

INGQUZA HILL LOCAL MUNICIPALITY



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

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EXECUTIVE SUMMARY

1. INTRODUCTION

The municipality approved the 2025/26 Annual Budget and the MTREF in May 2025. A budget adjustment was also approved in December 2025 to take into account the conditional grant roll-overs that were approved. 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 December 2025, the fifth 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. THE AUDIT ACTION PLAN

The municipality was audited by the Auditor General of South Africa for the 2024/25 financial period, wherein a qualified audit opinion was issued. The MFMA requires that management must develop an audit action plan that will address the issues that have been raised during the audit by the Auditor General.

Management is in the process of developing this, through the National Treasury's Web-enabled Platform. This should be completed in the month of January 2026 and presented to all oversight structures for approval. The implementation of this plan will be monitored until all the issues raised have been resolved.

This action plan should identify the finding, the root cause, the completion date for the development of the action plan, the due date for the implementation of the action plan, the responsible for official and many other pertinent pieces of information.

4. PERFORMANCE AGAINST THE APPROVED BUDGET

The municipality generated a revenue of R123,7 million for the month of December 2025. This brings the total revenue generated to-date to R317,5 million. The significant portion of the monthly revenue generated relates to revenue generated from funds received from grant allocations, including the equitable share transfer for December.

The municipality also incurred expenditure for the same period, which is R45,5 million, bringing the total year-to-date amount to just over R245,2 million. This has resulted in in a year-to-date surplus of R72,2 million.

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

IN-YEAR BUDGET STATEMENT

5. MONTHLY BUDGET STATEMENT: SUMMARY

The table below shows the performance of the municipality for the month of December 2025, the sixth month of the 2025/26 financial year. The total revenue for December 2025 amounted to R123,7 million, whilst the expenditure for the same month was R45,5 million, resulting in a surplus for the month of R78,1 million.

| EC153 Ngquza Hills - Table C1 Monthly Budget Statement Summary - M06 - December | | | | | | | | | |
|---|------------------|-------------------|-------------------|---------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| Description | 2024/25 | Original Budget | Adjusted Budget | Budget Year 2025/26 | | | | | |
| | Audited Outcome | | | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Financial Performance | | | | | | | | | |
| Property rates | 39 803 | 42 607 | 42 607 | 1 296 | 24 465 | 21 304 | 3 161 | 15% | 42 607 |
| Service charges | 1 394 | 1 296 | 1 296 | 119 | 714 | 648 | 66 | 10% | 1 296 |
| Investment revenue | 24 126 | 22 000 | 22 000 | 1 637 | 10 051 | 11 000 | (949) | -9% | 22 000 |
| Transfers and subsidies - Operational | 367 753 | 362 391 | 362 871 | 117 272 | 264 142 | 181 675 | 82 467 | 45% | 362 871 |
| Other own revenue | 63 931 | 24 877 | 29 059 | 3 394 | 18 155 | 16 620 | 1 535 | 9% | 29 059 |
| Total Revenue (excluding capital transfers and contributions) | 497 008 | 453 171 | 457 833 | 123 717 | 317 528 | 231 247 | 86 281 | 37% | 457 833 |
| Employee costs | 163 510 | 181 307 | 181 307 | 14 607 | 84 862 | 90 654 | (5 792) | -6% | 181 307 |
| Remuneration of Councillors | 29 154 | 31 073 | 31 073 | 2 280 | 13 671 | 15 537 | (1 866) | -12% | 31 073 |
| Depreciation and amortisation | 56 765 | 57 500 | 57 500 | 10 211 | 35 415 | 28 750 | 6 665 | 23% | 57 500 |
| Interest | 4 137 | 150 | 150 | - | - | 75 | (75) | -100% | 150 |
| Inventory consumed and bulk purchases | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 5 096 | 7 000 | 7 000 | - | 813 | 3 500 | (2 687) | -77% | 7 000 |
| Other expenditure | 213 810 | 275 347 | 280 008 | 18 433 | 110 486 | 142 335 | (31 849) | -22% | 280 008 |
| Total Expenditure | 472 471 | 552 377 | 557 039 | 45 530 | 245 247 | 280 850 | (35 603) | -13% | 557 039 |
| Surplus/(Deficit) | 24 537 | (99 206) | (99 206) | 78 187 | 72 281 | (49 603) | 121 884 | -246% | (99 206) |
| subsidies - capital (monetary allocations) | 79 404 | 65 535 | 66 126 | 9 503 | 43 533 | 33 358 | 10 175 | 31% | 66 126 |
| subsidies - capital (in-kind) | - | - | - | - | - | - | - | - | - |
| icit) after capital transfers & contributions | 103 941 | (33 671) | (33 080) | 87 690 | 115 814 | (16 245) | 132 059 | -813% | (33 080) |
| lus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| icit) for the year | 103 941 | (33 671) | (33 080) | 87 690 | 115 814 | (16 245) | 132 059 | -813% | (33 080) |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 132 372 | 114 855 | 114 558 | 11 828 | 52 971 | 57 131 | (4 160) | -7% | 114 558 |
| Capital transfers recognised | 78 327 | 65 535 | 66 126 | 8 263 | 37 876 | 33 358 | 4 518 | 14% | 66 126 |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 50 442 | 49 320 | 48 432 | 3 565 | 15 095 | 23 772 | (8 678) | -37% | 48 432 |
| Total sources of capital funds | 128 769 | 114 855 | 114 558 | 11 828 | 52 971 | 57 131 | (4 160) | -7% | 114 558 |
| Financial position | | | | | | | | | |
| Total current assets | 341 544 | 316 387 | 311 134 | | 443 319 | | | | 311 134 |
| Total non current assets | 1 624 725 | 1 741 531 | 1 742 122 | | 1 655 276 | | | | 1 742 122 |
| Total current liabilities | 96 605 | 67 059 | 61 806 | | 113 007 | | | | 61 806 |
| Total non current liabilities | 29 786 | 32 596 | 32 596 | | 29 786 | | | | 32 596 |
| Community wealth/Equity | 1 839 879 | 1 958 263 | 1 958 854 | | 1 955 802 | | | | 1 958 854 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 268 094 | 81 471 | 91 110 | 116 916 | 261 290 | 36 074 | (225 216) | -624% | 91 110 |
| Net cash from (used) investing | 128 891 | (137 355) | (137 946) | (15 004) | (77 520) | (69 268) | 8 252 | -12% | (137 946) |
| Net cash from (used) financing | - | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the month/year end | 664 806 | 279 097 | 288 145 | - | 472 306 | 301 787 | (170 520) | -57% | 241 700 |
| Debtors analysis | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total |
| Debtors Age Analysis | | | | | | | | | |
| Total By Income Source | 2 315 | 1 806 | 1 758 | 1 801 | 1 615 | 17 861 | 1 856 | 111 713 | 140 724 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 613 | 1 968 | 378 | 10 | - | - | - | - | 2 969 |

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

| EC153 Ngquza Hills - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 - December | | | | | | | | | | |
|---|-----|---------|---------------------|----------|----------------|---------------|---------------|----------|-------|-----------|
| 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 | 426 127 | 118 992 | 301 723 | 213 064 | 88 660 | 42% | 426 127 |
| Executive and council | | 1 593 | 1 716 | 1 716 | 145 | 869 | 858 | 11 | 1% | 1 716 |
| Finance and administration | | 429 541 | 424 411 | 424 411 | 118 847 | 300 855 | 212 206 | 88 649 | 42% | 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 | 78 431 | 11 605 | 47 295 | 39 733 | 7 563 | 19% | 78 431 |
| Planning and development | | 3 504 | 4 647 | 4 647 | 393 | 2 053 | 2 324 | (271) | -12% | 4 647 |
| Road transport | | 110 909 | 72 749 | 73 784 | 11 212 | 45 243 | 37 409 | 7 833 | 21% | 73 784 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 30 866 | 15 183 | 19 401 | 2 623 | 12 043 | 11 809 | 234 | 2% | 19 401 |
| Energy sources | | 20 478 | 3 660 | 7 842 | 1 425 | 6 640 | 6 012 | 628 | 10% | 7 842 |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | 10 388 | 11 523 | 11 559 | 1 198 | 5 403 | 5 798 | (395) | -7% | 11 559 |
| Other | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | 576 413 | 518 706 | 523 959 | 133 220 | 361 061 | 264 606 | 96 456 | 36% | 523 959 |
| Expenditure - Functional | | | | | | | | | | |
| Governance and administration | | 240 048 | 303 474 | 303 474 | 19 362 | 129 967 | 151 737 | (21 770) | -14% | 303 474 |
| Executive and council | | 86 899 | 108 434 | 108 434 | 8 632 | 46 305 | 54 217 | (7 912) | -15% | 108 434 |
| Finance and administration | | 149 548 | 189 727 | 189 727 | 10 475 | 81 567 | 94 863 | (13 297) | -14% | 189 727 |
| Internal audit | | 3 601 | 5 313 | 5 313 | 256 | 2 095 | 2 656 | (561) | -21% | 5 313 |
| Community and public safety | | 131 | - | - | - | - | - | - | - | - |
| Community and social services | | 131 | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 104 507 | 142 266 | 142 710 | 15 726 | 61 872 | 71 577 | (9 705) | -14% | 142 710 |
| Planning and development | | 30 719 | 39 385 | 39 385 | 2 319 | 13 247 | 19 683 | (6 446) | -33% | 39 385 |
| Road transport | | 73 789 | 102 881 | 103 325 | 13 406 | 48 626 | 51 884 | (3 259) | -6% | 103 325 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 127 785 | 106 637 | 110 855 | 10 442 | 53 407 | 57 536 | (4 129) | -7% | 110 855 |
| Energy sources | | 32 750 | 17 010 | 21 192 | 2 532 | 12 080 | 12 687 | (606) | -5% | 21 192 |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | 95 035 | 89 627 | 89 663 | 7 911 | 41 327 | 44 850 | (3 522) | -8% | 89 663 |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | 472 471 | 552 377 | 557 039 | 45 530 | 245 247 | 280 850 | (35 603) | -13% | 557 039 |
| Surplus/ (Deficit) for the year | | 103 941 | (33 671) | (33 080) | 87 690 | 115 814 | (16 245) | 132 059 | -813% | (33 080) |

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 due to the equitable share allocation that was received in December to the value of R114 million.

The expenditure for the same period can be attributed to the various departments, with the highest expenditure incurred by the Road Transport Function at just over R13 million, followed by the finance and administration at R10 million and Executive and Council at R8 million.

7. 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) - M06 - December | | | | | | | | | | |
|---|-----|----------------|-----------------|---------------------|----------------|----------------|-----------------|-----------------|----------------|-----------------|
| 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 | 1 | | | | | | | | | |
| Vote 1 - Governance and Administration | | 431 134 | 426 127 | 426 127 | 118 992 | 301 723 | 213 064 | 88 660 | 41,6% | 426 127 |
| Vote 2 - Community Services and Public Safety | | 10 388 | 11 523 | 11 559 | 1 198 | 5 403 | 5 798 | (395) | -6,8% | 11 559 |
| Vote 3 - Economic and Environmental Services | | 1 474 | 2 008 | 2 008 | 107 | 651 | 1 004 | (353) | -35,1% | 2 008 |
| Vote 4 - Trading Services | | 20 478 | 3 660 | 7 842 | 1 425 | 6 640 | 6 012 | 628 | 10,5% | 7 842 |
| Vote 5 - Technical Services | | 112 939 | 75 388 | 76 423 | 11 498 | 46 644 | 38 729 | 7 915 | 20,4% | 76 423 |
| 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 | 523 959 | 133 220 | 361 061 | 264 606 | 96 456 | 36,5% | 523 959 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - Governance and Administration | | 240 048 | 303 474 | 303 474 | 19 362 | 129 967 | 151 737 | (21 770) | -14,3% | 303 474 |
| Vote 2 - Community Services and Public Safety | | 95 166 | 89 627 | 89 663 | 7 911 | 41 327 | 44 850 | (3 522) | -7,9% | 89 663 |
| Vote 3 - Economic and Environmental Services | | 26 624 | 36 749 | 36 749 | 2 319 | 13 161 | 18 375 | (5 214) | -28,4% | 36 749 |
| Vote 4 - Trading Services | | 32 750 | 17 010 | 21 192 | 2 532 | 12 080 | 12 687 | (606) | -4,8% | 21 192 |
| Vote 5 - Technical Services | | 77 883 | 105 517 | 105 961 | 13 406 | 48 712 | 53 202 | (4 491) | -8,4% | 105 961 |
| 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 | 472 471 | 552 377 | 557 039 | 45 530 | 245 247 | 280 850 | (35 603) | -12,7% | 557 039 |
| Surplus/ (Deficit) for the year | 2 | 103 941 | (33 671) | (33 080) | 87 690 | 115 814 | (16 245) | 132 059 | -812,9% | (33 080) |

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

| EC153 Ngquza Hills - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - December | | | | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|----------------|-----------------|-----------------|----------------|--------------------|
| Description | 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 | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | |
| Service charges - Electricity | | - | - | - | - | - | - | - | - | - |
| Service charges - Water | | - | - | - | - | - | - | - | - | - |
| Service charges - Waste Water Management | | - | - | - | - | - | - | - | - | - |
| Service charges - Waste management | | 1 394 | 1 296 | 1 296 | 119 | 714 | 648 | 66 | 10% | 1 296 |
| Sale of Goods and Rendering of Services | | 20 808 | 4 276 | 8 457 | 1 458 | 6 833 | 6 319 | 514 | 8% | 8 457 |
| Agency services | | 4 475 | 6 400 | 6 400 | 602 | 2 775 | 3 200 | (425) | -13% | 6 400 |
| Interest | | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 1 020 | 749 | 749 | 84 | 502 | 374 | 128 | 34% | 749 |
| Interest from Current and Non Current Assets | | 24 126 | 22 000 | 22 000 | 1 637 | 10 051 | 11 000 | (949) | -9% | 22 000 |
| Dividends | | - | - | - | - | - | - | - | - | - |
| Rent on Land | | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | | 1 043 | 1 224 | 1 224 | 73 | 434 | 612 | (178) | -29% | 1 224 |
| Licence and permits | | 115 | 200 | 200 | 0 | 33 | 100 | (67) | -67% | 200 |
| Special Rating Levies | | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | 143 | 380 | 380 | 4 | 226 | 190 | 36 | 19% | 380 |
| Non-Exchange Revenue | | | | | | | | | | |
| Property rates | | 39 803 | 42 607 | 42 607 | 1 296 | 24 465 | 21 304 | 3 161 | 15% | 42 607 |
| Surcharges and Taxes | | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 1 988 | 1 552 | 1 552 | 317 | 1 267 | 776 | 491 | 63% | 1 552 |
| Licence and permits | | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - Operational | | 367 753 | 362 391 | 362 871 | 117 272 | 264 142 | 181 675 | 82 467 | 45% | 362 871 |
| Interest | | 9 178 | 9 097 | 9 097 | 854 | 4 863 | 4 548 | 315 | 7% | 9 097 |
| Fuel Levy | | - | - | - | - | - | - | - | - | - |
| Operational Revenue | | - | - | - | - | - | - | - | - | - |
| Gains on disposal of Assets | | 5 948 | 1 000 | 1 000 | - | 1 223 | 500 | 723 | 145% | 1 000 |
| Other Gains | | 19 213 | - | - | - | - | - | - | - | - |
| Discontinued Operations | | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 497 008 | 453 171 | 457 833 | 123 717 | 317 528 | 231 247 | 86 281 | 37% | 457 833 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 163 510 | 181 307 | 181 307 | 14 607 | 84 862 | 90 654 | (5 792) | -6% | 181 307 |
| Remuneration of councillors | | 29 154 | 31 073 | 31 073 | 2 280 | 13 671 | 15 537 | (1 866) | -12% | 31 073 |
| Bulk purchases - electricity | | - | - | - | - | - | - | - | - | - |
| Inventory consumed | | - | - | - | - | - | - | - | - | - |
| Debt impairment | | 10 071 | 11 163 | 11 163 | - | - | 5 582 | (5 582) | -100% | 11 163 |
| Depreciation and amortisation | | 56 765 | 57 500 | 57 500 | 10 211 | 35 415 | 28 750 | 6 665 | 23% | 57 500 |
| Interest | | 4 137 | 150 | 150 | - | - | 75 | (75) | -100% | 150 |
| Contracted services | | 87 375 | 106 909 | 111 399 | 10 131 | 48 034 | 57 945 | (9 911) | -17% | 111 399 |
| Transfers and subsidies | | 5 096 | 7 000 | 7 000 | - | 813 | 3 500 | (2 687) | -77% | 7 000 |
| Irrecoverable debts written off | | 8 735 | 16 500 | 16 500 | (19) | 1 017 | 8 250 | (7 233) | -88% | 16 500 |
| Operational costs | | 107 701 | 140 775 | 140 946 | 8 321 | 61 436 | 70 559 | (9 123) | -13% | 140 946 |
| Losses on Disposal of Assets | | (72) | - | - | - | - | - | - | - | - |
| Other Losses | | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 472 471 | 552 377 | 557 039 | 45 530 | 245 247 | 280 850 | (35 603) | -13% | 557 039 |
| Surplus/(Deficit) | | 24 537 | (99 206) | (99 206) | 78 187 | 72 281 | (49 603) | 121 884 | -246% | (99 206) |
| Transfers and subsidies - capital (monetary allocations) | | 79 404 | 65 535 | 66 126 | 9 503 | 43 533 | 33 358 | 10 175 | 31% | 66 126 |
| Transfers and subsidies - capital (in-kind) | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 103 941 | (33 671) | (33 080) | 87 690 | 115 814 | (16 245) | | | (33 080) |
| Income Tax | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after income tax | | 103 941 | (33 671) | (33 080) | 87 690 | 115 814 | (16 245) | | | (33 080) |
| Share of Surplus/Deficit attributable to Joint Venture | | - | - | - | - | - | - | - | - | - |
| Share of Surplus/Deficit attributable to Minorities | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 103 941 | (33 671) | (33 080) | 87 690 | 115 814 | (16 245) | | | (33 080) |
| Share of Surplus/Deficit attributable to Associate | | - | - | - | - | - | - | - | - | - |
| Intercompany/Parent subsidiary transactions | | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | | 103 941 | (33 671) | (33 080) | 87 690 | 115 814 | (16 245) | | | (33 080) |

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 December 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 R1,548 million for the month of December 2025. This resulted in a year-to-date amount of R6,8 million. This includes the services rendered by the municipality by electrifying villages as per the agreement with the Department of Energy.

iii Agency Fees

The municipality generates revenue from operating the Driver's License and Testing Centre. For December 2025, the municipality generated revenue of R602 000 which results in variance of -30% 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 December 2025 the municipality generated R1,6 million which results in a -9% variance of the budgeted amount for the same period of R11 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 December 2025 is just over R1,2 million. This results in a year-to-date billing of R24,4 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 R73 000 for December 2025 in relation to the rental of properties it owns. This results in a year-to-date amount generated of R434 000. 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 R117 million in the month of December 2025.

The capital transfers generated just over R9,5 million, and this is due to recognition of revenue from the Municipal Infrastructure Grant. This brings into total revenue recognition of capital transfers to R43,5 million.

b) Expenditure

i Employee Related Costs

The municipality pays employees' salaries and allowances for services rendered as employees of the municipality. In December 2025, the expenditure relating to Employee Related Costs is R14,6 million, resulting in a variance of -6% which can be attributed to vacancies that have not yet been filled. The total year-to-date expenditure on employee related costs is R84,8 million.

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 December 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 December 2025 amounted to R10,1 million, with an underspending of 17%. 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 December 2025 amounted to R8,3 million. This has resulted in year-to-date amount of R61,4 million, resulting in a variance of 13% under expenditure.

v Depreciation And Amortisation

The municipality has implemented a system-based asset management, which computes the depreciation monthly. The depreciation for December 2025 is R10,2 million.

9. MONTHLY BUDGET STATEMENT: CAPITAL EXPENDITURE

The table below indicates the capital expenditure for the month of December 2025, which was just over R11,8 million, of which R10,1 million is at Technical Services. Of this capital expenditure, R8,2 million is funded from grant funding and R3,5 million is funded out of internally generated funding.

| EC153 Ngquza Hills - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - December | | | | | | | | | | |
|---|-----|---------|----------|----------|---------------------|---------------|---------------|---------|-------|-----------|
| Vote Description | Ref | 2024/25 | | | Budget Year 2025/26 | | | | | |
| | | Audited | Original | Adjusted | Monthly actual | YearTD actual | YearTD budget | YTD | YTD % | Full Year |
| R thousands | 1 | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - Governance and Administration | | - | - | - | - | - | - | - | - | - |
| 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 | | 19 592 | 11 850 | 11 850 | - | 171 | 5 925 | (5 754) | -97% | 11 850 |
| Vote 2 - Community Services and Public Safety | | 8 507 | 7 170 | 7 170 | 115 | 380 | 3 585 | (3 205) | -89% | 7 170 |
| Vote 3 - Economic and Environmental Services | | 505 | 2 000 | 2 000 | - | - | 1 000 | (1 000) | -100% | 2 000 |
| Vote 4 - Trading Services | | 9 303 | 13 000 | 13 000 | 1 597 | 2 619 | 6 500 | (3 881) | -60% | 13 000 |
| Vote 5 - Technical Services | | 94 464 | 80 835 | 80 538 | 10 116 | 49 800 | 40 121 | 9 679 | 24% | 80 538 |
| 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 | 132 372 | 114 855 | 114 558 | 11 828 | 52 971 | 57 131 | (4 160) | -7% | 114 558 |
| Total Capital Expenditure | | 132 372 | 114 855 | 114 558 | 11 828 | 52 971 | 57 131 | (4 160) | -7% | 114 558 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 19 592 | 11 850 | 11 850 | - | 171 | 5 925 | (5 754) | -97% | 11 850 |
| Executive and council | | 50 | 300 | 300 | - | - | 150 | (150) | -100% | 300 |
| Finance and administration | | 19 542 | 11 550 | 11 550 | - | 171 | 5 775 | (5 604) | -97% | 11 550 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 5 832 | - | - | - | - | - | - | - | - |
| Community and social services | | 2 877 | - | - | - | - | - | - | - | - |
| Sport and recreation | | 2 955 | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 94 970 | 82 835 | 82 538 | 10 116 | 49 800 | 41 121 | 8 679 | 21% | 82 538 |
| Planning and development | | 505 | 2 000 | 2 000 | - | - | 1 000 | (1 000) | -100% | 2 000 |
| Road transport | | 94 464 | 80 835 | 80 538 | 10 116 | 49 800 | 40 121 | 9 679 | 24% | 80 538 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 11 978 | 20 170 | 20 170 | 1 713 | 3 000 | 10 085 | (7 085) | -70% | 20 170 |
| Energy sources | | 9 303 | 13 000 | 13 000 | 1 597 | 2 619 | 6 500 | (3 881) | -60% | 13 000 |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | 2 675 | 7 170 | 7 170 | 115 | 380 | 3 585 | (3 205) | -89% | 7 170 |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | 132 372 | 114 855 | 114 558 | 11 828 | 52 971 | 57 131 | (4 160) | -7% | 114 558 |
| Funded by: | | | | | | | | | | |
| National Government | | 70 969 | 64 835 | 65 426 | 8 263 | 37 876 | 33 008 | 4 868 | 15% | 65 426 |
| Provincial Government | | 7 358 | 700 | 700 | - | - | 350 | (350) | -100% | 700 |
| District Municipality | | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, | | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | | 78 327 | 65 535 | 66 126 | 8 263 | 37 876 | 33 358 | 4 518 | 14% | 66 126 |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 50 442 | 49 320 | 48 432 | 3 565 | 15 095 | 23 772 | (8 678) | -37% | 48 432 |
| Total Capital Funding | | 128 769 | 114 855 | 114 558 | 11 828 | 52 971 | 57 131 | (4 160) | -7% | 114 558 |

10. MONTHLY BUDGET STATEMENT: FINANCIAL POSITION

The table below shows the financial position of the municipality as at the end of December 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 - M06 - December | | | | | | |
|--|-----|------------------|---------------------|------------------|------------------|--------------------|
| 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 | 273 845 | 371 339 | 273 845 |
| Trade and other receivables from exchange transactions | | 1 645 | 5 599 | 5 599 | 2 147 | 5 599 |
| Receivables from non-exchange transactions | | 9 607 | 25 362 | 25 362 | 28 913 | 25 362 |
| Current portion of non-current receivables | | - | - | - | - | - |
| Inventory | | 768 | - | - | 768 | - |
| VAT | | 40 987 | 6 328 | 6 328 | 40 152 | 6 328 |
| Other current assets | | (0) | - | - | (0) | - |
| Total current assets | | 341 544 | 316 387 | 311 134 | 443 319 | 311 134 |
| Non current assets | | | | | | |
| Investments | | - | - | - | - | - |
| Investment property | | 787 727 | 779 523 | 779 523 | 787 727 | 779 523 |
| Property, plant and equipment | | 836 998 | 962 008 | 962 598 | 867 549 | 962 598 |
| 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 | | 1 624 725 | 1 741 531 | 1 742 122 | 1 655 276 | 1 742 122 |
| TOTAL ASSETS | | 1 966 269 | 2 057 917 | 2 053 256 | 2 098 595 | 2 053 256 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | - | - | - |
| Financial liabilities | | 1 418 | - | - | 1 418 | - |
| Consumer deposits | | - | - | - | - | - |
| Trade and other payables from exchange transactions | | 53 235 | 64 279 | 60 098 | 49 933 | 60 098 |
| Trade and other payables from non-exchange transactions | | 1 035 | - | (1 071) | 20 609 | (1 071) |
| Provision | | 3 336 | 2 579 | 2 579 | 3 336 | 2 579 |
| VAT | | 37 581 | 201 | 201 | 37 711 | 201 |
| Other current liabilities | | - | - | - | - | - |
| Total current liabilities | | 96 605 | 67 059 | 61 806 | 113 007 | 61 806 |
| Non current liabilities | | | | | | |
| Financial liabilities | | 2 238 | - | - | 2 238 | - |
| Provision | | 27 548 | 32 596 | 32 596 | 27 548 | 32 596 |
| Long term portion of trade payables | | - | - | - | - | - |
| Other non-current liabilities | | - | - | - | - | - |
| Total non current liabilities | | 29 786 | 32 596 | 32 596 | 29 786 | 32 596 |
| TOTAL LIABILITIES | | 126 390 | 99 655 | 94 402 | 142 793 | 94 402 |
| NET ASSETS | 2 | 1 839 879 | 1 958 263 | 1 958 854 | 1 955 802 | 1 958 854 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated surplus/(deficit) | | 1 839 879 | 1 958 263 | 1 958 854 | 1 955 802 | 1 958 854 |
| Reserves and funds | | - | - | - | - | - |
| Other | | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 1 839 879 | 1 958 263 | 1 958 854 | 1 955 802 | 1 958 854 |

11. MONTHLY BUDGET STATEMENT: CASHFLOW

EC153 Nguza Hills - Table C7 Monthly Budget Statement - Cash Flow - M06 - December

| 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 | 1 | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | 31 304 | 48 227 | 48 227 | 1 496 | 9 952 | 24 113 | (14 161) | -59% | 48 227 |
| Service charges | | 1 230 | 2 511 | 2 511 | 63 | 583 | 1 256 | (672) | -54% | 2 511 |
| Other revenue | | 6 816 | 50 664 | 50 664 | 4 276 | 39 802 | 25 332 | 14 470 | 57% | 50 664 |
| Transfers and Subsidies - Operational | | 356 951 | 362 391 | 362 391 | 114 942 | 264 396 | 181 196 | 83 200 | 46% | 362 391 |
| Transfers and Subsidies - Capital | | 62 145 | 65 535 | 65 535 | 14 800 | 59 854 | 32 768 | 27 087 | 83% | 65 535 |
| Interest | | 340 | 22 000 | 22 000 | 25 | 412 | 11 000 | (10 588) | -96% | 22 000 |
| Dividends | | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (190 692) | (462 707) | (467 368) | (18 685) | (113 709) | (236 015) | 122 306 | -52% | (467 368) |
| Interest | | - | (150) | 150 | - | - | (75) | 75 | -100% | 150 |
| Transfers and Subsidies | | - | (7 000) | 7 000 | - | - | (3 500) | 3 500 | -100% | 7 000 |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 268 094 | 81 471 | 91 110 | 116 916 | 261 290 | 36 074 | (225 216) | -624% | 91 110 |
| 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) | (137 946) | (15 004) | (77 520) | (69 268) | (8 252) | 12% | (137 946) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | 128 891 | (137 355) | (137 946) | (15 004) | (77 520) | (69 268) | 8 252 | -12% | (137 946) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 396 985 | (55 883) | (46 836) | 101 912 | 183 770 | (33 194) | | | (46 836) |
| 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 | 288 145 | | 472 306 | 301 787 | | | 241 700 |

SUPPORTING DOCUMENTATION

12. 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 December 2025.

EC153 Nngquba Hills - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - December

| 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 Dys | 151-180 Dys | 181 Dys-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 | 1 247 | 750 | 711 | 756 | 709 | 16 963 | 966 | 83 517 | 105 620 | 102 912 | |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | - | - | - | - | - | - | - | - | - | - | |
| Receivables from Exchange Transactions - Waste Management | 1600 | 129 | 115 | 110 | 108 | 107 | 105 | 98 | 11 438 | 12 211 | 11 855 | |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | - | - | - | - | - | - | - | - | - | - | |
| Interest on Arrear Debtor Accounts | 1810 | 939 | 940 | 937 | 937 | 799 | 793 | 791 | 16 757 | 22 892 | 20 076 | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | |
| Other | 1900 | - | - | - | - | - | - | - | 1 | 1 | 1 | |
| Total By Income Source | 2000 | 2 315 | 1 806 | 1 758 | 1 801 | 1 615 | 17 861 | 1 856 | 111 713 | 140 724 | 134 845 | |
| 2024/25 - totals only | | - | - | - | - | - | - | - | - | - | - | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | |
| Organs of State | 2200 | 196 | 196 | 196 | 198 | 61 | 16 413 | 58 | 6 355 | 23 673 | 23 084 | |
| Commercial | 2300 | 1 486 | 1 010 | 976 | 1 017 | 942 | 912 | 1 224 | 64 287 | 71 854 | 68 381 | |
| Households | 2400 | 633 | 600 | 586 | 586 | 612 | 536 | 574 | 41 071 | 45 197 | 43 379 | |
| Other | 2500 | - | - | - | - | - | - | - | - | - | - | |
| Total By Customer Group | 2600 | 2 315 | 1 806 | 1 758 | 1 801 | 1 615 | 17 861 | 1 856 | 111 713 | 140 724 | 134 845 | |

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.

November 2025 collection levels:

The municipality bills for Property Rates and Solid Waste Removal. Interest is then levied on outstanding debts. For December 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.

| <u>Category</u> | <u>December</u> | <u>Year-to-Date</u> |
|------------------------|----------------------|-----------------------|
| Rates | 1 315 006,26 | 23 437 162,17 |
| Refuse | 136 879,90 | 821 279,40 |
| Interest Levied | 938 682,57 | 5 365 079,00 |
| | 2 390 568,73 | 29 623 520,57 |
| Receipts | -1 592 250,57 | -10 990 325,47 |
| | 798 318,16 | 18 633 195,10 |
| Collection Rate | 67% | 37% |

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.

13. CREDITORS AGE ANALYSIS

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

| EC153 Ngquza Hills - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 - December | | | | | | | | | | | | |
|--|-------------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|----------|--------------|---|
| 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 | 613 | 1 968 | 378 | 10 | - | - | - | - | - | 2 969 | - |
| Auditor General | 0800 | - | - | - | - | - | - | - | - | - | - | - |
| Other | 0900 | - | - | - | - | - | - | - | - | - | - | - |
| Total By Customer Type | 1000 | 613 | 1 968 | 378 | 10 | - | - | - | - | - | 2 969 | - |

14. 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 December 2025 were just over R371 million and can be tabled as follows:

| BANK | ACCOUNT TYPE | BALANCE | RECONS |
|------|---------------------|-----------------------|------------|
| FNB | Cheque account | 136 711 936,88 | 31/12/2025 |
| FNB | Call account | 279 761,73 | 31/12/2025 |
| FNB | Operational Account | 76 145 909,06 | 31/12/2025 |
| FNB | MIG Call Acc | 5 418 135,71 | 31/12/2025 |
| FNB | Plant Call Acc | 141 713 540,19 | 31/12/2025 |
| FNB | Call account | 4 799 636,54 | 31/12/2025 |
| FNB | Call account | 2 505 800,38 | 31/12/2025 |
| FNB | Call account | 1 390 737,34 | 31/12/2025 |
| FNB | Call account | 898 914,16 | 31/12/2025 |
| FNB | Call account | 1 472 402,68 | 31/12/2025 |
| | | 371 336 774,67 | |

15. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

a) Grants Receipts for December 2025

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

EC153 Ngquza Hills - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 - December

| 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: | 1.2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 352 936 | 360 096 | 360 096 | 114 942 | 262 821 | 180 048 | 82 773 | 46,0% | 360 096 |
| Expanded Public Works Programme Integrated Grant | | 1 593 | 1 716 | 1 716 | - | 1 201 | 858 | 343 | 40,0% | 1 716 |
| Municipal Disaster Relief Grant | | 1 623 | 8 114 | 8 114 | - | - | 4 057 | (4 057) | -100,0% | 8 114 |
| Local Government Financial Management Grant | 3 | 3 000 | 2 800 | 2 800 | - | 3 000 | 1 400 | 1 600 | 114,3% | 2 800 |
| Municipal Infrastructure Grant | | - | 2 639 | 2 639 | - | - | 1 320 | (1 320) | -100,0% | 2 639 |
| Equitable Share | | 346 720 | 344 827 | 344 827 | 114 942 | 258 620 | 172 413 | 86 207 | 50,0% | 344 827 |
| Provincial Government: | | 8 638 | 2 295 | 2 295 | - | 4 575 | 1 148 | 3 427 | 298,7% | 2 295 |
| Municipal Disaster Relief Grant | | 6 490 | - | - | - | 2 434 | - | 2 434 | #DIV/0! | - |
| Library Grant | | 1 495 | 795 | 795 | - | 1 531 | 398 | 1 134 | 285,2% | 795 |
| LG Seta Grant | | 653 | 1 500 | 1 500 | - | 610 | 750 | (140) | -18,7% | 1 500 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total Operating Transfers and Grants | | 361 574 | 362 391 | 362 391 | 114 942 | 267 396 | 181 196 | 86 200 | 47,6% | 362 391 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 81 812 | 64 635 | 64 635 | 14 800 | 59 854 | 32 318 | 27 537 | 85,2% | 64 635 |
| Municipal Infrastructure Grant | | 81 812 | 64 635 | 64 635 | 14 800 | 59 854 | 32 318 | 27 537 | 85,2% | 64 635 |
| Provincial Government: | | - | 700 | 700 | - | - | 350 | (350) | -100,0% | 700 |
| Library Grant | | - | 700 | 700 | - | - | 350 | (350) | -100,0% | 700 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total Capital Transfers and Grants | | 81 812 | 65 335 | 65 335 | 14 800 | 59 854 | 32 667 | 27 187 | 83,2% | 65 335 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | | 443 386 | 427 726 | 427 726 | 129 742 | 327 250 | 213 863 | 113 387 | 53,0% | 427 726 |

b) Grant Expenditure for December 2025

| EC153 Ngquza Hills - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 - December | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|----------------|----------------|--------------------|
| Description | 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 | | | | | | | | | | |
| EXPENDITURE | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 19 098 | 15 269 | 15 713 | 2 254 | 4 995 | 8 078 | (3 083) | -38,2% | 15 713 |
| Expanded Public Works Programme Integrated Grant | | 1 593 | 1 716 | 1 716 | 145 | 869 | 858 | 11 | 1,2% | 1 716 |
| Municipal Disaster Relief Grant | | - | 8 114 | 8 558 | 1 709 | 1 709 | 4 501 | (2 792) | -62,0% | 8 558 |
| Local Government Financial Management Grant | 3 | 3 000 | 2 800 | 2 800 | 114 | 1 016 | 1 400 | (384) | -27,4% | 2 800 |
| Municipal Infrastructure Grant | | 2 030 | 2 639 | 2 639 | 286 | 1 402 | 1 320 | 82 | 6,2% | 2 639 |
| Municipal Disaster Recovery Grant | | 12 475 | - | - | - | - | - | - | - | - |
| Provincial Government: | | 1 935 | 2 295 | 2 331 | 76 | 502 | 1 184 | (682) | -57,6% | 2 331 |
| Municipal Disaster Relief Grant | | (0) | - | - | - | - | - | - | - | - |
| Library Grant | | 1 282 | 795 | 831 | 76 | 111 | 434 | (323) | -74,4% | 831 |
| LG Seta Grant | | 653 | 1 500 | 1 500 | - | 391 | 750 | (359) | -47,9% | 1 500 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total Operating Transfers and Grants | | 21 033 | 17 564 | 18 044 | 2 330 | 5 497 | 9 262 | (3 765) | -40,6% | 18 044 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 79 191 | 64 635 | 65 226 | 9 503 | 43 533 | 32 908 | 10 625 | 32,3% | 65 226 |
| Municipal Infrastructure Grant | | 79 191 | 64 635 | 65 226 | 9 503 | 43 533 | 32 908 | 10 625 | 32,3% | 65 226 |
| Provincial Government: | | 213 | 700 | 700 | - | 25 | 350 | (325) | -92,9% | 700 |
| Library Grant | | 213 | 700 | 700 | - | 25 | 350 | (325) | -92,9% | 700 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total Capital Transfers and Grants | | 79 404 | 65 335 | 65 926 | 9 503 | 43 558 | 33 258 | 10 300 | 31,0% | 65 926 |
| TOTAL EXPENDITURE OF TRANSFERS & GRANTS | | 100 437 | 82 899 | 83 970 | 11 833 | 49 056 | 42 520 | 6 535 | 15,4% | 83 970 |

16. EMPLOYEE RELATED COSTS AND REMUNERATION OF COUNCILLORS

The detail provided below relates to the expenditure by the municipality for the period of December 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 December 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.

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EC153 Ngquza Hills - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - December

| 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 | 10 889 | 10 191 | 698 | 7% | 20 383 |
| Pension and UIF Contributions | | – | – | – | – | – | – | – | | – |
| Medical Aid Contributions | | – | – | – | – | – | – | – | | – |
| Motor Vehicle Allowance | | 1 927 | 6 305 | 6 305 | 202 | 1 203 | 3 153 | (1 950) | -62% | 6 305 |
| Cellphone Allowance | | 2 826 | 3 758 | 3 758 | 252 | 1 507 | 1 879 | (372) | -20% | 3 758 |
| Housing Allowances | | 84 | 138 | 138 | 12 | 72 | 69 | 3 | 4% | 138 |
| Other benefits and allowances | | – | 489 | 489 | – | – | 245 | (245) | -100% | 489 |
| Sub Total - Councillors | | 29 154 | 31 073 | 31 073 | 2 280 | 13 671 | 15 537 | (1 866) | -12% | 31 073 |
| % increase | 4 | | 6,6% | 6,6% | | | | | | 6,6% |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | | 3 537 | 4 398 | 4 398 | 340 | 2 040 | 2 199 | (159) | -7% | 4 398 |
| Pension and UIF Contributions | | 10 | 13 | 13 | 1 | 5 | 6 | (1) | -18% | 13 |
| Medical Aid Contributions | | – | 308 | 308 | – | – | 154 | (154) | -100% | 308 |
| Overtime | | – | – | – | – | – | – | – | | – |
| Performance Bonus | | 3 144 | 449 | 449 | 184 | 1 636 | 225 | 1 412 | 628% | 449 |
| Motor Vehicle Allowance | | 918 | 1 499 | 1 499 | 75 | 483 | 750 | (267) | -36% | 1 499 |
| Cellphone Allowance | | 119 | 273 | 273 | 9 | 58 | 136 | (78) | -58% | 273 |
| Housing Allowances | | – | 211 | 211 | – | – | 105 | (105) | -100% | 211 |
| Other benefits and allowances | | 1 | 7 | 7 | 0 | 0 | 4 | (3) | -94% | 7 |
| Payments in lieu of leave | | – | – | – | – | – | – | – | | – |
| Long service awards | | – | – | – | – | – | – | – | | – |
| Post-retirement benefit obligations | 2 | – | – | – | – | – | – | – | | – |
| Entertainment | | – | – | – | – | – | – | – | | – |
| Scarcity | | – | – | – | – | – | – | – | | – |
| Acting and post related allowance | | – | – | – | – | – | – | – | | – |
| In kind benefits | | – | – | – | – | – | – | – | | – |
| Sub Total - Senior Managers of Municipality | | 7 729 | 7 158 | 7 158 | 609 | 4 222 | 3 579 | 643 | 18% | 7 158 |
| % increase | 4 | | -7,4% | -7,4% | | | | | | -7,4% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 93 413 | 103 409 | 103 409 | 8 023 | 47 970 | 51 704 | (3 734) | -7% | 103 409 |
| Pension and UIF Contributions | | 13 959 | 16 974 | 16 974 | 1 303 | 7 485 | 8 487 | (1 002) | -12% | 16 974 |
| Medical Aid Contributions | | 9 141 | 17 301 | 17 301 | 820 | 4 919 | 8 650 | (3 731) | -43% | 17 301 |
| Overtime | | 14 650 | 8 199 | 8 199 | 1 151 | 6 947 | 4 099 | 2 848 | 69% | 8 199 |
| Performance Bonus | | 4 050 | 8 254 | 8 254 | 561 | 1 943 | 4 127 | (2 184) | -53% | 8 254 |
| Motor Vehicle Allowance | | 9 684 | 10 141 | 10 141 | 966 | 5 690 | 5 070 | 619 | 12% | 10 141 |
| Cellphone Allowance | | 1 283 | 1 326 | 1 326 | 197 | 1 236 | 663 | 574 | 87% | 1 326 |
| Housing Allowances | | 5 199 | 5 559 | 5 559 | 475 | 2 805 | 2 780 | 26 | 1% | 5 559 |
| Other benefits and allowances | | 303 | 450 | 450 | 71 | 422 | 225 | 198 | 88% | 450 |
| Payments in lieu of leave | | 981 | 231 | 231 | – | – | 115 | (115) | -100% | 231 |
| Long service awards | | 788 | 185 | 185 | 19 | 34 | 92 | (58) | -63% | 185 |
| Post-retirement benefit obligations | 2 | 1 224 | 522 | 522 | 315 | 696 | 261 | 435 | 167% | 522 |
| Entertainment | | – | – | – | – | – | – | – | | – |
| Scarcity | | – | – | – | – | – | – | – | | – |
| Acting and post related allowance | | 1 105 | 1 380 | 1 380 | 64 | 415 | 690 | (275) | -40% | 1 380 |
| In kind benefits | | – | – | – | – | – | – | – | | – |
| Sub Total - Other Municipal Staff | | 155 781 | 173 929 | 173 929 | 13 967 | 80 565 | 86 964 | (6 400) | -7% | 173 929 |
| % increase | 4 | | 11,6% | 11,6% | | | | | | 11,6% |
| Total Parent Municipality | | 192 664 | 212 161 | 212 161 | 16 856 | 98 458 | 106 080 | (7 623) | -7% | 212 161 |

17. TOP TWENTY CREDITORS PAID



| Code | Creditor Name | Amount |
|-------|----------------------------------|-----------------------|
| 09998 | MVUMEZA TRADING ENTERPRISE | R3,561,736.70 |
| 02046 | YG SOLUTIONS (PTY) LTD | R2,400,629.26 |
| 01989 | IHEANS TRAVELLING AGENCY | R1,974,795.55 |
| 00921 | BRAINWAVE PROJECTS 848 CC | R1,871,368.55 |
| 01344 | TSWELA TRADING 88CC | R1,509,697.07 |
| 00102 | VITSHA TRADING | R1,318,449.03 |
| 02274 | ATHINDURA TRADING | R1,150,000.52 |
| 01372 | ALUTHA HOLDINGS 82 | R1,147,521.75 |
| 01370 | IXHANGA TRADING | R1,098,565.78 |
| 45689 | TENTAMOUNT TRADING 68 | R1,092,100.49 |
| 02000 | MVI CONSTRUCTION AND MAINTENANCE | R1,063,657.80 |
| 02417 | Eldofox (Pty) Ltd | R946,808.10 |
| 00372 | ESKOM | R899,705.93 |
| 02103 | CHIA | R882,693.77 |
| 00892 | PANGWA TRADING ENTERPRISE | R708,400.90 |
| 02434 | PONDOLAND QUARRIES (PTY) LTD | R693,450.00 |
| 00864 | BAHAMBA BEBUZANA PROJECTS | R679,721.97 |
| 21457 | SAMYSIVU | R613,888.00 |
| 02064 | AMALANDE TYRES | R525,597.53 |
| 01067 | TECHSEEDS TELECOMMUNICATIONS | R467,415.67 |
| | | R24,606,204.37 |

18. UIFW EXPENDITURE

a) Fruitless & Wasteful Expenditure as of December 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 December 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: -

| | <u>2025</u> | <u>2024</u> |
|--|--------------------|--------------------|
| Opening balance as previously reported | 1 524 224 | 43 293 |
| Add: Fruitless and Wasteful Expenditure - current | - | 20 785 |
| Add: Fruitless and Wasteful expenditure - prior period | - | 1 460 146 |
| Less: Amount written off | - | 64 078 |
| Closing balance | 1 460 146 | 1 524 224 |

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 November 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 November 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 |

It is important to note that there is additional irregular expenditure that has been identified by the AGSA during the audit of the 2024/25 financial year and this will be disclosed in the subsequent month.

OTHER REPORTS

19. 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.

20. 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 | Deviation Type |
|----------------------------------|-------------|----------------------|--------|------------------|----------------|
| POLICY RELATED DEVIATIONS | | | | | |
| | | December 2025 | | | |
| | | | | | |

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 |
|---------------|--------|-------------------------|-------------|---------------|------------------------|----------------|------------------|-----------------------|
| None | | | | | | | | |

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.

| 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 |

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- 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.

| 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

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- 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 | FUNDING | TRANSACTION DATE | DOC.DATE | SERVICE DESCRIPTION | SUPPLIER NAME | FUNCTION | VALUE | STATUS | LOCALITY | RACE | GENDER | YOUTH |
| Workshops, Seminars and Subject Matter Trainings:Workshops | Accommodation | Levies | 17/12/2025 | 15/12/2025 | Accommodation and meals for B Fikeni in East London from 17-19 | Iheans Travelling Agency | Budget & Treasury Office | 3791,01 | Received | Mthatha | Black | Female | Not Youth |

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| | | | | | December 2025 | | | | | | | | | |
|---|--------------------------------|-----------------|------------------|----------|---|--------------------------|----------------|---------------|----------|----------|-------|--------|-----------|-----------------|
| TOTAL | | | | | | | | | | | | | | 3 791,0 1 |
| FUNCTION-CORPORATE SERVICES & HUMAN RESOURCES | | | | | | | | | | | | | | |
| PROJECT | ITEM | FUNDING | TRANSACTION DATE | DOC.DATE | SERVICE DESCRIPTION | SUPPLIER NAME | FUNCTION | VALUE | STATUS | LOCALITY | RACE | GENDER | YOUTH | |
| Employee Assistance Programme:Employee Wellness | Contractors:Employee Wellness | Levies | 02/12/2025 | | Medical doctor for 2 employees | Woman of Virtue | Administration | 25 000,00 | Open | Bizana | Black | Female | Not Youth | |
| Workshops, Seminars and Subject Matter Trainings:Training Employees | Accommodation | Levies | 08/12/2025 | | Accommodation and meals for 5 officials in Port Alfred from 09-12 December 2025 | Iheans Travelling Agency | Administration | 51 325,31 | Received | Mthatha | Black | Female | Not Youth | |
| Workshops, Seminars and Subject Matter Trainings:Training Employees | Public Transport:Air Transport | Equitable Share | 11/12/2025 | | Flights for 4 VIP protectors from Dbn to Jhb | Iheans Travelling Agency | Administration | 31 361,74 | Received | Mthatha | Black | Female | Not Youth | |
| Workshops, Seminars and Subject Matter Trainings:Training Employees | Accommodation | Levies | 11/12/2025 | | Accommodation and meals for 4 VIP | Iheans Travelling Agency | Administration | 178 492,60 | Received | Mthatha | Black | Female | Not Youth | |

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| | | | | | protectors in Jhb | | | | | | | | | |
|---|--|-------------------|------------------|----------------|--|---------------------------------|-----------------------------|-------------------|--------------|---------------|-----------|------------|------------------|--|
| TOTAL | | | | | | | | 286 179,6 5 | | | | | | |
| FUNCTION: ECONOMIC DEVELOPMENT & PLANNING | | | | | | | | | | | | | | |
| PROJECT | ITEM | FUNDING | TRANSACTION DATE | DOC.D ATE | SERVICE DESCRIPT ION | SUPPLIER NAME | FUNCTION | VALUE | STATUS | LOCAL ITY | RA CE | GEND ER | YOU TH | |
| Workshops, Seminars and Subject Matter Trainings:Worksh ops | Accommodatio n | Levies | 02/12/2025 | 28/11/2 025 | Accommod ation and meals for L Fikeni in Mthatha from 01-03 December 2025 | Iheans Travelling Agency | Economic Develop ment | 4 149,4 8 | Recei ved | Mthath a | Blac k | Femal e | Not Yout h | |
| Workshops, Seminars and Subject Matter Trainings:Worksh ops | Accommodatio n | Levies | 08/12/2025 | 04/12/2 025 | Accommod ation and meals for D Mjokovana in East London from 08-10 December 2025 | Iheans Travelling Agency | Economic Develop ment | 4 149,4 8 | Recei ved | Mthath a | Blac k | Femal e | Not Yout h | |
| Tourism Skills Development:Tour ism | Outsourced Services:Cateri ng Services | Property Rates | 10/12/2025 | 08/12/2 025 | Catering for 40 people | London Trading Enterprise | Economic Develop ment | 5 200,0 0 | Recei ved | Flagsta ff | Blac k | Femal e | Yout h | |

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| Events and Organisations:LED Programmes | Hire Charges | Fines, Penalties and Forfeits | 15/12/2025 | 10/12/2025 | Venue for 150 people in Lusikisiki | Iheans Travelling Agency | Economic Development | 42 906,88 | Received | Mthatha | Black | Female | Not Youth |
|--|-------------------------------|---|------------------|------------|---|--------------------------|--|------------------|----------|----------|-------|--------|-----------|
| Municipal Running Cost | Contractors:Catering Services | Levies | 15/12/2025 | 11/12/2025 | Catering for 20 people in Flagstaff on 12 December 2025 | Iheans Travelling Agency | Economic Development | 4 127,75 | Received | Mthatha | Black | Female | Not Youth |
| TOTAL | | | | | | | | 60 533,59 | | | | | |
| FUNCTION: ROADS INFRASTRUCTURE AND TECHNICAL SERVICES | | | | | | | | | | | | | |
| PROJECT | ITEM | FUNDING | TRANSACTION DATE | DOC.DATE | SERVICE DESCRIPTION | SUPPLIER NAME | FUNCTION | VALUE | STATUS | LOCALITY | RACE | GENDER | YOUTH |
| Workshops, Seminars and Subject Matter Trainings:Workshops | Accommodation | Current and Non-Current Assets: Bank Accounts | 17/12/2025 | 15/12/2025 | Accommodation and meals for A Hlehliso and B Tshitshi in East London from 18-19 December 2025 | Iheans Travelling Agency | Roads: Infrastructure & Technical Services | 3 791,01 | Received | Mthatha | Black | Female | Not Youth |
| TOTAL | | | | | | | | 3 | | | | | |

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| | | | | | | | | 791,01 | | | | | |
|---|--|-----------------|------------------|------------|--|--------------------------|----------------------------|-----------|----------|-----------|-------|--------|-----------|
| FUNCTION MUNICIPAL MANAGERS & TOWN SECRETARY | | | | | | | | | | | | | |
| PROJECT | ITEM | FUNDING | TRANSACTION DATE | DOC.DATE | SERVICE DESCRIPTION | SUPPLIER NAME | FUNCTION | VALUE | STATUS | LOCALITY | RACE | GENDER | YOUTH |
| Community Initiatives:Moral Re-Generation | Outsourced Services:Catering Services | Equitable Share | 02/12/2025 | 24/11/2025 | Catering for 100 people | Bhewu Trading | Municipal Manager's Office | 11 000,00 | Received | Flagstaff | Black | Female | Youth |
| Municipal Running Cost | Advertising, Publicity and Marketing:Tenders | Equitable Share | 08/12/2025 | 05/12/2025 | Advert for erratum for Panel of Contractors for a period of 03 years | Group Two Media Company | Municipal Manager's Office | 1 380,00 | Received | Kokstad | Black | Male | Not Youth |
| Workshops, Seminars and Subject Matter Trainings:Training Employees | Accommodation | Equitable Share | 08/12/2025 | 05/12/2025 | Accommodation and meals for L Nonkonyana and Z Mankonkwana in Port St Johns from 09-12 December 2025 | Iheans Travelling Agency | Municipal Manager's Office | 11 405,63 | Received | Mthatha | Black | Female | Not Youth |
| Municipal Running Cost | Hire Charges | Levies | 09/12/2025 | 05/12/2025 | Hiring of logistics for 16 days of activism | Persistence Family | Municipal Manager's Office | 24 500,00 | Received | Lusikisi | Black | Female | Youth |

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| | | | | | | | | | | | | | |
|---|--|-------------------------------|------------|------------|--|------------------------------|----------------------------|----------|----------|-----------|-------|--------|-----------|
| Community Initiatives:16 Days of Activism | Outsourced Services:Catering Services | Equitable Share | 09/12/2025 | 05/12/2025 | 70 lunch packs for 15 days of activism | Indiphutandolwethu | Municipal Manager's Office | 700,00 | Received | Lusikisi | Black | Female | Not Youth |
| Community Initiatives:16 Days of Activism | Contractors:Interior Decorator | Equitable Share | 09/12/2025 | 05/12/2025 | Stage draping and 30 chair covers | Nzoyiya Trading and Projects | Municipal Manager's Office | 8500,00 | Received | Flagstaff | Black | Male | Youth |
| Burials:Burials | Advertising, Publicity and Marketing:Gifts and Promotional Items | Fines, Penalties and Forfeits | 10/12/2025 | 05/12/2025 | Procurement of groceries and hiring of logistics | Ntu2's Multi Events | Municipal Manager's Office | 17818,00 | Received | Flagstaff | Black | Female | Not Youth |
| Community Initiatives:Moral Re-Generation | Hire Charges | Levies | 10/12/2025 | 05/12/2025 | Hiring of podium and VIP toilets for Inkciyo | Tshimbile Kholisile | Municipal Manager's Office | 5300,00 | Received | Lusikisi | Black | Male | Not Youth |
| Awareness Campaign | Contractors:Interior Decorator | Equitable Share | 12/12/2025 | 09/12/2025 | Stage décor for Inkciyo | Dolce n Gabana | Municipal Manager's Office | 3800,00 | Received | Flagstaff | Black | Female | Not Youth |
| Awareness Campaign | Stage and Sound Crew | Equitable Share | 12/12/2025 | 09/12/2025 | Hiring of sound system and stage for Inkciyo | Tshangala Tradings | Municipal Manager's Office | 18500,00 | Received | Lusikisi | Black | Male | Youth |
| Chid Programmes:Children | Advertising, Publicity and Marketing:Gifts and | Equitable Share | 15/12/2025 | 10/12/2025 | Procurement of 17 newborn gift packs | Bhewu Trading | Municipal Manager's Office | 14450,00 | Received | Flagstaff | Black | Female | Youth |

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| | | | | | | | | | | | | | |
|--|---------------------------------------|-----------------|-------------------------|-----------------|---|-------------------------------|----------------------------|-------------------|---------------|-----------------|-------------|---------------|--------------|
| | Promotional Items | | | | | | | | | | | | |
| Municipal Running Cost | Hire Charges | Equitable Share | 15/12/2025 | 10/12/2025 | Venue for 350 people in Lusikisiki | Iheans Travelling Agency | Municipal Manager's Office | 11 405,63 | Received | Mthatha | Black | Female | Not Youth |
| Municipal Running Cost | Outsourced Services:Catering Services | Equitable Share | 15/12/2025 | 10/12/2025 | Catering for 350 people in Lusikisiki | Iheans Travelling Agency | Municipal Manager's Office | 174 886,25 | Received | Mthatha | Black | Female | Not Youth |
| Community Initiatives:Moral Re-Generation | Hire Charges | Levies | 15/12/2025 | 09/12/2025 | Hiring of logistics for Inkciyo Year End Function | Lunga DushuTrading Enterprise | Municipal Manager's Office | 29 800,00 | Received | Lusikisi | Black | Male | Not Youth |
| Community Initiatives:Moral Re-Generation | Outsourced Services:Catering Services | Equitable Share | 17/12/2025 | 10/12/2025 | Catering for 150 people | Esiphayo Projects and Trading | Municipal Manager's Office | 26 500,00 | Received | Flagstaff | Black | Male | Not Youth |
| TOTAL | | | | | | | | 366 945,51 | | | | | |
| FUNCTION: MAYOR AND COUNCIL | | | | | | | | | | | | | |
| PROJECT | ITEM | FUNDING | TRANSACTION DATE | DOC.DATE | SERVICE DESCRIPTION | SUPPLIER NAME | FUNCTION | VALUE | STATUS | LOCALITY | RACE | GENDER | YOUTH |
| Capacity Building Councillors:Training Councillors | Accommodation | Levies | 02/12/2025 | 27/11/2025 | Accommodation, meals, flights and car hire for | Iheans Travelling Agency | Mayor & Council | 36 423,58 | Received | Mthatha | Black | Female | Not Youth |

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| | | | | | BJ Nkani in Cape Town | | | | | | | | |
|---|---|---------------|------------------|------------|--|--------------------------|--------------------|------------------|----------|-----------|-------|--------|-----------|
| Capacity Building Councillors: Training Councillors | Accommodation | Levies | 10/12/2025 | 09/12/2025 | Accommodation and meals for V Somani and Z Mhlongo in Mthatha from 10-12 December 2025 | Iheans Travelling Agency | Mayor & Council | 7821,00 | Received | Mthatha | Black | Female | Not Youth |
| Municipal Running Cost | Hire Charges | Levies | 15/12/2025 | 12/12/2025 | Venue for 500 people in Lusikisiki on 15 December 2025 | Iheans Travelling Agency | Mayor & Council | 152075,00 | Received | Mthatha | Black | Female | Not Youth |
| TOTAL | | | | | | | | 196319,58 | | | | | |
| FUNCTION: COMMUNITY SERVICES SOLID WASTE | | | | | | | | | | | | | |
| PROJECT | ITEM | FUNDING | TRANSACTION DATE | DOC.D DATE | SERVICE DESCRIPTION | SUPPLIER NAME | FUNCTION | VALUE | STATUS | LOCALITY | RACE | GENDER | YOUTH |
| Library Programmes: Library Services | Advertising, Publicity and Marketing: Gifts and Promotional Items | Library Grant | 09/12/2025 | 28/11/2025 | Procurement of golf t-shirts | Ngutyane Holdings | Community Services | 7200,00 | Received | Flagstaff | Black | Male | Not Youth |

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| | | | | | | | | | | | | | |
|---|---|-----------------|------------|------------|---------------------------|-------------------------------|--------------------|-------------------|----------|-----------|-------|------|-----------|
| Marathons; Sport and Recreation: Sport & recreation | Advertising, Publicity and Marketing: Gifts and Promotional Items | Equitable Share | 15/12/2025 | 09/12/2025 | Procurement of 300 medals | Flagstaff Logistics Solutions | Community Services | 12 075,00 | Received | Flagstaff | Black | Male | Not Youth |
| TOTAL | | | | | | | | 19 275,00 | | | | | |
| GRAND TOTAL | | | | | | | | 936 835,35 | | | | | |

18.9 Formal RFQ's R30 000.00 – R300 000.00

| | NAME OF CONTRACTOR | CONTRACT NUMBER | DESCRIPTION OF CONTRACT | DATE OF AWARD | CONTRACT PERIOD | CONTRACT VALUE | LOCALITY | GENDER | YOUTH AND RACE |
|----|--------------------------|-----------------------|--|---------------|-----------------|----------------|------------|--------------|---------------------|
| 1. | Percy Nokhalipha Trading | IHLM/118/2025-26/MM'S | Catering for 450 people | 09-Dec-25 | Once off | R45 000,00 | Flagstaff | Female owned | Youth and Black |
| 2. | Bhewu Trading | IHLM/116/2025-26/MM'S | Supply and delivery of groceries for Inkciyo Year end function | 09-Dec-25 | Once off | R56 917,00 | Flagstaff | Female owned | Black and youth |
| 3. | Persistence Family | IHLM/109/2025-26/MM'S | Supply and delivery of wheel chairs | 09-Dec-25 | Once off | R22 500,00 | Flagstaff | Female owned | Black and youth |
| 4. | Nomalinge Trading 8785 | IHLM/108/2025-26/MM'S | Catering for 300 people for disability awareness | 10-Dec-25 | Once off | R31 800,00 | Lusikisiki | Female owned | Black and Not Youth |
| 5. | Persistence Family | IHLM/119/2025-26/COMM | Supply and delivery of 04 chain saws | 11-Dec-25 | Once off | R60 000,00 | Flagstaff | Female owned | Black and youth |

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| | | | | | | | | | |
|-----|--------------------------------------|-----------------------|---|-----------|----------|-------------|------------|--------------|-----------------|
| 6. | Ikhwalo Nande Group | IHLM/120/2025-26/MM'S | Supply and delivery of promotional Items gifts for inkciyo year end | 11-Dec-25 | Once off | R143 500,00 | Flagstaff | Male owned | Black and youth |
| 7. | We are the Hygiene Hub | IHLM/88/2025-26/COMM | Supply and delivery of container | 11-Dec-25 | Once off | R107 000,00 | Flagstaff | Female owned | Black and Youth |
| 8. | Bhulu Security and Cleaning Services | IHLM/121/2025-26/MM'S | Transport people for Inkciyo event | 11-Dec-25 | Once off | R200 000,00 | Flagstaff | Male | black and youth |
| 9. | Achumile Amangwane Investments | IHLM/107/2025-26/COMM | Hiring of mobile toilets for 15 days | 15-Dec-25 | 15 days | R105 000,00 | Lusikisiki | Female owned | Black and Youth |
| 10. | Percy Nokhalipha Trading | IHLM/122/2025-26/MM'S | Catering for 450 people | 15-Dec-25 | Once off | R40 000,00 | Flagstaff | Female owned | Youth and Black |
| 11. | Lingomso lethu Capital | IHLM/113/2025-26/MM'S | Printing of 5000 copies of news letter | 15-Dec-25 | Once off | R48 012,50 | Flagstaff | Female owned | Youth and Black |

18.10 Bids above R300 000.00

| NO | NAME OF CONTRACTOR | CONTRACT NUMBER | DESCRIPTION OF CONTRACT | DATE OF AWARD | CONTRACT PERIOD | CONTRACT VALUE | LOCALITY | OWNERSHIP | RACE & AGE GROUP |
|----|--------------------------|-----------------------|--|---------------|-----------------|----------------|--------------|--------------|---------------------|
| 1. | Elmon Consulting Pty Ltd | IHLM/65/2025-26/PLAN | Land Audit Services | 11-Dec-25 | 06 Months | R500 000,00 | Silver Lakes | Female Owned | Black and Youth |
| 2. | Ndela Trading Enterprise | IHLM/95/2025-26/ECON | Fencing for Flagstaff Farmers | 11-Dec-25 | 03 Months | R626 796,39 | Flagstaff | Male Owned | Black and not youth |
| 3. | Ndela Trading Enterprise | IHLM/96/2025-26/ECON | Fencing for Lusikisiki Farmers | 11-Dec-25 | 03 Months | R722 273,13 | Flagstaff | Male Owned | Black and not youth |
| 4. | Alizozi Pty | IHLM/74/2025-26/ROADS | Maintenance of Public Toilets ward 19 | 15-Dec-25 | 06 Months | R378 512,20 | Flagstaff | Male Owned | Black and not youth |
| 5. | Eco-South Partnership | IHLM/45/2025-26/ECON | Feasibility Study and bankable business plan for wood processing | 15-Dec-25 | 06 Months | R469 775,00 | Bizana | Male Owned | Black and not youth |
| 6. | Vilo Security | IHLM/91/2025-26/ECON | Supply and delivery of maize production inputs | 23-Dec-25 | Once Off | R1 483 600,00 | Bizana | Male owned | Not Youth and Black |

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18.11 Task Orders

| NAME OF CONTRACTOR | CONTRACT NUMBER | DESCRIPTION OF CONTRACT | DATE OF AWARD | CONTRACT VALUE |
|--------------------------|-----------------------|--|---------------|----------------|
| Alutha Holdings 82 | IHLM/32/2023-24/ROADS | Task order for rehabilitation of Bhisana access road ward 05 | 02-Dec-25 | R3 466 833,70 |
| Tentamount Trading | IHLM/32/2023-24/ROADS | Task order for rehabilitation of Ndzaka Bridge ward 11 | 09-Dec-25 | R3 451 622,33 |
| Ixhanga Trading | IHLM/32/2023-24/ROADS | Task order for rehabilitation of Mbhayi Bridge ward 4 | 09-Dec-25 | R3 541 758,39 |
| Masilo Projects | IHLM/93/2023-24/ROADS | Task order for installation of 20 street lights | 09-Dec-25 | R2 399 094,76 |
| Njilo Technology Systems | IHLM/51/2025-26/ICT | Task order for Cloud based back up solutions and support vmware hard drive | 15-Dec-25 | R2 979 324,90 |

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 |

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 |
|--------------------------|---|---|---|

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| | | | |
|--|-----|----|----|
| 154 (2023-24) 53 (2024-25) 49 (2025-26) | 157 | 09 | 02 |
| Commitment amounts as at the 30 November 2025 R132 571 613,03 | | | |

18.14 Contracts Expiring in 2025

| Contract No. | Contract Description | End Date | Amount |
|-----------------------|--|------------------|------------|
| 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 |
|-----|--|--|--|-------------------------|
| 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 |

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| | | | | |
|-----|---|--|---|--------------------------------------|
| | | | | |
| 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 |
| 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 |

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| | | | | |
|-----|-------------------------------|--|---|----------------------------|
| 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 |
| 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 |

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| | | | | |
|-----|------------------------------------|--|--|-----------------------|
| 28. | Tech Telecommunications | Seeds 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 |
| 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 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 |
| 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 |

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| | | | | | |
|-----|--------------------------------------|----------------|---|--|--------------------|
| | | | | | |
| 37. | Hi-Tec 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 |
| 38. | Ubuhle Consulting Engineers | Bempisi | 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 |
| 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 |

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|-----|-----------------------------------|---|--|--------------------|
| | | | | |
| 45. | Black Mountain 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 |
| 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 |
| 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 |

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| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

18.16 Variations

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

| Contractor & Contract No. | Contract Description | Contract Value | Reasons for Variation | Amount |
|---------------------------|----------------------|----------------|-----------------------|--------|
| None | | | | |

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 | | | | | |

21. 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 one bulk fier in the month of November 2025.

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WIP additions as of 31 December 2025 are as follows:

|  INGQUZA HILL LOCAL MUNICIPALITY WIP REGISTER FOR 2025-2026 FINANCIAL YEAR 01 JULY 2025- 31 DECEMBER 2025 | | | | | | | | | | | | | |
|---|--|--------------------------|--------------------------|--------------------------------|---------------------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|--|-------------|
| No | Project Name | Consultant | Contractor | Class | Opening Balance 01 July 2025 | 31-Jul-25 | 31-Aug-25 | 30-Sep-25 | 31-Oct-25 | 30-Nov-25 | 31-Dec-25 | Closing Balance 31 December 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 | 3,946,529.10 | 1,146,477.42 | 12,666,183.76 | 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 | 3,300,242.05 | 1,000,000.45 | 19,310,638.71 | 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 | 830,127.75 | 2,552,196.83 | 36,567,599.46 | 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 | 4,105,431.52 | 3,151,884.58 | 38,924,305.76 | 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 | 609,081.12 | 630,552.60 | 3,108,147.83 | In Progress |
| 14 | Construction of Nkonyameni Access road & Bridge | Mlala Emazweni Trading | Tswela | Infrastructure-Road | 335,676.57 | 917,612.42 | 480,080.82 | - | - | 991,303.17 | 1,312,780.06 | 4,037,453.04 | 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 | 418,547.56 | 904,432.52 | 616,000.78 | 4,844,695.94 | 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 | - | 603,000.00 | 11,129,464.34 | In Progress |
| 18 | Fencing of Lusikisiki Pound | N/A | Vitsha Trading | Community Assets | - | - | - | - | - | 265,000.00 | - | 265,000.00 | In Progress |
| 19 | Construction of High Mast | | Masilo Projects | Infrastructure-Electrification | - | - | - | - | - | 1,022,007.60 | 1,597,406.40 | 2,619,414.00 | In Progress |
| Opening Balance | | | | | 152,848,061.15 | 12,645,892.44 | 9,313,743.91 | 7,889,836.75 | 6,458,505.49 | 15,974,154.83 | 12,610,299.12 | 217,740,493.69 | |

b. Asset Verification

No verification was carried out in December 2025. The planned verification will be carried out in January 2026.

c. Asset Bar Coding

The procured assets were bar coded where applicable.

d. Loss on Assets.

There has been no loss of assets in the month of December 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

The process is still underway for the disposal of livestock from the municipal pound.

g. Fleet Management

There were three (3) vehicles that were sent for services and repairs, and these were completed.

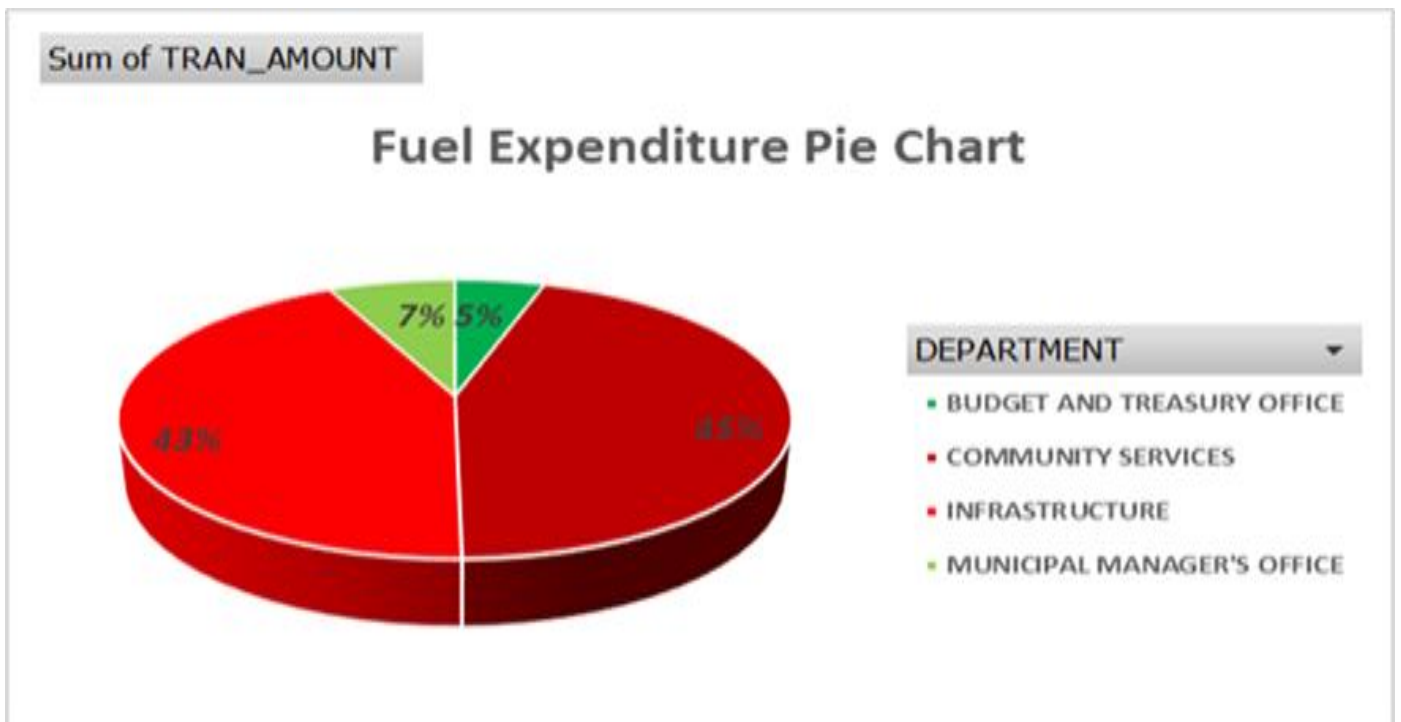
| No | VEHICLE | REGISTRATION NO | SERVICE PROVIDER | AMOUNT | SERVICE DESCRIPTION |
|----|---------------------|-----------------|-----------------------------|-------------------|---|
| 1 | Toyota Land Cruiser | HCN720EC | Halfway Toyota Shelly Beach | R47,557.42 | Wheel bearing hub, bolt cap, pivot spindle assembly, steering knuckle, bushes and gasket. |
| 2 | Toyota Fortuner | KMM265EC | Halfway Toyota Shelly Beach | R15,411.15 | Replaced brake disc pads (rear and right rear) and skim. |
| 3 | UD Truck | HYW628EC | Thompson Motors | R45,771.13 | Replaced clutch. |
| | | | | R93,328.55 | |

h. Vehicle Registration

No registration of vehicles was done in December 2025

i. Fuel Expenditure

| No | November 2025 | December 2025 | Percentage Change | Reasons for Variance |
|----|---------------|----------------|--------------------|--|
| 1 | R 976,566.58 | R 1,064,245.75 | 8% increase | There were various maintenance activities that took place in December 2025 and some plant items there we sent for repairs came back and were operating by December 2025. |



22. 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 December 2025, we have 2 341 beneficiaries claiming an amount of R295 369,12 for people who benefited from free basic electricity (FBE) on the month of November 2025, then the invoice was generated on the month of 19 December 2025, and each household receives 50 KW units from Eskom (FBE).

The invoice with an amount of R295 369,12 for 2 341 beneficiaries will be paid on the 15 January 2026.

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 December 2025 | R3 334 699,00 |
| Expenditure incurred December 2025 | R295 369,12 |
| Closing balance December 2025 | R3 039 330,00 |

QUALITY CERTIFICATE

I, V.C. Makedama, Municipal Manager of Ingquza Hill Local Municipality, hereby certify that the Section 71 report and supporting documentation for M06 – December 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 _____