INGQUZA HILL LOCAL MUNICIPALITY

BUDGET AND TREASURY OFFICE

IN-YEAR REPORTING: MFMA SECTION 71 REPORT FOR JULY 2026

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EXECUTIVE SUMMARY

1. INTRODUCTION

The Municipality approved the 2026/27 Annual Budget, associated Budget-Related Policies, and the Medium-Term Revenue and Expenditure Framework (MTREF) in May 2026.

This report has been prepared in terms of Section 71 of the Municipal Finance Management Act (MFMA), No. 56 of 2003, and presents the financial performance of the Municipality against the approved budget. The report provides an overview of the Municipality's revenue, expenditure, assets, liabilities, and cash flow position for the period under review.

The report reflects the financial performance for July 2026, being the first month of the 2026/27 financial year. As this is the beginning of the financial year, the results presented are preliminary and should be interpreted within the context of the commencement of budget implementation processes, the timing of revenue collections, and the phasing of operational and capital expenditure programmes. The report further highlights significant variances and emerging financial trends requiring management attention to support the effective implementation of the approved budget and the achievement of service delivery objectives.

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 the Council and medium-term planning of service delivery by aligning targets to achieve backlog elimination.

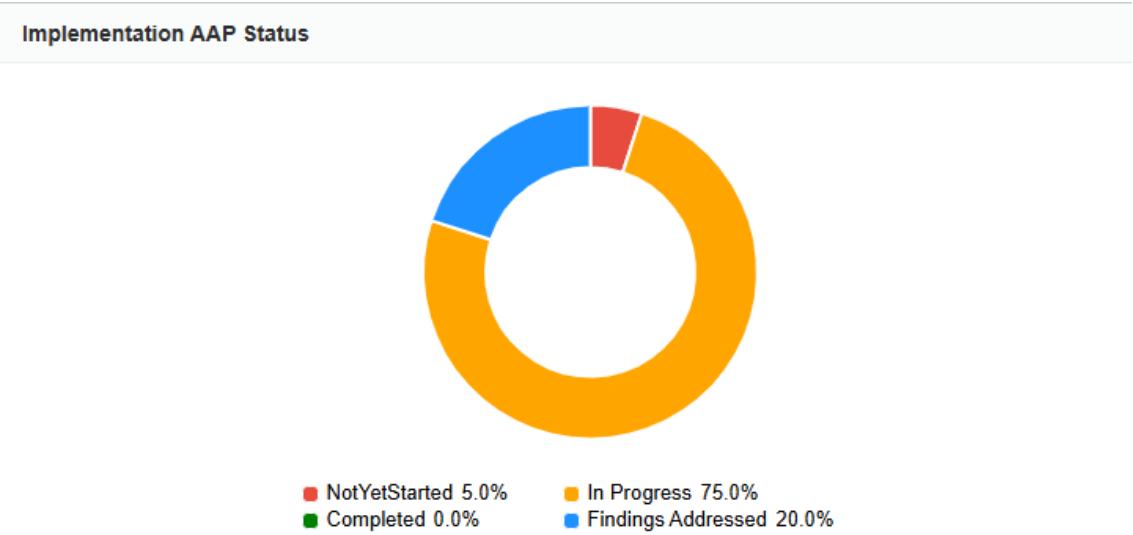
3. THE AUDIT ACTION PLAN

The municipality was audited by the Auditor General of South Africa (AGSA) 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 developed the audit action plan through the National Treasury's Web-enabled Platform to address issues raised by the Auditor General in the 2024/25 audit cycle. 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 official and many other pertinent pieces of information.

The following is the graphic representation of the progress of the implementation of the approved actions: -



In terms of the graphic representation above, there are 60 findings that have been lifted from the detailed audit findings, 11 of which are matters affecting the audit report, and 49 other matters. Action plans have been developed and approved for all the findings. The implementation of the audit action plan indicates that 5% of the actions have not been started, 75% actions are in progress, 0% actions are completed and 20% actions have been confirmed to address the findings raised.

It is important to note that of the action plans in-progress, there a significant number of them that are at a very high percentage of implementation. The actions that were proposed for the property plant and equipment have all been started and finalised, however, the confirmation of whether the actions have adequately addressed the finding will be tested when the compiled prior year adjustments are audited.

The prior year adjustments will be audited by the AGSA, after reviews by the Internal Audit, Audit Committee, Provincial Treasury and CoGTA. These prior year adjustments are contained in the 09 Months Interim Financial Statements.

IN-YEAR BUDGET STATEMENT

4. MONTHLY BUDGET STATEMENT: SUMMARY

The table below shows the performance of the municipality for the month of July 2026, the first month of the 2026/27 financial year. The total revenue for July 2026 amounted to just over R190,3 million, whilst the operational expenditure for the same month was

R51,3 million and capital expenditure being R19.4 million, resulting in a deficit for the month of R138,9 million.

EC153 Ngquza Hills - Table C1 Monthly Budget Statement Summary - M01 - July

Description	2025/26	Budget Year 2026/27							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	42 387	58 363	–	29 427	29 427	4 864	24 563	505%	58 363
Service charges	1 437	1 443	–	120	120	120	(0)	0%	1 443
Investment revenue	19 574	28 316	–	1 660	1 660	2 360	(700)	-30%	28 316
Transfers and subsidies - Operational	380 735	345 682	–	140 679	140 679	28 807	111 872	388%	345 682
Other own revenue	1 551 067	53 765	–	1 793	1 793	4 480	(2 688)	-60%	53 765
Total Revenue (excluding capital transfers and contributions)	**1 995 200**	**487 569**	**–**	**173 678**	**173 678**	**40 631**	**133 047**	**327%**	**487 569**
Employee costs	180 715	208 850	–	15 191	15 191	17 404	(2 213)	-13%	208 850
Remuneration of Councillors	28 244	32 347	–	2 360	2 360	2 696	(336)	-12%	32 347
Depreciation and amortisation	60 608	75 000	–	5 242	5 242	6 250	(1 008)	-16%	75 000
Interest	3 676	4 158	–	–	–	347	(347)	-100%	4 158
Inventory consumed and bulk purchases	–	5 230	–	–	–	436	(436)	-100%	5 230
Transfers and subsidies	5 534	9 850	–	–	–	821	(821)	-100%	9 850
Other expenditure	1 748 158	295 353	–	28 604	28 604	24 613	3 991	16%	295 353
Total Expenditure	**2 026 935**	**630 789**	**–**	**51 397**	**51 397**	**52 566**	**(1 169)**	**-2%**	**630 789**
Surplus/(Deficit)	**(31 735)**	**(143 219)**	**–**	**122 281**	**122 281**	**(11 935)**	**134 216**	**-1125%**	**(143 219)**
Transfers and subsidies - capital (monetary allocations)	65 474	71 810	–	16 685	16 685	5 984	10 700	179%	71 810
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**33 739**	**(71 409)**	**–**	**138 966**	**138 966**	**(5 951)**	**144 917**	**-2435%**	**(71 409)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**33 739**	**(71 409)**	**–**	**138 966**	**138 966**	**(5 951)**	**144 917**	**-2435%**	**(71 409)**
Capital expenditure & funds sources									
Capital expenditure	**116 809**	**121 861**	**–**	**19 467**	**19 467**	**10 155**	**9 312**	**92%**	**121 861**
Capital transfers recognised	58 879	62 444	–	14 508	14 508	5 204	9 305	179%	62 444
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**57 930**	**59 417**	**–**	**4 959**	**4 959**	**4 951**	**7**	**0%**	**59 417**
Total sources of capital funds	**116 809**	**121 861**	**–**	**19 467**	**19 467**	**10 155**	**9 312**	**92%**	**121 861**
Financial position									
Total current assets	316 578	335 851	–		430 735				335 851
Total non current assets	1 665 797	1 812 231	–		1 679 996				1 812 231
Total current liabilities	116 393	51 874	–		112 372				51 874
Total non current liabilities	29 167	31 659	–		21 901				31 659
Community wealth/Equity	**1 817 318**	**2 064 548**	**–**		**1 976 458**				**2 064 548**
Cash flows									
Net cash from (used) operating	305 557	56 853	–	121 330	121 330	4 730	(116 601)	-2465%	56 853
Net cash from (used) investing	(118 953)	(135 140)	–	(21 532)	(21 532)	(11 262)	10 271	-91%	(135 140)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**475 140**	**275 065**	**–**	**–**	**362 153**	**346 820**	**(15 334)**	**-4%**	**184 068**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	29 459	6 031	7 143	1 658	1 638	1 624	1 616	127 557	176 725
Creditors Age Analysis									
Total Creditors	39	–	–	–	–	–	–	–	39

5. Monthly Budget Statement – Financial Performance (Functional Classification)

EC153 Ngquza Hills - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 - July

Description	Ref	2025/26	Budget Year 2026/27							
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD	Full Year
R thousands	1								%	
Revenue - Functional										
Governance and administration		**423 362**	**465 579**	**–**	**172 392**	**172 392**	**38 798**	133 593	344%	**465 579**
Executive and council		1 716	1 824	–	–	–	152	(152)	-100%	1 824
Finance and administration		421 646	463 755	–	172 392	172 392	38 646	133 745	346%	463 755
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**1 617 247**	**9 947**	**–**	**345**	**345**	**829**	(483)	-58%	**9 947**
Planning and development		4 581	9 947	–	345	345	829	(483)	-58%	9 947
Road transport		1 612 666	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**20 065**	**18 783**	**–**	**941**	**941**	**1 565**	**(624)**	-40%	**18 783**
Energy sources		7 364	6 739	–	–	–	562	(562)	-100%	6 739
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		12 701	12 044	–	941	941	1 004	(62)	-6%	12 044
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**2 060 674**	**494 308**	**–**	**173 678**	**173 678**	**41 192**	**132 486**	**322%**	**494 308**
Expenditure - Functional										
Governance and administration		**278 372**	**328 845**	**–**	**29 299**	**29 299**	**27 404**	1 895	7%	**328 845**
Executive and council		105 368	121 595	–	7 903	7 903	10 133	(2 230)	-22%	121 595
Finance and administration		163 728	204 589	–	21 320	21 320	17 049	4 271	25%	204 589
Internal audit		9 276	2 661	–	76	76	222	(146)	-66%	2 661
Community and public safety		**83**	**–**	**–**	**–**	**–**	**–**	–		**–**
Community and social services		83	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**1 639 166**	**172 067**	**–**	**14 570**	**14 570**	**14 339**	231	2%	**172 067**
Planning and development		32 131	54 824	–	1 602	1 602	4 569	(2 966)	-65%	54 824
Road transport		1 607 036	117 243	–	12 968	12 968	9 770	3 198	33%	117 243
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**109 314**	**129 877**	**–**	**7 528**	**7 528**	**10 823**	**(3 295)**	-30%	**129 877**
Energy sources		18 049	21 599	–	1 058	1 058	1 800	(742)	-41%	21 599
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		91 265	108 278	–	6 470	6 470	9 023	(2 553)	-28%	108 278
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	3	**2 026 935**	**630 789**	**–**	**51 397**	**51 397**	**52 566**	**(1 169)**	**-2%**	**630 789**
Surplus/ (Deficit) for the year		**33 739**	**(136 480)**	**–**	**122 281**	**122 281**	**(11 373)**	**133 655**	**-1175%**	**(136 480)**

The table above shows the revenue and expenditure per functional classification. Finance and Administration recorded the highest revenue (R172.4 million) for the reporting period, mainly attributable to the first trench of Equitable Share allocation and billing for property rates for the period under review.

The expenditure for the same period can be attributed to the various departments, with the highest expenditure incurred by the Finance and Administration at just over R21.3 million, followed by the Road and Transport Function at R12,9 million.

6. Monthly Budget Statement: Financial Performance (Revenue and Expenditure by Municipal Vote)

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

EC153 Ngquza Hills - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 - July

Vote Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
Revenue by Vote	1									
Vote 1 - Governance and Administration		423 362	465 579	–	172 392	172 392	38 798	133 593	344.3%	465 579
Vote 2 - Community Services and Public Safety		12 701	12 044	–	941	941	1 004	(62)	-6.2%	12 044
Vote 3 - Economic and Enviromental Services		1 559	7 139	–	111	111	595	(484)	-81.4%	7 139
Vote 4 - Trading Services		7 364	6 739	–	–	–	562	(562)	-100.0%	6 739
Vote 5 - Technical Services		1 615 688	2 808	–	234	234	234	0	0.2%	2 808
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	**2 060 674**	**494 308**	**–**	**173 678**	**173 678**	**41 192**	**132 486**	**321.6%**	**494 308**
Expenditure by Vote	1									
Vote 1 - Governance and Administration		278 372	328 845	–	29 299	29 299	27 404	1 895	6.9%	328 845
Vote 2 - Community Services and Public Safety		91 348	108 278	–	6 470	6 470	9 023	(2 553)	-28.3%	108 278
Vote 3 - Economic and Enviromental Services		32 010	52 016	–	1 602	1 602	4 335	(2 732)	-63.0%	52 016
Vote 4 - Trading Services		18 049	21 599	–	1 058	1 058	1 800	(742)	-41.2%	21 599
Vote 5 - Technical Services		1 607 156	120 051	–	12 968	12 968	10 004	2 964	29.6%	120 051
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	**2 026 935**	**630 789**	**–**	**51 397**	**51 397**	**52 566**	**(1 169)**	**-2.2%**	**630 789**
Surplus/ (Deficit) for the year	2	**33 739**	**(136 480)**	**–**	**122 281**	**122 281**	**(11 373)**	**133 655**	**-1175.2%**	**(136 480)**

The table above reflects revenue and expenditure by municipal vote.

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

EC153 Ngquza Hills - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 - July

Description	Ref	2025/26	Budget Year 2026/27							
		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		1 437	1 443	–	120	120	120	(0)	0%	1 443
Sale of Goods and Rendering of Services		7 882	637	–	28	28	53	(25)	-47%	637
Agency services		5 152	6 618	–	443	443	551	(109)	-20%	6 618
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 015	1 084	–	87	87	90	(4)	-4%	1 084
Interest from Current and Non Current Assets		19 574	28 316	–	1 660	1 660	2 360	(700)	-30%	28 316
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		965	1 266	–	66	66	105	(39)	-37%	1 266
Licence and permits		91	207	–	22	22	17	5	28%	207
Special Rating Levies		–	–	–	–	–	–	–		–
Construction Contract Revenue		–	–	–	–	–	–	–		–
Development Charges		–	–	–	–	–	–	–		–
Operational Revenue		265	393	–	6	6	33	(26)	-81%	393
Non-Exchange Revenue								–		
Property rates		42 387	58 363	–	29 427	29 427	4 864	24 563	505%	58 363
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		3 750	2 013	–	286	286	168	118	70%	2 013
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		380 735	345 682	–	140 679	140 679	28 807	111 872	388%	345 682
Interest		9 867	13 474	–	854	854	1 123	(269)	-24%	13 474
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Fixed and Intangible Assets		746	–	–	–	–	–	–		–
Other Gains		1 521 333	28 074	–	–	–	2 340	(2 340)	-100%	28 074
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**1 995 200**	**487 569**	**–**	**173 678**	**173 678**	**40 631**	**133 047**	**327%**	**487 569**
Expenditure By Type										
Employee related costs		180 715	208 850	–	15 191	15 191	17 404	(2 213)	-13%	208 850
Remuneration of councillors		28 244	32 347	–	2 360	2 360	2 696	(336)	-12%	32 347
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		–	5 230	–	–	–	436	(436)	-100%	5 230
Debt impairment		(4 565)	11 576	–	–	–	965	(965)	-100%	11 576
Depreciation and amortisation		60 608	75 000	–	5 242	5 242	6 250	(1 008)	-16%	75 000
Interest		3 676	4 158	–	–	–	347	(347)	-100%	4 158
Contracted services		107 512	120 825	–	12 507	12 507	10 069	2 438	24%	120 825
Transfers and subsidies		5 534	9 850	–	–	–	821	(821)	-100%	9 850
Irrecoverable debts written off		8 637	27 110	–	–	–	2 259	(2 259)	-100%	27 110
Operational costs		131 323	135 842	–	16 097	16 097	11 320	4 777	42%	135 842
Disposal of Fixed and Intangible Assets		227	–	–	–	–	–	–		–
Other Losses		1 505 025	–	–	–	–	–	–		–
Total Expenditure		**2 026 935**	**630 789**	**–**	**51 397**	**51 397**	**52 566**	**(1 169)**	**-2%**	**630 789**
Surplus/(Deficit)		**(31 735)**	**(143 219)**	**–**	**122 281**	**122 281**	**(11 935)**	**134 216**	**-1125%**	**(143 219)**
Transfers and subsidies - capital (monetary allocations)		65 474	71 810	–	16 685	16 685	5 984	10 700	179%	71 810
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**33 739**	**(71 409)**	**–**	**138 966**	**138 966**	**(5 951)**			**(71 409)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**33 739**	**(71 409)**	**–**	**138 966**	**138 966**	**(5 951)**			**(71 409)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**33 739**	**(71 409)**	**–**	**138 966**	**138 966**	**(5 951)**			**(71 409)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**33 739**	**(71 409)**	**–**	**138 966**	**138 966**	**(5 951)**			**(71 409)**

In the table above the following can be highlighted

a) Revenue

i Waste Management

The Municipality billed revenue of R120 000 from solid waste removal services for the month of July 2026 which reflects 8% of the budgeted amount of R1 443 000. Management continues to monitor the completeness of billing to ensure that all revenue due is billed and subsequently collected.

ii Sale of Goods and Rendering of Services

The revenue source generated a revenue of R28 000 for the month of July 2026. This amount represents 4% of the budgeted amount of R637 000.

iii Agency Fees

The Municipality generates revenue from the operation of the Driver's Licence and Testing Centre (DLTC). For July 2026, revenue of R443 000 was generated, representing 7% of the budgeted amount of R6,6 million. The Municipal DLTC became fully operational in January 2026, which improved performance at the centre, and increased revenue collection to 80% of the budgeted amount in the 2025/26 financial year.

iv Interest From Current and Non-Current Assets

The Municipality earns interest on balances held in its primary bank account and call accounts. For July 2026, interest income of R1.6 million was generated, representing 6% of the R28,3 million which the annual budget. Management will continue to monitor interest earned on available funds and ensure that surplus cash is invested in accounts that maximise returns during periods when the funds are not immediately required for service delivery and other municipal running costs.

v Property Rates

The Municipality levies property rates on all rateable properties within its jurisdiction. Property rates billing processed during July 2026 amounted to approximately R29,4 million which is 50% of the total budget of R58,3 million. The increase in billing in the period under review is primarily attributable to the implementation of the supplementary valuation roll, with the most significant

impact arising from the inclusion and revaluation of government-owned properties.

vi Rental From Fixed Assets

The Municipality generated revenue of R66 000 for July 2026 from the rental of municipal-owned properties. The revenue generated in the period under review represents 5% of the total budgeted amount of just above R1,2 million. Management is currently undertaking a review of all municipal lease agreements to assess the appropriateness of existing rental tariffs and contractual terms. The outcomes of this review will be submitted to Council for consideration and resolution prior to implementation.

vii Transfers and Subsidies

The Municipality receives transfers and subsidies from various government departments in the form of both conditional and unconditional grants. During the period under review, operational grant revenue of approximately R140.6 million was received from the Equitable Share allocation.

In addition, R16.6 million was recognised as capital grant revenue, reflecting the extent to which grant conditions were met during the reporting period. The most significant portion of this funding relates to the Municipal Infrastructure Grant (MIG). The amount recognised represents 23% of the total MIG budget of R71.8 million for the 2026/27 financial year.

b) Expenditure

i Employee Related Costs

- The Municipality incurs expenditure on employee salaries and allowances for services rendered. For July 2026, expenditure on Employee Related Costs amounted to R15 million, against the budgeted amount t of R208 million for 2026/27 financial year. This expenditure represents 7% of the total budget.

- 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 of Remuneration for Municipal Public Office Bearers, as prescribed by Government Gazette, determines the salaries and allowances payable to councillors. The Municipality remunerates councillors in accordance with the provisions of the applicable Gazette.

In June 2026, expenditure on councillor remuneration amounted to just over R2.3 million, against the budget of R32,3 million for 2026/27.

iii Contracted Services

The contracted services for July 2026 amounted to R12,5 million against the total budget of R120,8 million which is the total budget for the 2026/27 financial year. This includes services contracted for maintenance of roads and other assets, travelling and accommodation, maintenance of the municipal fleet, legal fees and other contracted services.

iv Operational Costs

The expenditure of R16 million (12%) against the budget of R135 million for 2026/27, reflects significant operational activity during the reporting period. The Municipality will continue to closely monitor spending patterns to ensure that expenditures remain within approved budget limits and do not place undue pressure on available resources later in the financial year.

8. MONTHLY BUDGET STATEMENT: CAPITAL EXPENDITURE

The table below indicates capital expenditure for the month of July 2026 amounting to just over R19 million. The bulk of the capital expenditure is at Technical Services at just over R18 million. R14,5 million of the total capital expenditure for the period under review is funded through transfers and subsidies, while R4,9 million is funded from internally generated funds.

EC153 Ngquza Hills - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 - July

Vote Description	Ref	2025/26	Budget Year 2026/27							
		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 Enviromental 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		5 952	9 478	–	1 453	1 453	790	663	84%	9 478
Vote 2 - Community Services and Public Safety		2 530	1 605	–	–	–	134	(134)	-100%	1 605
Vote 3 - Economic and Enviromental Services		–	–	–	–	–	–	–		–
Vote 4 - Trading Services		10 133	4 348	–	–	–	362	(362)	-100%	4 348
Vote 5 - Technical Services		98 195	106 430	–	18 014	18 014	8 869	9 145	103%	106 430
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	116 809	121 861	–	19 467	19 467	10 155	**9 312**	**92%**	121 861
Total Capital Expenditure		**116 809**	**121 861**	**–**	**19 467**	**19 467**	**10 155**	**9 312**	**92%**	**121 861**
Capital Expenditure - Functional Classification										
Governance and administration		**5 952**	**9 478**	**–**	**1 453**	**1 453**	**790**	663	84%	**9 478**
Executive and council		–	174	–	–	–	14	(14)	-100%	174
Finance and administration		5 952	9 304	–	1 453	1 453	775	677	87%	9 304
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**98 195**	**106 430**	**–**	**18 014**	**18 014**	**8 869**	9 145	103%	**106 430**
Planning and development		–	–	–	–	–	–	–		–
Road transport		98 195	106 430	–	18 014	18 014	8 869	9 145	103%	106 430
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**12 663**	**5 953**	**–**	**–**	**–**	**496**	(496)	-100%	**5 953**
Energy sources		10 133	4 348	–	–	–	362	(362)	-100%	4 348
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		2 530	1 605	–	–	–	134	(134)	-100%	1 605
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**116 809**	**121 861**	**–**	**19 467**	**19 467**	**10 155**	**9 312**	**92%**	**121 861**
Funded by:										
National Government		58 277	61 908	–	14 508	14 508	5 159	9 349	181%	61 908
Provincial Government		602	536	–	–	–	45	(45)	-100%	536
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		**58 879**	**62 444**	**–**	**14 508**	**14 508**	**5 204**	**9 305**	**179%**	**62 444**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		57 930	59 417	–	4 959	4 959	4 951	7	0%	59 417
Total Capital Funding		**116 809**	**121 861**	**–**	**19 467**	**19 467**	**10 155**	**9 312**	**92%**	**121 861**

9. Monthly Budget Statement: Financial Position

As at 31 July 2026, the Municipality's total assets amounted to R2.113 billion against total liabilities of R83.5 million, resulting in net assets of R1.979 billion. Cash and cash equivalents remained strong at R343.7 million, exceeding the annual budget by R68,6 million.

Current liabilities amount to R112.4 million mainly due to outstanding trade payables and VAT obligations at month-end. The Municipality remains financially stable, with a current ratio of 3.06:1, indicating sufficient liquidity to meet its short-term obligations. Overall, the financial position remains sound despite the increase in current liabilities during the reporting period.

EC153 Ngquza Hills - Table C6 Monthly Budget Statement - Financial Position - M01 - July

Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		262 355	275 065	–	343 723	275 065
Short term Investments		–	–	–	–	–
Trade and other receivables from exchange transactions		1 537	6 589	–	7 851	6 589
Receivables from non-exchange transactions		8 512	54 014	–	36 558	54 014
Current portion of non-current receivables		–	–	–	–	–
Inventory		(0)	–	–	(0)	–
VAT		44 174	183	–	42 603	183
Other current assets		(0)	–	–	(0)	–
Total current assets		**316 578**	**335 851**	**–**	**430 735**	**335 851**
Non current assets						
Investments		–	–	–	–	–
Investment property		804 506	800 523	–	804 506	800 523
Property, plant and equipment		861 291	1 011 708	–	875 491	1 011 708
Biological assets		–	–	–	–	–
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		**1 665 797**	**1 812 231**	**–**	**1 679 996**	**1 812 231**
TOTAL ASSETS		**1 982 374**	**2 148 082**	**–**	**2 110 731**	**2 148 082**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		1 418	–	–	1 418	–
Consumer deposits		–	–	–	–	–
Trade and other payables from exchange transactions		60 436	46 744	–	51 044	46 744
Trade and other payables from non-exchange transactions		13 839	–	–	17 023	–
Provision		5 748	4 911	–	5 877	4 911
VAT		34 952	219	–	37 138	219
Other current liabilities		–	–	–	(129)	–
Total current liabilities		**116 393**	**51 874**	**–**	**112 372**	**51 874**
Non current liabilities						
Financial liabilities		854	–	–	854	–
Provision		28 313	31 659	–	21 047	31 659
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		**29 167**	**31 659**	**–**	**21 901**	**31 659**
TOTAL LIABILITIES		**145 560**	**83 534**	**–**	**134 273**	**83 534**
NET ASSETS	2	**1 836 815**	**2 064 548**	**–**	**1 976 458**	**2 064 548**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 817 318	2 064 548	–	1 976 458	2 064 548
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1 817 318**	**2 064 548**	**–**	**1 976 458**	**2 064 548**

10. MONTHLY BUDGET STATEMENT: CASHFLOW

EC153 Ngquza Hills - Table C7 Monthly Budget Statement - Cash Flow - M01 - July

Description	Ref	2025/26	Budget Year 2026/27							
		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		47 267	58 390	–	2 326	2 326	4 866	(2 540)	-52%	58 390
Service charges		961	1 406	–	50	50	117	(67)	-57%	1 406
Other revenue		48 899	52 916	–	(118)	(118)	4 410	(4 527)	-103%	52 916
Transfers and Subsidies - Operational		388 938	345 682	–	140 437	140 437	28 807	111 630	388%	345 682
Transfers and Subsidies - Capital		67 274	71 810	–	20 111	20 111	5 984	14 127	236%	71 810
Interest		6 251	40 591	–	1 215	1 215	3 383	(2 168)	-64%	40 591
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(254 032)	(504 092)	–	(42 692)	(42 692)	(42 016)	(676)	2%	(504 092)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	(9 850)	–	–	–	(821)	821	-100%	(9 850)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**305 557**	**56 853**	**–**	**121 330**	**121 330**	**4 730**	**(116 601)**	**-2465%**	**56 853**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	5 000	–	–	–	417	(417)	-100%	5 000
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Insurance Refund - Capital		–	–	–	–	–	–	–		–
Long Term Investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(118 953)	(140 140)	–	(21 532)	(21 532)	(11 678)	(9 854)	84%	(140 140)
Retention (Capital)		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(118 953)**	**(135 140)**	**–**	**(21 532)**	**(21 532)**	**(11 262)**	**(10 271)**	**(0)**	**(135 140)**
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		**186 604**	**(78 287)**	**–**	**99 798**	**99 798**	**(6 532)**			**(78 287)**
Cash/cash equivalents at beginning:		288 536	353 352	–		262 355	353 352			262 355
Cash/cash equivalents at month/year end:		475 140	275 065	–		362 153	346 820			184 068

The table above reflects the municipality's cash inflows and outflows for July 2026. Cash generated from operating activities was mainly driven by revenue collected from rates, service charges, grants and other revenue sources, while cash outflows were mainly attributable to employee related costs, contracted services, and operational expenditure and other sources.

Cash flows from investing activities relate primarily to capital expenditure incurred on infrastructure and other municipal assets.

Financing activities reflect movements in borrowings and other financing arrangements where applicable. The municipality has no loans or borrowings.

The municipality maintained a positive cash and cash equivalents position during the reporting period. Variations in cash flows are mainly influenced by the timing of grant receipts, debtor collections, and expenditure incurred on operational and capital projects.

SUPPORTING DOCUMENTATION

11. DEBTORS AGE ANALYSIS

The Municipality bills consumers for Property Rates and Solid Waste Removal services, and interest is charged on overdue accounts. It is critical that billed revenue is collected to ensure the Municipality maintains sufficient cash and cash equivalents to meet its financial obligations as they fall due.

Management is implementing a targeted approach, as discussed at the Revenue Committee and the BTO Portfolio Committee, to prioritise collections from commercial properties. This strategy is based on the understanding that commercial properties have a greater capacity to settle their debts due to their business operations. Following this, management will engage closely with government departments, which also have an obligation to settle all outstanding amounts owed to the Municipality.

The table below provides the Debtors Age Analysis as at the end of July 2026.

EC153 Ngquza Hills - Supporting Table SC2 Monthly Budget Statement - aged debtors - M01 - July

Description	NT Code	Budget Year 2026/27									
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	28 351	5 021	6 135	656	636	629	628	94 887	136 943	97 437
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	167	114	110	107	101	99	99	11 748	12 546	12 154
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	941	895	898	895	900	895	890	20 921	27 235	24 501
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	1	1	1
Total By Income Source	**2000**	**29 459**	**6 031**	**7 143**	**1 658**	**1 638**	**1 624**	**1 616**	**127 557**	**176 725**	**134 093**
2025/26 - totals only		–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	27 197	4 480	5 647	186	190	189	189	21 247	59 325	22 000
Commercial	2300	1 625	946	900	883	861	853	850	62 262	69 180	65 709
Households	2400	637	604	596	590	587	581	577	44 049	48 220	46 383
Other	2500	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**29 459**	**6 031**	**7 143**	**1 658**	**1 638**	**1 624**	**1 616**	**127 557**	**176 725**	**134 093**

a) Debt Collection Rate

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

July 2026 collection levels:

The Municipality bills for Property Rates and Solid Waste Removal services, and interest is levied on outstanding accounts. For July 2026, the Municipality generated total billings of just over R30.4 million, of which over R1.6 million was collected. This represents a collection of 5% against billed revenue.

The year-to-date collection rate remains below the targeted level. As such, engagements with ratepayers need to be intensified, and the planned specialised engagement with commercial property owners will be expedited to improve revenue performance.

Category	July	Year-to-Date
Rates	29 427 006	29 427 006
Refuse	119 999.90	119 999.90
Interest Levied	940 855	940 855
	30 487 861	**30 487 861**
Receipts	- 1 613 495	- 1 613 495
	28 892 366.77	**28 892 366.77**
Collection Rate	**5%**	**5%**

b. Comments Regarding Government Debt

There is ongoing engagement with government departments to ensure that all information required to facilitate payment of outstanding bills is provided. All relevant schedules, supporting documentation, and invoices have already been submitted to

the departments responsible, particularly the Department of Public Works, which accounts for most of the billed revenue.

12. Creditors Age Analysis

The table below presents the creditors' age analysis as at the end of July 2026, reflecting total creditors of R39 000 in the 0–30-day category. The municipality remains committed to settling all creditor accounts within 30 days, in line with National Treasury requirements.

EC153 Ngquza Hills - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 - July

Description	NT Code	Budget Year 2026/27								
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	39	–	–	–	–	–	–	–	39
Auditor General	0800	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	39	–	–	–	–	–	–	–	39

13. Cash and Cash Equivalents

The municipality keeps its funds on the primary and other call accounts. The balances in the bank accounts as at the end of July 2026 were just over R340.5 million and can be tabled as follows:

BANK	ACCOUNT TYPE	BALANCE
FNB	Cheque account	98 017 222.51
FNB	Call account	288 141.35
FNB	Operational Account	81 533 236.16
FNB	MIG Call Acc	90 320.33
FNB	Plant Call Acc	146 493 874.49
FNB	Call account	86 448.63
FNB	Call account	13 923 657.21
FNB	Call account	30 407.43

FNB	Call account	24 580.59
FNB	Call account	64 568.87
		340 552 457.57

14. Allocation and Grant Receipts and Expenditure

a) Grants Receipts for July 2026

The following table reflects the grant receipts for the month of July 2026

EC153 Ngquza Hills - Supporting Table SC18 Monthly Budget Statement - transfers and grant receipts - M01 - July

Description	Ref	2025/26	Budget Year 2026/27							
		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:		388 957	344 267	–	140 390	140 390	28 689	111 701	389.4%	344 267
Expanded Public Works Programme Integrated Grant		1 716	1 824	–	–	–	152	(152)	-100.0%	1 824
Municipal Disaster Relief Grant		39 414	–	–	–	–	–	–		–
Local Government Financial Management Grant	3	3 000	2 700	–	–	–	225	(225)	-100.0%	2 700
Municipal Infrastructure Grant		–	2 808	–	–	–	234	(234)	-100.0%	2 808
Equitable Share		344 827	336 935	–	140 390	140 390	28 078	112 312	400.0%	336 935
Provincial Government:		2 782	1 415	–	47	47	118	(71)	-60.1%	1 415
Library Grant		1 331	915	–	–	–	76	(76)	-100.0%	915
LG Seta Grant		1 450	500	–	47	47	42	5	12.9%	500
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		391 739	345 682	–	140 437	140 437	28 807	111 630	387.5%	345 682
Capital Transfers and Grants										
National Government:		67 274	70 894	–	20 111	20 111	5 908	14 203	240.4%	70 894
Municipal Infrastructure Grant		67 274	70 894	–	20 111	20 111	5 908	14 203	240.4%	70 894
Provincial Government:		–	616	–	–	–	51	(51)	-100.0%	616
Library Grant		–	616	–	–	–	51	(51)	-100.0%	616
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		67 274	71 510	–	20 111	20 111	5 959	14 152	237.5%	71 510
TOTAL RECEIPTS OF TRANSFERS & GRANTS		459 013	417 192	–	160 548	160 548	34 766	125 782	361.8%	417 192

Grant Expenditure for July 2026

The table below depicts spending on grants as per DORA allocation.

EC153 Ngquza Hills - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - M01 - July

Description	Ref	2025/26	Budget Year 2026/27							
		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:		33 757	7 332	–	289	289	611	(322)	-52.8%	7 332
Expanded Public Works Programme Integrated Grant		1 716	1 824	–	–	–	152	(152)	-100.0%	1 824
Municipal Disaster Relief Grant		26 019	–	–	–	–	–	–		–
Local Government Financial Management Grant	3	3 000	2 700	–	54	54	225	(171)	-76.0%	2 700
Municipal Infrastructure Grant		3 021	2 808	–	234	234	234	0	0.2%	2 808
Provincial Government:		2 126	1 415	–	–	–	118	(118)	-100.0%	1 415
Library Grant		676	915	–	–	–	76	(76)	-100.0%	915
LG Seta Grant		1 450	500	–	–	–	42	(42)	-100.0%	500
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		35 883	8 747	–	289	289	729	(440)	-60.4%	8 747
Capital Transfers and Grants										
National Government:		64 843	70 894	–	16 685	16 685	5 908	10 777	182.4%	70 894
Municipal Infrastructure Grant		64 843	70 894	–	16 685	16 685	5 908	10 777	182.4%	70 894
Provincial Government:		656	616	–	–	–	51	(51)	-100.0%	616
Library Grant		656	616	–	–	–	51	(51)	-100.0%	616
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		65 499	71 510	–	16 685	16 685	5 959	10 725	180.0%	71 510
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		101 382	80 257	–	16 973	16 973	6 688	10 285	153.8%	80 257

15. Employee Related Costs and Remuneration of Councillors

The detail provided below relates to the expenditure by the municipality for the period of July 2026. This also includes details of the amounts spent on the remuneration of councilors.

a) PAYROLL MANAGEMENT

- The municipal salaries are paid on the 15th of every month.
- Salaries for the month of July 2026 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 continue to ensure that payroll reconciliations are performed, reviewed and where necessary, required adjustments and corrections are made on a monthly basis.

EC153 Ngquza Hills - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - Month DD, YYYY -

Summary of Employee and Councillor remuneration	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		22 582	21 219	–	1 873	1 873	1 768	105	6%	21 219
Cell phone Allowance		3 008	3 912	–	251	251	326	(75)	-23%	3 912
Housing Allowance		145	144	–	12	12	12	0	3%	144
In-kind Benefits		–	–	–	–	–	–	–		–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		2 508	6 564	–	224	224	547	(323)	-59%	6 564
Office-bearer Allowance		–	–	–	–	–	–	–		–
Out of pocket Expenses		–	–	–	–	–	–	–		–
Travelling Allowance		–	509	–	–	–	42	(42)	-100%	509
Use of Personal Facilities		–	–	–	–	–	–	–		–
Total Allowances and Service Related Benefits		**28 244**	**32 347**	**-**	**2 360**	**2 360**	**2 696**	**(336)**	-12%	**32 347**
Social Contributions										
Medial Aid Benefits		–	–	–	–	–	–	–		–
Pension Fund Contributions		–	–	–	–	–	–	–		–
Total Social Contributions		**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Total Councillors		**28 244**	**32 347**	**-**	**2 360**	**2 360**	**2 696**	**(336)**	-12%	**32 347**
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		5 494	4 626	–	405	405	386	19	5%	4 626
Bonuses		1 622	146	–	207	207	12	195	1597%	146
Allowance								–		
Accommodation, Travel and Incidental		–	–	–	–	–	–	–		–
Cellular and Telephone	3	38	317	–	15	15	26	(12)	-44%	317
Housing Benefits	3	–	364	–	14	14	30	(17)	-55%	364
Non-pensionable		–	–	–	–	–	–	–		–
Travel or Motor Vehicle	3	990	1 646	–	89	89	137	(48)	-35%	1 646
Voluntary Work		–	–	–	–	–	–	–		–
Total Allowance		**1 028**	**2 327**	**-**	**118**	**118**	**194**	**(76)**	-39%	**2 327**
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–		–
Bonus	3	–	–	–	–	–	–	–		–
Danger Allowance	3	–	–	–	–	–	–	–		–
Entertainment	3	–	–	–	–	–	–	–		–
Fire Brigade		–	–	–	–	–	–	–		–
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	–	–	–	–	–	–	–		–
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	–	–	–	–	–	–	–		–
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–		–
Leave gratuity		–	–	–	–	–	–	–		–
Long Term Service Award		–	–	–	–	–	–	–		–
Total Service Related Benefits		**-**	**-**	**-**	**-**	**-**	**-**	**–**		**-**
Total Salaries and Allowances		**8 144**	**7 100**	**-**	**729**	**729**	**592**	**138**	23%	**7 100**
Social Contributions										
Bargaining Council		1	5	–	–	–	0	(0)	-100%	5
Group Life Insurance		–	–	–	–	–	–	–		–
Medical		–	–	–	–	–	–	–		–
Pension		–	98	–	–	–	8	(8)	-100%	98
Unemployment Insurance		11	8	–	1	1	1	(0)	-25%	8
Total Social Contributions		**11**	**111**	**-**	**1**	**1**	**9**	**(9)**	-94%	**111**
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–		–
Other Benefits		–	–	–	–	–	–	–		–
Pension		–	–	–	–	–	–	–		–
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**8 155**	**7 211**	**-**	**730**	**730**	**601**	**129**	21%	**7 211**
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		99 776	114 910	–	8 643	8 643	9 576	(933)	-10%	114 910
Bonuses		6 202	9 177	–	191	191	765	(574)	-75%	9 177
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–		–
Cellular and Telephone	3	2 483	1 383	–	189	189	115	74	64%	1 383
Housing Benefits	3	5 697	5 693	–	519	519	474	44	9%	5 693
Non-pensionable		–	–	–	–	–	–	–		–
Travel or Motor Vehicle	3	11 818	11 456	–	1 076	1 076	955	121	13%	11 456
Voluntary Work		–	–	–	–	–	–	–		–
Total Allowance		**19 998**	**18 532**	**-**	**1 784**	**1 784**	**1 544**	**240**	16%	**18 532**
Service Related Benefits										
Acting	3	910	1 104	–	88	88	92	(4)	-4%	1 104
Bonus	3	–	–	–	–	–	–	–		–
Danger Allowance	3	–	–	–	–	–	–	–		–
Entertainment	3	–	–	–	–	–	–	–		–
Fire Brigade		–	–	–	–	–	–	–		–
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	1 679	19	–	–	–	2	(2)	-100%	19
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		448	209	–	5	5	17	(12)	-71%	209
Overtime		15 356	10 943	–	1 138	1 138	912	226	25%	10 943
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	753	852	–	38	38	71	(33)	-46%	852
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	128	143	–	128	128	12	116	976%	143
Leave gratuity		–	1 050	–	78	78	87	(9)	-10%	1 050
Long Term Service Award		–	235	–	45	45	20	25	129%	235
Total Service Related Benefits		**19 274**	**14 555**	**-**	**1 521**	**1 521**	**1 213**	**308**	25%	**14 555**
Total Salaries and Allowances		**145 250**	**157 173**	**-**	**12 139**	**12 139**	**13 098**	**(959)**	-7%	**157 173**
Social Contributions										
Bargaining Council		47	344	–	4	4	29	(25)	-85%	344
Group Life Insurance		–	–	–	–	–	–	–		–
Medical		10 319	25 765	–	905	905	2 147	(1 242)	-58%	25 765
Pension		14 783	17 497	–	1 354	1 354	1 458	(104)	-7%	17 497
Unemployment Insurance		704	859	–	60	60	72	(12)	-17%	859
Total Social Contributions		**25 852**	**44 465**	**-**	**2 323**	**2 323**	**3 705**	**(1 383)**	-37%	**44 465**
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–		–
Other Benefits		–	–	–	–	–	–	–		–
Pension		–	–	–	–	–	–	–		–
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**171 102**	**201 639**	**-**	**14 461**	**14 461**	**16 803**	**(2 342)**		**201 639**
% increase	4									
Total Parent Municipality		**207 501**	**241 197**	**-**	**17 551**	**17 551**	**20 100**	**(2 549)**	-13%	**241 197**

16. Top Twenty Creditors Paid (July 2026)

Code	Creditor Name	Amount
09998	MVUMEZA TRADING ENTERPRISE	R11,473,388.33
02280	CHARTALL CREATIONS	R5,838,964.75
02038	Lateral Unison Insurance Brokers Pty Ltd	R4,918,441.00
00431	MUNSOFT	R4,414,254.01
01989	IHEANS TRAVELLING AGENCY	R3,844,981.20
60094	JOLWANA MGIDLANA INC	R3,210,204.53
02528	DLANYEKA ENGINEERING	R2,093,512.29
01370	IXHANGA TRADING	R1,918,368.39
01041	ALIZOZI	R1,728,041.73
21457	SAMYSIVU	R1,723,717.00
02442	NJILO TECHNOLOGY SYSTEMS	R1,670,652.17
02526	ANDEV GROUP (PTY)LTD	R1,548,135.37
01344	Tswella Trading 88	R1,490,457.96
00102	VITSHA TRADING	R1,392,509.17
00372	ESKOM	R1,215,638.69
02000	MVI CONSTRUCTION AND MAINTENANCE	R1,051,100.87
00892	PANGWA TRADING ENTERPRISE	R952,428.96
01987	MPANDLA CONSTRUCTION	R855,900.00
02536	INSIKA YETHU	R827,610.73
01333	ESIHLE SUPPLIERS AND SERVICES	R815,407.50
		R52,983,714.65

17. UIFW Expenditure

a) **Fruitless & Wasteful Expenditure as of July 2026 -** 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 July 2026. 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:

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	

Pending the finalisation of the process, the expenditure remains disclosed as fruitless and wasteful expenditure in the current financial year until proper processes to deal with it has been followed and will be disclosed as follows:-

	2027	**2026**
Opening balance as previously reported	1 460 146	1 460 146
Add: Fruitless and Wasteful Expenditure - current	-	-
Add: Fruitless and Wasteful expenditure - prior period	-	-
Less: Amount written off	-	-
Less: Amount recovered	-	-
Closing balance	**1 460 146**	**1 460 146**

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. There was no unauthorised expenditure incurred in the 2025/26 financial year and the reporting period.

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 July 2026. 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 (2024/25), additional irregular expenditure of just of R4 million was identified by the Auditor General, relating to the procurement through deviations which was judged to be poor planning rather than an emergency or impracticality to follow SCM Processes.

During the 2025/26 financial year, the municipality did not incur any additional irregular expenditure.

The irregular expenditure as at the end of July 2026 can be summarised as shown in the table below: -

		2027	**2026**
Opening balance as previously reported		9 269 223	29 111 722
Add: Irregular expenditure - current		-	-
Add: Irregular expenditure - prior period		-	-
Less: Amount written off		-	- 19 842 499
Less: Amount recovered		-	-
Closing balance		**9 269 223**	**9 269 223**

The details of the irregular expenditure identified to this far are as follows: -

DEPARTMENT	DESCRIPTION	SUCCESSFUL BIDDERS	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	Current Year Expenditure	Total expenditure to date
	Opening Balance															
Planning and De	Security Services - Demolitions	Mafoko Security Patrols	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R2 002 356,00	R0,00	R2 002 356,00	**R2 002 356,00**
Technical Servic	Prof Services for Flagstaff Town Hall phase 2	Red Ants	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R1 055 790,07	R1 055 790,07	R0,00	R2 111 580,14	**R2 111 580,14**
All Departments	SCM - Quotations below R30 000 were not evaluated as required by the PPPF Act	Various Bidders	R590 538,85	R256 207,50	R500 257,40	R977 406,50	R263 121,75	R439 936,75	R631 440,85	R176 650,00	R333 946,95	R264 507,96	R242 396,10	R478 875,78	R5 155 286,39	**R5 155 286,39**
		TOTAL	**R590 538,85**	**R256 207,50**	**R500 257,40**	**R977 406,50**	**R263 121,75**	**R439 936,75**	**R631 440,85**	**R176 650,00**	**R333 946,95**	**R1 320 298,03**	**R3 300 542,17**	**R478 875,78**	**R9 269 222,53**	**R9 269 222,53**

.

OTHER REPORTS

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

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

The municipality's mSCOA's first Steering Committee meeting took place on the 24th of April 2026. The mSCOA PSC noted underutilisation of key system modules, including Contracts, Grants, SCM and PMS functionalities. Provincial Treasury highlighted compliance gaps and risks of continued non-compliance, while Munsoft reported 58% system utilisation. Measures are being implemented to improve mSCOA compliance and system functionality and the meetings will sit on a quarterly basis. The first meeting for the current financial year will sit in the first quarter of the year.

There have been engagements with the vendor, to establish the extent to which the municipality utilizes the system, and plans have been put in place including the training that BTO officials attended in April on contract management and SCM module, to ensure that there is ultimately a full implementation of an mSCOA compliant accounting system. The municipality has also signed an agreement on the IDP to be

captured onto the system in the current reporting financial year. The municipality continues to monitor the full utilization of the financial system.

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

19. THE SUPPLY CHAIN MANAGEMENT REPORT

Tabled below is the report on SCM matters to be reported for the month of July 2026.

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

18.1 SCM Policy & Procedures

18.1.1 Adoption by Council

The SCM Policy was adopted by Council on May 2026, 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 vacant 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 ad hoc 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.

.

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

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

Order Date	Description	Supplier Details	Amount	Deviation Reason
POLICY RELATED DEVIATIONS				
			R 7 337,00	
28/07/2026	Advert	Arena Holdings	7 337,00	Impractical

4. Regulation 17 Procurement for the Month (July 2026)

Supplier Name	Amount	Description of Incident	Approved by	Date Approved	Department Responsible	Normal Process	Process Followed	Reason for Section 17
None	None	None	None	None	None	None	None	None

b) Unsolicited Bids

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

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

FUNCTION: BUDGET & TREASURY													
PROJECT	FUNDING	ITEM	TRANSACTION DATE	DOC.DATE	SERVICE DESCRIPTION	SUPPLIER NAME	FUNCTION	VALUE	STATUS	LOCALITY	RACE	GENDER	YOUTH
Workshops, Seminars & Subject Matter Training:Workshops	Levies	Accommodation	03/07/2026	01/07/2026	Accommodation and meals for 5 interns in Dbn	Iheans Travelling Agency	Budget & Treasury	81 061,41	Received	Mthatha	Black	Female	Not Youth
Workshops, Seminars & Subject Matter Training:Workshops	Levies	Accommodation	23/07/2026	20/07/2026	Accommodation and meals for 5 interns in Dbn from 26-30 July 2026	Iheans Travelling Agency	Budget & Treasury	64 849,13	Received	Mthatha	Black	Female	Not Youth
Workshops, Seminars & Subject Matter Training:Workshops	Levies	Public Transport:Air Transport	31/07/2026	29/07/2026	Flights for P Dlomo from Dbn to Gqeberha	Iheans Travelling Agency	Budget & Treasury	11 514,25	Received	Mthatha	Black	Female	Not Youth
Workshops, Seminars & Subject Matter Training:Workshops	Levies	Accommodation	31/07/2026	27/07/2026	Accommodation and meals for P Dlomo in Gqeberha from 27-29 July 2026	Iheans Travelling Agency	Budget & Treasury	6 474,05	Received	Mthatha	Black	Female	Not Youth

Municipal Running Cost	Levies	Contractors:Catering Services	31/03/2026	29/07/2026	Catering for 80 people in Flagstaff on 31 July 2026	Likum 14 Trading	Budget & Treasury	9 600,00	Received	Flagstaff	Black	Female	Not Youth
TOTAL								**173 498,84**					
FUNCTION-CORPORATE SERVICES & HUMAN RESOURCES													
PROJECT	**FUNDING**	**ITEM**	**TRANSACTION DATE**	**DOC.DATE**	**SERVICE DESCRIPTION**	**SUPPLIER NAME**	**FUNCTION**	**VALUE**	**STATUS**	**LOCALITY**	**RACE**	**GENDER**	**YOUTH**
Human Resource Management: Recruitment & Selection	Levies	Hire Charges	02/07/2026	26/06/2026	Venue and catering for 14 people in Lusikisiki on 03 July 2026	Iheans Travelling Agency	Human Resources	9 787,11	Received	Mthatha	Black	Female	Not Youth
Workshop.Seminar & Subject Matter Training:Training Employees	Levies	Accommodation	09/07/2026	07/07.2027	Accommodation and meals for M Ntotho in Dbn from 09-11 July 2026	Iheans Travelling Agency	Administration	6 484,91	Received	Mthatha	Black	Female	Not Youth
Workshop.Seminar & Subject Matter Training:Training Employees	Equitable Share	Hire Charges	16/07/2026	13/07/2026	Venue for 45 employees in Lusikisiki on 20-21 July 2026	Iheans Travelling Agency	Administration	9 645,90	Received	Mthatha	Black	Female	Not Youth
Employee Assistance Programme: Employee Wellness	Levies	Outsourced Services:Catering Services	17/07/2026	22/07/2026	Catering for 64 employees in Lusikisiki	Gcodies Enterprise	Human Resources	11 520,00	Received	Lusikisiki	Black	Male	Youth
Workshop.Seminar & Subject Matter	Levies	Accommodation	23/07/2026	16/07/2026	Accommodation and meals for Z Masumpa in Dbn	Iheans Travelling Agency	Administration	12 969,83	Received	Mthatha	Black	Female	Not Youth

Training:Training Employees					from 26-30 July 2026								
Municipal Running Cost	Levies	Outsourced Services:Catering Services	28/07/2026	22/07/2026	Catering for 14 people in Lusikisiki on 30 July 2026	Iheans Travelling Agency	Human Resources	2 965,46	Received	Mthatha	Black	Female	Not Youth
Workshop.Seminar & Subject Matter Training:Training Employees	Equitable Share	Outsourced Services:Catering Services	28/07/2026	16/07/2026	Catering for 120 people in Lusikisiki on 30 July 2026	Iheans Travelling Agency	Administration	59 569,95	Received	Mthatha	Black	Female	Not Youth
Workshop.Seminar & Subject Matter Training:Training Employees	Equitable Share	Hire Charges	28/07/2026	16/07/2026	Venue for 120 people in Lusikisiki on 30 July 2026	Iheans Travelling Agency	Administration	19 552,50	Received	Mthatha	Black	Female	Not Youth
Human Resource Management: Recruitment & Selection	Levies	Accommodation	30/07/2026	22/07/2026	Accommodation and meals for M Mdingi in Flagstaff from 03-31 August 2026	Iheans Travelling Agency	Human Resources	50 184,75	Received	Mthatha	Black	Female	Not Youth
Workshop.Seminar & Subject Matter Training:Training Employees	Levies	Accommodation	30/07/2026	27/07/2026	Accommodation and meals for M Matubatuba and C Madyaka at Wild Coast Sun from 02-05 August 2026	Iheans Travelling Agency	Administration	19 715,44	Received	Mthatha	Black	Female	Not Youth
TOTAL								**202 395,85**					
FUNCTION: ECONOMIC DEVELOPMENT & PLANNING													
PROJECT	**FUNDING**	**ITEM**	**TRANSACTION DATE**	**DOC.DATE**	**SERVICE DESCRIPTION**	**SUPPLIER NAME**	**FUNCTION**	**VALUE**	**STATUS**	**LOCALITY**	**RACE**	**GENDER**	**Youth**

Tourism Development: Tourism Annual Events	Levies	Contractors: Artists and Performers	17/07/2026	24/07/2026	Hiring of 2 local artists for Mandela Month Commemoration	Ultimate Dream Projects	Economic Development	30 000,00	Received	Flagstaff	Black	Female	Youth
Events and Organisations: LED Programmes	Current and Non-Current Assets: Bank Accounts	Outsourced Services:Catering Services	23/07/2026	16/07.2026	Catering for 100 people in Lusikisiki on 5 August 2026	Lorna Holdings	Economic Development	12 500,00	Received	Lusikisiki	Black	Female	Youth
Events and Organisations: LED Programmes	Current and Non-Current Assets: Bank Accounts	Outsourced Services:Catering Services	28/07/2026	24/07/2026	Catering for 120 people in Lusikisiki on 28 July 2026	Zekwande Maliwa	Economic Development	6 600,00	Received	Lusikisiki	Black	Female	Not Youth
Workshops, Seminars & Subject Matter Training:Workshops	Levies	Accommodation	31/07/2026	16/07/2026	Accommodation and meals for L Fikeni at Mphekweni from 03-07 August 2026	Iheans Travelling Agency	Economic Development	14 908,79	Received	Mthatha	Black	Female	Not Youth
Workshops, Seminars & Subject Matter Training:Workshops	Levies	Accommodation	31/07/2026	16/07/2026	Accommodation and meals for B Njilo at Mphekweni from 03-07 August 2026	Iheans Travelling Agency	Economic Development	14 908,79	Received	Mthatha	Black	Female	Not Youth
TOTAL								**78**					

								917,58					
FUNCTION: ROADS: INFRASTRUCTURE & TECHNICAL SERVICES													
PROJECT	**FUNDING**	**ITEM**	**TRANSACTION DATE**	**DOC.DATE**	**SERVICE DESCRIPTION**	**SUPPLIER NAME**	**FUNCTION**	**VALUE**	**STATUS**	**LOCALITY**	**RACE**	**GENDER**	**Youth**
Municipal Running Cost	Current and Non-Current Assets: Bank Accounts	Wet Fuel	27/07/2026	16/07/2026	Supply and delivery of 700 litres of diesel	Iheans Travelling Agency	Street Lighting and Signal System: Infrastructure & Technical Services	27 111,00	Received	Lusikisiki	Black	Female	Not Youth
TOTAL								**27 111,00**					
FUNCTION MUNICIPAL MANAGERS & TOWN SECRETARY													
PROJECT	**FUNDING**	**ITEM**	**TRANSACTION DATE**	**DOC.DATE**	**SERVICE DESCRIPTION**	**SUPPLIER NAME**	**FUNCTION**	**VALUE**	**STATUS**	**LOCALITY**	**RACE**	**GENDER**	**YOUTH**
Municipal Running Cost	Equitable Share	Outsourced Services:Catering Services	07/07/2026	02/07/2026	Catering for 70 people in Lusikisiki on 07 July 2026	Iheans Travelling Agency	Municipal Manager's Office	14 827,31	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Equitable Share	Hire Charges	07/07/2026	02/07/2026	Venue for 70 people in Lusikisiki o 07 July 2026	Iheans Travelling Agency	Municipal Manager's Office	4 822,95	Received	Mthatha	Black	Female	Not Youth

Municipal Running Cost	Equitable Share	Outsourced Services:Catering Services	09/07/2026	08/07/2026	Catering for 26 people in Lusikisiki on 10 July 2026	Iheans Travelling Agency	Municipal Manager's Office	3 530,31	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Equitable Share	Advertising, Publicity and Marketing: Tenders	09/07/2026	07/07/2026	Advert for 2026/27 SDBIP	Pondoland Times	Municipal Manager's Office	1 050,00	Received	Bizana	Black	Male	Not Youth
Community Initiative: Memorial Lecture	Equitable Share	Hire Charges	13/07/2026	08/07/2026	Catering and venue for 30 people in Lusikisiki on 14 July 2026	Iheans Travelling Agency	Municipal Manager's Office	10 753,88	Received	Mthatha	Black	Female	Not Youth
Workshop.Seminar & Subject Matter Training:Training Employees	Equitable Share	Accommodation	16/07/2026	15/07/2026	Accommodation and meals for T Njilo and L Nomlaba in Mthatha from 17-18 July 2026	Iheans Travelling Agency	Municipal Manager's Office	4 225,51	Received	Mthatha	Black	Female	Not Youth
Workshop.Seminar & Subject Matter Training:Training Employees	Equitable Share	Accommodation	17/07/2026	15/07/2026	Accommodation and meals for T Njilo and L Nomlaba in Mthatha from 02-03 August 2026	Iheans Travelling Agency	Municipal Manager's Office	4 225,51	Received	Mthatha	Black	Female	Not Youth
Workshop.Seminar & Subject Matter Training:Training Employees	Equitable Share	Accommodation	23/07/2026	22/07/2026	Accommodation and meals for V.C Makedama in Dbn from 22-23 July 2026	Iheans Travelling Agency	Municipal Manager's Office	3 242,46	Received	Mthatha	Black	Female	Not Youth
Awareness Campaign:Mandela Day	Equitable Share	Advertising, Publicity and Marketing: Gifts and	23/07/2026	16/07/2026	Procurement of 93 throws for Mandela Month Commemoration	Ilanga 04 Trading Enterprise	Municipal Manager's Office	27 900,00	Received	Lusikisiki	Black	Male	Youth

		Promotional Items											
Municipal Running Cost	Equitable Share	Hire Charges	24/07/2026	17/07/2026	Hiring of logistics for Mandela Month Commemoration	PBM Solutions	Municipal Manager's Office	12 740,00	Received	Lusikisiki	Black	Male	Not Youth
Municipal Running Cost	Equitable Share	Contractors: Stage and Sound Crew	24/07/2026	17/07/2026	Hiring of sound system for Mandela Month Commemoration	Mbanjwa Siblings	Municipal Manager's Office	29 600,00	Received	Flagstaff	Black	Male	Youth
Youth Development: Youth Development	Equitable Share	Outsourced Services:Catering Services	24/07/2026	16/07/2026	Catering for 200 people at Thahle Community Hall on 23 July 2026	Iheans Travelling Agency	Municipal Manager's Office	23 897,50	Received	Mthatha	Black	Female	Not Youth
Workshop.Seminar & Subject Matter Training:Training Employees	Equitable Share	Accommodation	24/07/2026	17/07/2026	Accommodation, meals, flights and car hire for V.C Makedama in Jhb from 20-22 July 2026	Iheans Travelling Agency	Municipal Manager's Office	36 110,88	Received	Mthatha	Black	Female	Not Youth
Awareness Campaign:Mandela Day	Equitable Share	Advertising, Publicity and Marketing: Gifts and Promotional Items	27/07/2026	20/07/2026	Procurement of paint for Mandela Event	Delight Duo	Municipal Manager's Office	3 400,00	Received	Flagstaff	Black	Female	Youth
IDP Implementation and Monitoring:IDP Assessment	Levies	Accommodation	29/07/2026	14/07/2026	Accommodation and meals for 10 officials in East London from 30 July to 01 August 2026	Iheans Travelling Agency	Municipal Manager's Office	28 046,14	Received	Mthatha	Black	Female	Not Youth
Gender Development:	Equitable Share	Accommodation	29/07/2026	13/07/2026	Accommodation and meals for F Fikeni in Dbn	Iheans Travelling Agency	Municipal Manager's Office	10 710,43	Received	Mthatha	Black	Female	Not Youth

Women's Development													
Municipal Running Cost	Equitable Share	Advertising, Publicity and Marketing: Tenders	30/07/2026	24/07/2026	Advert for Supply and Delivery of Vegetable Inputs	Your Media Today Communications	Municipal Manager's Office	2 000,00	Received	Kokstad	Black	Female	Not Youth
Municipal Running Cost	Equitable Share	Advertising, Publicity and Marketing: Tenders	30/07/2026	24/07/2026	Advert for Supply and Delivery of Maize Production Inputs	Group Two Media Company	Municipal Manager's Office	1 998,70	Received	Kokstad	Black	Male	Not Youth
TOTAL								**223 081,58**					
FUNCTION: MAYOR AND COUNCIL													
PROJECT	**FUNDING**	**ITEM**	**TRANSACTION DATE**	**DOC.DATE**	**SERVICE DESCRIPTION**	**SUPPLIER NAME**	**FUNCTION**	**VALUE**	**STATUS**	**LOCALITY**	**RACE**	**GENDER**	**YOUTH**
Capacity Building Councillors:Training Councillors	Levies	Accommodation	16/07/2026	15/07/2026	Accommodation and meals for M.I Nkungu in Mthatha from 17-18 July 2026	Iheans Travelling Agency	Mayor & Council	5 371,51	Received	Mthatha	Black	Female	Not Youth
Capacity Building Councillors:Training Councillors	Levies	Accommodation	17/07/2026	17/06/2026	Accommodation, meals, flights and car hire for P.N Pepping and Z Ntukuntezi in Jhb from 01-03 July 2026	Iheans Travelling Agency	Mayor & Council	35 574,69	Received	Mthatha	Black	Female	Not Youth
Capacity Building Councillors:Training Councillors	Levies	Accommodation	17/07/2026	17/06/2026	Accommodation, meals, flights and car hire for S.B Vatsha and L Mlathai in Jhb	Iheans Travelling Agency	Mayor & Council	35 574,69	Received	Mthatha	Black	Female	Not Youth

					from 01-03 July 2026								
Capacity Building Councillors:Training Councillors	Levies	Accommodation	17/07/2026	15/07/2026	Accommodation and meals for M.I Nkungu in Mthatha from 02-03 August 2026	Iheans Travelling Agency	Mayor & Council	5 371,51	Received	Mthatha	Black	Female	Not Youth
Municipal Running Cost	Equitable Share	Outsourced Services:Catering Services	29/07/2026	24/07/2026	Catering for 120 people in Lusikisiki on 30 July 2026	Iheans Travelling Agency	Mayor & Council	59 309,25	Received	Mthatha	Black	Female	Not Youth
TOTAL								**141 201,65**					
FUNCTION: COMMUNITY SERVICES SOLID WASTE													
PROJECT	**FUNDING**	**ITEM**	**TRANSACTION DATE**	**DOC.DATE**	**SERVICE DESCRIPTION**	**SUPPLIER NAME**	**FUNCTION**	**VALUE**	**STATUS**	**LOCALITY**	**RACE**	**GENDER**	**YOUTH**
Workshops, Seminars & Subject Matter Training:Workshops	Current and Non-Current Assets: Bank Accounts	Accommodation	15/07/2026	13/07/2026	Accommodation and meals for Z Masumpa in East London from 15-17 July 2026	Iheans Travelling Agency	Community Services	4 562,25	Received	Mthatha	Black	Female	Not Youth
TOTAL								**4 562,25**					
GRAND TOTAL								**823 657,75**					

18.9 Formal RFQ's R30 000.00 – R300 000.00: July 2026

	NAME OF CONTRACTOR	MAAA NUMBER	CONTRACT NUMBER	DESCRIPTION OF CONTRACT	DATE OF AWARD	CONTRACT PERIOD	CONTRACT VALUE	LOCALITY	GENDER	YOUTH AND RACE
1.	DNB Business Chain	MAAA1489801	IHLM/208/2025-26/MM'S	Prizes for Mayoral Cup Finalists	09-Jul-26	Once off	R93 000,00	Flagstaff	Female owned	Black and Youth
2.	Zithuba Pty Ltd	MAAA0983911	IHLM/01/2026-27/MM'S	Catering for 400 people for Mandela Month commemoration	27-Jul-26	Once off	R43 700,00	Lusikisiki	Female owned	Black and Youth
3.	Bhulu Security and Cleaning Services	MAAA1455808	IHLM/02/2026-27/MM'S	Transport services for Mandela Month Commemoration	27-Jul-26	Once off	R35 850,00	Flagstaff	Male	black and youth

18.10 Bids above R300 000.00

NO	NAME OF CONTRACTOR	MAAA NUMBER	CONTRACT NUMBER	DESCRIPTION OF CONTRACT	DATE OF AWARD	CONTRACT PERIOD	CONTRACT VALUE	LOCALITY	OWNERSHIP	RACE & AGE GROUP
1.	Target Line cc	MAAA0071035	IHLM/78/2025-26/ADMIN	Training of 47 public safety personnel on firearm competency and refresher course	24-Jul-26	Once off	R283 991,00	East London	Male Owned	White and no youth

18.11 Task Orders: July 2026

NO	NAME OF CONTRACTOR	CONTRACT NUMBER	DESCRIPTION OF CONTRACT	DATE OF AWARD	CONTRACT VALUE
1.	Mesabiso Civil & Projects	IHLM/103/2024-25/ROADS	Task order for professional services for designs of Flagstaff landfill site	**23-July-26**	**R2 471 350,00**
2.	Gemin Moon Trading 6 Pty Ltd	IHLM/51/2025-26/ICT	Task order for supply and installation of 48 network port switches	**31-July-26**	**R166 750,00**

18.12 Municipal Bid Appeals (if applicable)

There is an ongoing appeal/challenge to the process of appointment of a service provider for the Construction of Lusikisiki Offices. The status of the court challenge is best reported in the legal section of the municipality.

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	Court judgement 28/04/2024

18.13 Contracts Register Statistics

No. of Current Contracts	No. of contracts awarded to SMMEs within the municipal area (local suppliers)	No. of Contracts about to expire in <6 months	No. of Expired Contracts but still in use
154 (2023-24)	222	06	02

53 (2024-25) 168 (2025-26) 1 (2026-27)			
Commitment amounts as at the **31 July 2026 R67 869 950,29**			

18.14 Contracts Expiring in 2026

Contract No.	Contract Description	End Date	Amount
IHLM/122/2023-24/BTO	Provision of tyre supply, fitment, maintenance and repairs	28 August 2026	Rate Based

18.15 Long-term Contracts

NO.	DESCRIPTION	NATURE & PURPOSE OF THE AGREEMENT	STATUS	RESPONSIBLE OFFICIALS
1.	Agreement between IHLM and Bidvest Steiner	Provision of Hygiene Services	The Contract is expired on the 10-06-2024	Manager ICT and Admin
2.	First National Bank	Provision of Banking Services	The Contract is expiring on the 10-06-2026	Chief Financial Officer
3.	Iheans Trading t/a Iheans Travelling Agency	Provision of Travel Management Services	Contract Expiring on the 05 March 2027	Budget and Treasury Office

4.	Lateral Unison	Insurance Services for a period of 03 years	Contract Expiring on the 28-Jun-27	Manager Asset, Fleet and Expenditure
5.	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
6.	Sky Metro	Printing services for a period of 36 Months	Contract expiring on the 19 November 2027	Manager ICT and Admin
7.	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
8.	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
9.	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
10.	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
11.	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
12.	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
13.	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
14.	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

15.	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
16.	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
17.	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
18.	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
19.	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
20.	MIE Pty Ltd	Provision of Background verification check for a period of 03 Years	The Contract is expiring on 14-April-2028	Corporate Services
21.	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
22.	Tech Seeds Telecommunications	Website revamp services for a period of 24 months	The Contract is expiring on 14-May-2027	Manager ICT and Admin
23.	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
24.	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

25.	Sword Group	Supply, delivery and Minor Maintenance for Municipal Facilities	The Contract is expiring on 03-July-2028	Technical Services
26.	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
27.	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
28.	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
29.	Zinzame Consulting Engineers	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
30.	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
31.	Hi-Tec Consulting Engineers	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
32.	Ubuhle Bempisi Consulting Engineers	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services

33.	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
34.	Bhuku Consulting Engineers	Panel of Professional Services for Civil and Structural Engineers for a period of 36 months	Contract is expiring on 25 August 2028	Technical Services
35.	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
36.	BI Infrastructure 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
37.	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
38.	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
39.	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
40.	Usiba lwe 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

41.	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
42.	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
43.	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
44.	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
45.	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
46.	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
47.	Gemin Moon Trading 6 Pty Ltd	Panel of ICT service providers for a period of 36 Months	Contract is expiring on 04 November 2028	Manager ICT and Admin
48.	Techseeds Telecommunication	Panel of ICT service providers for a period of 36 Months	Contract is expiring on 04 November 2028	Manager ICT and Admin
49.	Njilo Technology Systems	Panel of ICT service providers for a period of 36 Months	Contract is expiring on 04 November 2028	Manager ICT and Admin

50.	MNT Geomatics	Panel of Land Surveyors for a period of 2 years	Contract is expiring on 24 March 2028	Planning and Development
51.	NTG Solutions	Panel of Land Surveyors for a period of 2 years	Contract is expiring on 24 March 2028	Planning and Development
58.	Zonex Geomatics	Panel of Land Surveyors for a period of 2 years	Contract is expiring on 24 March 2028	Planning and Development
59.	Likamva Geomatics Pty Ltd	Panel of Land Surveyors for a period of 2 years	Contract is expiring on 24 March 2028	Planning and Development
60.	Denasa Civils	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
61.	Khanyakhwezi Trading Enterprise	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
62.	Egxeni Engineering	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
63.	Aphiwe Qhamani Group Society	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
64.	Mpiyakhe Construction and Traffic Services	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services

65.	Boboshe Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
66.	Orie Dynamic Trading Pty Ltd	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
67.	L.G Construction	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
68.	Alutha Holdings 82	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
69.	Thabo Ntlangula Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
70.	SELB Trading 85 cc	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
71.	Tdoz 82 Trading Pty Ltd	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
72.	Andev Group Pty Ltd	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services

73.	Mngeyane Holdings Pty Ltd	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
74.	Senzakahle SA Pty Ltd	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
75.	Lulwakhuyo Construction	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
76.	Kwangi 12	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
77.	Solana Projects Managers	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
78.	Alizozi Pty	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
79.	B. Cala Civils Pty Ltd	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
80.	Ixhanga Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services

81.	Dlanyeka Engineering Pty Ltd	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
82.	Sjaka Group	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
83.	Gade and Dlova Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
84.	BB Logistics	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
85.	Lambadino Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
86.	Njomane General Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
87.	Zeezee Khula Tradning t/a ZZK Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
88.	Anzet Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services

89.	Esihle Suppliers & Services Pty	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
90.	Castlehill Trading 265 cc	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
91.	Masilo Projects	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
92.	Million Colours Group	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
93.	Sibukwa Investments	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
94.	Kokstad Tool Hire t/a Igorha Construction	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
95.	Indumeni Trading cc	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
96.	Syanda Investments	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services

97.	Ibala Consulting Pty Ltd	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
98.	MVI Construction and Maintenance	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
99.	Vuyie Xolie Consctruction	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
100.	Mabozela Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
101.	Vitsha Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
102.	NSG 122011 Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
103.	Luzuko Trading Enterprise	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
104.	Mvumeza Construction	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services

105.	Nase Construction	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
106.	Chia Trading	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
107.	Pangwa Trading Enterprise	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
108.	Phefong Construction and Projects 39 cc	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
109.	Advance Call	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Corporate Services
110.	Denasa Civils	Panel of contractors civil engineering services for a period of 03 years	Contract is expiring on April 2029	Technical Services
111.	Gibbs Africa Peace Corp JV Mjayeli Security	Panel of Private security for a period of 12 months	Contract is expiring on June 2027	Planning and Development
112.	Gasela Protection Services	Panel of Private security for a period of 12 months	Contract is expiring on June 2027	Planning and Development
113.	Vilo Security	Panel of Private security for a period of 12 months	Contract is expiring on June 2027	Planning and Development

114.	All Black Security Services	Panel of Private security for a period of 12 months	Contract is expiring on June 2027	Planning and Development
115.	Zithuba Pty Ltd	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
116.	Bluestep Trading	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
117.	Fasimba 13 Civils and Projects	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
118.	LTDOZ	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
119.	Lingomso lethu Capital	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
120.	Ikhwalo Nande Group	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
121.	Alika Construction	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
122.	Linokwani Costruction	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
123.	Ebhungeni Holdings	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development

124.	Million Colours Group	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
125.	MAT Trading Enterprise	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
126.	Situfuza and Lwandle Pty	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
127.	Mventshane Trading Enterprise	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
128.	Athis Trading	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
129.	Fezanathi Projects Pty	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
130.	Qedanation	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
131.	Uthi Bathethile Ngam Pty	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
132.	SV Concepts	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development

133.	Jeanete Group	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
134.	Bhewu Trading	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
135.	We are the Hygiene Hub	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
136.	Chia Trading	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
137.	Achumile Amangwane Investments	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
138.	LinathiH Projects	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years	Contract is expiring on June 2028	Planning and Development
139.	Glory N Snowy Construction	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years.	Contract is expiring on June 2028	Planning and Development
140.	Ngceke Construction	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years.	Contract is expiring on June 2028	Planning and Development
141.	Samysivu Pty Ltd	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years.	Contract is expiring on June 2028	Planning and Development

142.	Mkhwane Group	Incubation programme for construction, rehabilitation and maintenance for a period of 2 years.	Contract is expiring on June 2028	Planning and Development

18.16 Variations

For the month of July 2026, 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					

20. ASSETS AND FLEET MANAGEMENT

Asset Management is the unit within the Budget and Treasury Department that is responsible for the co-ordination of asset management function throughout the municipality. To ensure that municipal assets are managed, controlled, safeguard and utilized in an efficient and effective manner.

Fleet Management also is the unit within Budget and treasury department that is responsible for the management and effective utilisation of municipal fleet. Expenditure Management is the unit as well within Budget and Treasury section which deals with the payment of suppliers as well as payment of salaries. The following are items that can be highlighted relating to asset and fleet management:

a. Asset Additions

The following are the asset additions for July 2026:

Asset no.	Asset Description	Asset Category	Cost Price	Inv. Date	Invoice No.	Supplier	Department	Responsible Person
FA008298	L-shaped Desk	Furniture and Equipment	25 000.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	A. Jordaan
FA008299	L-shaped Desk	Furniture and Equipment	25 000.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	D. Mjokovana
FA008300	L-shaped Desk	Furniture and Equipment	25 000.00	24/07/2026	JNW09	JNW Trading Enterprise	Corporate Services	B. Mbathani
FA008289	Cupboard	Furniture and Equipment	1 500.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	D. Mjokovana
FA008296	Cupboard	Furniture and Equipment	1 500.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	A. Jordaan
FA008290	Cupboard	Furniture and Equipment	1 500.00	24/07/2026	JNW09	JNW Trading Enterprise	Corporate Services	B. Mbathani
FA008291	Visitors Chair	Furniture and Equipment	4 500.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	A. Jordaan
FA008294	Visitors Chair	Furniture and Equipment	4 500.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	A. Jordaan
FA008293	Visitors Chair	Furniture and Equipment	4 500.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	D. Mjokovana
FA008292	Visitors Chair	Furniture and Equipment	4 500.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	D. Mjokovana
FA008295	Visitors Chair	Furniture and Equipment	4 500.00	24/07/2026	JNW09	JNW Trading Enterprise	Corporate Services	B. Mbathani
FA008401	Visitors Chair	Furniture and Equipment	4 500.00	24/07/2026	JNW09	JNW Trading Enterprise	Corporate Services	B. Mbathani
FA008402	Plastic Dustbin	Furniture and Equipment	600.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	A. Jordaan
FA008403	Plastic Dustbin	Furniture and Equipment	600.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	D. Mjokovana
FA008404	Coat Hanger	Furniture and Equipment	8 000.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	A. Jordaan
FA008405	Coat Hanger	Furniture and Equipment	8 000.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	D. Mjokovana
FA008406	High-Back Executive	Furniture and Equipment	7 000.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	A. Jordaan
FA008407	High-Back Executive	Furniture and Equipment	7 000.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	D. Mjokovana
FA008408	High-Back Executive	Furniture and Equipment	7 000.00	24/07/2026	JNW09	JNW Trading Enterprise	Planning and Development	B. Mbathani
FA008409	U P S	Computer Equipment	1 452 741.02			Njilo Technology Systen	Corporate Services	B.Mbathani

WIP additions as at 31 July 2026 are as follows:

WIP REGISTER FOR 2026-2027 FINANCIAL YEAR
01 JULY 2026- 31 JULY 2026

No	Project Name	Consultant	Contractor	Class	Restated Opening Balances 2027	Additions 2026-27	Completed Assets	Closing Balance 30 June 2026	Comments
1	New Municipal Offices Lusikisiki	Uphuhliso Nohlumo	N/A	Other Assets	7 628 949.85			7 628 949.85	In Progress
2	Flagstaff Municipal Offices	Iqhayiya Design Works	Vitsha Trading	Other Assets	30 423 786.00	1 583 854.04		32 007 640.04	In Progress
3	Taxi Rank	Leko Consulting	N/A	Community Assets	2 739 544.12			2 739 544.12	In Progress
4	Ward 2 Sport Field	Leko Consulting	Brainwave Projects	Community Assets	23 880 888.70			23 880 888.70	In Progress
5	Ward 26 Sports field	Iqhayiya Design Works	Vitsha Trading	Community Assets	20 473 041.02			20 473 041.02	In Progress
6	Facelift Towns (Internal Streets Flagstaff) Phas	Ziinzame Consulting	MVI Construction	Infrastructure-Road	41 716 619.92	914 000.76		42 630 620.68	In Progress
7	Facelift Towns (Internal Streets Lusikisiki) Pha	Uphuhliso Nohlumo	Mvumeza Trading	Infrastructure-Road	43 101 255.12	9 976 859.42		53 078 114.54	In Progress
8	Construction of Sirhetshe to Sibuthe Access Rc	Mlala Emazweni Tradir	N/A	Infrastructure-Road	4 703 511.59			4 703 511.59	In Progress
9	Construction of Ngonyameni Access road & Bri	Mlala Emazweni Tradir	N/A	Infrastructure-Road	5 830 015.62	1 296 050.40		7 126 066.02	In Progress
10	Construction of Zone 5 Sportsfield	SDM Consulting/Zambi	N/A	Community Assets	11 749 915.54			11 749 915.54	In Progress
11	Refurbishment of Lusikisiki Old Offices	N/A	Pangwa Trading Enterpi	Other Assets	1 309 536.57	828199.1		2 137 735.67	In Progress
12	Mbhayi bridge				2 742 313.08			2 742 313.08	In Progress
13	ndzaka bridge				2 229 435.51			2 229 435.51	In Progress
14	Re-Construction of Kwanene to Sikhulu A/R	Dlanyeka Engineering	N/A	Infrastructure-Road		622 290.47		622 290.47	In Progress
15	Construction of Mkhamelo to Makolonini A/R	INSIKA YETHU	N/A	Infrastructure-Road		330 974.42		330 974.42	In Progress
16	Chwechwela Access Road	INSIKA YETHU	N/A	Infrastructure-Road		388 687.09		388 687.09	In Progress
				Restated Balance	**198 528 812.64**	**15 940 915.70**	**-**	**214 469 728.34**	**-**

b. Asset Verification

The Asset Verification commenced on 11 May 2026 as per the verification Plan in preparation for the year end. Progress report has been attached.

- Immovable Assets 100% verified- Team is busy with data cleansing and reconciliations.
- Movable Assets 100% completed, The municipality is busy with data cleansing especially with the community hall chairs.

c. Asset Bar Coding

During month of July all asset additions that were procured were barcoded and Added in the Asset register.

d. Loss on Assets.

There has been no loss of assets in the month of July 2026

e. Insurance

- The insurance for all municipal Assets was renewed 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.

There were no accidents reported during the month of July 2026.

f. **Fleet Management** (Repairs & Maintenance)

Municipal vehicles were neither serviced nor repaired during the reporting period due to delays experienced by the new service provider, Afrirent, in processing the required volume of work.
Furthermore, Afrirent failed to provide merchants with the necessary documentation required to generate maintenance reports for certain vehicles, including those assigned to principals.
It is anticipated that maintenance reporting will resume in August 2026 as Afrirent continues the onboarding of our merchants. Although the registration system is currently experiencing delays, it is expected that all merchants will be successfully registered by the end of August 2026.

g. Vehicle Registration

VEHICLE	REGISTRATION NO	SERVICE PROVIDER	AMOUNT	SERVICE DESCRIPTION
Nissan UD Truck	HBN242EC	Department of Transport	R8 764.00	Licensing.
UD Truck	HYW628EC	Department of Transport	R24 144.00	Licensing.
			R32 908.00	

h. Fuel Expenditure

The municipality is using Fuel cards for the municipal vehicles. The total fuel expenditure for the month of July 2026 is as follows.

No	June 2026	July 2026	Reasons for Variance
1	R1 398 318.27	R618 266.40	This is attributable to certain plant items that came back from repairs and maintenance and were operational during the month of July 2026 and increase in fuel prices.

i. STATUS OF MUNICIPAL FLEET

Report on Fleet Management including yellow fleet.

- The municipality currently is having 61 Municipal vehicles including the yellow plant.
- A Fleet Management system was installed by Netstar Company.
- The Municipal Vehicles are driven using the drivers Tags

21. FREE BASIC SERVICES

a. Legal Background

The Free Basic Services (FBS) Guidelines stipulate that indigent households must be supported at the local sphere of government. Qualifying indigent beneficiaries are to be provided with free basic services, including electricity, alternative energy, water and sanitation, and waste collection, until such time that they improve their socio-economic status and no longer qualify as indigent. At present, the municipality provides electricity and paraffin as alternative energy sources, with a strategic plan to transition to gas soon.

These services are funded by Equitable Share which is primarily intended to improve the living conditions of poor and marginalised communities by enabling municipalities to provide these basic services.

b. Indigent register, Data collection and Data Capturing

Data collection has been done through Ward Councillors, traditional leaders, CDW's and ward committees in all the thirty-two wards that are within Ingquza Hill local municipality jurisdiction. Below are ward-based figures to-date:

WARDS NO	INDIGENT REGISTER PER WARD	ELECTRICITY PER WARD	ALTERNATE ENERGY PER WARD
1.	830	534	296
2.	785	568	217
3.	795	561	234
4.	660	367	293
5.	730	528	202
6.	1055	437	618
7.	830	490	340
8.	700	520	180
9.	815	469	346
10.	940	350	590
11.	905	625	280
12.	605	407	198
13.	500	367	133
14.	765	370	395
15.	750	450	300
16.	960	582	378
17.	640	450	190
18.	885	490	395
19.	690	435	255
20.	610	310	300
21.	665	225	440
22.	540	160	380
23.	690	238	452

WARDS NO	INDIGENT REGISTER PER WARD	ELECTRICITY PER WARD	ALTERNATE ENERGY PER WARD
24.	750	400	350
25.	645	368	277
26.	1085	480	605
27.	630	333	297
28.	625	410	215
29.	790	345	445
30.	890	630	260
31.	695	490	205
32.	715	428	287
TOTAL	**24 170**	**13 817**	**10 353**

c. ESKOM (Electricity)

During the period under review (July 2026), the municipality had **3 904** beneficiaries claiming an amount of **R492 576.27** for people who benefited from free basic electricity (FBE). The beneficiaries receive 50 KW units from Eskom (FBE).

d. ALTERNATIVE ENERGY (Paraffin)

In July 2026, we had five service providers of paraffin who were busy on site supplying and delivering the paraffin in five clusters of Ingquza hill LM wards and those five wards are as follows: Mpandla Construction PTY (LTD) in cluster F, Lingomso Lethu capital in cluster G, Fasimba 13 civils and projects in cluster B, Samy Sivu PTY (LTD) in cluster C and Peskey Trading Enterprise in cluster H who were on site Supplying and Delivering the paraffin in five clusters of Ingquza Hill Local Municipality.

The total expenditure for the five service providers who supplied and delivered paraffin in the month of July claims is **R3 958 772.00.**

The total expenditure in July 2026 for both Electricity and Alternative Energy**: R4 451 348.00**

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

2026/27	CURRENT YEAR
Opening Balance July 2026	**R10 000 000.00**
Less: Expenditure incurred July 2026	(R4 451 348.00)
Closing balance July 2026	**R5 548 652.00**

QUALITY CERTIFICATE

I, **V.C. Makedama**, Municipal Manager of Ingquza Hill Local Municipality, hereby certify that the Section 71 report and supporting documentation for M01 – July 2026, 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_____