

BUDGET AND TREASURY (S52d) REPORT FOR THE 2nd QUARTER ENDED 31 DECEMBER 2025



Prepared by: V.JAM JAM
Position: Chief Financial Officer
Reviewed by: M. Nako
Position: Municipal Manager
Recommended by: Cllr Apleni
Position: Portfolio Head: Budget & Treasury Office
Approved by: Hon Cllr S. Janda
Position: Executive Mayor

BACKGROUND, FACTS AND PROPOSALS

1.1.1 Treasury Reports

1. Successes

- Final IDP and Budget for 2025/26 was adopted on the May 2025 by Council and is currently being implemented.
- The municipality has successfully submitted financial information to Provincial and National Treasury on a monthly basis in the prescribed format for the quarter under review as illustrated in the below tables.
- The municipality prepared Annually Financial Statements for 2024/2025 in-house and its supporting schedules which were then submitted to Auditor General – South Africa for auditing, Provincial and National Treasury on the 31st August 2025.
- Office of the AGSA has concluded the Audit with Unqualified Audit Opinion.
- The municipality has received all the anticipated transfers for the 1st and 2nd quarters respectively in terms of the DORA allocation for 2025/2026 FY.

The municipality received an Unqualified audit opinion from the Auditor-General of South Africa in the year 2024/2025.

The followings reports were submitted to Treasury:

- Section 71 Reports for the months (July, August, September, October, November and December 2025)
 - Monthly Budget Statement Summary
 - Financial Performance (functional classification)
 - Financial Performance (revenue and expenditure)
- mSCOA data strings
 - Actuals Monthly
 - Debtors Monthly
 - Creditors Monthly

EXPENDITURE REPORT

Analysis of Spending Patterns

The expenditure per department excludes non-cash items (Depreciation & Provision for Bad Debts) is attached as an Annexure to this report and it outlines all expenditure for performance indicators as reflected in the approved SDBIP linked to municipal objectives as reflected in the IDP.

1.2.1 PERSONNEL EXPENDITURE (S66)

In terms of Section 66 of the MFMA, The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type, namely—

- (a) Salaries and wages;
- (b) Contributions for pensions and medical aid;
- (c) Travel, motor car, accommodation, subsistence and other allowances;
- (d) Housing benefits and allowances;
- (e) Overtime payments;
- (f) Loans and advances; and
- (g) Any other type of benefit or allowance related to staff.

The following table depicts the actual expenditure for the period ended 31 December 2025

SECTION 66 REPORT FOR 2025-2026																
EARNINGS																
Months	Salaries	Unpaid Leave	Standby Allowances	Allowance (Ward Comm)	Bonus	Gratuity Retirees	Long Service Award	Subsistence Local	Reimbursive KM Exempt	Sitting Allowance Ward Comm	Overtime	Acting Allowance	Remote Allowance	Performance Bonus	Leave Pay	Own Accommodation Allowance
Jul-25	9,312,031.02	-	53,535.88	324,000.00	511,708.76	-	52,479.42	-	23,813.49	-	18,650.36	23,303.49	29,473.34	-	-	81,950.97
Aug-25	9,315,500.95	- 1,772.72	35,381.70	320,000.00	598,665.99	-	53,280.69	-	12,604.22	-	85,874.23	22,197.40	29,473.34	-	-	213,041.06
Sep-25	9,181,402.30	- 8,360.45	52,367.43	320,500.00	349,068.83	-	23,813.65	-	16,403.46	133,000.00	578,532.67	31,465.91	29,473.34	-	-	94,485.34
Oct-25	9,239,089.84	- 13,402.59	68,760.59	319,000.00	604,129.02	2,374,858.10	85,609.09	-	14,563.07	1,000.00	272,885.73	18,537.02	29,473.34	-	-	397,473.66
Nov-25	9,206,684.56	- 13,402.59	40,773.86	318,000.00	319,777.30	-	66,671.31	-	8,608.56	134,000.00	122,527.02	18,537.02	29,473.34	-	-	-
Dec-25	9,243,988.72	- 13,402.59	70,331.50	320,000.00	738,831.52	-	200,042.34	-	21,489.47	128,500.00	169,602.30	39,601.82	29,473.34	1,064,794.00	-	-
Jan-26																
Feb-26																
Mar-26																
Apr-26																
May-26																
Jun-26																
Totals	55,498,697.39	- 50,340.94	321,150.96	1,921,500.00	3,122,181.42	2,374,858.10	481,896.50	-	97,482.27	396,500.00	#####	153,642.66	176,840.04	1,064,794.00	786,951.03	-

Months	Backpay	Shift Allowanc	Travel Allowanc	Residential Allowance	Housing Subsidy	Sitting Allowance	EPWP Salary	Medical Aid Refund	Housing Allowance	Cellphone Allowance	Bonus Security	Bond Refund	TOTALS
Jul-25	-	33,685.58	387,791.60	234,207.24	2,023.54	3,438.28	809,870.00	64,104.03	41,896.28	43,065.00	-	61,223.70	12,112,252.98
Aug-25	45,792.64	25,993.46	394,197.72	226,037.22	2,023.54	-	884,080.00	-	41,896.28	43,065.00	-	-	12,447,242.72
Sep-25	-	31,240.93	394,197.72	223,313.88	2,023.54	-	929,490.00	8,181.60	41,896.28	43,065.00	-	-	12,475,561.43
Oct-25	-	32,766.12	394,197.72	222,406.10	2,023.54	-	953,310.00	-	41,896.28	43,065.00	-	-	15,101,441.63
Nov-25	10,827.98	26,098.83	394,197.72	222,406.10	2,023.54	-	993,010.00	-	41,896.28	43,065.00	-	-	11,985,175.83
Dec-25	1,000.00	22,545.34	394,197.72	240,561.70	2,023.54	-	885,310.00	-	41,896.28	43,065.00	-	-	13,643,852.00
Jan-26													
Feb-26													
Mar-26													
Apr-26													
May-26													
Jun-26													
Totals	57,620.62	172,241.26	2,358,780.20	1,368,932.24	12,141.24	3,438.28	5,555,070.00	72,285.63	251,377.68	258,390.00	-	61,223.70	77,765,526.59

SECTION 66 REPORT FOR 2025/2026							
Description	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
Total Earnings	12,112,252.98	12,447,242.72	12,475,561.43	15,101,441.63	11,985,175.83	13,643,852.00	77,765,526.59
Total Deductions	3,490,603.67	3,515,931.82	3,552,407.36	4,566,287.97	3,276,128.83	3,909,369.25	22,310,728.90
Net Salaries	8,621,649.31	8,931,310.90	8,923,154.07	10,535,153.66	8,709,047.00	17,553,221.25	63,273,536.19
Total Company Contributions	2,069,703.70	2,050,475.76	2,034,145.88	2,045,781.03	1,837,919.78	2,025,411.81	12,063,437.96
Total Cost to Company	14,181,956.68	14,497,718.48	14,509,707.31	17,147,222.66	13,823,095.61	15,669,263.81	89,828,964.55

Budget vs Actual for the year under review:

Budget	R 177 141 003.29
Actual Remuneration for the period under review	R 89 828 964.55
Percentage spent to date	50.71%

SECTION 52D REPORT FOR THE 2ND QUARTER ENDED 31 DECEMBER 2025

Budget vs Actual performance from 01 October 2025 to 31 December 2025

QUARTERLY BUDGET	QUARTER.1 ACTUAL EXPENDITURE	% SPENT
R 44 285 250.82	R 46 639 582.08	105.32%

The above tables depict that the municipality is on the right track as the spending to date is within its projected budget for the quarter as well as for the year. The 5% variance is as a result of overtime, but its not a significant variance.

1.2.2 EXPENDITURE PER DEPARTMENT AS AT 31 DECEMBER 2025

Q2 - BUDGET VS ACTUAL - Summised								
PROJECT NAME	ORIGINAL BUDGET	ADJUSTED BUDGET	Evo Budget Amount	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	% SPENT
BUDGET AND TREASURY OFFICE	44,993,748.10	-	44,993,748.10	25,598,688.24	1,196,284.50	26,794,972.74	18,198,775.36	60%
CORPORATE SERVICES	37,666,809.75	-	37,041,809.75	15,403,628.28	3,072,455.55	18,476,083.83	18,565,725.92	50%
OPERATIONS	28,583,217.27	-	28,583,217.27	10,017,617.02	1,289,795.95	11,307,412.97	17,275,804.30	40%
DEVELOPMENTAL PLANNING	25,033,000.00	-	25,433,000.00	10,485,429.60	2,001,200.82	12,486,630.42	12,946,369.58	49%
COMMUNITY SERVICES	19,117,695.65	-	19,317,695.65	6,675,450.76	1,563,709.29	8,239,160.05	11,078,535.60	43%
INFRASTRUCTURE	187,638,208.20	-	186,888,208.20	124,317,007.03	5,382,773.01	129,699,780.04	57,188,428.16	69%
GRAND TOTAL	343,032,678.97	-	342,257,678.97	192,497,820.93	14,506,219.12	207,004,040.05	135,253,638.92	60%

- ❖ At the end of 2nd quarter, the municipality spent 60% of its approved operational and capital budget. This shows improvement when compared to the 52% Q2 spending of previous financial year.
- ❖ The municipality is currently implementing cash flow management practices, and this has assisted in terms of managing and monitoring expenditure patterns. Cost containment measures policy was tabled to Council for approval in line with circular 83 provisions and is now being implemented.

The tables below provide a breakdown of expenditure per department and per project, this allows departments to closely monitor their projects and budget performance in line with the approved SDBIP.

1.2.2.1 BUDGET & TREASURY OFFICE

BUDGET AND TREASURY OFFICE - BVA FOR PERIOD ENDED 31 DECEMBER 2025								
PROJECT NAME	ORIGINAL BUDGET	ADJUSTED BUDGET	Evo Budget Amount	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
AFS Preparation	1,730,000.00	-	1,730,000.00	872,806.61	13,770.00	886,576.61	843,423.39	51%
Annual Regularity Audit	5,000,000.00	-	5,350,000.00	4,960,909.14	-	4,960,909.14	389,090.86	93%
Debt Collection	2,126,956.52	-	2,126,956.52	2,364.83	-	2,364.83	2,124,591.69	0%
Expenditure and payroll management	1,326,095.93	-	1,326,095.93	792,647.80	24,561.98	817,209.78	508,886.15	62%
Financial Management Grant	1,700,000.00	-	1,700,000.00	884,024.76	116,601.86	1,000,626.62	699,373.38	59%
Fleet Management	18,970,000.00	-	18,970,000.00	13,652,178.39	417,384.87	14,069,563.26	4,900,436.74	74%
Free Basic Services	1,677,000.00	-	1,677,000.00	370,841.72	144,174.88	515,016.60	1,161,983.40	31%
Full Implementation of SCM system	770,000.00	-	770,000.00	233,952.32	64,073.01	298,025.33	471,974.67	39%
General Valuation Roll	2,163,695.65	-	2,163,695.65	151,511.08	13,157.90	164,668.98	1,999,026.67	8%
GRAP Compliant Asset Register	6,610,000.00	-	6,610,000.00	2,138,211.32	10,541.04	2,148,752.36	4,461,247.64	33%
mSCOA Implementation	2,920,000.00	-	2,570,000.00	1,539,240.27	392,018.96	1,931,259.23	638,740.77	75%
	44,993,748.10	-	44,993,748.10	25,598,688.24	1,196,284.50	26,794,972.74	18,198,775.36	60%

Overall percentage spending as at 31 December 2025 for BTO is 60%, spending is more than the projected threshold of 50% of the 2nd quarter.

1.2.2.2 OPERATIONS

OPERATIONS - BVA FOR PERIOD ENDED 31 DECEMBER 2025								
PROJECT NAME	ORIGINAL BUDGET	ADJUSTED BUDGET	Evo Budget Amount	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
Annual report development	100,000.00	-	100,000.00	-	-	-	100,000.00	0%
Branding of the Municipality	1,005,000.00	-	1,005,000.00	423,567.20	153,106.40	576,673.60	428,326.40	57%
Co-ordination of Audit and Risk Committee meetings	549,565.21	-	549,565.21	191,876.04	7,000.00	198,876.04	350,689.17	36%
Customer care update	1,076,086.95	-	1,076,086.95	1,611.30	-	1,611.30	1,074,475.65	0%
Development of Newsletters	506,956.52	-	506,956.52	146,400.00	191,578.34	337,978.34	168,978.18	67%
Engagement meetings	626,086.95	-	626,086.95	224,669.45	62,307.63	286,977.08	339,109.87	46%
Fraud Awareness	290,000.00	-	290,000.00	114,197.27	17,391.30	131,588.57	158,411.43	45%
IDP Development	728,478.25	-	728,478.25	94,802.38	27,021.78	121,824.16	606,654.09	17%
IGR meetings	30,000.00	-	30,000.00	26,100.00	-	26,100.00	3,900.00	87%
implementation of Communication Strategy and media Plan	2,369,565.21	-	2,369,565.21	599,767.61	222,431.03	822,198.64	1,547,366.57	35%
Implementation of IDP, SDBIP and Budget integration	591,739.12	-	591,739.12	163,744.34	19,414.00	183,158.34	408,580.78	31%
Internal Audits and ad-hoc assignments	2,076,695.64	-	2,076,695.64	1,362,539.27	5,170.70	1,367,709.97	708,985.67	66%
Legal cases	4,520,000.00	-	4,520,000.00	2,359,828.69	-	2,359,828.69	2,160,171.31	52%
MPAC	586,739.08	-	586,739.08	189,660.70	19,632.22	209,292.92	377,446.16	36%
MRM Programs	950,000.00	-	950,000.00	165,279.58	-	165,279.58	784,720.42	17%
Performance Management System	700,000.00	-	700,000.00	-	-	-	700,000.00	0%
Policy Review	1,000,000.00	-	1,000,000.00	-	-	-	1,000,000.00	0%
Programmes as per HIV/Aids, STI & TB Strategy Implementation Plan	115,000.00	-	115,000.00	6,750.00	-	6,750.00	108,250.00	6%
Programmes for Designated groups as per SPU Strategy	2,550,000.00	-	2,550,000.00	991,252.35	133,112.64	1,124,364.99	1,425,635.01	44%
Public Participation Programmes/Meetings	1,770,000.00	-	1,770,000.00	638,902.84	56,663.29	695,566.13	1,074,433.87	39%
Risk Management	395,000.00	-	395,000.00	127,659.94	263,699.00	391,358.94	3,641.06	99%
SALGA	1,000,000.00	-	1,000,000.00	93,015.65	8,167.65	101,183.30	898,816.70	10%
Troika	100,000.00	-	100,000.00	32,670.00	-	32,670.00	67,330.00	33%
Ward Committee Administration	4,391,304.34	-	4,391,304.34	1,869,500.00	-	1,869,500.00	2,521,804.34	43%
Whipery Programme	125,000.00	-	125,000.00	52,438.57	50,599.97	103,038.54	21,961.46	82%
Women caucus	430,000.00	-	430,000.00	141,383.84	52,500.00	193,883.84	236,116.16	45%
	28,583,217.27	-	28,583,217.27	10,017,617.02	1,289,795.95	11,307,412.97	17,275,804.30	40%

Operations department managed to spend 40% of its allocated budget as at the end of 2nd Quarter which indicates good spending.

1.2.2.3 CORPORATE SERVICES

CORPORATE SERVICES - BVA FOR PERIOD ENDED 31 DECEMBER 2025								
PROJECT NAME	ORIGINAL BUDGET	ADJUSTED BUDGET	Evo Budget Amount	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
Air Conditioners	450,000.00	-	450,000.00	-	-	-	450,000.00	0%
Bereavement support	190,788.04	-	190,788.04	-	16,850.00	16,850.00	173,938.04	9%
Career Exhibition	450,000.00	-	450,000.00	27,090.58	-	27,090.58	422,909.42	6%
Cleaning of offices	610,000.00	-	580,000.00	25,493.49	-	25,493.49	554,506.51	4%
Compliance with Legislation	400,000.00	-	400,000.00	51,877.92	2,559.78	54,437.70	345,562.30	14%
Computers	500,000.00	-	500,000.00	396,311.00	-	396,311.00	103,689.00	79%
Convening of oversight structures meetings	750,000.00	-	750,000.00	170,257.52	34,757.50	205,015.02	544,984.98	27%
Council Chamber Recording System	520,000.00	-	520,000.00	141,314.37	-	141,314.37	378,685.63	27%
Customer Care building	150,000.00	-	150,000.00	68,840.25	-	68,840.25	81,159.75	46%
Desludging of Septic tank	200,000.00	-	200,000.00	76,500.00	-	76,500.00	123,500.00	38%
Disaster Recovery site establishment	3,000,000.00	-	3,000,000.00	1,739,130.43	-	1,739,130.43	1,260,869.57	58%
Dutywa main Building	2,000,000.00	-	1,800,000.00	465,230.00	1,013,735.52	1,478,965.52	321,034.48	82%
Dutywa TRC Offices	500,000.00	-	500,000.00	331,270.00	-	331,270.00	168,730.00	66%
EC121_TOWN HALL UPGRADE	2,000,000.00	-	2,000,000.00	205,392.43	191,386.17	396,778.60	1,603,221.40	20%
Elliotdale Green Park	100,000.00	-	100,000.00	85,850.00	-	85,850.00	14,150.00	86%
Elliotdale Indoor Sport Centre	250,000.00	-	280,000.00	271,350.00	-	271,350.00	8,650.00	97%
Employee wellness programs	1,630,000.00	-	1,630,000.00	1,529,640.24	-	1,529,640.24	100,359.76	94%
Executive House	110,000.00	-	110,000.00	78,590.00	-	78,590.00	31,410.00	71%
Gatyana Municipal Offices	550,000.00	-	550,000.00	-	-	-	550,000.00	0%
Gatyane Indoor Sport Centre	250,000.00	-	250,000.00	122,100.00	-	122,100.00	127,900.00	49%
ICT License Renewal	2,060,000.00	-	2,060,000.00	1,434,348.90	187,567.18	1,621,916.08	438,083.92	79%
IT Master Plan-IT Strategic Plan	28,000.00	-	28,000.00	-	1,647.83	1,647.83	26,352.17	6%
Leave Management System	350,000.00	-	350,000.00	-	-	-	350,000.00	0%
Maintenance of ICT Equipment	600,000.00	-	600,000.00	-	68,045.00	68,045.00	531,955.00	11%
Maintenance of the lift	280,000.00	-	280,000.00	-	39,751.38	39,751.38	240,248.62	14%

SEC 52D REPORT FOR THE 2ND QUARTER ENDED 31 DECEMBER 2025

1.2.2.3 CORPORATE SERVICES

Municipal Clocking System	570,000.00	-	570,000.00	-	-	-	570,000.00	0%
Municipal Staff Accomodation	330,000.00	-	330,000.00	49,500.00	61,835.00	111,335.00	218,665.00	34%
Network Infrastructure on Municipal office	-	-	-	7,074.08	-	7,074.08	7,074.08	0%
Occupational Health & Safety	1,275,000.00	-	1,275,000.00	34,143.14	-	34,143.14	1,240,856.86	3%
Performance Management	1,515,000.00	-	815,000.00	338,676.36	34,821.68	373,498.04	441,501.96	46%
Personal Protective Equipment	250,000.00	-	250,000.00	-	-	-	250,000.00	0%
Printers	900,000.00	-	900,000.00	855,874.39	-	855,874.39	44,125.61	95%
Provision of electricity	2,450,000.00	-	2,450,000.00	964,552.86	224,881.28	1,189,434.14	1,260,565.86	49%
Provision of Office Furniture	250,000.00	-	250,000.00	19,000.00	-	19,000.00	231,000.00	8%
Recruitment & Selection	685,000.00	-	685,000.00	166,548.06	168,902.23	335,450.29	349,549.71	49%
Registry Management	570,000.00	-	570,000.00	278,268.54	119,606.25	397,874.79	172,125.21	70%
Study Assistance	461,000.00	-	461,000.00	141,286.00	67,645.43	208,931.43	252,068.57	45%
Tesko Building	300,000.00	-	300,000.00	144,925.00	-	144,925.00	155,075.00	48%
Tools And Equipment	75,000.00	-	75,000.00	-	-	-	75,000.00	0%
Training and Development for Councillors	1,491,086.95	-	1,566,086.95	327,970.17	218,883.64	546,853.81	1,019,233.14	35%
Training and Development for Employees	2,385,500.00	-	2,385,500.00	1,765,025.84	350,919.07	2,115,944.91	269,555.09	89%
VPN (Virtual Private Network), WiFi (Wirele	2,200,000.00	-	2,200,000.00	1,227,936.02	-	1,227,936.02	972,063.98	56%
Ward Committee Training	1,130,434.76	-	1,130,434.76	-	15,500.00	15,500.00	1,114,934.76	1%
Water consumption	2,000,000.00	-	2,000,000.00	1,441,558.69	160,500.00	1,602,058.69	397,941.31	80%
Website management	300,000.00	-	300,000.00	-	-	-	300,000.00	0%
Workshop Office	250,000.00	-	250,000.00	-	-	-	250,000.00	0%
Xhora Municipal Offices	350,000.00	-	550,000.00	420,702.00	92,660.61	513,362.61	36,637.39	93%
	37,666,809.75	-	37,041,809.75	15,403,628.28	3,072,455.55	18,476,083.83	18,565,725.92	50%

The Corporate Services department has managed to reach 50% spending as at the end of the 2nd quarter, which is also an indication of good spending and implementation of its projects.

1.2.2.4 PLANNING & DEVELOPMENT

SEC 52D REPORT FOR THE 2ND QUARTER ENDED 31 DECEMBER 2025

DEVELOPMENTAL PLANNING - BVA FOR PERIOD ENDED 31 DECEMBER 2025								
PROJECT NAME	ORIGINAL BUDGET	ADJUSTED BUDGET	Evo Budget Amount	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
Agricultural Information Days	400,000.00	-	400,000.00	236,870.91	27,147.30	264,018.21	135,981.79	66%
Battle of Lurhwayizo Development Project	1,000,000.00	-	1,000,000.00	560,869.57	-	560,869.57	439,130.43	56%
Conveyancing	530,000.00	-	530,000.00	-	-	-	530,000.00	0%
Co-Operatives Development	2,000,000.00	-	2,000,000.00	1,831,051.83	-	1,831,051.83	168,948.17	92%
Craft development	300,000.00	-	350,000.00	2,700.00	-	2,700.00	347,300.00	1%
Crop Production	3,800,000.00	-	4,150,000.00	3,762,523.22	-	3,762,523.22	387,476.78	91%
Development of Sector Plans	897,000.00	-	897,000.00	12,418.00	-	12,418.00	884,582.00	1%
Disaster Management	500,000.00	-	500,000.00	-	-	-	500,000.00	0%
Enterprise (SMME) Development Support	715,000.00	-	715,000.00	76,873.75	24,427.74	101,301.49	613,698.51	14%
External Events	1,100,000.00	-	1,100,000.00	573,832.07	15,924.90	589,756.97	510,243.03	54%
Heritage Development Strategy	630,000.00	-	630,000.00	9,200.00	12,417.39	21,617.39	608,382.61	3%
Informal Trader Support	500,000.00	-	500,000.00	368,700.00	-	368,700.00	131,300.00	74%
Internal Events(Tourism)	1,865,000.00	-	1,865,000.00	1,142,019.91	98,369.17	1,240,389.08	624,610.92	67%
Investment Brochure	340,000.00	-	340,000.00	-	-	-	340,000.00	0%
Investment Promotion Consulting	1,000,000.00	-	1,000,000.00	-	-	-	1,000,000.00	0%
Land Use Scheme	252,000.00	-	252,000.00	48,613.40	-	48,613.40	203,386.60	19%
Life Rescue Services	1,040,000.00	-	1,040,000.00	205,000.00	390,104.00	595,104.00	444,896.00	57%
Live Stock Improvement	2,000,000.00	-	2,000,000.00	762,818.13	508,329.88	1,271,148.01	728,851.99	64%
Maintanace of Heritage Sites	600,000.00	-	600,000.00	-	436,399.00	436,399.00	163,601.00	73%
Marine Economic Initiative support (Mncwasa Fishery , Mpame& Tenza)	600,000.00	-	600,000.00	-	383,760.00	383,760.00	216,240.00	64%
Mayoral Investment Symposiums Attendance	130,000.00	-	130,000.00	3,747.37	-	3,747.37	126,252.63	3%
SDF	280,000.00	-	280,000.00	-	-	-	280,000.00	0%
SMME Capacity Building Programmes	400,000.00	-	400,000.00	18,900.00	-	18,900.00	381,100.00	5%
SMMEs Roadshows	500,000.00	-	500,000.00	26,760.00	38,660.44	65,420.44	434,579.56	13%
Spluma Implementation	144,000.00	-	144,000.00	11,974.26	-	11,974.26	132,025.74	8%
Supporting of Tour Guides	330,000.00	-	330,000.00	-	-	-	330,000.00	0%
Surveying	1,090,000.00	-	1,090,000.00	372,025.70	3,261.00	375,286.70	714,713.30	34%
Tourism & Heritage Support Fund	1,400,000.00	-	1,400,000.00	458,531.48	-	458,531.48	941,468.52	33%
Township Establishment (Layout Plans)	690,000.00	-	690,000.00	-	62,400.00	62,400.00	627,600.00	9%
	25,033,000.00	-	25,433,000.00	10,485,429.60	2,001,200.82	12,486,630.42	12,946,369.58	49%

The overall expenditure for Developmental planning at the end of the 2nd quarter is 49%.

1.2.2.5 COMMUNITY SERVICES

COMMUNITY SERVICES - BVA FOR PERIOD ENDED 31 DECEMBER 2025								
PROJECT NAME	ORIGINAL BUDGET	ADJUSTED BUDGET	Evo Budget Amount	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
Animal Pound Management	700,000.00	-	700,000.00	-	33,190.42	33,190.42	666,809.58	5%
EC121_WASTE RECYLING SOLUTIONS	-	-	-	-	-	-	-	0%
Environmental awareness and Signage	200,000.00	-	200,000.00	-	52,200.43	52,200.43	147,799.57	26%
Environmental Forums	288,695.65	-	288,695.65	237,261.09	14,481.31	251,742.40	36,953.25	87%
Environmental Management	3,300,000.00	-	3,300,000.00	1,581,113.28	124,438.00	1,705,551.28	1,594,448.72	52%
Green Coast Programme	50,000.00	-	50,000.00	-	-	-	50,000.00	0%
Land Rehabilitation	500,000.00	-	500,000.00	-	222,625.00	222,625.00	277,375.00	45%
LANDFILL SITE	-	-	200,000.00	100,919.73	-	100,919.73	99,080.27	50%
Law Enforcement/ Traffic support	2,050,000.00	-	2,050,000.00	1,007,761.04	212,774.00	1,220,535.04	829,464.96	60%
Library Costs	-	-	-	4,100.00	29,505.14	33,605.14	- 33,605.14	0%
Public Ablution maintainance	2,000,000.00	-	2,000,000.00	389,378.17	283,339.53	672,717.70	1,327,282.30	34%
Recycling initiatives	1,000,000.00	-	1,000,000.00	-	-	-	1,000,000.00	0%
Reviewal of Sector Plans	500,000.00	-	500,000.00	-	-	-	500,000.00	0%
Security Services	1,620,000.00	-	1,620,000.00	166,630.00	479,398.72	646,028.72	973,971.28	40%
Supply of chairs	159,000.00	-	159,000.00	138,000.00	69,200.00	207,200.00	- 48,200.00	130%
Tree Planting	200,000.00	-	200,000.00	28,080.00	-	28,080.00	171,920.00	14%
Waste Management Services	6,550,000.00	-	6,550,000.00	3,022,207.45	42,556.74	3,064,764.19	3,485,235.81	47%
	19,117,695.65	-	19,317,695.65	6,675,450.76	1,563,709.29	8,239,160.05	11,078,535.60	43%

Overall percentage spending for Community Services as at 31 December 2025 is 43%, salaries for EPWP are not included in the above table.

1.2.2.6 INFRASTRUCTURE SERVICES

INFRASTRUCTURE - BVA FOR PERIOD ENDED 31 DECEMBER 2025								
PROJECT NAME	ORIGINAL BUDGET	ADJUSTED BUDGET	Evo Budget Amount	ACTUAL	COMMITMENT	TOTAL EXPENDITURE	BALANCE	%
Bhomela Junction to forest via Thaleni	1,156,521.73	1,329,999.99	1,329,999.99	755,914.54	-	755,914.54	574,085.45	57%
Bobani Access Road	4,176,133.57	4,802,553.60	1,486,482.72	1,186,903.72	-	1,186,903.72	299,579.00	80%
Bolish to Ngabarha Access Road	3,489,894.80	5,393,379.00	7,216,135.92	6,542,490.53	-	6,542,490.53	673,645.39	91%
Bolotwa Access Road	1,734,782.60	1,994,999.99	1,994,999.99	165,919.98	-	165,919.98	1,829,080.01	8%
Bomvana to Lalini Access road	304,347.82	349,999.99	349,999.99	260,079.75	-	260,079.75	89,920.24	74%
Bongweni	1,795,652.17	2,065,000.00	2,065,000.00	1,779,766.89	-	1,779,766.89	285,233.11	86%
Bridge to Kosana school	1,478,260.86	1,699,999.99	1,699,999.99	18,632.25	-	18,632.25	1,681,367.74	1%
Bulungula bridge	680,869.56	783,000.00	783,000.00	492,897.94	-	492,897.94	290,102.06	63%
Construction of Dutywa sports facility	2,463,210.36	6,216,037.00	7,312,016.68	5,568,915.14	-	5,568,915.14	1,743,101.54	76%
Construction of Gatyana sport facility	1,739,130.44	2,000,000.00	1,167,736.14	817,040.73	-	817,040.73	350,695.41	70%
Construction of Vehicle Testing Station for Dutyw	5,217,391.30	3,705,750.00	3,305,750.04	3,221,754.55	-	3,221,754.55	83,995.49	97%
Construction of Xhorha sportfields	3,043,478.26	3,500,000.00	3,500,000.00	2,866,738.61	-	2,866,738.61	633,261.39	82%
Construction Stormwater Drainage - Elliotdale	2,608,695.65	3,000,000.00	3,000,000.00	1,569,565.05	-	1,569,565.05	1,430,434.95	52%
Construction Stormwater Drainage - Willowvale	2,608,695.65	3,000,000.00	3,000,000.00	898,608.48	-	898,608.48	2,101,391.52	30%
Cumakala to Jojweni	1,552,173.91	1,785,000.00	1,785,000.00	1,552,173.91	-	1,552,173.91	232,826.09	87%
Cwebe Mbombenkulu to Geya	1,765,217.39	2,030,000.00	2,030,000.00	1,542,438.00	-	1,542,438.00	487,562.00	76%
Dutywa Taxi and Bus Rank	2,708,216.46	3,689,449.00	5,280,468.04	5,004,960.81	-	5,004,960.81	275,507.23	95%
Electrification	7,851,304.34	9,028,999.99	9,028,999.99	7,427,824.74	-	7,427,824.74	1,601,175.25	82%
Gem Community Hall	1,294,925.62	1,489,164.46	1,534,486.92	1,534,486.92	-	1,534,486.92	-	100%
Emkhwezeni via Chaba Nqadu JSS/ Nkolweni Acc	4,188,622.14	1,941,915.00	425,470.92	172,177.99	-	172,177.99	253,292.93	40%
Gqukesi to Qhorha Access road	304,347.82	350,000.00	350,000.00	304,018.09	-	304,018.09	45,981.91	87%
Gravel Road maintenance	19,976,521.67	39,393,243.00	38,043,243.00	15,972,836.07	7,656,730.29	23,629,566.36	14,413,676.64	62%
Installation of High masts	130,434.78	19,565.22	19,565.22	-	-	-	19,565.22	0%
Luxeni to Makhobokeni via Nyandeni & a bridge	2,617,391.31	3,010,000.01	3,010,000.01	1,155,098.84	-	1,155,098.84	1,854,901.17	38%
Magwevini Access road	304,347.82	350,000.00	350,000.00	234,782.61	-	234,782.61	115,217.39	67%
Ludondolo Bridge	1,391,304.35	1,600,000.00	1,600,000.00	1,146,504.97	-	1,146,504.97	453,495.03	72%
maintenance of street lights	2,608,695.64	3,049,682.00	3,049,682.00	2,118,143.59	29,920.00	2,148,063.59	901,618.41	70%
Mathunzini to Nqileni Access Road	5,096,170.44	5,100,000.00	5,950,000.00	3,699,265.34	-	3,699,265.34	2,250,734.66	62%

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Ndudumeni to Tywaka Access Road	2,647,778.26	917,445.00	331,555.56	211,888.75	-	211,888.75	119,666.81	64%
Mgxabakazi Access Road	1,203,014.34	875,121.69	875,121.69	143,380.49	-	143,380.49	731,741.20	16%
Makabongwe shop to Jikanaye Access road	304,347.82	350,000.00	350,000.00	403,147.98	-	403,147.98	53,147.98	115%
NoCwane to Diphini Access road	304,347.82	350,000.00	350,000.00	234,782.61	-	234,782.61	115,217.39	67%
Mhuku to Njemane and Chibini	1,278,260.86	1,470,000.00	1,470,000.00	697,044.91	-	697,044.91	772,955.09	47%
Mpepeni to Qelane including bridge	2,760,869.56	3,175,000.00	3,175,000.00	1,055,796.20	-	1,055,796.20	2,119,203.80	33%
Makhamiso (Nkintshana SPS via Ngxabani to lalin	1,552,173.91	1,785,000.00	1,785,000.00	32,021.92	-	32,021.92	1,752,978.08	2%
Miller pole to Jalamba SSS via Miller Mission acce	1,308,695.65	1,505,000.00	1,505,000.00	26,679.78	-	26,679.78	1,478,320.22	2%
Mqhayi junction to Lower ciko SPS	1,521,739.13	1,750,000.00	1,750,000.00	282,636.52	-	282,636.52	1,467,363.48	16%
Maqhubela stop to Mab hulwini (Mendu)	1,734,782.61	1,995,000.00	1,995,000.00	323,840.11	-	323,840.11	1,671,159.89	16%
Mnandi	1,369,565.21	1,575,000.00	1,575,000.00	1,074,455.37	-	1,074,455.37	500,544.63	68%
Mfezane to Lubomvini	1,886,956.52	1,854,676.00	1,854,676.00	1,443,323.85	-	1,443,323.85	411,352.15	78%
Nketshu to Mcelwana	1,278,260.87	1,470,000.00	1,470,000.00	1,386,282.08	-	1,386,282.08	83,717.92	94%
Ntlongyane Bridge	3,478,260.87	4,000,000.00	3,796,324.04	2,928,924.25	-	2,928,924.25	867,399.79	77%
Ntahlane Access Road	3,587,662.39	2,400,812.00	2,400,812.00	136,200.00	-	136,200.00	2,264,612.00	6%
Ntilini to Botwe Access Road	2,672,121.40	3,072,940.00	3,072,940.00	1,243,052.50	-	1,243,052.50	1,829,887.50	40%
No-Ofisi to Mthonjeni Access road	304,347.82	350,000.00	350,000.00	265,691.15	-	265,691.15	84,308.85	76%
Bobani Access Road	4,678,052.00	-	4,000,000.00	3,371,294.56	-	3,371,294.56	628,705.44	84%
Bolish to Ngabarha Access Road	4,000,000.00	-	6,128,052.00	4,526,129.84	-	4,526,129.84	1,601,922.16	74%
Bomvana to Lalini Access road	800,000.00	-	200,000.00	189,827.15	-	189,827.15	10,172.85	95%
Bulungula bridge	3,000,000.00	-	3,000,000.00	868,019.95	-	868,019.95	2,131,980.05	29%
Construction of Dutywa sports facility	600,000.00	-	1,250,000.00	629,476.81	-	629,476.81	620,523.19	50%
Construction of Xhorha sportfields	0.00	-	303,465.00	264,334.57	-	264,334.57	39,130.43	87%
Construction of Vehicle Testing Station for Dutyw	5,954,562.00	-	17,870,385.65	13,249,475.62	-	13,249,475.62	4,620,910.03	74%
Dutywa Taxi and Bus Rank	7,079,000.00	-	7,079,000.00	6,806,309.39	-	6,806,309.39	272,690.61	96%
Electrification	16,369,000.00	-	16,369,000.00	12,138,704.68	1,513,735.68	13,652,440.36	2,716,559.64	83%
Emkhwezeni to Nqadu J.S.S	4,372,440.00	-	4,372,440.00	3,832,576.96	-	3,832,576.96	539,863.04	88%

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Gqukesi to Qhorha Access road	800,000.00	-	200,000.00	-	-	-	200,000.00	0%
Generator Maintenance	400,000.00	-	400,000.00	-	-	-	400,000.00	0%
Ext 1 Ward 25	1,400,000.00	-	8,250,000.00	428,242.52	-	428,242.52	7,821,757.48	5%
Gravel Road maintainance	27,250,000.00	-	24,196,535.00	19,356,684.64	1,958,943.05	21,315,627.69	2,880,907.31	88%
Maintanance of street lights	5,982,000.00	-	5,982,000.00	1,268,506.86	25,100.00	1,293,606.86	4,688,393.14	22%
Mqonci to Kwazulu	1,960,000.00	-	-	-	-	-	-	0%
Nkelekethe to Upper Gwadu JSS	1,470,000.00	-	2,120,000.00	1,380,137.86	-	1,380,137.86	739,862.14	65%
Ndlazi stop to Entilini	1,750,000.00	-	-	-	-	-	-	0%
Ndudumeni to Mfenzane Komkhulu	2,485,000.00	-	0.00	0.00	-	-	-	0%
Mayosi stop to Mhlohlozi VD	2,135,000.00	-	2,185,000.00	1,797,639.56	-	1,797,639.56	387,360.44	82%
Mayosi stop to Fort malan VD	1,295,000.00	-	2,309,965.59	1,815,132.70	-	1,815,132.70	494,832.89	79%
Mwezeni to Sirhoboxeni	2,257,000.00	-	2,777,000.00	1,313,915.40	-	1,313,915.40	1,463,084.60	47%
MAQHUBELA STOP TO MABHULWINI	1,995,000.00	-	0.00	-	-	-	-	0%
PMU	282,508.20	-	282,508.20	161,459.73	3,781.30	165,241.03	117,267.17	58%
Thandiwe to Njuqwana	1,715,000.00	-	4,460,000.00	2,381,116.50	-	2,381,116.50	2,078,883.50	53%
Thobumoya to Ntlangano JSS	1,785,000.00	-	-	-	-	-	-	0%
Quku to Nkonjane	1,855,000.00	-	34.41	-	-	-	34.41	0%
Upgrading of stormwater	700,000.00	-	700,000.00	540,140.49	-	540,140.49	159,859.51	77%
Xhora Mouth Bridge	5,500,000.00	-	5,500,000.00	2,884,658.55	-	2,884,658.55	2,615,341.45	52%
Upper Gwadu	2,065,000.00	-	2,065,000.00	1,641,580.00	-	1,641,580.00	423,420.00	79%
Mathunzini to Nqileni Access Road	350,000.00	-	884,176.35	748,144.62	-	748,144.62	136,031.73	85%
Makabongwe shop to Jikanaye Access road	800,000.00	-	200,000.00	135,286.48	-	135,286.48	64,713.52	68%
Magwevini Access road	800,000.00	-	800,000.00	452,488.91	-	452,488.91	347,511.09	57%
Ndudumeni to Tywaka Access Road	4,190,480.00	-	4,490,480.00	2,704,804.01	-	2,704,804.01	1,785,675.99	60%
No-Ofisi to Mthonjeni Access road	800,000.00	-	800,000.00	-	0.00	-	800,000.00	0%
NoCwane to Diphini Access road	800,000.00	-	800,000.00	456,672.10	-	456,672.10	343,327.90	57%
Mbhashe Conference facility (ward 1)	5,000,000.00	-	3,500,000.00	-	-	-	3,500,000.00	0%
Mtshkelweni Bridge (ward 17)	3,000,000.00	-	3,000,000.00	2,389,198.76	-	2,389,198.76	610,801.24	80%
OTP_Upgrading of small towns	10,000,000.00	-	10,000,000.00	5,505,079.96	1,367,644.54	6,872,724.50	3,127,275.50	69%
Ntlonyane Bridge	350,000.00	-	1,700,000.00	1,927,531.66	-	1,927,531.66	227,531.66	113%
Ntahlane Access Road	3,633,304.00	-	1,133,304.00	200,000.00	-	200,000.00	933,304.00	18%

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Ntilini to Botwe Access Road	4,251,105.00	-	3,751,105.00	3,631,890.28	-	3,631,890.28	119,214.72	97%
Quku to Mpume Access road-MIG	1,978,757.00	-	1,278,757.00	495,465.61	-	495,465.61	783,291.39	39%
Redevelopment of Dutywa Arts Centre	5,000,000.00	-	4,500,000.00	3,353,575.37	-	3,353,575.37	1,146,424.63	75%
Upgrade of Ngumbela Sport Facility	8,250,000.00	-	6,250,000.00	3,267,799.04	513,568.44	3,781,367.48	2,468,632.52	61%
Upgrade of ward 21 Community Hall	1,000,000.00	-	1,000,000.00	728,032.50	-	728,032.50	271,967.50	73%
Upgrade of ward 23 community hall	1,000,000.00	-	1,000,000.00	406,960.00	-	406,960.00	593,040.00	41%
Rehabilitation of internal streets	10,500,000.00	-	10,500,000.00	8,903,765.24	-	8,903,765.24	1,596,234.76	85%
Siyibane Access Road-ES	-	-	2,000,000.00	1,915,690.18	-	1,915,690.18	84,309.82	96%
Willowvale Taxi Rank	13,000,000.00	-	6,300,000.00	6,249,257.97	-	6,249,257.97	50,742.03	99%
Ward 1 stormwater management	1,000,000.00	-	1,000,000.00	-	-	-	1,000,000.00	0%
	187,638,208.20	-	186,888,208.20	124,317,007.03	5,382,773.01	129,699,780.04	57,188,428.16	69%

Overall departmental expenditure is at **69%**, as at the end of the 2nd quarter.

1.3.1 BUDGET IMPLEMENTATION (REVENUE)

CONSOLIDATED OWN REVENUE PERFORMANCE 31 DECEMBER 2025

EC121 Mbashe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		3,895	500	-	322	2,068	250	1,818	727%	500
Sale of Goods and Rendering of Services		2,325	700	-	28	98	350	(253)	-72%	700
Agency services		(342)	1,700	-	595	2,440	850	1,590	187%	1,700
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1,552	-	-	133	768	-	768	#DIV/0!	-
Interest from Current and Non Current Assets		45,354	32,000	-	3,919	18,198	16,000	-	-	32,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	2,000	-	301	1,662	1,000	662	-	2,000
Rental from Fixed Assets		3,191	270	-	28	203	135	68	50%	270
Licence and permits		1,945	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		428	1,210	-	44	330	605	(275)	-45%	1,210
Non-Exchange Revenue										
Property rates		21,099	10,000	-	406	18,508	5,000	13,508	270%	10,000
Surcharges and Taxes		615	27,057	-	-	21,441	13,529	7,913	-	27,057
Fines, penalties and forfeits		1,625	2,200	-	440	1,466	1,100	366	-	2,200
Licence and permits		574	1,000	-	76	883	500	383	-	1,000
Transfers and subsidies - Operational		382,941	373,535	-	114,368	277,688	186,767	90,920	-	373,535
Interest		4,130	-	-	225	1,330	-	1,330	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		469,331	452,172	-	120,885	347,081	226,086	120,995	54%	452,172

OWN REVENUE PERFORMANCE PER DEPARTMENT AS AT 31 DECEMBER 2025

MBHASHE LOCAL MUNICIPALITY - OWN REVENUE REPORT (NON-BILLABLE) AS AT 31 DECEMBER 2025											
OWN REVENUE SOURCES	BUDGET	Q1	Oct'25	Nov'25	Dec'25	Q2	YEAR TO DATE	BALANCE			%
POS-BUILDING PLANS	500,000.00	26,372.10	13,974.00	1,113.00	26,070.00	41,157.00	67,529.10	432,470.90			13.51%
POS-BILLBOARD RENTAL	120,000.00	59,735.81	25,942.24	19,142.24	19,142.24	64,226.72	123,962.53	(3,962.53)			103.30%
POS-HALL HIRE	150,000.00	46,469.37	24,100.00	13,150.00	9,350.00	46,600.00	93,069.37	56,930.63			62.05%
POS-LEARNER AND DRIV	500,000.00	239,152.00	124,714.00	90,470.00	54,959.00	270,143.00	509,295.00	(9,295.00)			101.86%
REGISTERING AUTHORITY	1,700,000.00	585,908.05	179,413.96	128,038.82	128,124.49	435,577.26	1,021,485.32	678,514.69			60.09%
POS-POUND FEES	200,000.00	32,442.26	15,838.00	6,628.00	18,928.00	41,394.00	73,836.26	126,163.74			36.92%
POS-PUBLIC TOILETS	200,000.00	36,452.52	10,678.00	17,678.00	17,092.00	45,448.00	81,900.52	118,099.48			40.95%
POS-RENTAL OF COMMON	2,000,000.00	816,278.94	141,514.90	234,463.63	300,599.77	676,578.30	1,492,857.24	507,142.76			74.64%
POS-SALE OF LAND	800,000.00	21,010.00	71,500.00	1,500.00	26,500.00	99,500.00	120,510.00	679,490.00			15.06%
HAWKERS AND BUSINESS LICENCE	500,000.00	266,130.94	17,770.00	41,879.77	24,225.00	83,874.77	350,005.71	149,994.29			70.00%
POS-TRAFFIC FINES	1,500,000.00	420,510.74	288,300.00	183,926.39	487,154.35	959,380.74	1,379,891.48	120,108.52			91.99%
LAW ENFORCEMENT/ BY-LAWS	500,000.00			40,400.00	47,250.00		87,650.00	412,350.00			17.53%
VAT RECOVERY	27,057,474.06	6,237,547.33	4,896,223.41	5,394,672.88	-	10,290,896.29	16,528,443.62	10,529,030.44			61.09%
LGSETA	210,000.00	-	-	-	-	-	-	210,000.00			0.00%
INTEREST ON INV & CR BALANCE	32,000,000.00	10,681,165.64	3,526,510.02	3,250,126.18	3,919,136.14	10,695,772.34	21,376,937.98	10,623,062.02			66.80%
SUNDRY INCOME/ VALUATION CERT	1.00	4,521,617.16	925.00	396,288.50	370.00	397,583.50	4,919,200.66	(4,919,199.66)			491920066.00%
TENDER DOCUMENTS	200,000.00	944.10	1,416.15	2,361.20	472.05	4,249.40	5,193.50	194,806.50			2.60%
CEMETERY & BURIAL	1.00	-	-	-	1,000.00	1,000.00	1,000.00	(999.00)			100000.00%
NON-BILLABLE REVENUE	68,137,476.06	23,991,736.96	9,338,819.68	9,821,838.61	5,080,373.04	24,241,031.32	48,232,768.29	19,904,707.78			70.79%
BILLABLE REVENUE	BUDGET	Q1	Oct'25	Nov'25	Dec'25	Q2	YEAR TO DATE	BALANCE			%
PROPERTY RATES											
BILLING	10,000,000.00	4,296,784.95	1,432,381.65	1,438,872.94	1,438,872.94	4,310,127.53	8,606,912.48	1,393,087.53			86.07%
COLLECTION		7,591,600.10	692,445.55	1,195,510.19	223,840.82	2,111,796.56	9,703,396.66	(9,703,396.66)			
REFUSE REMOVAL											
BILLING	500,000.00	999,040.37	333,013.46	331,444.06	331,444.06	995,901.57	1,994,941.95	(1,494,941.95)			398.99%
COLLECTION		24,029.08	18,378.29	18,365.35	3,852.72	40,596.36	64,625.44	(64,625.44)			
TOTAL BILLING	10,500,000.00	5,295,825.32	1,765,395.11	1,770,317.00	1,770,317.00	5,306,029.10	10,601,854.42	(101,854.42)			100.97%
TOTAL COLLECTION		31,607,366.14	10,049,643.52	11,035,714.15	5,308,066.58	26,393,424.24	58,000,790.39	10,136,685.68			
COLLECTION RATE (BILLABLE REVENUE)		144%	40%	69%	13%	41%	92%				

SEC 52D REPORT FOR THE 2ND QUARTER ENDED 31 DECEMBER 2025

The performance of the above revenues is narrated in the following paragraphs/Sections:

Narrative summary

Budget & Treasury

MBHASHE LOCAL MUNICIPALITY - OWN REVENUE REPORT (NON-BILLABLE) AS AT 31 DECEMBER 2025										
OWN REVENUE SOURCES	DEPARTMENT	BUDGET	Q1	Oct'25	Nov'25	Dec'25	Q2	YEAR TO DATE	BALANCE	%
VAT RECOVERY	BUDGET & TREASURY OFFICE	27,057,474.06	6,237,547.33	4,896,223.41	5,394,672.88	-	10,290,896.29	16,528,443.62	10,529,030.44	61.09%
INTEREST ON INV & CR BALANCE	BUDGET & TREASURY OFFICE	32,000,000.00	10,681,165.64	3,526,510.02	3,250,126.18	3,919,136.14	10,695,772.34	21,376,937.98	10,623,062.02	66.80%
SUNDRY INCOME/ VALUATION CERT	BUDGET & TREASURY OFFICE	1.00	4,521,617.16	925.00	396,288.50	370.00	397,583.50	4,919,200.66	(4,919,199.66)	491920066.00%
TENDER DOCUMENTS	BUDGET & TREASURY OFFICE	200,000.00	944.10	1,416.15	2,361.20	472.05	4,249.40	5,193.50	194,806.50	2.60%
PROPERTY RATES	BUDGET & TREASURY OFFICE	10,000,000.00	7,591,600.10	692,445.55	1,195,510.19	223,840.82	2,111,796.56	9,703,396.66	296,603.34	97.03%
TOTAL		69,257,475.06	29,032,874.33	9,117,520.13	10,238,958.95	4,143,819.01	23,500,298.09	52,533,172.42	16,724,302.64	75.85%

- Collection on billed Property Rates amounts to R9 703 396.66 which is 97.03% of the annual budget amount. The municipality`s budget is collection based; this is done in order to safeguard the municipality against unfunded budget/ not cash backed budget.
- There has been a great response from SARS in terms of paying VAT refunds with all the refunds up to December 2025 having been paid, SARS has started to offset our VAT Refunds against amount owed for VAT on received INEP Grant.
- Interest from investment is also performing well, sitting at 66.80% when measured against annual projected amount.

Community Services

MBHASHE LOCAL MUNICIPALITY - OWN REVENUE REPORT (NON-BILLABLE) AS AT 31 DECEMBER 2025											
OWN REVENUE SOURCES	DEPARTMENT	BUDGET	Q1	Oct'25	Nov'25	Dec'25	Q2	YEAR TO DATE	BALANCE		%
POS-HALL HIRE	COMMUNITY SERVICES	150,000.00	46,469.37	24,100.00	13,150.00	9,350.00	46,600.00	93,069.37	56,930.63		62.05%
POS-LEARNER AND DRIV	COMMUNITY SERVICES	500,000.00	239,152.00	124,714.00	90,470.00	54,959.00	270,143.00	509,295.00	(9,295.00)		101.86%
REGISTERING AUTHORITY	COMMUNITY SERVICES	1,700,000.00	585,908.05	179,413.96	128,038.82	128,124.49	435,577.26	1,021,485.32	678,514.69		60.09%
POS-POUND FEES	COMMUNITY SERVICES	200,000.00	32,442.26	15,838.00	6,628.00	18,928.00	41,394.00	73,836.26	126,163.74		36.92%
POS-PUBLIC TOILETS	COMMUNITY SERVICES	200,000.00	36,452.52	10,678.00	17,678.00	17,092.00	45,448.00	81,900.52	118,099.48		40.95%
POS-TRAFFIC FINES	COMMUNITY SERVICES	1,500,000.00	420,510.74	288,300.00	183,926.39	487,154.35	959,380.74	1,379,891.48	120,108.52		91.99%
LAW ENFORCEMENT/ BY-LAWS	COMMUNITY SERVICES	500,000.00			40,400.00	47,250.00	87,650.00	87,650.00	412,350.00		17.53%
CEMETERY & BURIAL	COMMUNITY SERVICES	1.00	-	-	-	1,000.00	1,000.00	1,000.00	(999.00)		100000.00%
REFUSE REMOVAL	COMMUNITY SERVICES	500,000.00	24,029.08	18,378.29	18,365.35	3,852.72	40,596.36	64,625.44	435,374.56		12.93%
TOTAL		5,250,001.00	1,384,964.02	661,422.25	498,656.56	767,710.56	1,927,789.36	3,312,753.39	1,937,247.62		63.10%

- ❖ There has been exceptional performance from Community Services collecting 63.10% as at end of 2nd quarter when measured against annual budget. Learner licenses and permits have reached 101.86%, Revenue collection on Refuse removal is very low, it is at 12.93%.

Developmental Planning

MBHASHE LOCAL MUNICIPALITY - OWN REVENUE REPORT (NON-BILLABLE) AS AT 31 DECEMBER 2025										
OWN REVENUE SOURCES	DEPARTMENT	BUDGET	Q1	Oct'25	Nov'25	Dec'25	Q2	YEAR TO DATE	BALANCE	%
POS-BUILDING PLANS	DEVELOPMENT PLANNING	500,000.00	26,372.10	13,974.00	1,113.00	26,070.00	41,157.00	67,529.10	432,470.90	13.51%
POS-BILLBOARD RENTAL	DEVELOPMENT PLANNING	120,000.00	59,735.81	25,942.24	19,142.24	19,142.24	64,226.72	123,962.53	(3,962.53)	103.30%
POS-RENTAL OF COMMON	DEVELOPMENT PLANNING	2,000,000.00	816,278.94	141,514.90	234,463.63	300,599.77	676,578.30	1,492,857.24	507,142.76	74.64%
POS-SALE OF LAND	DEVELOPMENT PLANNING	800,000.00	21,010.00	71,500.00	1,500.00	26,500.00	99,500.00	120,510.00	679,490.00	15.06%
HAWKERS AND BUSINESS LICENCE	DEVELOPMENT PLANNING	500,000.00	266,130.94	17,770.00	41,879.77	24,225.00	83,874.77	350,005.71	149,994.29	70.00%
TOTAL		3,920,000.00	1,189,527.79	270,701.14	298,098.64	396,537.01	965,336.79	2,154,864.58	1,765,135.42	54.97%

The overall collection rate for the department is 54.97%. Areas that need to be improved is the revenue from Sale of Land which is at 15.06%, as well as revenue from issuing of Building Plans which is at 13.51%. Amounts received for rental of municipal properties should be 100% traced back to valid lease agreements. It is worth noting that rental of commonage is doing well as it is sitting at 74.64% as at the end of 2nd quarter. The rental from Billboards is also doing well, currently sitting at 103.30%.

1.3.2 GRANTS & SUBSIDIES

All grants and subsidies scheduled to be received for the 1st and 2nd quarter were received accordingly.

1. Unconditional Grants & Subsidies

- The 1st and 2nd tranche of Equitable Share allocation amounting to R135 503 000(1st) and R108 403 000 has been received. Implementation of cash flow management is done based on the projected revenue to be received as grants form a significant portion of the municipal revenue.

2. Conditional Grants & Subsidies

GRANTS STATUS FOR THE PERIOD ENDED 31 DECEMBER 2025						
GRANT DETAILS	PERIOD	ANNUAL BUDGET	TOTAL RECEIVED AS AT 31 DECEMBER 2025	ACTUAL SPENT	% SPENT vs ANNUAL BUDGET	% SPENT BASED ON RECEIPTS
MIG	July 25 – December 2025	R74,175,000.00	R61,790,000.00	63,568,232.86	86%	103%
EPWP	July 25 – December 2025	2,382,000.00	1,668,000.00	2,382,000.00	100%	143%
OTP	July 25 – December 2025	10,000,000.00	14,216,961.75	6,129,706.90	61%	43%
FMG	July 25 – December 2025	1,700,000.00	1,700,000.00	869,533.97	51%	51%
INEP	July 25 – December 2025	16,369,000.00	9,167,000.00	13,959,510.40	85%	152%
DISASTER RESPONSE GRANT	July 25 – December 2025	24,167,000.00	12,325,000.00	12,371,429.24	51%	100%
LIBRARY GRANT	July 25 – December 2025	R1,490,000.00	R1,490,000.00	313,737.45	21%	21%
GRAND TOTAL		R130,283,000.00	R102,356,961.75	R99,594,150.82	76%	97%

2.1 MIG Grant

- The MIG expenditure as at 31 December 2025 is sitting at 86% of the total allocation of R 74 175 000 for the year. MIG amounting to R 61 790 000 has been received and fully spent. Municipality is waiting for the last tranche.

2.2 EPWP Grant

- EPWP grant is used to fund the expanded public works programs, and this is a National Department of Public Works initiative to help deal with high unemployment rate.
- The municipality received the first and second tranche as at the end of the 2nd quarter totaling to R1 668 000 out of total allocation of R2 382 000. The received amount is fully spent.

2.3 FMG Grant

- FMG is the grant to support BTO programs projects funded by National Treasury including building in house capacity within the department. A gazetted amount of R1 700 000 has been received to date and 51% has been spent as at the end of 2nd Quarter. Activity plan was developed and approved by NT and is currently in its full implementation.

2.4 OTP (STR) Grant

- OTP is the grant for Small Towns revitalization with total budget of R 10 000 000.00; an amount of R 14 216 961.75 has been received as at the end of 2nd quarter with R 6 129 706.90 spending which equates to 61% based on the total budget and 43% based of the received amount.

2.5 Libraries

- The allocation of R 1 490 000 will be included in the Adjustment Budget for the current year and has been received. Spending has already occurred for the first six months and its currently sitting at 21%. There was no rollover from previous year`s allocation.

2.6 INEP

- This grant is used to fund rural electrification projects which are constructed in order to be handed over to Eskom once they are complete. Municipality has received R 9 167 000 out of allocation of the current year which is R 16 369 000. Spending on this grant as at the end of 2nd quarter amounts to R 13 959 510.40 which translates to 85% of the Annual budgeted amount and 152% of the received amount.

2.7 Disaster Relief Grant

- This grant is used to fund work done on Disaster related projects which have been approved by CoGTA. The conditions attached to the grant relate to the approved projects and time taken to complete the projects. As at the end of 2nd Quarter total amount of R 12 325 000 has been received. The municipality has spent 100% on the amount received for the current allocation. The total Budget for the year is R24 167 000.

DEBTORS MANAGEMENT

DEBTORS AGE ANALYSIS AS AT 31 DECEMBER 2025									
CATEGORY	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance	
AGRICULTURE	-50,659.20	2,189.74	2,289.74	2,289.74	5,848.46	2,325.33	2,440.08	-33,276.11	
BUSINESS	9,939,504.48	274,958.32	182,104.62	191,504.76	198,984.32	233,729.76	269,439.99	11,290,226.25	
GOVERNMENT	33,893,661.38	8,844,945.76	5,130,102.91	39,633.36	49,408.67	39,203.95	55,304.34	48,052,260.37	
MUNICIPAL	521,054.90	14,933.83	14,939.87	14,927.13	15,146.90	15,250.41	15,826.66	612,079.70	
OTHER	2,580,959.62	214,199.97	47,950.12	16,186.26	33,063.49	24,321.06	35,305.71	2,951,986.23	
PLACE OF WORSHIP	590,405.35	18,590.87	8,040.40	8,076.69	8,112.48	8,148.59	8,157.83	649,532.21	
PUBLIC SERVICE INFRASTRUCTURE	-109.73	0.00	0.00	0.00	0.00	0.00	0.00	-109.73	
RESIDENTIAL	34,300,196.93	782,526.15	629,610.25	607,380.44	657,647.03	655,309.13	639,332.35	38,272,002.28	
VACANT LAND	1,985,835.13	73,414.36	49,654.97	50,333.79	48,080.81	49,940.20	48,935.31	2,306,194.57	
GRAND TOTAL	83,760,848.86	10,225,759.00	6,064,692.88	930,332.17	1,016,292.16	1,028,228.43	1,074,742.27	104,100,895.77	

The balance of outstanding debtors as at 31 December 2025 is **R 104 100 895.77**, and a substantial portion of this debt relates to residential and government. Government departments are engaged through the Arrear Debt Sessions organized by provincial treasury. This has yielded some positive results as departments pay their debt however, they don't settle the entire debt. The municipality also started billing schools and clinics, hence the increase in government debt. Historical debt is taking longer to collect, internally we make use of Debt and Credit Controller to follow up on outstanding debts and facilitate the option of making payment arrangements. Another challenge is the deceased estates that are not properly managed and /or registered so that relevant information can be updated. The municipality is also in the process of compiling the General Valuation Roll and the certified roll will be submitted to the Accounting Officer by the 31st January 2025.

COUNCILLORS

Councilors and staff members of the municipality may not be in arrears to the municipality for property rates and service charges for a period longer than three (3) months. Currently there are no councilors or employees that owe the municipality longer than three months. These accounts are being monitored to ensure that they are settled within the stipulated period.

4.1 BANK ACCOUNTS

Total bank balances as at 31 December 2025 amounted to: **R 585 740 341.95**

MBHASHE MUNICIPALITY									
INVESTMENTS AS AT 31 DECEMBER 2025									
	Bank	Account Type	Status	2025/07/01	Interest	Deposits	Withdrawals	Bank	Closing Balance as at 31/12/2025
					Total	Total	Total	Total	
1	FNB	7 Day Interest Plus	Active	108,339.29	1,370,425.65	80,000,000.00	(81,300,000.00)	-	178,764.94
2	FNB	Call Account	Active	37,179.16	944.41	-	-	-	38,123.57
3	FNB	Call Account	Active	152,647.98	4,074.06	-	-	-	156,722.04
4	FNB	Call Account	Active	43,151,432.71	1,779,314.29	5,000,000.00	-	-	49,930,747.00
5	ABSA	Fixed Deposit	Active	-	11,087,999.99	300,000,000.00	-	-	311,087,999.99
6	Nedbank	Fixed Deposit	Active	10,780.82	1,757,273.98	50,000,000.00	-	-	51,768,054.80
7	Standard Bank	Fixed Deposit	Active	-	3,616,438.36	100,000,000.00	-	-	103,616,438.36
				43,460,379.96	19,616,470.74	535,000,000.00	(81,300,000.00)	-	516,776,850.70

Total investments at the end of 2nd quarter amounts to **R516 776 850.70** The balance of the main account as at 31 December 2025 was **R 68 963 491.25** and total cash and cash equivalents amounted to **R 585 740 341.95** this is a very good liquidity position which must be maintained as there is a need to invest in more working capital in order to sustain the municipality in the near future. Interest earned from investments will be directed to a project that will help to sustain growth and economic development.

5.1 OUTSTANDING CREDITORS & COMMITMENTS

CREDITORS AGE ANALYSIS AS AT 31 DECEMBER 2025

Accounts Payable Age Analysis									
Mbhashe Local Municipality									
Exclude Zero Balances					Report Date:				31-Dec-25
Accounts Payable Age Analysis									
Page 1 of 1									
Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance	
MAAA0146854 (COCHRA	3.00							3.00	
MAAA0709567 (EPITOME	-24,056.20							-24,056.20	
ESK001 (ESKOM HOLDIN	0.07							0.07	
KUK001 (KUKHO CONSUI	-4.00							-4.00	
LOJ001 (LOJA TRADING)	-9.00							-9.00	
MAAA0440387 (MELOKUI	-0.01							-0.01	
MAAA1042905 (MEN GO C	-0.25							-0.25	
SHER001 (SHERPERD CI	-6,980.83							-6,980.83	
SWE001 (SWECON SER	-0.91							-0.91	
MAAA1073379 (SIYAKHA	11,500.00							11,500.00	
	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance	
Totals:	-19,548.13							-19,548.13	

The municipality ensures that invoices that were submitted for payment during the 2nd quarter were paid on time. The amounts that are reflecting as overdue are just capturing errors which are currently being resolved.

MFMA- SCM REGULATION REPORTING OF MBHASHE LOCAL MUNICIPALITY FOR THE 2025/26 FINANCIAL YEAR

QUARTELY REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE 2nd QUARTER ENDING ON 31 DECEMBER 2025

PURPOSE

To report on the implementation of the Supply Chain Management Policy as required by the Municipal Supply Chain Regulations for the 2nd quarter ending 31 December 2025 of the 2025/26 financial year.

RECOMMENDATION

That the report on the implementation of the Supply Chain Management Policy as required by the Municipal Supply Chain Regulations for the quarter ending 31 December 2025 of the 2025/26 financial year, be noted by the council.

REPORT

The Local Government: Municipal Finance Management Act, No 56 of 2003, (the 'MFMA') requires the municipality to have and implement a Supply Chain Management Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

On the 30 May 2005 the Municipal Supply Chain Management Regulations were issued. As a Medium Capacity Municipality, Mbhashe Local Municipality had to comply with the provisions of the Regulations.

The Municipal Supply Chain Management Regulations published under General Notice 868 in Government Gazette 27636 of 30 May 2005, inter alia, contains the following reporting requirements:

6. Oversight role of council of municipality or board of directors of municipal entity

- (1) The council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its supply chain management policy.
- (2) For the purposes of such oversight the accounting officer must:

- (a) (i) in the case of a municipality, within 30 days of the end of each financial year, submit a report on the implementation of the supply chain management policy of the municipality and of any municipality entity under its sole or shared control, to the council of the municipality;
- (ii) in the case of a municipal entity; within 20 days of the end of each financial year, submit a report on the implementation of the municipal entity's supply chain management policy to the board of directors, who must then submit the report to the accounting officer of the parent municipality for submission to the council in terms of subparagraph (i); and
- (iii) whenever there are serious and material problems in the implementation of the supply chain management policy, immediately submit a report to the council of the municipality or in the case of a municipal entity, to the board of directors, who must then submit the report to the accounting officer of the parent municipality for submission to the council.

(3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.

(4) The reports of a municipality must be made public in accordance with section 21A of the Municipal Systems Act. The reports of a municipal entity must be made public in a similar way.

1. IMPLEMENTATION OF THE SCM POLICY

Mbhashe LM's SCM Policy was adopted by the council on the 28th May 2025 for the implementation with effect from the 1st July 2025.

2. THE BID COMMITTEE SYSTEM

The following committees have been established.

- 2.1. The Bid Specification Committee
- 2.2. The Bid Evaluation Committee
- 2.3. The Bid Adjudication Committee

The bid committee system for competitive bids has been actively applied within the municipality over the past financial year. Members of the committees are required to declare any possible conflict of interests at the meetings and recuse themselves in the event of a possible conflict.

- (a) The Bid specification committee complies the specification of goods and services for the procurement of goods and services by the municipality. The committee is appointed by the Accounting Officer and must compose of one or more officials of the Municipality, preferable Supply Chain Management Practitioner and the Project Manager responsible for the function involved.

The Accounting officer appointed the following members of the BSC for the 2025/26 financial year.

NAME OF MEMBERS	DEPARTMENT	MEMBERSHIP ROLE	CONTACT NO
1. Mr.S. Gobingca	Corporate Services	Chairperson	082 564 9340
2. Mr L. Tshaya	Planning & Development	Member	072 399 8919
3. Mr Z. Mvunelo	Operations	Member	064 759 7512
4. Mr. C.L Makonza	Infrastructure Services	Member	082 564 8939
5. Ms N. Dinga	Community services	Member	060 975 9359
6. Ms. A. Ntame	BTO (SCM)	Member	073 641 3362
7. Ms B. Nyangambini	BTO (SCM)	scriber	075 030 2702

(b) The bid evaluation Committee

The bid evaluation committee is appointed by the Accounting Officer and must as far as possible be composed of:

- Officials from departments requesting the goods or services and
- At least one supply chain practitioner of the municipality

The Accounting Officer appointed the following members of the BEC for 2025/26 financial year.

NAME OF MEMBERS	DEPARTMENT	MEMBERSHIP ROLE	CONTACT NO
1. Mr.S. Baliso	Operations	Chairperson	082 564 8516
2. Mr B. Ningiza	Planning & Development	Member	063 689 0670
3. Mr. X. Susela	Corporate Services	Member	063 691 0257
4. Mr. T. Masangwana	Infrastructure Services	Member	082 564 9340
5. Ms A. Mbebe	BTO (SCM)	Member	072 399 8951
6. Ms G. Sityata	Operations	Member	063 689 7418
7. Ms S. Mboxo	Community services	Member	083 689 7134
8. Ms B. Nyangambini	BTO (SCM)	Scriber	073 641 3362

(c.) The bid Adjudication committee

The bid adjudication committee must be composed of at least four senior managers of the municipality which must also include:

- The Chief Financial Officer or if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officers and designated by the chief financial officer.
- At least one senior supply chain management practitioner who is an official of the municipality and
- A technical expert in the relevant field who is an official of the municipality, if the municipality has such an expert.

The Accounting officer appointed the following members of the BAC for the 2025/26 financial year.

NAME OF MEMBERS	DEPARTMENT	MEMBERSHIP ROLE	CONTACT NO
1. Mr. V. Jam Jam	BTO	Chairperson	064 768 9635
2. Mr S. Cobokana	Planning & Development	Member	082 510 4982
3. Ms N. Nkuhlu	Corporate Services	Member	078 340 2793
4. Mr Z. Msipha	Infrastructure Services	Member	060 937 3605
5. Ms. N. Mlungu	Community services	Member	066 487 5651
6. Ms M. Mpahlwa	Operations	Member	072 109 8118
7. Ms N. Ntame	SCM -scriber	Sciber	076 976 9501
8. Mr Z. Samka	BTO SCM -scriber	Sciber	062 602 0473

3. MUNICIPAL SUPPLY CHAIN MANAGEMENT UNIT ORGANISATIONAL STRUCTURE & PERSONNEL

In terms of Paragraph 7 of the Municipal Supply Chain Management Regulations, the municipality must establish a Supply Chain Management Unit (SCMU) to implement supply chain management policy. The Unit must operate under the direct supervision of the Chief Financial officer or may be delegated to an official in terms of section 82 of the MFMA

The Municipality's Supply Chain Management unit has 3 officials who perform various duties and functions in terms of the SCM policy which are as follows:

SCM Manager Mrs A. Mbebe	<ul style="list-style-type: none"> • Oversee the overall implementation of SCM policy within the Supply Chain Management Unit • Co-ordinates and controls the implementation of SCM Policy • Advises the Chief Financial Officer on Supply Chain Management process and procedures • Responsible for the bid processes including the review of adverts, development of tender documents, bid closing Evaluation and
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	<p>adjudication of Purchases between R30 000 and above.</p> <ul style="list-style-type: none"> • Co-ordinate the sitting of Bid Committees • Responsible for the monitoring of Supplier database, Contract management, Asset Management and Fleet management. • Approves Purchase orders for all transactions. • Monitors the reporting within the SCM unit on a weekly, Monthly and quarterly bases.
<p>SCM Officer: Vacant</p>	<p>is responsible for the following Duties:</p> <ul style="list-style-type: none"> • Co-ordinate the sitting of Bid Specification Committee • Assist and co-ordinate the implementation of the SCM policy for the purchases between R30 000 and up to R300 000. • Review the implementation of SCM policy for the purchases between R2 000 to R 30 000. • Monitors and review the capturing Suppliers on a Municipal Database. • Responsible for the bid processes including the placing of adverts, development of RFQ's/ Tender documents, bid closing and evaluation of Purchases between R30 000 to R200 000. • Assist and co-ordinate the implementation of the SCM policy for the purchases between R200 000 and above. • Review the implementation of SCM policy for the purchases between R2 000 to R 30 000. • Responsible for the bid processes including the placing of adverts, development of tender documents, bid closing and adjudication of Purchases between R300 000 and above.

	<ul style="list-style-type: none"> • Responsible for updating of contract register for tenders. • Responsible for monitoring the progress on the implementation of procurement plans. • Responsible for reviewing of weekly, monthly and quarterly reports. • Supervising the SCM Clerk and SCM buyer on a day to day activities. • Responsible for updating of contract register for RFQ's • Approves requisitions from end user departments
<p>SCM Clerk: Ms B. Nyangambini</p>	<ul style="list-style-type: none"> • Assist and co-ordinate the implementation of the SCM policy for the purchases between R2 000 and R30 000. • Generate orders for transactions within the SCM Unit • Assist as a secretariat on Bid Adjudication Committee & Member of Bid Specification Committee • Capturing of Suppliers in the Municipal Database • Responsible for the bid processes including bid closing and development of adverts. • Responsible for requesting quotation for purchases between R2 000 up to R 30 000. • Responsible for the reporting on a weekly, Monthly and quarterly bases.

<p>SCM Clerk: Ms. A. Ntame</p>	<ul style="list-style-type: none"> • Assist and co-ordinate the implementation of the SCM policy for the purchases between R30 000- R300 000.
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	<ul style="list-style-type: none"> • Generate orders for transactions within the SCM Unit • Assist as a secretariat on Bid Evaluation Committee & Bid Specification Committee • Capturing of Suppliers in the Municipal Database • Responsible for the bid processes including bid closing and development of adverts. • Responsible for requesting quotation & prepare RFQs for purchases between R 30 000 up R3 00 000. • Responsible for the reporting on a weekly, Monthly and quarterly bases.
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4. COMPETENCY LEVELS OF OFFICIALS IN THE SUPPLY CHAIN MANAGEMENT UNIT

All officials within the SCM unit have achieved the minimum competency level as required by Circular 60 of the MFMA.

5. DEMAND MANAGEMENT

Suppliers are continuously encouraged to register on the Municipal database as well as on Central Supplier Database as required by regulation 14 of the MFMA and Circular 81 of the MFMA respectively and service providers can register on the database and update their details at any time.

6. IMPLEMENTATION OF THE NEW PREFERENTIAL PROCUREMENT REGULATIONS OF 2017

The new PPPFA regulations became effective on the 2022 financial year. These regulations are implemented on a continuous basis by awarding the bids to the highest scoring bidder.

7. IMPLEMENTATION OF THE STANDARD FOR INFRASTRURE PROCUREMENT AND DELIVERY MANAGEMENT (SIPDM)

In terms of the SIPDM there are seven actions required to be complied with which are as follows.

Action 1: Establish a suitable SCM Policy for Infrastructure Procurement and Delivery Management;

Action 2: Establish agency agreements between organs of state if projects are implemented on behalf of another organ of state;

Action 3: Apply the prescribed control frameworks and record approval/acceptance at the relevant gates;

Action 4: Establish implementation plans

Action 5: Develop procurement documents in accordance with the provisions of the SIPDM;

Action 6: Ensure that built environment professionals perform designated functions as provided for in the SIPDM and

Action 7: Prepare an annual performance report and issue to relevant treasury within two months after year end.

8. IMPLEMENTATION OF THE PROCUREMENT PLAN

The municipality has a procurement plan in place; this procurement was adopted together with the annual budget and details all procurement to be done during the 2025/26 financial year. There are some challenges faced in the implementation of this plan and amongst other it's the issue of specifications not always submitted timeously thus delaying the procurement process._The SCM unit continues to monitor the implementation of the procurement plan throughout the year.

9. SUPPLY CHAIN MANAGEMENT ACQUISITION PROCESSES

The following thresholds are currently being implemented in order to support the strategic and operational commitments of the municipality.

Petty Cash purchases

Good are purchased by way of petty cash up to a transaction value of R2 000.00 Written Quotation

(a) Written Quotations

Goods and services are procured by way of written quotations for a transaction value of R2 000.00 up to R30 000 inclusive of vat, quotations are sourced from suppliers registered on CSD and the Municipal Supplier database.

(b) Formal written Quotation (7 day bidding) process

Goods and services must be procured by way of 7 day bidding process for procurements of a transaction value of over R30 000.00 up to R300 000 inclusive of vat. These adverts are place on the notice boards in all three units and the website.

THE FOLLOWING ARE THE RFQS AWARDED BY WAY OF FORMAL WRITTEN PRICE QUOTATION FOR THE QUARTER ENDING ON THE 31 DECEMBER 2025

RFQ'S AWARDED[30 000.00-R300 000.00]									
FOR THE QUARTER ENDED 31 DEC 2025									
NO	AWARD DATE	ORDER NO	PROJECT NAME	BID NUMBER	BIDDER'S NAME	CONTRACT AMOUNT	BIDDER'S LOCATION	ADVERT DATE	CLOSING DATE
1	25-Jul-25		PROVISION FOR LANDFILL SITE REHABILITATION (GRAP 19)	0001/BTO/2025-26	ENZOKUHLÉ ENTERPRISE	298,000.00	NONE- MBHASHE	Tuesday, 15 July 2025	Tuesday, 22 July 2025
2	25-Jul-25		REQUEST FOR QUOTATION QUALITY REVIEW OF GRAP COMPLIANT ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025	0002/BTO/2025-26	HG CONSULTING	240,471.74	NONE- MBHASHE	Tuesday, 15 July 2025	Tuesday, 15 July 2025
1	2025/09/05	PO14661	PROVISION OF ENTERTAINMENT BY 1 CROWD- PULLER NATIONAL ARTIST AND 4 MBHASHE LOCAL NATIONAL ARTISTS FOR ILIFA LO' MBHASHE SIGNATURE EVENT 2025	0004/P&D/2025-26	LOJA TRADING	296,700.00	MBHASHE	Thursday, 28 August 2025	Friday, 05 September 2025
1	2025/10/01	App letter	CAR WASH SERVICES FOR A PERIOD OF 12 MONTHS	0003/BTO/2025-26	ZOLANI TOURS	RATES	MBHASHE	Thursday, 28 August 2025	Friday, 05 September 2025
1	2025/11/21	PO15252	APPOINTMENT OF SERVICE PROVIDER TO CONDUCT PHYSICAL TESTING OF 60 SEASONAL LIFE GUARDS DURING PEAK SEASONS (FESTIVE AND EASTER HOLIDAYS)	0005/P&D/2025-26	Entrust Electrical	199,000.00	MBHASHE	30 October 2025 & 14 October 2025	07 November 2025 & 22 November

(c) Competitive bidding process

Goods and Service must be procured by way of a competitive bidding process for

- Procurement above a transaction value of R 300 000 inclusive of vat.
- The procurement of long term contracts

- The adverts in respect of competitive bids are place on e-tender, website, notice boards in all three units, local newspaper and CIDB where applicable.

THE FOLLOWING ARE THE BIDS AWARDED BY WAY OF COMPETITIVE BIDDING

PROCES FOR THE QUARTER ENDED 31 DECEMBER 2025

REGISTER OF BIDS AWARDED (+200 000) FOR THE QUARTER ENDED 31 DECEMBER 2025								
NO	ADVERT DATE	CLOSING DATE	AWARD DATE	PROJECT NAME	BID NUMBER	NAME OF BIDDER	CONTRACT AMOUNT	LOCALITY
1	26 February 2025	31 March 2025	15 July 2025	PROVISION OF MEDIA, MARKETING, ADVERTISING AND PRINTING FOR A PERIOD OF THREE (03) YEARS	MBH/MM/0017/2024-25	HLALUMPRINTERS (PTY) LTD	Rates	MBHASHE LM
2	26 February 2025	31 March 2025	15 July 2025	PROVISION OF MEDIA, MARKETING, ADVERTISING AND PRINTING FOR A PERIOD OF THREE (03) YEARS	MBH/MM/0017/2024-25	ASIPIKO CREATIVE AGENCY	Rates	NON-MBHASHE LM
3	26 February 2025	31 March 2025	15 July 2025	PROVISION OF MEDIA, MARKETING, ADVERTISING AND PRINTING FOR A PERIOD OF THREE (03) YEARS	MBH/MM/0017/2024-25	CREATIVE THINKING MULTIMEDIA (PTY) LTD	Rates	NON-MBHASHE LM
4	26 February 2025	31 March 2025	13 August 2025	PANEL OF THREE (03) BUILDING ENGINEERING CONSULTANTS FOR A PERIOD OF THREE (03) YEARS	MBH/INFRA/0015/2024-25	CHMORA GROUP (PTY) LTD		NON-MBHASHE 10%
5	26 February 2025	31 March 2025	03 September 2025	PANEL OF THREE (03) BUILDING ENGINEERING CONSULTANTS FOR A PERIOD OF THREE (03) YEARS	MBH/INFRA/0015/2024-25	MAKONE CONSULTING ENGINEERS (PTY) LTD		NON-MBHASHE 10%
6	08 May 2025	09 July 2025	04 November 2025	FOR PROVISION OF BANKING SERVICES FOR A PERIOD OF THREE YEARS	MBH/BTO/0019/2024-25	FirstRand Bank Ltd	RATE BASED	NON-LOCALITY

10. SUPPLY CHAIN MANAGEMENT DEVIATIONS FOR THE QUARTER ENDED 31 DECEMBER 2025

MBHASHE LOCAL MUNICIPALITY SCM DEVIATIONS REGISTER FOR THE QUARTER ENDED 31 DECEMBER 2025														
NO	DATE/S OF OCCURRENCE	DESCRIPTION	NAME OF SERVICE PROVIDER	AMOUNT	PERCENTAGE	DEV.NO	ORDER NO.	NAME OF DEPARTMENT	RESPONSIBLE OFFICER	URGENCY / EMERGENCY	EXCEPTIONAL CASES (IMPRACTICAL/IMPOSSIBLE)	SOLE PROVIDER/SUPPLIER	RECOMMENDED/ NOT RECOMMENDED (BY) CFO	APPROVED/ NOT APPROVED (BY) MM
		TOTAL		R0.00	0.00%									
		There were no deviations for the quarter ended 31 December 2025												

11. IRREGULAR EXPENDITURE FOR THE QUARTER ENDED 31 DECEMBER 2025

The SCM unit strives to comply with all applicable regulations thus reducing irregular expenditure. During the quarter there were no new irregular expenditure that was incurred, only recurring Expenditure was incurred.

REGISTER OF IRREGULAR EXPENDITURE													
As at 31 DECEMBER 2025 (from July 2025 to December 2025)													
DATE OF DISCOVERY	DATE REPORTED TO ACCOUNTING OFFICER	DATE OF PAYMENT	SUPPLIER	AMOUNT	DESCRIPTION OF INCIDENT	GENERAL COMMENTS	PERSON LIABLE	STATUS UNDER INVESTIGATION	DISCIPLINARY CASE INITIATED	CRIMINAL CHARGES LAID WITH SAPS	TRANSFERRED TO RECEIVABLES	PAID OR IN PROCESS OF PAYING	WRITTEN OFF BY COUNCIL AS IRRECOVERABLE
1/2024/25 FY	2024/25 FY	VARIOUS	VARIOUS	1,220,343.83	Non-compliance with PPPFA 21(1a) together with Preferential Procurement reg. 3(1) which will lead to irregular expenditure, for all awards equal to and or less than R 30 000, including catering services awards.	THIS IS RECURRING IRREGULAR EXPENDITURE COMING FROM THE PRIOR YEAR.	N/A	N/A	N/A	N/A	N/A	N/A	NO
2/2024/25 FY	2024/25 FY	VARIOUS	VARIOUS	R 1,889,333.00	Non-compliance with SCM Regulation 12(1)(c) and 17(a) which results to irregular expenditure for all the catering services that were awarded using the SCM policy with this provision, including awards made in prior years.	THIS IS RECURRING IRREGULAR EXPENDITURE COMING FROM THE PRIOR YEAR.	N/A	N/A	N/A	N/A	N/A	N/A	NO
3/2024/25 FY	2024/25 FY	VARIOUS	VARIOUS		SCM: Contract Management: Total payments made under the contract up to date exceed the original contract price.	THIS IS RECURRING IRREGULAR EXPENDITURE COMING FROM THE PRIOR YEAR.	N/A	N/A	N/A	N/A	N/A	N/A	NO
4/2024/25 FY	2024/25 FY	VARIOUS	VARIOUS		For this deviation, which is above R 2000, the award was made to a bidder that was not tax compliant. This results to non-compliance with Supply Chain Management regulation 13(b) and 43 which leads to irregular expenditure.	THIS IS RECURRING IRREGULAR EXPENDITURE COMING FROM THE PRIOR YEAR.	N/A	N/A	N/A	N/A	N/A	N/A	NO
TOTAL				3,209,676.83									

Total of recurring irregular expenditure is R3 209 676.83

12. SUMMARY REPORT ON ORDERS ISSUED FOR THE QUARTER ENDED 31 DECEMBER 2025

A total amount of **R128 029 443.08** orders were issued during the quarter for both capital and operational projects. The majority of orders **R120 142 568.93** (93.84%) were executed and paid by the end of the quarter, only an amount of **R7 885 034.40** (6.16%) remained outstanding.

ANALYSIS OF THE ORDER ISSUED	AMOUNTS	PERCENTAGE
TOTAL ORDERS ISSUED	R128,029,443.08	100.00%
OUTSTANDING ORDERS	R7,885,034.40	6.16%
PAID ORDERS	R120,142,568.93	93.84%
CANCELLED ORDERS	1,839.75	0.00%

13. DATABASE OF RESTRICTED SUPPLIERS AND AWARDS TO PERSONS IN THE SERVICE OF THE STATE

Accounting officers are required, prior to the award of any contract, to verify whether the recommended bidder or any of its directors are prohibited from doing business with the public sector by forwarding an email for such verification to restrictions@treasury.gov.za.

Through the introduction of the Central Supplier Database the information forms part of the CSD report which is printed prior to each award. The central supplier database is able to verify such companies and directors.

This also applies to the directors of companies who are in the service of the state. CSD flags company directors who are in the service of the state and report accordingly.

The Central Supplier Database maintains a database of organizations, institutions and individuals who can provide goods and services to government. Prospective suppliers interested in pursuing opportunities within the South African government they self-register on the Central Supplier Database portal (www.csd.gov.za) which was introduced by National treasury on 01 April 2016.

14. SCM INFORMATION ON WEBSITE

The following reports are placed on the Mbhashe Local Municipality's website

- Adverts for competitive bidding
- Request for formal written price quotation (7-day bidding process)
- Bid closing registers
- Awards made by the Municipality for the quarter
- Other SCM documents
- Intention to awards Notices

15. Training

Bid committee training was conducted by treasury.

16. Conclusion

Supply Chain Management Unit is continuously improving its procedures in order to ensure that council receive value for money in terms of demand and acquisition management.

Goods and Services are procured through the implementation of procurement plan however more work should be done in order to improve strategic sourcing to enhance value that the municipality can derive in improved sourcing and supplier development. This can be achieved through collaboration with project managers and Local Economic development unit by having continuous supplier development programmes in order to empower and capacitate particularly the local suppliers.

17. Annexures

- RFQ's awarded for the quarter ending 31 December 2025
- Tenders awarded register for the quarter 31 December 2025
- Deviations report for the quarter ending 31 December 2025
- Contracts register for the quarter ending 31 December 2025
- Report on orders for the quarter ending 31 December 2025
- Report on irregular Expenditure for the quarter ending 31 December 2025
- Progress report on implementation of Procurement Plan for the quarter ending 31 December 2025.

ASSET ADDITIONS REPORT FOR THE QUARTER ENDING 31 DECEMBER 2025

PURPOSE

To keep record of Assets both tangible and intangible (movable and immovable) which are acquired.

LEGAL/STATUTORY REQUIREMENT

Municipal Finance Management Act.

Asset Management Policy

BACKGROUND

The Municipal Finance Management Act No.56 of 2003 Chapter 63 (2) (a) states that the accounting officer must ensure that the municipality has and maintains a management, accounting and information system that accounts for assets and liabilities of the municipality. (b) That the municipality's assets and liabilities are valued in accordance with Generally Recognized Accounting Practice and (c) that the municipality has and maintains a system of internal control of assets and liabilities register, as may be prescribed.

ASSETS AND CAPITAL WORK IN PROGRESS FOR THE QUARTER ENDING 31 DECEMBER 2025

SEC 52D REPORT FOR THE 2ND QUARTER ENDED 31 DECEMBER 2025

ASSET ADDITIONS FOR THE MONTH ENDED 31 OCTOBER 2025				
MIG				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
EMPIRE 0501 HOLDINGS	CONSTRUCTION OF VEHICLE TESTING STATION	1,137,568.05	170,635.21	1,308,203.26
EMPIRE 0501 HOLDINGS	CONSTRUCTION OF VEHICLE TESTING STATION	2,973,564.62	446,034.69	3,419,599.31
KUKHO CONSULTING ENGINEERS	CONSTRUCTION OF VEHICLE TESTING STATION	153,148.53	22,972.28	176,120.81
HN CONSULTING ENGINEERS	PAVING OF RIVERVIEW STREET IN WARD 13	288,372.35	43,255.85	331,628.20
HN CONSULTING ENGINEERS	PAVING OF EXTENSION 1 STREET IN WARD 25	348,726.28	52,308.94	401,035.22
HN CONSULTING ENGINEERS	PAVING OF HILL STREET IN WARD 25	402,492.97	60,373.95	462,866.92
MVI CONSTRUCTION AND MAINTENANCE	CONSTRUCTION OF BOLISH TO NQABARA A/R	546,991.67	82,048.75	629,040.42
HUMBLE AFRICANS CONSULTING ENGINEERS	CONSTRUCTION OF BOLISH TO NQABARA A/R	102,034.82	15,305.22	117,340.04
KOPANONG INVESTMENTS PROJECTS	CONSTRUCTION OF WILLOWVALE TAXI RANK	1,041,735.58	156,260.34	1,197,995.92
KOPANONG INVESTMENTS PROJECTS	CONSTRUCTION OF WILLOWVALE TAXI RANK	1,309,215.60	196,382.34	1,505,597.94
BM INFRASTRUCTURE DEVELOPMENT	CONSTRUCTION OF WILLOWVALE TAXI RANK	1,156,910.06	173,536.51	1,330,446.57
SIVEST CIVILS AND EARTHWORKS	CONSTRUCTION OF BOBANI TO NQABARA A/R	356,563.00	53,484.45	410,047.45
LM DEVELOPMENTS	CONSTRUCTION OF DUTYWA TAXI RANK	913,053.57	136,958.03	1,050,011.60
HONEY SILK TRADING AND INVESTMENT 1021	CONSTRUCTION OF DUTYWA TAXI RANK	138,844.17	20,826.63	159,670.80
HUMBLE AFRICANS CONSULTING ENGINEERS	CONSTRUCTION OF MATHUNZINI TO NQILENI A/R	312,414.04	46,862.11	359,276.15
KWANDIE TRADING	CONSTRUCTION OF EMKHWEZWENI TO NQADU A/R	604,805.65	90,720.85	695,526.50
EARTHINV LAB AND GEOTECHNICAL CONSULTING	CONSTRUCTION OF EMKHWEZWENI TO NQADU A/R	69,500.00	10,425.00	79,925.00
LEKO ENGINEERING CONSULTANTS	CONSTRUCTION OF NOCWANE A/R	456,672.10	68,500.82	525,172.92
MKOKO TRANSPORT	CONSTRUCTION OF BOTWE TO NTLINI AR	838,657.90	125,798.69	964,456.59
HONEY SILK TRADING AND INVESTMENT 1021	CONSTRUCTION OF BOTWE TO NTLINI AR	60,079.59	9,011.94	69,091.53
LEKO ENGINEERING CONSULTANTS	CONSTRUCTION OF MANGWEVINI A/R	452,488.91	67,873.34	520,362.25
VMT CIVILS	UPGRADE OF NGUMBELA SPORT FACILITY PHASE 3	610,695.00	91,604.25	702,299.25
VMT CIVILS	UPGRADE OF NGUMBELA SPORT FACILITY PHASE 3	598,195.80	89,729.37	687,925.17
KOPANONG INVESTMENTS PROJECTS	CONSTRUCTION OF DUTYWA SPORTFIELD	95,176.57	14,276.48	109,453.05
LELETHUNATHI SOLUTIONS	CONSTRUCTION OF DUTYWA SPORTFIELD	227,516.24	34,127.44	261,643.68
BONTINITE CONSTRUCTION	REHABILITATION OF DUTYWA ART CENTER	436,872.97	65,530.94	502,403.91
KUKHO CONSULTING ENGINEERS	REHABILITATION OF DUTYWA ART CENTER	139,565.07	20,934.76	160,499.83
		15,771,861.11	2,365,779.18	18,137,640.29
OTHER ASSETS (MOVABLES)				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
MUNGU MULTIMEDIA	SUPPLY AND DELIVERY OF 10 BTO HP LAPTOPS	392,746.98	-	392,746.98
		392,746.98	-	392,746.98
OTP (OFFICE OF THE PREMIER)				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
LEKO ENGINEERING CONSULTANTS	UPGRADE OF DUTYWA INTERNAL STREETS PHASE 2	381,996.00	57,299.40	439,295.40
Z K S AND NAM GENERAL TRADING	UPGRADE OF DUTYWA INTERNAL STREETS PHASE 2	361,226.28	54,183.94	415,410.22
CEMENTILE CONCRETE (PTY) LTD	UPGRADE OF DUTYWA INTERNAL STREETS PHASE 2	52,146.83	7,822.02	59,968.85
CEMENTILE CONCRETE (PTY) LTD	UPGRADE OF DUTYWA INTERNAL STREETS PHASE 2	45,056.78	6,758.52	51,815.30
Z K S AND NAM GENERAL TRADING	UPGRADE OF DUTYWA INTERNAL STREETS PHASE 2	903,746.30	135,561.95	1,039,308.25
ONWABO PROJECTS	UPGRADE OF DUTYWA INTERNAL STREETS PHASE 2	520,695.65	78,104.35	598,800.00
CBA CIVILS&GENERAL BUILDING CONTRACTORS	UPGRADE OF DUTYWA INTERNAL STREETS PHASE 2	48,149.60	-	48,149.60
BEST MOVE CONSTRUCTION AND SUPPLIERS	UPGRADE OF DUTYWA INTERNAL STREETS PHASE 2	601,121.00	-	601,121.00
ELDOFOX (PTY) LTD	UPGRADE OF DUTYWA INTERNAL STREETS PHASE 2	832,188.00	124,828.20	957,016.20
		3,746,326.44	464,558.38	4,210,884.82
ENERGY AND EFFECIENCY				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
		-	-	-
		-	-	-
EQUITABLE SHARE				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
		-	-	-
		-	-	-
INEP				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
		-	-	-
		-	-	-
TOTAL OBLIGATION		19,910,934.53	2,830,337.56	22,741,272.09

ASSET ADDITIONS FOR THE MONTH ENDED 30 NOVEMBER 2025				
MIG				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
LELETHUNATHI SOLUTIONS	PAYMENT FOR XHORA SPORTFIELD	260,869.57	39,130.44	300,000.01
EVERGREEN LAWNS	PAYMENT FOR WILLOWVALE TAXI RANK	1,169,887.57	175,483.14	1,345,370.71
SINCEDE CONSULTING SERVICES	PAYMENT FOR DUTYWA TAXI AND BUS RANK	147,271.22	22,090.68	169,361.90
CEMENTILE CONCRETE (PTY) LTD	PAYMENT FOR DUTYWA VEHICLE TESTING	728,963.51	109,344.53	838,308.04
IQHAYIYA DESIGN WORKSHOP	WILLOWVALE INTERNAL STREET PAVING	638,914.00	95,837.10	734,751.10
		2,945,905.87	441,885.88	3,387,791.75
OTHER ASSETS (MOVABLES)				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
		-	-	-
OTP (OFFICE OF THE PREMIER)				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
VALOTHRON 57	REHABILITATION OF WARNER STREET AT DUTYW	807,553.00	121,132.95	928,685.95
PHAWLOKHLE CONTRACTORS	PAYMENT FOR DUTYWA INTERNAL STREETS	88,053.00	-	88,053.00
MMAKWATLE ENTERPRISE	REQUEST OF PAYMENT FOR DUTYWA INTERNAL S	603,576.70	-	603,576.70
CEMENTILE CONCRETE (PTY) LTD	PAYMENT FOR UPGRADING OF SMALL TOWN	89,718.70	13,457.80	103,176.50
		1,588,901.40	134,590.75	1,723,492.15
ENERGY AND EFFICIENCY				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
		-	-	-
EQUITABLE SHARE				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
IKAMVALETHU BUSINESS ENTERPRISE	PAYMENT FOR QUKU TO MPUME A/R	495,465.61	74,319.84	569,785.45
CLP TRADE	UPGRAING OF NTLONYANA BRIDGE	779,100.00	116,865.00	895,965.00
KUKHO CONSULTING ENGINEERS	PAYMENT OF REAHABILITATION OF INTERNAL ST	77,967.11	11,695.07	89,662.18
ZAULA 2618 BUILDING AND CONSTRUCTION	PAYMENT FOR NTLONYANA BRIDGE	271,513.21	40,726.98	312,240.19
HONEY SILK TRADING AND INVESTMENT 1021	PAYMENT FOR NTLINI TO BOTWE ACCESS ROAD	49,115.92	7,367.39	56,483.31
MKOKO TRANSPORT	PAYMENT FOR NTLINI TO BOTWE ACCESS	542,273.40	81,341.01	623,614.41
BONTINITE CONSTRUCTION	PAYMENT FOR RENOVATION OF WARD 21 COMM	728,032.50	-	728,032.50
MLOMEST TRADING	PAYMENT FOR RE DEVELOPMENT OF DUTYWA	655,728.76	98,359.31	754,088.07
SHERPERD CIVIL AND BUILDING CC	PAYMENT FOR UPGRADE OF WARD 23 COMMUNITY	406,960.00	61,044.00	468,004.00
LIYEMA CIVIL PROJECT	REQUEST OF REHABILITATION OF THOMPSON ST	260,869.57	39,130.43	300,000.00
VALOTHRON 57	REQUEST FOR REHABILITATION OF WARNER STR	1,149,500.00	172,425.00	1,321,925.00
		5,416,526.08	703,274.03	6,119,800.11
INEP				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
		-	-	-
TOTAL OBLIGATION		9,951,333.35	1,279,750.66	11,231,084.01

ASSET ADDITIONS FOR THE MONTH ENDED 31 DECEMBER 2025				
MIG				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
HONEY SILK TRADING AND INVESTMENT 1021	CONSTRUCTION OF DUTYWA TAXI RANK	70,633.57	10,595.04	81,228.61
HUMBLE AFRICANS CONSULTING ENGINEERS	CONSTRUCTION OF BOLISH TO NQABARHA AR	56,536.24	8,480.44	65,016.68
MVI CONSTRUCTION AND MAINTENANCE	CONSTRUCTION OF BOLISH TO NQABARHA	505,827.45	75,874.12	581,701.57
MVI CONSTRUCTION AND MAINTENANCE	CONSTRUCTION OF BOLISH TO NQABARHA AR	496,780.51	74,517.08	571,297.59
MKOKO TRANSPORT	CONSTRUCTION OF NTLINI TO BOTWE AR	739,595.61	110,939.34	850,534.95
HONEY SILK TRADING AND INVESTMENT 1021	CONSTRUCTION OF NTLINI TO BOTWE AR	43,691.69	6,553.75	50,245.44
EMPIRE 0501 HOLDINGS	CONSTRUCTION OF DUTYWA VEHICLE TESTING	934,957.00	140,243.55	1,075,200.55
CLP TRADE	CONSTRUCTION OF NTLONYANA BRIDGE	564,678.26	84,701.74	649,380.00
KOPANONG INVESTMENTS PROJECTS	CONSTRUCTION OF WILLOWVALE TAXI RANK	336,286.78	50,443.02	386,729.80
HONEY SILK TRADING AND INVESTMENT 1021	CONSTRUCTION OF BONANI ACCESS ROAD	412,353.58	61,853.04	474,206.62
ZAULA 2618 BUIOLDING AND CONSTRUCTION	CONSTRUCTION OF NTLONYANE BRIDGE	271,513.21	40,726.98	312,240.19
		4,432,853.90	664,928.10	5,097,782.00
OTHER ASSETS (MOVABLES)				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
MEYERS MOTORS	CESSION PROCUREMENT FOR NEW VEHICLES	1,399,213.63	208,607.05	1,607,820.68
HASHTAG MULTIPURPOSE	PROCUREMENT OF NEW DOUBLE CAB	46,000.11	-	46,000.11
CFAO MOTORS	CESSION FOR PROCUREMENT OF 1 SIN	612,656.53	91,898.48	704,555.01
ISIKOLETHU HOLDINGS	PROCUREMENT OF NEW DOUBLE CAB	74,303.98	-	74,303.98
MZONDI PROJECTS SA	PROCUREMENT OF 2 SINGLE CAB	175,741.30	26,361.20	202,102.50
BULELAMADIZE HOLDINGS	PROCUREMENT OF 3 NEW DOUBLE CABS	223,102.50	-	223,102.50
HS CEBISA	PROCUREMENT OF 2 DOUBLE CABS AUTOMATIC	177,460.82	-	177,460.82
RIATILE TRADING AND OROJECTS	PROCUREMENT OF NPR 400 AUTOMATIC	150,623.90	22,593.59	173,217.49
MUNGU MULTIMEDIA	PROCUREMENT OF NEW 2025 NPR 400 AUTOMATI	57,077.23	8,561.59	65,638.82
MUNGU MULTIMEDIA	PROCUREMENT OF 2 MACBOOKS	142,284.00	21,342.60	163,626.60
		3,058,464.00	379,364.51	3,437,828.51
OTP (OFFICE OF THE PREMIER)				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
CEMENTILE CONCRETE (PTY) LTD	REHABILITATION OF DUTYWA INTERNAL STREET	89,129.22	13,369.38	102,498.60
		89,129.22	13,369.38	102,498.60
ENERGY AND EFFECIENCY				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
		-	-	-
		-	-	-
EQUITABLE SHARE				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
BONTINITE CONSTRUCTION	RE-DEVELOPMENT OF DUTYWA ART CENTRE	1,213,012.48	181,951.87	1,394,964.35
VEZI CONSTRUCTION AND PROJECTS	REHABILITATION OF INTERNAL STREETS	274,280.40	41,142.06	315,422.46
KUKHO CONSULTING ENGINEERS	RE-DEVELOPMENT OF ARTS CENTRE	94,940.07	14,241.01	109,181.08
FOR THE COMMUNITY TRADING ENTERPRISE	REHABILITATION OF INTERNAL ROAD ELLIOTDAL	771,309.75	115,696.46	887,006.21
SHERPERD CIVIL AND BUILDING CC	REHABILITATION OF INTERNAL STREETS IN WIL	257,593.10	38,638.97	296,232.07
MULTI SERVICE CONTRACTORS	RE-DEVELOPMENT OF ART CENTRE	510,065.60	76,509.84	586,575.44
		3,121,201.40	468,180.21	3,589,381.61
INEP				
SUPPLIER	PROJECT	AMOUNT (VAT EXCL)	VAT	AMOUNT (VAT INCL)
		-	-	-
		-	-	-
TOTAL OBLIGATION		10,701,648.52	1,525,842.20	12,227,490.72
TOTAL OBLIGATION FOR Q2		40,563,916.40	5,635,930.42	46,199,846.82

SEC 52D REPORT FOR THE 2ND QUARTER ENDED 31 DECEMBER 2025

REPORT ON FLEET MANAGEMENT FOR THE 2nd QUARTER OF THE 2025/26 FINANCIAL YEAR

PURPOSE OR OBJECTIVE OF THE REPORT

The report aims to update the Council on the Fleet activities that were undertaken in the 2nd quarter of the 2025/26 financial year.

AUTHORITY/MANDATE OR LEGISLATIVE REQUIREMENT

Section 63 of the Municipal Finance Management Act, (Act 56 of 2003)

BACKGROUND / REASONING

In terms of the Municipal Finance Management Act, the Accounting Officer is responsible for the management of the assets of the municipality, including the safeguarding and maintenance of those assets.

Furthermore the Accounting Officer must take all reasonable steps to ensure

- That the municipality has and maintains a management accounting and information system that accounts for assets and liabilities of the municipality.
- That the municipality's assets and liabilities are valued in accordance with the standards of general recognized accounting practices and
- That the municipality has and maintains a system of internal control of assets and liabilities including an asset and liabilities register as may be prescribed.

The report therefore updates council on the implementation of the steps as per above.

REPAIRS AND MAINTENANCE REPORT ON MUNICIPAL FLEET FOR THE QUARTER ENDED 31 DECEMBER 2025

REPAIRS AND MAINTENANCE REPORT FOR THE MONTH ENDED 31 OCTOBER 2025									
Unit	Transaction date	Reg plate	Driver name	Trade name	Vehicle Fault	Odo read	Transaction	Make	Model
FOR THE MONTH ENDED 31 OCTOBER 2025									
	01/10/2025						61,871.72		
	16/10/2025						343,806.69		
							405,678.41		
Unit	Transaction date	Reg plate	Driver name	Trade name	Vehicle Fault	Odo read	Transaction	Make	Model
FOR THE MONTH ENDED 30 NOVEMBER 2025									
	15/11/2025						153,558.84		
	25/11/2025						111,963.02		
	30/11/2025						3,377.47		
							268,899.33		
Unit	Transaction date	Reg plate	Driver name	Trade name	Vehicle Fault	Odo read	Transaction	Make	Model
FOR THE MONTH ENDED 31 DECEMBER 2025									
	15/11/2025						246,199.74		
	20/11/2025						17,098.28		
	25/11/2025						285,212.76		
	29/11/2025						29,501.61		
TOTAL FOR REPAIRS AND MAINTENANCE							578,012.39		
TOTAL REPAIR & MAINTENANCE COSTS FOR QUARTER 2							1,252,590.13		

The table below represents summary of fuel consumption for the 2nd quarter.

DIESEL DISPENSED REPORT FOR THE QUARTER ENDED 31 DECEMBER 2025

FUEL CONSUMPTION REPORT FOR QUARTER 2 2025/2026 FY			
FUEL DISTRIBUTION BY WESTBANK	LITRES	AMOUNT	
31-Oct		13,219.09	289,763.28
30-Nov		13,993.00	301,903.91
31-Dec		12,706.72	282,822.92
TOTAL DISTRIBUTION FOR THE QUATER- UNITS			
TOTAL DISTRIBUTION FOR THE QUATER-WESBANK			874,490.11

CHIEF FINANCIAL OFFICER (CFO) OVERALL OVERVIEW ON FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 31 DECEMBER 2025

The purpose of this analysis is to analyze the uniform financial ratios and norms using the guideline as set in the MFMA Circular 71. This will also enable the municipality to assess its financial health and performance for the period under consideration.

FINANCIAL POSITION

A. ASSET MANAGEMENT

- ❖ The Capital expenditure to total expenditure for the quarter was at 32%, which is above the norm of 10% - 20%. This means that the municipality is investing and spending a significant amount towards its capital requirements. A percentage less than 10% signifies inadequate capital investment and it is a recipe for disaster. The municipality is on the right track in terms of its spending priorities.

- ❖ The municipality has allocated a ratio of 8% on repairs & maintenance expenditure over total operational budget. But if one would compare this to overall total assets base (i.e PPE) the municipality has not allocated enough on repairs, but on the other side one can link this to the fact that repairs on infrastructure assets such as roads are constructed using our own plants, i.e. the yellow fleet, therefore this in turn saves money and does not actually translate to the amount reported under repairs and maintenance rather has a bearing on the fuel expenditure which the department fails to account for. The municipality spent 30% of its operational budget on Repairs and Maintenance. This performance was achieved with many interventions trying to respond to the poor state of the municipal infrastructure in particular access roads.

B. DEBTORS MANAGEMENT

- ❖ Collection rate - The norm is 95% and it seeks to reduce the debtor's balance. The municipal performance is more than 100% when compared to annual budget for billable revenue, when compared to total outstanding debtors, the collection rate is only 9%, this collection rate is significantly lower than the norm and this could be attributable to non-payment by the ratepayers for various reasons. The municipality's debt is increasing instead of decreasing, and more strides are being taken in terms of implementing the Credit Control and Debt Collection policy. Government and Residential customers are the contributor to the increasing debtors book.

- ❖ Debtors collection period – The norm is at least 30 days. This refers to the average number of days required for the municipality to receive payment from its billed customers/consumers for rates and services. The current performance is sitting at an average of 1005.30 days, this clearly shows that the municipality need to strengthen its credit control processes and procedures/ the implementation of debt collection procedures and current processes.

LIQUIDITY MANAGEMENT

- ❖ The municipal cash/cost coverage is more than 12 months, which is above the norm of 1 to 3 months. The current municipal liquidity position has been consistently improving and all the gazetted grants tranches have been received. This has contributed to the positive cash balance and also the fact that the municipality has huge reserves that are cash backed sitting in short to medium term deposits as well as fixed term (6 months) which is generating unprecedented interest returns. The cash flow management practices within the municipality is starting to yield positive results.
- ❖ The municipality's current ratio was way more than 2:1 as at end of the 2nd quarter and this shows a healthy financial status for the municipality. This ratio is calculated using current assets and current liabilities.

C. SUSTAINABILITY

- ❖ The municipality is sustainable, there are no other factors that we have identified which points to existence of a risk which its occurrence would negatively affect the municipality's going concern. On a monthly basis we do prepare realistic Cash flow focus/projections which help us monitor inflows and outflows of cash, this has - proven to be effective in controlling expenditure and improve working capital.