

S71 MONTHLY BUDGET STATEMENT AS AT 28 FEBRUARY 2026**STATEMENT OF FINANCIAL PERFORMANCE, POSITION AND THE IMPLEMENTATION OF THE 2025/26 BUDGET (MFMA SECTION 71) FOR THE PERIOD ENDED FEBRUARY 2026**

(File No: 9/1/2/3)
(Author: KM/LL)
(1st Level: MANCO 03/03/2026)
(2nd Level: STANCO /03/2026)
(3rd Level: EXCO /03/2026)
(4th Level :COUNCIL 26/03/2026)

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 28 February 2026. To also inform Management and Council about ratio analysis of the current financial affairs of the municipality as outlined in MFMA Circular 71.

2. AUTHORITY

Council

3. LEGAL / STATUTORY REQUIREMENTS

The constitution of the Republic of South Africa, 1996
Municipal Finance Management Act No 56, 2003 Chapter 8, Section 71
Municipal Budget Reporting Regulations

4. BACKGROUND

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

The information in this report is the financial performance for the transaction processed up to the close of business on 28 February 2026 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	R376 380 386	Income	R82 253 948
Expenditure	R272 617 669	Expenditure	R69 346 592
Operating Surplus/Deficit	R103 762 717	Surplus (Deficit)	R12 907 356
Financial Ratios		Capital Grants Performance	
Cash coverage	10 Months	MIG	67%
Current ratio	4:5	INEP	71%
Liquidity ratio	4:4	MDRG	13%
Spending of Operating Budget (Opex)	43 %		
Spending of Capital Budget (Capex)	45%		
Spending on Repairs and Maintenance	28%		

Budget vs Actuals- Revenue

Description	Total Budget	Year-To-Date	Pending	Available Budget	Actual Percentage
Revenue	- 601 760 652,00	- 376 380 386,05	- 147 483,22	- 225 232 782,73	63%
Agency Services	- 2 900 000,00	- 1 703 355,53	-	- 1 196 644,47	59%
Fines; Penalties and Forfeits	- 2 527 000,00	- 1 362 418,11	-	- 1 164 581,89	54%
Interest	- 7 200 000,00	- 4 447 161,27	-	- 2 752 838,73	62%
Interest; Dividend and Rent on Land	- 11 280 000,00	- 5 826 130,70	- 147 483,22	- 5 306 386,08	52%
Licences or Permits	- 2 565 000,00	- 1 718 540,48	-	- 846 459,52	67%
Operational Revenue	- 4 414 000,00	5 791,46	-	- 4 419 791,46	0%
Property Rates by Usage	- 72 174 980,00	- 66 207 348,80	-	- 5 967 631,20	92%
Rental from Fixed Assets	- 7 455 000,00	- 1 613 523,69	-	- 5 841 476,31	22%
Sales of Goods and Rendering of Services	- 77 666 652,00	- 27 402 659,55	-	- 50 263 992,45	35%
Service Charges	- 1 487 600,00	- 852 828,08	-	- 634 771,92	57%
Transfers and Subsidies	- 412 090 420,00	- 265 252 211,30	-	- 146 838 208,70	64%

The projected revenue is amounting to R601 million and the actuals to date amounting to R376 million which translates to 63% as at the end of month 8 of the 2025/26 financial year.

There is still an under performance on the rental of fixed assets revenue due to non occupancy in the municipal properties that are meant for rentals in order to generate revenue.

Budget vs Actuals-Expenditure

Description	Total Budget	Year-To-Date	Pending	Available Budget	Actual Percentage
Expenditure	512 718 698,00	272 617 668,61	16 216 165,01	223 884 864,38	53%
Contracted Services	177 810 854,00	81 056 338,23	8 831 744,52	87 922 771,25	46%
Depreciation and Amortisation	89 550 000,00	59 406 391,57	1 829,00	30 141 779,43	66%
Employee Related Cost	106 493 809,00	63 942 521,67	-	42 551 287,33	60%
Inventory Consumed	11 315 502,00	3 987 123,16	1 683 473,96	5 644 904,88	35%
Operating Leases	1 667 220,00	696 415,34	-	970 804,66	42%
Operational Cost	83 310 657,00	36 405 942,60	4 610 888,44	42 293 825,96	44%
Remuneration of Councillors	25 088 238,00	14 784 508,67	-	10 303 729,33	59%
Transfers and Subsidies	17 482 418,00	12 338 427,37	1 088 229,09	4 055 761,54	71%

The anticipated expenditure for the year is amounting to R512 million and the actual expenditure incurred is R272 million resulting in 53% against the anticipated budget.

Budget vs Actuals- Capex per directorate.

Department	Total Budget	Year-To-Date	Pending	Available Budget	Actual Percentage
Budget and Treasury Office	5 000 000,00	93 000,00	646 539,76	4 907 000,00	2%
Citizen & Community Services	29 084 246,00	13 527 721,72	13 195 133,25	15 556 524,28	47%
Corporate Services	3 751 000,00	1 743 214,50	-	2 007 785,50	46%
Infrastructure and Planning	146 726 082,00	58 241 194,18	- 15 136 134,24	88 484 887,82	40%
Local Economic Development	3 500 000,00	3 003 358,19	-	496 641,81	86%
Special Programmes & Communi	200 000,00	-	-	200 000,00	0%
Grand Total	188 261 328,00	76 608 488,59	- 1 294 461,23	111 652 839,41	41%

Included in the capital budget for the BTO department is the amount meant for the purchasing of furniture for old offices which is now on the procurement stages.

The reason for the decline in I&P department is as a result of additional funding for MDRG received towards the month end and no expenditure incurred as the instruction letters are being issued to the panel of contractors in order to establish on sites.

Department	Total Budget	Year-To-Date	Pending	Available Budget	Actual Percentage
Budget and Treasury Office	5 000 000,00	93 000,00	646 539,76	4 907 000,00	23%
Computer Equipment 200700010	400 000,00	93 000,00	15 248,70	307 000,00	23%
Furniture equipment Finance 200700002	3 100 000,00	-	-	3 100 000,00	0%
Motor Vehicle 200700040	1 500 000,00	-	631 291,06	1 500 000,00	0%
Citizen & Community Services	29 084 246,00	13 527 721,72	241 453,80	15 556 524,28	47%
Sidakeni Community Hall	3 100 000,00	2 603 538,40	-	496 461,60	84%
Dutyini Library Contrete 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%
Library Computer Equipment	47 600,00	47 600,00	-	-	100%
Machinery and equipment 208700036	975 000,00	475 300,00	107 000,00	499 700,00	49%
Osborn Community hall	3 100 000,00	3 022 306,51	-	77 693,49	97%
Parks Construction of chithwa recreational park	2 000 000,00	1 232 298,15	-	767 701,85	62%
Police:Construction of KwaBhaca vehicle pound facility	4 000 000,00	534 619,21	133 654,80	3 465 380,79	13%
Security equipment 209700023	100 000,00	-	-	100 000,00	0%
Shooting range Construction	4 000 000,00	-	-	4 000 000,00	0%
Sikhumbeni Community hall	3 160 400,00	2 933 040,00	-	227 360,00	93%
SOGONI COMMUNITY HALL	3 000 000,00	2 501 553,01	-	498 446,99	83%
Specialised Waste Management Vehicles	2 838 246,00	2 468 039,89	1,00	2 838 246,00	87%
Tools & equipment 209	1 120 000,00	149 466,44	800,00	970 533,56	13%
Corporate Services	3 751 000,00	1 743 214,50	-	2 007 785,50	46%
Computer equipment ICT 201700000	2 480 000,00	1 743 214,50	-	736 785,50	70%
ICT PROGRAMMES software 201700005	1 271 000,00	-	-	1 271 000,00	0%
Infrastructure and Planning	146 726 082,00	58 241 194,18	- 2 182 454,79	88 484 887,82	40%
Bethane via Luqolweni to Bhakaneni AR Maint	1 899 650,00	1 651 870,00	-	247 780,00	87%
Bhakaleni to Sekileni via Mqoma Access Road-MIG	7 012 690,00	6 042 562,96	-	970 127,04	86%
Bislan Mpindweni AR Maintenance	1 926 492,00	821 554,97	-	1 104 937,03	43%
Centres:Completion of multi - Purpose Centre	58 607,00	-	-	58 607,00	0%
Completion of Nophoyi Cluster Sport Facility	1 600 000,00	353 755,00	-	1 246 245,00	22%
Construction of ext 8 services	800 000,00	-	-	800 000,00	0%
Emaxesibeni Car-Wash	300 000,00	-	260 869,56	300 000,00	0%
Extension of Siliindini bridge\	5 200 000,00	391 986,75	-	4 808 013,25	8%
Fadeni AR Maint	906 522,00	483 800,00	-	422 722,00	53%
Good Hope via Komkhulu Access Road	1 840 661,00	1 797 963,81	-	42 697,19	98%
Gubhuzi Access Road & Concrete Slab	6 500 000,00	-	-	6 500 000,00	0%
Kwabhaca Installation of Solar Street lights Phase 1 - MIG	1 984 330,00	805 517,46	-	1 178 812,54	41%
KwaBhaca Surfacing Phase 8	10 612 359,00	4 273 654,49	-	6 338 704,51	40%
Luxwesa AR Maintenance	1 386 730,00	1 386 721,91	-	8,09	100%
Magcakini to Majuba AR Maintenance	1 176 807,00	1 023 281,76	-	153 525,24	87%
Magwaca - Qwidlana Clinic AR Maint	1 402 164,00	928 759,23	-	473 404,77	66%
Mmangweni Access Road	1 689 650,00	1 689 596,95	-	53,05	100%
Moyeni - Galali AR Maint	1 503 132,00	1 082 792,52	-	420 339,48	72%
Mpoza AR Maint	1 011 553,00	792 317,40	-	219 235,60	78%
Mqekazeweni AR M	1 478 354,00	763 800,00	-	714 554,00	52%
Mt White AR with concrete slab	9 400 000,00	6 466 347,90	-	2 933 652,10	69%
Mtshazi koMkhulu to Qumra	1 566 452,00	1 203 030,93	-	363 421,07	77%
Municipal Offices	9 900 000,00	-	-	9 900 000,00	0%
Ndakeni to Malenge AR Maint	1 208 495,00	1 036 364,00	-	172 131,00	86%
Ngwekazana/Gudlintaba Access Road	633 845,00	358 711,31	-	275 133,69	57%
Nkangala to Nkwazini AR	958 264,00	499 480,92	-	458 783,08	52%
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	1 340 360,00	1 339 275,00	-	1 085,00	100%
Nyathini Bridge	366 680,00	236 290,00	-	130 390,00	64%
Qhanqu AR Maintenance	1 655 247,00	1 102 302,96	-	552 944,04	67%
Reconstruction of Bangweni to Njijini bridge	8 000 000,00	2 225 826,20	-	5 774 173,80	28%
Reconstruction of Ilitha Bridge and Concrete Slab	4 110 000,00	-	-	4 110 000,00	0%
Reconstruction of Kukhwebe Bridge to Mbhinca AR	6 050 000,00	-	-	6 050 000,00	0%
Reconstruction of Lutshikini AR	3 348 000,00	997 710,50	-	2 350 289,50	30%
Reconstruction of Mwaca Bridge	7 500 000,00	3 706 242,35	-	3 793 757,65	49%
Rehabilitation of Cabane concrete slab	2 800 000,00	-	-	2 800 000,00	0%
Rehabilitation of Magqambeni Access Road	1 417 500,00	-	-	1 417 500,00	0%
Rehabilitation of Phuka to Hlathini AR and Bridge	6 462 500,00	-	-	6 462 500,00	0%
SDA - Magwaca AR Maint	750 000,00	351 931,60	-	398 068,40	47%
Sigidini AR Maint	1 860 901,00	1 836 185,69	24 715,54	24 715,31	99%
Sigundwaneni AR Maint	1 378 373,00	1 081 846,00	-	294 527,00	79%
Sikhemane to Ntshakeni AR	5 800 000,00	-	-	5 800 000,00	0%
Sikolweni AR Maintenance	500 950,00	325 093,88	-	175 856,12	65%
Sivumela AR Maint	1 594 774,00	1 386 760,00	-	208 014,00	87%
Thabo Access Road	6 130 191,00	3 052 384,31	-	3 077 806,69	50%
Thwa AR Maint	1 298 051,00	531 260,00	-	766 791,00	41%
Upgrading of Zinkawini Bridge	6 124 000,00	524 214,00	-	5 599 786,00	9%
Upper Dambeni AR Maint	1 444 870,00	1 267 921,50	-	176 948,50	88%
Vetem 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	3 500 000,00	3 003 358,19	-	496 641,81	86%
Ntenetyana camp site	400 000,00	370 040,38	-	29 959,62	93%
Ntsizwa Hiking trail	3 100 000,00	2 633 317,81	-	466 682,19	85%
Special Programmes & Communication	200 000,00	-	-	200 000,00	0%
Advertising Billboard	200 000,00	-	-	200 000,00	0%
Grand Total	188 261 328,00	76 608 488,59	- 1 294 461,23	111 652 839,41	41%

BUDGET AND TREASURY DEPARTMENT: REPORT ON GRANT EXPENDITURE FOR THE PERIOD ENDED 31 JANUARY 2026

(File
No: 9/1/2/3)
(Author: KM/LL)
(1st Level: MANCO 03/03/2026)
(2nd Level: STANCO /03/2026)
(3rd Level: EXCO /03/2026)
(4th Level :COUNCIL 26/03/2026)

Purpose

Purpose of the report is for the Council to note the grants expenditure incurred by the Municipality for the period ending 28 February 2026.

Statutory requirements

The Constitution of RSA
MFMA
MBRR

Parties consulted

None

Authority

Council

Annexure

Month February 2026												
UMZIMVUBU LOCAL MUNICIPALITY												
Ref			Balance	Amount	Total	Expenditure				Balance	%	Allocation
No	Description	Total Allocation	BF	Received	Liability	Operating	Capital	VAT	Total	Unspent @ 28.02.2026	Spending	Spending%
1	MUNICIPAL INFRASTRUCTURE	57 096 000,00	-	50 101 000	50 101 000		33 948 971	4 226 921	38 175 891	11 925 109	76%	67%
2	FINANCIAL MANAGEMENT	1 800 000,00	-	1 800 000	1 800 000	304 790		7 994	312 783	1 487 217	17%	17%
3	ELECTRIFICATION PROJECT	16 977 957,00	2 007 957	8 233 000	10 240 957		10 448 488	1 544 401	11 992 889	-1 751 932	117%	71%
4	EXPANDED PUBLIC WORKS	2 773 000,00		2 773 000	2 773 000	2 773 000		-	2 773 000	-	100%	100%
5	EPWP-INCENTIVE GRANT	2 743 902,00	169 902	2 574 000	2 743 902	2 006 393		-	2 006 393	737 509	73%	73%
6	ARTS AND CULTURE	1 473 000,00	321 518	1 473 000	1 794 518	1 011 730		73 771	1 085 501	709 017	60%	74%
7	Municipal Disaster Recovery Grant	57 188 000,00	-	57 188 000	57 188 000		6 623 345	993 502	7 616 847	49 571 153	13%	13%
8	Human Settlement Housing Project	61 800 000,00	-	16 144 162	16 144 162		16 500 453	-	16 500 453	-356 291	102%	27%
	Grand total	201 851 859	2 499 377	140 286 162	142 785 539	6 095 912	44 397 459	6 846 588	56 346 457	62 321 782	39%	28%

Discussion

The second tranche for MIG was received and the municipality carried on with payments of service providers which increased the percentage spending to 67%

The reason for the decline in the MDRG expenditure percentage is as a result of additional allocation of R30.3 million received and has not yet been spent.

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 67% spending on MIG be noted by the Council

That, the 71% spending on INEP be noted by the Council

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

(1st Level: MANCO 03/03/2026)
(2nd Level: STANCO /03/2026)
(3rd Level: EXCO /03/2026)
(4th Level :COUNCIL 26/03/2026)

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 28th of February 2026.

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 is disclosed as Irregular until the expiration of the contract. The panel was advertised and it is on an evaluation stage during the reporting period.

Annexure

EC442					
Register for Irregular, fruitless and wasteful expenditure 2025/26 FY					
	Opening balance	Additions	Write off	Recovered	Balance as at 28/02/2026
Unauthorized expenditure	-	-	-	-	-
Irregular expenditure	3 548 157,00	108 362,00		-	3 656 519,00
Fruitless and Wasteful expenditure	839 721,00	-	-	-	839 721,00
	4 387 878,00	108 362,00	-	-	4 496 240,00

Recommendations

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

That, the Irregular expenditure amounting to R3.6 million be noted by the Council

That, the Council notes the total amount of R4.4 million in relation to UIFWE

BUDGET AND TREASURY DEPARTMENT: REPORT ON VAT FOR THE MONTH ENDED 28 FEBRUARY 2026 REPORT

(File No: /03/26)

(Author: FT/LL)

(1st Level: MANCO 03/03/2026)(2nd Level: STANCO /03/2026)(3rd Level: EXCO /03/2026)(4th Level: COUNCIL /03/2026)**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 28 February 2026.

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	2,768,934.40	- 94,382.89	2,674,551.51	To set off INEP VAT Debt
November'25	2,525,808.53	- 284,924.22	2,240,884.31	To set off INEP VAT Debt Balance
December'25	4,875,803.52	- 365,977.83	4,509,825.69	Refund Received
January'26	890,039.34	- 21,703.56	868,335.78	Refund Received
February'26	1,859,226.68	- 143,857.01	1,715,369.67	Awaiting SARS Verification
	<u>23,924,316.60</u>	<u>- 2,031,367.30</u>	<u>21,892,949.30</u>	

CHALLENGES

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

RECOMMENDATION

Council to approve the report.

BUDGET AND TREASURY DEPARTMENT: REPORT ON COST CONTAINMENT MEASURES FOR THE MONTH ENDED 28 FEBRUARY 2026 REPORT

(File No: /03/26)
(Author: FT/LL)
(1st Level: MANCO 02/03/2026)
(2nd Level: STANCO /03/2026)
(3rd Level: EXCO /03/2026)
(4th Level: COUNCIL /03/2026)

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 28 February 2026.

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.

DISCUSSION

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

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

Cost Containment Report as of 28 February 2026			
	To-Date		
Cost Containment Measures	Budget	Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	17,583,400.00	8,530,105.93	9,053,294.07
Travel and subsistence	2,166,800.00	1,806,410.19	360,389.81
Domestic accommodation	4,702,000.00	3,307,464.97	1,394,535.03
Sponsorships, events, and catering	3,423,596.00	1,820,564.00	1,603,032.00
Communication	1,189,500.00	378,594.18	810,905.82
	R29,065,296.00	R15,843,139.27	R13,222,156.73

Detailed use of consultants as of 28 February 2026	
Description	Expenditure
Internal audit committee 204300183	483,750.00
Business Financial PMS evaluation 201300255	322,450.53
Best Practices	2,690,869.31
Conveyancing 204300201	1,336,136.05
Financial Management 200300119	-

Strategic Annual Risk Assessment	-
Communication Strategy consultant 206300043	-
Job evaluation 201300191	-
Housing Sector Plan 203300360	52,826.09
Interim valuation 200300181	-
Development of Storm water Management plan	-
Survey Planning 203300335	296,226.09
Legal Fees 204300199	3,656,518.95
	8,838,777.02

CHALLENGES

- Lack of close monitoring of operational expenditure
- Lack of close monitoring on the use of consultants

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 approve the report.

**BUDGET AND TREASURY DEPARTMENT: REPORT ON PAYMENT OF CREDITORS FOR THE MONTH ENDED 28
FEBRUARY 2026 REPORT**

(File No: /03/2026)
(Author: FT/LL)
(1st Level: MANCO 03/03/2026)
(2nd Level: STANCO /03/2026)
(3rd Level: EXCO /03/2026)
(4th Level: COUNCIL /03/2026)

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 28 February 2026.

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
January'26	13,448,395.19	110	13,448,395.19	-	None
February'26	21,678,129.67	156	21,678,129.67	-	None
	266,990,095.23	1,291.00	266,990,095.23	-	

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 approve the report.

**BUDGET AND TREASURY DEPARTMENT: REPORT ON PAYMENT OF PAYROL FOR THE MONTH ENDED 28 FEBRUARY
2026 REPORT**

(File No: /03/26)
(Author: FT/LL)
(1st Level: MANCO 03/03/2026)
(2nd Level: STANCO /03/2026)
(3rd Level: EXCO /03/2026)
(4th Level: COUNCIL /03/2026)

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 28 February 2026.

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	Salary bill	Substance & Travel
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
January'26	R1,724,006.80	R6,630.04	R7,927,420.63	R126,141.42
February'26	R1,802,341.90	R128,601.47	R8,425,062.60	R172,818.84
Total	R13,826,477.39	R513,402.07	R70,361,982.10	R1,269,314.43

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 OFFICE DEPARTMENT: SUPPLY CHAIN MANAGEMENT REPORT FOR THE MONTH ENDED 28 FEBRUARY 2026

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

(Author: Chief Financial Officer/ KM/ XB)

(1st Level: MTM - 03/03/2026)

(2nd Level: BTO STANCO -10/03/2026)

(3rd Level: EXCO -19/03/2026)

(4th Level: Council - 26/03/2026)

PURPOSE

To report Supply Chain Management processes and other procurements matters for the reporting Month ended **28 February 2026**.

The municipality did not have any deviations for the month of **28 February 2026**.

To report bids invited, evaluated, adjudicated, and awarded for the reporting month ended **28 February 2026**

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 **28 February 2026**, the Municipality has operated financially through procurement processes as follows:

DASHBOARD / PERFORMANCE SUMMARY

	28 February 2026
BIDS AND QUOTATIONS INVITED	
Quotations below 30 000.00	36
Invited Quotations above 30 000.00	12
Invited Bids	10
AWARDED BIDS	
Quotations below 30 000.00	34
Awarded Quotations above 30 000.00	0
Awarded Bids	4
Total Summary values of Procurements,	
Below R30 000 (SCM Orders)	R372,462.18
R30 001 – R300 000 (Seven days' notice)	R0
Above R300 000	R25,689,626.32
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)	0%
Region (Alfred Nzo)	0%
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	0
Cancelled bids	0

Irregular expenditure	Nil
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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 **28 February 2026**.

- **36 Quotations** below 30K were requested in the reporting Month of September 2025.
- **12 Quotations** above 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Month of **February 2026**.
- **10 Competitive bids** were advertised on the daily dispatch and E-tender portal, Municipal website month of **February 2026**.
- **34 Quotations** below 30k were awarded in the for the month ended **28 February 2026**.
- **0 Quotations** above 30k were awarded in the for the month ended **28 February 2026**.
- **4 Competitive bids** were awarded in the month ended **28 February 2026**.

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 **28 February 2026**, amounts to **R372,462.18**.
- 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 **28 February 2026** amounts to **R0.00**.
- Procurement above R300 000.00 which are done through formal submission of bids advertised and placed at public notices for 14 or more days, for the month ended **28 February 2026**, amounts to **R25,689,626.32**.
- No Deviations done for the month of **28 February 2026**.
- No section 32 awards were made for the reporting quarter ended **28 February 2026**.

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 **28 February 2026**, 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 **28 February 2026**, quotations between R30 001 – R300 000.00, **0%** was awarded to local suppliers within Umzimvubu Local municipality.
- For the reporting month ended **28 February 2026**, 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
0(0%)	0(0%)	0(0%)	0(0%)	0

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
4(100%)	0(0%)	0(0%)	0(0%)	4

19.1. **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 **February 2026**.

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:
17 February 2026	1. Mr L Luzipho 2. Ms Madlanga 3. Ms Bingwa 4. Ms Dina 5. Ms Ndlangisa 6. Mr Ngejane	All Members			Supply and Delivery of Municipal Stationery for a Period of 2 Years Supply and Delivery of Municipal Cartridges and Toners for a Period of 2 Years
24 February 2026	Mr Gamedala Mr M. Mafumbatha Mr Mbuyeleni Ms Z Mbono Mr Jojo Mr Matola				Panel for Repairs and Maintenance for Municipal Fleet For a Period of 2 Years Supply and Distribution of Alternative Energy (Paraffin) to Indigent Households For a Period of 2 Years Construction of Upper Brooksnek Community Hall

					<p>Construction Ngonyameni Community Hall</p> <p>Construction of Magontsini Community Hall</p> <p>Construction of Colana Community Hall</p> <p>Construction of Njijini Community Hall</p> <p>Construction of Ncome Springs Community Hall</p>
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3.4. BID EVALUATION COMMITTEE

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
					THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
04 February 2026	Mr Gamedala Mr M. Mafumbatha Mr Mbuyeleni Ms Z Mbono Mr Jojo Mr Matola				Panel of Attorneys Provision of Internal Audit Services Hall
12 February 2026	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Reconstruction of Zinkawini AR and Bridge

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
18 February 2026	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Panel of Contractors for Emergency Maintenance and Disaster Related Projects
24 February 2026	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Panel of Contractors for Emergency Maintenance and Disaster Related Projects

3.5. BID ADJUDICATION COMMITTEE

BAC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
19 February 2026	Mr. K Mehlomakhulu Mr. J Moleko Mr L Makanda Mrs Zembe Dr. Tshazi Mr X Blaweni Mrs Kubone				Reconstruction of Zinkawini AR Panel of RM of Municipal buildings Provision of Internal Audit Services

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 0 objection received in the reporting month ended **28 February 2026**.

5. CONTRACT MANAGEMENT

The unit did not receive the following S116 Reports for active contracts in the reporting month ended 28 February 2026.

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
C&CS-Community Safety/INFRA	<ol style="list-style-type: none"> 1. Construction of Chithwa Recreational Park- Phase 2. 2. Construction of Public Transport Pound Phase 2 	<p>Manager-Building/Manager-Public Safety-Mr Yakobi/Ms Ndlangisa</p> <p>Manager-Building/Manager-Public Safety-Mr Yakobi/Mr Ntlamba</p>
INFRA-Building Section	<ol style="list-style-type: none"> 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 5. Turnkey Project For Nkungwini 6. Sikhumbeni Community Hall. 7. Sogoni Community Hall. 	<p>Manager-Building- Mr. Yakobi</p>

INFRA-Maintenance	<ol style="list-style-type: none">1. Installation of Solar Streetlights in Kwabhaca2. Mpoza Access Road Maintenance3. Nophoyi Cluster Sports Field Phase 24. Mtshazi Komkhulu to Qumra Access Road Maintenance5. Reconstruction of Lutshikini Access Road6. Nkangala to Nkwazini Access Road Maintenance7. Construction of Emaxesibeni Municipal Hall Parking Area8. Bislan-Mpindweni Access Road Maintenance9. Qhanqu Access Road Maintenance10. Fadeni Access Road Maintenance	PMU-Mr Gamedala/Miss Qwane/Mr. Bingwa
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	<ul style="list-style-type: none"> 11. Upper Dambeni Access Road Maintenance 12. Thwa Access Road Maintenance 13. Moyeni-Galali Access Road Maintenance 14. Sigundwaneni Access Road Maintenance 15. Mqhekezweni Access Road Maintenance 16. Ndakeni To Malenge Access Road Maintenance 17. Magwaca-Qwindlana Access Road Maintenance 18. Sogoni Phase 2 Electrification 19. Sixhotyeni Link Line 	
Corporate Services-ICT	<ul style="list-style-type: none"> 1. IT Access Free WI-FI Hotspot Covering 100 Meter Radius 	Mr. Ntanteni

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 **28 February 2026**.

7. RELATED PARTIES DISCLOSURE

Régulation 45 Disclosure

None

Grap 20 Disclosure

None

8. PROCUREMENT PLAN IMPELMANTATION 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" – R45 and Grap 20 Related Party Disclosure

"G"-Status of Projects

RECOMMENDATIONS

1. That, the report on supply chain management for the reporting month ended 28 February 2026 be noted by Council.
2. That, for the reporting month ended 28 February 2026 there has been no irregular expenditure detected and No Deviations incurred to be noted.
3. Projects status for the reporting month ended 28 February 2026 be noted.

BUDGET AND TREASURY OFFICE DEPARTMENT: ASSET MANAGEMENT REPORT FOR THE MONTH ENDED FEBRUARY 2026

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

(Author: Chief Financial Officer/)

(1st Level: MTM)

(2nd Level: BTO STANCO)

(3rd Level: EXCO)

(4th Level: Council)

PURPOSE

The purpose of the report is for the council to consider and note asset management of Umzimvubu Local Municipality for the period ending February 2026.

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 February 2026****No Additions**

Reconciliation of Property, plant and equipment February 2025	Opening Balance	Additions	Disposals / Write off	Depreciation	Impairment loss	Total
Furniture and Office Equipment	4,486,407	-		(621,115)	-	3,865,292
Machinery and Equipment	4,277,934	624,766		(586,874)	-	4,315,827
Computer Equipment	7,839,981	1,473,095		(1,396,500)	-	7,916,575
Transport Assets	18,177,508	2,468,040	-	(2,699,456)	-	17,946,092
	34,781,830	4,565,901	-	(5,303,945)	-	34,043,786

2.Completed Capital projects January 2026


Reconciliation of Property, plant and equipment February 2026 (Excl. WIP)	Opening Balance	Additions	Disposals / Write off	Depreciation	Impairment loss	Total
Buildings	334,457,430	8,172,033		(22,302,464)	-	320,326,999
	334,457,430	8,172,033	-	(22,302,464)	-	320,326,999

Reconciliation of Property, plant and equipment February 2025	Opening Balance	Additions	WIP	Transfer	Prior Year Error Co	Disposals / Write off	Depreciation	Impairment loss	Total
Infrastructure	606,511,286	31,364,165	49,338,977	(31,364,165)	8,202,159		(23,346,967)	-	640,705,455
	606,511,286	31,364,165	49,338,977	(31,364,165)	8,202,159	-	(23,346,967)	-	640,705,455

Project Name	Type	Asset Class	Status	Closing Balance 2025	Capital Expenditure 2026	Transfers Out 2026/ Completed	Closing Balance 2026
Lugangeni feedlot	<i>B</i>	Community	Completed	1,567,297.99		- 1,567,297.99	-
Ntenetyana camp site	<i>B</i>	Community	Completed	497,880.09		- 608,850.02	-
Bhakaleni to Sekileni via Mqoma Access Road-MIG	<i>I</i>	Infrastructure	Completed	6,728,200.10	5,619,626.00	- 14,085,654.66	-
Sikolweni AR	<i>I</i>	Infrastructure	Completed	719,455.00	371,261.23	- 1,090,716.23	-
Nqalweni AR	<i>I</i>	Infrastructure	Completed	862,580.82	518,321.78	- 1,380,902.60	-
Nyathini Bridge	<i>I</i>	Infrastructure	Completed	1,806,685.00	236,290.00	- 2,042,975.00	-
Velem via Mthonjeni - Gamakhulu AR	<i>I</i>	Infrastructure	Completed	1,696,530.00	763,917.28	- 2,460,447.28	-
Osborn Community hall	<i>B</i>	Community	Completed		3,022,306.51	- 3,022,306.51	-
Nxashini AR Maintenance	<i>I</i>	Infrastructure	Completed		1,339,275.00	- 1,339,275.00	-
Sidakeni Community Hall	<i>B</i>	Community	Completed		2,603,538.40	- 2,603,538.40	-
Luxwesa AR Maintenance	<i>I</i>	Infrastructure	Completed		1,386,721.91	- 1,386,721.91	-
Magcakini to Majuba AR Maintenance	<i>I</i>	Infrastructure	Completed		1,023,281.76	- 1,023,281.76	-
Mmangweni Access Road	<i>I</i>	Infrastructure	Completed		1,689,596.95	- 1,689,596.95	-
Sivumela AR Maint	<i>I</i>	Infrastructure	Completed		1,386,760.00	- 1,386,760.00	-
Bethane via Luqolweni to Bhakaneni AR Maint	<i>I</i>	Infrastructure	Completed		1,651,870.00	- 1,651,870.00	-
Good Hope via Komkhulu Access Road	<i>I</i>	Infrastructure	Completed		1,797,963.81	- 1,797,963.81	-

BOQ has been sent to Engineers for unbundling

Retention register as at February 2026 (Annexure A)

 Retention Schedule Reconciliation	
Municipality:	UMZIMVUBU LOCAL MUNICIPALITY
Period:	2026/02/31
Opening Balance as at 01 July 2025	13,756,011.38
Retention Paid 2025/2026	7,129,784.80
Retention Raised to date 2025/2026	10,024,734.94
Closing Balance as at February 2026	16,650,961.52

Overdue retentions

- Upgrading of EmaXesibeni Streets along CBD Phase 2
- Mpemba Bridge with 6km
- Completion of Nophoyi Sport field
- Masancuncu Bridge
- Multi purpose phase 6
- Fencing of Emaxesibeni Landfill site
- Dungu Access road
- Gubhuzi Access Road

WIP AS AT 28 FEBRUARY 2026

2026			
Reconciliation of Work-in-Progress			
	Infrastructure	Buildings	Total
Opening balance	50,785,446	43,063,663	R93,849,109.00
Additions/capital expenditure	R58,969,091.31	R13,073,496.45	R72,042,587.76
Transferred to completed items	- 31,318,006.93	- 8,172,033.30	-R39,490,040.23
	78,436,530.38	47,965,126.15	126,401,656.53

4. Work in Progress as at February 2026

- Annexure B

Commitment report as 28 February 2026(Annexure C)

Buildings

12,028,799.38

Infrastructure	41,379,469.66
Total	53,408,269.04

Recommendation

That the report for February 2026 (S71) be noted by Council.

BUDGET AND TREASURY DEPARTMENT: DEBTORS AND REVENUE COLLECTED REPORT AS AT FEBRUARY 2026

(Author: MM)

(1st Level: Manco February 2026)

(2nd Level: B&T Comm February 2026)

(3rd Level: Exco February 2026)

1. PURPOSE

The purpose of the report is for the Council to consider and note collection of monies due to the municipality for the month of February 2026

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 109 631 690.17 AS AT 28 February 2026 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	6,122.42	3,487.99	3,460.49	3,432.98	20,530.34	37,034.22
	Public Works	446,622.49	442,592.75	443,600.75	443,561.87	54,820,966.43	56,597,344.29
	Alfred Ndzo	12,837.19	11,931.20	11,923.71	11,916.23	753,652.83	802,261.16
	Socila Developments	-	-	-	-	-	-
	Residents	843,748.08	447,318.83	440,047.79	427,884.15	18,673,305.22	20,832,304.07
	Councillors	1,836.08	-	-	-	-	1,836.08
	Staff	- 823.51	- 98.46	- 276.14	- 161.67	- 154.41	- 1,514.19
	Businesses &Commercials	1,136,797.86	463,103.98	458,263.16	450,446.31	24,628,886.95	27,137,498.26
	DLRRD	10,052.40	9,697.46	9,691.51	9,638.41	1,401,944.14	1,441,023.92
	Nat.Departments	47,123.93	41,799.91	41,755.91	41,711.92	2,612,410.90	2,784,802.57
	Grand Total	2,504,316.94	1,419,833.66	1,408,467.18	1,388,430.20	102,910,642.19	109,631,690.17

Staff and Councillors debt February 2026 is broken down as follows: -

Staff/ Councillor	Erf No.	Town	Current	30 days	60 days	90 days	Outstanding amount
Cllr Garane	75	EMaxesibeni	R 640.08	R 0.00	R 0.00	R 0.00	R 640.08
Cllr Mdzinwa	521	Kwa-Bhaca	R1196.00	R 0.00	R 0.00	R 0.00	R1196
Mr Nota	238	EMaxesibeni	R -300.00	R -2.55	R -221.56	R 0.00	R -524.11
Mr Nota	540	Kwa-Bhaca	R -382.58	R -12.72	R 0	R -196.01	R -591.31
Mr Makanda	3769	Kwa-Bhaca	R -84.80	R -42.40	R -12.38	R -54.55	R -194.13
Mr Makanda	3770	Kwa-Bhaca	R -56.13	R-40.79	R -65.52	R -42.17	R -204.64
Total							R 321.89

FEBRUARY 2026 RENTAL DEBTORS

RENTAL DEBTOR REPORT									
DATE RANGE	202602								
TARIFF CODE	26-Feb	Jan-26	25-Dec	25-Nov	25-Oct	25-Sep	25-Aug	25-Jul	TOTAL
'002530 LEASE RENTALS	319,518.02	172,823.77	172,823.77	221,785.49	221,785.49	139,846.32	135,693.16	151,755.07	1,536,031.09
'002531 RESIDENTIAL RENTALS	16,396.87	18,034.00	18,034.00	18,034.00	18,034.00	17,358.34	17,358.34	17,358.34	140,607.89
INTEREST	7,503.88	5,870.24	6,901.06	8,020.52	7,487.00	7,490.98	7,437.49	7,383.97	58,095.14
'009008 VAT LEVIED	43,814.99	23,657.20	25,923.56	22,763.26	33,267.82	22,763.26	22,763.26	22,763.26	217,716.61
'008888 PAYMENTS	- 538,662.67	- 200,457.20	- 709,344.68	-102,484.20	-201,081.51	-196,559.94	- 16,061.90	-745,091.46	-2,709,743.56
	- 151,428.91	19,928.01	- 485,662.29	168,119.07	79,492.80	- 9,101.04	167,190.35	-545,830.82	- 757,292.83

FEBRUARY 2026 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%
26-Jan	126,700.00	30,700.00	96,000.00	24%
26-Feb	170,900.00	21,650.00	149,250.00	13%
Total	1,042,300.00	223,717.00	12,322,788.00	21%

For the month of **February 2026**, traffic fines received to date amounted to **R 21 650.00**

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 February 2026

SegmentDesc	TotalBudget	TotalActual	Collection %
Property Rates by UsageVacant Land	- 72,174,980.00	- 66,207,348.80	92%
Vehicle Registration 209104080	- 2,900,000.00	- 1,703,355.53	59%
Interest Waste Management	- 700,000.00	- 405,973.38	58%
Drivers Learners Licenses 209104010	- 2,200,000.00	- 1,465,748.00	67%
Vehicle testing station 209104085	- 165,000.00	- 92,931.00	56%
Human Settlement 3.5% Management Fees	- 2,163,000.00	-	0%
Bursary Repayment	- 101,000.00	- 15,983.91	16%
Sundry income Marathon 200116087	- 150,000.00	16,645.17	-11%
Hall Rental 207111010	- 120,000.00	- 77,079.96	64%
Sophia Recreational 207111015	- 190,000.00	- 133,059.04	70%
Parks 207116054	- 5,000.00	- 2,202.62	44%
Plant Rental 203111060	- 50,000.00	- 11,643.97	23%
Lease Rolyats Group 200	- 4,340,000.00	- 1,390,356.36	32%
Advertising Mt Ayliff Billboard 206116005	- 60,000.00	- 22,546.93	38%
Rezoning Application 203116073	- 8,300.00	- 17,763.48	214%
Building Plan Fees 203116010	- 650,000.00	- 389,840.32	60%
Funeral Plot Fees 207116026	- 15,000.00	- 9,519.17	63%
Clearance Certificate 200116017	- 15,000.00	- 2,582.64	17%
Rezoning Certificate 203116074	- 8,000.00	- 3,339.10	42%
Traffic Escort Fees	- 15,000.00	- 8,781.73	59%
Special Concent 203116079	- 2,010.00	-	0%
SG Diagrams 203116075	- 3,000.00	-	0%
Tender Fees 203116091	- 50,000.00	-	0%
Subdivision 203116085	- 15,000.00	- 7,324.35	49%
Landfill Site Disposal Charges	- 5,000.00	- 1,304.35	26%
Refuse Removal 208110070	- 1,482,600.00	- 851,523.73	57%
Traffic Fines 209102060	- 1,177,000.00	- 330,779.50	28%
Pound fees 207116062	- 1,350,000.00	- 1,033,398.61	77%
Interest from Non-Exchange	- 7,200,000.00	- 4,447,161.68	62%
Trading Licence 205103080	- 200,000.00	- 159,861.48	80%
	- 97,514,890.00	- 78,774,764.47	81%

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 for the month of February 2026 amounting to **R 4 041 998.61** be noted and approved by Council.
- That, the report on outstanding traffic fines for the month of February 2026 amounting to **R 12 322 788.00** be noted and approved by Council.
- That, the following aged outstanding debtors balance of **R 109 631 690.17**
- for the month of January 2026 be noted and approved by Council:
 - Current – R 5,504 316.94
 - 30 days – R 1,419 833.66
 - 60 days – R 1,408 467.18
 - 90 days – R 1,388 430.20
 - 120 +days – R 102 910 642.19

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

- Residential debt – R 20, 832 625.96
- Commercial debt – R 27 137 498.26

- Government debt – R 61 661 565.95

That, the total amount owed by Councillors and Staff members amounting to **R 793.49** be noted and approved by Council.

REVENUE COLLECTION RATE AND INVESTMENT REPORT AS AT 28 FEBRUARY 2026

(File No.)

(Author: MM)

(1st Level: Manco 04 February 2026)

(2nd Level: B&T Comm February 2026)

(3rd Level: Exco February 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 February 2026

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 February 2026 was 25% 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%
26-Jan	1,701,250.79	- 1,488,530.64	-87%
26-Feb	1,701,250.79	- 3,481,685.94	-205%
	72,220,123.49	- 18,101,370.93	-25%

A collection percentage of 205% has been achieved for the month of February 2026 i.e. collection of R 3 481 685.94 against the billing of 1 701 250.79.

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.

Account #	Investm Start Date	Investment End Date	Term Valu	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Int Capitalised	B/S Balance
'60029450715	01/07/2022	30/06/2030	Y	202602	10	22,684.72			111.37	22,796.09
'62033254723	01/07/2022	30/06/2030	Y	202602	10	21,578,406.35		- 21,000,000.00	80,165.76	658,572.11
'7881112786	01/07/2022	30/06/2030	Y	202602	5.75	41,304,972.14			210,712.04	41,515,684.18
Total Unconditional Grant						62,906,063.21	-	- 21,000,000.00	290,989.17	42,197,052.38
'62086036714	01/07/2022	30/06/2030	Y	202602	10	13,767,476.29		- 137,789.56	67,206.09	13,696,892.82
'62068742157	01/07/2022	30/06/2030	Y	202602	10	182,225.55			894.65	183,120.20
'62276187294	01/07/2022	30/06/2030	Y	202602	10	1,858,447.72			9,124.21	1,867,571.93
'62288560925	01/07/2022	30/06/2030	Y	202602	10	6,444.98			31.64	6,476.62
'62891519971	01/07/2022	30/06/2030	Y	202602	10	203.60			1.00	204.60
'63093652965	01/03/2024	30/06/2040	Y	202602	10	7,944,347.77	49,134,000.00	- 2,912,475.67	123,066.97	54,288,939.07
Total Conditional Grant						23,759,145.91	49,134,000.00	- 3,050,265.23	200,324.56	70,043,205.24
GRAND TOTAL						86,665,209.12	49,134,000.00	- 24,050,265.23	491,313.73	112,240,257.62

For the reporting period, the municipality had a balance of R 42 197 052.38 for conditional investments and R 70 043 205.24 for unconditional investments all totalling to R 112 240 257.62

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 205% for the month of February 2026 be noted and approved by Council.

- That, the billing amounting to R1 701 250.79 for Property Rates, Refuse Removal (including interest charged) for the month February 2026 be noted and approved by Council.
- That, the total amount of R 3 481 685.94 has been received from Rates and Services for the month of February 2026 be noted and approved by Council.
- That, the 25% collection rate for the period ending February 2026 be noted and approved by Council.
- That, the total investments for the month ending January 2026 amounting to R 112 240 257.62.55 be noted and approved by Council.

BUDGET AND TREASURY DEPARTMENT: FREE BASIC SERVICES / INDIGENT REPORT AS AT FEBRUARY 2026

PURPOSE

To report to the Council on Free basic services for the month of February 2026.

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 = 3684, solar =1133 and paraffin = 1748 which gives to a total 6565 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	New service provider has been appointed and is currently on site
Electricity (ESKOM)	1704	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 February 2026 amounted to R212 347.81

SERVICE DELIVERY IMPLICATIONS

Provision of free basic services.

RECOMMENDATIONS

That, the Council notes the report on Free Basic Services.