

S71 MONTHLY BUDGET STATEMENT AS AT 30 APRIL 2026**STATEMENT OF FINANCIAL PERFORMANCE, POSITION AND THE IMPLEMENTATION OF THE 2025/26 BUDGET (MFMA SECTION 71) FOR THE PERIOD ENDED 30 APRIL 2026**

(File No: 9/1/2/3)
(Author: KM/LL)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)
(4th Level :COUNCIL 28/05/2026)

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 30 April 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 30 April 2026 for the year ending 30 June 2026. This report has been compiled in order to comply with Section 71 of the MFMA

FINANCIAL IMPLICATIONS**Dashboard summary**

Overall Operating Results		Capital Grants Results	
Income	R472 169 570	Income	R129 124 000
Expenditure	R329 277 121	Expenditure	R83 033 446
Operating Surplus/Deficit	R142 892 449	Surplus (Deficit)	R46 090 554
Financial Ratios		Capital Grants Performance	
Cash coverage	15 Months	MIG	79%
Current	3:1	INEP	82%
Liquidity ratio	3:1	MDRG	42%
Spending of Operating Budget (Opex)	64 %		
Spending of Capital Budget (Capex)	45%		
Spending on Repairs and Maintenance	32%		

Budget vs Actuals- Revenue

Description	Total Budget	Year-To-Date	Pending	Avaliable Budget	Actual Percentage
Revenue	- 601,760,652.00	- 484,697,990.83	-	- 117,062,661.17	81%
Agency Services	- 2,900,000.00	- 1,958,356.23	-	- 941,643.77	68%
Fines; Penalties and Forfeits	- 2,527,000.00	- 2,030,019.62	-	- 496,980.38	80%
Interest	- 7,200,000.00	- 6,281,126.45	-	- 918,873.55	87%
Interest; Dividend and Rent on Land	- 11,280,000.00	- 8,528,108.07	-	- 2,751,891.93	76%
Licences or Permits	- 2,565,000.00	- 2,161,740.18	-	- 403,259.82	84%
Operational Revenue	- 4,414,000.00	- 727,554.27	-	- 3,686,445.73	16%
Property Rates by Usage	- 72,174,980.00	- 68,719,641.27	-	- 3,455,338.73	95%
Rental from Fixed Assets	- 7,455,000.00	- 2,455,811.31	-	- 4,999,188.69	33%
Sales of Goods and Rendering of Services	- 77,666,652.00	- 29,193,409.53	-	- 48,473,242.47	38%
Service Charges	- 1,487,600.00	- 1,276,525.52	-	- 211,074.48	86%
Transfers and Subsidies	- 412,090,420.00	- 361,365,698.38	-	- 50,724,721.62	88%

The anticipated revenue for the year is R601 million and the total actuals is R485 million which is 81% 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
Expenditure	512,718,698.00	333,271,035.15	12,101,890.05	159,249,079.34	65%
Contracted Services	177,810,854.00	96,338,135.67	8,096,693.46	73,376,024.87	54%
Depreciation and Amortisation	89,550,000.00	70,467,511.02	1,500.00	19,080,988.98	79%
Employee Related Cost	106,493,809.00	79,594,857.08	-	26,898,951.92	75%
Inventory Consumed	11,315,502.00	6,512,270.74	3,593,458.98	1,209,772.28	58%
Operating Leases	1,667,220.00	1,005,019.84	-	662,200.16	60%
Operational Cost	83,310,657.00	45,505,617.07	7,266,088.68	30,538,951.25	55%
Remuneration of Councillors	25,088,238.00	20,331,267.01	-	4,756,970.99	81%
Transfers and Subsidies	17,482,418.00	13,516,356.72	1,240,842.39	2,725,218.89	77%

The anticipated expenditure for the year is amounting to R512 million and the actual expenditure incurred is R333 million resulting in 65% against the anticipated budget.

The implementation of cost containment measures is shown on the percentage spending on operational costs which is currently at 52%

RECOMMENDATIONS

That, the 81% revenue as at the end of April be noted by the Council

That, the 65% of expenditure as at the end of April be noted by the Council

That, the 3:1 liquidity ratio be noted by the Council.

BUDGET AND TREASURY DEPARTMENT: REPORT ON GRANT EXPENDITURE FOR THE PERIOD ENDED 30 APRIL 2026

(File No: 9/1/2/3)
 (Author: KM/LL)
 (1st Level: MANCO 04/05/2026)
 (2nd Level: STANCO 11/05/2026)

**(3rd Level: EXCO 19/05/2026)
(4th Level :COUNCIL 28/05/2026)**

Purpose

Purpose of the report is for the Council to note the grants expenditure incurred by the Municipality for the period ending 30 April 2026.

Statutory requirements

The Constitution of RSA

MFMA

MBRR

Parties consulted

None

Authority

Council

Annexure

Month April 2026												
UMZIMVUBU LOCAL MUNICIPALITY												
Ref			Balance	Amount	Total	Expenditure				Balance	%	Allocation
No	Description	Total Allocation	BF	Received	Liability	Operating	Capital	VAT	Total	Unspent @ 31.07.2023	Spending	Spending%
1	MUNICIPAL INFRASTRUCTURE	57,096,000.00	-	57,096,000	57,096,000		40,055,001	5,142,825	45,197,826	11,898,174	79%	79%
2	FINANCIAL MANAGEMENT	1,800,000.00	-	1,800,000	1,800,000	1,158,597		128,165	1,286,761	513,239	71%	71%
3	ELECTRIFICATION PROJECT	16,977,957.00	2,007,957	14,970,000	16,977,957		12,164,135	1,824,620	13,988,755	2,989,202	82%	82%
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	2,570,057		9,252	2,579,309	164,593	94%	94%
6	ARTS AND CULTURE	1,794,518.00	321,518	1,473,000	1,794,518	1,132,154		73,771	1,205,925	588,593	67%	67%
7	Municipal Disaster Recovery Grant	57,188,000.00	-	57,188,000	57,188,000		16,999,835	2,549,975	19,549,810	37,638,190	34%	34%
8	Human Settlement Housing Project	61,800,000.00	-	16,144,162	16,144,162		16,500,453	-	16,500,453	-356,291	102%	27%
	Grand total	202,173,377	2,499,377	154,018,162	156,517,539	7,633,808	52,219,136	9,728,608	67,031,577	53,435,700	43%	33%

Discussion

All tranches for MIG were received and the municipality and the current percentage is at 79% and the municipality anticipates to fully spend the funds at year end

There is an increase in the MDRG expenditure since the panel was appointed and established on sites with an expenditure of 34% and the funds will not be fully spent in the current year however the funder agreed that projects will be rolled over to the next financial year.

The expenditure on INEP is currently at 82% and the municipality anticipates to fully spend the funds since there was a rollover in the prior year

Recommendations

That, the 79% spending on MIG be noted by the Council

That, the 82% spending on INEP be noted by the Council

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

That, the 100% spending on EPWP be noted by the Council

That, the 94% spending on Incentive Grant be noted by the Council

That, the 67% spending on Library Grant be noted by the Council

That, the 34% spending on MDRG be noted by the Council

That, the 27% spending on HSG be noted by the Council

BUDGET AND TREASURY DEPARTMENT: REPORT ON UIFWE FOR THE PERIOD ENDED 30 APRIL 2026

(File No:
9/1/2/3)
(Author: KM/LL)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)
(4th Level :COUNCIL 28/05/2026)

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 30th of April 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 30/04/2026
Unauthorized expenditure	-	-	-	-	-
Irregular expenditure	4 232 107,00	136 790,00		-	4 368 897,00
Fruitless and Wasteful expenditure	839 721,00	-	-	-	839 721,00
	5 071 828,00	136 790,00	-	-	5 208 618,00

Recommendations

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

That, the Irregular expenditure amounting to R4.3 million be noted by the Council

That, the Council notes the total amount of R5.2 million on UIFWE

BUDGET AND TREASURY OFFICE DEPARTMENT: SUPPLY CHAIN MANAGEMENT REPORT FOR THE MONTH ENDED 30 APRIL 2026

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

(Author: Chief Financial Officer/ KM/ XB)

(1st Level: MTM - 04/05/2026)

(2nd Level: BTO STANCO -11/05/2026)

(3rd Level: EXCO -19/05/2026)

(4th Level: Council - 28/05/2026)

PURPOSE

To report Supply Chain Management processes and other procurements matters for the reporting Month ended **30 April 2026**.

The municipality did not have any deviations for the month of **30 April 2026**.

To report bids invited, evaluated, adjudicated, and awarded for the reporting month ended **30 April 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 **30 April 2026**, the Municipality has operated financially through procurement processes as follows:

DASHBOARD / PERFORMANCE SUMMARY

	30 April 2026
BIDS AND QUOTATIONS INVITED	
Quotations below 30 000.00	104
Invited Quotations above 30 000.00	8
Invited Bids	2
AWARDED BIDS	
Quotations below 30 000.00	104
Awarded Quotations above 30 000.00	18
Awarded Bids	13
Total Summary values of Procurements,	
Below R30 000 (SCM Orders)	R1,193,549.50
R30 001 – R300 000 (Seven days' notice)	R2,500,765.00
Above R300 000	Rates bases
Section 32	0
Deviations (Section 36)	0
% of Competitive Bids awarded per area,	
Local (Mount Frere and Mount Ayliff)	100%
Region (Alfred Nzo)	0%
Province (Eastern Cape)	0%
National (Excluding Mount Ayliff and Mount frere)	0%
% of Quotations awarded per area, (R30 001 – R300 000)	
Local (Mount Frere and Mount Ayliff)	100%
Region (Alfred Nzo)	0%
Province (Eastern Cape)	0%
National (Excluding Mount Frere and Mount Ayliff)	0%

Number of meetings set successfully	8
Bid Specification Committee	1
Bid Evaluation Committee	5
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 **30 April 2026**.

- **104 Quotations** below 30K were requested in the reporting Month of September 2025.
- **8 Quotations** above 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Month of **April 2026**.
- **2 Competitive bids** were advertised on the daily dispatch and E-tender portal, Municipal website month of **April 2026**.
- **104 Quotations** below 30k were awarded in the for the month ended **30 April 2026**.
- **18 Quotations** above 30k were awarded in the for the month ended **30 April 2026**.
- **13 Competitive bids** were awarded in the month ended **30 April 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 **30 April 2026**, amounts to **R1,193,549.50**.
- 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 **30 April 2026** amounts to **R2,500,765.00**.
- Procurement above R300 000.00 which are done through formal submission of bids advertised and placed at public notices for 14 or more days, for the month ended **30 April 2026**, amounts to **R0**.
- No Deviations done for the month of **30 April 2026**.
- No section 32 awards were made for the reporting quarter ended **30 April 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 **30 April 2026**, above R300 000.00 awarded bids through open / **competitive bidding 100%** was awarded to local suppliers within Mount Ayliff and Mount Frere.
- For the reporting month ended **30 April 2026**, quotations between R30 001 – R300 000.00, **100%** was awarded to local suppliers within Umzimvubu Local municipality.

- For the reporting month ended **30 April 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
18(100%)	0(0%)	0(0%)	0(0%)	18

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
13(100%)	0(0%)	0(0%)	0(100%)	13

19.1. SECTION 32 PROCUREMENT

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

1.4. DEVIATIONS (Section 36)

No deviations for the month of April 2026.

DEVIATION ILLUSTRATED BY GRAPH MONTHLY

No deviations for the month of **April 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:
14 April 2026	1. Mr L Luzipho 2. Ms Madlanga 3. Ms Bingwa 4. Ms Dina 5. Ms Ndlangisa 6. Mr Ngejane	All Members			Swimming Pool

3.4. BID EVALUATION COMMITTEE

BEC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
					THE PROJECTS LISTED BELOW WERE PART OF THE AGENDA:
13-17 April 2026	Mr Gamedala Mr M. Mafumbatha Ms Z Mbono Mr Jojo Mr Matola Mr Mbuyeleni				Construction of Upper Brooksnek Community Hall Construction Ngonyameni Community Hall Construction of Magontsini Community Hall Construction of Colana Community Hall Construction of Njijini Community Hall Construction of Ncome Springs Community Hall Panel for Repairs and Maintenance for

REC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
					<p>Municipal Fleet For a Period of 2 Years</p> <p>Supply and Distribution of Alternative Energy (Paraffin) to Indigent Households For a Period of 2 Years</p> <p>Provision Of Umzimvubu Occupational Health Services And Employee Wellness Services</p> <p>Supply and Delivery of Municipal Stationery for a Period of 2 Years</p> <p>Supply and Delivery of Municipal Cartridges and Toners for a Period of 2 Years</p> <p>Supply and delivery of yellow maize production Inputs for 4 clusters of wards of Umzimvubu Local Municipality & Vegetables For 4 Wards for a period of 2 years</p> <p>Conduct Ploughing Mechanization for 5 Clusters of wards of Umzimvubu Local Municipality for a period of 2 Years</p>

3.5. BID ADJUDICATION COMMITTEE

BAC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
10 April 2026	Mr. K Mehlomakhulu Mr. J Moleko Mr L Makanda Ms Mbono Dr. Tshazi Mr X Blaweni Mrs Kubone				VO-Majojweni Link Line VO-Sikhumbeni Community Hall

BAC DATE	MEMBERS	PRESENT	ABSENT	REASON	Comments
30 April 2026	Mr. K Mehlomakhulu Mr. J Moleko Mr L Makanda Ms Nbono Dr. Tshazi Mr X Blaweni Mrs Kubone				Construction of Colana Community Hall Construction of Njijini Community Hall Construction of Ncome Springs Community Hall Provision Of Umzimvubu Occupational Health Services And Employee Wellness Services Supply and Delivery of Municipal Stationery for a Period of 2 Years Supply and Delivery of Municipal Cartridges and Toners for a Period of 2 Years Panel for Repairs and Maintenance for Municipal Fleet For a Period of 2 Years Supply and delivery of yellow maize production Inputs for 4 clusters of wards of Umzimvubu Local Municipality & Vegetables For 4 Wards for a period of 2 years Conduct Ploughing Mechanization for 5 Clusters of wards of Umzimvubu Local Municipality for a period of 2 Years

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 **30 April 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 30 April 2026.

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
INFRA-Building Section	<ol style="list-style-type: none"> 1. Construction of Municipal Offices. 2. Turnkey Project For Cabazana B400(181) Rural Housing Project. 3. Turnkey Project For Dundee 500(34) Rural Housing Project. 4. Turnkey Project For Cancele 5. Turnkey Project For Nkungwini 6. Sikhumbeni Community Hall. 	Manager-Building- Mr. Yakobi
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. Bislan-Mpindweni Access Road Maintenance 	PMU-Mr Gamedala/Miss Qwane/Mr. Bingwa

	<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> <p>14. Magwaca-Qwindlana Access Road Maintenance</p> <p>15. Sogoni Phase 2 Electrification</p> <p>16. Sixhotyeni Link Line</p> <p>17. Silindini Bridge</p> <p>18. Reconstruction Of Mwaca Road And Bridge</p> <p>19. Reconstruction Of Bangweni To Njjini Bridge</p> <p>20. Rehabilitation Of Phuka-Hlathini Access Road</p> <p>21. Reconstruction Of Sikhemane To Ntshakeni Access Road</p> <p>22. Silindini Bridge</p> <p>23. Reconstruction Of Ilitha Bridge & Concrete Slab</p> <p>24. Rehabilitation Of Gubhuzi Access Road & Concrete Slab</p>	
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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 30 April 2026.

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
INFRA	<ol style="list-style-type: none"> 1. Reconstruction Of Bangweni To Njjini Bridge 2. Reconstruction Of Mwaca Road And Bridge 3. Reconstruction of Lutshikini Access Road 4. Qhanqu Access Road Maintenance 5. Rehabilitation Of Phuka-Hlathini Access Road 6. Reconstruction Of Sikhemane To Ntshakeni Access Road 7. Silindini Bridge 8. Reconstruction Of Ilitha Bridge & Concrete Slab 9. Rehabilitation Of Gubhuzi Access Road & Concrete Slab 	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 30 April 2026.

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
INFRA	1. Municipal Offices	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 **30 April 2026**.

7. RELATED PARTIES DISCLOSURE

Régulation 45 Disclosure

Company name	Appointment date	Description	Amount	Related Employee
The Drops Reno Trading	13-Apr-26	Catering for career expo for 100 people.	R11,500.00	Yes, Spouse (Mr S Mathontsi)

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.

1.1. 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 30 April 2026 be noted by Council.
2. That, for the reporting month ended 30 April 2026 the has been no irregular expenditure detected and No Deviations incurred to be noted.
3. Projects status for the reporting month ended 30 April 2026 be noted.

BUDGET AND TREASURY DEPARTMENT: REPORT ON VAT FOR THE MONTH ENDED 30 APRIL 2026 REPORT.

(File No: /05/26)
(Author: FT/LL)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)
(4th Level: COUNCIL 28/05/2026)

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 30 April 2026.

AUTHORITY

Council

LEGAL / STATUTORY REQUIREMENTS

The constitution of the Republic of South Africa, 1996
Municipal Finance Management Act No 56, 2003
Value Added Tax (VAT) Act of 1991

BACKGROUND

ULM is a VAT vendor as required by the VAT Act of 1991.

The municipality monthly is obligated by the VAT act to collect and pay over the portion of VAT that is owing to the Receiver of Revenue.

To ensure that all VAT that is due to the municipality is recovered within a reasonable period. The information in this report is the VAT for the transaction processed up to the close of business on 31 July 2025 for the year ending 30 June 2026.

DISCUSSION

- SARS requires that ULM submitted VAT returns by the 25th of each month following the month submitted for.
- The submission consists of Input VAT which is tax added when the municipality procures good and services and Output VAT which is tax charged by the municipality on services rendered to the community.
- Therefore, ULM submit to SARS the Net off Input and Output VAT
- When Input VAT is more that Output SARS will refund the amount to ULM
- When Input is 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	1,859,226.68	- 143,857.01	1,715,369.67	Refund Received
April'26	2,225,806.82	- 78,283.37	2,147,523.45	Awaiting SARS Refund
	28,009,350.10	- 2,253,507.68	25,755,842.42	

CHALLENGES

- SARS take its time to finalize the audit on the returns submitted.
- SARS is currently conducting VAT audit from 2020/2021 to 2024/2025 FY

RECOMMENDATION

Council to note the report.

**BUDGET AND TREASURY DEPARTMENT: REPORT ON COST CONTAINMENT
MEASURES FOR THE MONTH ENDED 30 APRIL 2026 REPORT**

(File No: /05/26)
(Author: FT/LL)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)
(4th Level: COUNCIL 28/05/2026)

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 30 April 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 their 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 30 April 2026			
	To-Date		
Cost Containment Measures	Budget	Expenditure	Savings
	R'000	R'000	R'000
Use of consultants	17,583,400.00	11,454,487.58	6,128,912.42
Travel and subsistence	2,166,800.00	2,142,074.70	24,725.30
Domestic accommodation	4,702,000.00	3,934,437.59	767,562.41
Sponsorships, events and catering	3,423,596.00	2,160,162.00	1,263,434.00
Communication	1,189,500.00	457,548.18	731,951.82
	R29,065,296.00	R20,148,710.05	R8,916,585.95

Detailed use of consultants as of 30 April 2026	
Description	Expenditure
Internal audit committee 204300183	579,750.00
Business Financial PMS evaluation 201300255	322,450.53
Best Practices	3,997,825.83
Conveyancing 204300201	1,336,136.05
Financial Management 200300119	733,159.48
Strategic Annual Risk Assessment	-
Communication Strategy consultant 206300043	-
Job evaluation 201300191	-
Housing Sector Plan 203300360	52,826.09
Interim valuation 200300181	219,000.00
Development of Storm water Management plan	-
Survey Planning 203300335	296,226.09
Legal Fees 204300199	4,444,784.60
	11,982,158.67

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 30 APRIL 2026 REPORT

(File No: /05/2026)
(Author: FT/LL)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)
(4th Level: COUNCIL 28/05/2026)

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 30 April 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 invoices 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
April'26	24,573,262.19	223	24,573,262.19	-	None
	319,932,541.11	1,719	319,932,541.11	-	

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 30 April 2026 REPORT**

(File No: 9/1/2/3)
(Author: FT/LL)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)
(4th Level: COUNCIL 28/05/2026)

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 30 April 2026.

AUTHORITY

Council

LEGAL / STATUTORY REQUIREMENTS

The constitution of the Republic of South Africa, 1996
Municipal Finance Management Act No 56, 2003
Income Tax Act 58 of 1962

BACKGROUND

In terms of section 66 of the Municipal Finance Management Act No. 56 of 2003, the Accounting Officer of the municipality must report to the Council in the format and for the periods prescribed, all expenses relating to staff salaries, allowances, and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid.

Umzimvubu policy provides two payroll runs which by the 15th of each month councilors salaries are paid and by the 25th of each month all staff are paid.

Payments of Subsistence and travelling are paid upon return of an official or councilor travelling for work related activity which might be a meeting /conference /seminar /workshop /site visits etc. within municipal jurisdiction and beyond.

Umzimvubu Municipal jurisdiction includes Mt Ayliff and Mount Frere as determined by the Demarcation Board.

ANNEXURE

2025-2026 Payroll Summary Report				
	Councillors		Officials (Staff, HOD's & Casuals)	
Period	Salary bill	Substance & Travel	Salary bill	Substance & Travel
July'25	R1,681,390.44	R27,724.71	R7,593,043.82	R126,957.88
August'25	R1,692,014.57	R38,348.83	R7,788,221.78	R70,663.41
September'25	R1,756,136.99	R102,471.25	R9,079,590.11	R234,138.85
October'25	R1,681,354.13	R27,724.71	R8,090,798.52	R133,364.99
November'25	R1,685,741.10	R32,075.35	R12,844,537.51	R33,465.79
December'25	R1,803,491.46	R149,825.71	R8,613,307.13	R371,763.25
January'26	R1,724,006.80	R6,630.04	R7,927,420.63	R126,141.42
February'26	R1,802,341.90	R128,601.47	R8,425,062.60	R172,818.84
March'26	R1,700,974.26	R27,183.13	R8,022,004.73	R130,522.89
April'26	R2,422,098.88	R26,208.71	R7,986,484.32	R148,583.24
Total	R17,949,550.53	R566,793.91	R86,370,471.15	R1,548,420.56

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 monitors the submission of input.
- Adherence of deadline on submission of S & T Claim

RECOMMENDATION

Council to note the report.

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

(File No: 9/1/2/3)
(Author: KM/FS)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)

(4th Level: COUNCIL 28/05/2026)

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 April 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 91 550 612,38 AS AT 30 April 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
e.g Umzim	Agriculture	-	-	-	-	-
	Health	2,436.53	53.02	660.00	687.57	1
	Public Works	135,060.60	417,963.90	416,130.99	414,438.93	37,437
	Alfred Ndzo	6,211.54	5,305.56	11,938.69	11,931.20	777
	Socila Developments	- 10.45	-	-	-	
	Residents	831,504.44	452,197.45	446,657.17	438,226.27	19,308
	Councillors	1,277.53	-	-	-	
	Staff	- 698.67	- 554.83	-	- 80.97	-
	Businesses &Commercials	1,131,270.73	469,240.98	461,166.50	455,070.92	24,198
	DLRRD	9,336.79	9,709.24	9,703.23	9,697.23	1,421
	Nat.Departments	28,743.88	25,976.97	41,843.93	41,799.91	2,121
	Grand Total	2,145,132.92	1,379,892.29	1,388,100.51	1,371,771.06	85,265

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

Staff/ Councillor	Erf No.	Town	Current	30 days	60 days	90 days	Outstanding amount
Cllr Garane	75	EMaxesibeni	R645.53	R 0	R 0.00	R 0.00	R 645.53
Cllr Mdzinwa	521	Kwa-Bhaca	R632.01	R 0.00	R 0.00	R 0.00	R663.01
Mr Nota	238	EMaxesibeni	R - 316.29	R -126.66	R 0.00	R 0.00	R -442.95

Mr Nota	540	Kwa-Bhaca	R - 271.67	R -300.97	R	R -162.01	R -734.65
Mr Makanda	3769	Kwa-Bhaca	R -54.58	R -84.80	R -42.40	R -36.71	R -218.49
Mr Makanda	3770	Kwa-Bhaca	R -56.13	R-42.40	R -25.85	R -107.72	R -232.10
Total							R -319.65

APRIL 2026 RENTAL DEBTORS

DATE RANGE	202604							
TARIFF CODE	26-Apr	26-Mar	26-Feb	Jan-26	25-Dec	25-Nov	25-Oct	25-
'002530 LEASE RENTALS	224,505.10	174,562.90	319,518.02	172,823.77	172,823.77	221,785.49	221,785.49	139,846
'002531 RESIDENTIAL RENTALS	16,396.87	16,396.87	16,396.87	18,034.00	18,034.00	18,034.00	18,034.00	17,358
INTEREST	7,723.90	7,647.81	7,503.88	5,870.24	6,901.06	8,020.52	7,487.00	7,490
'009008 VAT LEVIED	31,456.20	26,184.43	43,814.99	23,657.20	25,923.56	22,763.26	33,267.82	22,763
'008888 PAYMENTS	- 31,586.21	- 38,004.68	- 538,662.67	- 200,457.20	- 709,344.68	-102,484.20	-201,081.51	-196,559
	248,495.86	186,787.33	- 151,428.91	19,928.01	- 485,662.29	168,119.07	79,492.80	- 9,101

APRIL 2026 TRAFFIC FINES REPORT

	Billing	Reciepts	Balance	Collection %
Op Bal			11,504,205.00	
25-Jul	142,950.00	26,400.00	116,550.00	18%
25-Aug	132,850.00	31,400.00	101,450.00	24%
25-Sep	103,000.00	29,950.00	73,050.00	29%
25-Oct	115,400.00	30,250.00	85,150.00	26%
25-Nov	112,000.00	28,700.00	83,300.00	26%
25-Dec	138,500.00	31,000.00	107,500.00	22%
26-Jan	126,700.00	77,850.00	48,850.00	61%
26-Feb	170,900.00	75,700.00	95,200.00	44%
26-Mar	255,100.00	72,990.00	182,110.00	29%
26-Apr	258,300.00	78,900.00	179,400.00	31%
Total	1,555,700.00	483,140.00	12,576,765.00	31%

For the month of **APRIL 2026**, traffic fines received to date amounted to **R 78900.00**

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 April 2026

SegmentDesc	TotalBudget	TotalActual	Collection %
Property Rates	- 72,174,980.00	- 68,709,638.57	95%
Vehicle Registration 209104080	- 2,900,000.00	- 1,958,356.23	68%
Interest current account 200112010	- 580,000.00	- 354,442.12	61%
Interest investments 200112020	- 10,000,000.00	- 7,466,022.17	75%
Interest Waste Management	- 700,000.00	- 511,683.92	73%
Drivers Learners Licenses 209104010	- 2,200,000.00	- 1,866,945.00	85%
Vehicle testing station 209104085	- 165,000.00	- 110,952.00	67%
Human Settlement 3.5% Management Fees	- 2,163,000.00	- 577,515.85	27%
Bursary Repayment	- 101,000.00	- 23,020.24	23%
Sundry income Marathon 200116087	- 150,000.00	- 121,035.17	81%
Land sales 203119030	- 2,000,000.00	-	0%
Hall Rental 207111010	- 120,000.00	- 86,753.88	72%
Sophia Recreational 207111015	- 190,000.00	- 178,258.13	94%
Parks 207116054	- 5,000.00	- 2,202.62	44%
Plant Rental 203111060	- 50,000.00	- 21,887.37	44%
Lease Rolyats Group 200	- 4,340,000.00	- 2,157,647.84	50%
Advertising Mt Ayliff Billboard 206116005	- 60,000.00	- 46,680.84	78%
Rezoning Application 203116073	- 8,300.00	- 17,763.48	214%
Building Plan Fees 203116010	- 650,000.00	- 426,568.49	66%
Funeral Plot Fees 207116026	- 15,000.00	- 11,906.14	79%
Rezoning Certificate 203116074	- 8,000.00	- 4,591.26	57%
Clearance Certificate 200116017	- 15,000.00	- 3,873.96	26%
Traffic Escort Fees	- 15,000.00	- 9,943.47	66%
Special Conccent 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	- 1,211,994.37	82%
Traffic Fines 209102060	- 1,177,000.00	- 500,027.50	42%
Pound fees 207116062	- 1,350,000.00	- 1,088,004.61	81%
Retention Forfiets	1.00	- 437,687.51	-43768751%
Interest from Non-Exchange	- 7,200,000.00	- 5,809,099.27	81%
Trading Licence 205103080	- 200,000.00	- 178,512.75	89%
	- 110,094,889.00	- 93,901,643.46	85%

ACTIONS TAKEN TO REDUCE DEBTOR.

- Debtors' reconciliations are done internally for all Government Departments and Public works has made a payment of R18mil in the months of April 2026. The department has promised to make another payment in May 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 April 2026 amounting to **R 19 661 365.74** noted and approved by Council.

- That, the report on outstanding traffic fines for the month of April 2026 amounting to **R 12 576 765.00** be noted and approved by Council.
- That, the following aged outstanding debtors balance of **R 91 550 612.38**
- for the month of April 2026 be noted and approved by Council:
 - Current – R 2,145,132.92
 - 30 days – R 1,379,892.29
 - 60 days – R 1,388,100.51
 - 90 days – R 1,371,771.06
 - 120 +days – R 91,550,612.38

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

- Residential debt – R 21, 477,075.34
- Commercial debt – R 26, 715,661.26
- Government debt – R 43,357,875.78

That, the total amount owed by Councillors and Staff members amounting to **R -319.65** be noted and approved by Council.

(File No:9/1/2/3)
(Author: KM/FS)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)

(4th Level: COUNCIL 28/05/2026)

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 April 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 April 2026 was 54% 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	1,575,064.54	- 1,838,806.65	-117%
26-Apr	1,646,991.74	-19,550,879.53	-1187%
	75,442,179.77	-39,491,057.11	-52%

A collection percentage of 1187% has been achieved for the month of April 2026 i.e. collection of R 19 550 879.53 against the billing of 1 646 991.74.

The breakdown of the collection for the month of April 2026 is as follows:

Businesses and commercial R -348 655.28 which is 3% of the total collection

Residential R-231 389.33 which is 1% of the total collection

Government R-18 650 157.17 which is 96% of the total collection.

The collection report split by town is 40% collection in KwaBhaca Town and 60% collection in eMaxesibeni.

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.

Bank Name		Investm Start Date	Investment End Date	Term Valu	Month	Interest %	BOQ Amount	Top Up
Operational Bank Inv	Unconditional	01/07/2022	30/06/2030	Y	202604	10	22,920.00	-
Service Delivery Ban	Unconditional	01/07/2022	30/06/2030	Y	202604	10	46,855,905.28	16,000,000.00
Nedbank Bank Investm	Unconditional	01/07/2022	30/06/2030	Y	202604	5.75	41,750,162.60	-
Guarantee Bank Inves	Unconditional	01/07/2022	30/06/2030	Y	202604	10	184,115.57	-
Total Unconditional Grant							88,813,103.45	16,000,000.00
Mig Bank Investment	Conditional	01/07/2022	30/06/2030	Y	202604	10	16,623,385.85	
Fmg Bank Investment	Conditional	01/07/2022	30/06/2030	Y	202604	10	1,877,723.34	
Electrification Bank	Conditional	01/07/2022	30/06/2030	Y	202604	10	4,133,831.69	
Housing Bank Investm	Conditional	01/07/2022	30/06/2030	Y	202604	10	205.71	
MD RECOVERY GRANT IN	Conditional	01/03/2024	30/06/2040	Y	202604	10	50,312,587.97	
Total Conditional Grant							72,947,734.56	-
							161,760,838.01	16,000,000.00

For the reporting period, the municipality had a balance of R 61 936 398.12 for unconditional investments and R 72 947 734.56 for conditional investments all totalling to R 153 698 872.69

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 1187% for the month of April 2026 be noted and approved by Council.
- That, the billing amounting to R1 646 991.4 for Property Rates, Refuse Removal (including interest charged) for the month April 2026 be noted and approved by Council.
- That, the total amount of R 19 550 879.53 has been received from Rates and Services for the month of April 2026 be noted and approved by Council.
- That, the 52% collection rate for the period ending April 2026 be noted and approved by Council.
- That, the total investments for the month ending April 2026 amounting to R 153 698 872.69 be noted and approved by Council.

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

(File No:9/1/2/3)
 (Author: KM/FS)
 (1st Level: MANCO 04/05/2026)
 (2nd Level: STANCO 11/05/2026)
 (3rd Level: EXCO 19/05/2026)

(4th Level: COUNCIL 28/05/2026)

PURPOSE

To report to the Council on Free basic services for the month of April 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	26 out of 53 indigent households have their solar systems maintained and replaced.	New service provider has been appointed and is currently on site
Electricity (ESKOM)	1420	It's a monthly subsidy where each registered indigent household receive 50 KWh free basic electricity token on monthly basis , and about 90 meter numbers that were not registered under Eskom have been sent to Eskom for registration.
Paraffin	1538 indigent households have benefited from paraffin subsidy where each household receive 20L.	The contract has ended, and the advert for new contractor to be appointed was closing on the 2 nd of April 2026

LABOUR IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Expenditure incurred as of April 2026 amounted to R377 276.96

SERVICE DELIVERY IMPLICATIONS

Provision of free basic services.

RECOMMENDATIONS

- That, the report on Free Basic services for April 2026 be noted and approved by Council.
- That the expenditure of R377 276.96 incurred in April 2026 be noted and approved by the council

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

(File No:
9/1/2/3)
(Author: KM/SJ)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)
(4th Level: COUNCIL 28/05/2026)

PURPOSE

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

No Additions

Reconciliation of Property, plant and equipment 30 April 2026	Opening Balance	Additions	Disposals / Write off	Depreciation	Impairment loss	Total
Furniture and Office Equipment	4,486,407	-		(777,033)	-	3,709,374
Machinery and Equipment	4,277,934	832,666		(744,072)	-	4,366,528
Computer Equipment	7,839,981	1,514,560		(1,761,919)	-	7,592,622
Transport Assets	18,177,508	3,177,136	-	(3,392,268)	-	17,962,377
	34,781,830	5,524,363	-	(6,675,291)	-	33,630,902

2. Completed Capital projects April 2026

Mpoza Access road
Dambeni Access road

Reconciliation of Property, plant and equipment 30 APRIL 2025	Opening Balance	Additions	WIP	Transfer	Prior Year Error Co	Depreciation	Total
Infrastructure	606,511,286	31,318,007	69,784,878	(31,318,007)	8,202,159	(39,121,984)	645,376,339
	606,511,286	31,318,007	69,784,878	(31,318,007)	8,202,159	(39,121,984)	645,376,339

Completed Capital projects July 2025- April 2026

Project Name	Type	Asset Class	Status	Closing Balance 2025	Capital Expenditure 2026	Transfers Out 2026/ Completed	Closing Balance 2026	Completion date
Lugangeni feedlot	B	Community	Completed	1,567,297.99		- 1,567,297.99	-	26/09/2025
Bhakaleni to Sekileni via Mqoma Access Road-MIG	I	Infrastructure	Completed	6,728,200.10	5,619,626.00	- 14,085,654.66	-	29/10/2025
Sikolweni AR	I	Infrastructure	Completed	719,455.00	371,261.23	- 1,090,716.23	-	07/08/2025
Nqalweni AR	I	Infrastructure	Completed	862,580.82	518,321.78	- 1,380,902.60	-	15/08/2025
Nyathini Access road and Bridge	I	Infrastructure	Completed	1,806,685.00	236,290.00	- 2,042,975.00	-	19/19/2025
Velem via Mthonjeni - Gamakhulu AR	I	Infrastructure	Completed	1,696,530.00	763,917.28	- 2,460,447.28	-	28/08/2025
Osborn Community hall	B	Community	Completed		3,022,306.51	- 3,022,306.51	-	14/11/2025
Nxashini AR Maintenance	I	Infrastructure	Completed		1,339,275.00	- 1,339,275.00	-	12/12/2025
Sidakeni Community Hall	B	Community	Completed		2,603,538.40	- 2,603,538.40	-	96/11/2025
Luxwesa AR Maintenance	I	Infrastructure	Completed		1,386,721.91	- 1,386,721.91	-	12/12/2025
Dutyini Slab	I	Infrastructure	Completed			- 28,000.00	-	17/06/2025
Magcakini to Majuba AR Maintenance	I	Infrastructure	Completed		1,023,281.76	- 1,023,281.76	-	03/12/2025
Mmangweni Access Road	I	Infrastructure	Completed		1,689,596.95	- 1,689,596.95	-	08/12/2025
Sivumela AR Maint	I	Infrastructure	Completed		1,386,760.00	- 1,386,760.00	-	12/12/2025
Bethane via Luqolweni to Bhakaneni AR Maint	I	Infrastructure	Completed		1,651,870.00	- 1,651,870.00	-	12/12/2025
Good Hope via Komkhulu Access Road	I	Infrastructure	Completed		1,797,963.81	- 1,797,963.81	-	17/12/2025
Ntenetyana Camp Site	B	Community	Completed		978,890.40	- 978,890.40	-	05/11/2025
Sigidini Access road	I	Infrastructure	Completed		1,860,901.23	- 1,860,901.23	-	09/02/2026
Fadeni AR Maint	I	Infrastructure	Completed		1,797,963.81	- 1,797,963.81	-	18/03/2026
Nkangala to Nkwazini AR	I	Infrastructure	Completed		833,272.76	- 833,272.76	-	13/03/2026

BOQ has been sent to Engineers for unbundling

Retention registers as at April 2026 (Annexure A)

UMZIMVUBU LOCAL MUNICIPALITY	
Municipality:	UMZIMVUBU LOCAL MUNICIPALITY
Period:	Apr-26
Opening Balance as at 01 July 2025	13,788,170.86
Retention Paid 2025/2026	7,504,819.40
Retention Raised to date 2025/2026	12,138,152.68
Closing Balance as at April 2026	18,421,504.14

Overdue retentions

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

Unclaimed Retention transferred to Municipal revenue

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

UMZIMVUBU LOCAL MUNICIPALITY							
RETENTION SCHEDULE 2025-2026							
RETENTION SCHEDULE FOR 2025-2026							
		Retention With-Held			Balance To Date	Project Status to date	
Name of the Project	Contractor Awarded	Construction Award Value	Retention Opening Balance as at 01 July 2025	Total March 2026	Retention plus Surety Closing Balance 30 June 2025 excl VAT	Project Status to date	
Completion of Nophoyi Sport	Twizza	1,689,281.00	R 36,720.50	R 36,720.50	R 36,720.50	Completed	
Fencing of Emaxesibeni Land	Nondoda Construction	1,063,700.00	R 76,422.42	R 76,422.42	R 76,422.42	Completed	
Dungu Access road	Hlubelihle Trading	1,491,970.00	R 140,959.00	R 140,959.00	R 140,959.00	Completed	
Gubhuzi Access Road	iXhanga Trading	1,272,880.00	R 166,610.25	R 166,610.25	R 166,610.25	Completed	
		5,517,831.00	420,712.17	420,712.17	420,712.17	-	

WIP AS AT APRIL 2026

Reconciliation of Work-in-Progress			
	Infrastructure	Buildings	Total
Opening balance	50,785,446	43,063,663	R93,849,109.00
Additions/capital expenditure	R69,784,869.06	R13,912,881.45	R83,697,750.51
Transferred to completed items	- 34,755,460.02	- 8,172,033.30	-R42,927,493.32
	85,814,855.04	48,804,511.15	134,619,366.19

4. Work in Progress as at April 2026

- Annexure B

Commitment report as 30 April 2026(Annexure C)

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

Recommendation

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

BUDGET AND TREASURY OFFICE DEPARTMENT: FLEET MANAGEMENT REPORT FOR THE MONTH ENDED 30 APRIL 2026

(File No: /05/26)
(Author: KM/SJ)
(1st Level: MANCO 04/05/2026)
(2nd Level: STANCO 11/05/2026)
(3rd Level: EXCO 19/05/2026)
(4th Level: COUNCIL 28/05/2026)

PURPOSE

To report the activities performed by the Fleet Management Section for the period ended 30 April 2026

BACKGROUND AND REASONING

Umzimvubu Local Municipality is in possession of 51 fleet support services which is comprised of 1 Dozer, 3 tractors, 2 Skip bin trailer, 1 Roadblock trailer, 3 TLB's, 13 Trucks, 1 Sprinter Bus, 4 Political bearer office Vehicles, 12 Vehicle allocated to Community Safety, 2 Vehicle allocated Infrastructure department & 09 pool vehicles. All the above Fleet is paid in full. It has been noted that all incident that occurred the involved officials need to be investigated to ascertain as to whether there was no negligence on the accidents.

Point of Consideration –

No	Registration No.	Make	Model	Type of a vehicle
1	FML 789 EC	Toyota Hino	2010	Truck
2	HDN643EC	Volvo Tib	2013	TLB
3	FVW683EC	Nissan Ud85	2014	Truck
4	MJK843EC/FLK 754EC	Caterpillar	2010	TLB
5	HFV675EC	Np200 1.6	2014	Bakkie
6	HFV657EC	Np200 1.6	2014	Bakkie
7	HKY792EC	Toyota Hilux 2.0vvti	2015	Bakkie
8	HKY 842EC	Toyota Hillux 2.5d-4d	2015	Bakkie
9	HLN238EC	Fuso 4 Ton Truck	2014	Truck
10	HSP961EC	Toyota Corolla 1.6 Quest	2016	Sedan
11	JCD 207 EC	Polo 1.4	2018	Sedan
12	JCD 211 EC	Polo 1.6	2018	Sedan
13	JCK 692 EC	Toyota 2.4 Gd	2018	Bakkie
14	JCY 289 EC	Isuzu Truck 500	2018	Truck
15	JHX 122 EC	Polo 1.6	2019	Traffic Admin
16	JHX 135 EC	Toyota 2.4 Gd	2019	Pound vehicle
17	JJT 154 EC	VW Crafter 2.0	2019	23 seater Bus

No	Registration No.	Make	Model	Type of a vehicle
18	JMK 370 EC	VW Golf 1.4	2019	Traffic vehicle with Truvelo System
19	JMX 074 EC	Toyota Corolla 1.6 Auto	2020	Pool & Mayor & Speakers Relief
NB	JVF 554 EC	Toyota 2.4 Gd D/Cab	2021	Amount paid the Municipality R 390 081.60
20	JVF 565 EC	Toyota Fortuner 2.4 GD	2021	Pool/ Relief vehicle
21	JVF 573 EC	Toyota 2.4 Gd S/Cab	2021	Poo vehicle
22	JWP 402 EC	UD 250 Nissan Refuse Truck	2021	MT Frere Refuse Truck
23	JYH 475 EC	Toyota 2.4 Gd6 D/Cab	2022	Traffic Bakkie
24	JYH 481 EC	Toyota 2.4 Gd6 D/Cab	2022	Traffic Bakkie
25	JYH 485 EC	Toyota 2.4 Gd D/Cab	2022	Traffic Bakkie
	JYR 603 EC	Right Off		
26	JZX 814 EC	Toyota Fortuner 2.4 GD	2022	Speakers Vehicle SUV

No	Registration No.	Make	Model	Type of a vehicle
27	KHK 347 EC	Hino Truck	2022	Waste Management Truck
28	KHK 342 EC	Hino Truck	2022	Waste Management Truck
29	KFJ 930 EC	Isuzu Truck	2022	Pound Truck
30	KDM 398 EC	Toyota 2.4 Gd6 D/Cab	2023	Pool Vehicle
31	KDM 418 EC	Corolla Quest Puls	2023	Pool Vehicle
32	KDM 426 EC	Toyota 2.4 Gd6 D/Cab	2023	Pool vehicle
33	KDM 442 EC	Toyota 2.4 Gd6 D/Cab 4X4	2023	Pool vehicle
34	Vin Number – 118 761	Isuzu FTR 850	2023	Truck
35	Vin Number – 11 4666	Isuzu NPR 400	2023	Truck
36	Vin Number – 114 715	Isuzu NPR 400	2023	Truck
37	KGT 458 EC	Toyota 2.8 Gd6 D/Cab 4X2	2023	Traffic bakkie
38	KGT 459 EC	Toyota 2.8 Gd6 D/Cab 4X2	2023	Traffic bakkie
39	KGT 462 EC	Toyota 2.8 Gd6 D/Cab 4X2	2023	Traffic

No	Registration No.	Make	Model	Type of a vehicle
40	KHW 594 EC	UD Trucks	2023	Skip Bin Trailer
41	KJP 840 EC	UD 250 Croner Nissan Truck	2024	MT Ayliff Refuse Truck
42	KPF 437 EC	Toyota Fortuner GD6 2.4 4x4	2025	Mayoral
43	KPM 112 EC	JCB 3CX Plus Backhoe	2025	WM TLB

44	FZK 297EC	John Deere Tractor	2012	Tractor
45	HDN641EC	Volvo Landfill Site Dozer	<u>2014</u>	Dozer
46	HZW 966 EC	John Deere Tractor	<u>2017</u>	Tractor

47	JBL 406 EC	Trailer Challenger. Roadblock Trailer –		Traffic Roadblock Trailer
48	JBL 457 EC	Skip Bin Trailer		Mt Ayliff Skip Bin Trailer
49	JBL 462 EC	Skip Bin Trailer		Mt Ayliff Skip Bin Trailer
50	KPX 524 EC	Landini	<u>2025</u>	Tractor
51	KTB 637 EC	Toyota Fortuner 2.4 GD6 4X4	<u>2026</u>	Speakers

INSURANCE UPDATES ON CLAIMS

Date	Number Plate	Name of the Driver	Designation	Details	Status	Accident Report Submitted	Progress/Status of investigation
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13/09/2025	KHK 347 EC	Ms Nolindo Mdanyana	Truck Driver	The Hino transporter Truck was involved in an accident after the Mzinto junction. Where the driver lost control & it overturned.	Blaine's truck is an approved repairer in Kokstad.	Yes	Investigation report submitted by Ms Mngambi
20/09/2025	KHK 342 EC	Mr M Siyotula	EPWP Truck Driver	The incident happened at Canca street downtown area. The hino transporter was at a stop point. When an oncoming Polo lost control and hit the truck on the driver side.	Blaine's Truck & Plant is an approved repairer in Kokstad.	Yes	Investigation report submitted by Mr Mngambi

RISK IMPLICATIONS

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

LABOUR IMPLICATIONS

None

SERVICE DELIVERY IMPLICATIONS

Non-availability of vehicles for officials negatively affect the service delivery.

FINANCIAL IMPLICATIONS

None

OTHER PARTIES CONSULTED

All the departments


SALIENT POINTS FOR DELIBERATIONS

None

Annexures

“A” –Political Bearer Office fuel report

“B” –Fuel Reconciliation

Office Bearers Vehicle Usage Report					
					
Municipality:	UMZIMVUBU LOCAL MUNICIPALITY				
Month:	April				
Financial Year:	2025/2026				
Description - July 2025-Oct 2025	Mayoral - KPF 437 EC	Relief JVF 565 EC	Speaker' s New Vehicle	Speaker - JZX 814 EC	Chief Whip -
Apr-26	KPF 437 EC	(Chief Whip)	KTB 637 EC	JZX 814 EC - Relief by Mayor	(Pool)
Fuel	R31 121,94	R12 655,52	R7 854,58	R1 980,00	R0,00
Maintenance		R0,00	R0,00		R0,00
Total	R31 121,94	R12 655,52	R7 854,58	R1 980,00	R0,00
Mielage	73750 - 83244 KM	279580 - 283086 KM	2157 - 4295 KM	213154 - 213680 KM	0KM - 0KM
Travelled KM	9494 KM	8506KM	2138 KM	526 KM	0KM

RECOMMENDATIONS

1. That, the report on fleet management for the reporting month ended 30 April 2026 be noted by Council.
2. Fuel expenses for the reporting month ended 30 April 2026 be noted.