

2025/2026
QUATERLY BUDGET PERFORMANCE
SECTION 52D REPORT
3RD QUARTER ENDED
31 MARCH 2026

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GLOSSARY

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings – for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

mSCOA – Municipal Standard Chart of Accounts.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.

Vote – One of the main segments into which a budget is divided.

LEGISLATIVE FRAMEWORK

This report has been prepared in terms of the following enabling legislation:

The municipal Finance Management Act No. 56 of 2003

Section 72: Mid-year budget Statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

1.1 RESOLUTIONS

This is the resolution being presented to Council in the quarterly report on the implementation of budget and financial state of affairs of the municipality as required in terms of section 52d of the Municipal Finance Management Act 56 of 2003.

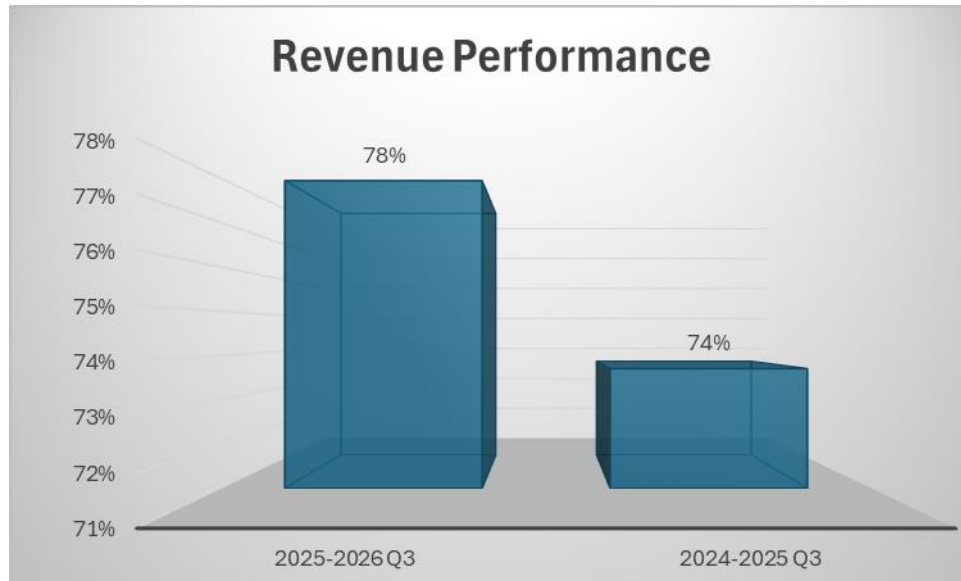
Recommendations:

- That, the report on the implementation of the budget and the financial state of affairs of the municipality for the third quarter ended 31st March 2026 be noted by council.
- That, the submission of section 52d reports and to Provincial and National Treasuries 30 days after the end of the quarter be noted by Council.

1.2 EXECUTIVE SUMMARY

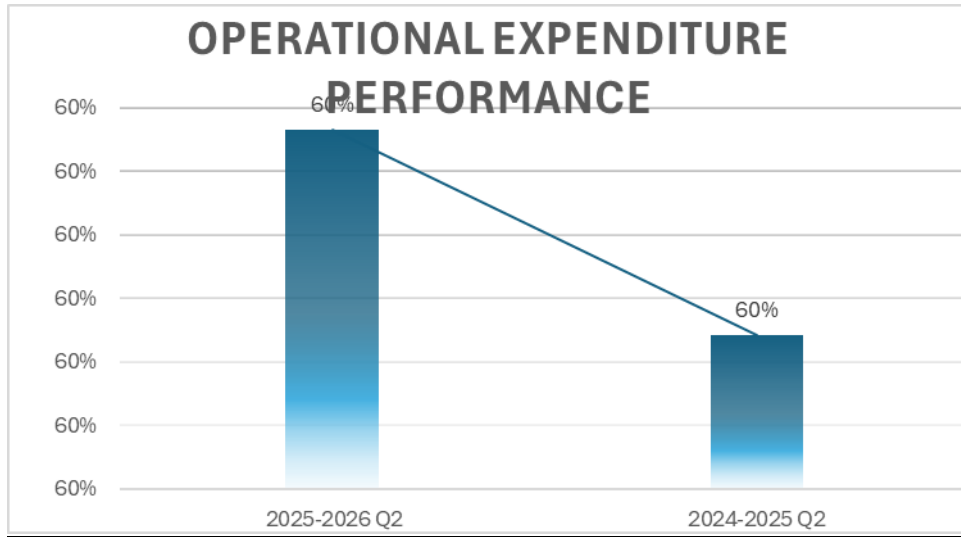
Revenue by source

The total revenue received by source for the first nine months amounted to **R469,080,289** against approved budget of **R601,176,652**. This represents **78%** revenue at the end of third quarter, this is above the expected performance of **75%** for the quarter ended 31 March 2026, due to implementation of risk adjusted strategy.



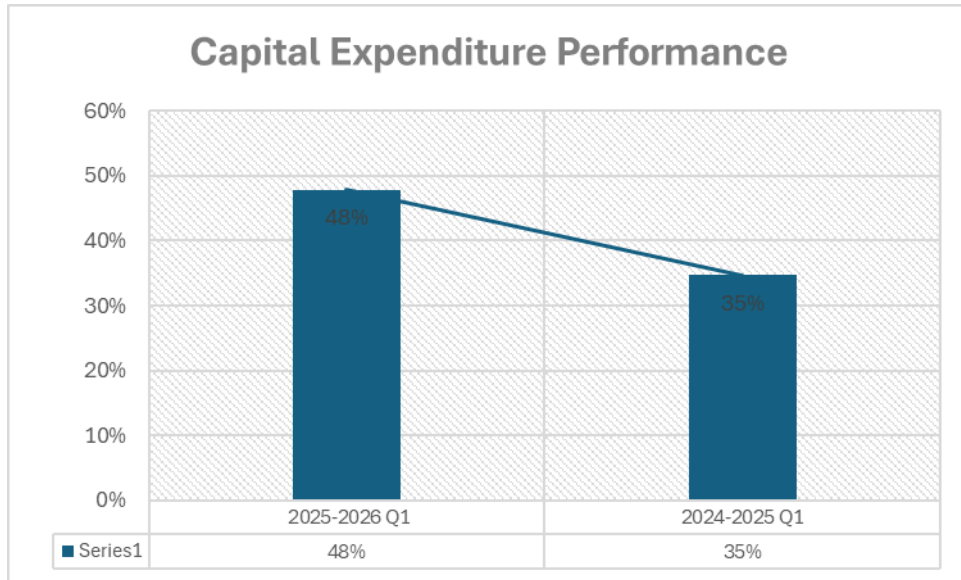
Operating Expenditure by type

Operating expenditure amounted to **R 305,648,345** for the first nine months of the financial year against approved budget of **R 512,718,698**. This represents **60%** of the approved operating expenditure budget. This is below the expected performance of 75% caused by implementation of cost containment measures.



Capital Expenditure

Capital expenditure for the first six months of the financial year amounted to **R 89,904,725** against approved budget of **R188,261,328**. This represents **48%** of the approved capital expenditure budget. Which is below 75% expected performance and it due to additional funding that was received towards the end of third quarter.



**PART 2 –
IN-YEAR BUDGET STATEMENTS
2.1 Table C1 Monthly Budget Statement Summary**

EC442 Umzimvubu - Table C1 Monthly Budget Statement Summary - M09 - Quarter 3

Description	2024/25				Budget Year 2025/26				
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	64,665	66,904	72,175	2,517	67,809	69,134	(1,325)	-2%	72,175
Service charges	1,360	1,483	1,488	364	1,095	1,114	(19)	-2%	1,488
Investment revenue	10,508	10,580	10,580	2,249	6,996	7,935	(939)	-12%	10,580
Transfers and subsidies - Operational	298,217	297,276	297,806	74,095	296,067	295,362	705	0%	297,806
Other own revenue	78,840	34,694	105,441	8,790	43,024	68,908	(25,885)	-38%	105,441
Total Revenue (excluding capital transfers and contributions)	453,591	410,936	487,490	88,015	414,990	442,453	(27,463)	-6%	487,490
Employee costs	98,667	106,006	106,494	23,402	71,723	79,700	(7,976)	-10%	106,494
Remuneration of Councilors	24,539	25,563	25,088	6,486	17,617	18,982	(1,365)	-7%	25,088
Depreciation and amortisation	82,239	89,550	89,550	33,296	64,604	67,162	(2,558)	-4%	89,550
Interest	2,119	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	6,472	10,494	11,316	2,203	5,521	8,158	(2,637)	-32%	11,316
Transfers and subsidies	22,455	17,096	17,482	3,003	13,281	15,142	(1,860)	-12%	17,482
Other expenditure	220,610	204,113	268,207	30,711	132,901	194,554	(61,652)	-32%	268,207
Total Expenditure	457,101	452,823	518,137	99,101	305,648	383,698	(78,050)	-20%	518,137
Surplus/(Deficit)	(3,510)	(41,886)	(30,648)	(11,087)	109,342	58,755	50,587	86%	(30,648)
Transfers and subsidies - capital (monetary allocations)	90,774	145,744	114,284	11,347	54,090	82,819	(28,729)	-35%	114,284
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	87,264	103,858	83,636	261	163,432	141,574	21,858	15%	83,636
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	87,264	103,858	83,636	261	163,432	141,574	21,858	15%	83,636
Capital expenditure & funds sources									
Capital expenditure	126,342	215,003	188,261	23,084	89,988	136,858	(46,870)	-34%	188,261
Capital transfers recognised	80,451	145,864	114,575	9,966	49,762	83,016	(33,253)	-40%	114,575
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	45,532	69,139	73,687	13,118	40,226	53,842	(13,616)	-25%	73,687
Total sources of capital funds	125,983	215,003	188,261	23,084	89,988	136,858	(46,870)	-34%	188,261
Financial position									
Total current assets	157,657	155,046	142,843	-	320,873	-	-	-	142,843
Total non current assets	1,088,077	1,347,271	1,188,379	-	1,113,462	-	-	-	1,188,379
Total current liabilities	92,504	102,366	92,765	-	117,673	-	-	-	92,765
Total non current liabilities	12,430	11,654	12,430	-	12,430	-	-	-	12,430
Community wealth/Equity	1,132,629	1,388,297	1,226,026	-	1,304,231	-	-	-	1,226,026
Cash flows									
Net cash from (used) operating	-	237,749	246,120	90,864	229,630	243,261	13,630	6%	246,120
Net cash from (used) investing	151,250	(215,003)	(188,261)	(22,643)	(108,842)	(136,858)	(28,016)	20%	(188,261)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	217,463	143,710	149,049	-	211,978	197,593	(14,385)	-7%	149,049
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1,782	1,878	1,481	1,453	1,450	1,446	1,383	103,499	114,372
Creditors Age Analysis									
Total Creditors	815	-	-	-	-	-	-	0	815

2.1.2 Table C2 Monthly Budget Statement –Financial Performance (Functional Class)

EC442 Umzimvubu - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 - Quarter 3

Description	Ref	Budget Year 2025/26								
		2024/25 Audited	Original	Adjusted	Quarter 3	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		378,947	377,609	387,894	80,820	372,551	376,264	(3,713)	-1%	387,894
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		378,947	377,609	387,894	80,820	372,551	376,264	(3,713)	-1%	387,894
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		7,195	9,407	8,122	2,377	5,262	6,541	(1,279)	-20%	8,122
Community and social services		294	210	310	71	238	197	41	21%	310
Sport and recreation		4	5	5	(1)	2	4	(2)	-41%	5
Public safety		6,897	9,192	7,807	2,307	5,022	6,340	(1,318)	-21%	7,807
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		150,648	161,401	196,259	14,735	83,404	135,655	(52,252)	-39%	196,259
Planning and development		114,073	134,553	139,071	7,671	71,636	103,383	(31,747)	-31%	139,071
Road transport		36,575	26,848	57,188	7,064	11,768	32,272	(20,504)	-64%	57,188
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		7,575	8,264	9,499	1,430	7,863	6,811	1,052	15%	9,499
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7,575	8,264	9,499	1,430	7,863	6,811	1,052	15%	9,499
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	544,365	556,680	601,774	99,362	469,080	525,272	(56,192)	-11%	601,774
Expenditure - Functional										
<i>Governance and administration</i>		204,363	194,532	196,853	37,050	119,800	147,948	(28,148)	-19%	196,853
Executive and council		50,724	59,614	58,932	11,554	36,320	44,438	(8,118)	-18%	58,932
Finance and administration		147,533	127,532	130,807	24,114	78,363	98,079	(19,716)	-20%	130,807
Internal audit		6,106	7,386	7,114	1,381	5,117	5,431	(314)	-6%	7,114
<i>Community and public safety</i>		49,226	56,592	53,958	12,571	36,737	41,390	(4,653)	-11%	53,958
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		18	0	0	0	0	0	(0)	-55%	0
Public safety		49,209	56,591	53,958	12,571	36,737	41,390	(4,653)	-11%	53,958
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		81,183	142,450	204,262	41,645	92,739	147,362	(54,623)	-37%	204,262
Planning and development		93,276	57,107	117,618	9,431	55,611	83,046	(27,435)	-33%	117,618
Road transport		(12,093)	85,343	86,645	32,214	37,128	64,316	(27,188)	-42%	86,645
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		122,329	59,249	63,063	7,835	56,372	46,998	9,374	20%	63,063
Energy sources		-	-	1,933	-	681	1,208	(527)	-44%	1,933
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		122,329	59,249	61,130	7,835	55,690	45,790	9,901	22%	61,130
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	457,101	452,823	518,137	99,101	305,648	383,698	(78,050)	-20%	518,137
Surplus/ (Deficit) for the year		87,264	103,858	83,636	261	163,432	141,574	21,858	15%	83,636

2.1.3 C3 Monthly Budget Statement –Financial Performance (revenue

and expenditure by municipal vote)

EC442 Umzimvubu - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 - Quarter 3										
Vote Description	Ref	2024/25		Budget Year 2025/26						
		Audited	Original	Adjusted	Quarter 3	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote										
Vote 1 - Executive And Council	1	189	160	60	19	41	80	(39)	-48.8%	60
Vote 2 - Budget and Treasury Office		378,576	377,034	387,318	80,477	372,005	375,810	(3,806)	-1.0%	387,318
Vote 3 - Corporate Services		315	400	501	322	496	363	133	36.6%	501
Vote 4 - Infrastructure and Plannind Department		150,275	161,201	196,059	14,689	83,231	135,505	(52,275)	-38.6%	196,059
Vote 5 - Community Services		298	215	315	70	240	201	39	19.5%	315
Vote 6 - Local Economic Development		223	200	200	46	173	150	23	15.4%	200
Vote 7 - Public Safety		6,914	9,207	7,822	2,309	5,031	6,351	(1,320)	-20.8%	7,822
Vote 8 - Waste Management		7,575	8,264	9,499	1,430	7,863	6,811	1,052	15.4%	9,499
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	544,365	556,680	601,774	99,362	469,080	525,272	(56,192)	-10.7%	601,774
Expenditure by Vote										
Vote 1 - Executive And Council	1	80,329	91,783	91,862	20,802	58,960	68,864	(9,905)	-14.4%	91,862
Vote 2 - Budget and Treasury Office		99,866	68,816	69,983	10,687	44,200	53,204	(9,004)	-16.9%	69,983
Vote 3 - Corporate Services		25,528	35,335	36,825	5,821	17,526	27,097	(9,571)	-35.3%	36,825
Vote 4 - Infrastructure and Plannind Department		59,872	119,812	181,809	37,593	76,820	128,368	(51,548)	-40.2%	181,809
Vote 5 - Community Services		18	0	0	0	0	0	(0)	-55.4%	0
Vote 6 - Local Economic Development		18,646	19,611	19,607	3,469	14,355	16,796	(2,441)	-14.5%	19,607
Vote 7 - Public Safety		50,514	58,218	54,987	12,895	37,416	42,371	(4,955)	-11.7%	54,987
Vote 8 - Waste Management		122,329	59,249	61,130	7,835	55,690	45,790	9,901	21.6%	61,130
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	457,101	452,823	516,204	99,101	304,967	382,490	(77,523)	-20.3%	516,204
Surplus/ (Deficit) for the year	2	87,264	103,858	85,569	261	164,113	142,782	21,331	14.9%	85,569
<i>References</i>										
1. Insert 'Vote'; e.g. Department, if different to standard classification structure										
2. Must reconcile to Monthly Budget Statement - Financial Performance Statement (standard classification)										

2.1.4 C4 Monthly Budget Statement –Financial Performance (revenue and Expenditure)

EC442 Umzimvubu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 - Quarter 3

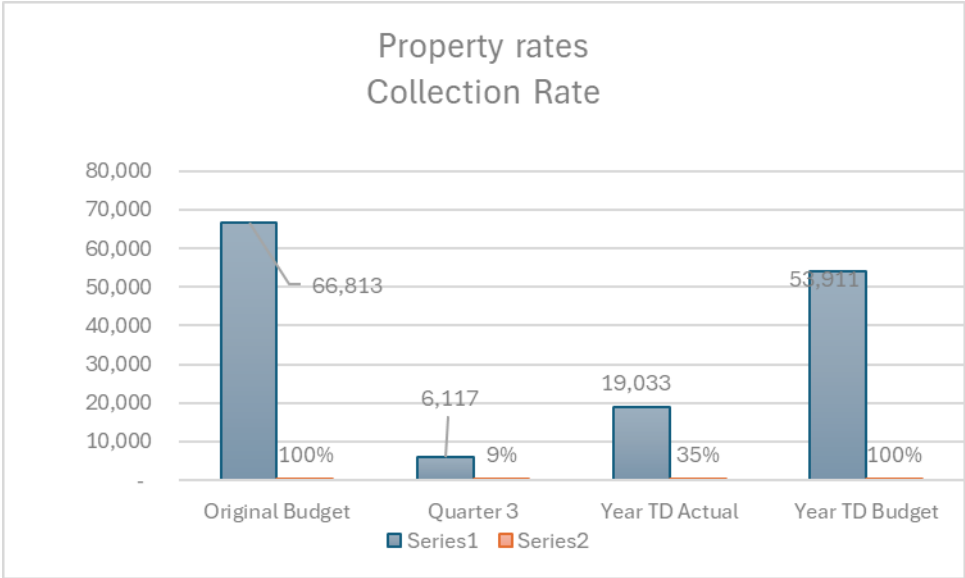
Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1,360	1,483	1,488	364	1,095	1,114	(19)	-2%	1,488
Sale of Goods and Rendering of Services		46,670	13,434	77,667	2,780	28,606	50,335	(21,729)	-43%	77,667
Agency services		2,364	2,900	2,900	695	1,762	2,175	(413)	-19%	2,900
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		539	-	700	158	512	280	232	83%	700
Interest from Current and Non Current Assets		10,508	10,580	10,580	2,249	6,996	7,935	(939)	-12%	10,580
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		5,426	7,355	7,455	821	2,192	5,556	(3,364)	-61%	7,455
Licence and permits		2,164	1,765	2,365	669	1,792	1,564	228	15%	2,365
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		1,127	2,313	4,414	616	718	2,598	(1,879)	-72%	4,414
Non-Exchange Revenue										
Property rates		64,665	66,904	72,175	2,517	67,809	69,134	(1,325)	-2%	72,175
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,359	4,527	2,527	939	1,459	2,595	(1,136)	-44%	2,527
Licence and permits		223	200	200	46	173	150	23	15%	200
Transfers and subsidies - Operational		298,217	297,276	297,806	74,095	296,067	295,362	705	0%	297,806
Interest		4,696	2,200	7,200	2,067	5,809	3,650	2,159	59%	7,200
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		12,538	-	-	-	-	-	-	-	-
Other Gains		733	-	13	-	-	5	(5)	-100%	13
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		453,591	410,936	487,490	88,015	414,990	442,453	(27,463)	-6%	487,490
Expenditure By Type										
Employee related costs		98,667	106,006	106,494	23,402	71,723	79,700	(7,976)	-10%	106,494
Remuneration of councillors		24,539	25,563	25,088	6,486	17,617	18,982	(1,365)	-7%	25,088
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		6,472	10,494	11,316	2,203	5,521	8,158	(2,637)	-32%	11,316
Debt impairment		10,025	5,419	5,419	-	4,064	(4,064)	(4,064)	-100%	5,419
Depreciation and amortisation		82,239	89,550	89,550	33,296	64,604	67,162	(2,558)	-4%	89,550
Interest		2,119	-	-	-	-	-	-	-	-
Contracted services		130,618	115,420	177,811	18,757	90,600	127,078	(36,478)	-29%	177,811
Transfers and subsidies		22,455	17,096	17,482	3,003	13,281	15,142	(1,860)	-12%	17,482
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		68,194	83,275	84,978	11,954	42,301	63,412	(21,110)	-33%	84,978
Losses on Disposal of Assets		11,773	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		457,101	452,823	518,137	99,101	305,648	383,698	(78,050)	-20%	518,137
Surplus/(Deficit)		(3,510)	(41,886)	(30,648)	(11,087)	109,342	58,755	50,587	86%	(30,648)
Transfers and subsidies - capital (monetary allocations)		90,774	145,744	114,284	11,347	54,090	82,819	(28,729)	-35%	114,284
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		87,264	103,858	83,636	261	163,432	141,574			83,636
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		87,264	103,858	83,636	261	163,432	141,574			83,636
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		87,264	103,858	83,636	261	163,432	141,574			83,636
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		87,264	103,858	83,636	261	163,432	141,574			83,636
<i>References</i>										
1. Material variances to be explained on Table SC1										
Total Revenue (excluding capital transfers and contributors) including capi		544,365	556,680	601,774	99,362	469,080	525,272			601,774

Revenue by Source

Property Rates

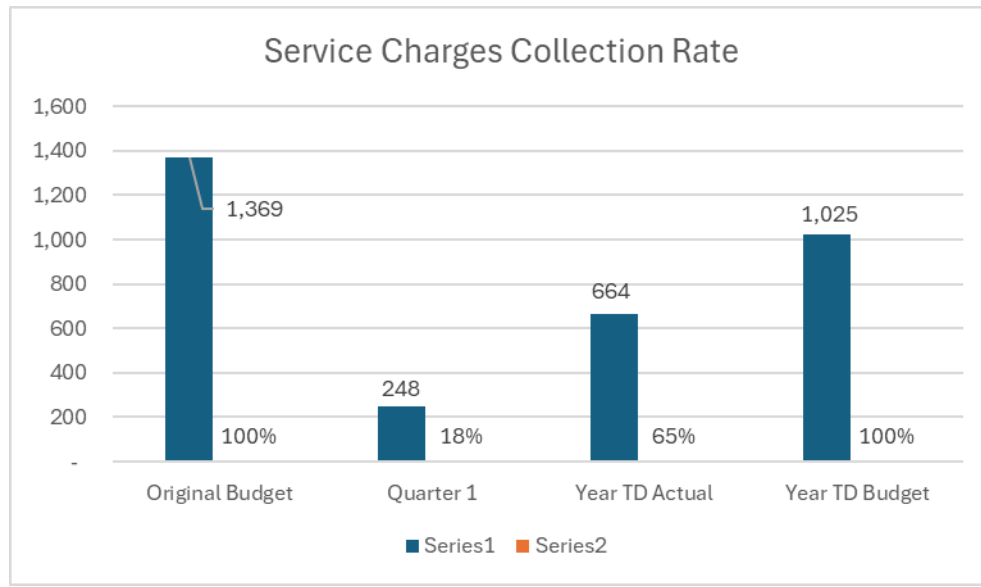
Property Rates is a major part of the municipal own revenue and represents **15%** of total revenue budget.

Billing on Annual property rates is done in July for the financial year. Billing as at end of quarter 3 amounted to **R 67,103,105**. Revenue received from property rates amounted to R 19,033,000 for the first nine months ended 31 March 2026 against approved budget of R 66,813,000 this represents 35% of received revenue by source which is less than anticipated 75% this is due to Commercial business, Government Departments and Residential households who fail to make payments on time and are in arrears.



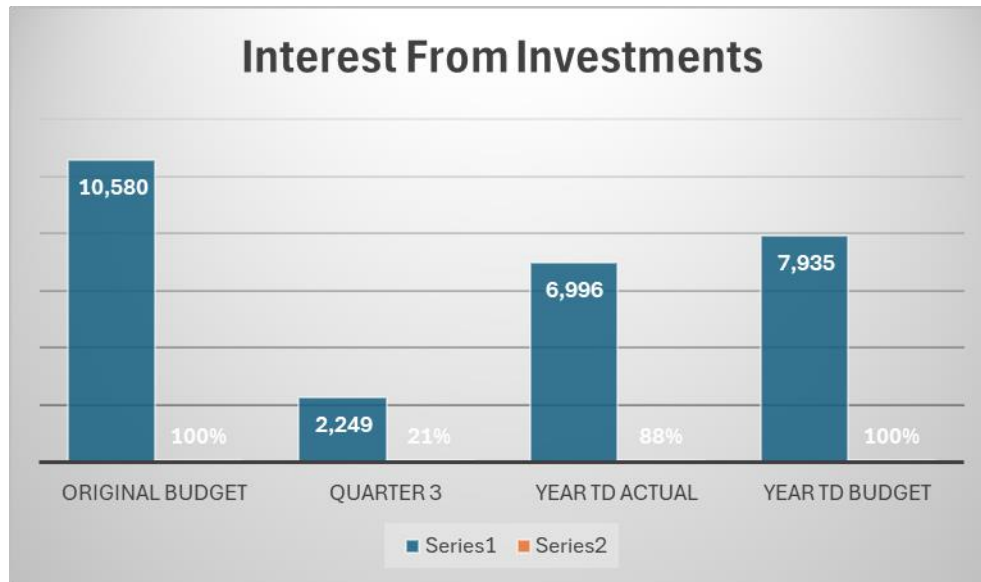
Service Charges

Revenue from Service charges amounted to **R 1095,000** for the first nine months ended 31 March 2026 against approved budget of **R 1,488,000** this represent 74% of revenue budget for this source. Revenue collected from service charges amounted to R664,000 for the first nine months ended 31 March 2026 against approved budget of R1,369,000 this represents 65% of collected revenue by source which is less than anticipated 75%.



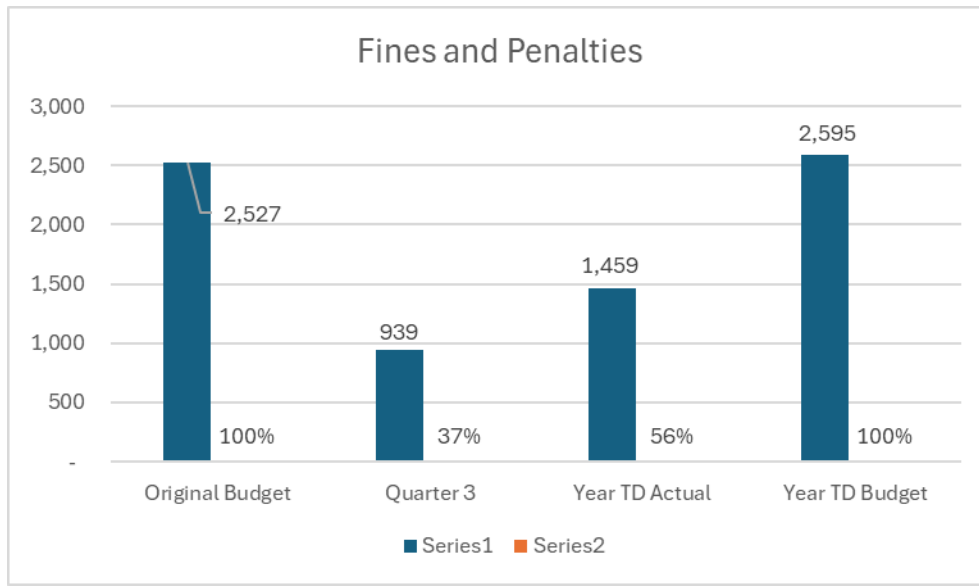
Interest on Investments

Interest earned from conditional and unconditional investments amounted to **R6,996,000** against approved budget **R10,580,000** for the first nine months ended 31 March 2026. This represents **66%** of the total budget from this source.



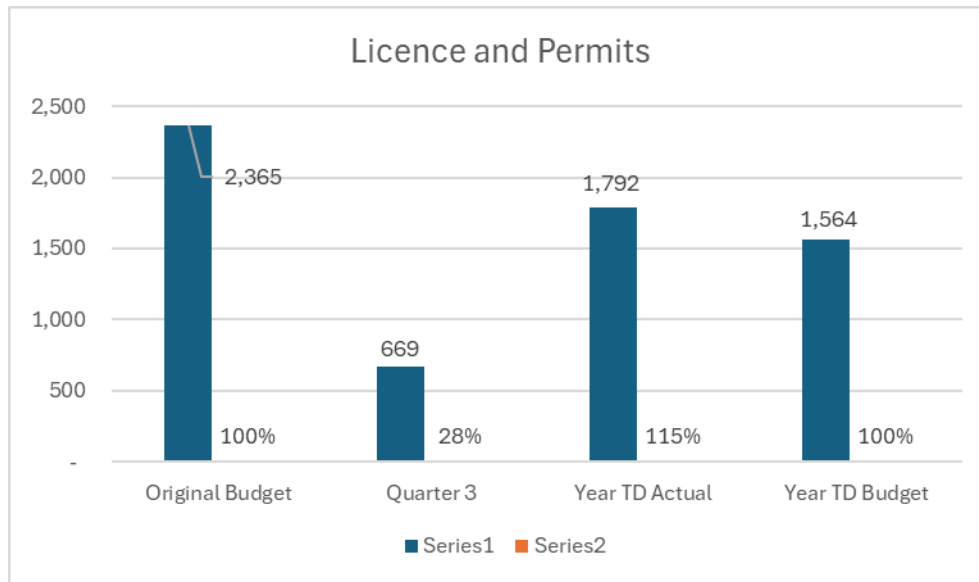
Fines & Penalties

Revenue from fines and penalties amounted to **R1,459,000** at end of third quarter against approved budget of **R 2,595,000** and this is **56%** of the revenue budget from fines and penalties, the variance is a result of less payments received for fines issued in the quarters under review.



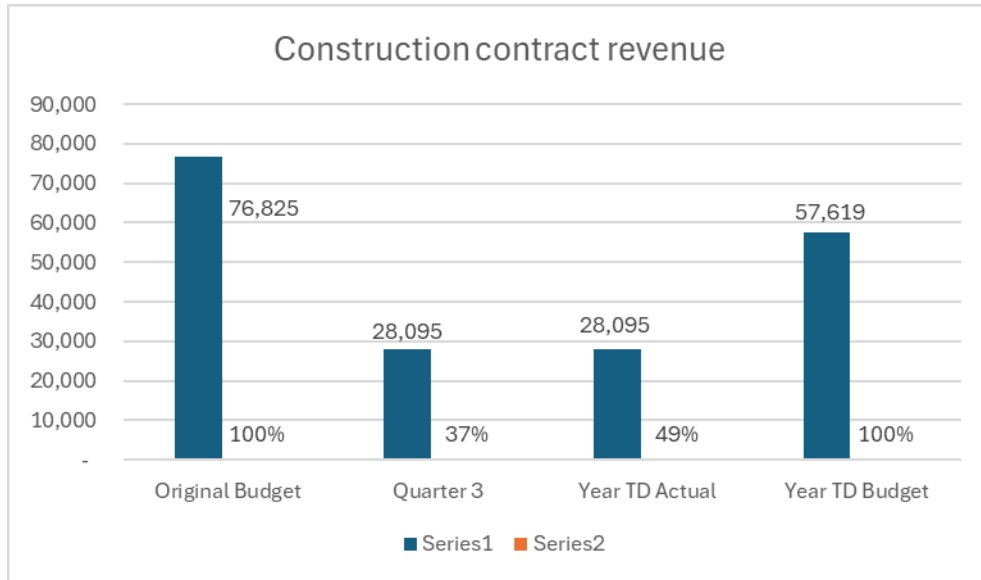
Licenses and Permits

Revenue from licenses and permits amounted to **R 1,792,000** against approved budget **R 2,365,000** at the end of quarter 3. This represents **76%** revenue against the budget from this source.



Sale of Goods and Services (Construction contract revenue INEP and Human Settlement)

Construction contract revenue reflects an amount of **R 28,095,000** at the end of third quarter against approved budget of **R 76,825,000** this represents **37%** of the budget allocated for this category.

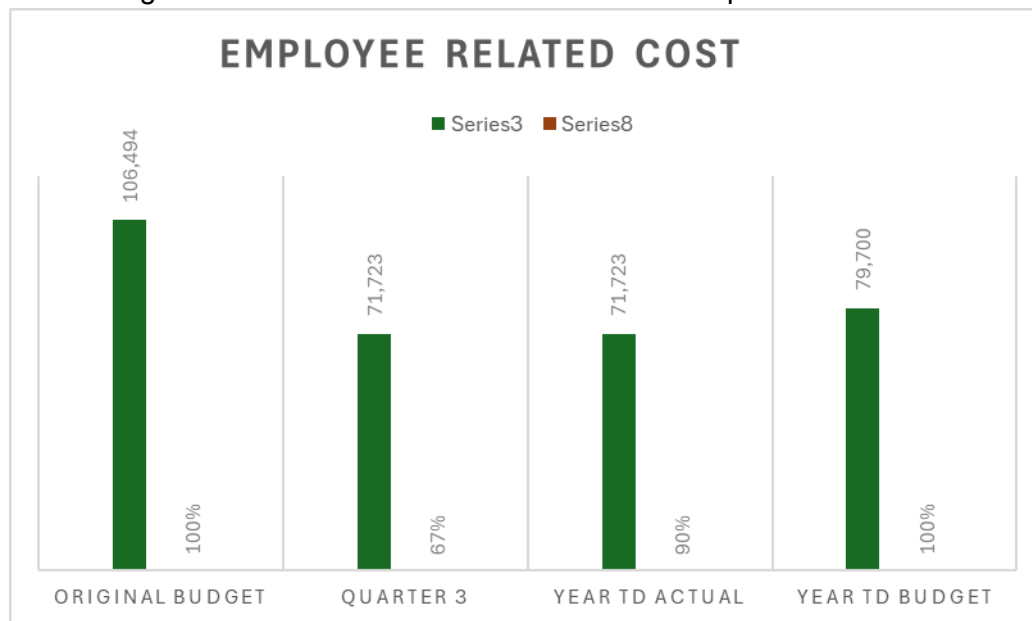


Expenditure by Type

Expenditure by type reflects operational budget per type/category of expenditure

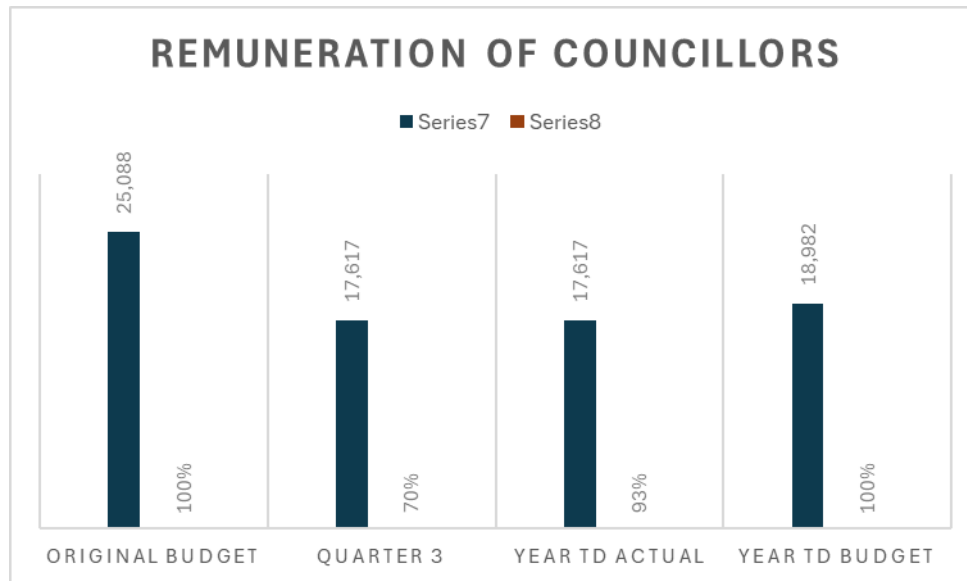
Employee Related Costs

Employee related expenditure at end of third quarter amounted to **R 71,723,000** against budget amount of **R 106,494,000** that represents **67%** of the budgeted amount. The variance is due to vacant posts that have not been filled.



Remuneration of Councillors

Expenditure from remuneration of Councillors amounted to **R 17,617,00** at end of quarter 3 against original budget of **R 25,088,000** this represents **70%** of the budget allocated to this category. This is within the expected performance for the quarter.

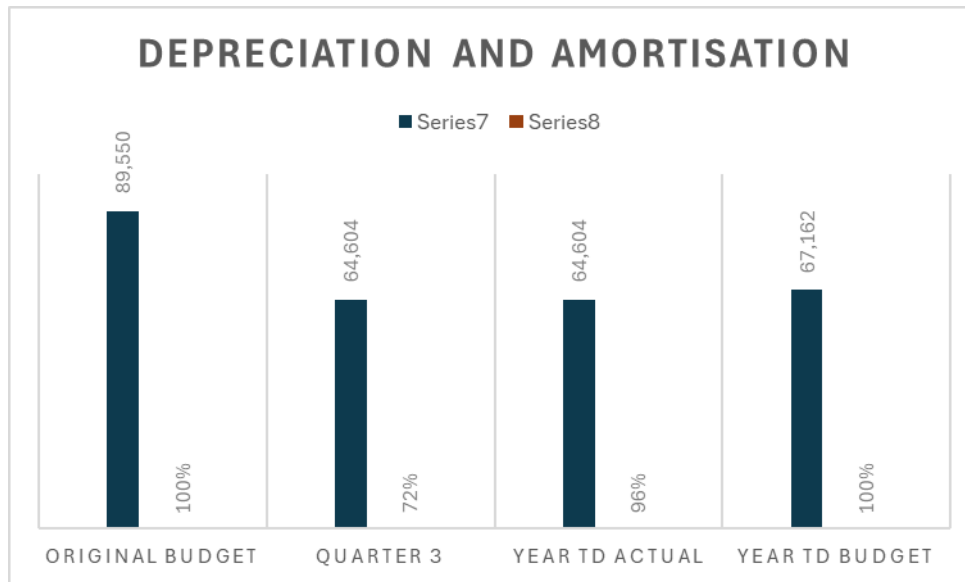


Debt impairment

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected at the end of third quarter for this category.

Depreciation and Amortisation

Expenditure from Depreciation and Amortisation amounted to **R 64,604,000** at end of quarter 3 against original budget of **R 89,550,000** this represents **72%** of the budget allocated to this category. The within expected expenditure around this quarter.

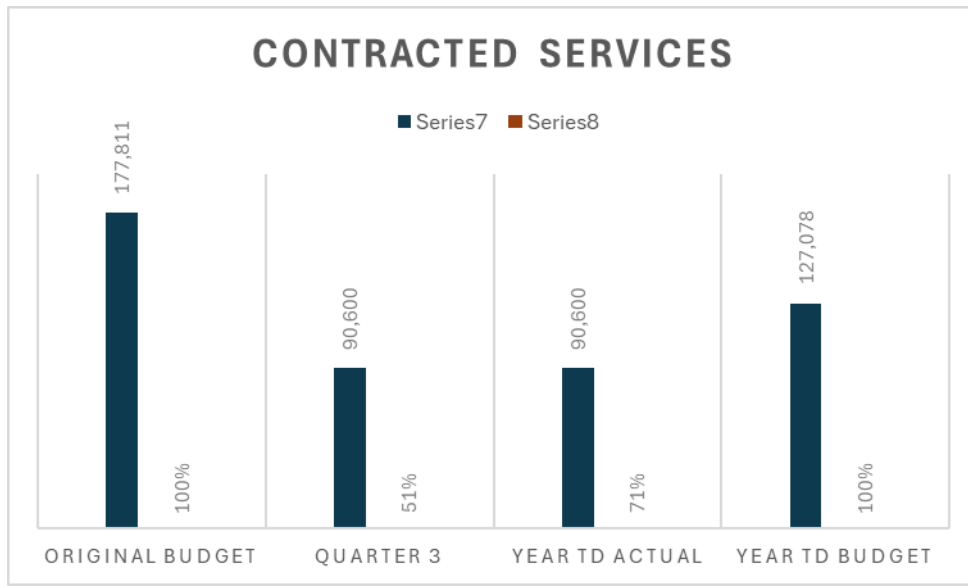


Finance Costs

No expenditure relating to interest charges has been incurred for the quarter.

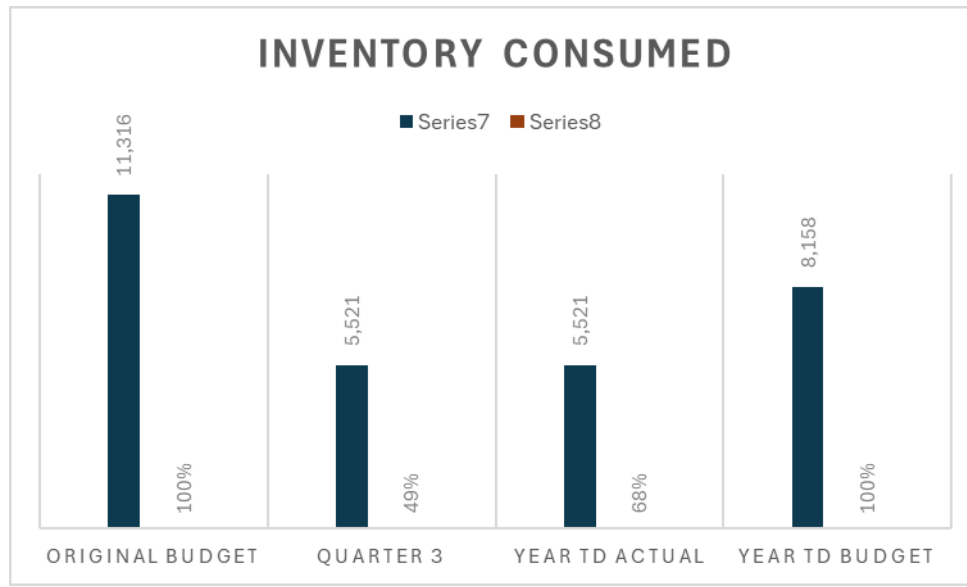
Contracted Services

Expenditure on contracted services amounted to **R 90,600,000** at the end of quarter 3 against approved budget of **R 177,811,000** this represents **41%** of the budget for this category.



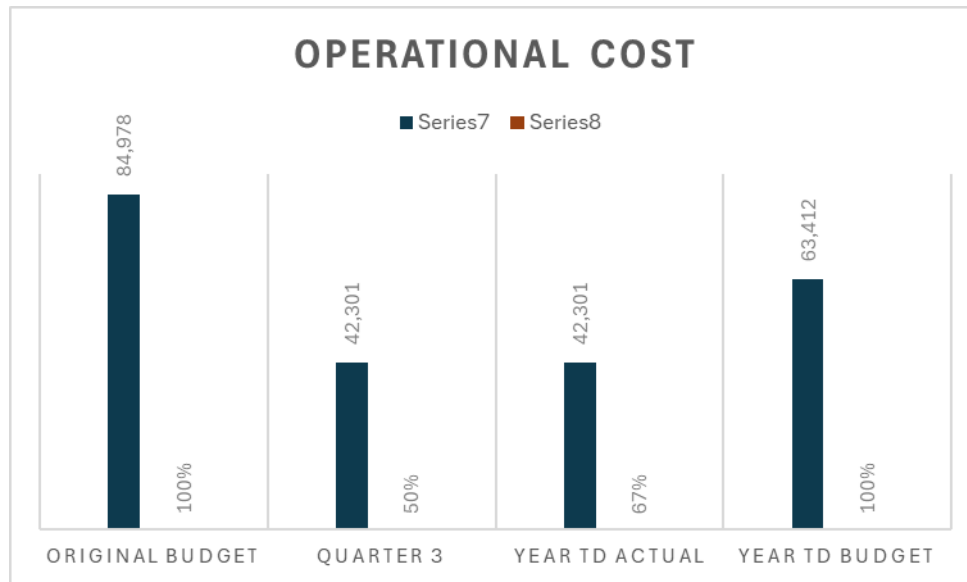
Inventory Consumed

Expenditure on inventory consumed amounted to **R 5,521,000** at the end of third quarter against approved budget of **R 11,316,000**. This represents **49%** of budget allocation for this category.



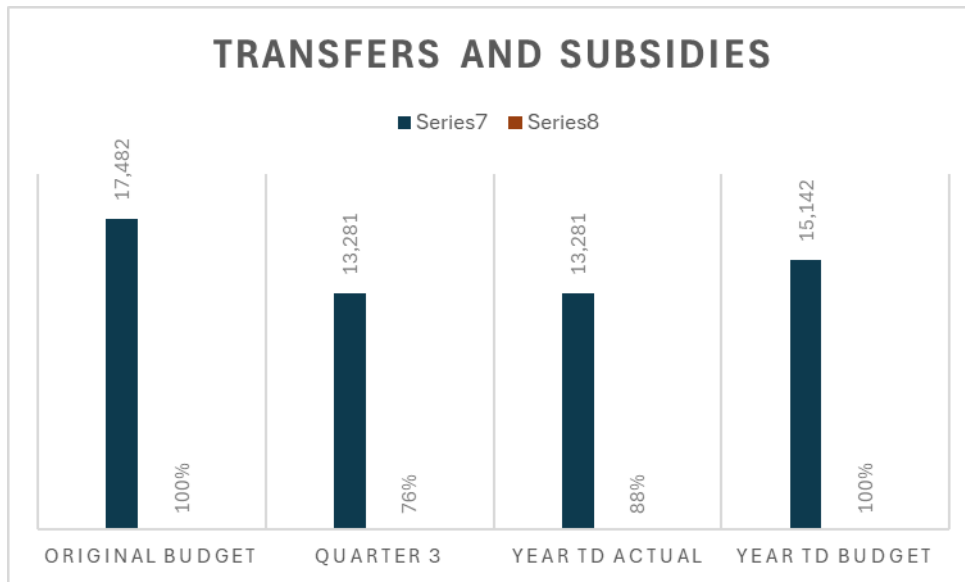
Operational Expenditure

Operational cost at the end of third quarter amounted to **R 42,301, 000** against approved budget of **R 84,978,000** and represents **50%**. The variance results from expenditure from the upcoming Calander events which will be hosted as the year progress.



Transfers and subsidies

Transfers and subsidies expenditure for the 3rd quarter ended 31 March 2026 amounted to **R 13,281,000** against approved budget of **R 17,482,000** and represents **76%**.



2.1.5 C5 Monthly Budget Statement –Capital Expenditure (municipal vote, functional classification and funding)

The approved capital budget amounted to **R 188,261,000** for the financial year and at the end of third quarter amounted to **R 89,988,000** representing **48%** of the budget. Variance is as results of slow-moving expenditure on disaster funded projects as they were only approved for implementation by the funder at the end of August and the was also an additional funding of which its budget was approved towards the end third quarter.

EC442 Umzimvubu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 - Quarter 3											
R thousands	Vote Description	Ref	2024/25 Audited	Original	Adjusted	Quarter 3	Budget Year 2025/26 YearTD actual	YearTD	YTD	YTD %	Full Year
	Multi-Year expenditure appropriation	2									
	Vote 1 - Executive And Council		--	--	--	--	--	--	--	--	--
	Vote 2 - Budget and Treasury Office		--	--	--	--	--	--	--	--	--
	Vote 3 - Corporate Services		--	--	--	--	--	--	--	--	--
	Vote 4 - Infrastructure and Planning Department		--	--	--	--	--	--	--	--	--
	Vote 5 - Community Services		--	--	--	--	--	--	--	--	--
	Vote 6 - Local Economic Development		--	--	--	--	--	--	--	--	--
	Vote 7 - Public Safety		--	--	--	--	--	--	--	--	--
	Vote 8 - Waste Management		--	--	--	--	--	--	--	--	--
	Vote 9 -		--	--	--	--	--	--	--	--	--
	Vote 10 -		--	--	--	--	--	--	--	--	--
	Vote 11 -		--	--	--	--	--	--	--	--	--
	Vote 12 -		--	--	--	--	--	--	--	--	--
	Vote 13 -		--	--	--	--	--	--	--	--	--
	Vote 14 -		--	--	--	--	--	--	--	--	--
	Vote 15 -		--	--	--	--	--	--	--	--	--
	Total Capital Multi-year expenditure	4,7	--	--	--	--	--	--	--	--	--
	Single-Year expenditure appropriation	2									
	Vote 1 - Executive And Council		--	--	200	--	--	80	(80)	-100%	200
	Vote 2 - Budget and Treasury Office		795	5,000	5,000	754	847	3,750	(2,903)	-77%	5,000
	Vote 3 - Corporate Services		1,266	3,500	3,751	352	2,096	2,725	(630)	-23%	3,751
	Vote 4 - Infrastructure and Planning Department		102,006	180,243	146,726	3,757	53,319	108,040	(54,721)	-51%	146,726
	Vote 5 - Community Services		11,307	15,600	15,760	244	12,417	11,764	653	6%	15,760
	Vote 6 - Local Economic Development		4,940	3,700	3,500	370	3,003	2,695	308	11%	3,500
	Vote 7 - Public Safety		5,147	6,240	9,220	1,980	2,129	5,872	(3,743)	-64%	9,220
	Vote 8 - Waste Management		889	720	4,104	15,627	16,178	1,932	14,246	737%	4,104
	Vote 9 -		--	--	--	--	--	--	--	--	--
	Vote 10 -		--	--	--	--	--	--	--	--	--
	Vote 11 -		--	--	--	--	--	--	--	--	--
	Vote 12 -		--	--	--	--	--	--	--	--	--
	Vote 13 -		--	--	--	--	--	--	--	--	--
	Vote 14 -		--	--	--	--	--	--	--	--	--
	Vote 15 -		--	--	--	--	--	--	--	--	--
	Total Capital single-year expenditure	4	126,342	215,003	188,261	23,084	89,988	136,858	(46,870)	-34%	188,261
	Total Capital Expenditure		126,342	215,003	188,261	23,084	89,988	136,858	(46,870)	-34%	188,261
	Capital Expenditure - Functional Classification										
	Governance and administration		2,052	8,500	8,951	1,106	2,942	6,555	(3,613)	-55%	8,951
	Executive and council		--	--	--	--	--	--	--	--	--
	Finance and administration		2,052	8,500	8,951	1,106	2,942	6,555	(3,613)	-55%	8,951
	Internal audit		--	--	--	--	--	--	--	--	--
	Community and public safety		16,454	21,840	24,980	2,223	14,546	17,636	(3,090)	-18%	24,980
	Community and social services		11,307	15,600	15,760	244	12,417	11,764	653	6%	15,760
	Sport and recreation		--	--	--	--	--	--	--	--	--
	Public safety		5,147	6,240	9,220	1,980	2,129	5,872	(3,743)	-64%	9,220
	Housing		--	--	--	--	--	--	--	--	--
	Health		--	--	--	--	--	--	--	--	--
	Economic and environmental services		106,946	183,943	150,226	4,127	56,322	110,735	(54,412)	-49%	150,226
	Planning and development		6,507	67,500	5,484	370	3,809	11,914	(8,105)	-68%	5,484
	Road transport		100,440	116,443	144,742	3,757	52,513	98,821	(46,307)	-47%	144,742
	Environmental protection		--	--	--	--	--	--	--	--	--
	Trading services		889	720	4,104	15,627	16,178	1,932	14,246	737%	4,104
	Energy sources		--	--	--	--	--	--	--	--	--
	Water management		--	--	--	--	--	--	--	--	--
	Waste water management		--	--	--	--	--	--	--	--	--
	Waste management		889	720	4,104	15,627	16,178	1,932	14,246	737%	4,104
	Other		--	--	--	--	--	--	--	--	--
	Total Capital Expenditure - Functional Classification	3	126,342	215,003	188,261	23,084	89,988	136,858	(46,870)	-34%	188,261
	Funded by:										
	National Government		80,146	83,944	114,264	9,966	49,667	75,094	(25,407)	-34%	114,264
	Provincial Government		305	61,920	291	--	76	7,922	(7,646)	-99%	291
	District Municipality		--	--	--	--	--	--	--	--	--
	Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		--	--	--	--	--	--	--	--	--
	Transfers recognised - capital		80,451	145,864	114,575	9,966	49,762	83,016	(33,253)	-40%	114,575
	Borrowing	6	--	--	--	--	--	--	--	--	--
	Internally generated funds		45,532	69,139	73,667	13,118	40,226	53,842	(13,616)	-26%	73,667
	Total Capital Funding		125,983	215,003	188,261	23,084	89,988	136,858	(46,870)	-34%	188,261

C6 Monthly Budget Statement –Financial Position

The table reflects the financial position recorded as at end of third quarter ended 31 March 2026.

EC442 Umzimvubu - Table C6 Monthly Budget Statement - Financial Position - M09 - Quarter 3

Description	Ref	Budget Year 2025/26				
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		91,190	143,710	114,685	186,880	114,685
Trade and other receivables from exchange transactions		4,471	416	5,495	5,122	5,495
Receivables from non-exchange transactions		14,208	9,807	19,271	67,020	19,271
Current portion of non-current receivables		-	-	-	-	-
Inventory		15,630	3,899	15,630	16,364	15,630
VAT		8,339	(25,957)	(36,054)	21,669	(36,054)
Other current assets		23,818	23,171	23,818	23,818	23,818
Total current assets		157,657	155,046	142,843	320,873	142,843
Non current assets						
Investments		-	-	-	-	-
Investment property		26,825	26,105	26,825	26,825	26,825
Property, plant and equipment		1,061,022	1,319,058	1,160,353	1,086,062	1,160,353
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		18	18	18	18	18
Intangible assets		213	2,090	1,184	557	1,184
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		1,088,077	1,347,271	1,188,379	1,113,462	1,188,379
TOTAL ASSETS		1,245,734	1,502,317	1,331,222	1,434,335	1,331,222
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		217	176	217	252	217
Trade and other payables from exchange transactions		69,571	76,283	69,310	37,600	69,310
Trade and other payables from non-exchange transactions		491	10,621	791	61,708	791
Provision		4,448	3,842	4,448	(822)	4,448
VAT		17,777	11,444	18,000	18,935	18,000
Other current liabilities		-	-	-	-	-
Total current liabilities		92,504	102,366	92,765	117,673	92,765
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		12,430	11,654	12,430	12,430	12,430
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		12,430	11,654	12,430	12,430	12,430
TOTAL LIABILITIES		104,935	114,020	105,196	130,104	105,196
NET ASSETS	2	1,140,799	1,388,297	1,226,026	1,304,231	1,226,026
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1,092,269	1,351,544	1,185,666	1,263,871	1,185,666
Reserves and funds		40,360	36,753	40,360	40,360	40,360
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1,132,629	1,388,297	1,226,026	1,304,231	1,226,026

2.1.7 C7 Monthly Budget Statement –Cash Flow

EC442 Umzimvubu - Table C7 Monthly Budget Statement - Cash Flow - M09 - Quarter 3

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	61,552	66,813	6,117	19,033	53,991	(34,958)	-65%	66,813
Service charges		-	1,364	1,369	248	664	1,025	(361)	-35%	1,369
Other revenue		-	76,888	141,820	17,046	34,355	98,206	(63,850)	-65%	141,820
Transfers and Subsidies - Operational		-	297,276	297,806	76,351	307,218	295,812	11,405	4%	297,806
Transfers and Subsidies - Capital		-	145,744	114,284	56,519	128,963	97,093	31,870	33%	114,284
Interest		-	12,780	12,780	2,514	6,715	9,585	(2,870)	-30%	12,780
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(340,757)	(405,935)	(67,931)	(267,317)	(297,519)	30,203	-10%	(405,935)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	(17,097)	17,182	-	-	(14,932)	14,932	-100%	17,182
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	237,749	246,120	90,864	229,630	243,261	13,630	6%	246,120
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		151,250	(215,003)	(188,261)	(22,643)	(108,842)	(136,858)	28,016	-20%	(188,261)
NET CASH FROM/(USED) INVESTING ACTIVITIES		151,250	(215,003)	(188,261)	(22,643)	(108,842)	(136,858)	(28,016)	20%	(188,261)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		151,250	22,746	57,859	68,221	120,788	106,403			57,859
Cash/cash equivalents at beginning:		66,213	120,964	91,190		91,190	91,190			91,190
Cash/cash equivalents at month/year end:		217,463	143,710	149,049		211,978	197,593			149,049

PART 3 –SUPPORTING DOCUMENTATION

DEBTORS' ANALYSIS

Supporting Table SC3 _Monthly Budget statement Aged Debtors _ Mid-Term

EC442 Umzimvubu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 - Quarter 3

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	925	701	618	597	599	601	544	79,804	84,389	82,145	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	126	111	108	105	104	104	103	7,454	8,214	7,869	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	731	737	756	752	746	741	736	16,140	21,339	19,116	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	-	330	-	-	-	-	-	101	430	101	-	-	
Total By Income Source	2000	1,782	1,878	1,481	1,453	1,450	1,446	1,383	103,499	114,372	109,230	-	-	
2024/25 - totals only		1,481	1,344	1,305	1,274	1,253	1,182	1,161	69,879	78,879	74,749	-	-	
Debtors Age Analysis By Customer Group														
Organs of State	2200	468	470	486	486	487	487	487	56,788	60,158	58,735	-	-	
Commercial	2300	903	1,031	628	606	611	622	563	30,413	35,377	32,815	-	-	
Households	2400	411	377	368	361	352	337	333	16,298	18,837	17,681	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	1,782	1,878	1,481	1,453	1,450	1,446	1,383	103,499	114,372	109,230	-	-	

The total debt book for March 2026 is R 114,372,000.

Residential debt: R18,837,000

Commercial debt: R 35,377,000

Government debt: R60,158,000

CREDITORS' ANALYSIS

EC442 Umzimvubu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 - Quarter 3											
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	5,258
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	815	-	-	-	-	-	-	0	815	3,070
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	815	-	-	-	-	-	-	0	815	8,328

The municipality paid all its creditors within 30 days as at 31 March 2026.

INVESTMENT POTFOLIO ANALYSIS

EC442 Umzimvubu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 - Quarter 3

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
EC442		Y	Deposits - Bank	N	01 Fixed (01)	10.00%	0			23	0	-	-	23
EC442		Y	Deposits - Bank	N	01 Fixed (01)	10.00%	0			35,902	454	(54,500)	65,000	46,856
EC442		Y	Deposits - Bank	N	01 Fixed (01)	10.00%	0			13,693	219	(4,284)	6,995	16,623
EC442		Y	Deposits - Bank	N	01 Fixed (01)	5.75%	0			41,073	677	-	-	41,750
EC442		Y	Deposits - Bank	N	01 Fixed (01)	10.00%	0			181	3	-	-	184
EC442		Y	Deposits - Bank	N	01 Fixed (01)	10.00%	0			1,848	29	-	-	1,878
EC442		Y	Deposits - Bank	N	01 Fixed (01)	10.00%	0			6	1	-	4,127	4,134
EC442		Y	Deposits - Bank	N	01 Fixed (01)	10.00%	0			0	0	-	-	0
EC442		Y	Deposits - Bank	N	02 Variable (02)	10.00%	0			7,901	454	(7,177)	49,134	50,313
EC442		Y	Deposits - Bank	N	02 Variable (02)	7.90%	0			-	-	-	-	-
														-

ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

EC442 Umzimvubu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 - Quarter 3

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		294,286	292,868	292,868	71,876	292,868	292,175	693	0.2%	292,868
Expanded Public Works Programme Integrated Grant		2,656	2,773	2,773	(198)	2,773	2,080	693	33.3%	2,773
Local Government Financial Management Grant	3	1,700	1,800	1,800	-	1,800	1,800	-	-	1,800
Equitable Share		289,930	288,295	288,295	72,074	288,295	288,295	-	-	288,295
Provincial Government:		2,292	4,008	4,538	1,030	4,047	3,338	709	21.3%	4,538
Specify (Add grant description)		1,434	1,434	1,795	-	1,473	1,301	172	13.2%	1,795
Specify (Add grant description)		858	2,574	2,744	1,030	2,574	2,037	537	26.4%	2,744
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		296,578	296,876	297,406	72,906	296,915	295,512	1,403	0.5%	297,406
Capital Transfers and Grants										
National Government:		81,047	83,944	114,284	56,129	114,284	89,368	24,916	27.9%	114,284
Municipal Disaster Relief Grant		-	57,096	-	-	-	-	-	-	-
Municipal Infrastructure Grant		54,199	26,848	57,096	6,995	57,096	50,384	6,712	13.3%	57,096
Integrated National Electrification Programme Grant		(0)	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		26,848	-	57,188	49,134	57,188	38,984	18,204	46.7%	57,188
Provincial Government:		27,181	-	(61,800)	-	-	(38,625)	38,625	-100.0%	(61,800)
Specify (Add grant description)		27,181	-	(61,800)	-	-	(38,625)	38,625	-100.0%	(61,800)
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	400	400	-	-	300	(300)	-100.0%	400
Construction, Education and Training SETA		-	400	400	-	-	300	(300)	-100.0%	400
Total Capital Transfers and Grants		108,228	84,344	52,884	56,129	114,284	51,043	63,241	123.9%	52,884
TOTAL RECEIPTS OF TRANSFERS & GRANTS		404,806	381,220	350,290	129,035	411,199	346,555	64,644	18.7%	350,290

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of revenues. All trenches allocated to be received in the quarter under review have been received.

Supporting Table C7

EC442 Umzimvubu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 - Half Year

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		4,356	4,573	4,573	2,967	2,967	2,286	680	29.7%	4,573
Expanded Public Works Programme Integrated Grant		2,656	2,773	2,773	2,773	2,773	1,386	1,387	100.0%	2,773
Local Government Financial Management Grant	3	1,700	1,800	1,800	194	194	900	(706)	-78.5%	1,800
Provincial Government:		3,558	4,008	4,538	2,320	2,320	2,137	184	8.6%	4,538
Specify (Add grant description)		2,870	1,434	1,795	1,078	1,078	807	271	33.5%	1,795
Specify (Add grant description)		688	2,574	2,744	1,243	1,243	1,329	(87)	-6.5%	2,744
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	400	400	-	-	200	(200)	-100.0%	400
Construction, Education and Training SETA		-	400	400	-	-	200	(200)	-100.0%	400
Total Operating Transfers and Grants		7,914	8,981	9,511	5,287	5,287	4,623	664	14.4%	9,511
Capital Transfers and Grants										
National Government:		90,774	83,944	83,944	29,972	29,972	41,972	(12,000)	-28.6%	83,944
Municipal Infrastructure Grant		54,199	57,096	57,096	28,673	28,673	28,548	125	0.4%	57,096
Municipal Disaster Recovery Grant		36,575	26,848	26,848	1,299	1,299	13,424	(12,125)	-90.3%	26,848
Provincial Government:		27,181	(0)	(61,800)	-	-	(15,450)	15,450	-100.0%	(61,800)
Specify (Add grant description)		27,181	61,800	(0)	-	-	15,450	(15,450)	-100.0%	(0)
Specify (Add grant description)		-	(61,800)	(61,800)	-	-	(30,900)	30,900	-100.0%	(61,800)
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		117,955	83,944	22,144	29,972	29,972	26,522	3,450	13.0%	22,144
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		125,869	92,925	31,655	35,259	35,259	31,145	4,114	13.2%	31,655

Expenditure performance on operational grants to date represents 85% of the approved budget.

Capital expenditure on capital grants to date represents 47% of the budget on capital grants, expenditure on capital grants is within the expected performance.

EXPENDITURE ON COUNCILLOR AND EMPLOYEE RELATED COSTS

EC442 Umzimvubu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits – 3rd Quarter

Expenditure from remuneration of Councillors amounted to **R 17,617,000** at third quarter ended 31 March 2026 against original budget of **R25,088,000** this represents **70%** of the budget allocated to this category. This is within the expected performance for the quarter.

Employee related expenditure at third quarter ended 31 March 2026 amounted to **R 71,723,000** against budget amount of **R 106,494,000** that represents **67%** of the budgeted amount. The variance is due to vacant posts that have not been filled.

Supply chain Management

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

Local (Mount Frere and Mount Ayliff)	50%
Region (Alfred Nzo)	0%
Province (Eastern Cape)	0%
National (Excluding Mount Ayliff and Mount frere)	50%
% of Quotations awarded per area, (R30 001 – R300 000)	
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	5
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

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

EC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
					THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:
0 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

AC 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 B400(181) Rural	Manager-Building- Mr. Yakobi

	<p>Housing Project.</p> <ol style="list-style-type: none"> 3. Turnkey Project For Dundee 500(34) Rural Housing Project. 4. Turnkey Project For Cancele 5. Turnkey Project For Nkungwini 6. Sikhumbeni Community Hall. 	
INFRA-Maintenance	<ol style="list-style-type: none"> 1. Installation of Solar Streetlights in Kwabhaca 2. Mpoza Access Road Maintenance 3. Nophoyi Cluster Sports Field Phase 2 4. Mtshazi Komkhulu to Qumra Access Road Maintenance 5. Reconstruction of Lutshikini Access Road 6. Construction of Emaxesibeni Municipal Hall Parking Area 7. Bislani-Mpindweni Access Road Maintenance 8. Qhanqu Access Road Maintenance 9. Upper Dambeni Access Road Maintenance 10. Moyeni-Galali Access Road Maintenance 11. Sigundwaneni Access Road Maintenance 	PMU-Mr Gamedala/Miss Qwane/Mr. Bingwa

	12. Mqhekezweni Access Road Maintenance 13. Ndakeni To Malenge Access Road Maintenance 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	<ol style="list-style-type: none"> 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.	R1,254.00	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	R1,995.00	Yes, Spouse (Mr S Mathontsi)
Mavest trading enterprise	17-Mar-26	Service Provider Supply Deliver A4 Photo	R29,900.00	Yes, Spouse Dept of Social development (Mrs Pangwa)

		Frames		
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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 Approved 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 Approved.
3. Projects status for the reporting month ended 31 March 2026 be Approved.

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%
	73,804,385.05	-19,900,897.61	-27%

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
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 114% for the month of February 2026 be Approved 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 Approved 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 Approved and approved by Council.
- That, the 27% collection rate for the period ending March 2026 be Approved and approved by Council.
- That, the total investments for the month ending March 2026 amounting to R 112 240 257.62.55 be Approved 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)
(1st Level: MANCO 01/04/2026)
(2nd Level: STANCO /04/2026)
(3rd Level: EXCO /04/2026)
(4th 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

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 less than Output, ULM will pay SARS.
- The table below is the summary of VAT refundable as from July 2025 to June 2026.

Annexure

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	Refund Received
March'26				Awaiting Month end closure
	23,924,316.60	- 2,031,367.30	21,892,949.30	

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)
(1st Level: MANCO 01/04/2026)
(2nd Level: STANCO /04/2026)
(3rd Level: EXCO /04/2026)
(4th 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.

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

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)
(1st Level: MANCO 01/04/2026)
(2nd Level: STANCO /04/2026)
(3rd Level: EXCO /04/2026)
(4th 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.

Umzimvubu Local Municipality

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:

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
March'26	28,369,183.69	205	28,369,183.69	-	None
	295,359,278.92	1,496	295,359,278.92	-	

CHALLENGES

Umzimvubu Local Municipality

- 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)
(1st Level: MANCO 01/04/2026)
(2nd Level: STANCO /04/2026)
(3rd Level: EXCO /04/2026)
(4th 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 Local Municipality

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

Umzimvubu Local Municipality

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
Total	R15,527,451.65	R540,585.20	R78,383,986.83	R1,399,837.32

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: ASSET MANAGEMENT REPORT FOR THE MONTH ENDED MARCH 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 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

Umzimvubu Local Municipality

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

Umzimvubu Local Municipality

+	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
	34,781,830	5,429,272	-	(5,997,963)	-	34,213,139

2.Completed Capital projects March 2026

Nkangala to Nkwazini Access road in ward 27

Umzimvubu Local Municipality

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

Umzimvubu Local Municipality

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

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

Overdue retentions

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

Umzimvubu Local Municipality

- 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
	78,436,530.38	47,965,126.15	126,401,656.53

4. Work in Progress as at March 2026

- Annexure B

Commitment report as 28 March 2026(Annexure C)

Total		48,885,693.98
Buildings		10,273,885.86
Infrastructure		38,611,808.12

Recommendation

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

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

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

The third quarter budget statement (Section 52d Report) on the implementation of the budget and financial state of affairs of the municipality for the 3rd Quarter ended 31 March 2026 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: **Tobela Nota**

Municipal Manager of Umzimvubu Local Municipality

Signature: _____

Date: _____
