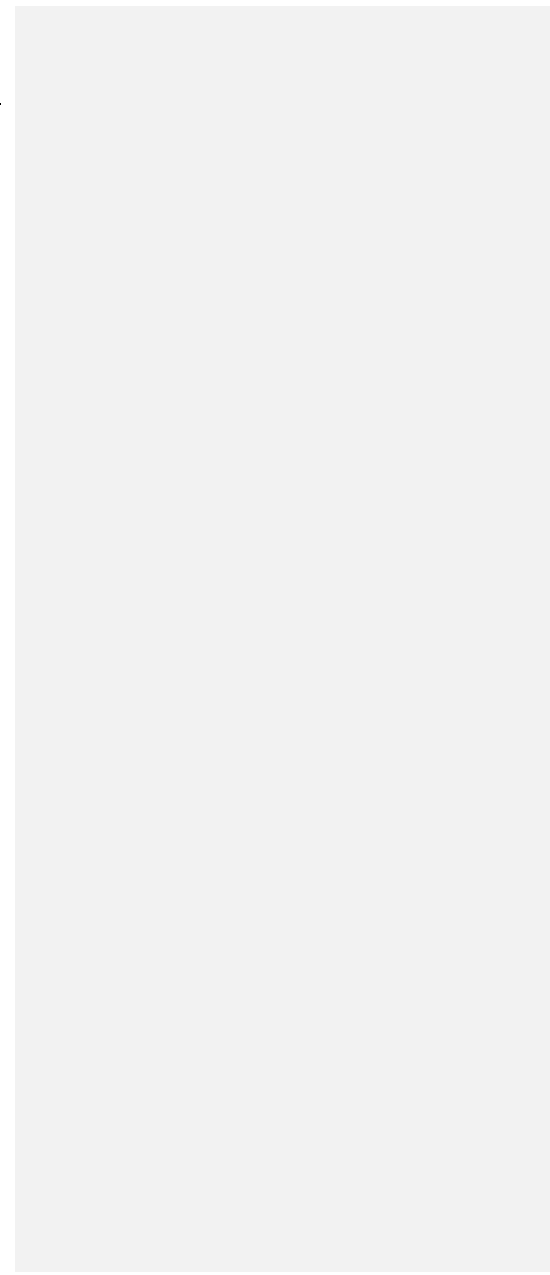
Below is a summary of creditors paid during the year:

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
November'25	35,118,011.40	193	35,118,011.40		None
December'25	48,238,812.41	192	48,238,812.41		None
	231,863,570.37	1,025	231,863,570.37	-	

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

EC442 S52d



RECOMMENDATION

That, the creditors amounting to R231 million be approved by the Council

EC442 S52d

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

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16 /01/2026)
(3rd Level :COUNCIL 23/01/2026)

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 December 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
November'25	R1,685,741.10	R32,075.35	R12,844,537.51	R33,465.79
December'25	R1,803,491.46	R149,825.71	R8,613,307.13	R371,763.25
Total	R10,300,128.69	R378,170.56	R54,009,498.87	R970,354.17

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

EC442 S52d

That, the total Councillors remuneration amounting to R10.3 million be approved by the Council
That, the total employee costs amounting to R54 million be approved by the Council

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

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16 /01/2026)
(3rd Level :COUNCIL 23/01/2026)

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 111 837 549.01 AS AT 31 December 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	-	-	-	-	900.21	900.21
	Health	3,487.99	3,460.49	3,432.98	3,405.48	17,124.86	30,911.80
	Public Works	443,199.22	444,203.30	444,160.51	388,877.89	54,456,789.91	56,177,230.83
	Alfred Ndzo	11,931.20	11,923.71	11,916.23	11,908.74	1,626,744.09	1,674,423.97
	Socila Developments	2,651.10	22.16	-	-	-	2,673.26
	Residents	488,145.34	452,449.33	435,736.51	430,462.56	18,379,731.57	20,186,525.31
	Councillors	1,262.07	-	-	-	-	1,262.07
	Staff	877.23	218.95	110.54	157.72	35.75	1,400.19
	Businesses &Commercials	731,542.46	586,462.53	516,131.78	484,876.42	25,246,140.30	27,565,153.49
	DLRRD	9,697.46	9,691.51	9,638.41	9,609.67	1,392,354.99	1,430,992.04
	Nat. Departments	41,799.91	41,755.91	41,711.92	41,667.91	4,603,740.99	4,770,676.64
	Grand Total	1,732,839.52	1,549,749.99	1,462,617.80	1,370,650.95	105,721,690.75	111,837,549.01

Staff and Councillors debt December 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 566.65	R 63.95	R 0.00	R 0.00	R 630.60
Cllr Mdzinwa	521	Kwa-Bhaca	R632.00	R 0.00	R 0.00	R 0.00	R632.00
Mr Nota	238	EMaxesibeni	R -366.89	R -221.56	R 0.00	R 0.00	R -587.85
Mr Nota	540	Kwa-Bhaca	R -150.00	R 0	R -149.29	R -166.10	R -465.39
Mr Makanda	3769	Kwa-Bhaca	R -42.40	R -12.38	R -42.60	R -72.39	R -169.77

Mr Makanda	3770	Kwa-Bhaca	R -42.40	R-42.20	R -27.06	R -65.52	R -177.18
Total							R -137.59

DECEMBER 2025 RENTAL DEBTORS

RENTAL DEBTOR REPORT							
DATE RANGE	202512						
TARIFF CODE	25-Dec	25-Nov	25-Oct	25-Sep	25-Aug	25-Jul	TOTAL
'002530 LEASE RENTALS	172,823.77	221,785.49	221,785.49	139,846.32	135,693.16	151,755.07	1,043,689.30
'002531 RESIDENTIAL RENTALS	18,034.00	18,034.00	18,034.00	17,358.34	17,358.34	17,358.34	106,177.02
INTEREST	6,901.06	8,020.52	7,487.00	7,490.98	7,437.49	7,383.97	44,721.02
'009008 VAT LEVIED	25,923.56	22,763.26	33,267.82	22,763.26	22,763.26	22,763.26	150,244.42
'008888 PAYMENTS	- 709,344.68	-102,484.20	-201,081.51	-196,559.94	- 16,061.90	-745,091.46	-1,970,623.69
	- 485,662.29	168,119.07	79,492.80	- 9,101.04	167,190.35	-545,830.82	- 625,791.93

December 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%
25-Nov	112,000.00	28,700.00	83,300.00	26%
25-Dec	138,500.00	24,667.00	113,833.00	18%
Total	744,700.00	171,367.00	12,077,538.00	23%

For the month of **December 2025**, traffic fines received to date amounted to **R 24 667.00**

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 December 2025

SegmentDesc	TotalBudget	TotalActual	Collection %
Property Rates	- 66,903,980.00	- 65,291,412.39	98%
Vehicle Registration 209104080	- 2,900,000.00	- 1,067,133.62	37%
Drivers Learners Licenses 209104010	- 1,600,000.00	- 1,059,930.00	66%
Vehicle testing station 209104085	- 165,000.00	- 62,961.00	38%
Sundry income Marathon 200116087	- 150,000.00	- 88,390.53	59%
Hall Rental 207111010	- 50,000.00	- 70,240.83	140%
Sophia Recreational 207111015	- 160,000.00	- 97,122.76	61%
Parks 207116054	- 5,000.00	- 2,202.62	44%
Plant Rental 203111060	1.00	- 9,050.08	-905008%
Sportsfield 207116081	1.00	- 863.48	-86348%
Plant Rental 203111060	- 50,000.00	380.00	-1%
Lease Rolyats Group 200	- 4,340,000.00	- 1,192,535.60	27%
Advertising Mt Ayliff Billboard 206116005	- 160,000.00	- 21,717.37	14%
Rezoning Application 203116073	- 8,300.00	- 4,014.78	48%
Building Plan Fees 203116010	- 140,000.00	- 372,559.30	266%
Funeral Plot Fees 207116026	1.00	- 7,321.77	-732177%
Funeral Plot Fees 207116026	- 15,000.00	-	0%
Clearance Certificate 200116017	- 15,000.00	- 1,578.28	11%
Rezoning Certificate 203116074	- 8,000.00	- 9,656.50	121%
Traffic Escort Fees	1.00	- 5,138.26	-513826%
Special Concernt 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	- 729,966.30	49%
Traffic Fines 209102060	- 3,177,000.00	- 177,729.00	6%
Pound fees 207116062	- 1,350,000.00	- 342,004.40	25%
Trading Licence 205103080	- 200,000.00	- 115,179.85	58%
Licences or Permits Trading	1.00	- 12,106.90	-1210690%
TOTAL	- 82,949,883.00	- 70,749,064.32	85%

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 December 2025 amounting to **R 1 140 111.56** be noted and approved by Council.
- That, the report on outstanding traffic fines for the month of December 2025 amounting to **R 12 077 538.00** be noted and approved by Council.
- That, the following aged outstanding debtors balance of **R 111,837,549.01**
- for the month ending December 2025 be noted and approved by Council:
 - Current – R 1,732,839.52
 - 30 days – R 1,549,749.99
 - 60 days – R 1,462,617.80
 - 90 days – R 1,370,650.95
 - 120 +days – R 105,721,690.75

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

- Residential debt – R 20, 186,387.19
- Commercial debt – R 27, 565,153.49
- Government debt – R 64, 086,008.33

EC442 S52d

That, the total amount owed by Councillors and Staff members amounting to **-R 137.59** be noted and approved by Council.

REVENUE COLLECTION RATE AND INVESTMENT REPORT AS AT 31 DECEMBER 2025

(File No: 9/1/2/3)
(Author: KM/SM/LL)
(1st Level: STANCO 14/01/2026)
(2nd Level: EXCO 16 /01/2026)
(3rd Level :COUNCIL 23/01/2026)

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 December 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 end December 2025 was 19% as depicted in the tables below:

PERIOD	BILLING	COLLECTION	COLLECTION%
25-Jul	60,984,200.42	- 1,944,757.28	-3%
25-Aug	1,880,154.75	- 445,742.97	-24%
25-Sep	1,880,154.75	- 9,312,740.74	-495%
25-Oct	1,304,609.91	- 598,960.39	-46%
25-Nov	1,341,012.20	- 422,853.09	-32%
25-Dec	1,427,489.88	- 406,099.88	-28%
	68,817,621.91	- 13,131,154.35	-19%

A collection percentage of 28% has been achieved for the month of December 2025 i.e. collection of R 406 099.88 against the billing of 1 427 489.88.

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.

Investments	System #	Bank Name	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Int Capitalised	Balance
FNB	'000031	Operational Bank Inv	'60029450715	202512	10	22,440.10	-	-	121.98	22,562.08
FNB	'000032	Service Delivery Ban	'62033254723	202512	10	913,760.51	43,000,000.00	8,100,000.00	88,432.27	35,902,192.78
NEDBANK	'000034	Nedbank Bank Investm	'7881112786	202512	5.75	40,842,319.15	-	-	230,675.03	41,072,994.18
STD	'000045	STD BANK INVEST 4201	'420111972	202512	7.9	-	-	-	-	-
Total Unconditional Grants						41,778,519.76	43,000,000.00	8,100,000.00	319,229.28	76,997,749.04
Institution	System #	Bank Name	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Int Capitalised	Balance
FNB	'000033	Mig Bank Investment	'62086036714	202512	10	12,330,332.19	12,561,000.00	11,301,248.36	102,962.32	13,693,046.15
FNB	'000035	Guarantee Bank Inves	'62068742157	202512	10	180,260.57	-	-	979.83	181,240.40
FNB	'000036	Fmg Bank Investment	'62276187294	202512	10	1,838,407.64	-	-	9,992.88	1,848,400.52
FNB	'000037	Electrification Bank	'62288560925	202512	10	1,153,770.24	-	1,149,600.08	2,239.98	6,410.14
FNB	'000038	Housing Bank Investm	'62891519971	202512	10	201.40	-	-	1.10	202.50
FNB	'000044	MD RECOVERY GRANT IN	'63093652965	202512	10	9,547,519.43	-	1,695,638.74	49,518.11	7,901,398.80
Total Conditional Grants						25,050,491.47	12,561,000.00	14,146,487.18	165,694.22	23,630,698.51
GRAND TOTAL						66,829,011.23	55,561,000.00	22,246,487.18	484,923.50	100,628,447.55

For the reporting period, the municipality had a balance of R 23 630 698.51 for conditional investments and R 76 997 749.04 for unconditional investments all totalling to R 100 628 447.55

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

EC442 S52d

- That, the report on revenue collection rate of 28% for the month of December 2025 be noted and approved by Council.
- That, the billing amounting to R1 427 489.88 for Property Rates, Refuse Removal (including interest charged) for the month December 2025 be noted and approved by Council.
- That, the total amount of R 406 099.88 has been received from Rates and Services for the month of December 2025 be noted and approved by Council.
- That, the 28% collection rate for the period ending December 2025 be noted and approved by Council.
- That, the total investments for the month ending December 2025 amounting to R 100 628 447.55 be noted and approved by Council.

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

PURPOSE

To report to the Council on Free basic services for the month of December 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	45 indigent households were subsidised in October 2025	Contract expired end October 2025

Electricity (ESKOM)	1710	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 December 2025 amounted to R215 754.46

SERVICE DELIVERY IMPLICATIONS

Provision of free basic services.

RECOMMENDATIONS

That the Council approves the report on the implementation of Free Basic Services

Recommendations

That, the operating surplus of R27 million be approved by the Council

That, the liquidity and current ratios be approved by the Council

That, the 54% MIG expenditure be approved by the Council

That, the 63% INEP expenditure be approved by the Council

That, the 5% expenditure on MDRG be approved by the Council

That, the 22% expenditure on Human Settlement Grant be approved by the Council

That, the 27% OPEX be approved by the Council

That, the UIFWE totaling to R2.3 million be approved by the Council

That, the expenditure on a Mayoral vehicle amounting to R120 thousand be approved by the Council

That, the expenditure on a Speaker's vehicle amounting to R75 thousand be approved by the Council

That, the expenditure on a Chief Whip's vehicle amounting to R41 thousand be approved by the Council

That, the total Councillors' remuneration amounting to R10.3 million be approved by the Council

That, the total employee costs amounting to R54 million be approved by the Council

That, the report on revenue collection rate of 28% for the month of December 2025 be noted and approved by Council.

That, the billing amounting to R1 427 489.88 for Property Rates, Refuse Removal (including interest charged) for the month December 2025 be noted and approved by Council.

That, the total amount of R 406 099.88 has been received from Rates and Services for the month of December 2025 be noted and approved by Council.

That, the 28% collection rate for the period ending December 2025 be noted and approved by Council.

That, the creditors amounting to R231 million be approved by the Council

Commented [MK7]: Please look in the previous quarterly report on how the recommendations were crafted. Again they always zoom into this.

EC442 S52d

- That, the total investments for the month ending December 2025 amounting to R 100 628 447.55 be noted and approved by Council.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

EC442 S52d

I, **Tobela Nota**, the Municipal Manager of Umzimvubu Local Municipality do hereby certify that-

The quarterly budget statement (Section 52d Report) on the implementation of the budget and financial state of affairs of the municipality for the second quarter of the financial year has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: **Tobela Nota**

Municipal Manager of Umzimvubu Local Municipality

Signature: _____

Date: _____