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UPHUHLISO KUMNTU WONKE
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LOCAL MUNICIPALITY

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2025/2026
QUATERLY BUDGET PERFORMANCE
SECTION 52D REPORT
4TH QUARTER ENDED
30 JUNE 2026

TABLE OF CONTENTS

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.

LEGISTLATIVE FRAMEWORK

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

The municipal Finance Management Act No. 56 of 2003
Section 52D: Quarterly budget implementation Report

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.

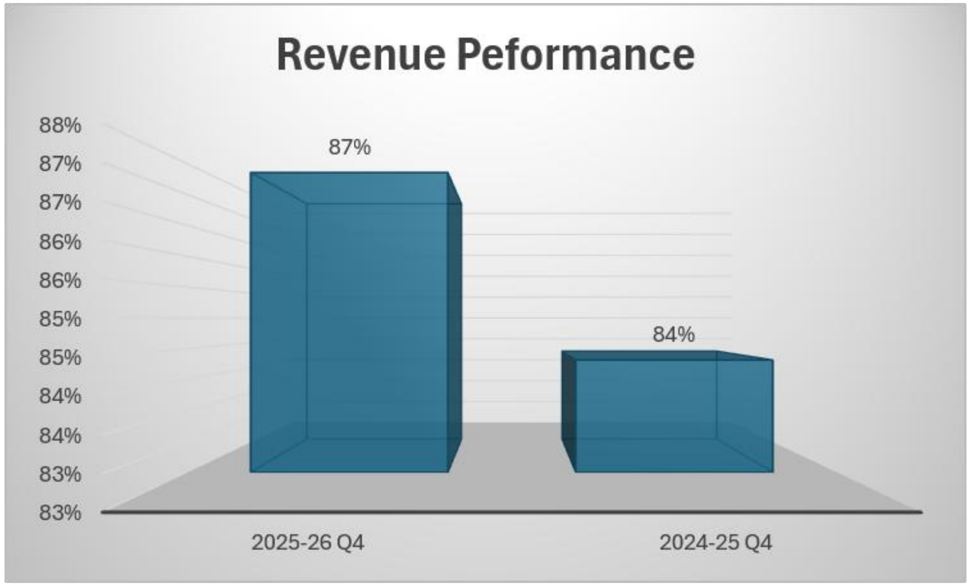
Recommendations:

- That, the report on the implementation of the budget and the financial state of affairs of the municipality for the fourth quarter ended 30thof June 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

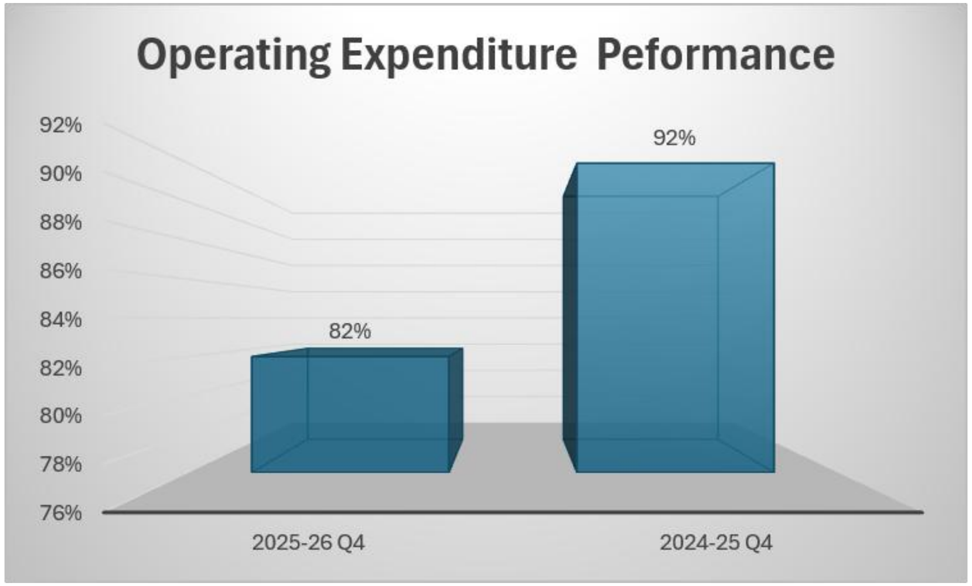
<u>Revenue by source</u>

The total revenue received by source for the full 12 months amounted to **R525.7 million** against approved budget of **R601,7 million**. This represents **87%** revenue at the end of fourth quarter, this is below the expected performance of **100%** for the quarter ended 30 June 2026, due to unspent on disaster recovery grant and poor performance on human settlement construction contract.



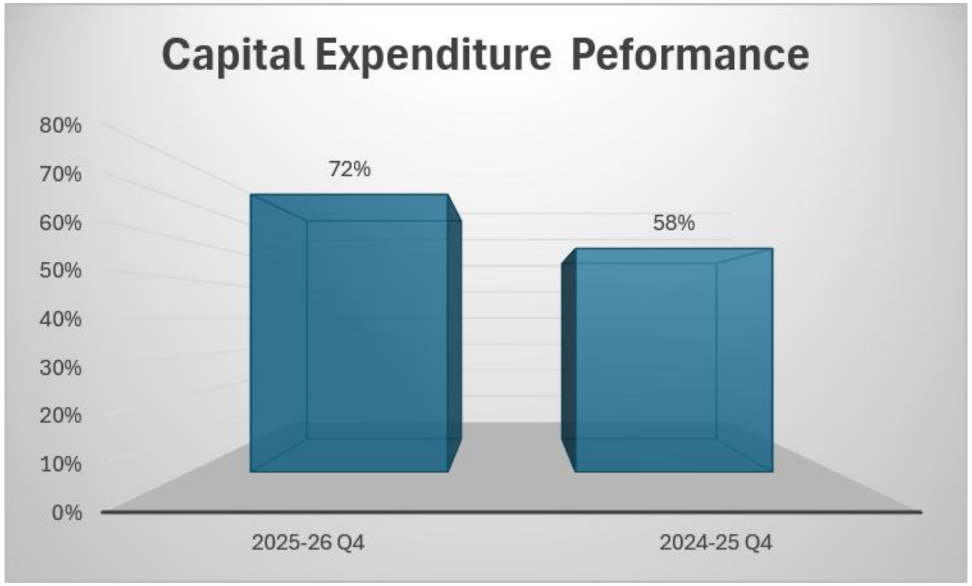
<u>Operating Expenditure by type</u>

Operating expenditure amounted to **R 418,4 million** for the full 12 months of the financial year against approved budget of **R 512,7 million** This represents **82%** of the approved operating expenditure budget. This below the expected performance of 100% this caused by poor performance on human settlement related projects.



Capital Expenditure

Capital expenditure for the full 12 months of the financial year amounted to **R 136,1 million** against approved budget of **R188,2 million**. This represents **72%** of the approved capital expenditure budget. Which is below 100% expected performance and it due to additional funding that was received towards the end of third quarter for disaster recovery grant.


Capital Expenditure Peformance
80%
70%
60%
50%
40%
30%
20%
10%
0%
72%
58%
2025-26 Q4
2024-25 Q4

FINANCIAL RATIOS

C. Liquidity Management								
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		8 Month	*Please refer to page 7 of MFMA Circular No. 71*	Unspent relates to Disaster Recovery Grant to be rolled over to the next financial year)
					Cash and cash equivalents	113,502,000		
					Unspent Conditional Grants	22,070,286		
					Overdraft	-		
					Short Term Investments	130,858,293		
					Total Annual Operational Expenditure	337,794,000		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		2.23	*Please refer to page 7 of MFMA Circular No. 71*	
					Current Assets	210,704,000		
					Current Liabilities	94,340,000		

GRANTS PERFORMANCE

Month June 2026

UMZIMVUBU LOCAL MUNICIPALITY

Ref No	Description	Total Allocation	Balance BF	Amount Received	Total Liability	Expenditure Operating	Capital	VAT	Total	Balance Unspent @ 30.06.2026	% Spending	Allocation Spending%
1	MUNICIPAL INFRASTRUCTURE	57,096,000.00	-	57,096,000	57,096,000		49,816,157	6,577,002	56,393,159	702,841	99%	99%
2	FINANCIAL MANAGEMENT	1,800,000.00	-	1,800,000	1,800,000	1,651,939		148,061	1,800,000	0	100%	100%
3	ELECTRIFICATION PROJECT	16,977,957.00	2,007,957	14,970,000	16,977,957		12,973,824	1,946,074	14,919,897	2,058,060	88%	88%
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	2,734,650		9,252	2,743,902	-	100%	100%
6	ARTS AND CULTURE	1,794,518.00	321,518	1,473,000	1,794,518	1,210,613		74,291	1,284,905	509,613	72%	72%
7	Municipal Disaster Recovery Grant	57,188,000.00	-	57,188,000	57,188,000		29,318,696	4,397,804	33,716,501	23,471,499	59%	59%
8	Human Settlement Housing Project	61,800,000.00	20,437,099	-	20,437,099		20,703,158	-	20,703,158	-266,059	101%	34%
	Grand total	**202,173,377**	**22,936,476**	**137,874,000**	**160,810,476**	**8,370,203**	**62,789,981**	**13,152,484**	**79,914,863**	**26,475,955**	**50%**	40%

- ✓ **The municipality is anticipating to fully spend its capital grants with the exception of a Disaster Recovery Grant where additional funds were received in March 2026 and funds will be rolled over to the 2027 financial year.**

IN-YEAR BUDGET STATEMENTS

2.1 Table C1 Monthly Budget Statement Summary

EC442 Umzimvubu - Table C1 Monthly Budget Statement Summary - M12 - Quarter 4

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	64,415	66,904	72,175	2,913	70,722	72,175	(1,453)	-2%	72,175
Service charges	1,209	1,483	1,488	90	1,185	1,488	(303)	-20%	1,488
Investment revenue	10,508	10,580	10,580	2,740	9,736	10,580	(844)	-8%	10,580
Transfers and subsidies - Operational	298,217	297,276	297,806	1,322	297,389	297,806	(417)	0%	297,806
Other own revenue	78,723	34,694	105,441	11,989	55,013	105,441	(50,428)	-48%	105,441
Total Revenue (excluding capital transfers and contributions)	**453,072**	**410,936**	**487,490**	**19,055**	**434,045**	**487,490**	**(53,444)**	**-11%**	**487,490**
Employee costs	98,667	106,006	114,197	31,729	103,453	114,197	(10,744)	-9%	114,197
Remuneration of Councillors	24,539	25,563	25,016	7,006	24,623	25,016	(393)	-2%	25,016
Depreciation and amortisation	82,239	89,550	89,550	16,030	80,634	89,550	(8,916)	-10%	89,550
Interest	2,119	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	6,472	10,494	10,916	1,711	7,233	10,916	(3,683)	-34%	10,916
Transfers and subsidies	22,455	17,096	16,626	2,053	15,334	16,626	(1,292)	-8%	16,626
Other expenditure	220,610	204,113	261,832	54,251	187,152	261,832	(74,681)	-29%	261,832
Total Expenditure	**457,101**	**452,823**	**518,137**	**112,780**	**418,428**	**518,137**	**(99,709)**	**-19%**	**518,137**
Surplus/(Deficit)	**(4,029)**	**(41,886)**	**(30,648)**	**(93,725)**	**15,617**	**(30,648)**	**46,265**	**-151%**	**(30,648)**
Transfers and subsidies - capital (monetary allocations)	90,774	145,744	114,284	37,524	91,613	114,284	(22,671)	-20%	114,284
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**86,746**	**103,858**	**83,636**	**(56,202)**	**107,230**	**83,636**	**23,594**	**28%**	**83,636**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**86,746**	**103,858**	**83,636**	**(56,202)**	**107,230**	**83,636**	**23,594**	**28%**	**83,636**
Capital expenditure & funds sources									
Capital expenditure	**126,342**	**215,003**	**188,261**	**46,146**	**136,135**	**188,261**	**(52,127)**	**-28%**	**188,261**
Capital transfers recognised	80,451	145,864	114,575	32,721	82,484	114,575	(32,091)	-28%	114,575
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	45,532	69,139	73,687	13,425	53,651	73,687	(20,035)	-27%	73,687
Total sources of capital funds	**125,983**	**215,003**	**188,261**	**46,146**	**136,135**	**188,261**	**(52,127)**	**-28%**	**188,261**
Financial position									
Total current assets	157,105	155,046	143,243		210,704				143,243
Total non current assets	1,088,077	1,347,271	1,188,379		1,143,578				1,188,379
Total current liabilities	92,471	102,366	93,165		94,340				93,165
Total non current liabilities	12,430	11,654	12,430		12,430				12,430
Community wealth/Equity	**1,140,281**	**1,388,297**	**1,226,026**		**1,247,511**				**1,226,026**
Cash flows									
Net cash from (used) operating	–	237,749	246,120	(26,855)	202,775	211,755	8,980	4%	246,120
Net cash from (used) investing	151,250	(215,003)	(188,261)	(39,719)	(148,561)	(188,261)	(39,700)	21%	(188,261)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**217,463**	**143,710**	**149,049**	**–**	**145,405**	**114,685**	**(30,720)**	**-27%**	**149,049**

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

EC442 Umzimvubu - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Quarter 4	YearTD actual	YearTD	YTD	YTD	Full Year
R thousands	1								%	
Revenue - Functional										
Governance and administration		**378,581**	**377,609**	**387,894**	**8,862**	**381,413**	**387,894**	(6,481)	-2%	**387,894**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		378,581	377,609	387,894	8,862	381,413	387,894	(6,481)	-2%	387,894
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**7,195**	**9,407**	**8,122**	**3,648**	**8,910**	**8,122**	788	10%	**8,122**
Community and social services		294	210	310	75	313	310	3	1%	310
Sport and recreation		4	5	5	0	3	5	(2)	-48%	5
Public safety		6,897	9,192	7,807	3,573	8,594	7,807	787	10%	7,807
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**150,648**	**161,401**	**196,259**	**43,297**	**126,701**	**196,259**	(69,558)	-35%	**196,259**
Planning and development		114,073	134,553	139,071	19,947	91,583	139,071	(47,488)	-34%	139,071
Road transport		36,575	26,848	57,188	23,350	35,118	57,188	(22,070)	-39%	57,188
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**7,423**	**8,264**	**9,499**	**771**	**8,634**	**9,499**	**(865)**	-9%	**9,499**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		7,423	8,264	9,499	771	8,634	9,499	(865)	-9%	9,499
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**543,847**	**556,680**	**601,774**	**56,578**	**525,659**	**601,774**	**(76,115)**	-13%	**601,774**
Expenditure - Functional										
Governance and administration		**204,363**	**194,532**	**203,192**	**52,428**	**172,228**	**203,192**	(30,964)	-15%	**203,192**
Executive and council		50,724	59,614	59,478	19,247	55,567	59,478	(3,911)	-7%	59,478
Finance and administration		147,533	127,532	137,600	32,943	111,306	137,600	(26,293)	-19%	137,600
Internal audit		6,106	7,386	6,114	238	5,355	6,114	(760)	-12%	6,114
Community and public safety		**49,226**	**56,592**	**53,635**	**12,669**	**49,407**	**53,635**	(4,229)	-8%	**53,635**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		18	0	0	0	0	0	(0)	-1%	0
Public safety		49,209	56,591	53,635	12,669	49,407	53,635	(4,229)	-8%	53,635
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**81,183**	**142,450**	**198,636**	**23,038**	**115,777**	**198,636**	(82,859)	-42%	**198,636**
Planning and development		93,276	57,107	116,997	14,860	70,471	116,997	(46,526)	-40%	116,997
Road transport		(12,093)	85,343	81,639	8,178	45,306	81,639	(36,333)	-45%	81,639
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**122,329**	**59,249**	**62,673**	**24,644**	**81,016**	**62,673**	**18,343**	29%	**62,673**
Energy sources		–	–	1,933	–	681	1,933	(1,252)	-65%	1,933
Water management		–	–	–	–	–	–	–		–

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) - M12 - Quarter 4

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited	Original	Adjusted	Quarter 4	YearTD actual	YearTD	YTD	YTD %	Full Year
<u>Revenue by Vote</u>	1									
Vote 1 - Executive And Council		189	160	60	26	67	60	7	11.5%	60
Vote 2 - Budget and Treasury Office		378,209	377,034	387,318	8,815	380,820	387,318	(6,498)	-1.7%	387,318
Vote 3 - Corporate Services		315	400	501	16	512	501	11	2.2%	501
Vote 4 - Infrastructure and Plannind Department		150,275	161,201	196,059	43,195	126,426	196,059	(69,632)	-35.5%	196,059
Vote 5 - Community Services		298	215	315	76	316	315	1	0.3%	315
Vote 6 - Local Economic Development		223	200	200	101	275	200	75	37.3%	200
Vote 7 - Public Safety		6,914	9,207	7,822	3,578	8,609	7,822	787	10.1%	7,822
Vote 8 - Waste Management		7,423	8,264	9,499	771	8,634	9,499	(865)	-9.1%	9,499
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**543,847**	**556,680**	**601,774**	**56,578**	**525,659**	**601,774**	**(76,115)**	**-12.6%**	**601,774**
<u>Expenditure by Vote</u>	1									
Vote 1 - Executive And Council		80,329	91,783	93,749	26,662	85,621	93,749	(8,128)	-8.7%	93,749
Vote 2 - Budget and Treasury Office		99,866	68,816	72,022	14,958	59,157	72,022	(12,864)	-17.9%	72,022
Vote 3 - Corporate Services		25,528	35,335	38,783	10,765	28,291	38,783	(10,492)	-27.1%	38,783
Vote 4 - Infrastructure and Plannind Department		59,872	119,812	176,055	18,788	95,608	176,055	(80,447)	-45.7%	176,055
Vote 5 - Community Services		18	0	0	0	0	0	(0)	-0.6%	0
Vote 6 - Local Economic Development		18,646	19,611	19,735	3,511	17,865	19,735	(1,870)	-9.5%	19,735
Vote 7 - Public Safety		50,514	58,218	55,120	13,453	50,869	55,120	(4,250)	-7.7%	55,120
Vote 8 - Waste Management		122,329	59,249	60,740	24,644	80,335	60,740	19,594	32.3%	60,740
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**	**112,780**	**417,747**	**516,204**	**(98,457)**	**-19.1%**	**516,204**
Surplus/ (Deficit) for the year	2	**86,746**	**103,858**	**85,569**	**(56,202)**	**107,912**	**85,569**	**22,342**	**26.1%**	**85,569**

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

EC442 Umzimvubu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		–	–	–	–	–	–	–		–
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		1,209	1,483	1,488	90	1,185	1,488	(303)	-20%	1,488
Sale of Goods and Rendering of Services		46,670	13,434	77,667	5,699	34,305	77,667	(43,361)	-56%	77,667
Agency services		2,364	2,900	2,900	555	2,317	2,900	(583)	-20%	2,900
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		539	–	700	121	633	700	(67)	-10%	700
Interest from Current and Non Current Assets		10,508	10,580	10,580	2,740	9,736	10,580	(844)	-8%	10,580
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		5,426	7,355	7,455	1,191	3,384	7,455	(4,071)	-55%	7,455
Licence and permits		2,164	1,765	2,365	583	2,375	2,365	10	0%	2,365
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		1,127	2,313	4,414	30	748	4,414	(3,666)	-83%	4,414
Non-Exchange Revenue								–		
Property rates		64,415	66,904	72,175	2,913	70,722	72,175	(1,453)	-2%	72,175
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2,359	4,527	2,527	2,870	4,329	2,527	1,802	71%	2,527
Licence and permits		223	200	200	101	275	200	75	37%	200
Transfers and subsidies - Operational		298,217	297,276	297,806	1,322	297,389	297,806	(417)	0%	297,806
Interest		4,579	2,200	7,200	837	6,647	7,200	(553)	-8%	7,200
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		12,538	–	–	–	–	–	–		–
Other Gains		733	–	13	–	–	13	(13)	-100%	13
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**453,072**	**410,936**	**487,490**	**19,055**	**434,045**	**487,490**	**(53,444)**	**-11%**	**487,490**
Expenditure By Type										
Employee related costs		98,667	106,006	114,197	31,729	103,453	114,197	(10,744)	-9%	114,197
Remuneration of councillors		24,539	25,563	25,016	7,006	24,623	25,016	(393)	-2%	25,016
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		6,472	10,494	10,916	1,711	7,233	10,916	(3,683)	-34%	10,916
Debt impairment		10,025	5,419	5,419	–	–	5,419	(5,419)	-100%	5,419
Depreciation and amortisation		82,239	89,550	89,550	16,030	80,634	89,550	(8,916)	-10%	89,550
Interest		2,119	–	–	–	–	–	–		–
Contracted services		130,618	115,420	178,711	31,801	122,401	178,711	(56,310)	-32%	178,711
Transfers and subsidies		22,455	17,096	16,626	2,053	15,334	16,626	(1,292)	-8%	16,626
Irrecoverable debts written off		–	–	–	–	–	–	–		–
Operational costs		68,194	83,275	77,703	22,419	64,721	77,703	(12,982)	-17%	77,703
Losses on Disposal of Assets		11,773	–	–	–	–	–	–		–

Revenue by Source

Property Rates

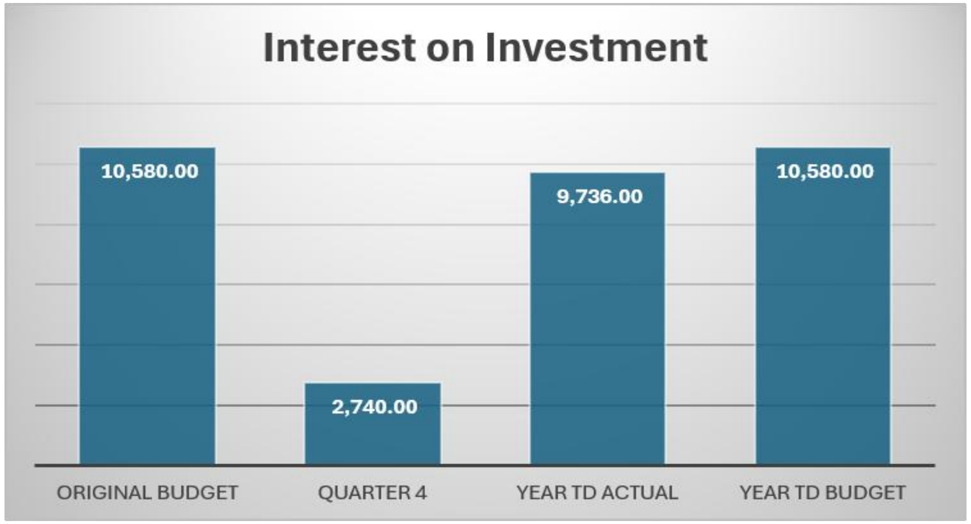
Property Rates is a major part of the municipal own revenue and represents **15%** of total revenue budget.
Billing on Annual property rates is done in July for the financial year. Billing as at end of quarter 4 amounted to **R 70,7 million.** Revenue received from property rates amounted to R 63.8 million for the full 12 months ended 30 June 2026 against approved budget of R 66,8 million this represents 96% of received revenue by source which is less than anticipated 100%.

Service Charges

Revenue from Service charges amounted to **R1.1 million** for the full 12 months ended 30 June 2026 against approved budget of **R 1,4 million** this represent 80% of revenue budget for this source. Revenue collected from service charges amounted to R1 million for the year ended 30 June 2026 against approved budget of R1,36 million this represents 74% of collected revenue by source which is less than anticipated 100%.

<u>Interest on Investments</u>

Interest earned from conditional and unconditional investments amounted to **R9.7 million** against approved budget **R10,5 million** for the full financial year ended 30 June 2026. This represents **92%** of the total budget from this source.

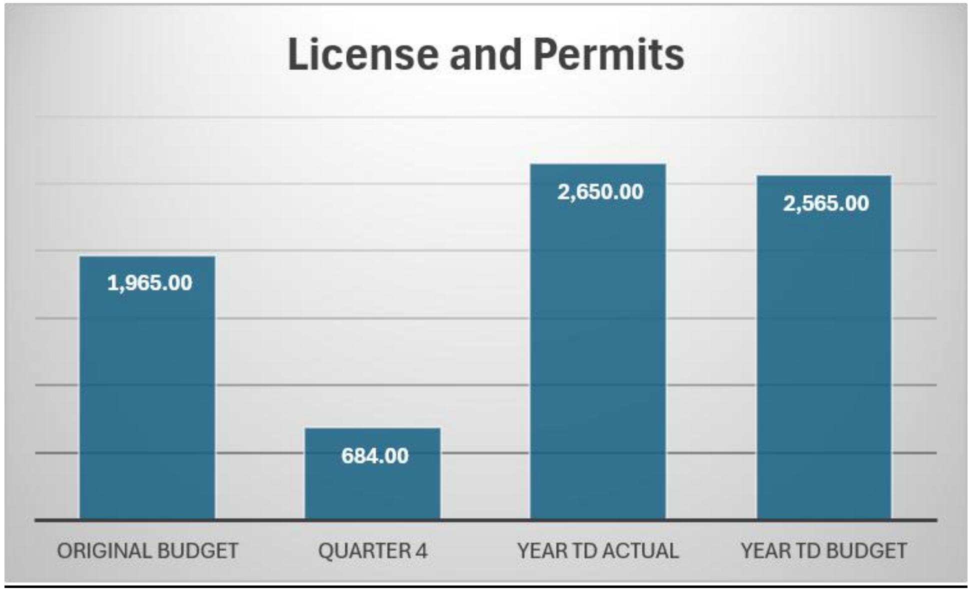


Fines & Penalties

Revenue from fines and penalties amounted to **R4.3 million** at end of fourth quarter against approved budget of **R 2,5 million** and this is **172%** of the revenue budget from fines and penalties.

Licenses and Permits

Revenue from licenses and permits amounted to **R 2,6 million** against approved budget **R 2,5 million** at the end of quarter 4. This represents **103%** revenue against the budget from this source.



<u>Sale of Goods and Services (Construction contract revenue INEP and Human Settlement)</u>

Construction contract revenue reflects an amount of **R 34.3 million** at the end of fourth quarter against approved budget of **R 77,667** this represents **44%** of the budget allocated for this category.

Expenditure by Type

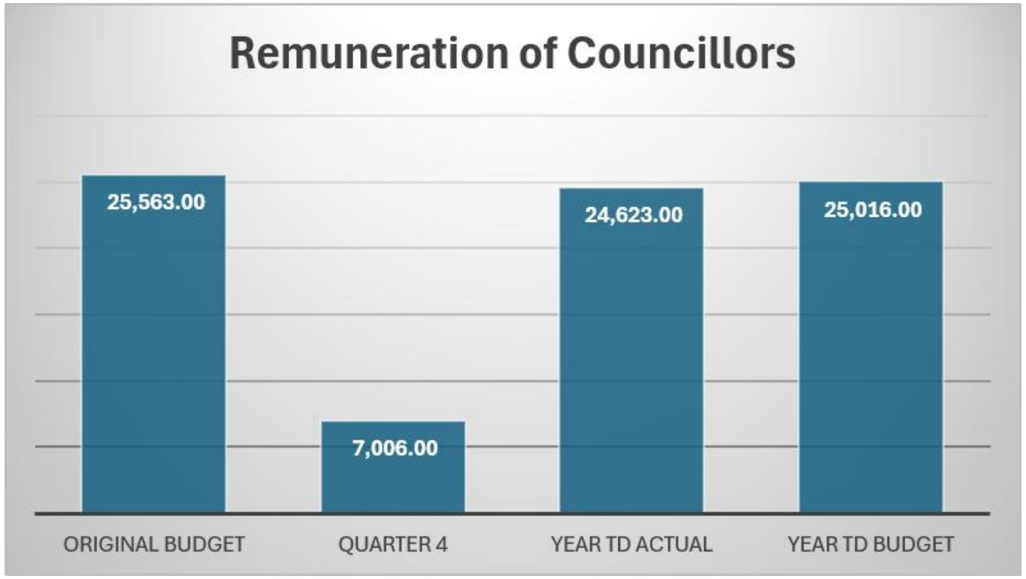
Expenditure by type reflects operational budget per type/category of expenditure

Employee Related Costs

Employee related expenditure at end of third quarter amounted to **R 103.4 million** against budget amount of **R 114,1 million** that represents **90%** of the budgeted amount. The variance is due long service benefits and leave pay provision which is still to be captured.

<u>Remuneration of Councillors</u>

Expenditure from remuneration of Councillors amounted to **R 24,6 million** at end of quarter 4 against approved budget of **R 25 million** this represents **98%** of the budget allocated to this category. This is within the expected performance for the quarter.

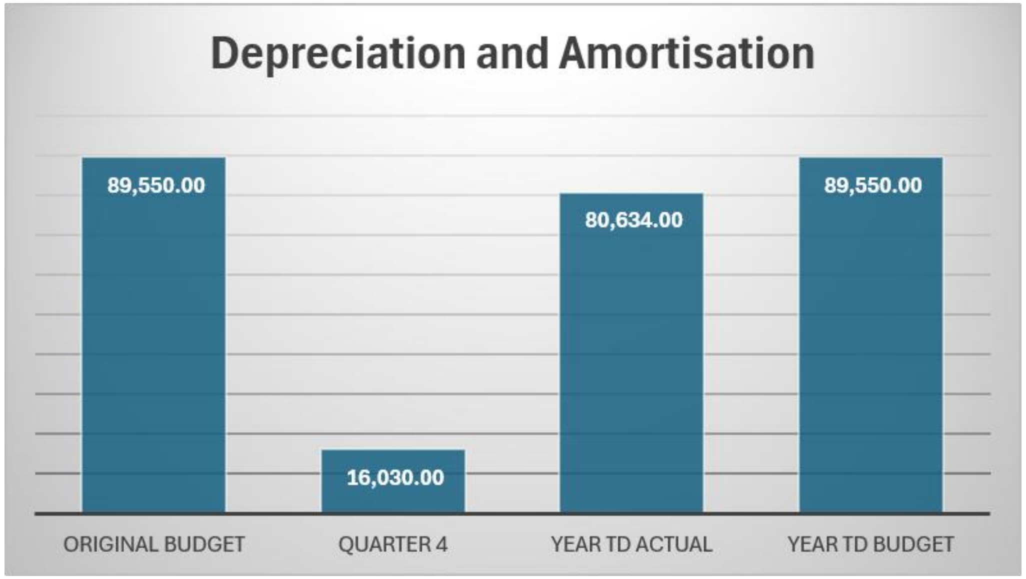


Debt impairment

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 **R80,6 million** at end of quarter 4 against original budget of **R89,5 million** this represents **90%** 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 122,4 million** at the end of quarter 4 against approved budget of **R 178,7 million** this represents **68%** of the budget for this category.

Inventory Consumed

Expenditure on inventory consumed amounted to **R 7,2 million** at the end of quarter 4 against approved budget of **R 10,9 million**. This represents **66%** of budget allocation for this category.

Operational Expenditure

Operational cost at the end of third quarter amounted to **R 64,7 million** against approved budget of **R 77,7 million** and represents **83%**.

Transfers and subsidies

Transfers and subsidies expenditure for the 4th quarter ended 30 June 2026 amounted to **R 15,3 million** against approved budget of **R 16,6 million** and represents **92%**.

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

The approved capital budget amounted to **R 188,2 million** for the financial year and at the end of fourth quarter expenditure amounted to **R136 million representing 72%** of the budget. Variance is as results of 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) - M12 - Quarter 4

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Quarter 4	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive And Council		–	–	–	–	–	–	–		–
Vote 2 - Budget and Treasury Office		–	–	–	–	–	–	–		–
Vote 3 - Corporate Services		–	–	–	–	–	–	–		–
Vote 4 - Infrastructure and Plannind 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	185	185	200	(15)	-7%	200
Vote 2 - Budget and Treasury Office		795	5,000	5,000	109	955	5,000	(4,045)	-81%	5,000
Vote 3 - Corporate Services		1,256	3,500	3,751	1,254	3,349	3,751	(402)	-11%	3,751
Vote 4 - Infrastructure and Plannind Department		102,006	180,243	146,530	40,990	94,309	146,530	(52,221)	-36%	146,530
Vote 5 - Community Services		11,307	15,600	15,956	2,377	14,794	15,956	(1,162)	-7%	15,956
Vote 6 - Local Economic Development		4,940	3,700	3,500	–	3,003	3,500	(497)	-14%	3,500
Vote 7 - Public Safety		5,147	6,240	9,220	1,018	3,147	9,220	(6,073)	-66%	9,220
Vote 8 - Waste Management		889	720	4,104	212	16,390	4,104	12,287	299%	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	46,146	136,135	188,261	**(52,127)**	**-28%**	188,261
Total Capital Expenditure		**126,342**	**215,003**	**188,261**	**46,146**	**136,135**	**188,261**	**(52,127)**	**-28%**	**188,261**
Capital Expenditure - Functional Classification										
Governance and administration		**2,052**	**8,500**	**8,951**	**1,548**	**4,490**	**8,951**	(4,461)	-50%	**8,951**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		2,052	8,500	8,951	1,548	4,490	8,951	(4,461)	-50%	8,951
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**16,454**	**21,840**	**25,176**	**3,396**	**17,942**	**25,176**	(7,235)	-29%	**25,176**
Community and social services		11,307	15,600	15,956	2,377	14,794	15,956	(1,162)	-7%	15,956
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		5,147	6,240	9,220	1,018	3,147	9,220	(6,073)	-66%	9,220
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**106,946**	**183,943**	**150,030**	**40,990**	**97,313**	**150,030**	(52,718)	-35%	**150,030**
Planning and development		6,507	67,500	5,484	830	4,639	5,484	(845)	-15%	5,484
Road transport		100,440	116,443	144,546	40,160	92,673	144,546	(51,873)	-36%	144,546
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**889**	**720**	**4,104**	**212**	**16,390**	**4,104**	12,287	299%	**4,104**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		889	720	4,104	212	16,390	4,104	12,287	299%	4,104
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**126,342**	**215,003**	**188,261**	**46,146**	**136,135**	**188,261**	**(52,127)**	**-28%**	**188,261**
Funded by:										
National Government		80,146	83,944	114,284	32,721	82,408	114,284	(31,876)	-28%	114,284
Provincial Government		305	61,920	291	–	76	291	(215)	-74%	291
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		**80,451**	**145,864**	**114,575**	**32,721**	**82,484**	**114,575**	**(32,091)**	**-28%**	**114,575**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		45,532	69,139	73,687	13,425	53,651	73,687	(20,035)	-27%	73,687
Total Capital Funding		**125,983**	**215,003**	**188,261**	**46,146**	**136,135**	**188,261**	**(52,127)**	**-28%**	**188,261**

C6 Monthly Budget Statement –Financial Position

The table reflects the financial position recorded as at end of third quarter ended 30 June 2026.

EC442 Umzimvubu - Table C6 Monthly Budget Statement - Financial Position - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		91,190	143,710	114,685	113,502	114,685
Trade and other receivables from exchange transactions		4,204	416	5,495	6,097	5,495
Receivables from non-exchange transactions		13,924	9,807	19,271	25,862	19,271
Current portion of non-current receivables		–	–	–	–	–
Inventory		15,630	3,899	16,030	17,229	16,030
VAT		8,339	(25,957)	(36,054)	24,197	(36,054)
Other current assets		23,818	23,171	23,818	23,818	23,818
Total current assets		157,105	155,046	143,243	210,704	143,243
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	1,115,577	1,160,353
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		18	18	18	18	18
Intangible assets		213	2,090	1,184	1,158	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	1,143,578	1,188,379
TOTAL ASSETS		1,245,182	1,502,317	1,331,622	1,354,282	1,331,622
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		217	176	217	263	217
Trade and other payables from exchange transactions		69,571	76,283	70,566	54,308	70,566
Trade and other payables from non-exchange transactions		491	10,621	(65)	23,166	(65)
Provision		4,448	3,842	4,448	(1,412)	4,448
VAT		17,744	11,444	18,000	18,015	18,000
Other current liabilities		–	–	–	–	–
Total current liabilities		92,471	102,366	93,165	94,340	93,165
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		104,901	114,020	105,596	106,771	105,596
NET ASSETS	2	1,140,281	1,388,297	1,226,026	1,247,511	1,226,026
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1,099,921	1,351,544	1,185,666	1,207,151	1,185,666
Reserves and funds		40,360	36,753	40,360	40,360	40,360
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,140,281	1,388,297	1,226,026	1,247,511	1,226,026

References

1. Material variances to be explained in Table SC1

2. Net assets must balance with Total Community Wealth/Equity

2.1.7 C7 Monthly Budget Statement –Cash Flow

EC442 Umzimvubu - Table C7 Monthly Budget Statement - Cash Flow - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	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	44,779	63,811	66,813	(3,001)	-4%	66,813
Service charges		–	1,364	1,369	353	1,017	1,369	(352)	-26%	1,369
Other revenue		–	76,888	141,820	16,446	50,802	141,820	(91,019)	-64%	141,820
Transfers and Subsidies - Operational		–	297,276	297,806	2,022	309,240	297,806	11,433	4%	297,806
Transfers and Subsidies - Capital		–	145,744	114,284	–	128,963	114,284	14,679	13%	114,284
Interest		–	12,780	12,780	3,982	10,697	12,780	(2,083)	-16%	12,780
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		–	(340,757)	(405,935)	(94,437)	(361,754)	(405,935)	44,181	-11%	(405,935)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	(17,097)	17,182	–	–	(17,182)	17,182	-100%	17,182
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	237,749	246,120	(26,855)	202,775	211,755	8,980	4%	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)	(39,719)	(148,561)	(188,261)	39,700	-21%	(188,261)
NET CASH FROM/(USED) INVESTING ACTIVITIES		151,250	(215,003)	(188,261)	(39,719)	(148,561)	(188,261)	(39,700)	21%	(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	(66,574)	54,214	23,494			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		145,405	114,685			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 - M12 - Quarter 4

Description	NT Code	Budget Year 2025/26									
R thousands		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
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	1,188	662	653	625	574	564	562	37,347	42,174	39,672
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	323	110	175	102	100	99	98	7,186	8,194	7,585
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	373	373	514	673	678	695	688	16,672	20,666	19,406
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	105	105	105
Total By Income Source	**2000**	**1,884**	**1,145**	**1,342**	**1,401**	**1,352**	**1,358**	**1,348**	**61,310**	**71,139**	**66,769**
2024/25 - totals only		–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	123	113	260	415	417	430	427	14,184	16,369	15,874
Commercial	2300	1,272	656	670	622	579	576	573	30,484	35,433	32,835
Households	2400	489	377	412	363	356	351	348	16,642	19,338	18,060
Other	2500	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**1,884**	**1,145**	**1,342**	**1,401**	**1,352**	**1,358**	**1,348**	**61,310**	**71,139**	**66,769**

The total debt book for March 2026 is R 71,139,000.

Residential debt: R19,338,000

Commercial debt: R 35,433,000

Government debt: R16,369,000

CREDITORS' ANALYSIS

EC442 Umzimvubu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 - Quarter 4											
Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
R thousands		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	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	21,311
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	18,630	–	–	–	–	–	–	0	18,630	5,485
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	**18,630**	–	–	–	–	–	–	**0**	**18,630**	26,795

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

INVESTMENT POTFOLIO ANALYSIS

EC442 Umzimvubu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 - Quarter 4

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 [3]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investr
R thousands		Yrs/Months											
Municipality													
EC442	29450	Y	Deposits - Bank (	N	01 Fixed (01)	10.00%	0		##########	23	0	–	
EC442	33254	Y	Deposits - Bank (	N	01 Fixed (01)	10.00%	0		##########	46,856	609	(56,000)	
EC442	86036	Y	Deposits - Bank (	N	01 Fixed (01)	10.00%	0		##########	16,623	204	(16,000)	
EC442	31112	Y	Deposits - Bank (	N	01 Fixed (01)	5.75%	0		##########	41,750	706	–	
EC442	68742	Y	Deposits - Bank (	N	01 Fixed (01)	10.00%	0		##########	184	3	–	
EC442	76187	Y	Deposits - Bank (	N	01 Fixed (01)	10.00%	0		##########	1,878	30	(1,897)	
EC442	88560	Y	Deposits - Bank (	N	01 Fixed (01)	10.00%	0		##########	4,134	52	(2,113)	
EC442	91519	Y	Deposits - Bank (	N	01 Fixed (01)	10.00%	0		##########	0	0	–	
EC442	93652	Y	Deposits - Bank (	N	02 Variable (02)	10.00%	0		##########	50,313	670	(27,000)	
Municipality sub-total										161,761		(103,010)	
Entities													
Entities sub-total										–		–	
TOTAL INVESTMENTS AND INTEREST	2									161,761		(103,010)	

ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

EC442 Umzimvubu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	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	–	292,868	292,868	0	0.0%	292,868
Expanded Public Works Programme Integrated Grant		2,656	2,773	2,773	–	2,773	2,773	0	0.0%	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	–	288,295	288,295	–		288,295
Provincial Government:		2,292	4,008	4,538	–	4,047	4,538	(491)	-10.8%	4,538
Specify (Add grant description)		1,434	1,434	1,795	–	1,473	1,795	(322)	-17.9%	1,795
Specify (Add grant description)		858	2,574	2,744	–	2,574	2,744	(170)	-6.2%	2,744
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		296,578	296,876	297,406	–	296,915	297,406	(491)	-0.2%	297,406
Capital Transfers and Grants										
National Government:		81,047	83,944	114,284	–	114,284	114,284	0	0.0%	114,284
Municipal Disaster Relief Grant		–	57,096	–	–	–	–	–		–
Municipal Infrastructure Grant		54,199	26,848	57,096	–	57,096	57,096	0	0.0%	57,096
Integrated National Electrification Programme Grant		(0)	–	–	–	–	–	–		–
Municipal Disaster Recovery Grant		26,848	–	57,188	–	57,188	57,188	–		57,188
Provincial Government:		27,181	–	(61,800)	–	–	(61,800)	61,800	-100.0%	(61,800)
Specify (Add grant description)		27,181	–	(61,800)	–	–	(61,800)	61,800	-100.0%	(61,800)
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	400	400	–	–	400	(400)	-100.0%	400
Construction, Education and Training SETA		–	400	400	–	–	400	(400)	-100.0%	400
Total Capital Transfers and Grants		108,228	84,344	52,884	–	114,284	52,884	61,400	116.1%	52,884
TOTAL RECEIPTS OF TRANSFERS & GRANTS		404,806	381,220	350,290	–	411,199	350,290	60,909	17.4%	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 - M12 - Quarter 4

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		4,356	4,573	4,573	762	4,573	4,573	0	0.0%	4,573
Expanded Public Works Programme Integrated Grant		2,656	2,773	2,773	–	2,773	2,773	0	0.0%	2,773
Local Government Financial Management Grant	3	1,700	1,800	1,800	762	1,800	1,800	–		1,800
Provincial Government:		3,558	4,008	4,538	257	4,043	4,538	(495)	-10.9%	4,538
Specify (Add grant description)		2,870	1,434	1,795	142	1,300	1,795	(495)	-27.6%	1,795
Specify (Add grant description)		688	2,574	2,744	114	2,744	2,744	–		2,744
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	400	400	–	–	400	(400)	-100.0%	400
Construction, Education and Training SETA		–	400	400	–	–	400	(400)	-100.0%	400
Total Operating Transfers and Grants		7,914	8,981	9,511	1,019	8,616	9,511	(895)	-9.4%	9,511
Capital Transfers and Grants										
National Government:		90,774	83,944	114,284	37,524	91,613	114,284	(22,671)	-19.8%	114,284
Municipal Infrastructure Grant		54,199	57,096	57,096	14,174	56,496	57,096	(600)	-1.1%	57,096
Municipal Disaster Recovery Grant		36,575	26,848	57,188	23,350	35,118	57,188	(22,070)	-38.6%	57,188
Provincial Government:		27,181	(0)	(61,800)	–	–	(61,800)	61,800	-100.0%	(61,800)
Specify (Add grant description)		27,181	61,800	(0)	–	–	(0)	0	-100.0%	(0)
Specify (Add grant description)		–	(61,800)	(61,800)	–	–	(61,800)	61,800	-100.0%	(61,800)
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		117,955	83,944	52,484	37,524	91,613	52,484	39,129	74.6%	52,484
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		125,869	92,925	61,995	38,543	100,230	61,995	38,234	61.7%	61,995

Expenditure performance on operational grants to date represents 100% of the approved budget.

Capital expenditure on capital grants to date represents 74% 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 – 4th Quarter

Expenditure from remuneration of Councillors amounted to **R 24.,6 million** at fourth quarter ended 30 June 2026 against original budget of **R25 million** this represents **98%** of the budget allocated to this category. This is within the expected performance for the quarter.
.
Employee related expenditure at fourth quarter ended 30 June 2026 amounted to **R 103,4 million** against budget amount of **R 114 million** that represents **91%** of the budgeted amount.

EC442 Umzimvubu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 - Quarter 4

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Quarter 4	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		11,575	12,682	11,034	3,464	11,574	11,034	540	5%	11,034
Pension and UIF Contributions		1,562	1,632	1,605	420	1,619	1,605	14	1%	1,605
Medical Aid Contributions		591	583	605	158	610	605	5	1%	605
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		2,558	223	2,513	739	2,215	2,513	(298)	-12%	2,513
Housing Allowances		6,731	7,649	7,634	1,817	6,983	7,634	(651)	-9%	7,634
Other benefits and allowances		1,521	2,793	1,625	408	1,622	1,625	(3)	0%	1,625
Sub Total - Councillors		24,539	25,563	25,016	7,006	24,623	25,016	(393)	-2%	25,016
% increase	4		4.2%	1.9%						1.9%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4,664	5,216	9,448	5,910	9,373	9,448	(76)	-1%	9,448
Pension and UIF Contributions		496	535	497	137	510	497	13	3%	497
Medical Aid Contributions		536	608	592	169	609	592	17	3%	592
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		388	406	322	–	134	322	(188)	-58%	322
Motor Vehicle Allowance		892	1,021	892	253	916	892	24	3%	892
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		612	681	748	215	769	748	22	3%	748
Other benefits and allowances		1	1	1	0	1	1	(0)	0%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		7,589	8,468	12,500	6,684	12,312	12,500	(188)	-2%	12,500
% increase	4		11.6%	64.7%						64.7%
Other Municipal Staff										
Basic Salaries and Wages		59,592	65,248	68,735	18,800	64,819	68,735	(3,916)	-6%	68,735
Pension and UIF Contributions		10,732	11,685	11,233	2,928	11,408	11,233	175	2%	11,233
Medical Aid Contributions		5,183	5,621	5,501	1,521	5,665	5,501	164	3%	5,501
Overtime		758	944	801	218	832	801	31	4%	801
Performance Bonus		5,611	5,251	5,333	34	2,037	5,333	(3,296)	-62%	5,333
Motor Vehicle Allowance		2,861	3,188	2,911	564	2,546	2,911	(365)	-13%	2,911
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		1,935	2,166	1,974	526	2,013	1,974	39	2%	1,974
Other benefits and allowances		1,521	1,627	1,801	446	1,735	1,801	(66)	-4%	1,801
Payments in lieu of leave		2,447	1,808	2,609	7	87	2,609	(2,522)	-97%	2,609
Long service awards		435	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		91,077	97,538	100,897	25,045	91,141	100,897	(9,756)	-10%	100,897
% increase	4		7.1%	10.8%						10.8%
Total Parent Municipality		123,205	131,569	138,413	38,735	128,076	138,413	(10,337)	-7%	138,413
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Board Fees	5	–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations		–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Executive members Board	2	–	–	–	–	–	–	–		–
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Entities		–	–	–	–	–	–	–		–
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		–	–	–	–	–	–	–		–
Medical Aid Contributions		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		–	–	–	–	–	–	–		–
Other benefits and allowances		–	–	–	–	–	–	–		–
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations		–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–		–
% increase	4									
Total Municipal Entities		–	–	–	–	–	–	–		–
TOTAL SALARY, ALLOWANCES & BENEFITS		123,205	131,569	138,413	38,735	128,076	138,413	(10,337)	-7%	138,413
% increase	4		6.8%	12.3%						12.3%
TOTAL MANAGERS AND STAFF		98,667	106,006	113,397	31,729	103,453	113,397	(9,944)	-9%	113,397

(**File No: 9/1/2/3)**
(Author: KM/SM/LL)
(1st Level: MANCO 01/07/2026)
(2nd Level: STANCO 09/07/2026)
(3rd Level: EXCO 22/07/2026)
(4th Level :COUNCIL 30/07/2026)

Purpose
Purpose of the report is for the Council to approve amount relating to Unauthorized expenditure, the Irregular and Fruitless and wasteful expenditure incurred by the Municipality for the period ending 30th of June 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 30/06/2026**
Unauthorized expenditure	-			-	**-**
Irregular expenditure	4,589,788.00	208,212.00	4,798,000.00	-	**-**
Fruitless and Wasteful expenditure	839,721.00	-	-		**839,721.00**
	5,429,509.00	**208,212.00**	**4,798,000.00**	-	**839,721.00**

Recommendations

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

That, the Irregular expenditure amounting to R4.7 million be written off by the Council

BUDGET AND TREASURY OFFICE DEPARTMENT: SUPPLY CHAIN MANAGEMENT S52D REPORT FOR THE QUARTER ENDED 30 JUNE 2026

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

(Author: Chief Financial Officer/ KM/ XB)

(1st Level: MTM - 01/07/2026)

(2nd Level: BTO STANCO -09/07/2026)

(3rd Level: EXCO -22/07/2026)

(4th Level: Council -29/07/2026)

PURPOSE

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

The municipality did not have any deviations for the Quarter of **30 June 2026.**

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

DASHBOARD / PERFORMANCE SUMJUNY

	30 June 2026			
BIDS AND QUOTATIONS INVITED	**Apr**	**May**	**Jun**	**Total**
Quotations below 30 000.00	104	70	46	**220**
Invited Quotations above 30 000.00	8	8	7	**23**
Invited Bids	2	1	19	**22**
AWARDED BIDS	**Apr**	**May**	**Jun**	**Total**
Quotations below 30 000.00	104	70	46	**220**
Awarded Quotations above 30 000.00	18	16	10	**44**
Awarded Bids	13	3	9	**25**
Total Summary values of Procurements,	**Apr**	**May**	**Jun**	**Total**
Below R30 000 (SCM Orders)	R1,193,549.50	R988,109.47	R722,501.25	**R2 904 160.15**
R30 001 – R300 000 (Seven days' notice)	R2,500,765.00	R2,378,787.96	R994,900.00	**R4 874 452.96**
Above R300 000	Rates bases	R711,107.01	R15,232,702.23	**R15 943 809.24**
Section 32	0	0	0	0
Deviations (Section 36)	0	0	0	0
% of Competitive Bids awarded per area,	**Apr**	**May**	**Jun**	
Local (Mount Frere and Mount Ayliff)	100%	67%	79.16%	
Region (Alfred Nzo)	0%	0%	0%	
Province (Eastern Cape)	0%	0%	20.84%	
National (Excluding Mount Ayliff and Mount frere)	0%	33%	0%	
% of Quotations awarded per area, (R30 001 – R300 000)				
Local (Mount Frere and Mount Ayliff)	100%	96%	100%	
Region (Alfred Nzo)	0%	0%	0%	

Province (Eastern Cape)	0%	0%	0%	
National (Excluding Mount Frere and Mount Ayliff)	0%	4%	0%	
	Apr	**May**	**Jun**	**Total**
Number of meetings set successfully				
Bid Specification Committee	1	2	2	**5**
Bid Evaluation Committee	5	2	2	**9**
Bid Adjudication Committee	2	3	1	**6**
Objections received	0	0	0	**0**
Cancelled bids	0	0	1	**1**
Irregular expenditure	Nil	Nil	Nil	Nil

1. Bids

The purpose of this report is to report to Council in terms of section 6(2) and 6 (3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ended **30 June 2026.**

- **220 Quotations** below 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Quarter ended **June 2026**.
- **23 Quotations** above 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Quarter ended **June 2026.**
- **22 Competitive bids** were advertised on the daily dispatch and E-tender portal, Municipal website Quarter ended **June 2026.**
- **220 Quotations** below 30k were awarded in the for the Quarter ended **30 June 2026**.
- **44 Quotations** above 30k were awarded in the for the Quarter ended **30 June 2026**.
- **25 Competitive bids** were awarded in the Quarter ended **30 June 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 Quarter ended **30 June 2026**, amounts to **R2 904 160.15**
- Procurement above **R 30,000.00-R 300,000.00** which is advertised on the Municipal notice board and website for a period of seven days, for the reporting Quarter ended **30 June 2026,** amounts to **R4 874 452.96**
- Procurement above R300 000.00 which are done through formal submission of bids advertised and placed at public notices for 14 or more days, for the Quarter ended **30 June 2026**, amounts to **R15 943 809.24**
- No Deviations done for the Quarter of **30 June 2026.**
- No section 32 awards were made for the reporting quarter ended **30 June 2026.**

1.3. SECTION 32 PROCUREMENT

- No section 32 awards were made for the Quarter Ended June 2026.

1.4. DEVIATIONS (Section 36)

No deviations for the Quarter ended June 2026.

DEVIATION ILLUSTRATED BY GRAPH QUARTERLY

No deviations for the Quarter ended June 2026.

2. IRREGULAR EXPENDITURE

On review of procurement for the Quarter, 0 non-compliances with SCM prescripts have been identified and as a result no Irregular Expenditure identified to be reported to Council, MEC and Auditor General**.**

Compliance

An identified irregular expenditure will be reported to all relevant structures. Bid committees have been established and members are expected to converge as per the scheduled and communicated timeframes of meetings. Quarterly reports have been submitted as required by regulation of Supply Chain Management Policy of the Council. Bid committee meetings have been recorded with the statistics of presence and absenteeism of members. Written apologies are recorded in the Quarterly report. The number of bid committee meetings for the agenda items as listed in the report are recorded in the dashboard.

3. OBJECTIONS RECEIVED

As per SCM policy, unsuccessful bidders have a period of 14 calendar days to object and provide reasons of such if feel disgruntled by the award and further allowed to lodge an appeal within that 14 days period then an appeal committee will adjudicate the reasons and conclude on the merits then give a ruling or a judgement based on the facts gathered to both parties If needs be arbitration will take place.

- There is 0 objection received in the reporting Quarter ended **30 June 2026.**

4. CONTRACT MANAGEMENT

4.1 Progress Reports/S116 Reports

The unit did not receive the following S116 Reports for active contracts in the reporting Quarter ended 30 June 2026.

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
INFRA-Building Section	1. Turnkey Project For Cabazana B400(181) Rural Housing Project. 2. Turnkey Project For Dundee 500(34) Rural Housing Project. 3. Turnkey Project For Cancele 4. Turnkey Project For Nkungwini 5. Construction of Public Transport Pound phase 2 6. Chithwa Recreational Park Phase 2	Manager-Building- Mr. Yakobi
INFRA-Maintenance	1. Silindini Bridge 2. Mqhekezweni AR Maintenance 3. Reconstruction Of Ilitha Bridge & Concrete Slab 4. Rehabilitation of Maqakambeni Access Road 5. Rehabilitation of Phuka to Hlathini Access Road and	PMU-Mr Gamedala/Miss Qwane/Mr. Bingwa

	Reconstruction of Bridge 6. Reconstruction Sikhemane to Ntshakeni AR 7. Reconstruction of Lutshikini Access Road 8. Thabo Access Road	

4.2 Service Level Agreements

DEPARTMENT	PROJECT/CONTRACT	PROJECT MANAGER
INFRA	1. Reconstruction Of Bangweni To Njijini Bridge 2. Reconstruction Of Ilitha Bridge & Concrete Slab 3. Rehabilitation Of Gubhuzi Access Road & Concrete Slab	Manager-Building- Mr. Yakobi, PMU-Mr Gamedala/Miss Qwane/Mr. Bingwa

4.3 Extension of Time.

The unit received extension of time for active contracts in the reporting month ended 30 June 2026.

4.4 Variation Orders

Project Name	Initial Award Amount	Variation Order Amount	Total Project Value	Reason for the VO
Sikhumbeni Community Hall	R2,963,347.20	R441,400.00	R3,404,747.20	Change of site

5. CANCELLED BIDS

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

- There is 1 cancelled bids in the reporting Quarter ended **30 June 2026**.

6. RELATED PARTIES 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)
Nande 23 Projects	22-June-26	Supply & Deliver Material In Support Of Sithembe Ukuhlangana Primary Co.Op	**R28,000.00**	Yes, Spouse (Mr. L. Bingwa)
Mavest Trading Enterprise	25-Jun-26	Vouchers for teams participating in the Mayoral cup clusters games	**R119,000.00**	Yes, Spouse (Social Department)
Litto Trading	04-Jun-26	Supply and Delivery of Sport field Repair	**R14,133.50**	Yes, Spouse (Mrs N.Canca)

Grap 20 Disclosure

7. PROCUREMENT PLAN IMPLEMANTATION 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.

6.1. NON-SUBMISSION AND LATE SUBMISSIONS

None

RISK IMPLICATIONS

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

LABOUR IMPLICATIONS

None

SERVICE DELIVERY IMPLICATIONS

Delays on awards for bids negatively affect the service delivery.

FINANCIAL IMPLICATIONS

None

OTHER PARTIES CONSULTED

All the departments

SALIENT POINTS FOR DELIBERATIONS

None

Annexures

“A” –Updated Implementation of Procurement Plan

”B”- Inventory Reconciliation

”C” – Quotation Register

”D” -Tender Register

”E”- Procured Goods Report as per Thresholds

“F” – SDBIP Report

“G”-Status of Projects

RECOMMENDATIONS

1. That, the report on supply chain management for the reporting Quarter ended 30 June 2026 approved by Council.
2. That, for the reporting Quarter ended 30 June 2026 the has been no irregular expenditure detected and No Deviations incurred to be approved by Council.
3. Projects status for the reporting Quarter ended 30 June 2026 approved by Council.

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

File No: 9/1/2/3)
(Author: KM/FS)
(1st Level: MANCO 01/07/2026)
(2nd Level: STANCO 09/07/2026)
(3rd Level: EXCO 22 /07/2026)
(4th Level :COUNCIL /07/2026)

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 June 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 65 549 022.58 AS AT 30 June 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	-	-	-	-	- 900.
	Health	2,688.84	2,666.84	1,782.03	660.00	3,346.
	Public Works	92,469.04	- 825,238.12	- 113,455.43	388,970.66	13,637,403.
	Alfred Ndzo	5,335.51	5,328.02	5,320.53	5,313.04	806,668.
	Socila Developments	660.00	-	-	-	-
	Residents	592,233.03	458,922.03	507,321.81	446,085.21	20,023,713.
	Councillors	1,198.82	84.99	-	-	-
	Staff	- 684.70	- 245.50	-	- 200.00	- 242.
	Businesses &Commercials	838,239.59	499,000.67	498,282.23	476,569.68	24,051,036.
	Education	2,136.92	2,028.11	2,017.12	2,010.13	734.
	DLRRD	22,255.64	5,237.56	8,989.99	8,992.87	1,306,851.
	Nat.Departments	24,823.55	18,988.19	28,450.82	23,778.42	1,681,393.
	Grand Total	**1,581,356.24**	**166,772.79**	**938,709.10**	**1,352,180.01**	**61,510,004.**

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

Staff/ Councillor	Erf No.	Town	Current	30 days	60 days	90 days	Outstanding amount
Cllr Garane	75	EMaxesibeni	R651.81	R 0.00	R 0.00	R 0.00	R 651.81
Cllr Mdzinwa	521	Kwa-Bhaca	R632.00	R 0.00	R 0.00	R 0.00	R632.00
Mr Nota	238	EMaxesibeni	R -561.79	R 0.00	R 0.00	R 0.00	R -561.79
Mr Nota	540	Kwa-Bhaca	R -642.99	R 0.00	R 0.00	R 0.00	R -642.99
Mr Makanda	3769	Kwa-Bhaca	R -75.85	R 0.00	R 0.00	R 0.00	R -75.85
Mr Makanda	3770	Kwa-Bhaca	R -200	R-200	R -134.68	R -108.31	R -92.56
Total							**R -89.38**

JUNE 2026 RENTAL DEBTORS

RENTAL DEBTOR REPORT										
DATE RANGE	**202606**									
TARIFF CODE	**Jun-26**	**26-May**	**26-Apr**	**26-Mar**	**26-Feb**	**Jan-26**	**25-Dec**	**25-Nov**	**25-Oct**	**2**
'002530 LEASE RENTALS	617,540.94	207,797.25	224,505.10	174,562.90	319,518.02	172,823.77	172,823.77	221,785.49	221,785.49	139,84
'002531 RESIDENTIAL RENTALS	16,897.51	16,721.34	16,396.87	16,396.87	16,396.87	18,034.00	18,034.00	18,034.00	18,034.00	17,35
INTEREST	7,690.32	7,865.69	7,723.90	7,647.81	7,503.88	5,870.24	6,901.06	8,020.52	7,487.00	7,49
'009008 VAT LEVIED	92,631.14	31,169.58	31,456.20	26,184.43	43,814.99	23,657.20	25,923.56	22,763.26	33,267.82	22,76
'008888 PAYMENTS	- 121,988.21	- 919,044.52	- 31,586.21	- 38,004.68	- 538,662.67	- 200,457.20	- 709,344.68	-102,484.20	-201,081.51	-196,55
	612,771.70	**- 655,490.66**	**248,495.86**	**186,787.33**	**- 151,428.91**	**19,928.01**	**- 485,662.29**	**168,119.07**	**79,492.80**	**- 9,10**

<u>JUNE 2026 TRAFFIC FINES REPORT</u>

	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	246,900.00	90,444.00	156,456.00	37%
26-May	245,150.00	144,373.00	100,777.00	59%
26-Jun	162,800.00	73,342.00	89,458.00	45%
Total	**1,952,250.00**	**712,399.00**	**12,744,056.00**	**36%**

For the month of **JUNE 2026**, traffic fines received to date amounted to **R 73 342.00**

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 JUNE 2026

SegmentDesc	TotalBudget	TotalActual	Collection%
Property Rates	- 72,174,980.00	- 70,719,659.00	98%
Vehicle Registration 209104080	- 2,900,000.00	- 2,317,328.78	80%
Interest current account 200112010	- 580,000.00	- 419,005.10	72%
Interest investments 200112020	- 10,000,000.00	- 9,317,339.40	93%
Interest Waste Management	- 700,000.00	- 632,923.98	90%
Drivers Learners Licenses 209104010	- 2,200,000.00	- 2,252,925.00	102%
Vehicle testing station 209104085	- 165,000.00	- 121,713.00	74%
Human Settlement 3.5% Management Fees	- 2,163,000.00	- 577,515.85	27%
Bursary Repayment	- 101,000.00	- 33,822.90	33%
Sundry income Marathon 200116087	- 150,000.00	- 137,004.34	91%
Land sales 203119030	- 2,000,000.00	-	0%
Hall Rental 207111010	- 120,000.00	- 102,493.00	85%
Sophia Recreational 207111015	- 190,000.00	- 210,880.08	111%
Parks 207116054	- 5,000.00	- 2,586.10	52%
Plant Rental 203111060	- 50,000.00	- 27,148.21	54%
Lease Rolyats Group 200	- 4,340,000.00	- 3,040,637.34	70%
Advertising Mt Ayliff Billboard 206116005	- 60,000.00	- 66,894.38	111%
Rezoning Aplication 203116073	- 8,300.00	- 31,532.18	380%
Building Plan Fees 203116010	- 650,000.00	- 375,458.07	58%
Funeral Plot Fees 207116026	- 15,000.00	- 14,468.76	96%
Rezoning Certificate 203116074	- 8,000.00	- 8,869.49	111%
Clearance Certificate 200116017	- 15,000.00	- 4,734.84	32%
Traffic Escort Fees	- 15,000.00	- 11,105.20	74%
Special Concent 203116079	- 2,010.00	-	0%
SG Diagrams 203116075	- 3,000.00	-	0%
Tender Fees 203116091	- 50,000.00	-	0%
Subdivision 203116085	- 15,000.00	- 7,324.35	49%
Landfill Site Disposal Charges	- 5,000.00	- 1,304.35	26%
Refuse Removal 208110070	- 1,482,600.00	- 1,186,931.09	80%
Traffic Fines 209102060	- 1,177,000.00	- 704,658.50	60%
Pound fees 207116062	- 1,350,000.00	- 1,177,272.61	87%
Retention Forfiets	1.00	- 437,687.51	-43768751%
Interest from Non-Exchange	- 7,200,000.00	- 6,646,617.79	92%
Trading Licence 205103080	- 200,000.00	- 274,500.36	137%
	- 110,094,889.00	**- 100,862,341.56**	**92%**

ACTIONS TAKEN TO REDUCE DEBTOR.

- Debtors' reconciliations are done internally for all Government Departments
- A reconciliation of enforceable traffic fines is being carried out between our Community Safety and Department of Justice and Constitutional Development.

RECOMMENDATIONS

- That, the report on debtors' collection and revenue collection for the month of June 2026 amounting to **R 1 178 649.69** noted and approved by Council.

- That, the report on outstanding traffic fines for the month of June 2026 amounting to **R 12 744 056.00** be noted and approved by Council.

- That, the following aged outstanding debtors balance of **R 65 549 022.58**

- for the month of June 2026 be noted and approved by Council:
    - Current – R 1 581 356.24

- 30 days – R 166 772.79
- 60 days – R 938 709.10
- 90 days – R 1 352 180.01
- 120 +days – R 61 510 004.44

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

- Residential debt – R 22 028 186.17
- Commercial debt – R 26 363 128.34
- Government debt – R 17 033 057.91

That, the total amount owed by Councillors and Staff members amounting to **R -89.38** be noted and approved by Council.

<u>REVENUE COLLECTION RATE AND INVESTMENT REPORT AS AT 30 JUNE 2026</u>

File No: 9/1/2/3)
(Author: KM/FS)
(1st Level: MANCO 01/07/2026)
(2nd Level: STANCO 09/07/2026)
(3rd Level: EXCO 22 /07/2026)
(4th Level :COUNCIL /07/2026)

<u>PURPOSE</u>

The purpose of the report is for the Council to consider and note collection of monies due to the municipality for the month of June 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 June 2026 was 87% 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	1,644,776.61	- 27,102,317.88	-1648%
26-May	1,644,776.61	- 19,786,736.74	-1203%
26-Jun	1,253,220.25	- 983,319.48	-78%
	78,337,961.50	**- 67,812,551.68**	**-87%**

A collection percentage of 78% has been achieved for the month of June 2026 i.e. collection of R 983 319 against the billing of 1 253 220.25.

<u>The breakdown of the collection for the month of June 2026 is as follows:</u>

Businesses and commercial R -359 831.75 which is 37% of the total collection

Residential R-222 674,09 which is 23% of the total collection

Government R-400 813.64 which is 41% of the total collection.

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

<u>The breakdown of the collection for quarter 4 of 2026 is as follows:</u>

	June	%	May	%	April	%	Overall	%
Business	-359,831.75	37%	- 882,525.41	4%	- 348,655.28	1%	- 1,591,012.44	3%
Residential	-222,674.09	23%	- 129,720.28	1%	- 231,389.33	1%	- 583,783.70	1%
State	-400,813.64	41%	-18,774,491.05	95%	-26,522,273.27	98%	-45,697,577.96	96%
	-983,319.48		**-19,786,736.74**		**-27,102,317.88**		**-47,872,374.10**	

	June	%	May	%	April	%	Overall	%
Mt Frere	-389,075.53	40%	-14,246,450.45	72%	-10,840,927.15	40%	-25,476,453.13	53%
Mt Ayliff	-594,243.95	60%	- 5,540,286.29	28%	-16,261,390.73	60%	-22,395,920.97	47%
	-983,319.48		**-19,786,736.74**		**-27,102,317.88**		**-47,872,374.10**	

Businesses and commercial R -1 591 012.44 which is 3% of the total collection

Residential R-583 783.70 which is 1% of the total collection

Government R-45 697 577.96 which is 96% of the total collection.

The collection report split by town is 53% collection in KwaBhaca Town and 47% 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 0f 2003.

Bank Name		Account #	Investm S	Investmer	Term Valu	Month	Interest %	BOQ Amount	Top Up	Withdra
Operational Bank Inv	Unconditional	'60029450	01/07/202	30/06/203	Y	202605	10	23,166.28		
Service Delivery Ban	Unconditional	'62033254	01/07/202	30/06/203	Y	202605	10	33,803,568.63		- 26,000
Guarantee Bank Inves	Unconditional	'62068742	01/07/202	30/06/203	Y	202605	10	186,093.92		
Nedbank Bank Investm	Unconditional	'78811127	01/07/202	30/06/203	Y	202605	5.75	42,216,312.77		
Total Unconditional Grant								**76,229,141.60**	**-**	**- 26,000**
Mig Bank Investment	Conditional	'62086036	01/07/202	30/06/203	Y	202605	10	13,396,519.10		- 12,693
Fmg Bank Investment	Conditional	'62276187	01/07/202	30/06/203	Y	202605	10	1,897,899.73		- 1,896
Electrification Bank	Conditional	'62288560	01/07/202	30/06/203	Y	202605	10	2,829,080.31		- 771
Housing Bank Investm	Conditional	'62891519	01/07/202	30/06/203	Y	202605	10	207.92		
MD RECOVERY GRANT IN	Conditional	'63093652	01/03/202	30/06/204	Y	202605	10	36,505,443.91		- 13,033
Total Conditional Grant								**54,629,150.97**	**-**	**- 28,395**
Total Investments								**130,858,292.57**	**-**	**- 54,395**

For the reporting period, the municipality had a balance of R 50 631 291.78 for unconditional investments and R 26 489 470.34 for conditional investments all totalling to R 77 120 762.12

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 78% for the month of June 2026 be noted and approved by Council.
- That, the billing amounting to R1 253 220.25 for Property Rates, Refuse Removal (including interest charged) for the month June 2026 be noted and approved by Council.
- That, the total amount of R 983 319.48 has been received from Rates and Services for the month of June 2026 be noted and approved by Council.
- That, the 86% collection rate for the period ending June 2026 be noted and approved by Council.
- That, the total investments for the month ending June 2026 amounting to R 77 120 762.12 be noted and approved by Council.

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

PURPOSE

To report to the Council on Free basic services for the month of June 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 =1131 and paraffin = 1748 which gives to a total 6500 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 completed in 239 household in 6 Wards out of 314 approved indigent household. Repairs have been done on 3 wards with on 58 household and 21 households have been provide with complete solar installation. Breakdown of work done has been attached as an annexure	New service provider has been appointed and is currently on site
Electricity	1367	It's a monthly subsidy where each registered

(ESKOM)		indigent household receive 50 KWh free basic electricity token on monthly basis , and 320 new applications have been submitted to Eskom to be configured for Free Basic Electricity. Eskom is however refusing to configure these new applications due to alleged arear debt by Eskom and the municipality is disputing arear debt.
Paraffin	1571 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 2nd of April 2026 and is currently on evaluation stage.

Breakdown of the beneficiaries between Registered and Collection

	Registered	Claims	difference
Total Paraffin	1748	1612	136
Total Electricity	3621	1367	2254
Total Solar	1131	1133	-2
Total	**6500**	**4112**	**2388**

LABOUR IMPLICATIONS

None 5,213,886.88

FINANCIAL IMPLICATIONS

Expenditure incurred as of June 2026 amounted to R870 487.45 which is made up of Electricity R 298,973.25 and Solar of R571,514.20

Total Expenditure incurred between April 2026 to June 2026 amount to R1 531 974.05

Total expenditure incurred for 2025/26 on 30 June 2026 amount to R5 213 886.88

SERVICE DELIVERY IMPLICATIONS

Provision of free basic services.

RECOMMENDATIONS

- That, the report on Free Basic services for June 2026 be noted and approved by Council.
- That the expenditure of R870 487.45 incurred in June 2026 be noted and approved by the council
- That total expenditure of R1 531 974.05 incurred between April and June 2026 be noted and approved by council
- That total expenditure of R5 213 886.88 incurred for 2025/26 financial year be noted and approved by council.
- That the total breakdown between registered indigent households against collection be approved by Council.

BUDGET AND TREASURY DEPARTMENT: REPORT ON VAT FOR THE QUARTER ENDED 30 JUNE 2026 REPORT.

(File No: /07/26)
(Author: FT/LL)
(1st Level: MANCO 01/07/2026)
(2nd Level: STANCO 09/07/2026)
(3rd Level: EXCO 22/07/2026)
(4th Level: COUNCIL 29/07/2026)

PURPOSE

The purpose of the report is for the council to consider and approve the VAT report of the Umzimvubu Local Municipality for the period ending 30 June 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.

Annexture

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	Refund Received
May'26	3,240,217.28	- 130,199.63	3,110,017.65	Refund Received
June'26	3,557,840.97	- 12,248.66	3,545,592.31	Awaiting SARS Refund
	34,807,408.35	**- 2,395,955.97**	**32,411,452.38**	

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 approve the report.

BUDGET AND TREASURY DEPARTMENT: REPORT ON COST CONTAINMENT MEASURES FOR THE QUARTER ENDED 30 JUNE 2026 REPORT

(File No: /01/26)
(Author: FT/LL)
(1st Level: MANCO 01/07/2026)
(2nd Level: STANCO 09/07/2026)
(3rd Level: EXCO 22/07/2026)
(4th Level: COUNCIL 29/07/2026)

PURPOSE

The purpose of the report is for the council to consider and approve the Cost Containment Measures report of the Umzimvubu Local Municipality for the period ending 30 June 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 June 2026			
	To-Date		
Cost Containment Measures	**Budget**	**Expenditure**	**Savings**
	R'000	**R'000**	**R'000**
Use of consultants	17,583,400.00	12,837,623.83	4,745,776.17
Travel and subsistence	2,865,711.16	2,865,711.16	-
Domestic accommodation	6,751,000.00	5,827,228.35	923,771.65
Sponsorships, events and catering	3,803,596.00	3,233,831.00	569,765.00
Communication	2,279,500.00	1,678,265.68	601,234.32
	R32,604,296.00	**R26,442,660.02**	**R6,161,635.98**

Expenditure on Consultants as of 30 June 2026	
Segment Description	**Expenditure**
Internal audit committee 204300183	R663,500.00
Business Financial PMS evaluation 201300255	R322,450.53
Best Practices	R3,997,825.83
Conveyancing 204300201	R2,253,802.30
Financial Management 200300119	R733,159.48
Strategic Annual Risk Assessment	R0.00
Communication Strategy consultant 206300043	R0.00
Job evaluation 201300191	R0.00
Housing Sector Plan 203300360	R193,695.66
Interim valuation 200300181	R1,285,152.17
Development of Storm water Management plan	R0.00
Survey Planning 203300335	R296,226.09
Legal Fees 204300199	R4,489,048.08
	R14,234,860.14

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 approve the report.

BUDGET AND TREASURY DEPARTMENT: REPORT ON PAYMENT OF CREDITORS FOR THE QUARTER ENDED 30 JUNE 2026 REPORT

(File No: /07/2026)
(Author: FT/LL)
(1st Level: MANCO 01/07/2026)
(2nd Level: STANCO 09/07/2026)
(3rd Level: EXCO 22/07/2026)
(4th Level: COUNCIL 29/07/2026)

PURPOSE

The purpose of the report is for the council to consider and approve the Payment of creditors report of the Umzimvubu Local Municipality for the period ending 30 June 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
May'26	30,923,621.44	185	30,923,621.44	-	None
June'26	39,517,646.56	234	39,517,646.56	-	None
	390,373,809.11	**2,138**	**390,373,809.11**	**-**	

CHALLENGES

- Incomplete documentation on the voucher
- Upon submission of full vouchers, inconsistence 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 JUNE 2026 REPORT

(File No: /07/26)
(Author: FT/LL)
(1st Level: MANCO 01/07/2026)
(2nd Level: STANCO 09/07/2026)
(3rd Level: EXCO 22/07/2026)
(4th Level: COUNCIL 29/07/2026)

PURPOSE

The purpose of the report is for the council to consider and approve the payroll report of the Umzimvubu Local Municipality for the period ending 30 June 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

May'26	R1,826,387.28	R91,972.97	R8,227,761.98	R119,875.51
June'26	R1,931,312.55	R196,898.24	R16,247,998.84	R316,468.69
Total	**R21,707,250.36**	**R855,665.12**	**R110,846,231.97**	**R1,984,764.76**

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 approve the report.