

INGQUZA HILL LOCAL MUNICIPALITY



BUDGET AND TREASURY OFFICE
IN-YEAR REPORTING: MFMA SECTION 71 REPORT FOR
OCTOBER 2025

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EXECUTIVE SUMMARY

1. INTRODUCTION

The municipality approved the 2025/26 Annual Budget and the MTREF in May 2025. The purpose of this report, which is prepared in terms of section 71 of the Municipal Finance Management Act No. 56 of 2003, is to report on the performance of the municipality against the approved budget, that is expenditure, revenues, assets, and liabilities. This report is in respect of the performance of the municipality for October 2025, the fourth month of the 2025/26 financial year.

2. LEGAL AND OR LEGISLATIVE BACKGROUND

Section 71 of the Municipal Finance Management Act (MFMA), (Act 56 of 2003) prescribes certain conditions that need to be complied with, in terms of the mentioned Act. This report indicates the performance of the municipality against the approved budget for the period reported on.

The Accounting Officer of the Municipality must report by no later than 10 working days after the end of each month to the Mayor and the relevant Provincial Treasury, a statement in the **prescribed format** on the state of the Municipality's budget, that is performance against the set targets.

Section 66 of the Municipal Finance Management Act further prescribes that all expenditure incurred by the Municipality on staff salaries, allowances and benefits be reported upon in a format and for the prescribed period. It is considered appropriate to report on this section of the Act monthly to coincide with the reporting requirements of Section 71(1) of the Act.

The objectives of the budget format reforms in terms of these regulations are:

- To ensure that the Municipal budget and financial reporting formats support the other financial management reforms introduced by the Municipal Finance Management Act (MFMA).
- To formalize the norms and standards governing Municipal Budget and Financial Reporting formats, to improve the credibility, sustainability, transparency, accuracy, and reliability of budgets and in-year reports.
- To improve the Council's ability to deliver basic services to all by addressing issues of financial sustainability.
- To facilitate informed policy choices by Council and medium-term planning of service delivery by aligning targets to achieve backlog elimination.

3. PERFORMANCE AGAINST THE APPROVED BUDGET

The municipality generated a revenue of R9,3 million for the month of October 2025. This brings the total revenue generated to-date to R188,2 million. The significant

portion of the monthly revenue generated relates to revenue generated from funds kept in the bank accounts of the municipality which are not readily required for service delivery.

The municipality also incurred expenditure for the same period, which is R39 million, bringing the total year-to-date amount to just over R164 million. This has resulted in a year-to-date surplus of R23,7 million.

Further details on the variances and other information are detailed in the subsequent paragraphs.

IN-YEAR BUDGET STATEMENT

4. MONTHLY BUDGET STATEMENT: SUMMARY

The table below shows the performance of the municipality for the month of October 2025, the fourth month of the 2025/26 financial year. The total revenue for September 2025 amounted to R9,3 million, whilst the expenditure for the same month was R39,9 million, resulting in a deficit for the month of R30,6 million.

EC153 Ngquza Hills - Table C1 Monthly Budget Statement Summary - M04 - October									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	39 803	42 607	-	1 079	21 873	14 202	7 671	54%	42 607
Service charges	1 394	1 296	-	119	476	432	44	10%	1 296
Investment revenue	24 126	22 000	-	1 798	7 009	7 333	(325)	-4%	22 000
Transfers and subsidies - Operational	367 753	362 391	-	413	145 714	120 797	24 917	21%	362 391
Other own revenue	63 831	24 877	-	5 905	13 209	8 292	4 916	59%	24 877
Total Revenue (excluding capital transfers and contributions)	497 008	453 171	-	9 314	188 280	151 057	37 223	25%	453 171
Employee costs	163 510	181 307	-	14 097	56 195	60 436	(4 241)	-7%	181 307
Remuneration of Councilors	29 154	31 073	-	2 278	9 113	10 368	(1 245)	-12%	31 073
Depreciation and amortisation	58 694	57 500	-	5 104	20 261	19 167	1 094	6%	57 500
Interest	4 119	150	-	-	-	50	(50)	-100%	150
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 147	7 000	-	-	813	2 333	(1 520)	-65%	7 000
Other expenditure	215 411	275 347	-	18 439	78 139	91 782	(13 643)	-15%	275 347
Total Expenditure	476 035	552 377	-	39 918	164 520	184 126	(19 605)	-11%	552 377
Surplus/(Deficit)	20 973	(99 206)	-	(30 603)	23 760	(33 069)	56 829	-172%	(99 206)
i - capital (monetary allocations)	79 404	65 535	-	2 492	24 323	21 845	2 478	11%	65 535
i - capital (in-kind)	-	-	-	-	-	-	-	-	-
:capital transfers & contributions	100 377	(33 671)	-	(28 112)	48 083	(11 224)	59 306	-528%	(33 671)
it) of associate	-	-	-	-	-	-	-	-	-
io year	100 377	(33 671)	-	(28 112)	48 083	(11 224)	59 306	-528%	(33 671)
Capital expenditure & funds sources									
Capital expenditure	132 421	114 855	-	4 657	28 664	38 285	(9 621)	-25%	114 855
Capital transfers recognised	78 327	65 535	-	2 167	21 150	21 665	(695)	-3%	65 535
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	50 492	49 320	-	2 490	7 513	16 440	(8 927)	-54%	49 320
Total sources of capital funds	128 819	114 855	-	4 657	28 664	38 285	(9 621)	-25%	114 855
Financial position									
Total current assets	340 620	316 387	-	-	395 264	-	-	-	316 387
Total non current assets	1 620 112	1 741 531	-	-	1 636 330	-	-	-	1 741 531
Total current liabilities	96 774	67 059	-	-	119 444	-	-	-	67 059
Total non current liabilities	29 797	32 596	-	-	29 797	-	-	-	32 596
Community wealth/Equity	1 836 090	1 958 263	-	-	1 882 353	-	-	-	1 958 263
Cash flows									
Net cash from (used) operating	268 094	81 471	95 772	(12 883)	147 728	27 157	(120 571)	-444%	81 471
Net cash from (used) investing	128 891	(137 355)	(137 355)	(8 734)	(43 016)	(45 785)	(2 769)	6%	(137 355)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	664 806	279 097	293 397	-	393 248	316 353	(76 895)	-24%	232 653
Analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	2 293	1 830	1 638	17 904	1 865	1 851	1 819	109 872	139 072
Creditors Age Analysis									
Total Creditors	1 373	10	-	-	-	-	-	-	1 383

5. MONTHLY BUDGET STATEMENT – FINANCIAL PERFORMANCE (FUNCTIONAL CLASSIFICATION)

EC153 Ngquzu Hills - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 - October										
Description	Ref	2024/25			Budget Year 2025/26					
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
Governance and administration		431 134	426 127	–	5 396	178 232	142 042	36 190	25%	426 127
Executive and council		1 593	1 716	–	145	579	572	7	1%	1 716
Finance and administration		429 541	424 411	–	5 252	177 653	141 470	36 183	26%	424 411
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		–	–	–	–	–	–	–	–	–
Community and social services		–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		114 413	77 396	–	2 833	25 617	25 799	(181)	-1%	77 396
Planning and development		3 504	4 647	–	341	1 295	1 549	(254)	-16%	4 647
Road transport		110 909	72 749	–	2 492	24 323	24 250	73	0%	72 749
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		30 866	15 183	–	3 577	8 784	5 061	3 693	73%	15 183
Energy sources		20 478	3 660	–	2 849	5 215	1 220	3 995	327%	3 660
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		10 388	11 523	–	727	3 538	3 841	(303)	-8%	11 523
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	576 413	518 706	–	11 806	212 603	172 902	39 701	23%	518 706
Expenditure - Functional										
Governance and administration		240 514	303 474	–	20 253	90 896	101 158	(10 262)	-10%	303 474
Executive and council		80 923	108 434	–	7 624	28 785	38 145	(7 360)	-20%	108 434
Finance and administration		149 991	189 727	–	12 294	60 542	63 242	(2 700)	-4%	189 727
Internal audit		3 601	5 313	–	335	1 570	1 771	(201)	-11%	5 313
Community and public safety		131	–	–	–	–	–	–	–	–
Community and social services		131	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		106 972	142 266	–	8 328	38 706	47 422	(8 716)	-18%	142 266
Planning and development		30 980	39 385	–	3 314	9 093	13 128	(4 035)	-31%	39 385
Road transport		75 991	102 881	–	5 014	29 613	34 294	(4 681)	-14%	102 881
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		128 418	106 637	–	11 336	34 918	35 546	(628)	-2%	106 637
Energy sources		33 381	17 010	–	4 053	8 193	5 670	2 523	45%	17 010
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		95 037	89 627	–	7 283	26 724	29 876	(3 152)	-11%	89 627
Other		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	476 035	552 377	–	39 918	164 520	184 126	(19 605)	-11%	552 377
Surplus/ (Deficit) for the year		100 377	(33 671)	–	(28 112)	48 083	(11 224)	59 306	-528%	(33 671)

The table above shows the revenue and expenditure per functional classification. The highest revenue has been received at the Finance and Administration and this is mainly due to the Interests Received from the bank accounts, the revenue from billing of rates and services rendered, and sale of goods and service which is mainly services rendered in implementing the INEP projects.

The expenditure for the same period can be attributed to the various departments, with the highest expenditure incurred by the Governance and Administration Function at just over R20 million, followed by the trading services at R11 million and Economic and Environmental Services at R8 million.

6. MONTHLY BUDGET STATEMENT: FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE)

The table above indicates the revenue and expenditure per municipal vote.

EC153 Ngquza Hills - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 - October										
Vote Description	Ref	2024/25			Budget Year 2025/26					
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
R thousands										
Revenue by Vote										
Vote 1 - Governance and Administration	1	431 134	426 127	-	5 396	178 232	142 042	36 190	25,5%	426 127
Vote 2 - Community Services and Public Safety		10 388	11 523	-	727	3 538	3 841	(303)	-7,9%	11 523
Vote 3 - Economic and Environmental Services		1 474	2 008	-	122	398	869	(271)	-40,5%	2 008
Vote 4 - Trading Services		20 478	3 880	-	2 849	5 215	1 220	3 995	327,5%	3 880
Vote 5 - Technical Services		112 939	75 388	-	2 711	25 219	25 129	90	0,4%	75 388
Vote 6 -		-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	576 413	518 706	-	11 806	212 603	172 902	39 701	23,0%	518 706
Expenditure by Vote										
Vote 1 - Governance and Administration	1	240 514	303 474	-	20 253	90 896	101 158	(10 262)	-10,1%	303 474
Vote 2 - Community Services and Public Safety		95 168	89 627	-	7 283	26 724	29 876	(3 152)	-10,5%	89 627
Vote 3 - Economic and Environmental Services		26 675	36 749	-	3 314	9 007	12 250	(3 242)	-26,5%	36 749
Vote 4 - Trading Services		33 381	17 010	-	4 053	8 193	5 670	2 523	44,5%	17 010
Vote 5 - Technical Services		80 298	105 517	-	5 014	29 699	35 172	(5 473)	-15,6%	105 517
Vote 6 -		-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	476 036	552 377	-	39 918	164 520	184 126	(19 606)	-10,6%	552 377
Surplus/ (Deficit) for the year	2	100 377	(33 671)	-	(28 112)	48 083	(11 224)	59 306	-528,4%	(33 671)

7. MONTHLY BUDGET STATEMENT: FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE)

EC153 Ngquza Hills - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 - October

Description	Ref	2024/25		Budget Year 2025/26			YTD variance	YTD variance %	Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual				YearTD budget
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	-	-	-	-	-	-	-	
Service charges - Water		-	-	-	-	-	-	-	-	
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	
Service charges - Waste management		1 394	1 296	-	119	476	44	10%	1 296	
Sale of Goods and Rendering of Services		20 808	4 276	-	2 908	5 349	3 924	275%	4 276	
Agency services		4 475	6 400	-	481	1 711	(422)	-20%	6 400	
Interest		-	-	-	-	-	-	-	-	
Interest earned from Receivables		1 020	749	-	84	334	84	34%	749	
Interest from Current and Non Current Assets		24 126	22 000	-	1 798	7 009	(325)	-4%	22 000	
Dividends		-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	
Rental from Fixed Assets		1 043	1 224	-	61	245	(163)	-40%	1 224	
Licence and permits		115	200	-	3	27	(39)	-59%	200	
Special Rating Levies		-	-	-	-	-	-	-	-	
Operational Revenue		143	380	-	4	218	91	72%	380	
Non-Exchange Revenue										
Property rates		39 803	42 607	-	1 079	21 873	7 671	54%	42 607	
Surcharges and Taxes		-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		1 988	1 552	-	288	949	432	84%	1 552	
Licence and permits		-	-	-	-	-	-	-	-	
Transfers and subsidies - Operational		367 753	362 391	-	413	145 714	24 917	21%	362 391	
Interest		9 178	9 097	-	855	3 153	3 032	4%	9 097	
Fuel Levy		-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	
Gains on disposal of Assets		5 948	1 000	-	1 223	1 223	333	267%	1 000	
Other Gains		19 213	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		497 008	453 171	-	9 314	188 280	37 223	25%	453 171	
Expenditure By Type										
Employee related costs		163 510	181 307	-	14 097	56 195	(4 241)	-7%	181 307	
Remuneration of councillors		29 154	31 073	-	2 278	9 113	(1 245)	-12%	31 073	
Bulk purchases - electricity		-	-	-	-	-	-	-	-	
Inventory consumed		-	-	-	-	-	-	-	-	
Debt impairment		10 071	11 183	-	-	-	3 721	(3 721)	-100%	11 183
Depreciation and amortisation		58 694	57 500	-	5 104	20 261	19 167	6%	57 500	
Interest		4 119	150	-	-	-	50	(50)	-100%	150
Contracted services		88 182	108 909	-	7 936	32 898	35 636	(2 739)	-8%	106 909
Transfers and subsidies		5 147	7 000	-	-	813	2 333	(1 520)	-65%	7 000
Irrecoverable debts written off		8 735	16 500	-	198	774	5 500	(4 726)	-86%	16 500
Operational costs		108 495	140 775	-	10 304	44 467	46 925	(2 458)	-5%	140 775
Losses on Disposal of Assets		(72)	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	
Total Expenditure		478 035	552 377	-	39 918	164 520	(19 605)	-11%	552 377	
Surplus/(Deficit)		20 973	(99 206)	-	(30 603)	23 760	(33 069)	96 829	-172%	(99 206)
Transfers and subsidies - capital (monetary allocations)		79 404	65 535	-	2 492	24 323	21 845	2 478	11%	65 535
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		100 377	(33 671)	-	(28 112)	48 083	(11 224)			(33 671)
Income Tax		-	-	-	-	-	-	-	-	
Surplus/(Deficit) after income tax		100 377	(33 671)	-	(28 112)	48 083	(11 224)			(33 671)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		100 377	(33 671)	-	(28 112)	48 083	(11 224)			(33 671)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year		100 377	(33 671)	-	(28 112)	48 083	(11 224)			(33 671)

In the table above the following can be highlighted

a) Revenue

i Waste Management

The municipality generated revenue from solid waste removal to the amount of R119 000 for the month of October 2025. There is a 10% variance against the budgeted amount which is a positive achievement. Management must continue to analyse whether all revenue due to be billed is billed, then subsequently ensure that all billed revenue is collected.

ii Sale of Goods and Rendering of Services

The revenue source generated a revenue of R2,9 for the month of October 2025. It must be noted that this revenue also includes revenue from implementation of the INEP projects in terms of construction contracts. This also means that on the other hand the conditions of INEP would have been met, and the revenue is then realised. The revenue to date on this source is R5,3 million.

iii Agency Fees

The municipality generates revenue from operating the Driver's License and Testing Centre. For October 2025, the municipality generated revenue of R481 000 which results in variance of -20% of the budgeted amount. There is an indication that the centre is not yet fully functional, although the plans of the municipality are that it should be fully functional during this financial year. This should see a reduction in the variance and optimum performance from the centre.

iv Interest From Current and Non-Current Assets

The municipality receives interest from balances in its main and its call accounts. In October 2025 the municipality generated R1,7 million which results in a -4% variance of the budgeted amount for the same period of R7,3 million. The management will continue to monitor the interests accumulated from the funds and ensure that the funds are placed in accounts that are likely to generate more revenue during the periods in which they are not required for service delivery.

v Property Rates

The municipality bills the rateable properties within the municipality for property rates. The billing processed by the municipality for property rates in October 2025 is just over R1 million. This results in a year-to-date billing of R21,8 million. This amount still reflects a percentage significantly higher than the budgeted amount, and this as a result of the billing for government properties which is done annually in July of a financial year.

vi Rental From Fixed Assets

The municipality generated revenue of R61 000 for October 2025 in relation to the rental of properties it owns. There is a current exercise that management is undergoing to review all municipal leased properties, determining whether the current rentals and agreements are appropriate. The results of that analysis will be tabled to council for resolution.

vii Transfers and Subsidies

The municipality receives transfers and subsidies from various government departments, some of which are conditional grants and others unconditional. From the operational grants, the municipality received or recognised just of R413 000 in the month of October 2025.

The capital transfers generated just over R2,4 million, and this is due to recognition of revenue from the Municipal Infrastructure Grant. This brings into total revenue recognition of capital transfers to R24,3 million.

b) Expenditure

i Employee Related Costs

The municipality pays employees' salaries and allowances for services rendered as employees of the municipality. In October 2025, the expenditure relating to Employee Related Costs is R14 million, resulting in a variance of -7% which can be attributed to vacancies that have not yet been filled.

The Corporate Services Department has compiled a recruitment plan that intends to deal with the elimination of vacancies, giving attention to the critical positions that have been vacant for a while. There is much progress on the recruitment on the vacant positions in terms of the recruitment plan.

ii Remuneration of Councillors

The upper limits on the remuneration of municipal office bearers is a gazette that determines the salaries and allowances that councillors must be paid. The municipality pays the remuneration of councillors in line with the provisions of this gazette. In October 2025, the municipality spent just over R2,2 million on the remuneration of councillors. This results in a variance of -12%, and this can be attributed to the increase that has not yet been indicated in terms of an updated gazette, which has not been issued.

iii Contracted Services

The contracted services for October 2025 amounted to R7,9 million, with an underspending of 8%. Management will continue to monitor the spending patterns of the municipality to ensure that all service delivery imperatives are met.

iv Operational Costs

The operational costs incurred by the municipality in October 2025 amounted to R10,3 million. This has resulted in year-to-date amount of R44,4 million, resulting in a variance of 5% under expenditure.

v Depreciation And Amortisation

The municipality has implemented a system-based asset management, which computes the depreciation monthly. The depreciation for October 2025 is R5,1 million.

8. MONTHLY BUDGET STATEMENT: CAPITAL EXPENDITURE

The table below indicates the capital expenditure for the month of October 2025, which was just over R4,6 million, of which is at Technical Services. Of this capital expenditure, R2,1 million is funded from grant funding and R2,4 million is funded out of internally generated funding.

EC153 Ngquzu Hills - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 - October										
Vote Description	Ref	2024/25 Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
R thousands										
Multi-Year expenditure appropriation	1									
Vote 1 - Governance and Administration	2									
Vote 2 - Community Services and Public Safety										
Vote 3 - Economic and Environmental Services										
Vote 4 - Trading Services										
Vote 5 - Technical Services										
Vote 6 -										
Vote 7 -										
Vote 8 -										
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 - Governance and Administration		19 642	11 850		21	171	3 950	(3 779)	-96%	11 850
Vote 2 - Community Services and Public Safety		507	7 170				2 390	(2 390)	-100%	7 170
Vote 3 - Economic and Environmental Services		505	2 000				867	(867)	-100%	2 000
Vote 4 - Trading Services		9 303	13 000				4 333	(4 333)	-100%	13 000
Vote 5 - Technical Services		94 404	80 835		4 638	28 493	26 045	1 548	8%	80 835
Vote 6 -										
Vote 7 -										
Vote 8 -										
Vote 9 -										
Vote 10 -										
Vote 11 -										
Vote 12 -										
Vote 13 -										
Vote 14 -										
Vote 15 -										
Total Capital single-year expenditure	4	132 421	114 855		4 657	28 664	30 285	(9 621)	-28%	114 855
Total Capital Expenditure	4	132 421	114 855		4 657	28 664	30 285	(9 621)	-28%	114 855
Capital Expenditure - Functional Classification										
Governance and administration		19 642	11 850		21	171	3 950	(3 779)	-96%	11 850
Executive and council		50	300				500	(100)	-100%	300
Finance and administration		19 592	11 550		21	171	3 850	(3 079)	-90%	11 550
Internal audit										
Community and public safety		5 632								
Community and social services		2 877								
Sport and recreation		2 755								
Public safety										
Housing										
Health										
Economic and environmental services		94 979	82 835		4 638	28 493	27 812	581	3%	82 835
Planning and development		505	2 000				667	(667)	-100%	2 000
Road transport		94 404	80 835		4 638	28 493	26 045	1 548	6%	80 835
Environmental protection										
Trading services		11 878	28 170				6 723	(6 723)	-100%	28 170
Energy services		9 303	13 000				4 333	(4 333)	-100%	13 000
Water management										
Waste water management										
Waste management		2 575	7 170				2 390	(2 390)	-100%	7 170
Other										
Total Capital Expenditure - Functional Classification	3	132 421	114 855		4 657	28 664	30 285	(9 621)	-28%	114 855
Funded by:										
National Government		70 969	64 835		2 587	21 150	21 042	(401)	-2%	64 835
Provincial Government		7 368	700				233	(233)	-100%	700
Distort Municipality										
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies)										
Transfers recognised - capital		78 337	65 535		2 587	21 100	21 845	(688)	-3%	65 535
Borrowing										
Internally generated funds	6	50 419	49 320		2 070	7 514	16 440	(8 927)	-54%	49 320
Total Capital Funding		128 819	114 855		4 657	28 664	38 285	(9 621)	-25%	114 855

9. MONTHLY BUDGET STATEMENT: FINANCIAL POSITION

The table below shows the financial position of the municipality as at the end of October 2025. It is the reflection of the total assets of the municipality as well as the total liabilities of the municipality.

EC153 Ngquza Hills - Table C6 Monthly Budget Statement - Financial Position - M04 - October						
Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		288 536	279 097	-	326 379	279 097
Trade and other receivables from exchange transactions		1 645	5 599	-	1 879	5 599
Receivables from non-exchange transactions		9 607	25 362	-	27 254	25 362
Current portion of non-current receivables		-	-	-	-	-
Inventory		768	-	-	768	-
VAT		40 064	6 328	-	38 983	6 328
Other current assets		(0)	-	-	(0)	-
Total current assets		340 620	316 387	-	395 264	316 387
Non current assets						
Investments		-	-	-	-	-
Investment property		787 727	779 523	-	787 727	779 523
Property, plant and equipment		832 385	962 008	-	848 603	962 008
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		-	-	-	-	-
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		1 620 112	1 741 531	-	1 636 330	1 741 531
TOTAL ASSETS		1 960 732	2 057 917	-	2 031 594	2 057 917
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		1 439	-	-	1 439	-
Consumer deposits		-	-	-	-	-
Trade and other payables from exchange transactions		53 384	64 279	-	49 254	64 279
Trade and other payables from non-exchange transactions		1 035	-	-	27 734	-
Provision		3 336	2 579	-	3 336	2 579
VAT		37 581	201	-	37 681	201
Other current liabilities		-	-	-	-	-
Total current liabilities		96 774	67 059	-	119 444	67 059
Non current liabilities						
Financial liabilities		2 250	-	-	2 250	-
Provision		27 548	32 596	-	27 548	32 596
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		29 797	32 596	-	29 797	32 596
TOTAL LIABILITIES		126 571	99 655	-	149 241	99 655
NET ASSETS	2	1 834 161	1 958 263	-	1 882 353	1 958 263
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 836 090	1 958 263	-	1 882 353	1 958 263
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1 836 090	1 958 263	-	1 882 353	1 958 263

10. MONTHLY BUDGET STATEMENT: CASHFLOW

EC153 Ngquza Hills - Table C7 Monthly Budget Statement - Cash Flow - M04 - October

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		31 304	48 227	48 227	1 800	7 284	16 076	(8 791)	-55%	48 227
Service charges		1 230	2 511	2 511	74	443	837	(394)	-47%	2 511
Other revenues		8 816	50 884	50 884	4 250	38 215	18 880	13 327	79%	50 884
Transfers and Subsidies - Operational		356 951	362 391	362 391	2 141	148 682	120 797	27 885	23%	362 391
Transfers and Subsidies - Capital		62 145	95 535	95 535	-	45 054	21 845	23 209	109%	95 535
Interest		340	22 000	22 000	24	375	7 303	(8 956)	-95%	22 000
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(100 892)	(462 707)	(462 707)	(20 972)	(84 325)	(154 238)	68 911	-45%	(462 707)
Interest		-	(150)	(150)	-	-	(50)	50	-100%	(150)
Transfers and Subsidies		-	(7 000)	(7 000)	-	-	(2 333)	2 333	-100%	(7 000)
NET CASH FROM/(USED) OPERATING ACTIVITIES		266 094	81 471	95 772	(12 883)	147 728	27 187	(120 571)	-844%	81 471
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		(128 891)	(137 355)	(137 355)	(8 734)	(43 016)	(45 785)	2 760	-6%	(137 355)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(128 891)	(137 355)	(137 355)	(8 734)	(43 016)	(45 785)	(2 769)	6%	(137 355)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		396 965	(56 883)	(41 583)	(21 617)	104 712	(18 628)			(56 883)
Cash/cash equivalents at beginning		267 822	334 981	334 981	-	288 536	334 981	-	-	288 536
Cash/cash equivalents at month/year end		664 806	279 097	293 397	-	393 248	316 353	-	-	232 653

SUPPORTING DOCUMENTATION

11. DEBTORS AGE ANALYSIS

The municipality bills consumers for property rates and solid waste removal. Interest is charged on overdue accounts. The billed revenue must then be collected to ensure that the municipality has enough cash and cash equivalents to meet all its obligations as the fall due. The following is the Debtors Age Analysis at the end of October 2025.

EC153 Ngquza Hills - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 - October

Description	NT Code	Budget Year 2025/26									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 224	776	726	17 000	872	959	935	83 258	105 851	103 124	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	129	115	110	106	100	97	95	11 347	12 101	11 747	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	940	838	801	796	793	765	788	15 268	21 119	18 440	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	-	-	-	-	-	-	-	1	1	1	
Total By Income Source	2000	2 293	1 830	1 636	17 904	1 865	1 851	1 819	109 672	139 972	133 312	
2024/25 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	198	198	61	16 435	58	58	59	6 289	23 334	22 878	
Commercial	2300	1 481	1 033	953	923	1 228	1 217	1 186	63 174	71 196	67 730	
Households	2400	615	589	624	547	579	578	573	40 429	44 542	42 704	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	2 293	1 830	1 636	17 904	1 865	1 851	1 819	109 672	139 972	133 312	

The management is implementing an approach discussed at the Revenue Committee as well as at BTO Portfolio Committee, wherein management must pay target attention to commercial properties. This is with the view that the commercial properties have a better ability of settling their debt as they are in business. This would be followed by close engagements with the government departments as they also have an obligation to settle all amounts outstanding and owing to the municipality.

a) Debt Collection Rate

The Ratio indicates the collection rate & measures increases or decreases in Debtors relative to annual billed revenue.

September 2025 collection levels:

The municipality bills for Property Rates and Solid Waste Removal. Interest is then levied on outstanding debts. For October 2025, the municipality has a total billing of over R2,3 million, whilst over R1,8 million was collected, and this results in a month collection rate of 78%. On the other hand, the year-to-date billing is just over R25m and the amount collected is just over R8.1 million. The results in a year-to-date collection rate of 32%.

This still shows a year-to-date level of collection below the targets on collection, and as such the engagements with the ratepayers need to be intensified, and the planned specialized engagement with the commercial property owners needs to be expedited.

Category	October	Year-to-Date
Rates	1 293 006,26	21 501 229,70
Refuse	136 879,90	547 519,60
Interest Levied	938 842,16	3 486 313,86
	2 368 728,32	25 535 063,16
Receipts	-1 840 937,75	-8 110 093,99
	527 790,57	17 424 969,17
Collection Rate	78%	32%

a. Comments Regarding Government Debt

There is continuous engagement with government departments in ensuring that information that will result in the bills being paid is forwarded. All schedules and other information have already been forwarded, including invoices to the relevant departments, especially Department of Public Works, who is responsible for most of the billed amount.

12. CREDITORS AGE ANALYSIS

The table below shows the creditors age analysis as at the end of October 2025.

EC153 Ngquza Hills - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 - October												
Description	NT Code	Budget Year 2025/26									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1 373	10	-	-	-	-	-	-	-	1 383	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 373	10	-	-	-	-	-	-	-	1 383	-

13. CASH AND CASH EQUIVALENTS

The municipality keeps its funds on the primary and other call accounts. The balances in the bank accounts as at the end of October 2025 were just over R326 million and can be tabled as follows:

ACCOUNT TYPE	BALANCE
Cheque account	193 565 682,87
Call account	277 427,24
Operational Account	75 410 886,62
MIG Call Acc	5 365 835,44
Plant Call Acc	40 795 283,62
Call account	1 458 398,56
Call account	4 753 986,89
Call account	2 481 967,55
Call account	890 364,53
Call account	1 377 509,94
	<u>326 377 343,26</u>

14. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

a) Grants Receipts for October 2025

The following are the grant receipts for the month of October 2025.

EC153 Ngquza Hills - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 - October

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		352 936	360 096	-	-	147 107	120 032	27 075	22,8%	360 096
Expanded Public Works Programme Integrated Grant		1 593	1 716	-	-	429	572	(143)	-25,0%	1 716
Municipal Disaster Relief Grant		1 623	8 114	-	-	-	2 705	(2 705)	-100,0%	8 114
Local Government Financial Management Grant	3	3 000	2 800	-	-	3 000	933	2 067	221,4%	2 800
Municipal Infrastructure Grant		-	2 639	-	-	-	880	(800)	-100,0%	2 639
Equitable Share		346 720	344 827	-	-	143 678	114 942	28 736	25,0%	344 827
Provincial Government:		8 638	2 295	-	2 141	4 575	765	3 810	498,0%	2 295
Municipal Disaster Relief Grant		6 490	-	-	-	2 434	-	2 434	#DIV/0!	-
Library Grant		1 495	795	-	1 531	1 531	265	1 266	477,7%	795
LG Sets Grant		653	1 500	-	610	610	500	110	21,5%	1 500
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		361 374	362 391	-	2 141	191 682	120 797	30 885	25,5%	362 391
Capital Transfers and Grants										
National Government:		81 812	64 635	-	-	45 054	21 545	23 509	109,1%	64 635
Municipal Infrastructure Grant		81 812	64 635	-	-	45 054	21 545	23 509	109,1%	64 635
Provincial Government:		-	700	-	-	-	233	(233)	-100,0%	700
Library Grant		-	700	-	-	-	233	(233)	-100,0%	700
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		81 812	65 335	-	-	45 054	21 778	23 276	106,9%	65 335
TOTAL RECEIPTS OF TRANSFERS & GRANTS		443 386	427 726	-	2 141	196 736	142 575	54 160	38,0%	427 726

b) Grant Expenditure for October 2025

EC153 Ngquza Hills - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 - October

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		19 098	15 269	-	409	1 654	5 090	(3 435)	-57,5%	15 269
Expanded Public Works Programme Integrated Grant		1 593	1 716	-	145	579	572	7	1,2%	1 716
Municipal Disaster Relief Grant		-	8 114	-	-	-	2 705	(2 705)	-100,0%	8 114
Local Government Financial Management Grant	3	3 000	2 800	-	45	179	933	(754)	-80,8%	2 800
Municipal Infrastructure Grant		2 030	2 639	-	219	897	880	17	1,9%	2 639
Municipal Disaster Recovery Grant		12 475	-	-	-	-	-	-	-	-
Provincial Government:		1 935	2 295	-	(21)	356	765	(409)	-53,4%	2 295
Municipal Disaster Relief Grant		(0)	-	-	-	-	-	-	-	-
Library Grant		1 282	795	-	(269)	35	265	(230)	-88,8%	795
LG Sets Grant		653	1 500	-	249	321	500	(179)	-35,7%	1 500
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		21 033	17 564	-	388	2 011	5 855	(3 844)	-55,7%	17 564
Capital Transfers and Grants										
National Government:		79 191	64 635	-	2 492	24 323	21 545	2 778	12,9%	64 635
Municipal Infrastructure Grant		79 191	64 635	-	2 492	24 323	21 545	2 778	12,9%	64 635
Provincial Government:		213	700	-	25	25	233	(208)	-89,3%	700
Library Grant		213	700	-	25	25	233	(208)	-89,3%	700
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		79 404	65 335	-	2 516	24 348	21 778	2 589	11,8%	65 335
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		100 437	82 899	-	2 904	26 359	27 633	(1 274)	-4,6%	82 899

15. EMPLOYEE RELATED COSTS AND REMUNERATION OF COUNCILLORS

The detail provided below relates to the expenditure by the municipality for the period of October 2025. This also includes details of the amounts spent on the remuneration of councillors.

a) PAYROLL MANAGEMENT

- The municipal salaries are paid on the 15th of every month.
- Salaries for the month of October 2025 were processed successfully, and all salary related Journals were processed.
- The municipality is using Payday system to process salaries and then import the Journals to the Munsoft Financial system. Management is in the process of ensuring that payroll reconciliations are performed, reviewed and where necessary, required adjustments and corrections are made.

EC153 Ngquzu Hills - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 - October										
Summary of Employee and Councillor remuneration	Ref	2024/25			Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		24 317	20 383	20 383	1 813	7 262	6 794	468	7%	20 383
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 927	6 305	6 305	202	799	2 102	(1 303)	-62%	6 305
Cellphone Allowance		2 826	3 756	3 756	251	1 004	1 253	(249)	-20%	3 756
Housing Allowances		84	138	138	12	48	48	2	4%	138
Other benefits and allowances		-	489	489	-	-	163	(163)	-100%	489
Sub Total - Councillors		29 154	31 073	31 073	2 278	9 113	10 358	(1 245)	-12%	31 073
% increase	4		6,6%	6,6%						6,6%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3 537	4 398	4 398	340	1 360	1 466	(106)	-7%	4 398
Pension and UIF Contributions		10	13	13	1	4	4	(1)	-18%	13
Medical Aid Contributions		-	308	308	-	-	103	(103)	-100%	308
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		3 144	449	449	383	1 134	150	985	857%	449
Motor Vehicle Allowance		818	1 499	1 499	74	333	500	(167)	-33%	1 499
Cellphone Allowance		118	273	273	9	40	81	(51)	-56%	273
Housing Allowances		-	211	211	-	-	70	(70)	-100%	211
Other benefits and allowances		1	7	7	-	0	2	(2)	-92%	7
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scaroty		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7 729	7 158	7 158	817	2 871	2 386	485	20%	7 158
% increase	4		-7,4%	-7,4%						-7,4%
Other Municipal Staff										
Basic Salaries and Wages		93 413	103 409	103 409	7 937	31 985	34 470	(2 485)	-7%	103 409
Pension and UIF Contributions		13 959	16 974	16 974	1 236	4 947	5 658	(711)	-13%	16 974
Medical Aid Contributions		9 141	17 301	17 301	827	3 274	5 767	(2 493)	-43%	17 301
Overtime		14 650	8 199	8 199	1 199	4 773	2 733	2 040	75%	8 199
Performance Bonus		4 050	8 254	8 254	352	1 013	2 751	(1 739)	-63%	8 254
Motor Vehicle Allowance		9 684	10 141	10 141	928	3 781	3 380	401	12%	10 141
Cellphone Allowance		1 263	1 326	1 326	194	842	442	400	91%	1 326
Housing Allowances		5 199	5 559	5 559	489	1 859	1 853	6	0%	5 559
Other benefits and allowances		303	450	450	67	287	150	137	92%	450
Payments in lieu of leave		981	231	231	-	-	77	(77)	-100%	231
Long service awards		788	185	185	-	15	62	(46)	-75%	185
Post-retirement benefit obligations	2	1 224	522	522	10	264	174	90	52%	522
Entertainment		-	-	-	-	-	-	-	-	-
Scaroty		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1 105	1 380	1 380	60	282	460	(178)	-39%	1 380
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		155 781	173 929	173 929	13 280	53 324	57 976	(4 652)	-8%	173 929
% increase	4		11,6%	11,6%						11,6%
Total Parent Municipality		192 864	212 161	212 161	16 375	65 308	70 720	(5 413)	-8%	212 161

16. TOP TWENTY CREDITORS PAID

Creditor Name	Amount
VITSHA TRADING	R3 555 267,83
LUMDA TRADING ENTERPRISE	R2 674 776,44
CHARTALL CREATIONS	R2 249 352,60
IHEANS TRAVELLING AGENCY	R2 139 678,27
MUNSOFT	R1 781 050,61
AUDITOR GENERAL	R1 686 259,11
ESKOM	R1 507 746,37
IBALA CONSULTING	R1 228 298,11
MNT GEOMATICS	R786 847,00
MVI CONSTRUCTION AND MAINTENANCE	R726 222,71
TENTAMOUNT TRADING 68	R714 502,81
GEMINI MOON TRADING 6	R643 329,96
TECHSEEDS TELECOMMUNICATIONS	R630 517,42
SILAKA PROJECTS	R558 695,59
Eldofox (Pty) Ltd	R546 135,00
GADE AND DLOVA TRADING	R507 594,36
PANGWA TRADING ENTERPRISE	R481 328,54
ATHINDURA TRADING	R461 238,23
JOLWANA MGIDLANA INC	R425 357,76
SIKHALO TRADING AND CONSTRUCTION	R405 000,00

17. UIFW EXPENDITURE

a) Fruitless & Wasteful Expenditure as of October 2025 - The municipality is making payments within 30 days as required by MFMA section 65(e) to avoid interest and penalties. No fruitless and wasteful expenditure has been identified for the period reported on, which is October 2025. However, following an investigation that was done by the MPAC in cooperation with the Audit Committee regarding the material irregularity on the VAT Contract, fruitless and wasteful expenditure was also identified. These were payments made over and above the percentage commission per the contract. The following is the summary of what is referred to:

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Period	Payee	DocDate	Period	Amount	Disbursements	Amount	Comment
2021/11	MAXIMUM PROFIT RECOVERY	2021/02/12	Various Periods	- 1 249 817,85	Yes	250 000,00	Analysing and correcting setup on the vote structure on the financial system
2021/11	MAXIMUM PROFIT RECOVERY	19/11/2021	Sept 2021 and Unspecified period	- 679 445,60	No	374 497,59	Claim from the unspecified period from Report 6
2022/01	MAXIMUM PROFIT RECOVERY	2022/01/02	2021/10 and 2016/09 to 2021/01 and 2021/11	- 1 023 642,83	Yes	100 000,00	
2022/02	MAXIMUM PROFIT RECOVERY	22/02/2022	2021/12 and 2016/09 to 2021/01	- 651 031,19	Yes	79 900,00	Fees for performing VAT Recovery Assignment - Mid-Year Recon
						78 800,00	Fees for performing VAT Recovery Assignment - Auditor General Support
						92 500,00	Fees for performing VAT Recovery Assignment - Document Management
2022/03	MAXIMUM PROFIT RECOVERY	2022/08/04	Jan-22	- 466 278,95	Yes	78 256,63	Fees for performing VAT Recovery Assignment - Auditor General Support
						52 251,85	Fees for performing VAT Recovery Assignment - Rectification of Invoices
2022/05	MAXIMUM PROFIT RECOVERY	2022/02/06	Feb-22	- 288 478,35	Yes	120 445,00	Fees for performing VAT Recovery Assignment - Responding to Adhoc SARS Queries
2022/06	MAXIMUM PROFIT RECOVERY	2022/11/07	Apr-22	- 475 071,19	Yes	78 120,32	
2022/09	MAXIMUM PROFIT RECOVERY	22/09/2022	May 2022 and June 2022	- 871 171,16	Yes	92 450,00	Fees for performing VAT Recovery Assignment - Disbursements
2022/11	MAXIMUM PROFIT RECOVERY	2022/11/11	Jul-22	- 311 085,33	Yes	62 925,00	Fees for performing VAT Recovery Assignment - Disbursements
						1 460 146,39	

The fruitless and wasteful expenditure will be disclosed as follows until a proper process to deal with it has been followed: -

	2024	2023
Opening balance as previously reported	1 503 439	17 290
Add: Fruitless and Wasteful Expenditure - current	-	26 003
Add: Fruitless and Wasteful expenditure - prior period	20 785	1 460 146
Less: Amount written off	-	64 078
Closing balance	1 460 146	1 503 439

b) Unauthorised Expenditure - In terms of section 32 of the MFMA, 'unauthorised expenditure' may only be authorised (condoned) by the municipal council in an adjustments budget. Unauthorised expenditure that occurs in the first half of a municipal financial year may be authorised by the council in the main adjustments budget that must be tabled in council before 28 February. There is no unauthorised expenditure incurred to date.

c) Irregular Expenditure - In terms of section 32 of the MFMA, 'irregular expenditure', the municipality must (a) recover irregular from the person liable for expenditure unless the expenditure (b) in the case of irregular is after investigation by council committee certified by the council as irrecoverable and written off by the council.

No irregular expenditure has been incurred or identified for the period of October 2025. The irregular expenditure that is currently being processed through the committees of council is from the prior years and no resolution has been taken on it yet.

It is important to note that during audit, additional irregular expenditure of just of R5 million was identified by the Auditor General, relating to the approval and processing of variation orders.

The irregular expenditure as at the end of October 2025 can be summarised as shown in the table below: -

	2025	2024
Opening balance as previously reported	19 842 499	10 301 212
Add: Irregular expenditure - current	-	9 380 477
Add: Irregular expenditure - prior period	-	160 810
Less: Amount written off	-	-
Closing balance	19 842 499	19 842 499

OTHER REPORTS

18. STATUS OF mSCOA (MUNICIPAL STANDARD CHART OF ACCOUNTS)

The municipality is using mSCOA chart for live system and budgeting purposes, all monthly reports are drawn from data strings that are taken straight from the system (Munsoft) and they are imported directly to CaseWare to generated schedule C monthly reports.

The municipality’s mSCOA Steering Committee has not convened as required. This was due to the appointments to the committee that had not been made. The appointments have however since been made of all relevant officials into the committee. Training was conducted in the month of May 2025 for management and members of the steering committee.

There has been engagements with the vendor, to establish the extent to which the municipality utilizes the system, and plans have been put in place to ensure that there is ultimately a full implementation of a mSCOA compliant accounting system.

From a National Treasury validation perspective, we do a monthly upload of the financial (and certain non-financial) transactions from the General Ledger, which the National Treasury interrogate for integrity purposes. To date we have successfully uploaded all the required strings. The budget verification between data strings and A-Schedule was done and completed and Ingquza Hill was 100% compliant.

19. THE SUPPLY CHAIN MANAGEMENT REPORT

Tabled below is the report on SCM matters to be reported for the month of May 2025.

The municipality has a procurement plan that was developed and approved by council. This was reviewed with the budget adjustment processes and amended as such.

18.1 SCM Policy & Procedures

18.1.1 Adoption by Council

The SCM Policy was adopted by Council on May 2025, with the approval of the budget and budget related policies.

18.1.2 SCM Procedures

The municipality has SCM processes in place, however it is a challenge to source the written document to support the processes that are being implemented. The processes are cascaded from Treasury Procedures.

Management is in the process of compiling the SCM Procedures for implementation within the section.

18.2 Delegations

The municipality has a SCM delegation of authority that is reviewed regularly by management and council for alignment with various operational requirements and provisions of applicable legislation.

18.3 Functioning of the SCM Unit

18.3.1 SCM Structure

The municipality has an organisational structure that is approved by council. The structure also includes the SCM unit, set up such that there is segregation of duties and accountability at various levels. Management continues to work to ensure that there is adequate filling of all positions in the section.

18.3.2 Declaration of Interest

The SCM officials fill in and sign declaration of interest forms annually. These forms are filed and kept at the SCM offices. The intention is for all employees to declare possible conflicts of interest with service providers that may need to be doing business with the municipality.

18.3.3 Code of Conduct for SCM Practitioners

All SCM Practitioners and officials are made to sign the code of conduct after ensuring that they are aware of the contents thereof.

18.3.4 Training of SCM Personnel

The SCM Manager and Officers attended a workshop on SCM and Bid Committees which was organised and hosted internally. There are continued adhoc trainings and workshops that are conducted for the

officials, including those that relate to processes and procedures in the financial management system.

18.4 Functioning of Bid Committees

18.4.1 Constitution of Bid Committees

The Bid Committees are constituted in terms of SCM Regulations 27, 28 and 29. The IHLM SCM Policy is also aligned to these regulations. There has been a significant improvement in the sitting of bid committees after the filling of vacant positions at senior and middle management levels.

18.4.2 Alignment of Infrastructure Committees with Infrastructure Delivery Management System (IDMS)

The municipality has not established the infrastructure committees that would implement the IDMS. Management is working on the implementation of IDMS and establishment of the Infrastructure Committees.

18.4.3 Bid Committee Terms of Reference

The IHLM has developed terms of reference for each of the bid committees that have been appointed.

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18.5 Reporting Items

a) Deviations

1. Section 114 (Approval of tenders not recommended)

Date of Award	Bid No.	Description of Goods/Services/Works	Award Value	BEC Recommendation	BAC Recommendation	Reason for Deviation	Notifications & Dates		
							AG	PT	NT
None	None	None	None	None	None	None	None	None	None

2. Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)

Date of Award		Contract Description	Award Value	Service Provider	Name of Contract Owner (Department / Municipality)	Consent obtained from Organ of State and Service Provider		Reason for Implementing Reg. 32
						Yes	No	
None		None	None	None	None	None	None	None

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3. Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)

Order Date	Description	Supplier Details	Amount	Deviation Reason
POLICY RELATED DEVIATIONS				
		October 2025	R 360 796,45	
17/10/2025	Advert	Arena Holdings	12 109,50	Impractical
25/10/2025	Advert	Arena Holdings	9 573,75	Impractical
07/10/2025	Service and repairs	Bell Equipment Sales South Africa	315 980,95	Impractical
15/10/2025	Advert	Arena Holdings	11 643,75	Impractical
16/10/2025	Advert	Arena Holdings	11 488,50	Impractical

4. Regulation 17 Procurement for the Month

Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Section 17
LEXISNEXIS	R 29 631,77	Procurement of legislation	CFO	Wednesday, 08 October 2025	Community Services	No	One Quotation	Single Provider
NEFFCON ROADTECH	R 29 934,50	Service and Calibration	CFO	Thursday, 09 October 2025	Community Services	No	One Quotation	Single Provider

b) Unauthorized, Irregular, Fruitless & Wasteful Expenditure

- i The municipality utilizes the template as recommended in MFMA Circular 68. No UIFW has been incurred for the period under review.

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Date of Irregular EX	Date Reported	Department	Official	Description of Goods or Services	Date reported to Council	Supplier/Service Provider	Amount	Reported to PT and AGSA
None	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- ii When the instances of the UIFW have been identified, they are reported to the Provincial Treasury as part of the section 71 reporting.
- iii The SCM section has reported on previous occasions to the council on the instances of UIFW and it is currently being considered by the MPAC and the MDB.

c) Unsolicited Bids (if any)

Description of Goods/services	Amount	Date Submitted to Council	Supported		Date submitted to Provincial Treasury	Supported	
			Yes	No		Yes	No
None	None	None	None	None	None	None	None

18.6 Central Suppliers Database (CSD)

- i The municipality utilises the CSD as its primary database for service providers. This is in line with the regulations and latest amendment gazettes. The accounting system currently utilised by the municipality currently synchronises with the CSD to ensure that the locally available information is updated and aligned.

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Challenge	Solution by NT
None	N/A

- ii **Uploading payroll information:** The department of cooperate services is updating the information of newly employees on central database to eliminate the risk of trading with individuals in the service of the state.

18.7 Procurement Plan Implementation

- i **Format of Procurement Plan:** The SCM Unit compiled a Procurement Plan contributed into by all directorates. The procurement plan mainly considers procurement that is estimated to be above R300 000 or may be a long-term contract. Management will then report on the plan as it is implemented during the financial year.
- ii **Report on implementation of procurement plans:** The procurement plan is being implemented. There are various challenges in the implementation of the procurement plan. They range from the non-sitting of the Bid Specification Committee up to the late submissions of requisitions by user departments. To mitigate this challenge the supply chain management section prepares a procurement update report on weekly basis to assist departments to realize the importance of monitoring their projects that are in the PP service.

Also, there has been an identified challenge of misalignment of the procurement to the SDBIP and other municipal strategic documents. This will be addressed by management during the mid-term assessment processes.

18.8 Quotations Awarded Below R30 000

BUDGET & TREASURY													
PROJECT	ITEM	FUNDI NG	TRANSAC TION DATE	DOC.D ATE	SERVICE DESCRIP TION	SUPPLIE R NAME	FUNCTION	VAL UE	STAT US	LOCAL ITY	RAC E	GEND ER	YOU TH

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Workshops, Seminars & Subject Matter Trainings: Workshops	Accommodation	Levies	14/10/2025	10/10/2025	Accommodation and meals for V Qetho and M Vava in Dbn from 19-25 October 2025	Iheans Travelling Agency	Budget & Treasury Office	41 712,00	Received	Mthatha	Black	Female	Not Youth
Workshops, Seminars & Subject Matter Trainings: Workshops	Accommodation	Levies	15/10/2025	14/10/2025	Logistics for 4 BTO officials in Jhb from 16-18 October 2025	Iheans Travelling Agency	Budget & Treasury Office	71 192,83	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Transport without operator:Car Rental	Equitable Share	21/10/2025	20/10/2025	Car hire for the mayor for a period of 3 days	Iheans Travelling Agency	Fleet Management	9 977,21	Received	Mthatha	Black	Female	Not Youth
Workshops, Seminars & Subject Matter Trainings: Workshops	Seminars, Conferences, Workshops and Events: National	Local Government Financial Management Grant	29/10/2025	28/10/2025	Order for 4 BTO managers attending AGM on 08 December 2025	Munsoft	Budget & Treasury Office	48 300,00	Open	Gauteng	Black & White	Male & Female	Not Youth
TOTAL								171 182,04					
FUNCTION-CORPORATE SERVICES & HUMAN RESOURCES													
PROJECT	ITEM	FUNDING	TRANSACTION DATE	DOC.D DATE	SERVICE DESCRIPTION	SUPPLIER NAME	FUNCTION	VALUE	STATUS	LOCALITY	RACE	GENDER	YOUTH
Workshop, Seminar & Subject Matter	Accommodation	Levies	03/10/2025	20/08/2025	Accommodation and meals for	Iheans Travelling Agency	Administration	47	Received	Mthatha	Black	Female	Not Youth

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Training:Training Employees					M Matubatuba, N Mjoji and K Nonkonyana in Pretoria			360,50					
Human Resource Management:Recruitment & Selection	Accommodation	Levies	09/10/2025	26/09/2025	Accommodation and meal for S Galada in Flagstaff	Iheans Travelling Agency	Human Resources	45188,00	Received	Mthatha	Black	Female	Not Youth
Minimun Competency Level	Accommodation	Levies	14/10/2025	09/10/2025	Accommodation and meals for 5 councillors in Dbn from 19-25 October 2025	Iheans Travelling Agency	Human Resources	113404,50	Received	Mthatha	Black	Female	Not Youth
Workshop, Seminar & Subject Matter Training:Training Employees	Accommodation	Levies	17/10/2025	14/10/2025	Accommodation and meals for M Matubatuba in Mthatha	Iheans Travelling Agency	Administratio	4149,48	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Accommodation	Current and Non-Current Assets:Bank Accounts	17/10/2025	14/10/2025	Accommodation and mela for 2 people in Lusikisiki from 23-24 October 2025	Iheans Travelling Agency	Human Resources	3328,27	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Outsourced Services:Catering Services	Levies	17/10/2025	14/10/2025	Catering for 9 people in Lusikisiki	Iheans Travelling Agency	Human Resources	2004,14	Received	Mthatha	Black	Female	Not Youth

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Human Resource Management:Recruitment & Selection	Outsourced Services:Catering Services	Levies	21/10/2025	13/10/2025	Catering for 10 people and 30 bottled water for interviews in Lusikisiki	Iheans Travelling Agency	Human Resources	5795,15	Received	Mthatha	Black	Female	Not Youth
Sport Development and Sponsorships (Internal):Sport	Outsourced Services:Catering Services	Equitable Share	24/10/2025	16/10/2025	Lunch packs for 14 employees on 26 October 2025	Iheans Travelling Agency	Human Resources	2737,35	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Printing, Publications and Books	Levies	24/10/2025	15/10/2025	Procurement of 60 attendance registers	Bidvest Waltons	Administration	13397,04	Open	Port Shepstone	Black & White	Male & Female	1.43% youth
Workshop, Seminar & Subject Matter Training:Training Employees	Hire Charges	Equitable Share	27/10/2025	10/10/2025	Venue for 91 employees in Lusikisiki on 21 October 2025	Iheans Travelling Agency	Administration	38317,48	Received	Mthatha	Black	Female	Not Youth
Workshop, Seminar & Subject Matter Training:Training Employees	Hire Charges	Equitable Share	27/10/2025	10/10/2025	Venue for 25 people in Lusikisiki on 22 October 2025	Iheans Travelling Agency	Administration	12953,54	Received	Mthatha	Black	Female	Not Youth
Human Resource Management:Recruitment & Selection	Outsourced Services:Catering Services	Levies	27/10/2025	09/09/2025	Catering for 10 people with 27 bottled water and venue for	Iheans Travelling Agency	Human Resources	5795,15	Received	Mthatha	Black	Female	Not Youth

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					interviews in Lusikisiki								
Municipal Running Cost	Operational Cost:Signage	Current and Non-Current Assets:Bank Accounts	27/10/2025	08/10/2025	Procurement of 19 signage for DLTC	Vingawo	Administration	29 640,00	Open	Flagstaff	Black	Female	Youth
TOTAL								324 070,60					
FUNCTION: ECONOMIC DEVELOPMENT & PLANNING													
PROJECT	ITEM	FUNDING	TRANSACTION DATE	DOC.DATE	SERVICE DESCRIPTION	SUPPLIER NAME	FUNCTION	VALUE	STATUS	LOCALITY	RACE	GENDER	YOUTH
Municipal Running Cost	Contractors:Catering Services	Levies	06/10/2025	01/10/2025	Catering for 20 people in Flagstaff on 07 October 2025	Iheans Travelling Agency	Economic Development	3 258,75	Received	Mthatha	Black	Female	Not Youth
Workshops, Seminars & Subject Matter Trainings: Workshops	Accommodation	Levies	14/10/2025	13/10/2025	Accommodation and meals for A Mashaba at Mphekweni	Iheans Travelling Agency	Economic Development	1 629,38	Received	Mthatha	Black	Female	Not Youth
Workshops, Seminars & Subject Matter Trainings: Workshops	Accommodation	Levies	24/10/2025	17/10/2025	Accommodation and meals for D Mjokovana, L Fikeni and A	Iheans Travelling Agency	Economic Development	12 448,43	Received	Mthatha	Black	Female	Not Youth

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					Dunga in Mthatha								
Municipal Running Cost	Contractors:Catering Services	Levies	30/10/2025	16/10/2025	Catering for 65 people in Lusikisiki for a period of 3 days	Iheans Travelling Agency	Economic Development	40 245,56	Received	Mthatha	Black	Female	Not Youth
TOTAL								57 582,12					
FUNCTION: ROADS INFRASTRUCTURE AND TECHNICAL SERVICE													
PROJECT	ITEM	FUNDING	TRANSACTION DATE	DOC.D DATE	SERVICE DESCRIPTION	SUPPLIER NAME	FUNCTION	VALUE	STATUS	LOCALITY	RACE	GENDER	YOUTH
Machinery & Equipment:Maintenance of machinery & equipment	Maintenance of equipment	Equitable Share	07/10/2025	02/10/2025	Repairs for excavator HX230E, R906	Bell Equipment Sales South Africa	Roads:Infrastructure & Technical Services	315 980,95	Received	East London	Black & White	Male & Female	17.3 3% Youth
Workshops, Seminars & Subject Matter Trainings: Workshops	Accommodation	Current and Non-Current Assets:Bank Accounts	23/10/2025	21/10/2025	Accommodation and meals for Z Ntlangano in Gqeberha from 22-24 October 2025	Iheans Travelling Agency	Roads:Infrastructure & Technical Services	3 791,01	Received	Mthatha	Black	Female	Not Youth
TOTAL								319 771,96					
FUNCTION MUNICIPAL MANAGERS & TOWN SECRETARY													

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PROJECT	ITEM	FUNDING	TRANSACTION DATE	DOC.D DATE	SERVICE DESCRIPTION	SUPPLIER NAME	FUNCTION	VALUE	STATUS	LOCALITY	RACE	GENDER	YOUTH
Workshop, Seminar & Subject Matter Training: Training Employees	Accommodation	Equitable Share	03/10/2025	08/09/2025	Accommodation and meals for 4 employees at Wild Coast Sun from 05-09 October 2025	Iheans Travelling Agency	Municipal Manager's Office	51 271,00	Received	Mthatha	Black	Female	Not Youth
Workshop, Seminar & Subject Matter Training: Training Employees	Accommodation	Equitable Share	14/10/2025	07/10/2025	Accommodation and meals for Z Ntunkunzezi and F Fikeni in East London from 16-18 October 2025	Iheans Travelling Agency	Municipal Manager's Office	8 277,23	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Advertising, Publicity & Marketing: Tenders	Equitable Share	15/10/2025	01/10/2025	Advert for LED projects	Arena Holdings	Municipal Manager's Office	11 643,75	Received	Gauteng	Black & White	Male & Female	Not Youth
Municipal Running Cost	Advertising, Publicity & Marketing: Tenders	Equitable Share	16/10/2025	14/10/2025	Advert for Notice 03/10/2025	Arena Holdings	Municipal Manager's Office	11 488,50	Received	Gauteng	Black & White	Male & Female	Not Youth
Workshop, Seminar & Subject Matter Training: Training Employees	Accommodation	Equitable Share	16/10/2025	16/10/2025	Accommodation and meals for V.C Makedama and 2 VIP protectors in Mthatha	Iheans Travelling Agency	Municipal Manager's Office	4 779,50	Received	Mthatha	Black	Female	Not Youth

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					from 10-11 October 2025								
Workshop, Seminar & Subject Matter Training:Training Employees	Accommodation	Equitable Share	20/10/2025	10/09/2025	Accommodation and meals for 4 VIP protectors at Wild Coast Sun from 05-09 October 2025	Iheans Travelling Agency	Municipal Manager's Office	56 485,00	Received	Mthatha	Black	Female	Not Youth
Workshop, Seminar & Subject Matter Training:Training Employees	Accommodation	Equitable Share	20/10/2025	16/10/2025	Accommodation and meals for V.C Makedama and 2 VIP protectors in Mthatha from 21-23 October 2025	Iheans Travelling Agency	Municipal Manager's Office	5 214,00	Received	Mthatha	Black	Female	Not Youth
Workshop, Seminar & Subject Matter Training:Training Employees	Accommodation	Equitable Share	20/10/2025	16/10/2025	Accommodation and meals for L Mlatha and N Sicubu in Aliwal North	Iheans Travelling Agency	Municipal Manager's Office	10 753,88	Received	Mthatha	Black	Female	Not Youth
Workshop, Seminar & Subject Matter Training:Training Employees	Accommodation	Equitable Share	20/10/2025	11/09/2025	Accommodation and meals for V.C Makedama and 2 VIP protectors at Wild Coast Sun from 05-09	Iheans Travelling Agency	Municipal Manager's Office	38 918,75	Received	Mthatha	Black	Female	Not Youth

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					October 2025								
Workshop, Seminar & Subject Matter Training: Training Employees	Accommodation	Equitable Share	20/10/2025	01/10/2025	Accommodation and meals for Z Ntunkunzezi in Jhb from 01-04 October 2025	Iheans Travelling Agency	Municipal Manager's Office	29 129, 52	Received	Mthatha	Black	Female	Not Youth
Awareness Campaign	Outsourced Services: Catering Services	Equitable Share	20/10/2025	14/10/2025	Catering for 240 people at Mthombolwazi A/A	Venn Construction	Municipal Manager's Office	24 000, 00	Received	Flagstaff	Black	Female	Not Youth
Municipal Running Cost	Cleaning Services: Laundry Services	Equitable Share	23/10/2025	13/10/2025	Service provider to wash and iron 10 table cloths and 5 flag banners	Zikaluda Holdings	Municipal Manager's Office	1 200, 00	Received	Lusikisiki	Black	Female	Not Youth
Workshop, Seminar & Subject Matter Training: Training Employees	Accommodation	Equitable Share	24/10/2025	23/10/2025	Accommodation and meals for V.C Makedama and 2 VIP protectors in Kokstad from 24-26 October 2025	Iheans Travelling Agency	Municipal Manager's Office	13 990, 90	Received	Mthatha	Black	Female	Not Youth
Workshop, Seminar & Subject Matter Training: Training Employees	Accommodation	Equitable Share	24/10/2025	23/10/2025	Accommodation and meals for T Njilo in Jhb from	Iheans Travelling Agency	Municipal Manager's Office	19 796, 52	Received	Mthatha	Black	Female	Not Youth

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					26-28 October 2025								
Workshop, Seminar & Subject Matter Training:Training Employees	Accommodation	Equitable Share	24/10/2025	15/10/2025	Accommodation and meals for Z Ntukuntezi in Benoni from 26-28 October 2025	Iheans Travelling Agency	Municipal Manager's Office	20 823, 03	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Advertising, Publicity & Marketing:Tenders	Equitable Share	29/10/2025	22/10/2025	Publishing of Environmental Management bylaw	Government Printing Works	Municipal Manager's Office	27 237, 06	Received	Pretoria	Black & White	Male & Female	Not Youth
Municipal Running Cost	Advertising, Publicity & Marketing:Tenders	Equitable Share	29/10/2025	13/10/2025	Advert for tree felling services	Your Media Today Communications	Municipal Manager's Office	2 000, 00	Received	Kokstad	Black	Female	Not Youth
Municipal Running Cost	Advertising, Publicity & Marketing:Tenders	Equitable Share	30/10/2025	16/10/2025	Advert for fencing of agricultural fields	Your Media Today Communications	Municipal Manager's Office	1 900, 00	Received	Kokstad	Black	Female	Not Youth
Municipal Running Cost	Advertising, Publicity & Marketing:Tenders	Equitable Share	30/10/2025	16/10/2025	Advert for supply and delivery of maize production inputs	Group Two Media Company	Municipal Manager's Office	1 998, 70	Received	Kokstad	Black	Male	Not Youth
Municipal Running Cost	Advertising, Publicity & Marketing:Tenders	Equitable Share	30/10/2025	23/10/2025	Advert for panel of service providers for supply and delivery of cleaning material	Pondoland Times	Municipal Manager's Office	1 800, 00	Received	Bizana	Black	Male	Not Youth

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			30/10/2025	20/10/2025	Advert for purchase of 1000 wheelie bins	Izimba Projects	Municipal Manager's Office	2 000,00	Received	Matatiele	Black	Female	Youth
Municipal Running Cost	Hire Charges	Equitable Share	30/10/2025	27/10/2025	Venue for 120 people in Lusikisiki on 31 October 2025	Iheans Travelling Agency	Municipal Manager's Office	8 146,88	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Outsourced Services:Catering Services	Equitable Share	30/10/2025	27/10/2025	Catering for 120 people in Lusikisiki on 31 October 2025	Iheans Travelling Agency	Municipal Manager's Office	26 721,75	Received	Mthatha	Black	Female	Not Youth
Workshop, Seminar & Subject Matter Training:Training Employees	Accommodation	Equitable Share	30/10/2025	23/10/2025	Accommodation and meals for V.C Makedama's 2 VIP protectors in East London from 19-21 October 2025	Iheans Travelling Agency	Municipal Manager's Office	5 431,25	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Advertising, Publicity & Marketing:Tenders	Equitable Share	31/10/2025	23/10/2025	Advert for procurement of 20 all in one desktops	Izimba Projects	Municipal Manager's Office	1 800,00	Received	Matatiele	Black	Female	Youth
TOTAL								386 807,22					

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FUNCTION:MAYOR AND COUNCIL													
PROJECT	ITEM	FUNDING	TRANSACTION DATE	DOC.D DATE	SERVICE DESCRIPTION	SUPPLIER NAME	FUNCTION	VALUE	STATUS	LOCALITY	RACE	GENDER	YOUTH
Municipal Running Cost	Hire Charges	Levies	16/10/2025	09/10/2025	Venue for 60 people in Lusikisiki on 13 October 2025	Iheans Travelling Agency	Mayor & Council	8 146,88	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Outsourced Services:Catering Services	Equitable Share	16/10/2025	09/10/2025	Catering for 60 people in Lusikisiki on 13 October 2025	Iheans Travelling Agency	Mayor & Council	18 249,00	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Outsourced Services:Catering Services	Equitable Share	16/10/2025	09/10/2025	Morning tea for 60 people in Lusikisiki on 13 October 2025	Iheans Travelling Agency	Mayor & Council	10 753,88	Received	Mthatha	Black	Female	Not Youth
Capacity Building Councillors:Training Councillors	Accommodation	Levies	20/10/2025	10/09/2025	Accommodation and meals for P.N Pepping and M.I Nkungu at Wild Coast Sun from 05-09 October 2025	Iheans Travelling Agency	Mayor & Council	86 031,00	Received	Mthatha	Black	Female	Not Youth
Capacity Building Councillors:Training Councillors	Accommodation	Levies	20/10/2025	16/10/2025	Accommodation and meals for	Iheans Travelling Agency	Mayor & Council	5	Received	Mthatha	Black	Female	Not Youth

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					S.B Vatsha in Aliwal North			572,46					
Capacity Building Councillors: Training Councillors	Accommodation	Levies	24/10/2025	15/10/2025	Accommodation and meals for P.N Pepping in Benoni from 26-28 October 2025	Iheans Travelling Agency	Mayor & Council	15245,13	Received	Mthatha	Black	Female	Not Youth
Capacity Building Councillors: Training Councillors	Accommodation	Levies	24/10/2025	23/10/2025	Accommodation and meals for M.I Nkungu in Jhb from 26-28 October 2025	Iheans Travelling Agency	Mayor & Council	29056,79	Received	Mthatha	Black	Female	Not Youth
Capacity Building Councillors: Training Councillors	Accommodation	Levies	27/10/2025	02/10/2025	Accommodation and meals for B.J Nkani at Wild Coast Sun from 05-09 October 2025	Iheans Travelling Agency	Mayor & Council	12817,75	Received	Mthatha	Black	Female	Not Youth
Capacity Building Councillors: Training Councillors	Accommodation	Levies	28/10/2025	28/10/2025	Accommodation and meals for B.J Nkani in Mthatha from 28-29 October 2025	Iheans Travelling Agency	Mayor & Council	1955,25	Received	Mthatha	Black	Female	Not Youth
TOTAL								187					

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								828,14						
FUNCTION: GOVERNANCE INTERNAL AUDIT														
PROJECT	ITEM	FUNDING	TRANSACTION DATE	DOC.DATE	SERVICE DESCRIPTION	SUPPLIER NAME	FUNCTION	VALUE	STATUS	LOCALITY				
Workshops, Seminars & Subject Matter Trainings: Workshops	Accommodation	Current and Non-Current Assets:Bank Accounts	03/10/2025	11/09/2025	Accommodation and meals for S Galada at Wild Coast Sun from 05-09 October 2025	Iheans Travelling Agency	Internal Audit	12 817,75	Received	Mthatha	Black	Female	Not Youth	
TOTAL								12 817,75						
FUNCTION: COMMUNITY SERVICES SOLID WASTE														
PROJECT	ITEM	FUNDING	TRANSACTION DATE	DOC.DATE	SERVICE DESCRIPTION	SUPPLIER NAME	FUNCTION	VALUE	STATUS	LOCALITY	RACE	GENDER	YOUTH	
Capital Spares: VTC Equipment Calibration	Contractors:Main tenance of equipment	Agency Services	09/10/2025	07/10/2025	Calibration of VTS equipment	Neffcon Roadtech Test Station	Community Services	29 934,50	Received	Durban	Black	Male	Not Youth	
Municipal Running Cost	Printing, Publications and Books	Agency Services	09/10/2025	23/09/2025	Procurement of DLTC stationery and forms	LexisNexis	Community Services	29 631,77	Received	Durban	17.9% black	8.06% female	5.67% youth	
Machinery & Equipment	Cost:Acquisitions	Transfer from operational revenue	20/10/2025	07/10/2025	Procurement of 5 cash detector machines	Vingawo	Community Services	28 750,00	Received	Flagstaff	Black	Female	Youth	
Municipal Running Cost	Outsourced Services:Refuse Removal	Agency Services	22/10/2025	14/10/2025	Procurement of protective gear	Chia	Community Services	29 900,00	Received	Flagstaff	Black	Male	Not Youth	

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Municipal Running Cost	Printing, Publications and Books	Agency Services	23/10/2025	23/09/2025	Procurement of appointment certificates	MI Consultants	Community Services	2 850,00	Received	Flagstaff	Black	Male	Not Youth
TOTAL								121 066,27					
GRAND TOTAL								1 568 308,35					

18.9 Formal RFQ's R30 000.00 – R300 000.00

No	NAME OF CONTRACTOR	CONTRACT NUMBER	DESCRIPTION OF CONTRACT	DATE OF AWARD	CONTRACT PERIOD	CONTRACT VALUE	LOCALITY	GENDER	YOUTH AND RACE
1.	Likamva Geomatics	IHLM/55/2025-26/PLANN	Surveying of un-surveyed sites in Flagstaff	01-Oct-25	03 Months	R240 000,00	East London	Female owned	Black and Youth
2.	Likamva Geomatics	IHLM/56/2025-26/PLANN	Surveying of un-surveyed sites in Lusikisiki	01-Oct-25	03 Months	R240 000,00	East London	Female owned	Black and Youth
3.	YM Solutions	IHLM/73/2025-26/MM'S	Hiring logistics for Prayer Day	03-Oct-25	Once off	R112 450,00	Lusikisiki	Female owned	Youth and Black
4.	Faithlwa 01 Pty Ltd	IHLM/79/2025-26/COMM	Events Promoter for Choir Competition	15-Oct-25	Once off	R175 000,00	Flagstaff	Male owned	Youth and Black
5.	Alenoy IT Solutions	IHLM/20/2025-26/ADMIN	Training on COBIT foundation	29-Oct-25	Once off	R199 994,00	Lusikisiki	Male and Woman	Black and Not Youth
6.	Vilo Security	IHLM/77/2025-26/ROADS	Supply and delivery of water for 30 days	29-Oct-25	Once off	R75 000,00	Flagstaff	Male owned	Not Youth and Black
7.	Percy Nokhalipha Trading	IHLM/80/2025-26/ICT	Repairs of laptops and supply of chargers	29-Oct-25	Once off	R36 000,00	Flagstaff	Female owned	Youth and Black

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8.	Sword Group	IHLM/81/2025-26/COMM	Supply and delivery of DLTC Stationer	31-Oct-25	Once off	R58 000,00	Flagstaff	Male and Woman	Black 1 youth and 1 not youth
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18.10 Bids above R300 000.00

N O	NAME OF CONTRACTOR	MAAA NUMBER	CONTRACT NUMBER	DESCRIPTION OF CONTRACT	DATE OF AWARD	CONTRACT PERIOD	CONTRACT VALUE	LOCALITY	OWNERSHIP	RACE & AGE GROUP
1.	Kwetane and Sons Electrical & Projects	MAAA0421195	IHLM/11/2025-26/ADMIN	Hiring of 04 VIP toilets for a period of 06 months	14-Oct-25	6 months	R651 360,00	Lusikisiki	Male Owned	Black and not youth
2.	Nomabhuzu AZ Trading	MAAA0811110	IHLM/10/2025-26/ADMIN	Supply and delivery of cleaning material	16-Oct-25	Once Off	R284 404,10	Flagstaff	Male Owned	Black and Youth

18.11 Task Orders

NAME OF CONTRACTOR	CONTRACT NUMBER	DESCRIPTION OF CONTRACT	DATE OF AWARD	CONTRACT VALUE
Limsa Training Institute	IHLM/78/2023-24/ADMIN	Task order for Environmental Practice Training	14-Oct-25	R144 971,00
Red Ants Security Relocation & Eviction Serv	IHLM/78/2024-25/COMM	Task order for private security services for 90 days	15-Oct-25	R431 025,54

18.12 Municipal Bid Appeals (if applicable)

Bid Number	Bidder's name (Lodged Objection)	Date the objection was lodged	Appeal Status
IHLM/117/2022-23/ROADS	Pharaohs QS, Masakhane PM	11/10/2023	Pending

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18.13 Contracts Register Statistics

No. of Current Contracts	No. of contracts awarded to SMMEs within the municipal area (local suppliers)	No. of Contracts about to expire in <6 months	No. of Expired Contracts but still in use
154 (2023-24) 53 (2024-25) 37 (2025-26)	149	08	01
Commitment amounts as at the 31 October 2025 R140 357 367,54			

18.14 Contracts Expiring in 2025

Contract No.	Contract Description	End Date	Amount
Nyana Oyintanda Trading/Caltex Flagstaff	Supply and delivery of Deisel and lubricants for a period of 03 years.	26 September 2025	Rate Based
IHLM/99/2021-22/PLAN	Panel of Conveyancer Services for a period of 36 Months	30 September 2025	Rate Based
IHLM/104/2021-22/PLAN	Panel of Local Economic Service Providers for a period of 36 months	31 October 2025	Rate Based
IHLM/100/2021-22/PLAN	Panel of Land Surveyors for a period of 36 Months	31 October 2025	Rate Based
IHLM/102/2021-22/PLAN	Panel of Environmental Impact Assessment Services for a period of 36 Months	31 October 2025	Rate Based
IHLM/09/2022-23/ICT	Maintenance and Support for ICT Infrastructure for a period of 36 Months	31 October 2025	Rate Based
IHLM/32/2023-24/ROADS	Panel of Contractors Civil Engineering	07 December 2025	Rate Based

18.15 Long-term Contracts

NO.	DESCRIPTION	NATURE & PURPOSE OF THE AGREEMENT	STATUS	RESPONSIBLE OFFICIALS

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1.	Agreement between IHLM and MTN	Cellphone contract for Managers agreement	Cell phone contract has expired on the 31-May-2024	Manager ICT and Admin
2.	Agreement between IHLM and MTN	Cellphone contract for Councilor's agreement	Cell phone contract is expired on the 31-10-2024	Manager ICT and Admin
3.	Agreement between IHLM and Techseeds	Municipal Website Re-Design	The Contract is expired on the 30-06-2024	Manager ICT and Admin
4.	Agreement between IHLM and Bidvest Steiner	Provision of Hygiene Services	The Contract is expired on the 10-06-2024	Manager ICT and Admin
5.	Agreement between IHLM and Techseeds	ICT Infrastructure Maintenance	Cell phone contract is expiring on the 31-10-2025	Manager ICT and Admin
6.	First National Bank	Provision of Banking Services	The Contract is expiring on the 10-06-2026	Chief Financial Officer
7.	Coega Corporate Travel	Provision of Travel Management Services	Contract Expiring on the 30 June 2026	Budget and Treasury Office
8.	Iheans Trading t/a Iheans Travelling Agency	Provision of Travel Management Services	Contract Expiring on the 05 March 2027	Budget and Treasury Office
9.	Lateral Unison	Insurance Services for a period of 03 years	Contract Expiring on the 28-Jun-27	Manager Asset, Fleet and Expenditure
10.	Riley Auctioneers	Auction Services	Contract Expiring on the 28-Jun-26	Manager Asset, Fleet and Expenditure

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11.	Amalande Construction t/a Amalande Tyres	Provision of tyre supply, fitment, maintenance and repairs	Contract Expiring on the 20 August 2026	Manager Asset, Fleet and Expenditure
12.	Sky Metro	Printing services for a period of 36 Months	Contract expiring on the 19 November 2027	Manager ICT and Admin
13.	Hygiene Hub	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services
14.	Mat Trading Enterprise	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services
15.	N M Merge Projects	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services
16.	Ebhungeni Holdings	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services
17.	Sandu M (PTY)	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services
18.	Sword Group	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services
19.	Samysivu	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services
20.	Vilito Trading	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services
21.	Masinyane and Son	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services
22.	Million Colours Group	Panel for supply and delivery of Refuse Bags for a period of 3 years	Contract expiring on the 25 February 2028	Manager Community Services

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23.	Ntlesko Trading	Provision of Cell phone contract for a period of 24 Months	The Contract is expiring on the 10-March-2027	Manager ICT and Admin
24.	Black Space Ultimate	Provision of Microsoft Office 365 E3 Services for a period of 36 Months	The Contract is expiring on the 18-March-2028	Manager ICT and Admin
25.	Tech Seeds Telecommunications	Provision of Telephone System for 320 users for 36 Months	The Contract is expiring on 18-March-2028	Manager ICT and Admin
26.	MIE Pty Ltd	Provision of Background verification check for a period of 03 Years	The Contract is expiring on 14-April-2028	Corporate Services
27.	Gemini Moon Trading	Provision of electronic document management system for a period of 36 months	The Contract is expiring on 05-May-2028	Manager ICT and Admin
28.	Tech Seeds Telecommunications	Website revamp services for a period of 24 months	The Contract is expiring on 14-May-2027	Manager ICT and Admin
29.	Chartall Creations	Provision of revenue based strategies process and funding prioritisation on risk basis for a period of 36 months	The Contract is expiring on 30-May-2028	Budget and Treasury
30.	Maximum Profit Recovery	Provision of revenue based strategies process and funding prioritisation on risk basis for a period of 36 months	The Contract is expiring on 30-May-2028	Budget and Treasury
31.	Sword Group	Supply, delivery and Minor Maintenance for Municipal Facilities	The Contract is expiring on 03-July-2028	Technical Services

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32.	Techi Engineering	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
33.	Mesabiso Civil & Projects	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
34.	S. Zoko Consulting	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
35.	Zinzame Consulting Engineers	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
36.	Insika Yethu Pty Ltd	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
37.	Hi-Tec Consulting Engineers	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
38.	Ubuhle Bempisi Consulting Engineers	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
39.	4 Dimension Engineering	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services

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40.	Bhuku Engineers Consulting	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
41.	Beacon Holdings	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
42.	BI Consultants Infrastructure	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
43.	Bonsai Engineering & Construction	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
44.	Leko Engineering	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
45.	Black Consulting Mountain	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
46.	Usiba Iwe Afrika	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
47.	MI Consulting	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services

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48.	Mlala Emazweni Trading & Projects	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
49.	Engineering Aces	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
50.	Afroteam Consultants	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
51.	MBSA Consulting	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
52.	YG Solutions	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services

18.16 Variations

For the month of October 2025, the following are the reported variation orders.

Contractor & Contract No.	Contract Description	Contract Value	Reasons for Variation	Amount
ATHANDURA TRADING CC IHLM/94/2023-24/ROADS	Task order for Construction of Lusikisiki Town Hall	R11 355 223,94	Additional scope of work	R 1 699 946,00 @ 14,9%

Variations above 15% or 20% (Comply with MFMA S116(3))

None

18.17 Supplier Performance Management

i The Purpose of Supplier Performance Management

The purpose of this submission is to appraise the committee on the overall performance of service providers/suppliers contracted by the Municipality for the provision of goods and services. The report covers the contract management activities and performance analysis of all service providers/suppliers/contractors engaged by the Departments across the Municipality. This is a consolidated report and entails a summary of all reports submitted by various Project Managers.

Supply Chain Management Policy requires the accounting officer to establish and implement an effective system of logistics management, which must include the monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services.

ii Discussion

In the execution of its service delivery responsibilities, the Municipality appoints qualifying companies to assist in the implementation of its projects and/or supply of the required goods or services. This then presents the need to ensure that these contracted service providers comply with the contractual conditions in the provision of the required goods and services. This function is performed in terms of Section 116 of the MFMA (Act No. 56 of 2003). It is therefore essential that a service level agreement is signed prior to the commencement of any contract.

iii PERFORMANCE MONITORING OF SERVICE PROVIDERS

The Contract Management Section of the SCM Unit in conjunction with the relevant Project Managers is responsible for the monitoring of all service providers and contractors' performance. The successful implementation of projects will eventually yield to the realization of the Council's goals and targets as indicated in the Municipality's SDBIP. The focus is on compliance with all applicable legislations in the appointment of these entities with clearly identified project deliverables or scope of works. The Council must realize value for money in all these contracts.

The performance evaluation is an ongoing process within the departments in the municipality, however, the contracts management unit collates the information on a quarterly basis for reporting purposes.

18.18 Bids advertised (Annexure)

- i Website:** All bids between the range of R30 000 to R300 000 and are advertised on website.

- ii E-tender portal: E-port is working; therefore, all Adverts were uploaded on the website.
- iii CIDB: All bids that require to be advertised on CIDB were advertised and printouts were saved for compliance and audit purposes.
- iv Cancelled bids: None

18.19 Local Content Reporting

Contract Description	Designated Sector	% Designated	Award Value	Date of Award	Reporting to DTI
None					

20. ASSETS AND FLEET MANAGEMENT

Asset Management is the unit within the Budget and Treasury Department that is responsible for the co-ordination of asset management function throughout the municipality.

To ensure that municipal assets are managed, controlled, safeguard and utilized in an efficient and effective manner. Fleet Management also is the unit within Budget and treasury department that is responsible for the management and effective utilisation of municipal fleet. Expenditure Management is the unit as well within Budget and Treasury section which deals with the payment of suppliers as well as payment of salaries. The following are items that can be highlighted relating to asset and fleet management:

a. Asset Additions

The municipality procured no movables in the month of October 2025.

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WIP additions as of 31 October 2025 are as follows:

 INGQUZA HILL LOCAL MUNICIPALITY WIP REGISTER FOR 2025-2026 FINANCIAL YEAR 01 JULY 2025- 31 OCTOBER 2025											
No	Project Name	Consultant	Contractor	Class	Opening Balance 01 July 2025	31-Jul-25	31-Aug-25	30-Sep-25	31-Oct-25	Closing Balance 30 September 2025	Comments
1	New Municipal Offices Lusikisiki	Uphuhliso Nohlumo	N/A	Other Assets	7,628,949.85	1,769,324.10	1,546,204.42	2,677,260.34		13,621,738.71	In Progress
2	Flagstaff Municipal Offices	Iqhayiya Design Workshop	N/A	Other Assets	5,750,792.80	-	-	-	1,822,384.44	7,573,177.24	In Progress
3	Taxi Rank	Leko Consulting	N/A	Community Assets	2,739,544.12	-	-	-		2,739,544.12	In Progress
4	Flagstaff Town Hall (Phase2)	Iqhayiya Design Workshop	Lithubalam Trading	Community Assets	14,693,708.40	1,232,500.00	380,000.00	-		16,306,208.40	In Progress
5	Lusikisiki Town Hall (Phase 2)	Calliper Consulting	Cece JV Nkanyeni/Athin	Community Assets	11,636,556.02	-	1,302,666.47	401,076.72	1,670,097.00	15,010,396.21	In Progress
6	Ward 2 Sport Field	Leko Consulting	Brainwave Projects	Community Assets	23,652,420.36	-	-	-		23,652,420.36	In Progress
7	Ward 26 Sports field	Iqhayiya Design Workshop	Vitsha Trading	Community Assets	20,451,352.02	-	-	-		20,451,352.02	In Progress
8	Facelift Towns (Internal Streets Flagstaff) Phase 2	Ziinzame Consulting	MVI Construction	Infrastructure-Road	24,505,425.32	6,277,134.96	720,405.00	1,050,811.59	631,498.01	33,185,274.88	In Progress
9	Facelift Towns (Internal Streets Lusikisiki) Phase 3	Uphuhliso Nohlumo	Mvumeza Trading	Infrastructure-Road	25,741,895.66	-	3,818,728.83	2,086,087.40	20,277.77	31,666,989.66	In Progress
10	Construction of Lambasi Driveway	N/A	Vilito JV Vitsha Trading	Infrastructure-Road	2,604,501.42	-	-	-		2,604,501.42	In Progress
11	Construction of Mtshayazafe Access Road	N/A	Mphumzi and Sons	Infrastructure-Road	4,028,434.18	-	-	-		4,028,434.18	In Progress
12	Construction of Qhamangweni Access Road	BM Infrastructure	N/A	Infrastructure-Road	272,447.47	-	-	-		272,447.47	In Progress
13	Construction of Sirhetshe to Sibuthe Access Road	Mlala Emazweni Trading	Tentamount	Infrastructure-Road	251,786.85	-	560,044.22	435,376.25	621,306.79	1,868,514.11	In Progress
14	Construction of Ngonyameni Access road & Bridge	Mlala Emazweni Trading	Tswela	Infrastructure-Road	335,676.57	917,612.42	480,080.82	-		1,733,369.81	In Progress
15	Supply and Installation of 5 Solar Street Lights	N/A	Magnetic Power	Infrastructure-Electrification	590,944.16	-	-	-		590,944.16	In Progress
16	Construction of Mtshayelo Access Road	Mlala Emazweni Trading	Pangwa Trading	Infrastructure-Road	268,258.88	892,617.60	505,614.15	1,239,224.45	418,546.56	3,324,261.64	In Progress
17	Construction of Zone 5 Sportsfield	SDM Consulting/Zambro	N/A	Community Assets	7,695,367.06	1,556,703.36	-	-	1,274,393.92	10,526,464.34	In Progress
Opening Balance					152,848,061.15	12,645,892.44	9,313,743.91	7,889,836.75	6,458,504.49	189,156,038.74	

b. Asset Verification

The verification of assets in the normal operations of the municipality was done in the fourth quarter of the previous financial year. Management is currently engaged with verification of assets as responses to requests for information by the AG.

c. Asset Bar Coding

The acquired bulk filer was bar coded.

d. Loss on Assets.

There has been no loss of assets in the month of October 2025

e. Insurance

All municipal Assets that were procured are insured with Lateral Unison.

The Insurance cover is for from 01 July 2024 to 30 June 2027 i.e. we have contracted a service Provider for a period of 36 Months.

Newly procured Assets are added to the insurance.

There are two claims that have been registered with the insurance company as follows:

NO	VEHICLE	REGISTRATION NO	DATE OF THE ACCIDENT	PROGRESS REPORT
1	Refuse Truck	KGR746EC	27-Sep-25	All documentation has been submitted and awaiting insurance outcome
2	UD Truck	HYW633EC	07-Aug-25	The insurance company has formally approved NR Panelbeaters to conduct the required work. The municipality will be responsible excess costs, betterment and owner account costs. The total amount required is R104 647,65 payable to NR Panelbeaters.

f. Disposal of Assets

We received a request for the disposal of live-stock, and a quotation has been sourced from the Auctioneer. The following is the list of animals to be Auctioned.

Cows

- 5 x Imazi zenkomo
- 4x linkabi zenkomo
- 3x Amathokazi enkomo
- 2x linkunzi zenkomo
- 2x Inkunzana zenkomo

Horses

- 1x Imbongolo
- 1x Imazi yehashe
- 1x Ithokazi lehashe

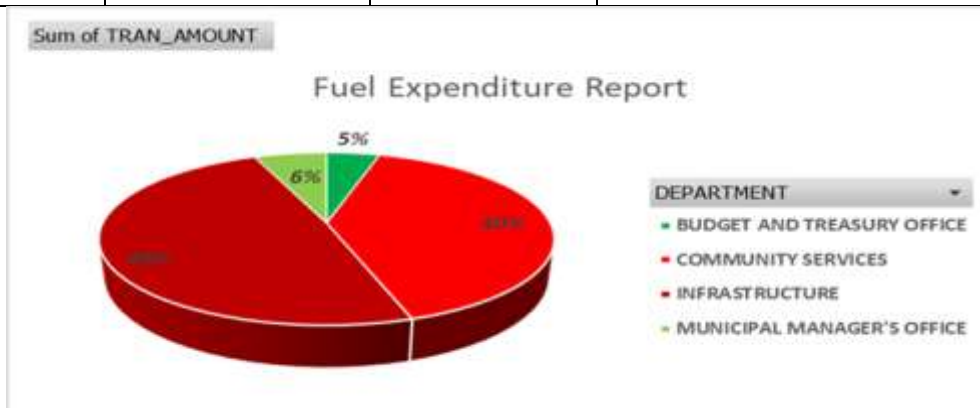
g. Fleet Management

There were eight (8) vehicles that were sent for services and repairs, and these were completed.

No	VEHICLE	REGISTRATION NO	SERVICE PROVIDER	AMOUNT	SERVICE DESCRIPTION
1	Toyota Hilux	KNG127EC	Halfway Toyota Shelly Beach	R5,886.75	Replaced front brake pads and discs.
2	Toyota Hilux	KNG164EC	Halfway Toyota Shelly Beach	R5,886.75	Replaced front brake pads and discs.
3	Toyota Fortuner	KMM272EC	Buffalo Toyota East London	R6,199.12	Replaced front brake pads and discs.
4	Komatsu Motor Grader	KHY015EC	Komatsu	R62,000.64	Replaced oil filter, breather filter, fuel filter, gear oil, transmission oil, hydraulic oil, engine oil, and filter kit.
5	Bell Excavator	JTE3160766	Bell Equipment Sales SA Limited	R35,939.36	Fuel tank sender unit, bucket tips, pin lock, washers.
6	Bell 315 Backhoe Loader	HTZ035EC	Bell Equipment Sales SA Limited	R117,383.03	Replaced seal kits, HYD upper link arm assy, hydraulic cylinder recon, mounting bracket, upper link armassy.
7	Bell 670G Motor Grader	HTZ040EC	Bell Equipment Sales SA Limited	R46,641.08	Replaced bolts and nuts, grader cutting edge, backing plates.
8	Bell 670G Motor Grader	HZF166EC	Bell Equipment Sales SA Limited	R46,641.08	Replaced bolts and nuts, grader cutting edge, backing plates.
				R326,577.81	

h. Fuel Expenditure

No	September 2025	October 2025	Percentage Change	Reasons for Variance
1	R 872,961.42	R 986,344.74	11% Increase	Some Plant items that were sent for repairs came back in October and more activities were carried out during the month of October 2025.



21. FREE BASIC SERVICES

a. Legal Background

Free Basic Services Guidelines stipulate that the indigent people should be taken care of at the local sphere of government. The indigent people should be provided with free basic services such as electricity, alternative energy, water and sanitation and waste collection until such time come and they graduate from their status. The equitable share is primarily granted to improve the lives of the poor and marginalized people in our communities.

b. Indigent register, Data collection and Data Capturing

Data collection has been done and a continua’s program done through Ward Councillors, traditional leaders, CDW’s and ward committees in all the thirty-two various wards that are within the boundaries of Ingquza Hill local municipality.

c. Data capturing for Indigent register, here are the figures as per the ward:

WARDS NO	INDIGENT REGISTER PER WARD
1.	723
2.	774
3.	771
4.	633
5.	705
6.	1022
7.	791
8.	656
9.	710
10.	904
11.	802
12.	562
13.	494
14.	574
15.	746
16.	944

WARDS NO	INDIGENT REGISTER PER WARD
17.	608
18.	729
19.	644
20.	543
21.	644
22.	411
23.	518
24.	707
25.	555
26.	1015
27.	599
28.	582
29.	743
30.	828
31.	630
32.	700
TOTAL	22 267

d. Eskom

On October 2025, we have 2 521 beneficiaries claiming an amount of R318 080.25 for people who benefited from free basic electricity (FBE) on the month of September 2025, then the invoice was generated on the month of 19 October 2025, and each household receives 50 KW units from Eskom (FBE).

The invoice with an amount of R318 080.25 for 2 521 beneficiaries has been paid on the 31 October 2025.

e. Alternative Energy (PARAFFIN):

The section of free basic services (FBS) received ten service providers in July for this financial year, and they supplied and delivered the paraffin in all the thirty-two (32) wards of Ingquza Hill Local Municipality for the financial year 2025-26.

The service provider had supplied and delivered 60 litres of paraffin per household in a closable container for a period of 02 months which are July and August 2025.

f. Financial Expenditure for Free Basic Electricity (FBE) and Paraffin:

The expenditure incurred in 2025/26 is as follows:

2025/26	CURRENT YEAR
Opening Balance October 2025	R3 959 630.00
Expenditure incurred October 2025	R318 080.00
Closing balance October 2025	R3 641 550.00

g. Free Basic Services Site Visit

The FBS Section has attended a community meeting on the 31 October 2025 in Ward 08 at Zadungeni village.

The purpose of the visit was to do a public awareness about free basic services offered by the Section, which are Free Basic Electricity and Alternate energy.

Letting people know about our services and the requirements needed to qualify for services.

QUALITY CERTIFICATE

I, V.C. Makedama, Municipal Manager of Ingquza Hill Local Municipality, hereby certify that the Section 71 report and supporting documentation for M03 – September 2025, have been prepared in accordance with Municipal Finance Management Act No 56 of 2003 and the regulations made under that Act.

PRINT NAME: Velile Castro Makedama

Municipal Manager of Ingquza Hill Local Municipality

SIGNATURE _____

DATE _____