

**S71 MONTHLY BUDGET STATEMENT AS AT 31 MARCH 2026****STATEMENT OF FINANCIAL PERFORMANCE, POSITION AND THE IMPLEMENTATION OF THE 2025/26 BUDGET  
(MFMA SECTION 71) FOR THE PERIOD ENDED 31 MARCH 2026**

(File No: 9/1/2/3)  
(Author: KM/LL)  
(1<sup>st</sup> Level: MANCO 01/04/2026)  
(2<sup>nd</sup> Level: STANCO /04/2026)  
(3<sup>rd</sup> Level: EXCO /04/2026)  
(4<sup>th</sup> Level :COUNCIL /04/2026)

**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 31 March 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 31 March 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**

<b>Overall Operating Results</b>		<b>Capital Grants Results</b>	
Income	R455 765 380	Income	R129 124 000
Expenditure	R288 368 803	Expenditure	R64 020 263
<b>Operating Surplus/Deficit</b>	<b>R167 396 577</b>	<b>Surplus (Deficit)</b>	<b>R65 103 737</b>
<b>Financial Ratios</b>		<b>Capital Grants Performance</b>	
Cash coverage	<b>10 Months</b>	MIG	72%
Current ratio	<b>3:1</b>	INEP	76%
Liquidity ratio	<b>3:1</b>	MDRG	18%
Spending of Operating Budget (Opex)	<b>55 %</b>		
Spending of Capital Budget (Capex)	<b>45%</b>		
Spending on Repairs and Maintenance	<b>32%</b>		

## Budget vs Actuals- Revenue

Description	Total Budget	Year-To-Date	Pending	Available Budget	Actual Percentage
<b>Revenue</b>	<b>- 601 760 652,00</b>	<b>- 455 765 380,33</b>	-	<b>- 145 995 271,67</b>	76%
Agency Services	- 2 900 000,00	- 1 762 040,50	-	- 1 137 959,50	61%
Fines; Penalties and Forfeits	- 2 527 000,00	- 1 459 948,94	-	- 1 067 051,06	58%
Interest	- 7 200 000,00	- 5 131 797,13	-	- 2 068 202,87	71%
Interest; Dividend and Rent on Land	- 11 280 000,00	- 6 496 241,04	-	- 4 783 758,96	58%
Licences or Permits	- 2 565 000,00	- 1 942 467,68	-	- 622 532,32	76%
Operational Revenue	- 4 414 000,00	- 699 900,57	-	- 3 714 099,43	16%
Property Rates by Usage	- 72 174 980,00	- 67 103 105,66	-	- 5 071 874,34	93%
Rental from Fixed Assets	- 7 455 000,00	- 1 992 968,05	-	- 5 462 031,95	27%
Sales of Goods and Rendering of Services	- 77 666 652,00	- 27 459 616,94	-	- 50 207 035,06	35%
Service Charges	- 1 487 600,00	- 973 811,60	-	- 513 788,40	65%
Transfers and Subsidies	- 412 090 420,00	- 340 743 482,22	-	- 71 346 937,78	83%

The anticipated revenue for the year is R601 million and the total actuals is R455 million which is 76% of the projected revenue for the year.

Poor performance has been noticed on the rental of fixed assets due to non occupancy of properties as well as non payment of rentals by the occupants.

**Budget vs Actuals-Expenditure**

Description	Total Budget	Year-To-Date	Pending	Available Budget	Actual Percentage
<b>Expenditure</b>	<b>495 236 280,00</b>	<b>288 368 802,68</b>	<b>19 116 879,86</b>	<b>187 750 597,46</b>	58%
Contracted Services	177 810 854,00	89 693 948,01	9 140 987,76	78 975 918,23	50%
Depreciation and Amortisation	89 550 000,00	64 604 042,58	1 500,00	24 944 457,42	72%
Employee Related Cost	106 493 809,00	71 728 818,72	-	34 764 990,28	67%
Inventory Consumed	11 315 502,00	4 719 350,05	1 726 859,39	4 869 292,56	42%
Operating Leases	1 667 220,00	910 131,82	-	757 088,18	55%
Operational Cost	83 310 657,00	39 095 485,56	8 247 532,71	35 967 638,73	47%
Remuneration of Councillors	25 088 238,00	17 617 025,94	-	7 471 212,06	70%
Transfers and Subsidies	17 482 418,00	12 663 591,22	1 618 678,77	3 200 148,01	72%

The anticipated expenditure for the year is amounting to R495 million and the actual expenditure incurred is R288 million resulting in 58% against the anticipated budget.

The implementation of cost containment measures is shown on the percentage spending on operational costs which is currently at 47%

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

(File No: 9/1/2/3)  
(Author: KM/LL)  
(1<sup>st</sup> Level: MANCO 01/04/2026)  
(2<sup>nd</sup> Level: STANCO /04/2026)  
(3<sup>rd</sup> Level: EXCO /04/2026)  
(4<sup>th</sup> Level :COUNCIL /04/2026)

**Purpose**

Purpose of the report is for the Council to note the grants expenditure incurred by the Municipality for the period ending 31 March 2026.

**Statutory requirements**

The Constitution of RSA  
MFMA  
MBRR

**Parties consulted**

None

**Authority**

Council

**Annexure**

Month March 2026												
UMZIMVUBU LOCAL MUNICIPALITY												
Ref			Balance	Amount	Total	Expenditure				Balance	%	Allocation
No	Description	Total Allocation	BF	Received	Liability	Operating	Capital	VAT	Total	Unspent @ 31.03.2026	Spending	Spending%
1	MUNICIPAL INFRASTRUCTURE	57 096 000,00	-	57 096 000	57 096 000		36 338 949	4 585 417	40 924 366	16 171 634	72%	72%
2	FINANCIAL MANAGEMENT	1 800 000,00	-	1 800 000	1 800 000	921 409		95 286	1 016 696	783 304	56%	56%
3	ELECTRIFICATION PROJECT	16 977 957,00	2 007 957	14 970 000	16 977 957		11 291 985	1 670 925	12 962 910	4 015 047	76%	76%
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	2 068 073		9 252	2 077 325	666 577	76%	76%
6	ARTS AND CULTURE	1 473 000,00	321 518	-	321 518	-		-	-	321 518	0%	0%
7	Municipal Disaster Recovery Grant	57 188 000,00	-	57 188 000	57 188 000		8 811 293	1 321 694	10 132 987	47 055 013	18%	18%
8	Human Settlement Housing Project	61 800 000,00	-	-	-		-	-	-	-	#DIV/0!	0%
	<b>Grand total</b>	<b>201 851 859</b>	<b>2 499 377</b>	<b>136 401 000</b>	<b>138 900 377</b>	<b>5 762 482</b>	<b>47 630 933</b>	<b>7 682 575</b>	<b>59 754 296</b>	<b>69 013 094</b>	<b>43%</b>	<b>30%</b>

**Discussion**

All tranches for MIG were received and the municipality and the current percentage is at 72% and the municipality anticipates to fully spend the funds at year end

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 72% spending on MIG be noted by the Council

That, the 76% spending on INEP be noted by the Council

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

(File No:  
9/1/2/3)  
(Author: KM/SM/LL)  
(1<sup>st</sup> Level: MANCO 01/04/2026)  
(2<sup>nd</sup> Level: STANCO /04/2026)  
(3<sup>rd</sup> Level: EXCO /04/2026)  
(4<sup>th</sup> Level :COUNCIL /04/2026)

**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 31<sup>st</sup> of March 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 31/03/2026
Unauthorized expenditure	-	-	-	-	-
Irregular expenditure	3 656 519,00	277 588,00		-	3 934 107,00
<b>Fruitless and Wasteful expenditure</b>	839 721,00	-	-	-	839 721,00
	<b>4 496 240,00</b>	<b>277 588,00</b>	-	-	<b>4 773 828,00</b>

### Recommendations

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

That, the Irregular expenditure amounting to R3.9 million be noted by the Council

That, the Council notes the total amount of R4.7 million in relation to UIFWE

**BUDGET AND TREASURY OFFICE DEPARTMENT: SUPPLY CHAIN MANAGEMENT REPORT FOR THE MONTH ENDED 31 MARCH 2026**

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

**(Author: Chief Financial Officer/ KM/ XB)**

**(1<sup>st</sup> Level: MTM - 01/04/2026)**

**(2<sup>nd</sup> Level: BTO STANCO -04/04/2026)**

**(3<sup>rd</sup> Level: EXCO -22/04/2026)**

**(4<sup>th</sup> Level: Council - /04/2026)**

**PURPOSE**

To report Supply Chain Management processes and other procurements matters for the reporting Month ended **31 March 2026**.

The municipality did not have any deviations for the month of **31 March 2026**.

To report bids invited, evaluated, adjudicated, and awarded for the reporting month ended **31 March 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 **31 March 2026**, the Municipality has operated financially through procurement processes as follows:

## DASHBOARD / PERFORMANCE SUMMARY

	31 March 2026
<b>BIDS AND QUOTATIONS INVITED</b>	
Quotations below 30 000.00	53
Invited Quotations above 30 000.00	31
Invited Bids	3
<b>AWARDED BIDS</b>	
Quotations below 30 000.00	53
Awarded Quotations above 30 000.00	6
Awarded Bids	2
<b>Total Summary values of Procurements,</b>	
Below R30 000 (SCM Orders)	<b>R807,935.54</b>
R30 001 – R300 000 (Seven days' notice)	<b>R824,289.95</b>
Above R300 000	<b>R7,428,492.68</b>
Section 32	<b>0</b>
Deviations (Section 36)	<b>0</b>

<b>% of Competitive Bids awarded per area,</b>	
Local (Mount Frere and Mount Ayliff)	50%
Region (Alfred Nzo)	0%
Province (Eastern Cape)	0%
National (Excluding Mount Ayliff and Mount frere)	50%
<b>% of Quotations awarded per area, (R30 001 – R300 000)</b>	
Local (Mount Frere and Mount Ayliff)	76%
Region (Alfred Nzo)	0%
Province (Eastern Cape)	0%
National (Excluding Mount Frere and Mount Ayliff)	24%
Number of meetings set successfully	<b>5</b>
Bid Specification Committee	2
Bid Evaluation Committee	1
Bid Adjudication Committee	2
Objections received	0

Cancelled bids	0
Irregular expenditure	Nil

## 1. Bids

The purpose of this report is to report to Council in terms of section 6(2) and 6 (3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ended **31 March 2026**.

- **53 Quotations** below 30K were requested in the reporting Month of September 2025.
- **31 Quotations** above 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Month of **March 2026**.
- **3 Competitive bids** were advertised on the daily dispatch and E-tender portal, Municipal website month of **March 2026**.
- **53 Quotations** below 30k were awarded in the for the month ended **31 March 2026**.
- **2 Quotations** above 30k were awarded in the for the month ended **31 March 2026**.
- **2 Competitive bids** were awarded in the month ended **31 March 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 **31 March 2026**, amounts to **R807,935.54**.
- Procurement above **R 30,000.00-R 300,000.00** which is advertised on the Municipal notice board and website for a period of seven days, for the reporting month ended **31 March 2026** amounts to **R824,289.95**.
- Procurement above R300 000.00 which are done through formal submission of bids advertised and placed at public notices for 14 or more days, for the month ended **31 March 2026**, amounts to **R7,428,492.68**.
- No Deviations done for the month of **31 March 2026**.
- No section 32 awards were made for the reporting quarter ended **31 March 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 **31 March 2026**, above R300 000.00 awarded bids through open / **competitive bidding 50%** was awarded to local suppliers within Mount Ayliff and Mount Frere.
- For the reporting month ended **31 March 2026**, quotations between R30 001 – R300 000.00, **76%** was awarded to local suppliers within Umzimvubu Local municipality.
- For the reporting month ended **31 March 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
5(76%)	0(0%)	0(0%)	1(24%)	6

**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
1(50%)	0(0%)	0(0%)	1(50%)	2

**19.1. SECTION 32 PROCUREMENT**

- No section 32 awards were made for the month of March 2026.

**1.4. DEVIATIONS (Section 36)**

No deviations for the month of March 2026.

**DEVIATION ILLUSTRATED BY GRAPH MONTHLY**

No deviations for the month of **March 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**

<b>BSC DATE</b>	<b>MEMBERS</b>	<b>PRESENT</b>	<b>ABSENT</b>	<b>REASON</b>	<b>THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:</b>
11 March 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 Shooting Range Phase 2 Speed Cameras
31 March 2026	1. Mr L Luzipho 2. Ms Madlanga 3. Ms Bingwa 4. Ms Dina 5. Ms Ndlangisa 6. Mr Ngejane	All Members			Vetting Services Furniture for council chamber

**3.4. BID EVALUATION COMMITTEE**

<b>BEC DATE</b>	<b>MEMBERS</b>	<b>PRESENT</b>	<b>ABSENT</b>	<b>REASON</b>	<b>Comments</b>
					<b>THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:</b>
10 March 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
09 March 2026	Mr. K Mehlomakhulu Mr. J Moleko Mr L Makanda Mrs Zembe Dr. Tshazi Mr X Blaweni Mrs Kubone				Panel of Contractors for Emergency Maintenance and Disaster Related Projects
11 March 2026	Mr. K Mehlomakhulu Mr. J Moleko Mr L Makanda Mrs Zembe Dr. Tshazi Mr X Blaweni Mrs Kubone				Panel of Contractors for Emergency Maintenance and Disaster Related Projects

#### 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 **31 March 2026**.

#### 5. **CONTRACT MANAGEMENT**

##### 5.1. **Progress Reports/S116 Reports**

The unit did not receive the following S116 Reports for active contracts in the reporting month ended 31 March 2026.

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
INFRA-Building Section	1. Construction of Municipal Offices. 2. Turnkey Project For Cabazana	Manager-Building- Mr. Yakobi

	<p>B400(181) Rural Housing Project.</p> <p>3. Turnkey Project For Dundee 500(34) Rural Housing Project.</p> <p>4. Turnkey Project For Cancele</p> <p>5. Turnkey Project For Nkungwini</p> <p>6. Sikhumbeni Community Hall.</p>	
INFRA-Maintenance	<p>1. Installation of Solar Streetlights in Kwabhaca</p> <p>2. Mpoza Access Road Maintenance</p> <p>3. Nophoyi Cluster Sports Field Phase 2</p> <p>4. Mtshazi Komkhulu to Qumra Access Road Maintenance</p> <p>5. Reconstruction of Lutshikini Access Road</p> <p>6. Construction of Emaxesibeni Municipal Hall Parking Area</p> <p>7. Bislani-Mpindweni Access Road Maintenance</p> <p>8. Qhanqu Access Road Maintenance</p> <p>9. Upper Dambeni Access Road Maintenance</p> <p>10. Moyeni-Galali Access Road Maintenance</p> <p>11. Sigundwaneni Access Road Maintenance</p> <p>12. Mqhekezweni Access Road Maintenance</p> <p>13. Ndakeni To Malenge Access Road Maintenance</p>	PMU-Mr Gamedala/Miss Qwane/Mr. Bingwa

	14. Magwaca-Qwindlana Access Road Maintenance 15. Sogoni Phase 2 Electrification 16. Sixhotyeni Link Line 17. Silindini Bridge 18. Reconstruction Of Mwaca Road And Bridge 19. Reconstruction Of Bangweni To Njijini Bridge	
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### 5.2. Service Level Agreements

The unit did not receive signed SLAs for active contracts and works have commenced in the reporting month ended 31 March 2026.

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
INFRA	1. Reconstruction Of Bangweni To Njijini Bridge 2. Reconstruction Of Mwaca Road And Bridge 3. Reconstruction of Lutshikini Access Road 4. Qhanqu Access Road Maintenance 5. Public Pound Phase 2	Manager-Building- Mr. Yakobi, PMU-Mr Gamedala/Miss Qwane/Mr. Bingwa

### 5.3. Extension of Time.

The unit did not receive the following extension of time for active contracts in the reporting month ended 31 March 2026.

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
INFRA	1. Surfacing Phase 8 2. Ntsizwa Hiking Trail 3. Municipal Offices 4. Sogoni Electrification	Manager-Building- Mr. Yakobi, Mr. Bingwa

## 6. CANCELLED BIDS

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

- There is 0 cancelled bids in the reporting month ended **31 March 2026**.

## 7. RELATED PARTIES DISCLOSURE

### Régulation 45 Disclosure

Company name	Appointment date	Description	Amount	Related Employee
The Drops Reno Trading	17-Mar-26	Supply and deliver still water and fruit for prayer day.	<b>R1,254.00</b>	Yes, Spouse (Mr S Mathontsi)
The Drops Reno Trading	11-Mar-26	2 pieces of chicken; a roll; 330 ml soft drinks and still Mini library for the blind	<b>R1,995.00</b>	Yes, Spouse (Mr S Mathontsi)
Mavest trading enterprise	17-Mar-26	Service Provider Supply Deliver A4 Photo Frames	<b>R29,900.00</b>	Yes, Spouse Dept of Social development (Mrs Pangwa)

### Grap 20 Disclosure

None

## 8. PROCUREMENT PLAN IMPLEMENTATION STATUS

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

### 4.1. 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 31 March 2026 be noted by Council.
2. That, for the reporting month ended 31 March 2026 the has been no irregular expenditure detected and No Deviations incurred to be noted.
3. Projects status for the reporting month ended 31 March 2026 be noted.

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

(Author: MM)

(1st Level: Manco April 2026)

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

(3rd Level: Exco April 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 March 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 109 075 145.44 AS AT 31 March 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	5,818.88	660.00	687.57	682.07	-	3,789.24
	Public Works	446,650.26	442,620.49	442,592.75	443,600.75	55,265,057.84	57,040,522.09
	Alfred Ndzo	6,204.06	11,938.69	11,931.20	11,923.71	765,569.06	807,566.72
	Socila Developments	649.55	-	-	-	-	649.55
	Residents	836,543.25	449,102.12	439,029.29	431,224.35	18,762,260.33	20,918,159.34
	Councillors	1,769.53	73.96	-	-	-	1,843.49
	Staff	595.41	-	80.97	54.58	-	730.96
	Businesses &Commercials	1,136,892.45	474,725.27	457,715.51	452,405.42	23,834,154.05	26,355,892.70
	DLRRD	9,341.05	9,703.23	9,697.23	9,691.20	1,411,574.40	1,450,007.11
	Nat. Departments	31,256.97	41,843.93	41,799.91	41,755.91	2,349,268.13	2,505,924.85
	<b>Grand Total</b>	<b>2,462,892.83</b>	<b>1,430,667.69</b>	<b>1,403,372.49</b>	<b>1,391,228.83</b>	<b>102,386,983.60</b>	<b>109,075,145.44</b>

Staff and Councillors debt March 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 1132.82	R 73.96	R 0.00	R 0.00	R 1206.78
Cllr Mdzinwa	521	Kwa-Bhaca	R636.71	R 0.00	R 0.00	R 0.00	R636.71
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
<b>Total</b>							<b>R 329.30</b>

**MARCH 2026 RENTAL DEBTORS**

RENTAL DEBTOR REPORT										
DATE RANGE	202603									
TARIFF CODE	26-Mar	26-Feb	Jan-26	25-Dec	25-Nov	25-Oct	25-Sep	25-Aug	25-Jul	TOTAL
'002530 LEASE RENTALS	174,562.90	319,518.02	172,823.77	172,823.77	221,785.49	221,785.49	139,846.32	135,693.16	151,755.07	1,710,593.99
'002531 RESIDENTIAL RENTALS	16,396.87	16,396.87	18,034.00	18,034.00	18,034.00	18,034.00	17,358.34	17,358.34	17,358.34	157,004.76
INTEREST	8,020.52	7,503.88	5,870.24	6,901.06	8,020.52	7,487.00	7,490.98	7,437.49	7,383.97	66,115.66
'009008 VAT LEVIED	26,184.43	43,814.99	23,657.20	25,923.56	22,763.26	33,267.82	22,763.26	22,763.26	22,763.26	243,901.04
'008888 PAYMENTS	- 25,431.40	- 538,662.67	- 200,457.20	- 709,344.68	-102,484.20	-201,081.51	-196,559.94	- 16,061.90	- 745,091.46	-2,735,174.96
	<b>199,733.32</b>	<b>151,428.91</b>	<b>19,928.01</b>	<b>485,662.29</b>	<b>168,119.07</b>	<b>79,492.80</b>	<b>9,101.04</b>	<b>167,190.35</b>	<b>-545,830.82</b>	<b>557,559.51</b>

**MARCH 2026 TRAFFIC FINES REPORT**

	Billing	Receipts	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%
26-Mar	121,700.00	22,600.00	99,100.00	19%
<b>Total</b>	<b>1,164,000.00</b>	<b>246,317.00</b>	<b>12,421,888.00</b>	<b>21%</b>

For the month of **March 2026**, traffic fines received to date amounted to **R 22 600.00**

**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 March 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 Concernt 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%
	<b>- 97,514,890.00</b>	<b>- 78,774,764.47</b>	<b>81%</b>

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

- Debtors' reconciliations are done internally for all Government Departments and Public works has made an arrangement to make payments before 15 April 2026.
- 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 March 2026 amounting to **R 1 847 558.08** be noted and approved by Council.
- That, the report on outstanding traffic fines for the month of March 2026 amounting to **R 12 322 788.00** be noted and approved by Council.
- That, the following aged outstanding debtors balance of **R 109 075 145.44**
- for the month of January 2026 be noted and approved by Council:

- Current – R 2,462,892.83
  - 30 days – R 1,430,667.69
  - 60 days – R 1,403,372.49
  - 90 days – R 1,391,228.83
  - 120 +days – R 102,386,983.60

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

- Residential debt – R 20,919,271.87
- Commercial debt – R 26,355,892.70
- Government debt – R 61,799,980.87

That, the total amount owed by Councillors and Staff members amounting to **R 329.12** be noted and approved by Council.

**REVENUE COLLECTION RATE AND INVESTMENT REPORT AS AT 31 MARCH 2026**

**(File No.)**

**(Author: MM)**

**(1st Level: Manco 01 April 2026)**

**(2nd Level: B&T Comm April 2026)**

**(3rd Level: Exco April 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 March 2026 was 27% 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%
26-Mar	1,584,261.56	- 1,799,526.68	-114%
	<b>73,804,385.05</b>	<b>-19,900,897.61</b>	<b>-27%</b>

A collection percentage of 114% has been achieved for the month of March 2026 i.e. collection of R 1 799 526.68 against the billing of 1 584 261.56.

#### **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
<b>Total Unconditional Grant</b>						<b>62,906,063.21</b>	<b>-</b>	<b>- 21,000,000.00</b>	<b>290,989.17</b>	<b>42,197,052.38</b>
'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
<b>Total Conditional Grant</b>						<b>23,759,145.91</b>	<b>49,134,000.00</b>	<b>- 3,050,265.23</b>	<b>200,324.56</b>	<b>70,043,205.24</b>
<b>GRAND TOTAL</b>						<b>86,665,209.12</b>	<b>49,134,000.00</b>	<b>- 24,050,265.23</b>	<b>491,313.73</b>	<b>112,240,257.62</b>

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 114% for the month of February 2026 be noted and approved by Council.
- That, the billing amounting to R1 584 261.56 for Property Rates, Refuse Removal (including interest charged) for the month March 2026 be noted and approved by Council.
- That, the total amount of R 1 799 526.68 has been received from Rates and Services for the month of March 2026 be noted and approved by Council.
- That, the 27% collection rate for the period ending March 2026 be noted and approved by Council.
- That, the total investments for the month ending March 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 MARCH 2026

### PURPOSE

To report to the Council on Free basic services for the month of March 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 = 3621, solar =1133 and paraffin = 1748 which gives to a total 6501 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	Inspection has been done in ward 26 & 27 with 155 diagnosed problems and 4 new complete solar installation.	New service provider has been appointed and is currently on site
Electricity (ESKOM)	1510	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 March 2026 amounted to R190 512.02

**SERVICE DELIVERY IMPLICATIONS**

Provision of free basic services.

**BUDGET AND TREASURY DEPARTMENT: REPORT ON VAT FOR THE MONTH ENDED 31 MARCH 2026 REPORT.**

(File No: /04/26)  
(Author: FT/LL)  
(1<sup>st</sup> Level: MANCO 01/04/2026)  
(2<sup>nd</sup> Level: STANCO /04/2026)  
(3<sup>rd</sup> Level: EXCO /04/2026)  
(4<sup>th</sup> Level: COUNCIL /04/2026)

**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 31 March 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 25<sup>th</sup> of each month following the month submitted for.
- The submission consists of Input VAT which is tax added when the municipality procures good and services and Output VAT which is tax charged by the municipality on services rendered to the community.
- Therefore, ULM submit to SARS the Net off Input and Output VAT
- When Input VAT is more that Output SARS will refund the amount to ULM
- When Input is less than Output, ULM will pay SARS.
- The table below is the summary of VAT refundable as from July 2025 to June 2026.

## Annexure

<b>2025-2026 VAT RETURNS SUMMARY REPORT</b>				
<b>Month</b>	<b>VAT Input</b>	<b>VAT Output</b>	<b>VAT Receivable</b>	<b>Comment</b>
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	Refund Received
March'26				Awaiting Month end closure
	<b><u>23,924,316.60</u></b>	<b><u>- 2,031,367.30</u></b>	<b><u>21,892,949.30</u></b>	

**CHALLENGES**

- SARS take its time to finalize the audit on the returns submitted.
- SARS is currently conducting random audit

**RECOMMENDATION**

Council to note the report.

**BUDGET AND TREASURY DEPARTMENT: REPORT ON COST CONTAINMENT  
MEASURES FOR THE MONTH ENDED 31 MARCH 2026 REPORT**

(File No: /04/26)  
(Author: FT/LL)  
(1<sup>st</sup> Level: MANCO 01/04/2026)  
(2<sup>nd</sup> Level: STANCO /04/2026)  
(3<sup>rd</sup> Level: EXCO /04/2026)  
(4<sup>th</sup> Level: COUNCIL /04/2026)

**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 March 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.

<b>Cost Containment Report as of 28 February 2026</b>			
	<b>To-Date</b>		
<b>Cost Containment Measures</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Savings</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
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
	<b>R29,065,296.00</b>	<b>R15,843,139.27</b>	<b>R13,222,156.73</b>

<b>Detailed use of consultants as of 28 February 2026</b>	
<b>Description</b>	<b>Expenditure</b>
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
	<b>8,838,777.02</b>

## **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 adhere to cost containment measures.

## **RECOMMENDATIONS**

Council to note the report.

**BUDGET AND TREASURY DEPARTMENT: REPORT ON PAYMENT OF CREDITORS FOR THE MONTH ENDED 31 MARCH 2026**  
**REPORT**

(File No: /04/2026)  
(Author: FT/LL)  
(1<sup>st</sup> Level: MANCO 01/04/2026)  
(2<sup>nd</sup> Level: STANCO /04/2026)  
(3<sup>rd</sup> Level: EXCO /04/2026)  
(4<sup>th</sup> Level: COUNCIL /04/2026)

**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 March 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 agrees 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 dated stamped and must be paid within 30 days from the date of the stamp.

Below is a summary of creditors paid during the year:

<b>2025-2026 EXPENDITURE SUMMARY REPORT</b>					
<b>No of Creditors, Invoices &amp; Paid within 30 days</b>					
<b>Month</b>	<b>Amount Due</b>	<b>Received</b>	<b>Amount Paid</b>	<b>Difference</b>	<b>Paid after 30 days</b>
July'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
March'26	28,369,183.69	205	28,369,183.69	-	None
	<b>295,359,278.92</b>	<b>1,496</b>	<b>295,359,278.92</b>	-	

**CHALLENGES**

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

### **RECOMMENDATION**

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

**BUDGET AND TREASURY DEPARTMENT: REPORT ON PAYMENT OF PAYROL FOR THE MONTH ENDED 31 MARCH 2026**  
**REPORT**

(File No: /04/26)  
(Author: FT/LL)  
(1<sup>st</sup> Level: MANCO 01/04/2026)  
(2<sup>nd</sup> Level: STANCO /04/2026)  
(3<sup>rd</sup> Level: EXCO /04/2026)  
(4<sup>th</sup> Level: COUNCIL /04/2026)

**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 March 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**

<b>2025-2026 Payroll Summary Report</b>				
	<b>Councillors</b>		<b>Officials (Staff, HOD's &amp; Casuals)</b>	
<b>Period</b>	<b>Salary bill</b>	<b>Substance &amp; Travel</b>	<b>Salary bill</b>	<b>Substance &amp; Travel</b>
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
March'26	R1,700,974.26	R27,183.13	R8,022,004.73	R130,522.89
<b>Total</b>	<b>R15,527,451.65</b>	<b>R540,585.20</b>	<b>R78,383,986.83</b>	<b>R1,399,837.32</b>

**CHALLENGES**

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

**REMEDIAL ACTIONS**

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

**RECOMMENDATION**

Council to note the report.

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

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

(Author: Chief Financial Officer/)

(1<sup>st</sup> Level: MTM )

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

(3<sup>rd</sup> Level: EXCO)

(4<sup>th</sup> 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 March 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 March 2026

+	Asset Barcode	Reporting	Asset Type Description	Supplier	Cost Incl VAT	Acquisition Cost	Ready For Use Date
Additions 2025/26	100480	Transport Asset	Grey Fortuner	Toyota	709,096.58	616,605.75	2026/03/12
Additions 2025/26	100514	Machinery	Measuring Wheels	Mbuleh	8,350.00	8,350.00	2026/03/19
Additions 2025/26	100879	Machinery	Measuring Wheels	Mbuleh	8,350.00	8,350.00	2026/03/19
Additions 2025/26	100887	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100889	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100512	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100503	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100881	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100809	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100814	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100826	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100872	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100477	Machinery	brushcutter	Ngakane Holding PTY	16,000.00	16,000.00	2026/03/25
Additions 2025/26	100828	Machinery	Chain saw	Ngakane Holding PTY	13,800.00	13,800.00	2026/03/25
Additions 2025/26	100886	Machinery	Steel Fuel Tank	Harvey NP	14,800.00	14,800.00	2026/03/30

Reconciliation of Property, plant and equipment March 2026	Opening Balance	Additions	Disposals / Write off	Depreciation	Impairment loss	Total
Furniture and Office Equipment	4,486,407	-		(700,352)	-	3,786,055
Machinery and Equipment	4,277,934	830,066		(665,494)	-	4,442,507
Computer Equipment	7,839,981	1,514,560		(1,582,204)	-	7,772,336
Transport Assets	18,177,508	3,084,646	-	(3,049,913)	-	18,212,241
	<b>34,781,830</b>	<b>5,429,272</b>	<b>-</b>	<b>(5,997,963)</b>	<b>-</b>	<b>34,213,139</b>

## 2.Completed Capital projects March 2026

Nkangala to Nkwazini Access road in ward 27

Fadeni Access road 14


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 March 2026 (Annexure A)**

 <b>Retention Schedule Reconciliation</b>	
<b>Municipality:</b>	<b>UMZIMVUBU LOCAL MUNICIPALITY</b>
<b>Period:</b>	<b>Mar-26</b>
Opening Balance as at 01 July 2025	<b>13,788,170.86</b>
Retention Paid 2025/2026	<b>7,129,784.80</b>
Retention Raised to date 2025/2026	<b>10,589,434.69</b>
Closing Balance as at March 2026	<b>17,247,820.75</b>

### **Overdue retentions**

- Upgrading of EmaXesibeni Streets along CBD Phase 2
- Mpemba Bridge with 6km
- Masancuncu Bridge
- Multipurpose phase 6

### **Unclaimed Retention transferred to Municipal revenue**

Dungu Access road  
Gubhuzi Access road  
Fencing of Emaxesibeni Landfill site  
Completion of Nophoyi Sport field

**WIP AS AT MARCH 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
	<b>78,436,530.38</b>	<b>47,965,126.15</b>	<b>126,401,656.53</b>

**4. Work in Progress as at March 2026**

- Annexure B

**Commitment report as 28 March 2026(Annexure C)**

<b>Total</b>		<b>48,885,693.98</b>
Buildings		10,273,885.86
Infrastructure		38,611,808.12

**Recommendation**

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

