



ANNUAL REPORT 2022/2023



BIG 5 HLABISA LOCAL MUNICIPALITY

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CHAPTER 1- MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 MAYOR'S FOREWORD

It is an honour and privilege to present the annual report of Big 5 Hlabisa Municipality for the 2022/23 financial year. This report gives effect to the legal framework requirements, concepts and principles governing the sphere of Local Government which reflect public responsibility. The Municipality remains committed to the vision, "We are visionary leaders who serve through community driven initiatives, high performance, sound work ethic, innovation, cutting edge resources and synergistic partnerships". The Municipality continues to demonstrate tireless commitment to making a difference in the lives of ordinary citizens and maintaining the institution's reputation for excellence, effectiveness, and efficiency. In the year under review, this institution continued a positive trajectory to provide quality service delivery to the residents of the Big 5 Hlabisa Municipality areas.

1.1.1 Key Policy Developments:

After consultation with the community and stakeholders, the most critical issues that needs to be addressed were identified. These issues shall determine the future survival of the Municipality, and they are:

- Facilitation of opportunities for the designated groups (youth, women, people living with disability and aged)
- Ensure good governance.
- Spearheading sustainability on municipal projects
- Promotion of community participation in municipal affairs
- Promotion of enabling environment for economic growth

The above strategic objectives are aligned to the National Development plan, Provincial Growth and National Spatial Development.

1.1.2 Key Service Delivery Improvements/Achievements:

The following new projects were completed during the reporting period and some of these projects are multi-year projects and are still in progress:

- Ngodini Community Hall
- Simunye Creche
- Nqutshini Community Hall

In progress

- Manzamnyama Community Hall Phase 1
- Mansiya Community Hall Phase 1
- Mahongoza Community Hall Phase 1
- Hlabisa Traffic Station
- Hluhluwe High Mast Lights
- Mpembeni Electrification project (Mnyamubambile)
- Mathunzi to Ngoqongo Causeway
- Hluhluwe DLTC
- Hlabisa Taxi Rank Storm Water Drainage
- Hlabisa Sports field
- InkosiNtulikabayise Electrification project
- Nibela Electrification project

1.1.3 Public Participation:

One of the Council's goals is to have a ward committee summit to ensure that various committees share best practices and learn from each other at least once a year. The organisation relies on the Ward Committees to identify and prioritise needs and projects within the Fourteen (14) wards. As there are some sectors and associations that are not on the Ward Committees, the IDP Forum serves to solicit additional inputs. The Municipality further relies on the Audit Committee and the Municipal Public Accounts Committee. Furthermore, Council communicates through various Portfolio Committees. Public Participation Unit plays a major role in communicating the municipal affairs with the public.

1.1.4 Conclusion

Local Government is at the coalface of service delivery. The Municipality shall continue to deliver services in terms of the Local Government objects as contemplated in section 152 of the Constitution of the Republic of South Africa, 1996. I will ensure that the Municipality delivers in terms of its mandate.

I wish to thank the ward committees, communities, partners and stakeholders for their participation and support during the past financial year. Let us build on our strengths and collectively address the challenges for Big 5 Hlabisa Municipality to be lifted. I would further like to thank the Municipal Manager and his Senior Managers for the professional leadership they provide together with the dedicated assistance of the municipal staff. As a result, we were able to attain the performance stated in this annual report.

Cllr. CT Khumalo
Honourable Mayor

1.2. MUNICIPAL MANAGER'S OVERVIEW

It gives me pleasure to reflect on what happened during the 2022-2023 financial year. The year was a very challenging one in that it was a year of dramatic episodes. Firstly, the world was attacked by Covid-19 pandemic and thereafter, looting left businesspeople astonished when looking at the financial losses that they suffered. The Big 5 Hlabisa was affected by both.

During the situation, the Municipality was able to deliver services even though there were delays in completing the planned projects. Good financial management is at the centre of council and its sub-structures. The Municipality developed the SMME extensively and poverty alleviation was dealt with in all wards as an attempt to address Local Economic Development. The youth has been exposed to various skill development trainings and workshops to have them multi-skilled and to address the issue of unemployment and job creation.

It is our commitment to diligently continue with the task at hand and to ensure that all citizens benefit and enjoy our services and the opportunities that our area provides. I commend all my staff, irrespective of rank, for their respect, commitment, dedication, loyalty, and hard work that contributed to a highly successful year. I also wish to thank the Mayor, Deputy Mayor, Speaker, and Councillors for their support.

DR VJ MTHEMBU

Municipal Manager

1.3. LEGISLATIVE REQUIREMENT

The Annual Report is prepared in terms of Chapter 12, Section 121 of the Municipal Financial Management Act 56 of 2003. The purpose of this report is to inform Council, Stakeholders, and any other person who has an interest in the affairs of the Municipality.

1.4. CHALLENGES

The following challenges were experienced by the Municipality and have negatively impacted on the Municipality's performance:

- a) Budgetary constraints
- b) Climate Change (Floods)
- c) High Rate of unemployment
- d) Revenue based.

1.5. MUNICIPAL OVERVIEW

Big 5 Hlabisa Local Municipality is in the Northern- western part of KwaZulu-Natal Province. It is one of four local municipalities that constitutes uMkhanyakude District family and is centrally located among all local municipalities of uMkhanyakude family. The municipality is a product of a type C amalgamation process between the former Big 5 False Bay Municipality and Hlabisa Local Municipality, initiated by the Demarcations Board in terms of the Municipal Structures Act.

The name of the Municipality is reflective of the historical context of the two former municipalities. The Municipality is predominantly rural, with only one semi-urban area being Hluhluwe in ward 5. The Municipality is made up of fourteen (14) wards and has twenty-seven (27) Councillors. The Municipality also has six (6) traditional leaders of the traditional areas namely, Makhasa, Nibela, Mnqobokazi, Mpembeni, Matshamnyama and Mdletsheni.

Hluhluwe and Hlabisa are the main towns and centres of employment opportunities, shopping, and recreational facilities easily accessible off the N2 national route, the municipality lies adjacent to the False Bay (western) side of the Isimangaliso Wetland Park (previously known as the Greater St Lucia Wetlands Park).

1.5.1 DEMOGRAPHICS

a) Population

The South African population by province, according to Census 2001 was 9 584 129 and 2011 was 10 267 300. There has been a percentage growth of 21.4 % in 2001 compared to 19.8% growth in 2011 graphically depicted as follows:

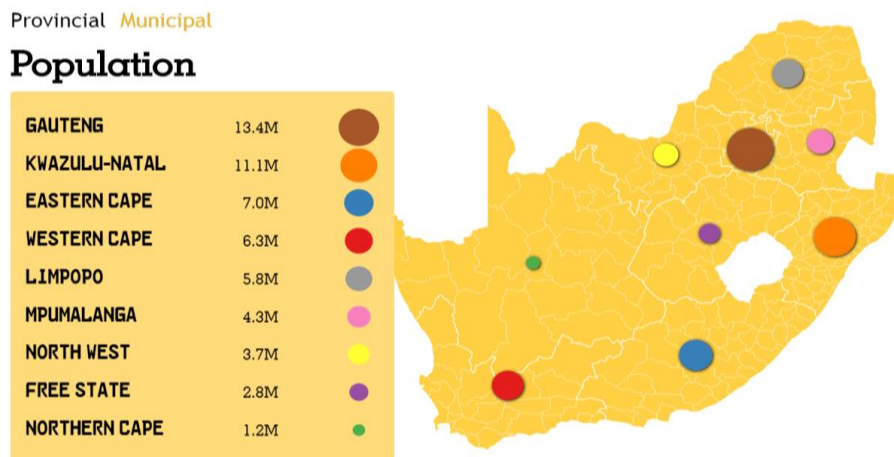
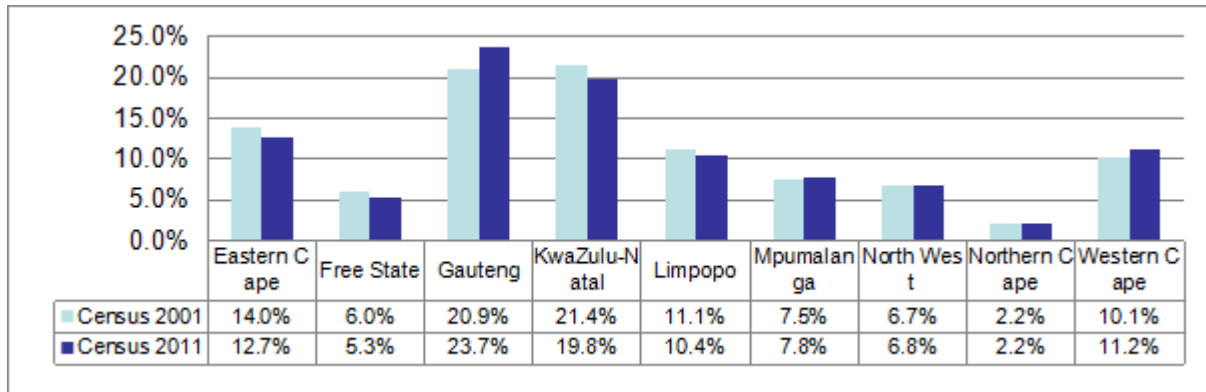


Figure 01: Population by size

In relation to the population figures at a Provincial level the population for the district family of uMkhanyakude contributes 5.9% and Big 5 Hlabisa municipality contributes 0.3%. Big 5 Hlabisa Municipality had a population of 28 857 in 1996, 31484 in 2001 and further increased to 116 622. The percentage growth was 1.7%. According to census 2011 the population increased from 31 482 in 2001 to 35 258. The percentage growth was 1.1%. It is therefore evident that the growth rate slightly decreased in the period between 2001- 2011 as compared to 1996 to 2001 and The Big 5 Hlabisa is least populated within the district as

depicted in the table below: According to Census 2011 the combined population of 13 wards under the new Big 5 Hlabisa Municipality was 116 622. The distribution of Population according to new 13 wards:

TABLE 01: BIG 5 HLABISA POPULATION SIZE

Category	2011 Individuals	2011 Household	2016 Community Survey Population
Big 5 Hlabisa LM	107 183	20 584	116 622

Source Stats SA, Census 2011, Community Survey 2016

1.5.2. POPULATION PYRAMIND

The figure below indicates the age distribution within Big 5 Hlabisa Municipality. The ages of 0-4 are the most dominant followed by ages 10 -14 which is still within the formal description of youth.

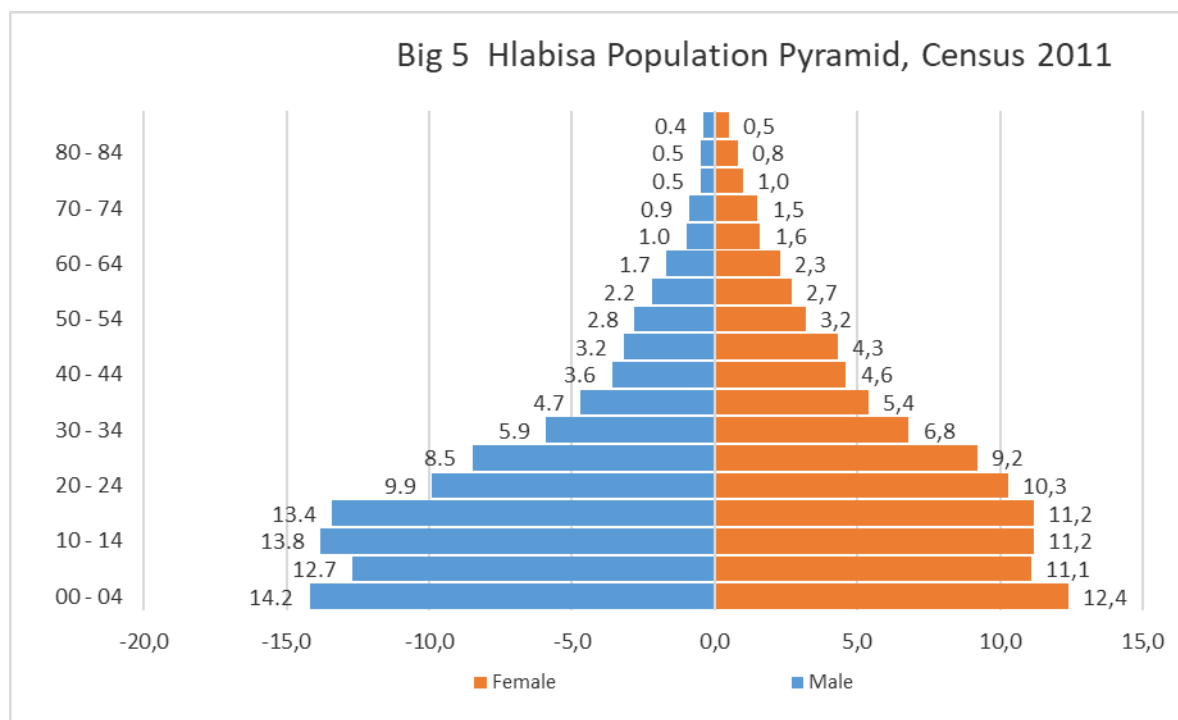


Figure 02: Population Pyramid, Distribution of population by Age and Sex, Source: Stats SA Census 2011.

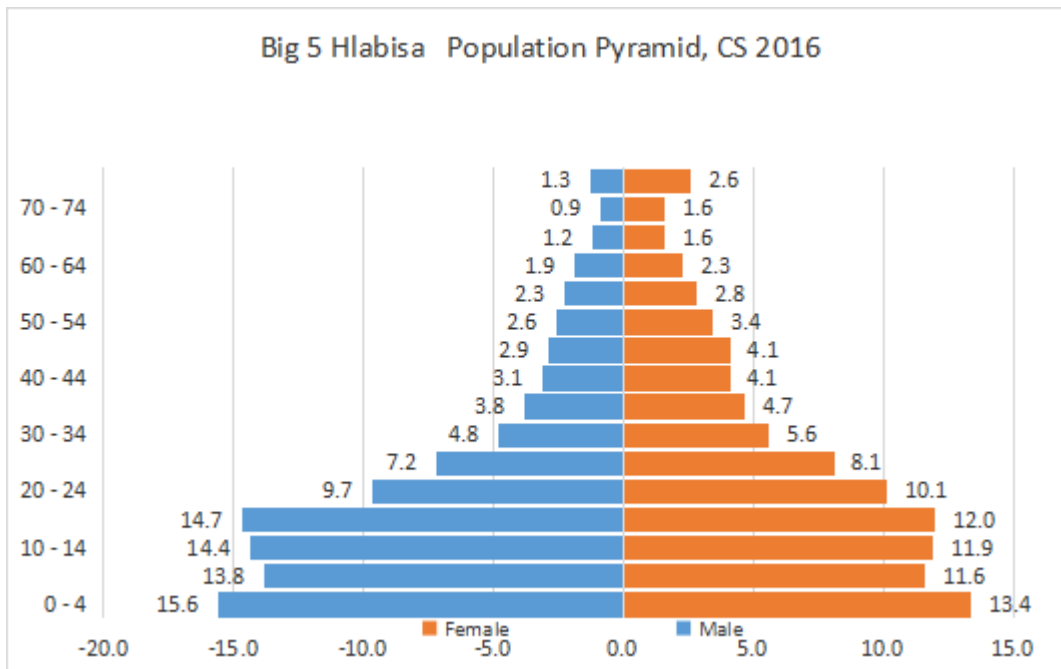


Figure 03: Population Pyramid, Distribution of population by Age and Sex, Source: Stats SA Census 2016

1.5.3. POPULATION BY HOUSEHOLDS SIZE

The table below indicates the number of households for Big 5-Hlabisa Municipality in terms of statistics information for 2001 was 6214 and 7998 in 2011. There has been a slight increase, and numerous factors might have impacted on this pattern. It is noted that Big 5 Hlabisa has the second smallest number of households as compared to other municipalities within uMkhanyakude District. Big 5 Hlabisa total population in 2001 was 16825 in 2011 was 20584 and in 2016 moved to 25255.

MUNICIPALITY	2001	2011	2016
DC27: UMkhanyakude	101563	128195	151 245
KZN271: Umhlabuyalingana	26324	33857	39614
KZN272: Jozini	33589	38849	44584
KZN276 The Big 5 Hlabisa	16825	7998	25255
KZ 275 Mtubatuba	24826	34905	41792

Table 02: Table: Distribution of population by households' income in Source Stats Census 2001 and 2011.

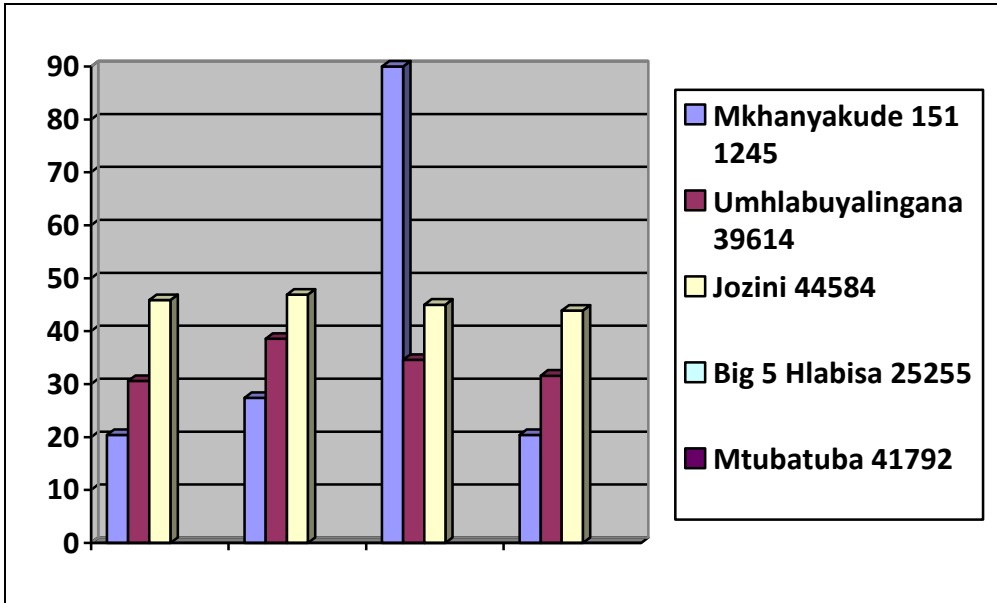


Figure 03: Indicate the Big 5 Hlabisa Population size.

According to Community Survey 2016 the population for the new Big 5 Hlabisa Municipality was 116 622.

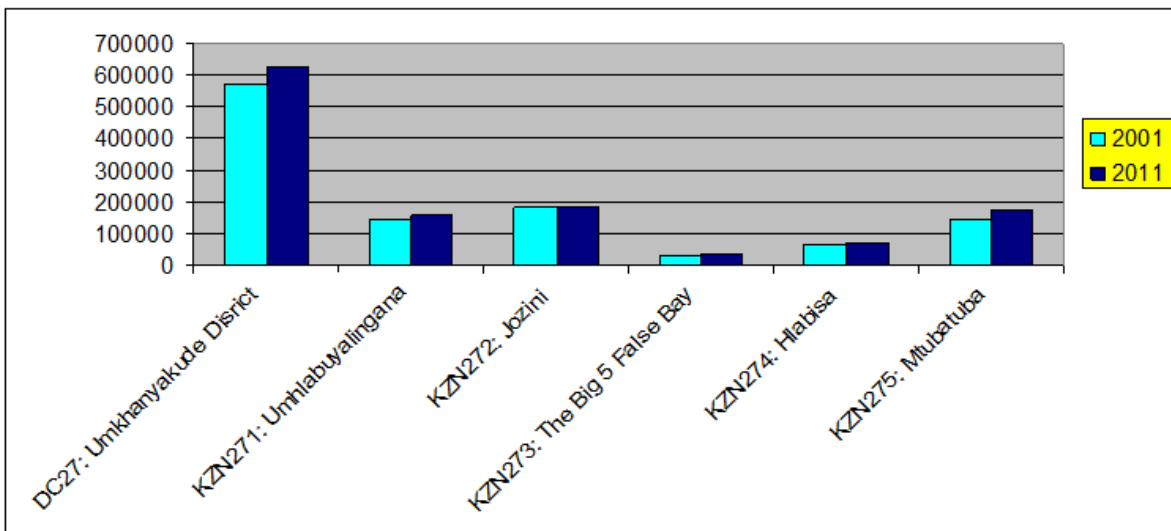


Figure 04: Stats SA census 2011 Distribution of population by size in comparison with other uMkhanyakude District Municipalities (Stats SA census 2011)

1.5.4. Unemployment rate

Almost half of the total population is not economically active. A trend consistent to the District indicates that a bulk of those unemployed and not economically active comprises of youth.

The figure below indicates employment status at Big 5 Hlabisa Local Municipality.

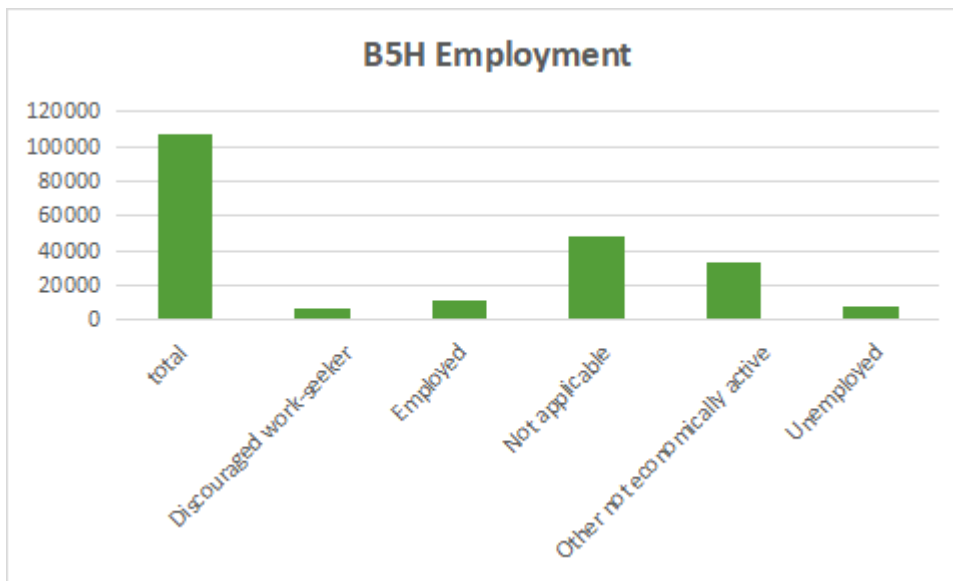


Figure 05: Distribution of population by employment status, Source Census 2011,

1.5.5. Age and Gender

Out of all local municipalities in UMkhanyakude, Big 5 Hlabisa Municipality has the smallest imbalance in gender ratios, i.e., the most evenly matched proportion of males and females. The most significant implication of this is that the migration of male family members to find work away from home might occur less than in other parts of the district.

The gender breakdown of the individual wards of Big 5 Hlabisa shows a stark difference between gender proportions in Ward 3 (urban areas, commercial farms, and game lodges) and the traditional areas. Higher proportions of males in Ward 3 could be accounted for by farm workers living on the commercial farms (possibly originally residing in one of the tribal wards). None of the tribal wards (1, 2 and 4) display unusually high proportions of females to males; the distinction is none-the-less pronounced.

According to Community Survey 2011 the population distribution per Gender for UMkhanyakude Municipalities is as follows:

Community Survey 2011 Population Distribution per Gender for UMkhanyakude District Municipality			
Municipality	Male	Female	Total Population
DC27: UMkhanyakude	323993	365097	689090
KZN271: Umhlabuyalingana	80679	91398	172077
KZN272: Jozini	93282	104933	198215
KZN275: Mtubatuba	95377	106800	202177
KZN276: Big5 Hlabisa	54655	61967	116622

Source: Stats SA, Census 2011

The table below shows the population distribution per Gender of Big 5 Hlabisa Municipalities for 1996,2001 & 2011 Census:

KZN27 6	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 – 4	1 899	1 879	3 778	2 110	2 007	4 117	2 343	2 323	4 666
5 – 9	1 986	1 989	3 974	2 304	2 179	4 483	2 092	2 076	4 168
10 - 14	1 888	2 015	3 903	2 368	2 225	4 593	2 283	2 109	4 392
15 - 19	1 569	1 579	3 148	2 052	2 113	4 165	2 220	2 104	4 324
20 - 24	1 282	1 403	2 685	1 462	1 481	2 943	1 628	1 939	3 567
25 - 29	943	1 167	2 110	1 083	1 220	2 303	1 406	1 724	3 129
30 - 34	714	1 023	1 737	768	1 111	1 878	978	1 269	2 247
35 - 39	673	823	1 496	615	897	1 511	777	1 021	1 798
40 - 44	513	661	1 174	569	672	1 241	602	863	1 465
45 - 49	443	498	942	405	540	946	526	809	1 335
50 - 54	318	320	639	352	445	797	463	594	1 056
55 - 59	285	318	603	206	281	488	360	498	858
60 - 64	206	373	579	239	355	594	286	430	717
65 - 69	208	301	510	176	356	532	159	294	453
70 - 74	125	151	277	164	296	459	153	281	434
75 - 79	66	86	152	83	115	198	88	186	274
80 - 84	34	47	81	47	72	119	82	144	226

85+	19	43	62	47	67	114	58	89	147
Total	13 171	14 676	27 847	1500	16 432	31482	16 505	18 753	35 258

Table 03: Population distribution per Gender of Big 5 Hlabisa LM, Census:1996,2001 & 2011.

Table 04: Distribution of population by age and sex, The Big 5 Hlabisa Municipality Community Survey ,2016.

Big 5 Hlabisa	Male	Female
0 – 4	-15.6	13.4
5 – 9	-13.8	11.6
10 - 14	-14.4	11.9
15 - 19	-14.7	12.0
20 - 24	-9.7	10.1
25 - 29	-7.2	8.1
30 - 34	-4.8	5.6
35 - 39	-3.8	4.7
40 - 44	-3.1	4.1
45 - 49	-2.9	4.1
50 - 54	-2.6	3.4
55 - 59	-2.3	2.8
60 - 64	-1.9	2.3
65 - 69	-1.2	1.6
70 - 74	-0.9	1.6
75 +	-1.3	2.6
Grand Total	100.0	100.0

1.5.6 Household Composition

The household structures differ greatly in suburban as compared to rural and traditional. Suburban household might comprise 3-5 members in one physical building, and a traditional rural black household that might house up to 10 or more people in a cluster of structures. Such differences in settlement patterns and cultures complicate statistical projections over large areas. The 2001 and 2011 Census gives household sizes across the whole spatial spectrum.

The table below indicates the number of households for Big 5-Hlabisa Municipality in terms of statistics information for 2001 was 6214 and 7998 in 2011. There has been a

slight increase, and various factors might have impacted on this pattern. It is noted that Big 5 Hlabisa has the second smallest number of households as compared to other municipalities within uMkhanyakude District. Big 5 Hlabisa total population in 2001 was 16825 in 2011 was 20584 and in 2016 moved to 25255.

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Table 05: Table: Distribution of population by households, Census 2001 and 2011.

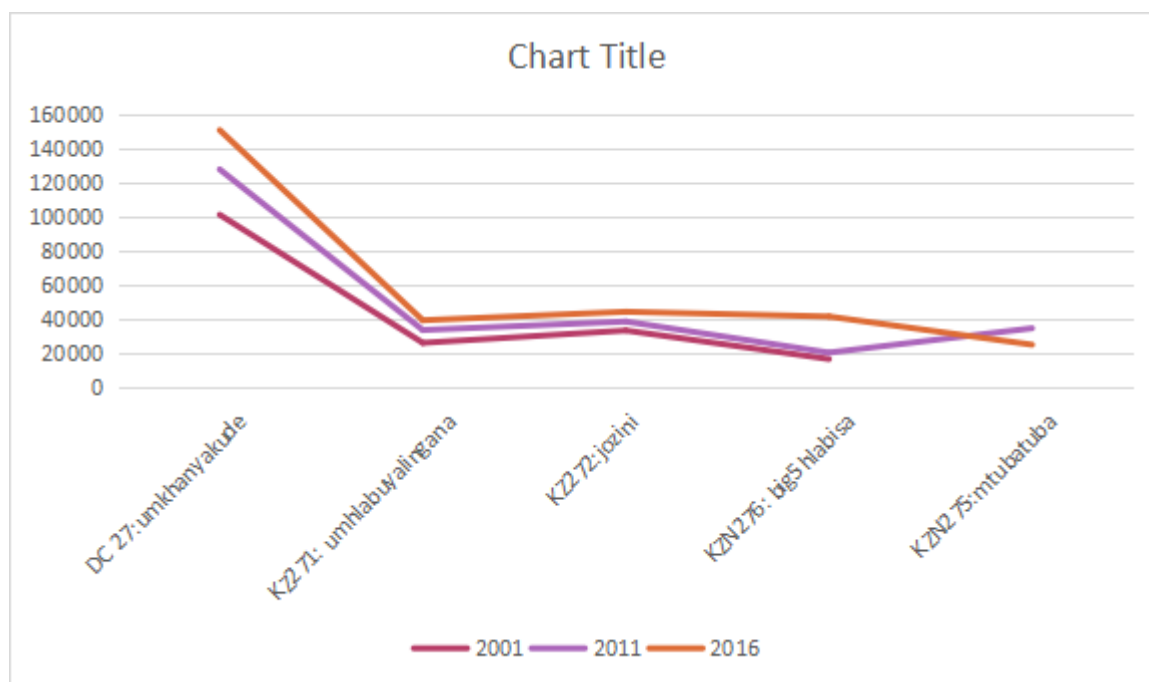


Figure 06: Distribution of population by household's income, Source Census 2011 - 2016 Stats

MUNICIPALITY	TOTAL POPULATION			NUMBER OF HOUSEHOLDS			AVERAGE HOUSEHOLD SIZE		
	1996	2001	2011	1996	2001	2011	1996	2001	2011
DC27: uMkhanyakude	503757	562047	612389	72714	101563	128195	6,9	5,5	4,8
KZN271: Umhlabuyalingana	128616	140078	154410	19464	26324	33857	6,6	5,3	4,6
KZN272: Jozini	151747	180664	184618	22100	33589	38849	6,9	5,4	4,8
KZN276 Big 5 Hlabisa	123689	98212	105250	12430	16825	20584	8,2	4,8	4,0
KZN275: Mtubatuba	128559	143093	171296	18721	24826	34905	6,9	5,8	4,9

Table 06: Average household size by municipality Census Stats SA 1996, 2001 and 2011

According to Statistics SA census 1996, 2001 and 2011, the total population of Big 5 Hlabisa was approximately 28 857 in 1996, 29 945 in 2001 and 35 258 in 2011. The number of households were 3 835 in 1996, 6 214 in 2001 and further increased to 7 998 in 2011. According to Statistics SA census 1996, 2001 and 2011, the total population of Hlabisa was approximately 65978 in 1996, 68 267 in 2001 and 69992 in 2011. The number of households were in 8 595 in 1996, 10 611 in 2001 and further increased to 12 586 in 2011.

There has not been major increase considering figures depicted in the table above. A multiple of factor can be attributed to the trend above. Factors will also range from decline to quality of life or HIV/AIDS epidemic posing a challenge to the Municipality thus

the need to intensify HIV/AIDS interventions.

1.5.7. Socio Economic Status

Although Big 5 Hlabisa Municipality is grant dependent, with a very minimal own revenue contribution within the district, the municipal area has enjoyed several economic resources that are utilized to stimulate economic growth and development required in the area.

There are three major natural resources in the Big 5 Hlabisa Municipality which plays a major role in the economic development and in reducing unemployment rate.

Natural Resources	
Natural Resource	Relevance to Community
Agriculture	Job Creation
Tourism	Improve economic development in the area
Game Reserves	Economic development and job creation

The results of organisational strengths, weaknesses, opportunities, and threats (SWOT) analysis conducted by Big 5 Hlabisa Local Municipality are as per table below:

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
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<ul style="list-style-type: none"> • Enough staffing according to the competency of individuals/adequate human resources. • Existence of good governance structures including the MPAC, Audit Committee but not limited to • Strategic Location (R 22 & N2) • Municipal buildings (habitable, functional) • Plant & equipment (new fleet, fleet maintenance contract, fleet tracking system, fuel management system) • Municipal infrastructure • Roads (compliance with national 	<ul style="list-style-type: none"> • Municipal buildings (maintenance, shortage of space). • Plant & equipment (old, under maintained, non-availability) • Municipal infrastructure • Lack of bulk infrastructure for new developments • Roads (lack of roads in rural areas, road maintenance) • Electricity (distribution capacity, under resourced, lack of electricity in rural). • Sanitation (wastewater treatment works capacity, lack of sanitation infrastructure in CBD). • Water (under maintained infrastructure, bulk infrastructure in 	<ul style="list-style-type: none"> • Revenue generation / alternative sources of funds. • Inter-governmental relations framework / stakeholder alliances. • ICT developments. • Economic diversification. • Tourism opportunities. • Job creation opportunities. • International events. • Mining charter. • Agriculture. • Supportive legislative requirements. • Global city region initiative. • A single public service; 	<ul style="list-style-type: none"> • Non-payment culture in community and government department. • Inadequate resources to deal with increasing demands (financial constraints). • Economic recession. • Poverty / unemployment impacting negatively on available resources. • High electricity tariffs / penalties. • Electricity supply capacity. • Illegal connections. • Vandalism of infrastructure. • Gaps in legislation (e.g., land use, inter-governmental fiscal relations,
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<p>road's legislation, functional roads</p>	<p>rural areas, water loss)</p>		<p>electricity restructuring initiatives).</p> <ul style="list-style-type: none"> • Illegal land occupation and evictions. • Long lead times on EIA's. • Insufficient of water resources; and • Service delivery related social unrest.
<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • People management (labour relations, policy compliance, individual performance management). • ICT management (network, ERP, delivery time); and • Information / knowledge management (data management, abdicating roles and functions). 		
	<ul style="list-style-type: none"> • Lack of unity 	<ul style="list-style-type: none"> • Locational advantage in 	<ul style="list-style-type: none"> • Population growth

		terms of the new corridors.	
	<ul style="list-style-type: none"> • Low revenue base 	<ul style="list-style-type: none"> • Plenty of idling land 	<ul style="list-style-type: none"> • Poverty
<ul style="list-style-type: none"> • Local economic development (development towards Hluhluwe and Hlabisa) • Agricultural potential 	<ul style="list-style-type: none"> • Poor institutional memory 	<ul style="list-style-type: none"> • Tourism attraction. 	<ul style="list-style-type: none"> • HIV/ AIDS
	Lack of transparency.	Agricultural potential.	Climate change

1.6. SERVICE DELIVERY OVERVIEW

1.6.1. SERVICE DELIVERY INTRODUCTION

The Big 5-Hlabisa Local Municipality has two offices located within the town of Hluhluwe (North-Eastern) and Hlabisa (South-Western). Both these offices are responsible for the political and administrative function assigned to it in terms of the powers and functions indicated in Section 84(2) of the Municipal Structures Act of 1998. However, strong Traditional Authority areas exist within wards and is administered by the Ingonyama Trust board as far as tenure is concerned.

The Municipality managed to meet its targets on planned projects. The Municipality was able to spend 100% of its MIG allocation as well as 100% on INEP allocation. Furthermore, the internal funded projects were successfully completed. The Municipality also met all its financial obligations.

1.6.2. ACCESS TO SERVICES

The functions of the Municipality are set out in Section 152 of the Constitution of the Republic of South Africa, Act 108 of 1996. Basic Service delivery focuses primarily on section 84 of the Municipal Structures Act, Act No. 117 of 1998. As such, the Municipality has constructed public amenities, collected waste, attended to rural roads and storm water. It has also built rural houses and it has electrified houses using funds from INEP. Some of the community members have benefitted from free basic services on electricity. As a result, 645 households have benefited from free basic electricity.

1.6.3. REFUSE REMOVAL

Most households use their own disposal sites for refuse. In 1996, 2422 households used their own refuse dump and in 2001, the number increased from 3868 to 7998. In 2011, 5092 households used their own dumping sites. The number of households with access to refuse removal by the municipality has increased as follows, in 1996, 165 households had access in waste removal, and in 2001 the number increased to 1062, and in 2011 it also increased to 111972. The table below indicates such:

	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse Dump	Own refuse dump	No rubbish disposal	Other	Unspecified	Not applicable	Total
The Big 5 Hlabisa Municipality	1473	499	196	4896	795	140	-	-	7998
Ward 1	91	12	6	1713	26	11	-	-	1859
Ward 2	99	10	43	1017	221	38	-	-	1428
Ward 3	1234	472	139	939	129	59	-	-	2972
Ward 4	48	5	8	1227	419	32	-	-	1740

Table 07: Refuse Removal

	Removed (at least once a week)	Removed (less often than once a week)	Communal refuse dump	Communal container/central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other
DC27: UMkhanyakude	6 023	1 420	2 548	1 448	121 863	13 184	4 760
KZN271: Umhlabuyalingana	140	117	800	66	33 246	4 240	1 004
KZN272: Jozini	2 224	669	692	91	33 081	5 535	2 292
KZN275: Mtubatuba	3 266	364	478	302	36 343	951	88
KZN276: Big 5 Hlabisa	393	269	578	989	19 193	2 458	1 376

Table 08: Households with access to refuse removal Census 2016

1.6.4. ECONOMIC DEVELOPMENT

Local Economic Development (LED) is a multifaceted and dynamic process aimed at enhancing the economic well-being of community at the local level. It encompasses a range of strategies and initiatives designed to stimulate economic growth, create employment opportunities, and improve overall living standards within a specific geographical area. At its core, LED recognizes the importance of harnessing local resources, fostering entrepreneurship, and building sustainable economic ecosystems to empower communities.

The success of LED is contingent on collaboration and partnerships between local governments, businesses, community organizations, and other stakeholders. It involves the identification and utilization of a region's unique assets, including natural resources, human capital, and existing industries, to drive economic development. Additionally, LED often integrates social and environmental considerations, promoting a holistic approach that prioritizes inclusivity and environmental sustainability.

In an era marked by increasing globalization and interconnectedness, the importance of nurturing resilient and self-sufficient local economies cannot be overstated. LED strategies may encompass infrastructure development, workforce training, business incubation, and the creation of favorable policy environments. As communities navigate the challenges of the 21st century, effective Local Economic Development becomes an essential tool for fostering prosperity, enhancing social well-being, and creating vibrant, resilient local economy.

The Municipality tries to develop economy in its area of jurisdiction. In this regard, 30 Business licenses were issued to small business owners. SEDA, SALGA and SITA have been solicited to train SMMEs. Nyakaza and Hluhluwe, 50 Informal Traders Market Stalls that project was funded by EDTEA Grant of R3m. Furthermore, the Municipality handed out material for poverty alleviation projects. In addition to that, the youth has been exposed to various trainings and workshops for skills development purposes.

1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

Since the Municipalities are developmental in nature, various policies, plans, and strategies have been developed to guide the municipality in its operations. Staff training and Councillor development have contributed positively towards the development of the organisation.

1.7.1. MANAGEMENT OVERVIEW

The competent management team is responsible for day-to-day operations in various departments. They are also responsible for strategic matters, which in turn, are cascaded to lower levels. The operations of each and all departments are reported to their respective Portfolio Committees. Moreover, the issues are tabled to Executive Committee and eventually submitted to Council for final decision making.

1.7.2. WORKFORCE OVERVIEW

The Municipality is currently overstaffed due to the merger of the two former municipalities namely, Hlabisa LM and Big Five False Bay. It was part of the exercise to retain all staff members that are in place, and they are the cause of this over staffing. Presently, Big 5 Hlabisa Municipality has 249 staff members, which is a substantial figure for its size considering a limited scope of functions it performs.

1.7.3. EMPLOYMENT EQUITY

The Municipality has an Employment Equity Policy which subscribes to the National Employment Equity Plan. The Municipality is situated in profoundly rural area predominantly inhabited by black communities. Individuals of different ethnic backgrounds typically come solely for work commitments and subsequently depart from the location. The lower-level positions are occupied by black people predominantly females and few men. Even if the position is advertised and states that it is earmarked for people living with disability, they do not apply. Men predominantly hold senior positions as there is a limited number of female applicants for these roles.

1.7.3 HUMAN RESOURCE POLICIES AND PLANS

The policies and plans are tabled to Council after having been reviewed every year. These policies regulate on how things are to be done at the Municipality. Whenever the policies are

developed, proper stages are followed until such time that they are approved by Council. In this regard, the Municipality managed to develop, review, and adopt 120 HRM policies for 2022/23 financial year.

1.7.4. SKILLS DEVELOPMENT AND TRAINING

As directed by the Department of Labour, the Municipality is responsible for the development of its employees. The skills development goes a long way in that the Councillors and staff are developed in terms of the skills audit whereby they indicate the areas where they require development. The process that is followed is in line with what has been identified in the skills audit exercise. This does not leave the members of the community out. The Municipality submits the Workplace Skills Plan to the relevant bodies. As such, same was submitted on the 30th of April 2023 to LGSETA.

1.7.5. EMPLOYEE EXPENDITURE

The employee costs inclusive of Councillor's allowances for 2022-2023 financial year was **R83 911 560.00**.

CHAPTER 2 – GOVERNANCE

2.1. GOVERNANCE

2.1.1. COMPONENT A: GOVERNANCE STRUCTURES

The Big 5 Hlabisa Municipality was established in 2016 and it is a category B municipality. The latest demarcation which came into effect in 2016 resulted in fourteen (14) wards. The Municipal Council is made from twenty-seven (27) Councillors which includes five (5) EXCO members.

2.2. INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

The Municipality has all the powers assigned to it in terms of the Constitution as well as relevant National and Provincial legislation. The Municipality has the authority to take any possible actions to effectively exercise powers assigned to it. The overall executive and legislative authority vests in Council. The Council must, therefore, take all the major decisions of the municipality.

The Municipal Systems Act, Act 32 of 2000 (Section 2) states that a municipality is constituted by its political structures, municipal administration, and its community. Big 5 Hlabisa Municipality is therefore structured as follows:

2.3. Political Governance Structures

- a) Municipal Council cooperative governance and administration of the affairs of municipality.
- b) Executive Committee
- c) Portfolio Committees
- d) Municipal Public Accounts Committee (MPAC)
- e) Audit Committee
- f) Performance Committee

2.4. The Municipal Administration

The Administration comprises of the Office of the Municipal Manager and 4 Directorates.

- a) Director of Community Services

- b) Director of Corporate Services
- c) Director of Technical Services
- d) Chief Financial Officer

2.4.1. Community Structures

- a) Ward Committees
- b) War room structure
- c) Senior Citizens structure
- d) Gender structure
- e) Children structure
- f) PLWHA structure

2.5. POLITICAL GOVERNANCE STRUCTURES

Municipal elections take place every five years, the implication of this is that the composition of all the Municipality's political structures is predetermined. The Municipality has all the powers assigned to it in terms of the Section 84 of the Municipal Structures Act.

2.6. THE MUNICIPAL COUNCIL

The Council of Big. 5 Hlabisa Local Municipality Local Council is made of 27 councillors, representing 14 wards and 13 as proportional representatives. The overall executive and legislative authority vests in Council. The Council, therefore, takes all the major decisions of the municipality. In case of equal votes, the Speaker exercises a casting vote.

The Municipal Structures Act, Act 118 of 1998 (Section 37(c)) requires Municipal Councils to meet quarterly. The Big 5 Hlabisa Municipal Council held a total of 10 meetings: Eight (8) Ordinary and Two (2) special meetings during the 2022/23 year.

2.7. MAYOR AND COUNCIL COMMITTEE

2.7.1. Roles and Responsibilities

OFFICE BEARER	FUNCTION
Mayor Cllr. CT Khumalo	<p>a) A mayor is entitled to receive reports from committees of the municipal council and to forward these reports together with a recommendation to the council when the matter cannot be disposed of by the mayor in terms of the mayor's delegated powers.</p> <p>(b) The mayor must—</p> <ol style="list-style-type: none"> (1) identify the needs of the municipality. (2) review and evaluate those need in order of priority. (3) recommend to the municipal council strategies, programmes, and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, considering any applicable national and provincial development plans; and (4) recommend or determine the best way, including partnership and other approaches to deliver those strategies, programmes, and services to the maximum benefit of the community. (c) The mayor in performing the duties of office, must— (1) identify and develop criteria in terms of which progress in the Implementation of the strategies, programmes and services referred to in subsection (b)(3) can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general. (2) evaluate progress against the key performance indicators. (3) review the performance of the municipality to improve— (i) the economy, efficiency, and effectiveness of the municipality. (ii) the efficiency of credit control and revenue and debt collection services; and (iii) the implementation of the municipality's by-laws. (4) monitor the management of the municipality's administration in accordance with the directions of the municipal council. (5) oversee the provision of services to communities in the municipality in a sustainable manner. (6) perform such duties and exercise such powers as the council may delegate to the mayor in terms of section 59 of the Systems Act. (7) annually report on the involvement of communities and community organisations in the affairs of the municipality; and (8) ensure that regard is given to public views and report on the effect of

	<p>consultation on the decisions of the council.</p> <p>(d) The mayor must perform a ceremonial role as the municipal council may determine.</p> <p>(e) The mayor must report to the municipal council on all decisions taken by the mayor.</p>
Municipal Public Accounts Committee	To monitor good governance where there is optimal utilisation of municipal resources to enhance and sustain service delivery and financial management.

2.8. AUDIT COMMITTEE

The Municipal Finance Management Act 56 of 2003 (MFMA) requires municipalities to have an

Audit committee. Sections 166 (1) and (2) sets out the functions of an audit committee.

1) “An audit committee is an independent advisory body which must –

a) Advise the council, political office bearers, the accounting officer, and the management staff

of the municipality, or the board of directors, the accounting officer, and the management staff of the municipal entity on matters relating to –

i. Internal financial controls and internal audits

ii. Risk management

iii. Accounting policies

iv. The adequacy, reliability and accuracy of financial reporting and information

v. Performance management

vi. Effective governance

vii. Compliance with the Act, the annual Division of Revenue Act, and any other applicable legislation

viii. Performance evaluation; and

ix. Any other issues referred to it by the municipality or municipal entity.

b) Review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and

effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act, and any other applicable legislation.

- c) Respond to council on any issues raised by the Auditor-General in the audit report.
- d) Carry out investigations into the financial affairs of the municipality as the council may request.
- e) Perform such other functions as may be prescribed”.

Section 40 of the Municipal Systems Act, Act 32 of 2000 requires municipalities to establish mechanisms to monitor and review their performance. The Local Government Municipal Planning and Performance Management Regulations, 2001 (GNR 796 of 24 August 2001) requires municipalities to establish a performance audit committee for this purpose. The functions of the performance audit committee are as follows:

(i) review the quarterly reports submitted to it by the internal auditors, dealing with quarterly reports, which the internal auditors are required to submit to the municipal manager and the performance audit committee.

(ii) review the municipality’s performance management system and make recommendations in this regard to the council of that municipality; and

(iii) at least twice during a financial year submit an audit report to the municipal council concerned.

(b) In reviewing the municipality’s performance management system in terms of (a)(ii), the performance audit committee must focus on economy, efficiency and effectiveness and impact in so

far as the key performance indicators and performance targets set by the municipality are concerned.

(c) A performance audit committee may –

(i) communicate directly with the council, municipal manager or the internal and external auditors of the municipality concerned.

(ii) Access any municipal records containing information that is needed to perform its duties or exercise its powers.

(iii) request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and

(iv) investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.”

Big 5 Hlabisa Municipality has its own Audit Committee, in terms of Section 166(6)(a) of the MFMA. All the members of the Audit Committee and the Performance Audit Committee are as follows. The Audit and Performance Audit Committee meet quarterly on different dates.

AUDIT COMMITTEE COMPOSITION

Name of Member	Capacity	Meeting Dates
Mr UBS Botshiwe	Chairperson	05 August 2022
Ms SC Gumbi	Member	26 August 2022
Mr BM Mhlongo	Member	10 October 2022
Mr NE Hlengwa	Member	11 November 2022
		10 March 2023
		31 May 2023
		22 June 2023

PERFORMANCE COMMITTEE COMPOSITION

Name of Member	Capacity	Meeting Dates
Miss S Gumbi	Member	
Mr JA Mngomezulu	Member	
Cllr HT Nkosi	Member	13 July 2022

2.9. ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Head of the Administration and Accounting Officer of the Municipality and is primarily responsible for service delivery. The administration comprises the Office of the Municipal Manager and 4 Directorates namely Corporate Services, Technical Services, Community Services and Financial Services Directorate. The Municipal Managers office comprises IDP & PMS Unit and the Head Internal Audit and the Public Participation.

The functions of the Municipality are set out in Section 156, read together with Schedules 4B and 5B of the Republic of South Africa Constitution 108 of 1996. Section 84 of the Municipal Structures 117 of 1998 regulates the division of these functions between the District and Local Municipality. The Big 5 Hlabisa Municipality administration structure led by the Municipal Manager comprises of five departments.

Directorate	Title, Name and Designation	Functions
<p>Office of Municipal Manager</p>	<p>Dr VJ Mthembu Municipal Manager</p>	<p>The functions and responsibility of the Municipal Manager are contained in Section. 55 of the Local Government Municipal Systems Act, Act 32 of 2000:</p> <p>“(1) As head of administration the municipal manager of a municipality is, subject. to the policy directions of the municipal council, responsible and accountable for:</p> <p>(a) the formation and development of an economical, effective, efficient and accountable administration</p> <p>(i) equipped to carry out the task of implementing the municipality’s integrated development plan in accordance with Chapter 5:</p> <p>(ii) operating in accordance with the municipality’s performance management system in accordance with Chapter 6; and</p> <p>(iii) responsive to the needs of the local community to participate in the affairs of the municipality.</p> <p>(b) the management of the</p>

		<p>municipality’s administration in accordance with this Act and other legislation applicable to the municipality:</p> <p>(c) the implementation of the municipality’s integrated development plan, and the monitoring of progress with implementation of the plan:</p> <p>(d) the management of the provision of services to the local community in a sustainable and equitable manner.</p> <p>(e) the appointment of staff other than those referred to in section 56, subject to the Employment Equity Act, 1998 (Act No. 55 of 1998).</p> <p>(f) the management, effective utilisation, and training of staff</p> <p>(g) the maintenance of discipline of staff</p> <p>(h) the promotion of sound labour relations and compliance by the municipality with applicable labour legislation.</p> <p>(i) advising the political structures and political office bearers of the municipality</p> <p>(j) managing communications between the municipality’s</p>
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		<p>administration and its political structures and political office bearers:</p> <p>(k) carrying out the decisions of the political structures and political office bearers of the municipality.</p> <p>(l) the administration and implementation of the municipality's by-laws and other legislation.</p> <p>(m) the exercise of any powers and the performance of any duties delegated by the municipal council, or sub-delegated by other delegating authorities of the municipality, to the municipal manager in terms of section 59:</p> <p>(n) facilitating participation by the local community in the affairs of the municipality.</p> <p>(o) developing and maintaining a system whereby community satisfaction with municipal services is assessed.</p> <p>(p) the implementation of national and provincial legislation applicable to the municipality; and</p>
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		<p>(q) the performance of any other function that may be assigned by the municipal council.</p> <p>(2) As accounting officer of the municipality, the municipal manager is responsible and accountable for—</p> <p>(a) all income and expenditure of the municipality.</p> <p>(b) all assets and the discharge of all liabilities of the municipality; and</p> <p>(c) proper and diligent compliance with applicable municipal finance management legislation”.</p>
<p>Financial Services</p>	<p>Mr JM Nkosi Chief Financial Officer</p>	<p>The Chief Financial Officer is responsible for all financial management and processes in the municipality and includes the following components:</p> <ul style="list-style-type: none"> • Valuation roll • Asset management • Supply chain management and procurement • Financial system development • Statutory reporting • Credit control • Payroll • Budget and Treasury Office • Financial Statements. • Information and Communications Technology;

<p>Corporate Services</p>	<p>Mrs CN Danisa Corporate Services Director</p>	<ul style="list-style-type: none"> • Human resource management • To build a transparent administrative body capable of achieving transparency and integrity whilst addressing employment equity and affirmative action • To promote skills development throughout the administration structure • Administration and Auxiliary Services. • Legal Services.
<p>Community Services</p>	<p>Mr BM Shange Community Directorate</p> <p style="text-align: right;">Services</p>	<p>Responsible for the operations and performance in the following sections:</p> <ul style="list-style-type: none"> • Facilitate community involvement in terms of consultative processes • Sports & Recreation, • Arts & Culture. • Social and Community Development. • Library Services. • Facility Management. • Traffic Law Enforcement & Licencing • Disaster Management

<p>Technical Infrastructure Development</p>	<p>and</p> <p>Mr TA Dlamini Director of Technical Services</p>	<p>The Technical Services Directorate is responsible for the following:</p> <ul style="list-style-type: none"> • Construction and maintenance of roads and storm water within the municipality's jurisdiction • Refuse removal, solid waste disposal, landfill sites and street cleaning • Maintenance of Council buildings • Maintenance of municipal parks, public open spaces • Maintenance and expansion of municipal cemeteries. <p>The Accounting Officer may in terms of S 77 of the MFMA delegate any of the powers or duties assigned to an Accounting Officer:</p> <ul style="list-style-type: none"> • Planning – IDP • Local Economic Development business plans to secure funding. • Service Delivery – Operational and strategic in terms of planning. • Building control
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2.10. COMPONENT B: INTERGOVERNMENTAL RELATIONS

Section 3 of the Municipal Systems Act 32 of 2000 requires municipalities to exercise their executive and legislative authority within the constitutional system of co-operative government envisaged in section 41 of the Constitution.

2.10.1. INTERGOVERNMENTAL RELATIONS

The Municipality strives to participate in as many of the available structures and forums as possible. The Municipality participates in National, Provincial and District Intergovernmental forums and District Mayor's Forum structures.

The Inter-Governmental Relations Framework Act 13 of 2005 requires all spheres of government to coordinate, communicate, align, and integrate service delivery effectively, to ensure access to services. In this regard the Municipality complies with the provisions of the Act.

Cooperative governance is on the arrangement entered into by spheres of government with the objective of fast-tracking service delivery within the Constitutional mandate thereof: The following forums have been established within the province to ensure effectiveness of intergovernmental relations.

- Mayor's Forum
- Municipal Manager's Forum
- Chief Financial Officer's Forum
- Infrastructure Forum
- Planning and Development Forum
- Community & Social Services Forum

The above forums are established to share best practices among others and to ensure compliance. These forums focus mainly on issues of progressive governance and unblocking bottleneck within certain spheres; hence such forums must be attended to check and report on service delivery. Once these forums are successful, service delivery will be achieved, and we will have communities that are happy.

2.11. DISTRICT INTERGOVERNMENTAL STRUCTURES

In addressing service delivery issues, the uMkhanyakude District Municipality has established several forums where the family of municipalities within the district are represented. These forums provide a platform for engagement on the different service delivery issues and for coordination and monitoring of the effectiveness of these forums.

2.12. COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Constitution (Section 152) sets out the objects of local government, one of which is the provision of democratic and accountable government to local communities. This is reiterated by Section 15 (b) of the Municipal Systems Act which requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff.

A second constitutional objective is the encouragement of local communities and community organisations in the matters of local government. This is restated by the Chapter 4 of the Municipal Systems Act 32 of 2000 which deals exclusively with community participation. A Municipality is required to develop a culture of community participation and develop a system of participatory municipal governance that compliments formal representative governance. The municipality is also required to supply its community with information concerning municipal governance, management, and development.

2.13. PUBLIC PARTICIPATION

Public participation is defined as an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. It is further defined as a democratic process of engaging people, deciding, planning, and playing an active part in the development and operation of services that affect their lives. Our primary public participation mechanisms are our Ward Committees and public meetings.

The biggest challenge lies in improving the participation of our community in all aspects of municipal governance. The Municipality is in a process of developing a Public Participation Strategy with a view of accelerating and improving Public Participation.

In terms of chapter 4, section 16, and chapter of the Municipal Systems Act no. 32 of 2000, the municipality is required to involve the community in all municipal affairs. The municipality ensures that its communities are informed; consulted and engaged hence six (6) IDP/ BUDGET meetings and one (1) IDP Representative Meeting, were held during 2022/2023 financial year as follows:

WARD (Clusters)	DATE	TIME	NO. OF PARTICIPANTS
Ward 01,2,3,4,5	02 November 2023 03 May 2023	10h00	450
Ward 6,7,8,9,10	07 September 2022 28 April 2023	10h00 10h00	400
Ward 11,12,13,14	26 October 2022 05 May 2023	10h00 10h00	400
All wards	30 March 2023	09h00	100

2.14. PUBLIC MEETINGS

The Municipality utilises the following mechanisms for public participation which are articulated in the IDP Process Plan:

- Media – Radio Slot on Maputaland Radio, Gagasi FM, Zululand FM, 1KZN TV, Nongoma FM and Ukhozi FM.
- Social Media – Municipal Facebook Page

Publications

- Print Media –Isolezwe, ILanga Newspaper, Zululand Observer and Scollar News
- Print Media –Isolezwe, Ilanga Newspaper.
- Website – posting of strategic documents on the website in terms of section 75 of the MFMA and LIVE Facebook Page
- IDP Representative Forum – a forum for all stakeholders to deliberate on development.

- IDP/ BUDGET Road shows.
- Ward Committee Meetings
- Mayoral iziMbizo
- War room meetings

The extent to which the community understand the above-mentioned issues has not reached a level where the municipality will conclude in saying that public participation is at an adequate level. Some of the communities over a long period engagement with the municipality are beginning to understand some of the development issues, but majority still do not understand.

Public meetings are beneficial to the municipality because of the following:

- a) Dissemination of information,
- b) Community participation in the development of municipal plans,
- c) IDP/Budget inputs,
- d) Being aware of the concerns of residents,
- e) Providing clarity on issues and accountability of the municipality to its residents

2.15. WARD COMMITTEES

Ward Committees are statutory committees established in terms of Part 4 of Chapter 4 of the Local Government Municipal Structures Act, Act 117 of 1998. Ward committees play a vital role in bridging the gap between the Community and the Municipality. Ward Committees are not political but are nevertheless elected for a period of five years that runs concurrently with the term of office of the Municipal Council.

The Municipality has 14 wards, and all have ward committees. All ward committees are functional.

Functionality of Ward Committees							
Ward (Number)	Name	Name of Councillor elected committee members	Ward and Ward	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1		Cllr. BS Ndlazi		Yes	12	12	3
2		Cllr. ZW Ntuli		Yes	12	12	3
3		Cllr. PS Mantengu		Yes	12	12	3
4		Cllr. SB Simelane		Yes	12	12	3
5		Cllr. FZ Nkwanyana		Yes	12	12	3
6		Cllr. JP Msezane		Yes	12	12	3
7		Cllr. VW Mkhize		Yes	12	12	3
8		Cllr. MB Dladla		Yes	12	12	3
9		Cllr. ZM Ngobese		Yes	12	12	3
10		Cllr. GMC Mdaka		Yes	12	12	3
11		Cllr. BW Shangase		Yes	12	12	3
12		Cllr. CN Maphisa		Yes	12	12	3
13		Cllr. JP Zungu		Yes	12	12	3
14		Cllr. MC Cele		Yes	12	12	3

2.16. IDP PARTICIPATION AND ALIGNMENT

The following table provides an overview of the alignment of our IDP to the criteria as set out in Section 26 of the Municipal Systems Act.

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes

Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

2.17. COMPONENT D: CORPORATE GOVERNANCE

Corporate Governance is the set of processes, practices, policies, laws, and relationships affecting the way an institution is directed, administered, or controlled.

2.17.1. AUDIT UNIT

The Municipality has the Internal Audit Unit as required by Section 165(1) of the MFMA and Internal Auditor who reports to the Municipal Manager, however this unit is outsourced to Ntshidi & Associates.

Section 165 (2) of the MFMA requires the Internal Auditor to.

- a) prepare a risk-based audit plan and an internal audit program for each financial year.
- b) advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to—
 - i. internal audit.
 - ii. internal controls.
 - iii. accounting procedures and practices.
 - iv. risk and risk management.
 - v. performance management.
 - vi. loss control; and
 - vii) perform such other duties as may be assigned to it by the accounting officer”.

The Internal Auditor drives the Risk Committee, Audit Committee, and Performance Committee as well as Anti-corruption, The Fraud and Ethics Committee oversee and monitor clean corporate governance.

2.18. RISK MANAGEMENT

Section 62(i) (c) of MFMA requires a municipality to have and maintain an effective, efficient, and transparent system of risk management.

Risks are identified during the annual strategic planning session of the Council and Senior Management, Committee Meetings. Risks are populated in a template to indicate the risk level. Risks are also monitored electronically. The management of risks is allocated to Senior managers.

- **Environmental Risks: Non** implementation of Land Use Management System. This is due to lack of funds; community resistance to change; land being privately owned and lack of capacity.
- **Environmental Risks:** Inability to collect and dispose waste timeously; Lack of capacity. Lack of registered waste management site. Lack of integrated Waste Management Plan.
- **Financial Management: Revenue Enhancement:** Inability to collect Municipal revenue; lack of capacity; low revenue base and high level of indigent community.
- **Financial Management:** Supply Chain Management Ineffective implementation of Supply Chain Management processes due to lack of effective internal controls, abuse of emergency purchases, Interference in Supply Chain Management processes and absence of a Procurement Plan.
- **Economic Development Inability:** to attract and retain investments and tourism due to lack of an updated Local Economic Development Strategy; lack of an updated Tourism Strategy; failure by the District Municipality to extend water and sanitation infrastructure and high crime rate.

2.19. ANTI-CORRUPTION AND FRAUD

Fraud prevention can be seen as the cumulative effect of both prevention and detection systems incorporated by management. The detection of fraud can only lead to the prevention thereof response thereto acts as a deterrent.

An Anti-fraud and Corruption Policy was reviewed, adopted, and approved by Council in May 2022. The Municipality is committed to communicate the Strategy with its citizens to promote awareness of its stance and approach.

Quarterly meetings of the Provincial Treasury Risk Forum are also attended to update them on the fraud, corruption, and risk processes in the Municipality. The Municipality has an active Audit Committee. The meetings of the Audit Committee are attended by Senior Management and Council. The Committee is a statutory committee and functions in accordance with Section 166 of the Municipal Finance Management Act 56 of 2003.

2.20. SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management (SCM) Policy in place which complies with National Treasury guidelines. The policy outlines the processes to be followed when procuring any goods or services.

The following must still be implemented to attain the standards set out in Section 112 of the MFMA:

- (I) Demand management has not been institutionalized and the function is not fully staffed, shortage of the SCM Practitioner.
- (ii) Rotation of service providers not adhered to, as financial system is not link to the CSD
- (iii) Bid Adjudication Committees delay their seating's due to non-availability of another senior Manager who must be outsourced from other municipalities.
- (iv) Preferential procurement from previously disadvantaged individuals relies on preference points allocation for all service providers.

(v) Risk and performance components of procurement strategies of the institution not functional.

The above analysis gives an ideal situation which will allow the output and outcomes of the Supply Chain System of the municipality to be realized as derived from the applicable legislations and policy.

(vi) The Municipality does not have any Long-Term contracts and Public Private Partnerships in the current financial year.

2.21. BY- LAWS

Municipal By-laws are public regulatory laws which apply in the Municipal Area. Section 11(3) (m) of the Local Government Municipal Systems Act 32 of 2000 empowers the Municipal Council with the legislative authority to pass and enforce Municipal By-laws. A Municipal Council may only pass By-laws on matters falling within its functional mandate. By-laws are superseded by Provincial and National legislation as well as the Constitution.

The main difference between a By-law and a law passed by National and Provincial Government is that a By-law is made by a non-sovereign body, which derives its authority from another governing body, and which can only be made in respect of specific matters within a specific geographic area. It is therefore a form of delegated legislation.

The status of a Municipal By-law is no different than to the status of any other law of the land. Municipal by-laws are enforceable through the public justice system, penalties can be imposed, and offenders can be charged with a criminal offence for breach of a by-law.

Big 5 Hlabisa has adopted and gazetted the following by-laws:

- a) Property Rates by –Law
- b) Rules and Order By-Law
- c) SPLUMA By-Law

However, Animal pound and Disaster Fire by-laws are in place but not gazetted.

2.22. WEBSITE

The Local Government Municipal Systems Act 32 of 2000 (Section 21(B)) requires the Municipality to establish an official website. Big 5 Hlabisa Municipality’s official website is www.big5hlabisa.gov.za

The Municipality is required to place all information that must be made public in terms of the Municipal Systems Act 32 of 2000 and the Municipal Finance Management Act 56 of 2003 (MFMA) on this Website. Section 75 of the MFMA specifies that the following documents must be placed on the Website.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Immediately after budget approval
All current budget-related policies	Yes	Immediately after budget approval
The previous annual report (Year -1)	Yes	Immediately after approved by council
The annual report (Year 0) published/to be published	Yes	26 January 2023
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	28 July 2023
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	N/A	
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	As and when the need arises
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	N/A	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	Yes	As and when the need arises
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	30 November 2022 26 January 2023 29 August 2023

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

3. SERVICE DELIVERY

3.1. INTRODUCTION TO SERVICE DELIVERY

This Chapter highlights the service delivery performance of the Municipality for the 2022/23 financial year, and includes basic service delivery, roads, and storm water, planning and development, community services, environmental protection, safety and security, sport and recreation and corporate services.

The Chapter concludes with the Municipality's Annual Performance Report which was compiled in terms of Section 46 of the Municipal Systems Act, Act 32 of 2000. It sets out the Key Performance Indicators (KPI), targets and actual performance of the Municipality in relation to the Key Performance Areas (KPA) of local government and the strategic objectives of the Municipality as set out in the Integrated Development Plan (IDP). The Big 5 Hlabisa local municipality is responsible for the provision of basic services in terms of the Powers and Functions allocated to different categories of municipalities.

3.2. COMPONENT A: BASIC SERVICES

Basic services are a package of services necessary for human well-being which includes provision of Housing, water & sanitation, electricity and refuse removal. It is to be noted that some of the services are the function of the District Municipality and the Provincial Government and the function of the Municipality is to co-ordinate these services.

Basic Services that are provided by Big 5 Hlabisa include refuse removal, Free basic electricity to qualifying households as well as the Municipal infrastructure. Basic services to households are defined as an electricity connection at the dwelling, a public standpipe for water within 200m of the dwelling, and a ventilated pit latrine (VIP) for sanitation. National policy also requires that poor households should receive 50kWh of free basic electricity, 6 kl of free basic water and free weekly refuse removal. The Municipality has been providing basic services in accordance with these minimum prescribed levels.

3.3. PLANNED MUNICIPAL INFRASTRUCTURE GRANT PROJECTS.

The Municipality receives grant to implement some of its capital infrastructure projects.

MIG funded projects which were completed during the financial year were:

- a) Ngodini Community Hall
- b) Mathunzi to Ngoqongo Gravel Road
- c) Hluhluwe High Mast Lights
- d) Mpembeni Electrification project
- e) Hlabisa Taxi Rank Phase 2

The Municipality receives another grant to implement LED Projects, EDTEA funded projects which were completed during the financial year were:

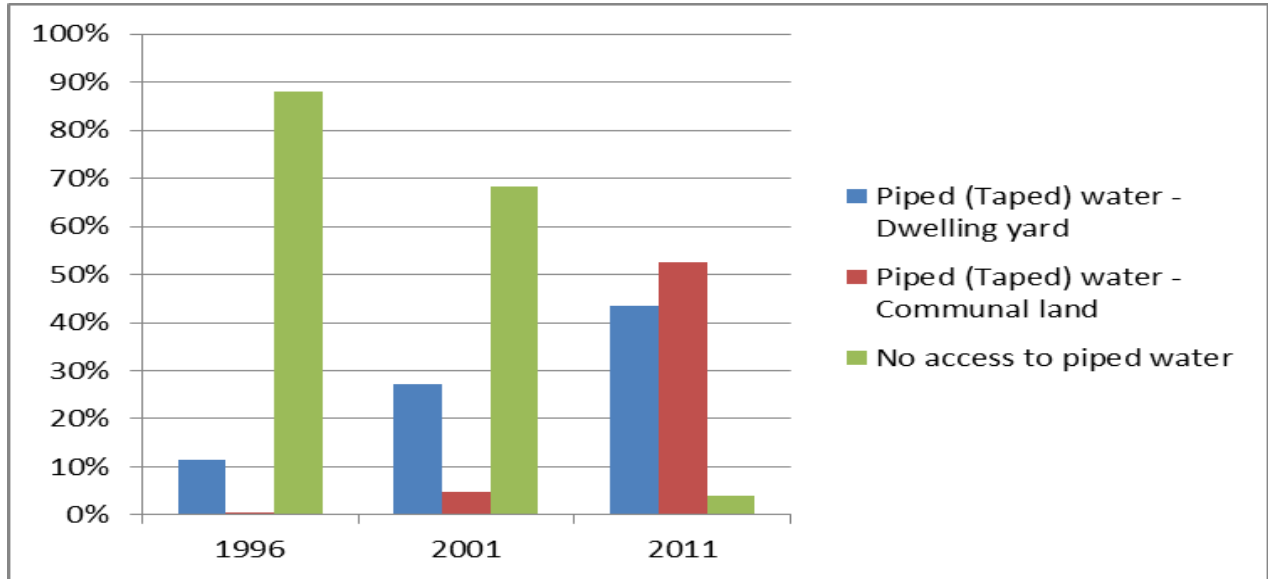
- a) Hluhluwe Market Stalls
- b) Nyakaza Market Stalls

The following projects are in progress:

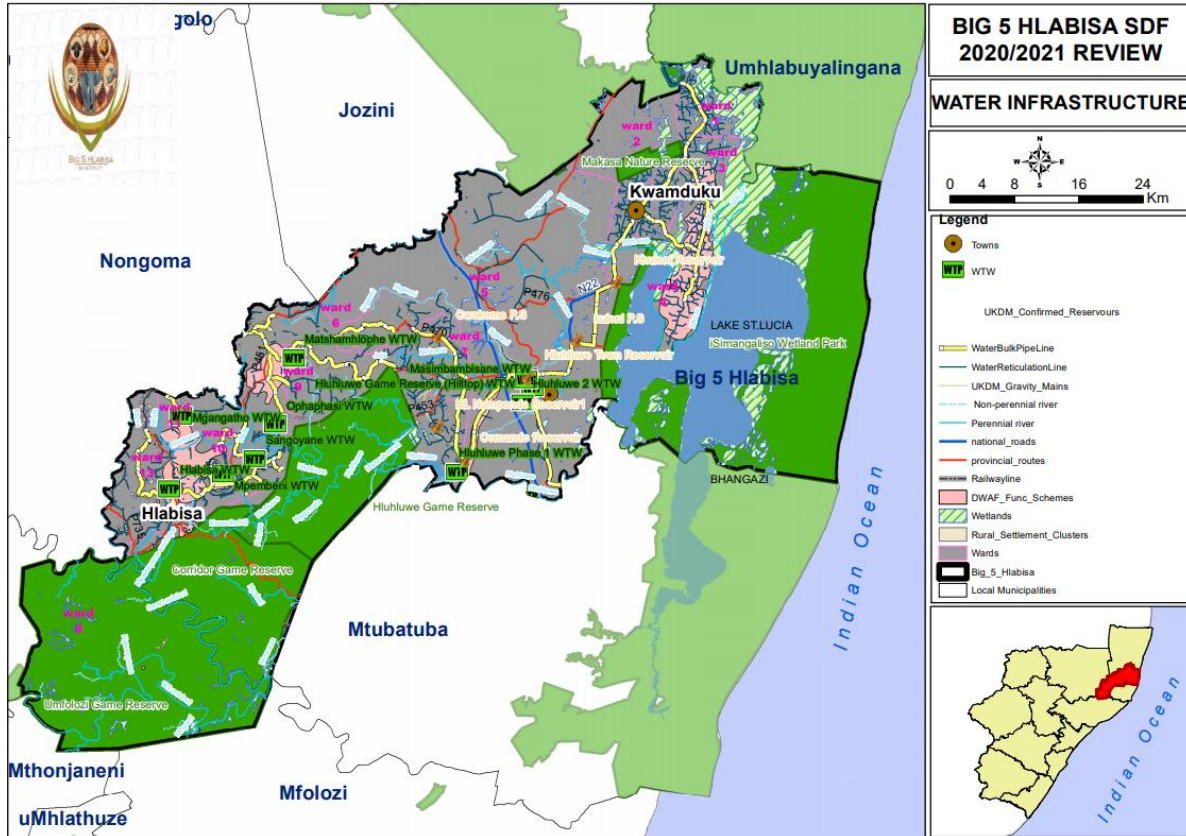
- a) Hluhluwe License Testing Centre (DLTC)
- b) Nqutshini Community Hall
- c) Mahongoza Community Hall
- d) Mansiya Community Hall
- e) Manzamnyama Community Hall
- f) Hlabisa Taxi Rank Storm Water Drainage Phase 3
- g) Hlabisa Sport Complex Phase 2
- h) InkosiNtulikayise Electrification Project
- i) Hlabisa Traffic Station
- j) Mathunzi to Ngoqongo Causeway

3.4. WATER PROVISION

Water provision is not the function of the Local Municipality however the municipality co-ordinates with the District Municipality. Below is the status of water provision to households as of 2011:



From the above graph, there has been some improvement in the supply of piped water, albeit very limited, i.e., from 31.6% to 38.3%. This obviously implies that in 2007, 61.7% of households in the Municipality still had no access to piped water.



3.5. ELECTRICITY

The Municipality is responsible for the distribution of electricity however Eskom is the service provider of electricity within the Big 5 Hlabisa Municipality as the holders of electricity supply license hence the Municipality provide free basic electricity to the indigent households who qualify for free 50kwh.

Eskom also supplies electricity to the Big 5 Hlabisa Municipality surrounding commercial farmlands. There have been deficiencies in the electrification grid in the deep tribal authority areas. Identified nodal areas are however relatively well served with electricity. According to the census 2001 only 40% of the total number of households has access to electricity for lighting. This translates to a 40% backlog in terms of electricity provision.

3.6. WASTE MANAGEMENT (INCLUDING REFUSE COLLECTION, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

3.6.1. INTRODUCTION TO WASTE MANAGEMENT

Most households in rural areas use their own disposal site for refuse. In 1996 2422 households used their own refuse dump and in 2001, the number increased 3868 and out 7998 in 2011 households 5092 utilise their own refuse. The number of households with access to refuse removal by the municipality has been increasing as follow, in 1996 165 households had access, and in 2001 the number increased to 1062 and further increased to 111972 in 2011. The trend is depicted in the table below.

	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other	Unspecified	Not applicable	Total
The Big 5 Hlabisa Municipality	1473	499	196	4896	795	140	-	-	7998
Ward 1	91	12	6	1713	26	11	-	-	1859
Ward 2	99	10	43	1017	221	38	-	-	1428
Ward 3	1234	472	139	939	129	59	-	-	2972
Ward 4	48	5	8	1227	419	32	-	-	1740
Ward 12									

Municipality	Refuse removal						
	Removed (at least once a week)	Removed (less often than once a week)	Communal refuse dump	Communal container/central collection point	Own refuse dump	Dump or leave rubbish anywhere (no rubbish disposal)	Other
DC27: UMkhanyakude	6 023	1 420	2 548	1 448	121 863	13 184	4 760
KZN271: Umhlabuyalingana	140	117	800	66	33 246	4 240	1 004

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KZN272: Jozini	2 224	669	692	91	33 081	5 535	2 292
KZN275: Mtubatuba	3 266	364	478	302	36 343	951	88
KZN276: Big 5 Hlabisa	393	269	578	989	19 193	2 458	1 376

Table 29: Households with access to refuse removal Census 2016

There is no refuse removal system in the rural areas; communities there use their own dumping spots, i.e., dump excavated within the household yard. While accurate figures are not known; there isn't much waste generated in the rural areas of the municipality.

3.7. HOUSING

Housing is a concurrent National and Provincial competency in terms Part A of Schedule 4, of the Constitution. Section 10 of the Housing Act, Act 107 of 1997, sets out the responsibilities of municipalities in relation to the provision of housing. There is a direct correlation between the provision of basic services and housing, which makes it a complicated function that relies on high levels of cooperation between the municipalities and the Provincial and National Departments responsible for Housing.

3.7.1. Provision of Housing

In each of the (6) six traditional authority areas, the Municipality has identified a need for rural housing development so that communities will have access to decent housing. Housing projects are currently being implemented with others at a planning stage as follows:

Projects under construction

- a) Mngobokazi Housing Project
- b) Malabela Housing Project
- c) Mdletshe Housing Project
- d) Nibela Rectification Housing Project

- e) Hlambanyathi Housing project
- f) Big 5 Hlabisa Disaster Housing by Mashi Mollo

Projects under Planning Stage

- a) Emabhokisini Housing Project
- b) Phumulani Slum Clearance Housing Project
- c) Hlabisa Phase 2 Housing Project
- d) Hlabisa CBD Housing Project
- e) Hluhluwe CRUs / Qunwana Agrivillage
- f) Nompondo Housing
- g) Uphaphasi Housing
- h) Makhowe Housing
- i) Ezifundeni Housing
- j) Mdletsheni Housing
- k) EZibayeni Housing

3.8. FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipality is required to use its equitable share which it receives from national government in terms of the Division of Revenue Act (DORA) for the provision of basic services to its community. Basic services are a package of services necessary for human well-being and typically include water, sanitation, electricity, and waste management. National policy also requires that poor households should receive 50kWh of free basic electricity, 6kl of free basic water and free weekly refuse removal. The Municipality has an indigent policy which it reviews each year with the budget and maintains an indigent register.

The Municipality provides free basic services to all indigent households. Indigent households are defined as households where the joint income does not exceed (R3 000.00 per month). The average number of households provided with free basic electricity for 2022/2023 were 645.

INDIGENT AND FREE BASIC SERVICES	AMOUNT PER YEAR
Free Basic Electricity	R369 628.07

Number of new households with electricity connection by 30 June 2023 was 140. Number of existing households with access to refuse removal by 30 June 2023 is 898.

3.10. COMPONENT B: ACCESS ROADS

3.10.1. ROADS

The provision of access roads is the function of the Municipality however the Municipality relies on the service providers to develop new access roads and the Municipality will in turn maintain those roads. The Municipality has a short supply of good all-weather roads (tar road) it is mostly gravel road. The municipality solely rely on

the Municipal Infrastructure transfers to fund all infrastructure related projects. In 2022/23 financial year the municipality completed 459.9 km maintenance Access Road.

3.10.2. STORM WATER DRAINAGE

The objectives of the Roads and Storm Water function are the construction and rehabilitation of roads, repair of potholes and storm water management. The main challenge faced in the implementation of this function is insufficient budget provision for capital projects.

3.11. COMPONENT C: PLANNING AND DEVELOPMENT

The Planning and Development Department plays an integral role in planning for and facilitating the achievement of the spatial vision of the municipality.

The Department directly addresses the following National Key Performance Areas (KPA's):

1. Basic Services and Infrastructure Provision

2. Local Economic Development

3. Several relevant cross cutting KPA's are also addressed relating to urban and rural development as well as property management. The Planning and Development Department also commits itself to the following Municipal Missions:

1. Job creation and inclusive economic growth through accelerated economic development and transformation.

2. Enhancing industry-based skills development and strategic support to education priority programmes.

3. Creating safer city through integrated and community based public safety.

4. Planned and accelerated rural development interventions.

5. Promotion and maintenance of spatial equity and transformation.

6. Optimal management of natural resources and commitment to sustainable environmental management; and

7. Good governance, capable and developmental municipality

In context of the above KPAs, the Planning and Development Department is divided into 3 components, namely:

1. Spatial and Environmental Planning
2. Land Use Management and Building Control
3. Human Settlements.

3.11.1. SPATIAL AND ENVIRONMENTAL PLANNING

Spatial Planning includes the following sub-components.

- a) Integrated Development Planning
- b) Spatial Development Framework
- c) Environmental Planning and Management

Spatial Planning is a planning function that is responsible for the long-term spatial vision of the municipality. The Spatial Planning and Land Use Management Act, prescribes certain requirements that municipalities must adhere to, to comply with this act and ensure effective implementation of Municipal Goals. Environment Planning and Management is mainly based on creating awareness to communities about the potential damages linked to environmental impacts.

3.11.2. LAND USE MANAGEMENT

The Big 5 Hlabisa municipal land Use Scheme, 2021 was approved by virtue of the Local Authority, notice BHLMC 60- 2021/ 2022 Big 5 Hlabisa Land Use Scheme dated 31st of January 2022 in the Kwa-Zulu Natal Province. The Scheme is applicable to all Land and Buildings within the Big 5 Hlabisa Local Municipality's area of Jurisdiction.

The Big 5 Hlabisa Municipality Land Use Scheme, 2022-2023 must give effect to the municipal Spatial Development Framework and determine the use and development of land within the municipal area of the Hlabisa Big 5 Local municipality. The Big 5 Hlabisa Municipality land use scheme must also comply with chapter 2 of the SPLUMA (Act No.16 of 2013).

The Big 5 Hlabisa Land Use Scheme must promote:

- Economic growth
- Social Inclusion
- Efficient land development
- Minimal impact of public health, the environmental and national resources
- Provide scheme maps

Land Use Management is divided into two sub-components

- a) Development Administration and Facilitation
- b) Building Control and Law Enforcement

Land Use Management component daily activities involve site inspections, processing of planning application of building plans. These daily activities are undertaken in line with organizational Integrated Development Plan Strategic Objectives, National and Provincial Policy Framework and the Planning and Development Department Key Performance Indicators.

The main responsibility of Development Control Sub-Component is to promote orderly development through enforcement and management of land use within the municipal jurisdiction using the Municipal Land Use Scheme and the Spatial Planning and Land Use Management Bylaw. As such, the Section is responsible for processing the following planning applications:

1. Consent Applications.
2. Building Line Relaxation Applications; and
3. Parking and Loading Bay Relaxation Applications

Building control is the backbone of the municipality in terms of promoting structural integrity of all buildings erected within the municipal jurisdiction. Citizens, Architects/Draughts persons and developers are always advised to submit building plans for municipal scrutiny and approval before commencement of alterations or

additions to existing dwellings or constructing new buildings. For the year under review, hereunder is the progress made on the set targets.

3.11.3. HUMAN SETTLEMENTS

Human Settlements is a shared function with Technical Services, with planning ensuring the statutory requirements that relate to the Human Settlements Master Plan for the Municipality.

3.11.4. POLICY AND LEGISLATIVE FRAMEWORK

The relevant and applicable policy and legislative framework applicable are:

1. Big 5 Hlabisa Spatial Planning and Land Use Management Bylaw, 2017, as amended.
2. Big 5 Hlabisa Single Land Use Scheme, 2021.
3. Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013)
4. National Building Regulations and Building Standards Act, 1977, as amended (Act No. 107 of 1977).
5. Municipal Building Control Bylaw, 2021

3.12. LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKETPLACES)

3.12.1. INTRODUCTION TO ECONOMIC DEVELOPMENT

Big 5 Hlabisa Municipality is known as a tourism destination due to the most popular Hluhluwe Game Reserve; the socio-economic ills have persisted throughout the years and the local economy has failed to absorb the local labour force and minimize poverty levels. Tourism and agriculture are dominant economic activities within the municipality. There is commercial farming and tourism which boost employment to the community.

3.12.2. LOCAL JOB OPPORTUNITIES

The primary role of local government is to create a climate that is conducive to local economic development. The Municipality does however seek to create work opportunities wherever it can. One such programme is the Expanded Public Works Programme (EPWP) which is a government programme aimed at the alleviation of poverty and unemployment. The programme aims to increase economic growth by improving skills levels through education and training. It also aims to provide an enabling environment for industry to flourish. Number of EPWP jobs created by 30 June 2022 is 167.184 EPWP Greening cleaning (flood mopping programme) assisted by the Department of Forest, Fisheries and Environment from 01/08/22-31/03/2024, number of CWP jobs created by 30 June 2022 is 558 and 20 Tourism Buddies jobs created by 01/02/2023.

3.12.3. LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The local economic development reflects a slight improvement even though the level of unemployment is still high. To maximise the benefits that Big 5 Hlabisa Municipality can derive from agriculture and tourism; focus has been placed on areas that provide the most potential.

COMPONENT D: COMMUNITY SERVICES

3.13. COMMUNITY SERVICES

This component includes libraries, community facilities; cemeteries; Special programmes, Traffic and Law enforcement as well as the Disaster Management.

3.13.1. EDUCATION

The uMkhanyakude family has the lowest educational levels as compared to other districts according to the Stats SA Census 2011. The enrolment at primary schools has been improving since 1996. The numbers of children with primary education and that have some secondary education and have completed it have also been increasing. The number of households with access to higher education and that have been able to complete it are very low and therefore require some attention.

It is however noted and becoming a concern that the matric pass rate has not been favorable since 2008 and is depicted in the table below the pass rate was provided by the Department of Education. The access to educational facilities is analyzed under Service Delivery and Infrastructure Development subtopic community facilities.

3.13.2 HEALTH

The Municipality does not directly provide this service but works with the Department of Health on Local AIDS council and provided a venue for mobile health in ward 03. The environmental health is provided by the uMkhanyakude District Municipality and officials are deployed for each local municipality.

The special program unit within the Municipality

- (a) Ensures that 95% of people living with HIV, especially key populations, and other priority populations know their status and are 95% on treatment, and 95% are retained in care, and achieve long-term viral suppression.
- (b) Accelerate prevention to reduce new HIV, TB and STI infections, reduce new infections to less than 30 000 by 2022 through combination prevention interventions.

Description	Number
Client tested	20047
Male Condoms Distributed	220800
Female Condoms Distributed	6300
Total Condoms Distributed	227100
Ante – natal first visit before 20 weeks rate	77.50%
Infants' 1 st PCR test positive around 10 weeks	0
Child rapid after HIV test	0
Termination of Pregnancy in facility 10-19 years	0
Infant death	0

3.13.3. REDUCE TB INCREASE

Description	Number
TB Symptoms Child under 5 years screened for TB facility rate	0%
TB Symptoms 5 years and older screened for TB facility rate	87%
Number of TB contacts who began preventive therapy	34

Number of PLHIV on ART initiated on TB preventive therapy	232
Male Urethritis Syndrome	331
STI treated – new episode	0
STI partner treated	0

3.13.4. SAFETY & SECURITY

Safety and Security is categorized as follows:

3.13.5. PROTECTION SERVICES

Protection Services comprise of the following sections:

- a) Disaster Management
- b) Traffic Management

3.13.6. FIRE SERVICES AND DISASTER MANAGEMENT

This component has been institutionalized and according to the official organogram it is part of Protection Services. The Municipality undertakes community awareness sessions on fire hazards and prevention. In the case of fire related disasters, the municipality has access to tents and blankets from UMkhanyakude District Municipality which are distributed based on the assessment report.

The Municipality responds to calls outs from community and other sectors in towns, where it provides primary rescue services to property and human life. This involves house and property fire, veld fires, road accidents, floods and other bad weather conditions. The Municipality provided 36-lighteneing conductors to households hit by thunderstorm. The Municipality also conducted awareness campaigns targeting schools, clinics, war rooms and all other community gatherings or meetings, in the attempt to mitigate risks caused by nature.

3.13.7. COMMUNITY POLICING FORUM

Big 5 Hlabisa has prioritized issues of safety and security and has managed to establish the following forums to address issues of safety and security, however this function needs to be replicated at the ward level.

- a) Community Policing Forum
- b) Community Policing Safety Committee

The following crime activities were reported:

- a) House Breaking
- b) Stock and vehicle theft
- c) Rape
- d) Murder
- e) Gender Based Violence

The main purpose of this forum is to mobilize the participation of community structures on issues of crime awareness and prevention.

3.13.8. TRAFFIC MANAGEMENT

The municipality have two traffic stations Hluhluwe and Hlabisa which provides the following services: Traffic Law Enforcement, renewal of driver's licenses, renewal of motor vehicle licenses, payment of traffic fines, Professional Driving Permit (PrDP), Leaners licenses. The Municipality is providing one shift system in law enforcement due to shortage of personnel.

3.13.9. COMMUNITY DEVELOPMENT

Community development involves youth development, development of people with disabilities and various programmes are coordinate at both the district level and at a municipal level. There are programmes to empower the community on the issues that seeks to address social needs.

3.13.10. DEVELOPMENT OF THE PEOPLE WITH DISABILITIES, ELDERLY, WOMEN AND YOUTH

The Municipality is actively involved in empowerment of people living with disabilities. Various Interventions including facilitation of bursaries and capacity building are ongoing. The Municipality actively participates in the disability forum at the district level and has its own forum at a ward level and municipal level and local disability forum has recently been established.

There is currently elderly forum at a municipal level, and in the district level. The municipality facilitates golden games at ward level and local level. The youth development forum establishment is at an advanced stage at all ward levels and currently being re- established at a municipal level.

Women empowerment is considered as a priority and the forum is being established at ward level to address issues affecting women, furthermore, OSS is live and vibrant in a number of issues. There is women forum at the district and the municipality actively participates. The awareness campaigns on 16 days of activism are also facilitated with all relevant sector departments. HIV/AIDS and crime are most prevalent in the municipality. Social crime prevention will be developed in consultation with key stakeholders. There has also been increase in drug abuse, however communities are involved in dealing with social ills through the ward drugs action committee. It is hoped that this intervention will contribute to reduction of crime and drug related incidents.

3.13.11. LIBRARIES & COMMUNITY FACILITIES

Libraries are the functional mandate of the Department of Culture, Art, and Sport (Kwa-Zulu Natal Library Services) in collaboration with the Municipality. The Department of Art and Culture release to the grant to the Municipality and the Municipality ensures the full operational of the libraries following the guidelines of the Department. Currently we have two (2) main libraries and Three (3) Modular.

3.13.12. COMMUNITY FACILITIES – MUNICIPALITY BUILDINGS AND FACILITIES

Community facilities are a shared responsibility between the Administrative Services Directorate (administration) and the Technical Services Directorate (maintenance). Community facilities include the following:

- a) Municipal Offices in all towns
- b) Community Halls in town and wards
- c) Trading Facilities
- d) Public ablution facilities

3.13.13 COMPONENT E: SPORTS AND RECREATION

3.13.1. SPORTS AND RECREATIONS

This part includes community parks, sport fields and recreation facilities.

3.14. OVERALL PERFORMANCE

- a) To provide accelerated, effective, efficient, quality social development services for the community of Big 5 Hlabisa municipality through sport, recreation, arts and culture and library and information programs. Check if there were any events hosted by Library services.
- b) To ensure the community have access to information as prescribed by the South African Constitution.
- c) Promote employment equity and skills development, therefore effecting efficiency and effectiveness to clientele.

3.15. COMPONENT OF CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes corporate policy offices, financial services, human resource services, ICT services, property services.

3.16. EXECUTIVE AND COUNCIL

3.16.1. INTRODUCTION

The council has an Executive Committee, which has responsibility of running the municipality on a day-to-day. The Portfolio committees run issues for departments. There was no capital expenditure for the Council and Executive. Councillor remuneration totalled R 10 273 422.00 for the financial year.

3.17. FINANCIAL SERVICES

The Financial Services Department is responsible for the Budget and Treasury Office, Revenue Management, Expenditure Management and Supply Chain Management. The Department is also responsible for the Valuation Roll. The Municipality's debt recovery rate collection is 83.55 % for the 2022/23 year. The activities of this section are detailed under Financial Performance (Chapter 5).

3.18. HUMAN RESOURCES SERVICES

3.18.1. INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resource Services is responsible for human resource management, labour relations, training and development and occupational health and safety. The Human Resource Department is under the directorate of Corporate Services. The Local Labour Forum is a consultative platform for the discussion of staff matters of the Municipality.

CHAPTER 4
ORGANISATIONAL DEVELOPMENT PERFORMANCE
(PERFORMANCE REPORT PART II)

ANNUAL PERFORMANCE ASSESSMENT

**ASSESSMENT OF EXTERNAL SERVICE PROVIDERS TEMPLATE IN TERMS OF
SECTION 46 OF THE MUNICIPAL SYSTEMS ACT 32 OF 2000**

DEPARTMENT: FINANCIAL SERVICES

ATTACHED ASSESSMENT OF SERVICE PROVIDERS

4. INTRODUCTION TO MUNICIPAL PERSONNEL

The Municipal Manager and four Directors are appointed on a fixed term contract in terms of Section 57 of the Municipal Systems Act 32 of 2000.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1. EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Management Team

POSITION	FILLED	EMPLOYMENT CONTRACTS IN PLACE AS AT 01 July 2022	PERFORMANCE AGREEMENTS IN PLACE BY 01 July 2022
Municipal Manager	Yes	Yes	Yes
Chief Financial Officer	Yes	Yes	Yes
Director: Corporate Services	Yes	Yes	Yes
Director: Community Services	Yes	Yes	Yes
Director: Technical Services	Yes	Yes	Yes

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Turnover rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2016/2017	30	10	
2017/2018	12	13	
2019/2020	0	1	
2020/2021	0	05	
2021/2022	14	08	
2022/2023	13	20	

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2. INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Section 67 of the Local Government Municipal Systems Act, Act 32 of 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act, Act 55 of 1998.

4.3. HUMAN RESOURCE POLICIES AND PLANS

There are several policies and plans in place to regulate personnel matters. Some matters are regulated in terms of collective agreements and legislation. The following Human Resource Policies and plans are in place:

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%	100%	Yes
2	Attraction and Retention	100%	100%	Yes
3	Code of Conduct for employees	100%	100%	Yes
4	Delegations, Authorisation & Responsibility	100%	100%	Yes
5	Disciplinary Code and Procedures	100%	100%	Yes
6	Essential Services	0%	0%	No
7	Employee Assistance / Wellness	100%	100%	Yes
8	Employment Equity	100%	100%	Yes

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9	Exit Management	100%	100%	Yes
10	Grievance Procedures	100%	100%	Yes
11	HIV/Aids	100%	100%	Yes
12	Human Resource and Development	100%	100%	Yes
13	Information Technology	100%	100%	Yes
14	Job Evaluation	0%	0%	No
15	Leave	100%	100%	Yes
16	Occupational Health and Safety	100%	100%	Yes
17	Official Housing	0%	0%	No
18	Official Journeys	100%	100%	Yes
19	Official transport to attend Funerals	0%	0%	No
20	Official Working Hours and Overtime	100%	100%	Yes
21	Organisational Rights	0%	0%	No
22	Payroll Deductions	0%	0%	No
23	Performance Management and Development	100%	100%	Yes
24	Recruitment, Selection and Appointments	100%	100%	Yes
25	Remuneration Scales and Allowances	0%	0%	No
26	Resettlement	0%	0%	No
27	Sexual Harassment	100%	100%	Yes
28	Skills Development	100%	100%	Yes
29	Smoking	100%	100%	Yes
30	Special Skills	0%	0%	No
31	Work Organisation	0%	0%	No
32	Uniforms and Protective Clothing	100%	100%	Yes
33	S&T Policy	100%	100%	Yes

4.4. COMPONENT CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the Local Government Municipal Systems Act, Act 32 of 2000 requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient, and accountable way. The Human Resources personnel deals with matters concerning the training of the staff of the Municipality.

4.5. SKILLS DEVELOPMENT AND TRAINING

One of our development priorities is the development of our work force. This section contains an overview of skills development that took place on each level of the organisation and progress in terms of the Minimum Municipal Competency Regulations (2007).

The following table indicate staff and councillors that were trained:

No: staff members /CIlrs	Description	Training
08	Staff Members	MFMP
07	Staff members	Fire Fighter Level 2 and Hazmat Operations
02	Staff members	Vehicle Examiner
25	Staff Members	Arbitration and Conciliation
06	Staff Members	5 th Annual Local Government Labour Law
07	Staff members	Capacity Building (Implementation of the Local Government, Municipal Systems Act.)
19	Councillors	Induction
18	Councillors	Pension Fund

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16	Councillors	Standing Rules & Orders, Code of Conduct, Rules Committee, and Practical Experience
25	Councillors	COGTA-Roles of Amakhosi during Council meetings.

4.6. COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Section 66 of the Local Government Municipal Financial Management Act 56 Of 2003, states that 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 of expenditure.

4.7. EMPLOYEE EXPENDITURE

The Municipality's employee costs for the year totalled an amount of R83 911 560.00 for the year. This constitutes 46% of the total operational expenditure in 2022/23. The percentage personnel expenditure to total expenditure is higher for small municipalities as the same legal requirements for budgetary reporting, internal audit, strategic planning, performance management and intergovernmental relations and working groups apply to all municipalities irrespective of their size.

4.8. DISCLOSURES OF FINANCIAL INTERESTS

All Councillors and senior management have declared financial interests. Refer to disclosures made by officials and councillors as set out in **Appendix E**.

CHAPTER 5- FINANCIAL PERFORMANCE

COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

- **Check AFS**

AUDIT ACTION PLAN 2022/2023 FINANCIAL YEAR

Type of Opinion Current Year: Unqualified Audit Opinion

Type of Opinion Previous Year: Unqualified Audit Opinion

CHAPTER 6

Auditor – General of South Africa

Big 5 Hlabisa

Municipality- Audit Report

2022-2023

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries can access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in- year and Annual Reports
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quality of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include Annual Financial Statements as submitted to and approved by the Auditor-General
Approved Budget	The Annual Financial Statements of a municipality as audited by the Auditor General approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.

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Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health safety or the environment.
Budget year	The financial year of which an annual budget is to be approved-means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specific quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial statements	includes at least a statement of financial position, statement of performance, cash-flow statement, note to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Ministers may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All resources that contribute to the production and delivery of outputs. Inputs are “what use to do the work”. They include finances, personnel, equipment building.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance	<ul style="list-style-type: none"> • Service delivery & Infrastructure.

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areas	<ul style="list-style-type: none"> • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequences of achieving specific output. Outcomes should relate clearly to an institution’s strategic goals and objectives set out in its plans. Outcomes are “what we wish to achieve”
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e., a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance indicator	Indicators should be specified to measure performance in a relation to input, activities, outputs, outcomes, and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance information	Generic term for no-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirement and service level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the

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	<p>outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factors.</p>
Performance Targets	<p>The level of performance that municipalities and its employees strive to achieve. Performance targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time.</p>
Service Delivery Budget Implementation Plan (SDBIP)	<p>Detailed plan approved by the mayor for implementing the municipality’s delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.</p>
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies total amount that is appropriate for the purpose of a specific department or functional areas.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <ul style="list-style-type: none"> A) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and B) Which specifies the total amount that is appropriated for the

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	purpose of the department or functional areas concerned
--	---

APPENDICES

APPENDIX A-COMMITTEES AND PURPOSES OF COMMITTEES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees			
Municipal Committees			Purpose of Committee
Municipal Committee	Public Accounts		To monitor good governance where there is optimal utilisation of municipal resources to enhance and sustain service delivery and financial management.
Audit Committee			Plays an oversight role on Financial Management and Performance monitoring on behalf of the municipal council in terms of s166 of MFMA.

APPENDIX B- THIRD TIER STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager	Dr VJ Mthembu
Chief Financial Officer	Mr JM Nkosi
Corporate Services	Mr LM Mthombeni- 01 September 2013 to 30 November 2022 Mrs CN Danisa- 01 December 2022
Community services	Mr MB Shange
Technical Services	Mr TA Dlamini

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APPENDIX C- FUNCTIONS OF MUNICIPALITY/ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	No
Building regulations	Yes	
Childcare facilities	Yes	
Electricity and gas reticulation	Yes	Yes
Firefighting services	Yes	Yes
Local tourism	Yes	No
Municipal airports	Yes	No
Municipal planning	Yes	No
Municipal health services	No	No
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	No
Pontoons, ferries, jetties, piers, and harbours, excluding the regulation of international and national shipping and matters related thereto	No	Yes
Storm water management systems in built-up areas	Yes	No
Trading regulations	Yes	No
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	No	No
Beaches and amusement facilities	No	Yes
Billboards and the display of advertisements in public places	Yes	No

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Cemeteries, funeral parlours, and crematoria	Yes	No
Cleansing	No	No
Control of public nuisances	Yes	No
Control of undertakings that sell liquor to the public	No	Yes
Facilities for the accommodation, care, and burial of animals	No	Yes
Fencing and fences	No	Yes
Licensing of dogs	No	No
Licensing and control of undertakings that sell food to the public	No	No
Local amenities	Yes	No
Local sport facilities	Yes	No
Markets	Yes	No
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	No
Municipal roads	Yes	No
Noise pollution	No	No
Pounds	No	Yes
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	No
Street trading	Yes	No
Street lighting	Yes	Yes Eskom
Traffic and parking	Yes	No

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APPENDIX D- FUNCTIONALITY OF WARD COMMITTEES

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr. B.S. Ndlanzi	Yes	12	12	3
2	Cllr. Z.W. Ntuli	Yes	12	12	3
3	Cllr. P.S. Mantengu	Yes	12	12	3
4	Cllr. S.B. Simelane	Yes	12	12	3
5	Cllr. F.Z. Nkwanyana	Yes	12	12	3
6	Cllr. J.P. Msezane	Yes	12	12	3
7	Cllr. V.W. Mkhize	Yes	12	12	3
8	Cllr. M.B. Dladla	Yes	12	12	3
9	Cllr. Z.M. Ngobese	Yes	12	12	3
10	Cllr. G.M.C Mdaka	Yes	12	12	3
11	Cllr. B.W. Shangase	Yes	12	12	3
12	Cllr. C.N. Maphisa	Yes	12	12	3
13	Cllr. J.P. Zungu	Yes	12	12	3
14	Cll.r M.C. Cele	Yes	12	12	3

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APPENDIX E- DISCLOSURE OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2022 to 30 June of 2023		
Position	Name	Description of Financial interests* (Nil / Or details)
Mayor	Cllr. C.T. Khumalo	Nil
		Nil
Councillor	Cllr. H.T. Nkosi	Nil
	Cllr. BW Shangase	Nil
	Cllr. C.N. Maphisa	Nil
	Cllr. J.P. Zungu	Nil
	Cllr. M.C. Cele	Nil
	Cllr. G.M.C. Mdaka	Nil
	Cllr. Z.M. Ngobese	Nil
	Cllr. M.B. Dladla	Nil
	Cllr. P.S. Mantengu	Nil
	Cllr. V.W. Mkhize	Nil
	Cllr. F.Z. Nkwanyana	Nil
	Cllr. JP Msezane	Nil
	Cllr. SB Simelane	Nil
	Cllr. ZW Ntuli	Nil
	Cllr. BS Ndlanzi	Nil
	Cllr. W. Mngomezulu	Nil

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	Cllr. S.F. Mdaka	Nil
	Cllr. I.S. Manqele	Nil
	Cllr. C.S. Kwesaba	Nil
	Cllr. L.L. Ntshangase	Nil
	Cllr. A.S. Thela	Nil
	Cllr. B.S. Gumbi	Nil
	Cllr. O.N.N. Ndwandwe	Nil
	Cllr. T.N. Ngema	Nil
	Cllr. NH Nxumalo	Nil
	Cllr. SI Mhlongo	Nil
Municipal Manager	Dr. V.J. Mthembu	Yes
Chief Financial Officer	Mr. J.M. Nkosi	Nil
Other S57 Officials	Mr. M.B. Shange	Nil
	Mr. L.M. Mthombeni	Yes
	Mr. T.A. Dlamini	Nil
	Mrs C.N. Danisa	Nil

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APPENDIX F.1 TAXES AND SERVICES CHARGED

Description	2021/2022		2022/2023	
	Projected	Actual	Projected	Actual
Service Charges	2 142 000.00	2 157 712.00	1 817 000.00	2 098 747.00
Taxes – VAT Refund	6 541 830.63	8 953 712.58	8 222 502.39	8 222 502.39
Total	R 8 989 830.63	R 5 851 903.49	R 10 039 502.39	R 10 321 249.39

APPENDIX F.2-ERATING AND CAPITAL EXPENDITURE

Expenditure Item	2021/2022		2022/2023	
	Projected	Actual	Projected	Actual
Salaries, wages, and allowances	91 525 000.00	94 184 982.00	98 526 000.00	92 274 818.00
General expenditure	26 144 000.00	33 097 418.00	33 403 000.00	22 973 111.00
Repair and maintenance	9 000 000.00	5 500 249.00	10 000 000.00	8 430 845.00
Grant Expenditure	36 185 045.00	36 185 045.00	10 308 716.00	10 308 716.00
Capital Expenditure	25 404 081.00	25 404 081.00	22 696 725.00	22 696 725.00
Gross/Net expenditure	188 258 081.00	194 371 775.00	174 934 441.00	156 684 215.00

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APPENDIX F.3- BORROWINGS

Loan	Type	Interest Rate	Balance (R)	
			30/06/2021	30/06/2022
Bank overdraft	Overdraft	-	Nil	Nil
External Loans	Short/Long Term	-	Nil	Nil
Finance Leases	Lease	-		
Total			Nil	Nil

APPENDIX F.4- INVESTMENT ANALYSIS

Investment Description	Balance (R)		Balance (R)	
	30/06/2022	01/07/2021	01/07/2022	30/06/2023
Mercantile (4100167725)	21 460.73	20 594.00	21 460.73	23 013.28
Nedbank (03/716506708)	107 404.89	104 356.00	107 404.89	113 760.75
Absa (4053709558)	15 566 185.11	10 526 084.00	15 566 185.11	19 712 833.15
FNB (62641675890)	23 542 223.95	15 924 259.00	23 542 223.95	35 077 415.28
FNB (62641677466)	9 191 914.12	8 886 532.00	9 191 914.12	9 784 451.91

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Investment Description	Balance (R)		Balance (R)	
	30/06/2022	01/07/2021	01/07/2022	30/06/2023
FNB (62641681251)	12 639 150.42	12 219 241.00	12 639 150.42	13 453 907.18
FNB (62641679123)	1 735 322.00	1 646 383.00	1 735 322.00	1 853 833.94
Total	62 803 661.22	37 108 208.00	62 803 661.22	80 019 215.49

REVENUE COLLECTION PERFORMANCE

REVENUE COLLECTION PERFORMANCE BY VOTE

Table C3 is a view of the budgeted and actual financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted and actual operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

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KZN276 Hlabisa Big Five - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive & Council		122 043	137 249	137 349	–	137 238	137 349	(111)	-0,1%	137 249
Vote 2 - Finance & Administration		28 379	33 871	32 271	863	27 498	32 271	(4 773)	-14,8%	33 871
Vote 3 - Finance & Administration		33 993	6 732	10 161	2 141	13 605	10 161	3 444	33,9%	6 732
Vote 4 - Planning & Development		5 925	–	–	40	588	–	588	#DIV/0!	–
Vote 5 - Public Safety		22 729	53 893	23 721	1 261	22 547	23 721	(1 174)	-4,9%	53 893
Vote 6 - Sports & Recreation		–	–	–	–	–	–	–	–	–
Vote 7 - Road Transport		3 706	4 121	4 121	175	4 404	4 121	283	6,9%	4 121
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	216 775	235 866	207 624	4 480	205 880	207 624	(1 743)	-0,8%	235 866
Expenditure by Vote	1									
Vote 1 - Executive & Council		29 778	30 797	36 877	2 992	37 422	36 877	545	1,5%	30 797
Vote 2 - Finance & Administration		18 256	29 643	34 245	841	11 610	34 245	(22 635)	-66,1%	29 643
Vote 3 - Finance & Administration		62 188	59 849	60 381	6 089	52 365	60 381	(8 016)	-13,3%	59 849
Vote 4 - Planning & Development		20 233	28 221	24 221	2 558	25 819	24 221	1 598	6,6%	28 221
Vote 5 - Public Safety		30 678	35 982	12 659	1 198	13 442	12 660	782	6,2%	35 982
Vote 6 - Sports & Recreation		–	1 190	1 204	26	145	1 204	(1 059)	-87,9%	1 190
Vote 7 - Road Transport		9 966	11 662	12 278	959	10 369	12 278	(1 910)	-15,6%	11 662
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	171 099	197 344	181 865	14 663	151 171	181 866	(30 694)	-16,9%	197 344
Surplus/ (Deficit) for the year	2	45 676	38 523	25 758	(10 183)	54 709	25 758	28 951	112,4%	38 523

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REVENUE COLLECTION PERFORMANCE BY SOURCE

Table C4 is a view of the budgeted and actual financial performance in relation to the revenue and expenditure per municipal source. This table facilitates the view of the budgeted and actual operating performance in relation to the revenue by source of the municipality.

KZN276 Hlabisa Big Five - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		25 427	28 306	28 306	345	24 046	28 306	(4 260)	-15%	28 306
Service charges - electricity revenue		—	—	—	—	—	—	—	—	—
Service charges - water revenue		—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		20	—	—	—	15	—	15	#DIV/0!	—
Service charges - refuse revenue		2 142	1 817	1 817	175	2 084	1 817	267	15%	1 817
Rental of facilities and equipment		130	592	592	27	277	592	(315)	-53%	592
Interest earned - external investments		2 769	1 500	3 400	569	6 061	3 400	2 661	78%	1 500
Interest earned - outstanding debtors		—	—	—	(12)	(12)	—	(12)	#DIV/0!	—
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		826	400	400	7	305	400	(95)	-24%	400
Licences and permits		1 700	2 338	2 338	135	1 466	2 338	(872)	-37%	2 338
Agency services		—	—	—	—	—	—	—	—	—
Transfers and subsidies		152 637	176 824	148 126	1 022	146 808	148 126	(1 318)	-1%	176 824
Other revenue		254	753	2 282	1 047	2 806	2 282	524	23%	753
Gains		169	1 800	200	—	335	200	135	68%	1 800
Total Revenue (excluding capital transfers and contributions)		186 074	214 330	187 461	3 314	184 192	187 461	(3 269)	-2%	214 330
Expenditure By Type										
Employee related costs		83 198	81 107	87 934	6 360	83 911	87 934	(4 022)	-5%	81 107
Remuneration of councillors		8 328	7 135	10 592	724	8 681	10 592	(1 911)	-18%	7 135
Debt impairment		4 457	11 513	11 513	24	593	11 513	(10 920)	-95%	11 513
Depreciation & asset impairment		18 954	21 896	21 896	—	9 356	21 896	(12 539)	-57%	21 896
Finance charges		917	1 500	1 500	0	0	1 500	(1 500)	-100%	1 500
Bulk purchases - electricity		—	—	—	—	—	—	—	—	—
Inventory consumed		—	—	—	—	—	—	—	—	—
Contracted services		22 033	31 888	30 296	3 496	26 264	30 296	(4 032)	-13%	31 888
Transfers and subsidies		1 498	2 529	3 475	95	2 027	3 475	(1 448)	-42%	2 529
Other expenditure		44 827	57 220	33 403	5 153	39 119	33 403	5 717	17%	57 220
Losses		4 527	—	—	—	—	—	—	—	—
Total Expenditure		188 738	214 786	200 607	15 852	169 952	200 608	(30 656)	-15%	214 786
Surplus/(Deficit)										
Surplus/(Deficit) after capital transfers & contributions										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		35 121	23 874	22 500	1 498	23 351	22 500	851	0	23 874
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		32 456	23 417	9 354	(11 040)	37 591	9 354			23 417
Surplus/(Deficit) after taxation										
Taxation		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		32 456	23 417	9 354	(11 040)	37 591	9 354			23 417
Surplus/(Deficit) attributable to municipality										
Attributable to minorities		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		32 456	23 417	9 354	(11 040)	37 591	9 354			23 417
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		32 456	23 417	9 354	(11 040)	37 591	9 354			23 417

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CONDITIONAL GRANTS RECEIVED: EXCLUDING MUNICIPAL INFRASTRUCTURE GRANT DURING 2022/2023

Government grants and subsidies

Operating grants

Equitable share	137 248 511.00
Extended Public Works Programme Integrated Grant	2 304 000.00
Financial Management Grant	2 750 000.00
DOH - Disaster Management Grant	
LG SETA	155 743.00
Housing grant	
Community Library Service Grant	4 516 024.00
Sport Grant	<u>583 000.00</u>
TOTAL	<u>147 557 277.00</u>

Capital Grants

EDTEA Grant	196 725.00
Schemes supporting programme	-
Municipal Infrastructure Grant	<u>22 500 000.00</u>
TOTAL INCLUDING CAPITAL	<u>170 254 002.00</u>

CAPITAL EXPENDITURE – NEW / UPGRADE / RENEWAL PROGRAMMES: INCLUDING MUNICIPAL INFRASTRUCTURE GRANT

CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

The following table shows the budget and actual expenditure incurred on new capital assets for the municipality.

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KZN276 Hlabisa Big Five - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		29 114	11 237	5 087	(9 122)	(3 638)	5 087	8 725	171,5%	11 237
Roads Infrastructure		29 114	11 237	4 348	(9 122)	(3 664)	4 348	8 012	184,3%	11 237
<i>Roads</i>		7 422	5 954	–	(4 293)	(4 027)	–	4 027	#DIV/0!	5 954
<i>Road Structures</i>		21 693	5 284	4 348	(4 829)	363	4 348	3 984	91,6%	5 284
Solid Waste Infrastructure		–	–	739	–	26	739	713	96,4%	–
<i>Electricity Generation Facilities</i>		–	–	739	–	26	739	713	96,4%	–
<i>Capital Spares</i>		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Community Assets		33 813	7 772	13 440	1 164	9 052	13 440	4 389	32,7%	7 772
Community Facilities		17 100	7 772	10 484	1 838	6 565	10 484	3 919	37,4%	7 772
<i>Halls</i>		4 879	–	3 031	2 899	4 345	3 031	(1 314)	-43,4%	–
<i>Centres</i>		–	–	–	–	–	–	–	–	–
<i>Crèches</i>		1 997	–	268	(2 138)	(1 943)	268	2 211	823,8%	–
<i>Clinics/Care Centres</i>		–	–	–	–	–	–	–	–	–
<i>Fire/Ambulance Stations</i>		–	–	–	–	–	–	–	–	–
<i>Testing Stations</i>		–	4 546	4 631	1 295	2 807	4 631	1 824	39,4%	4 546
<i>Museums</i>		–	–	–	–	–	–	–	–	–
<i>Markets</i>		2 299	1 337	–	(2 326)	(2 299)	–	2 299	#DIV/0!	1 337
<i>Stalls</i>		7 311	1 889	–	–	–	–	–	–	1 889
<i>Abattoirs</i>		–	–	–	–	–	–	–	–	–
<i>Airports</i>		–	–	–	–	–	–	–	–	–
<i>Taxi Ranks/Bus Terminals</i>		614	–	2 553	2 108	3 655	2 553	(1 101)	-43,1%	–
<i>Capital Spares</i>		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		16 713	–	2 957	(674)	2 487	2 957	470	15,9%	–
<i>Indoor Facilities</i>		–	–	–	–	–	–	–	–	–
<i>Outdoor Facilities</i>		16 713	–	2 957	(674)	2 487	2 957	470	15,9%	–
<i>Capital Spares</i>		–	–	–	–	–	–	–	–	–
Other assets		2 380	–	–	–	–	–	–	–	–
Operational Buildings		2 380	–	–	–	–	–	–	–	–
<i>Municipal Offices</i>		2 380	–	–	–	–	–	–	–	–
Computer Equipment		1 607	465	465	4	970	465	(505)	-108,5%	465
Computer Equipment		1 607	465	465	4	970	465	(505)	-108,5%	465
Furniture and Office Equipment		14 098	5 383	4 100	0	245	4 100	3 855	94,0%	5 383
Furniture and Office Equipment		14 098	5 383	4 100	0	245	4 100	3 855	94,0%	5 383
Machinery and Equipment		389	413	413	–	–	413	413	100,0%	413
Machinery and Equipment		389	413	413	–	–	413	413	100,0%	413
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		81 177	–	–	2 953	3 197	–	(3 197)	#DIV/0!	–
Land		81 177	–	–	2 953	3 197	–	(3 197)	#DIV/0!	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	162 579	25 272	23 506	(5 001)	9 826	23 506	13 680	58,2%	25 272

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CAPITAL EXPENDITURE – UPGRADE / RENEWAL PROGRAMME

Table below show the budget and actual for expenditure incurred on upgrade / renewal of capital assets of the municipality.

APPENDIX F.5- COUNCILLORS IN ARREARS

Name	Total Amount	Current	> 30 Days	> 60 Days	> 90 Days	> 120 Days	> 150 days
Cllr FZ Nkwanyana	R28 908.62	R 0.00	R168.70	R168.70	R167.17	R168.70	R 168.70

Appendix G: National and Provincial for Local Government

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	The municipality has a stakeholder forum which focuses on the district where all basic service providers report progress of these services	85%
Output: Implementation of the Community Work Programme	The Big 5 Hlabisa municipality has been working hard in ensuring the implementation of Operation Sukuma Sakhe which is championed by Department of Social Welfare.	90%

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Output: Deepen democracy through a refined Ward Committee model	The functional ward committees and war rooms are there for the purpose of ensuring community participation in all municipal functions.	95%
Output: Administrative and financial capability	Compliance with policies and procedures to ensured that municipal resources are used economically, efficiently, effectively, and value for money is achieved.	100%

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VOLUME II: ANNUAL FINANCIAL STATEMENTS

Attached herewith are 2022/23 Annual Financial Statements (AFS) audited

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OVERSIGHT COMMITTEE REPORT 2022/23

MARCH 2024