

Chapter 1

Local Council of Stakeholders (THLM Local War Room); Ward-based war rooms in all 32 wards, and we have filled the most critical vacant positions.

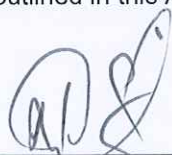
Together with our people, we have successfully hosted the President of the Republic of South Africa, his Excellency Mr JG Zuma and his cabinet to map a way forward in terms of providing a reputable services to our communities. The outcome of those engagements are yielding positive results and we are earnestly continuing with monitoring the performance of the municipality together with National and Provincial government as an integral part of our work and our promise to improve the general performance of the municipality and to encourage a culture of excellence amongst public servants.

Our five year Integrated Development Plan as adopted by the Municipal Council is aligned to the Provincial Growth and Development Strategy of Mpumalanga, the New Growth Path, the National Development Plan (NDP) and the 12 Outcomes of National government. We have strengthened our engagements with sector departments and other stakeholders through the hosting of our annual IDP and budget consultative meetings.

In spite of the tremendous challenges faced in terms of delivering basic services, infrastructure and economic development, we are proud of our achievement's during the 2015/2016 financial year and about the future. We are proud to pronounce that during the 2015/2016 financial year we have delivered on our service delivery targets in that we have successfully completed phase 1 of a new reservoir and pipeline at KwaMhlanga at amount of R34 million, we have completed phase 1 of the Kwaggafontein water scheme at an amount of R9,2 million, we have drilled and equipped numerous boreholes in various areas around Thembisile at an amount of R12,9 million, we have reticulated Milliva settlement at an amount of R5,2 million and Buhlebesizwe at amount of R6 million to name a few and we have upgraded the Tweefontein K Water Waste Treatment Works worth R14,3 million.

We are particularly gratified as a municipality to have established a credible and continued relationship with our people through engaging with grass root communities in all 32 wards and various stakeholders within our municipality including Amakhosi, the Traditional Leadership of our municipality, members of the business community and organised business forums , members of religious and faith based structures, traditional healers and other community structures during the 2015/2016 financial year. We have held about 128 mayoral outreach meetings as part of our ongoing engagements we our people in order to assess the level of development in our communities and to attain the needs and desires of our peoples to contribute towards achieving our vision and the objectives of our Council as set out in the Integrated Development Plan.

The Municipal Council adopted the last review to the 2016/2017 Integrated Development Plan to pave the way for the new Council. The IDP continuous on the trajectory the Council had set out for Thembisile Hani Local Municipality in 2011 taking into account key service delivery priorities such as water, job creation and future actions required to progressively move the municipality forward. Much more is still to be done, but there is a good story to tell. Today, we can certify and proudly pronounce that Thembisile Hani Local Municipality is a better-off place today than it was 5 years ago. The successes and achievements of the municipality during the 2015/2016 financial year are further outlined in this Annual Report in the chapters to follow.



CLLR. N.S. MTSWENI
EXECUTIVE MAYOR

Chapter 1

The Municipality's progress in achieving its objectives as reflected in the Integrated Development Plan, the Budget and the Service Delivery and Budget implementation Plan is outlined in this Annual Report. Over the past 5 years since the Census 2011 counting and the development of the IDP there has been an immense increase in the number of households by an estimated 33 648 households due to informal settlements which make the total number of households to have increased from 75 634 in 2011 to an estimated 109 282 as at June 2015.

Over the past few years we have seen a steady improvement in the quality of our report on performance as organisational performance management becomes entrenched and as managers gain insight on performance improvement. As this way of working becomes entrenched in the municipality, it also becomes possible for our customers to measure our progress based on clearly stated objectives.

The introduction of EPWP and other mechanisms assisted us in ensuring that our environment was kept clean and green which makes us to improve service delivery within the municipality. The approval of the Integrated Development Plan (IDP) is crucial as this document guides this municipality in its long, medium and short term planning to address the ever increasing community needs.

The period under review challenged us to look for different answers and solutions. We have used our own resources, the equitable share and conditional grants to extend the provision of infrastructure.

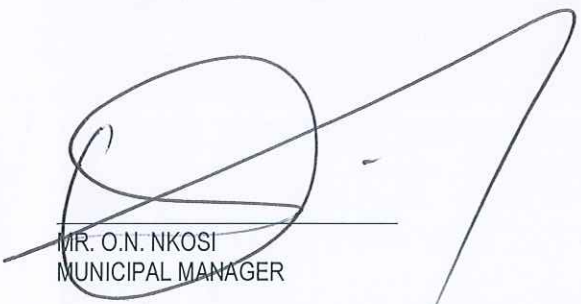
There is an urgent need to further improve on the governance, decision making and financial management to deal with budgeting, tariff setting, revenue collection, Presidential hot line, operations and maintenance planning and infrastructure asset management. The focus on financial viability will be on revenue enhancement including debt management. However we have recorded a slight improvement on revenue generation and collection.

The history of the municipality has indicated that there is an entrenched culture of non-payment of municipal services in our area, this culture has in the period under review made it difficult for the municipality to raise own revenue which can be used to do further development in the area and to extend services to areas that require such services. And so, moving forward the municipality will have to devise means to develop strategies to encourage the local residents to understand the importance of paying for services.

We have taken the opportunity in this 2015/2016 Annual Report to reflect on what we have achieved and what remains to be done especially on chapter 3. One thing is clear – as we move into the next financial year, the challenges will be ever greater. We look forward to work with all stakeholders to deliver ever better public services.

Lastly, it is also necessary to mention that we have tried to adhere to the principles of good governance as we believe that good governance is integral to economic growth, the eradication of poverty and for the sustainable development of the community we serve. We table this report in the spirit of Batho Pele, putting our people and communities first, and this report bears our testimony to our commitment for setting platforms to achieving more desired outcomes for the years ahead.

I would like to thank the Executive Mayor, Members of the Mayoral Committee, all Councillors and staff for their contribution in building the municipality to be able to provide services to the community of Thembisile Hani Local Municipality



MR. O.N. NKOSI
MUNICIPAL MANAGER

THEMBISILE HANI LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2016

Accounting officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2016 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is wholly dependent on the THLM Municipality for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the THLM Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 7.

The annual financial statements set out on pages 7 to 56, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2016 and were signed on its behalf by:

Mr ON Nkosi
Municipal Manager

