

Annexure “A”

**Minutes of the MPAC meeting
held on 21 February 2014
to discuss the Annual Report**

- MINUTES -

**OF THE MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD IN
COMMITTEE ROOM A, 5TH FLOOR, PODIUM BLOCK, CIVIC CENTRE, CAPE TOWN
ON FRIDAY 21 FEBRUARY AT 10:00**

PRESENT**COMMITTEE MEMBERS****AFRICAN NATIONAL CONGRESS**

Cllr S Mxolose (Chairperson)
Cllr D Khatshwa
Cllr N Makasi
Cllr C Scheepers

DEMOCRATIC ALLIANCE

Cllr E Anstey
Cllr S Diamond
Cllr B van Dalen
Cllr B van Minnen

OFFICIALS

Z Abrams	: Internal Audit
K Celliers	: Provincial Government
N Damane	: Utility Services
J Kilian	: Office of the Speaker
P Flower	: Utility Services
A Groenewald	: Tourism Events and Marketing
R Keraan	: Utility Services
A Kotzee	: Human Settlements
P Lekay	: Treasury
C Maurer	: Forensic Services
A Moolman	: Internal Audit
L Muller	: Shareholding Management
G Postings	: Internal Audit
G Ras	: Compliance and Auxiliary Services
L Rencontre	: Utility Services
E Sass	: Social Development & Early Childhood Development
D Valentine	: Finance
T Vieira	: Transport for Cape Town
A Vorster	: Office of the City Manager
C Walters	: Economic Environment and Spatial Planning
S Ward	: Economic Environment and Spatial Planning
R Tippoo	: Executive Committee Services

W.S.M.

**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
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PRESS

None

PUBLIC

I Fourie	: Office of the Auditor General
L Holland	: Office of the Auditor General
R Toefy	: CTICC
F Parker	: CTICC
M Thina	: CTICC
C du Preez	: Stellenbosch Municipality
R du Toit	: Stellenbosch Municipality
E Groenewald	: Stellenbosch Municipality
H Bergstedt	: Stellenbosch Municipality
Malcolm Johnson	:
Nicholas Haas	
Edward Cloete	

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**MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
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MPAC 01/02/14 OPENING

The Chairperson, Councillor S Mxolose, welcomed everyone to the meeting, especially the visitors from Stellenbosch Municipality, staff from the office of the Auditor General, staff from the Cape Town International Convention Centre (CTICC) and Mr Jansen from the Provincial government. He requested that a moment of silence be observed.

MPAC 02/02/14 APOLOGIES / LEAVE OF ABSENCE

Councillor Mxolose advised that apologies had been received from Messrs A Ebrahim, J Hugo, S Maqetuka, K Jacoby, Dr I Bromfield, Ms M Whitehead, Ms G Kaiser and Ms M Markram. He further advised that Councillors P Chapple and C Mhlanga had to attend a subcouncil meeting.

RESOLVED that;

- (a) it be noted that Councillor P Chapple had been granted leave of absence from the meeting by the Chief Whip;
- (b) it be noted that Messrs A Ebrahim, J Hugo, S Maqetuka, K Jacoby, Dr I Bromfield, Ms M Whitehead, Ms G Kaiser and Ms M Markram had submitted apologies for not being able to attend the meeting.

**MPAC 03/02/14 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON
7 FEBRUARY 2014**

RESOLVED that the minutes of the meeting held on 7 February 2014, be confirmed.

MPAC 04/02/14 MATTERS RECEIVING ATTENTION

(1) FULL SWING TRADING

Councillor B van Dalen was of the opinion that a pre-trial was not necessary. He voiced his concern that the matter had been dragging on for 6 years. Mr G Ras undertook to discuss the matter with the legal adviser, Ms A Markram, and report back to the Committee at the next meeting.

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RESOLVED that Mr G Ras discuss the delay of the finalisation of the Full Swing Trading case with Ms Markram and report back to the Committee at the next meeting.

ACTION: G RAS / A MARKRAM

(2) AFRICAN JEWELLERY CITY

Ms Markram had advised, via e-mail that the City's attorney had confirmed that he had received a notice of set down for an application for the Rescission of Judgement on 16 April 2014 in the Cape High Court.

RESOLVED that it be noted that the City's attorney had received a notice of set down for an application for the Rescission of Judgement on 16 April 2014 in the Cape High Court.

ACTION: A MARKRAM

**(3) CAPE TOWN INTERNATIONAL CONVENTION CENTRE:
2011/12 IRREGULAR EXPENDITURE: DEVIATIONS FROM
THE SUPPLY CHAIN MANAGEMENT REGULATIONS:
R2 709 957**

Councillor Diamond advised that Forensic Services was preparing a report and the sub-committee would meet as soon as the report was ready.

RESOLVED that it be noted that Forensic Services was preparing a report for consideration by the sub-committee.

ACTION: C MAURER / R TIPPOO

(4) FACILITY MANAGEMENT COMMITTEE POLICY

Mr G Bam advised that the policy was still being drafted.

RESOLVED that

- (a) it be noted that the Facility Management Committee Policy was still being drafted;
- (b) Community Services keep the Municipal Public Accounts Committee informed of any progress made with the formulation of the policy.

ACTION: L MTWAZI / G BAM

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**(5) SPORTING EVENTS AT THE STRAND BEACH FRONT AND
GORDON'S BAY**

RESOLVED that Councillor P Chapple report to the next Committee meeting on the events at the Strand beach front and Gordon's Bay during the 2011/12 financial year.

ACTION: CLLR P CHAPPLE / G BAM

**(6) LEASING OF COUNCIL PROPERTY FOR RECREATIONAL
PURPOSES**

Mr Bam advised that he was still awaiting information from Property Management.

RESOLVED that Mr Bam submit a report to the next Committee meeting.

ACTION: L MTWAZI, G BAM

MPAC 05/02/14

**2012/13 ANNUAL REPORT OF THE CITY'S MUNICIPAL ENTITY
(CTICC)**

----- A schedule of questions and answers, a copy of which is attached to the official minutes as annexure A, was tabled at the meeting and distributed to all the members of the Committee.

Councillor Diamond enquired what action would be taken to recover the amount of R1,5m owing by the African National Congress (ANC). Mr Toefy responded that all debt was dealt with in terms of the Debt Policy and outstanding amounts were very rarely written-off. He confirmed that the debt of the ANC would not be written off. Meetings had been held with the leadership of the ANC and arrangements had been made to pay off the debt. Only one or two payments had been received. The matter was now being pursued at provincial level. The CTICC was prepared to accept an amount R100 000 per month.

Mr Toefy advised that currently when anyone booked the CTICC for a function, they had to pay a deposit of 10% and the balance before the function was held. In the case of the ANC, payment was made by cheque, which later bounced. As a result the CTICC no longer accepted cheques.

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Councillor Khatshwa enquired whether any other political party owed money to the CTICC. He also asked whether there were international and national bodies that were indebted to the CTICC. Ms F Parker referred to page 8 of the schedule of questions and answers where it stated that monies were owed by AZAPO, the Vryheidsvrant, Cape Party and Cope. She said that these parties were indebted to the City but not to the CTICC. She said that there were other people defaulting to the ITCC. Mr Toefy said that there were international debtors but it was usual that they settled their debts within 90 days.

Councillor van Dalen requested that a monthly report be submitted to the Committee on the payments made by the ANC and the interest accrued. In response to an enquiry from Councillor Anstey as to why assets of the ANC had not been attached in other provinces, Mr Toefy advised that the CTICC was dealing with the ANC in the Western Cape.

RESOLVED that the Municipal Public Accounts Committee be advised on a monthly basis of all payments made by the African National Congress and the interest accrued on the outstanding debt.

ACTION: L MULLER

MPAC 06/02/14

2012/13 ANNUAL REPORT OF THE CITY OF CAPE TOWN

----- A schedule of questions and answers, a copy of which is attached to the official minutes as annexure B, was tabled at the meeting and distributed to all the members of the Committee.

Councillor Diamond enquired whether a report had been done on any savings which might be achieved if solar power was used extensively. Ms Ward advised that while a number of studies had been done, a report to Council had not been done. Councillor Diamond said that he would raise the matter at the Finance Portfolio Committee meeting.

With regard to the question on guesthouses and whether they received the benefit of a residential rebate, Councillor Anstey said that he had been advised at a subcouncil meeting that a residential rebate could not be removed. Ms C Walters advised that temporary departures were given for a period of 5 years and when that period expired, the Department had to keep checking whether the property reverted to ordinary residential use. Mr D Valentine advised that the data base was amended when a rezoning took

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place because that was of a permanent nature. Councillor Anstey voiced his concern that people were operating guest houses and boutique hotels in residential areas without the necessary permission. He asked what the City would be doing about removing the residential rebate in such cases where they were in actual fact running a business. Mr Valentine advised that that was a matter for investigation by the Valuations Department.

Councillor Anstey requested the time frames set by the Steering Committee to review aspects relating to providing security at municipal facilities. He also enquired whether an audit was done of the whole organisation. Ms Mayimele-Hashatse advised that the work of the Steering Committee was a continuous exercise and would continue for a long time. She further advised that the security staff at the Cape Town Civic Centre had been reduced by between 10% and 15%. She said that no mandate had been given to undertake an audit of the entire organisation and the delimitation of posts took place through the Mayoral Committee.

With regard to Contracted Services, Councillor Anstey enquired what had Finance and Tourism Events and Marketing spent R25m and R42m on respectively. Mr A Groenewald advised that R40m had been given to Cape Town Tourism. Mr Valentine undertook to provide the Committee with the details of the R25m spent by the Finance Directorate. Councillor Diamond requested an explanation for the amount of R234m spent by Community Services.

With regard to collection costs, Councillor Anstey noted that R9m had been spent by Finance. He enquired how much money had been collected. Mr Valentine advised that monthly reports were submitted to the Finance Committee. Mr L Rencontre advised that electricity vendors received 1c on each kilowatt sold and vendors were engaged on a tender basis.

Councillor Diamond requested a ledger spreadsheet of all payments made to sporting bodies and a breakdown of the R520 000 paid as grants and subsidies. He enquired when loans were given to sporting bodies and what process had been followed. He also wanted to know whether the organisations provided financial statements. He was concerned as to how the contracts were being managed. Mr G Ras advised that the City was tightening up the control mechanisms for all contracts.

Mr Bam advised that prior to the formation of the Unicity in 2000, local clubs could apply to the various municipalities for grants to upgrade the sporting facilities. Those loans had been issued by Corporate Finance and not the Sports and Recreation Department. Since 2000 all loans had been stopped. At present all sporting

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bodies that apply for grants have to provide financial statements. Once they are given a grant, they have to provide financial statements on how that money had been spent.

Mr Valentine undertook to provide a breakdown of the R520 000 issued as grants and subsidies.

Councillor Anstey said that his question which reads as follows had not been answered:

"Rentals of R57m. Can we have a summary of leases that the City is leasing broken down into offices, warehousing, retail space for public interaction, the annual cost and square meters."

Mr Valentine undertook to obtain the necessary information. Councillor Anstey said that all the directorates should have responded regarding his question on consultants and hiring charges.

Councillor Diamond enquired why subcouncils 9, 13 and 24 had underspent so drastically (subcouncil 9 – 22,3%, subcouncil 13 – 64,2% and subcouncil 24 – 42,9%). Mr G Ras undertook to investigate the matter and report to the Committee.

Councillor Makasi enquired whether the youth programme to stem gang violence was only conducted in Lavender Hill. Mr Bam advised that he would obtain details from the co-ordinators of youth programmes and how the various departments contributed to the cost of the programmes. Mr E Sass advised that Lavender Hill and Manenberg had been chosen for the pilot project and if it was successful, then the programme would be rolled out to other areas. Mr R Bosman advised that the Safety and Security Directorate held camps for children as part of their strategy to stem gang violence and he undertook to forward the schedule of camps to the Committee.

With regard to whether the City had achieved sustainability with the process of urbanisation, Ms A Kotzee advised as follows:

"The reply is based on the Environment (Built and Natural), Social, Economic and Resources.

Based on the current need expressed through Urbanisation taking place and establishing itself by way of the over-crowding in existing structures, growth in backyard structures being used for residential purposes and informal settlement developments, the City and also the state (RSA) cannot claim having achieved sustainability.

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Through planning and provision of housing opportunities, amenities and mix use development, the City is however achieving sustainability in varying degrees.

The backlog and need for housing, economic opportunities, social amenities and services far outstrip what can be provided by government to the poor all at once and are therefore addressed over time through various development programmes and plans while the City which is closest to the need, deliver on these within the means and resources available to do so.

The City consistently provide housing in an incremental way within the City by expending its (92%- 98%) HSDG and USDG DORA grant allocations on an annual basis

The City has a 5-year Human Settlements plan which is reviewed annually, aligned to the National Development plan and forms the Human Settlement chapter in the City IDP which is used to allocate budget to the pipeline of projects addressing urbanisation. The Built Environment Plan is also reviewed annually and drives the allocation and development of other uses also addressing sustainability into the future.

Environmental

Built environment and natural environment – products, technology and design are addressed in developments going forward while natural environment is strictly controlled and adhered to through legislation that has to be adhered to for all development proposals.

Social

Safety and Security issues are addressed through design and community participation in projects while all developments has to also provide as per criteria and standards in the requirement of social services sites linked to the specific development. Integrated development planning matters are addressed when plans are considered by Planning Departments

In general the USDG DORA grant is applied for by Departments responsible for provision of these amenities linked to housing projects

Economic

Economic growth is required to allow for the demand on state or government assisted developments to decrease as the need of the poor is larger than the resource government can provide.

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Resources

Resources are required such as land, human resource, materials and funding to address and create sustainability. The need not only in Cape Town, RSA but in many developing countries around the world is just not available to address sustainability immediately but is addressed in terms of long term plans as indicated above.

The City is however committed to improve on all above through its City Development strategy, IDP and various Directorate and departmental plans for development into the future."

RESOLVED that

- (a) the Valuations Department submit a report to the Committee meeting on what attempts are being made to ensure that properties being used as guesthouses and bed and breakfast accommodation are not receiving the residential rebate;
- (b) an explanation for the R25m and R234m spent by the Finance and Community Services Directorates respectively on contracted services be submitted to the Committee;
- (c) in view of the R183m collection costs, the Finance Directorate provide the Committee with the details of the amounts that was recovered;
- (d) a breakdown of the R520 000 issued as grants and subsidies to sporting bodies be submitted to the Committee;
- (e) a ledger spreadsheet depicting the movements in the receivables' balances for sporting bodies be forwarded to the Committee;
- (f) all directorates provide a summary of the properties that the City is leasing, broken down into offices, warehousing, retail space for public interaction, annual cost and square meters;
- (g) all directorates, except Finance, submit a report to the Committee on the amounts spent on consultants and hiring charges;
- (h) a report on the underspending of the Capital budget in subcouncils 9, 13 and 24 be submitted to the Committee;
- (i) Sport and Recreation submit a report on the youth programmes established to combat gang violence and how departments were contributing to these programmes;

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- (j) the Safety and Security directorate submit the schedule of youth camps to the Committee.

ACTION: ALL EXECUTIVE DIRECTORS

MPAC 07/02/14

**REPORT FROM THE AUDIT COMMITTEE OF THE CITY OF
CAPE TOWN ON THE CITY'S INTEGRATED ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

RESOLVED that the conclusion reached by the Audit Committee that *"The City's Integrated Annual Report adequately presents performance against all key commitments, represents financial management, but needs to continuously strive to be more inclusive of the collective City strategies"*, be noted.

ACTION: A MOOLMAN / G POSTINGS

MEETING ENDED AT 12:00



CHAIRPERSON: COUNCILLOR S MXOLOSE

7/03/2014

DATE

QUESTIONS ON THE 2012/13 ANNUAL REPORT OF THE CITY'S MUNICIPAL ENTITY AND ANSWERS PROVIDED BY THE FINANCE DIRECTORATE AND THE CTICC			
PAGE NO.	COUNCILLOR	QUESTION	EXECUTIVE DIRECTOR
120	S Diamond	Trade and Receivables 21,67% outstanding Who are the debtors and what are the plans to recover the debt?	K Jacoby
RESPONSE FROM CTICC <p>The 21.67% (R2.6m) of outstanding debtors referred to are all the debtors outstanding for 120 days as at the 2012/13 financial year end. 58% of this amount (R1.5m) relates to the amount owing by the ANC. The balance consists of other trade receivables (R725k) and trade payables with debit balances (R414k). The CTICC follows its Credit Control and Debt Collection Policy regarding the collection of all outstanding debt. Measures such as an interest charge on all accounts in arrears from 90 days are in place. The Debtor Age Analysis is reviewed on a monthly basis and defaulting debtors are handed over for collection where necessary.</p>			
	S Diamond	What are the plans of the CTICC to continue to drive the green convention centre approach and what has been done to date?	K Jacoby
RESPONSE FROM CTICC <p>The CTICC's values are entrenched in economic, social and environmental sustainability, and a commitment to innovate and bring positive change to the meetings and events industry. As such, the CTICC has taken great steps in sustainably responsible practices and reporting. The below outlines briefly some actions which have taken place in various areas of sustainability, with objectives for continuing to drive sustainability at the CTICC.</p> <p>a) Reporting and external assurance</p> <p>For the past three years the CTICC has been measuring and publicly reporting its sustainability activities. In 2013, this culminated in the CTICC's first Integrated Report, using the Global Reporting Initiative's (GRI) G3.1 reporting standard, for which it scored a B+ ranking. The centre has set the bar for sustainability reporting as it has become the first convention centre in the world to produce an integrated annual report, which is aligned to the Global Reporting Initiative (GRI) framework. The report has been externally assured against comprehensive stringent criteria that meet the highest standards for international organisational reporting. The GRI framework is based on material indicators which need to be disclosed and reported on year-on-year. Adherence to GRI standards ensures that the CTICC measures and improves its commitments continually.</p>			

The CTICC is prioritising a review of its GRI materiality indicators in order to improve its reporting standard and sustainability commitments. This comes in combination with the hiring of an in-house sustainability officer to assist with the coordination of sustainability at the CTICC. These combined factors should ensure continual improvements in the future.

Our goal to be the world leader in sustainability culminated in CTICC winning an industry award in 2013 for the best integrated annual report globally.

b) Establishment of NOW Team

The Nurture our World (NOW) Team was established to drive the implementation of sustainability principles and practices within the CTICC at an operational level, with representation from the various departments. Under the chairmanship and guidance of the General Manager: Operations, the NOW Team has grown from strength to strength over the past year and continues to provide invaluable input into the centre's environmental and social sustainability commitments and measurements.

A chief focus of the coming year is developing and carrying out initiatives on the NOW action plan, which spans all of the areas highlighted above and below, as well as raising general awareness through the promotion of environmental holidays and events.

c) Product innovation

In the past year, the CTICC's product offering was adapted to include and promote the sale of sustainable event products and services without these becoming a premium cost to customers or end-users. All conference and day packages now include sustainability elements.

Moving forward, the sales team plans to further develop and promote the sustainable elements around their events, along with green events training. This will ensure that an increasing amount of events will adhere to the CTICC's sustainability principles.

d) Transport Emissions Reductions

During the past financial year the CTICC installed additional bicycle racks in the basement parking area in a further effort to encourage the use of non-motorised transport. A bus stop was also installed right outside the CTICC building as part of the City of Cape Town's MyCiTi Integrated Rapid Transport (IRT) system that links key areas around the city centre. The first phase of the IRT feed-in system from the northern suburbs was also completed, while additional transport routes are envisaged for future links to the city centre. The centre undertook a transport survey amongst its staff to better understand their commuting needs and constraints.

Based on the input received from staff members, the CTICC will place additional focus on the development of its transport plan during the next financial year so that non-motorised transport, public transport and car sharing can be encouraged and facilitated.

e) Eco procurement

The CTICC remains steadfast in its commitment to entrench eco-procurement principles into its contracts and relationships with its product and service providers. At the moment, sustainability reports are included in the functionality criteria required for all CTICC tenders.

Going forward, CTICC procurement hopes to meet with the city to discuss their green procurement guidelines, as well as review the Service Level Agreements in order to include sustainability criteria.

f) Energy Efficiency

CTICC has a clearly defined energy saving target, which is set to a baseline of 2%. The process of upgrading the Building Management System (BMS) meant that manual operation was required during the implementation phase, and this led to higher energy consumption during the 2011/2012 financial year. The new BMS has, however, proven highly effective in terms of energy management and, coupled with ongoing BMS monitoring and servicing, energy retrofits, the installation of a new boiler, and cleaning of the air-conditioning coils, has resulted in steady electricity consumption savings. A total of 1 300 LED downlights (950 x 7 watt and 450 x 8 watt) were installed throughout the building in March 2013, replacing the 35 watt downlights that had previously added to higher energy consumption levels.

Ongoing staff awareness and the inclusion of energy efficiency practices in standard operating procedures have helped to further reduce overall energy consumption. Based on the utility bills for the reporting period, the CTICC used a total of 9.62 GWh (34 642.57 Gigajoules) of electricity in the 2012/2013 financial year.

g) Water

Some of the initiatives undertaken by the CTICC to conserve water in the 2012/2013 financial year included:

- The use of 'coil cleaner' instead of water to clean the air-conditioning coils;
- The use of signage encouraging water saving habits and practices in the CTICC kitchens and staff toilets;
- The installation of a replacement 4 500 litre boiler, replacing the former 5 000 litre unit.
- The planting of indigenous (waterwise) plants at the Heerengracht circle
- The installation of an on-site water filtration and bottling plant at the CTICC.

Over the past five years, the CTICC has achieved a 22% reduction in annual water usage. Based on a three-year period, this reduction increases to 32%. A sub-metering model was built around the existing metering system in the building with the 'pilot' phase incorporating 40 meters. Early indications are that sub-metering is highly effective in delivering significant energy savings and this has prompted the installation of a further 75 sub-meters.

Moving forward, the sub-meters are going to be used in order to gather even more accurate data, with the hope that water consumption can be reduced significantly in the years to come.

h) Waste

The majority of the CTICC's solid waste is generated in its kitchens and office block. In addition to this a large amount of waste is generated in the exhibition and banqueting areas. This is all managed internally and disposed of responsibly with the focus being firstly on reducing waste, and then recycling waste items such as paper, cardboard, glass, plastic and metals.

On-site recycling is a critical aspect of the waste management process at the CTICC, with separation into different recyclables for plastic, paper, cardboard, glass, metals and other recyclable items and waste to landfill. In the 2012/2013 financial year, the ratio of waste recycled to that sent to landfills improved marginally from 27% (in 2012) to 29%. All categories of recycling have improved in relation to waste sent to landfill.

With the continual improvement of the waste management system, coupled with staff awareness and a dedicated waste champions team, the CTICC hopes to reduce its amount going to landfill to 20% in 2014.

i) Carbon Emissions

The CTICC's carbon footprint measurement for the 2012/2013 financial year is based on the following main elements:

- Fuel consumption (scope 1)
- Electricity consumption (scope 2)
- Flights (scope 3)

Based on these parameters, the CTICC's total carbon footprint for 2012/2013 is estimated at 9 509.1 ton CO₂eq. This is 1417.6 ton CO₂eq less than the 10 926.6 ton CO₂eq of the previous financial year. The objective is to continually reduce the carbon footprint of the organisation.

As mentioned above, sustainability is embedded in the CTICC's core values and therefore it is of chief importance to continually innovate and improve in this area. In the future, the centre hopes to continually benchmark its progress through stringent sustainability reporting in the GRI Format and continue to lead the "green" convention centre movement.

	S Diamond	In terms of CSI how has the CTICC contributed to and will continue to help the citizens of Cape Town?	K Jacoby
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RESPONSE FROM CTICC

The CTICC takes an integrated approach to social sustainability, wherever possible linking its social and community upliftment projects to environmental and economic sustainability principles or initiatives. In this way, the centre ensures that its social sustainability interventions deliver maximum long-term positive impact for individuals and communities.

The CTICC's Corporate Social Responsibility (CSR) programme is built on the following four main

categories of community involvement.

a) Community Partners

The following four organisations have been selected as part of the centre's primary CSR programme: The Haven Night Shelter Welfare Organisation; The Foundation for Alcohol Related Research (FARR); Abalimi Bezekhaya; and the Mitchells Plain School of Skills.

These community partners were strategically chosen and support causes that the CTICC can directly influence and support. In this way, the CTICC is able to ensure that its community support makes a sustainable and significant difference rather than merely being once-off initiatives or handouts.

In the last financial year these community partners received support in various ways, such as learnership programmes for Mitchell's Plain School of Skills (MPSS), maintenance support at the Haven Night Shelter, and the provision of necessities and clothes to the homeless through the night shelter. FARR also received building material after the Cape Homemakers Expo, while the MPSS and the Haven Night Shelter received wood, for use in the construction of furniture, after the World Economic Forum.

In order to contribute to a sustainable economy the centre also regularly purchases its vegetables from the Abalimi Bezekhaya Harvest of Hope Project, a community food garden project.

For the centre's 10th birthday operations last year, each of the centre's four community partners received a donation of R 10 000 each to be used towards their respective causes.

As part of its commitment to making the CTICC accessible to the broader Cape Town Community, the CTICC offers a specialised reduced rate for Non-Governmental Organisations (NGO's).

b) Community Connection - Nurture Our World (NOW) Worthy Cause

As part of the CTICC's commitment to uplifting and assisting the communities in which it operates, the centre established the NOW Worthy Cause initiative. Employees are invited to nominate a worthy cause within their community that is positively impacting the lives of those around them. A donation of R1 000 is made to selected organisations on a monthly basis.

Since the establishment of the NOW worthy Cause, six organisations have received the financial donation of R1 000 each. These are:

- *The Lions Club of de Grendel* – To support projects through which food is delivered to needy families in the community. In addition to 11 families that are fed on a weekly basis, an extra 600 families are fed daily via volunteer-operated soup kitchens.
- *Edward Primary School* – This primary school in Elsies River provides education to grade R to 7 learners from less privileged communities. The donation went towards much-needed maintenance aimed at providing a healthy and safe learning environment.
- *Graceland Educare Centre in Khayelitsha* – The centre is involved in the development and care of children of different age groups from the community. This includes meals and

personal hygiene.

- *Madrassatus Shafiy* – This institution provides education to children from the local communities on various aspects of religion and also offers counselling to older people in need.
- *Put Foot Foundation* – The foundation gives young, under-privileged children "hope, pride and dignity" through the gift of a pair of brand new, 100% leather, South African-made school shoes.
- *Holy Cross Child & Youth Care Centre (Holy Cross Orphanage)* – The centre provides for the holistic development of the children admitted to its care. This includes looking after their physical, social, emotional, intellectual and spiritual development.

c) Organisational

A variety of charitable organisations and causes receive ad hoc support from the CTICC as part of its social sustainability activities. This support ranges from donations of equipment, furniture, technology, or food to re-usable items or materials left over after events (such as carpets or wood). Support can also take the form of procurement of goods or services from organisations with community-based benefits, such as buying baskets as corporate gifts from non-profit organisations.

In the past financial year, some of the beneficiaries included:

- Pinelands Primary School, which received magazines for their newspaper drive.
- Zeekoeivlei Primary, NCCC Church, Perivale Primary, Graceland Educare, Goodhope Christian Centre, De Vrije Zee Schools and Qaqambani Safety Home, who were all recipients of the carpeting that was removed from CTICC gallery.
- Smiling One Foundation that received 200m² of carpets removed from the CTICC's main gallery.
- Kids Positive, from which beaded lanyards were procured for the ICCA workshop held at the CTICC.

d) Urgent / Ad Hoc

Where possible, the CTICC provides support where there is an urgent social or community need.

This relates to local community disasters or other emergency support opportunities that may arise.

Initiatives implemented by the CTICC during the year under review included:

- Toiletries donated to the Saartjie Baartman Centre and Khayelitsha Old Age home.
- Participation in the Blisters for Bread Walk.
- Donation of clothes, sweets and educational toys as part of the Santa's Shoe Box project.
- Treating 400 kids with snacks, drinks and goodie bags at Boogie Wonderland.

- Having tea with the aged at the Presbyterian Home for the Aged.
- Provision of snacks and toys for QuaQuambane Green Point Kids Party.

The CTICC has always prided itself on its commitment to innovation and sustainability, and supporting the broader Cape Town community, both economically and socially. The CTICC hopes to provide support which is not only a monetary or physical contribution, but also something which is of chief need of the organisation in question.

In addition to increased communication with community partners, the centre will be placing an emphasis on measuring and tracking its monetary impact on the communities it serves in the future. A tracking system has been put in place to support organisations in a sustainable way through CSR guidelines. As the information of the various CSR initiatives that the CTICC has carried out become more accessible, the centre will be able to report comprehensively on the economic impact of its sustainable community initiatives.

	S Diamond	How many jobs will the new CTICC development create?	K Jacoby
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RESPONSE FROM CTICC

In the annual Economic Impact Assessment prepared by Strategic Economic Solutions, conducted in October 2013 most recently, it was shown that the CTICC had, after its first ten years of operation, contributed a cumulative R22.4 billion to the GDP of our country and sustained approximately 7 800 direct and indirect jobs annually.

With the expanded facility, the contribution to GDP is expected to increase from R3 billion to R5 billion by 2020. The amount of jobs sustained is projected to increase to approximately 10 000 by the same year.

The table below indicates the economic impact delivered over the first ten years of operation:

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
GDP	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	11.0
Jobs	100	100	100	100	100	100	100	100	100	100	100	1000
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The Economic Impact Assessment also estimated that the expansion would result in direct spending in Cape Town of R878m during the three years of construction, plus the creation of 1500 construction industry jobs.

	E Anstey	What stage is the legal process at with regard to the 1,56million debt owed by a political party to the Entity?	K Jacoby
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RESPONSE FROM FINANCE

The R 1.56 million debt owing by political parties is as follows:

- ANC – R 1 548 883
[CTICC to provide details]
- AZAPO – R 5 200
- VRYHEIDSVRONT – R 4 693
- CAPE PARTY – R 470
- COPE – R 187

Collection of the above four proceeding according to normal debt collection actions

RESPONSE FROM CTICC

We have exhausted our legal options. The Company obtained judgment against the ANC Western Cape for the full amount. The Sheriff of the Court could however not find sufficient assets to attach. The amount of the assets attached came to below fifteen thousand rand. We have subsequently met with the ANC Provincial Leadership and we had agreed a payment plan. They have, despite numerous requests for payment, defaulted on the payment plan. We have received a payment of R150 000 in February 2013. The Chairman of the Board has also written to the National Treasurer of the ANC, but received no response. The Board has now decided that the Chairman of the Audit Committee and CEO should meet with the ANC Provincial Leadership to try and resolve the matter. The ANC Provincial Treasurer has agreed to such a meeting and a date is yet to be set.

QUESTIONS SUBMITTED BY COUNCILLORS ON THE 2012/13 ANNUAL REPORT AND ANSWERS PROVIDED BY THE DIRECTORATES				
PAGE NO.	COUNCILLOR	QUESTION	EXECUTIVE DIRECTOR	
8 – 9	S Diamond	The highlights on pages 8 and 9 show an organization on top of its game. What approach will be taken so that we continue to meet and exceed our service delivery targets?	City Manager and all Executive Directors	
<p>RESPONSE FROM CITY MANAGER</p> <p>It is paramount that the City continues to exhibit the willingness and commitment to strive for excellence on an ongoing basis. This means that there is clearly no room for complacency.</p> <p>In essence it is all about responsiveness and more particularly the manner in which the City responds to issues including both its success and failures. In this regard, on-going performance monitoring at various levels within the Administration as well as the Political level is critical. The latter, coupled with meaningful remedial action or enhancement aimed at taking the City to the next level is what is required for this City to excel. This Administration is acutely aware of this.</p> <p>RESPONSE FROM FINANCE</p> <ul style="list-style-type: none"> ➤ The City will continue keeping its main focus on its Strategic Objectives, in line with the IDP. ➤ Will keep on monitoring the current results and will continually apply business improvement initiatives in all its systems and processes. ➤ Leadership skills displayed by Senior Management when driving these results have been fundamental, and will be applied continually. <p>RESPONSE FROM ECONOMIC & ENVIRONMENTAL SERVICES</p> <p>"Our SDBIPs reflect in most cases increasing targets that we aim to achieve, thus raising the bar on an ongoing basis. The IPM system is used to manage the achievement of the targets".</p> <p>RESPONSE FROM CORPORATE SERVICES</p> <p>Various interventions and projects are proposed within Corporate Services to ensure that we continue to enable the organisation to perform. Details of these can be found in the Directorate and business plans of the individual Departments.</p> <p>RESPONSE FROM SAFETY AND SECURITY</p> <p>The Directorates objectives are clearly set out in the City's IDP and we will continue to pursue these annually in an effort to not only maintain our current level of services but also to improve and refine them through ongoing interaction city wide as well as nationally and internationally.</p> <p>RESPONSE FROM COMMUNITY SERVICES</p> <p><u>City Parks</u></p> <p>Ensure that we keep up the maintenance standards in the Parks and Public Open Spaces.</p> <p>Conclude Service Level Agreements in areas where there are spaces that belong to other departments to ensure that they are managed accordingly.</p> <p>Roll out the concept of Community Gardens ownership where there are spaces that City Parks cannot manage.</p> <p>Conclude the rationalisation of spaces pilot project in Atlantis Area to roll it out further.</p> <p>Expand on the CPM (Community Parks Maintenance) Programme within areas to ensure that the community takes ownership of their spaces.</p> <p>Roll out the Smart Park concept to create quality Parks and Public Open Spaces.</p>				

Library & Information Services

Relevant service delivery targets are set in consultation with the various levels of staff which ensure greater buy-in towards the achievement of targets or even, in some instances, exceeding these targets on an annual basis. Continuous monitoring via PDRs, management meetings and 1-on-1s will also result in any deviations being timeously identified and acted upon. From a funding perspective, LIS will continue their engagement with Province with a view to securing additional funding (equitable share and conditional grant) towards the rendering of this service - maintenance of the libraries, library material collections, staffing, etc. Other sources of funding, e.g. USDG funding, will also be considered to assist with the upgrading/expansion of existing libraries, as this will enable better service delivery going forward. In terms of existing resources, focus will be placed on increasing efficiencies thus freeing up some resources that can be utilized better in support of service delivery. Lastly the Department will continue to focus on increasing its base of Friends and Volunteers as they provide invaluable assistance in terms of LIS' ability to maintain and increase service delivery.

Sport & Recreation

The department monitors service delivery on a monthly basis to sustain a good level of service.

RESPONSE FROM HEALTH

The City Health has embarked on creating more EPWP job opportunities to assist with the improvement of our services at the clinics. Request have been submitted to the Corporate EPWP office to have queue marshals employed to assist with channelling the patients to appropriate service points within our facilities and TB data clerks for capturing and maintenance of data of patients seen at our facilities, which will improve follow ups/ tracking of patients to ensure compliance with medication and follow up visits to the clinics.

One of the Municipal Health functions is monitoring of potable water (water for human consumption). Our Environmental Health Practitioners proactively monitor the water quality as part of routine sampling programmes and always responds immediately to alerts pertaining to potential and actual water pollution/ contamination incidents, in conjunction with our Water and Sanitation Services department and Scientific Laboratory Services to ensure that the City's potable water complies with National and International quality standards.

Our continual involvement and active participation in the transversal management structures, e.g. Informal Settlements and Urbanisation Working Groups, is one of the approaches that assist with the advice to the Water and Sanitation Services on health risks and gaps that pertain to inadequate and or lack of sanitation services, a valuable input that will continually assist the service departments to improve provision of sanitation services in both formal and informal settlements.

City Health subscribes to the well-run City pillar by ensuring that all the directorate's officials are informed of and implement good governance practices and comply with local government legislation and City's Policies, that will ensure that the City receives unqualified audit opinions from the Auditor-General. Services of the City's Internal Audit Unit and other relevant departments e.g. Supply Chain Management Unit, are consulted when needed and are always available to support and assist the directorate in this regard.

RESPONSE FROM TRANSPORT

The need for better forward planning and more accurate budgeting is being reinforced with all project managers in our capital project delivery departments and this should result in continued good spend levels.

The approach taken relating to passenger journeys undertaken on MyCiTi public transport is that of expanding the MyCiTi footprint to make the services accessible to more customers and provide these customers with ongoing service improvements.

	S Diamond	With the drive to encourage citizens of Cape Town to use solar power, has a report been completed to see what effect it will have on our revenue?	J Hugo K Jacoby
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RESPONSE FROM ECONOMIC ENVIRONMENT AND SPATIAL PLANNING

Funding was obtained from the French Development Agency which enabled an independent *Economic Analysis Study* of the solar water heater programme to be undertaken by expert consultants (Strategic Economic Solutions). This study produced a detailed assessment of the financial impact on the various stakeholders if SWHs were introduced at scale in the Cape Town metropolitan area with the effect modelled over a 20 year period. The financial stakeholders identified were the City Council, the domestic residents who installed the SWHs, Eskom and the installing Service Providers and Suppliers. The Study assessed the likely financial benefits or revenue reductions for each stakeholder group and brings the figures back to a current Net Present Value (NPV) for ease of comparison. In addition, there are macroeconomic benefits (with a total calculated NPV value of R7.7 Billion over a 10 year period) shown for the Gross Geographic Product (GGP) of the Western Cape using calculations for the growth in the supply and installation industry and assuming that local manufacture of the product (or at least major components) becomes viable as a direct result of the City intervention.

These findings have been discussed at EMT. The Energy Committee also received a presentation on the *Municipal Revenue Impacts of solar water heaters, energy efficiency and small scale embedded generation* paper (prepared by Sustainable Energy Africa for the AMEU Conference 2012 and presented by Andrew Janisch) and subsequently the same was presented by City staff and Andrew Janisch at the City's Finance Bosberaad in March 2013 at Spier. A dedicated report on this matter has not yet been to Council. Any (further) future negative impact on Electricity sales will be in addition to the current trend of reducing revenue, which has necessitated downward adjustment to estimated sales over recent financial periods. As an important revenue contributor to the City's Rates-funded services, the paired impact on the Electricity Service's contribution to Rates revenue should accordingly also be addressed in such report.

RESPONSE FROM FINANCE

The likely financial impact of the SWH programme over the medium to long term has not yet been quantified in a dedicated report. Any (further) future negative impact on Electricity sales will be in addition to the current trend of reducing revenue, which has necessitated downward adjustment to estimated sales over recent financial periods. As an important revenue contributor to the City's Rates-funded services, the paired impact on the Electricity service's contribution to Rates revenue should accordingly also be addressed in such report.

110	E Anstey	<p>Over the last few years there has been a substantial increase in the number of guest houses, B&Bs, boutique hotels in residential areas. These property owners are earning substantial income as can be seen by the value of the sale of these properties when amortized to rental income. It seems many of these properties are benefitting from the residential rebate.</p> <p>a) What attempts are being made to check that all these properties are not having the benefit of the residential rebate?</p> <p>b) What changes to any by- laws are being proposed to ensure that those operating in contravention of regulations are also not benefitting from the rebate while their zonings are in dispute?</p> <p>Residential rebate should be cancelled for any property showing signs of operating a guest house/hotel etc. of more than 3 rooms.</p>	J Hugo
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RESPONSE FROM ECONOMIC ENVIRONMENT AND SPATIAL PLANNING

The Rates Policy is very specific; all guesthouses are excluded from the definition of residential property. The reasoning is that this is a business. Further the Rates Policy defines a residential property as one where 60% or more is being used for residential purposes. The zoning is not taken into account when determining the rate category.

All the properties identified are visited and where the guesthouse or other non-residential use exceeds 40%, the category is changed to non-residential.

The rate category is not based on zoning and any such contraventions are dealt with in terms of the land use legislation.

111	E Anstey	<p>32% of the city expenditure is now in salary costs. This also excludes security which is outsourced. This is a substantial part of the budget.</p> <p>a) What internal controls are in place to monitor that all the posts are in fact necessary? Can posts be rationalized?</p> <p>b) Who is reviewing the security posts as there appears to be an abundance of security in some offices and many seem to be duplicated?</p>	T Mayimele-Hashatse	
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RESPONSE FROM CORPORATE SERVICES

The Systems Amendment Act places the responsibility to create and abolish posts with Council. Council has subsequently delegated this to the Executive Mayor together with the Mayoral Committee:

- a) Line departments are responsible for their staff establishment. Strict controls however imposed by Finance ensure that only funded posts are filled and if new posts are needed, these are funded through the abolishment of existing positions or via the budget. The Business Improvement unit within HR assists line department with business improvement interventions, when approached. The creation of a new position therefore, needs to be approved by Finance, line management, including the Executive Director, before being presented to the Executive Mayor for consideration.
- b) A corporate steering committee has been established to review various aspects relating to providing security at municipal facilities.

117	S Diamond J van der Merwe E Anstey	<p>Contracted Services R2,8 billion - Please provide a breakdown. What is the reason for the 28,2% increase in expenditure?</p>	K Jacoby	
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RESPONSE FROM FINANCE

See Annexure A attached

121	E Anstey	<p>Collection costs of R183million.</p> <p>a) Provide a breakdown of this expenditure and advise whether it is legal fees or collection agencies?</p> <p>b) What was the value collected/recovered?</p>	K Jacoby	
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RESPONSE FROM FINANCE See Annexure B attached				
135	P Chapple	Item 7: Long Term Receivables Please provide a breakdown	K Jacoby	
RESPONSE FROM FINANCE See Annexure C attached				
135	S Diamond / J van der Merwe	Sporting Body Loans What loans are still outstanding? What is the collection rate on these loans? What are the reasons for granting the loans? Do we still grant loans?	K Jacoby	
RESPONSE FROM FINANCE Outstanding loans: <ul style="list-style-type: none"> ➤ The average overall collection rate is 99.99%. Milnerton Squash Club is the only defaulter. ➤ Loans were granted to facilitate the development of sporting facilities. ➤ Sporting loans are no longer granted. 				
158	P Chapple S Diamond	Grants and Subsidies paid to Sporting bodies. Please provide a breakdown. Are conditions imposed when grants and subsidies are given to sporting bodies? Do they provide financial statements and are they checked?	L Mtwazi K Jacoby	
RESPONSE FROM COMMUNITY SERVICES Roles and responsibilities have been identified in the Maintenance Grant agreement which sporting bodies should adhere to. Financial statements are submitted.				
136	E Anstey	The outstanding debt from National and Provincial government. a) What % is overdue more than 60 days? b) What is the split between National and Provincial government.	K Jacoby	
RESPONSE FROM FINANCE As at 31 June 2013 the total debt outstanding was R104,7m 55% was overdue debt with the aging of 60 days and older. National government total debt outstanding: R18,5m Provincial government: R71,8m Disputed accounts: R14,4m				
137 140	E Anstey	The provision for impairment of rates for outstanding debtors over 365 days: a) Are these properties already tagged in event	K Jacoby	

		<p>of a sale?</p> <p>b) Are owners notified that they will not receive a rates clearance on sale of property?</p> <p>c) Are these outstanding rates ever collected on transfer of the property?</p> <p>d) Can we receive a breakdown of debt per sub-council?</p>		
<p>RESPONSE FROM FINANCE</p> <p>The rates debtors figure for debt over 365 days is R769m and the impairment thereof in the same amount.</p> <p>These debtors over 365 days are 100% impaired in terms of council policy and general accepted accounting practices.</p> <p>(Please refer to page 140 of the annual report.)</p> <p>a) The bulk of the debt written off is the debts associated with indigent properties and therefore are not tagged. However, where debt is written off as per some of the criteria as stipulated in item 9 of the Credit Control and Debt Collection Policy, for e.g.: "the debtor is untraceable or cannot be identified..." and then months/years later the missing debtor is found or applies for services, the debt written off will be reinstated. No refunds will be issued where debts were written off during the refund application process.</p> <p>b) Owners are notified via the transferring attorneys that Rates Clearance certificates will not be issued if there is outstanding debt on the property.</p> <p>c) Rates and services debt outstanding are collected during the Clearance Certificate application process.</p> <p>d) The breakdown is not possible; the City's Revenue system within SAP is structured around property owners, departments and services. Revenue's information is therefore not grouped by area and will be extremely complex, time consuming, costly and labour intensive to generate the financial information by any geographical area such as ward or sub council.</p>				
159	E Anstey S Diamond	<p>a) I am concerned by the continued high usage of consultants. Please provide a summary of payments made to consultants and the main purpose for consultants.</p> <p>b) I am concerned at the high cost of hire charges. What are we hiring repeatedly and not purchasing? Can we obtain a summary breakdown.</p> <p>c) Rentals of R57million. Can we have a summary of leases that the city is leasing broken down into offices, warehousing, retail space for public interaction, the annual cost and square meters.</p> <p>d) Other expenditure: this item is 22% of general expenses. Please supply a more detailed breakdown.</p>	K Jacoby	
<p>RESPONSE FROM FINANCE</p> <p>See Annexure D, E, F attached.</p>				
163	E Anstey S Diamond	<p>Electricity losses:</p> <p>A) What can be done to reduce the production losses, which has increased since last year?</p> <p>B) What further plans does the electricity department have to reduce the losses due to theft and vandalism?</p>	G Kaiser	

RESPONSE FROM UTILITY SERVICES

A] From a production point of view there is not much that can be done without investing heavily in our infrastructure. This is an assumed number of 6.5% as it is not possible to determine/measure.

B] The Budget Steering Committee has allowed the department from 1 July 2013 to appoint additional revenue protection staff. Another 6 teams will be deployed across the metro to increase our collection ratio and minimize losses.

Duties would include:

- a. Deterrence programs have centred on surprise off-cycle reading of large customer meters as a check against on-cycle reads, and saturation drives for high loss circuits wherein inspections are carried out at random and on a regular basis.
- b. The City has been able to reduce the level of non-technical losses by focussing on large customers and on illegal connection communities (close-knit villages).

Note: A common meter in connection with the transformer could be a temporary solution.

- c. For the large customer segment the City regularly employs the following approaches:

Off-cycle readings and analysis

Random inspection

Use of check meters

Elevated meters (sometimes with high voltage barriers)

Metal casings for meters

- d. For illegal connection communities the City has tackled non-technical losses with support from local officials. Local area officials have influence over the attitudes of local people and covers a range of activities designed to regularise electricity consumption:

The design and financing of load-side wiring to ensure that customers did not bypass the meter at the point of connection. Without knowing exactly the type of prepaid meters you are using, electronic meters can be equipped with tampering information systems to alert inspectors/utility.

Conduct information campaigns designed to educate customers on how to apply for legal electric service, and the impact of pilferage on the community and electricity rates. The electric shock risk to your health must also be mentioned.

163	E Anstey S Diamond Finance PC	Water losses Confirm any new steps being taken to reduce the water losses? / Reason for the decrease in water losses.	G Kaiser
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RESPONSE FROM UTILITY SERVICES

Steps planned to further support the reduction of water losses, include:

- a) Roll-out of Automated Meter Reading Installation to high users as well as industrial areas where aged meters are already earmarked to be replaced.
- b) In areas where pressure management has been implemented but the minimum night flows remain higher than expected, priority areas will be targeted for active leak detection and repair.
- c) Improved water network operations and control.

The decrease in water losses is a positive result of the continued successful implementation of various initiatives aimed at reducing water losses. These include:

- a) Integrated plumbing leak and meter repair programmes
- b) Replacement of old/faulty water meters
- c) Re-fixing/relocating of water meters
- d) Installations of Water Management Devices (WMDs)

e) Reduction of high pressure, minimum night flow for residential consumers (as a pressure management initiative) f) Replacement of old/leaking pipes g) Education programmes. (This includes training members of the public in informal settlements to identify and report leaks timeously.)				
153	S Diamond	Supply Chain Management	K Jacoby	
		What can be done to ensure that the City continues to ensure that SCM is fully aware of who they are transacting with?		
RESPONSE FROM FINANCE The City must ensure that the Vendor Database is not outsourced. We currently have our own database which we maintain in-house. The vendor database is integrated with the procurement system to ensure that we do not transact with suppliers who are not registered on our database or who are blocked. Should the City lose the real-time integration there is a risk of us transacting with a vendor who in fact should be blocked for transactions.				
165	E Anstey	The City paid R10m to SALGA: If the city is paying this large amount then we can assume that SALGA's budget is over a R100m p.a. Does the city have access to their Annual Financial Statements? If so, can the MPAC be circulated with a copy?	T Mayimele-Hashatse	
SALGA has provided the City with their Annual Report. This document has been e-mailed to all the members of MPAC.				
167	S Diamond	How do we check that tenders are not awarded to family of employees even though declarations are completed by employees?	K Jacoby	
RESPONSE FROM FINANCE The foundation of this question appears to be flawed. The City may in fact award tenders to family of employees, it is then declared as such in the financial statements (Regulation 45). Processes are in place to identify close family members of persons in the service of the state (City employees) by checking possible Identification Number (ID) correlation between the Vendor and Human Recourses (HR) databases. Vendors are marked with unique identification indicators to allow year end reporting to comply with Reg. 45. This same comparison of Vendor ID numbers with the City HR database, as well as comparison with data from Provincial Government, reveals instances where employees are shareholders of registered vendors. In these instances the vendor is marked accordingly on the vendor database (blocked) and precluded from transacting with the City. It is required of employees to be ethical and withdraw from any SCM process where their family member could benefit. All staff declaration forms are scrutinised by the SCM department and appropriate identification indicators are initiated on the vendor database when detected.				
	S Diamond	What plans have been put in place to ensure that CAPEX and OPEX spend remains at maximum levels?	All Executive Directors	

RESPONSE FROM FINANCE

While the Finance Directorate acknowledges its relatively small capex quantum, it believes that successful implementation of its Capital Budget projects is key to the contribution it makes to the City's financial sustainability and delivery of all of its services. Optimal implementation is achieved by regular monitoring and progressive "spend to date" presentations at departmental level, which is performed on a bi-weekly basis at management meetings. These monitoring actions complement the demand plan work which precedes the implementation effort during the financial period.

RESPONSE FROM CITY PARKS

- Weekly financial dashboard to monitor expenditure and address concerns pro-actively
- Pro-active engagements with PRC to get approvals of USDG funded projects
- Creation of an internal City Parks tender committee to pro-actively track and monitor tenders and create Departmental tenders
- Re-appointment of mowing contractors that defaulted on mowing tender
- Engagements with Planning Department to fast track projects that are subject to SPELLUM approval eg. Vaalfontein and Klip Cemeteries
- Development of a project planning unit to ensure that project planning is completed and we can roll out with project implementation

RESPONSE FROM SPORT AND RECREATION

The department developed the implementation process of its entire Capital and R&M budget prior to the commencement of the financial year. It further embarked on a course to identify, advertise and implement period tenders to accelerate implementation of projects. It has established a bi-weekly reporting process which tracks the full process from initiation to handover of projects and facilitates early detection of obstacles to be addressed. Where tenders close or quotations received are below budget balances are immediately actioned to ensure maximum output is achieved per project. Workshops have been held with staff to ensure an understanding of SCM processes and Standard Operating Procedure Manuals were developed to explain and rationalise the approach to RFQ procedures as well as the approval of Ward Allocations. The department has also held a number of informal meetings with SCM to support the development of understanding as well as building of relationships between the departments.

RESPONSE FROM COMPLIANCE & AUXILIARY SERVICES

1. Bi-weekly meetings with Directors with monthly and quarterly reviews of capital spend.
2. Early detection of blockages and or delays in implementation and take timeous remedial and corrective action.
3. Rigorous and realistic review of project status during the mid-year review and adjustments budget process.
4. Reallocate funds of poor performing projects to projects that can be implemented successfully within the current financial year.
5. Re-phasing projects to the ensuing financial year where implementation is extremely likely not to get off the ground in the current financial year.
6. Bringing projects forward into the current financial year that is ready for immediate implementation.

RESPONSE FROM ECONOMIC ENVIRONMENT AND SPATIAL PLANNING

Additional project management capability
 Paying close attention to demand management plans
 Prioritizing this for departmental project managers
 Early intervention where problems arise

RESPONSE FROM SAFETY AND SECURITY

Capital expenditure is being monitored on a weekly basis in my directorate per line item or project as approved. This will continue into the new financial year.

The progress with regard to tenders are also managed weekly and monitored as per the demand management plan.

RESPONSE FROM HEALTH

The Directorate is continually engaging with Project Managers and Consultants on progress and expediting of CAPEX spend. This is further coupled with constant follow-up with and monitoring on projects progress to ensure that the contractors supply a revised program of work; adhere to all the revised timelines and they submit their invoices for payment processing according to the work schedule progress.

The Directorate will ensure maximum spend on OPEX by constant monitoring and follow up with vendors to ensure that all invoices and payments are processed.

RESPONSE FROM HUMAN SETTLEMENTS

The Executive Director: Human Settlements has requested all his Directors to provide him with recovery plans as to how they would be spending their full capital and operating budget. Blockages in the spending of the budget have been identified and measures have been put in place in order to ensure that the budget would be spent. Furthermore, all directors have been requested to monitor their respective budgets on a weekly basis. The monitoring of the budget is also a standing item on the Directors' weekly meeting for discussion.

	Finance Portfolio Committee	What is the reason for the higher Capital spend in the 2012/13 financial year in comparison with the 2011/12 financial year?	All Executive Directors
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RESPONSE FROM FINANCE

The Finance % spend was largely determined and influenced by the projects of the Property Management department, of which final implementation success is always a function of property transaction variables such as terms / consideration determination, deeds / registration requirements, etc.

RESPONSE FROM CITY PARKS

- Appointment of a "planning unit" that assisted with pro-active project planning and fast track implementation
- Ensuring that project are on SCM demand plan to avoid delays with the tender processes
- Pro-active approval of USDG Funded projects

RESPONSE FROM SPORT AND RECREATION

The department had established an implementation cycle which employed temporary resources to commence the planning processes of projects during the last quarter of the previous financial year so that contracts could be awarded earlier. It further has a rolling cycle whereby major projects are implemented across two financial years by making appointments late in the previous year and expenditure continues as the project progresses. This facilitates early expenditure as well as freeing up resources later in the year to commence work on the next cycle.

RESPONSE FROM ECONOMIC ENVIRONMENT AND SPATIAL PLANNING

High priority political and administrative at executive levels
SCM demand management
SCM training of officials

RESPONSE FROM HEALTH

The City Health Directorate had a reduction of capital spend rate from 2011/2012 (96.4%) to 2012/13 (72%). The reasons for the low spend rate in the 2012/13 year are:

- Environmental Health Office in Khayelitsha was delayed due to community issues and protests; and construction industry strike.
- St Vincent Clinic upgrading project was hindered by site problems with the community and the Belhar Builders' Forum.
- Delft south extension of the Pharmacy was delayed by the risk evaluation of tenderers, and was further delayed by the successful tenderer who later declined to take up the contract after initially accepting it.

RESPONSE FROM HUMAN SETTLEMENTS

The reason for the higher spend is that the Directorate implemented the plans as described above (previous question) during the 2012/2013 financial year.

	S Diamond	What plans are in place to ensure that revenue collections remain high and possibly increase?	K Jacoby	
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RESPONSE FROM FINANCE

The City will continue performing the following Debt Management actions:

- The restriction of water (put onto a trickle) for residential debtors and the disconnection of water for businesses/commercial debtors,
- The disconnection of electricity supplies for all debtors;
- The blocking or limiting of purchasing of pre-paid electricity for other municipal debt owed;
- Adverse credit listing (black-listed);
- Handing over to attorneys for legal action, this could lead to a sale in execution of the property to recover the municipal debts.

Further to the above the City continues to improve the efficiency and effectiveness of our actions by:

- Enhancing the business processes through automation and streamlining of processes
- Two projects currently in place: The Debt Management business improvement process, the Rates Clearance Certificate and the Move In –Move Out automation process.
- Analysis of debtor payment/non-payment trends, economic and social factors and finding solutions to curb identified challenges.
- Analysis of legislative changes and court judgements.

	Safety and Security Portfolio Committee	What programmes have been established to stem gang violence and violence among youth?	L Mtwazi Z Mahlangu I Bromfield	
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RESPONSE FROM SPORT AND RECREATION

- The department has established more than 40 Recreation Hubs where daily activities contribute to keeping youth off the streets.
- The department also actively serves on the Anti-Gang Working group of the city.
- The Department is also proactively involved in youth leadership development.
- Also See attached programme initiated in Lavender Hill – Annexure G. Other youth programming developed at recreation hubs.

RESPONSE FROM CITY PARKS

- Creation of Community Gardens in Public Open Spaces where dumping has occurred.
- Development and Upgrading of Parks in the areas to improve the social environment.
- Clearing of Public Open Spaces where there are Alien Vegetation
- Employing of EPWP Workers to maintain the Public Open Spaces in these areas
- Employing of parolees in our cemeteries to perform their Community Services duty.

RESPONSE FROM SOCIAL DEVELOPMENT AND EARLY CHILDHOOD DEVELOPMENT

See Annexure H attached.

167.5	Finance Portfolio Committee	What is the reason for the 30,70% increase in <u>other</u> revenue from R1 456 976 000 to R1 975 718 000?	K Jacoby	
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RESPONSE FROM FINANCE The increased revenue is due to the recognition of a fair value adjustment of R395 million on an AFD loan taken up at a favourable interest rate. This is due to the difference between such favourable rate and the market over the repayment term of the loan.				
167.6	Finance Portfolio Committee	What is the reason for the higher net operating surplus of R643,93 million against the budget of R300,11 million?	K Jacoby	
RESPONSE FROM FINANCE The increase in the net operating surplus was mainly due to the recognition of the fair value adjustment of R395 million of the AFD loan, which the City would otherwise have incurred a surplus below budget of R243 million.				
167.7	Finance Portfolio Committee	What is the reason for the lower operating surplus of Utilities for the 2012/13 financial year? (Budgeted R271 899 million vs Actual R40 133 million).	K Jacoby G Kaiser	
RESPONSE FROM FINANCE The lower operating surplus is the result of the under-recovery of service charges being Electricity – R243 million, Water – R100 million and Refuse – R37 million, with a corresponding bulk purchase saving in electricity of R77 million and Water – R41 million. The net shortfall in the surplus was R262 million.				
RESPONSE FROM UTILITY SERVICES Main reasons: <p>Higher than budgeted expenditure on:</p> <ul style="list-style-type: none"> a) Provision for Post-Retirement Medical Aid (based on actuarial calculations) b) Depreciation c) Security Services (to protect W&S assets) d) Repairs and Maintenance (Contracted Services) <p>Lower than budgeted revenue on:</p> <ul style="list-style-type: none"> e) Service Charges (Volumes lower as a result of the wet weather) f) Interest on Arrears (Per decision taken by Council to write-off interest on arrears for the indigent and not raising such on same accounts going forward) 				
	Finance Portfolio Committee	What was the percentage of Capital Expenditure per sub-council in comparison with the 2011/12 financial year?	K Jacoby	
RESPONSE FROM FINANCE See Annexure I attached				
	Finance Portfolio Committee	What was the percentage of Operating Expenditure per sub-council in comparison with the 2011/12 financial year?	K Jacoby	

RESPONSE FROM FINANCE

Due to system functionality and the nature of the Operating Budget we do not budget per geographically area.

167.10	Finance Portfolio Committee	What is the reason for lower Government Grants and Subsidies? – operating (2012/13: R1 979 759 vs 2011/12: R2 152 805)	K Jacoby
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RESPONSE FROM FINANCE

The detail in the question is incorrect. The 2012/13 actual is R1 979 795 (2012/13 budget R2 152 805) vs. the 2011/12 actual of R1 626 991. This implies that there was an increase in the operating grants.

	2013		2012	2011/12
	Actual R'000	Budget R'000	Actual R'000	Budget R'000
Revenue				
Property rates	5 159 663	5 161 136	4 706 641	9,63
Service charges	13 242 118	13 617 190	12 112 824	9,32
Government grants and subsidies – operating	1 979 795	2 152 805	1 626 991	21,68
Fuel levy	1 706 690	1 706 690	1 637 276	4,24
Other	1 975 718	1 456 978	1 511 683	30,70
	24 063 984	24 094 799	21 595 475	11,43

	Economic, Environment and Spatial Planning PC	Has the City achieved sustainability with the process of urbanisation?	J Hugo S Maqetuka
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RESPONSE FROM ECONOMIC ENVIRONMENT AND SPATIAL PLANNING

There are three legs to sustainability:

- Financial
- Social
- Environmental

Clearly no fast growing City in South Africa or any other developing country would be able to claim sustainability in all three norms when it comes to urbanisation.

RESPONSE FROM HUMAN SETTLEMENTS

The Human Settlements Directorate cannot claim having achieved sustainability in the process of urbanisation, but is able to advise of varying degrees of success towards sustainability.

In discussing sustainable Urbanisation, a number of sub-topics arise, viz.: Social, Economic, Environmental, Cultural and Political. Human Settlements wishes to comment on the impact on the Environmental, Social and Economic aspects.

ENVIRONMENTAL

- a) **Built:** by virtue of building/developing different products of high quality, this causes a long life-span with the least maintenance required. This includes the incorporation of

green technology applications e.g. installation of solar geysers, the use of natural material, installation of water-saving devices and installation of ceilings (not done before) etc.

All BNG houses enrolled with National Home Builder Registration Council to ensure the building of quality houses and protection of consumers. The new Housing Subsidy amount provides for energy efficient devices.

The Human Settlements Directorate in partnership with EESP has initiated a retrofitting ceiling project that is funded by the Energy Fund and Human Settlements.

- b) **Natural:** Further with respect to appropriate design: orientation of buildings (maximising on natural light) and the incorporation of quality open spaces (parks, etc.). All housing project undergo Environmental Impact Study before implementation.

Sustainability is caused by virtue of using lesser footprint (land) in reducing plot sizes and building to higher heights in multi-storey applications. Further, moving/relocating people to housing opportunities, the environment from where they hailed can be improved and rehabilitated (e.g. abutting vleis, rivers, bio-diverse areas, etc.).

SOCIAL

Sustainability is achieved by virtue of the design of effective street lighting and quality open spaces, contributing towards the safety and well-being of residents. The interventions from the Built Environment perspective, when moving people, increase their quality of life. Further, the resultant security of tenure ensures that people have a sense of belonging (dignity) and gives access to financial and other institutions by virtue of having a fixed address.

When we do developments, we try to keep them as close to the existing location. The catchment is from people in the surrounds to prevent the disruption of existing social, cultural and other possible networks and livelihoods.

ANNEXURE A

Question 167

What was the percentage of Operating Expenditure per sub-council in comparison with the 2011/12 financial year? Due to system functionality and the nature of the Operating Budget we do not budget per geographically area.

Question 117 : Contracted Services R 2.8 billion (2012/13)

The table below gives a breakdown of Contracted Services per Service/ Cost Element.

Breakdown of Contracted Services per Service for 2012/13:						
	TOTAL	Contracted Services	Contracted Services : EPWP	Contracted Services : Rep Maint	Contract Service Providers ex Payroll	Labour Brokers
Utility Support	930 050	672 758	0	38 976	0	218 317
Solid Waste - Collections	133 989 167	122 180 534	0	83 924	0	11 724 709
Solid Waste - Disposal	78 273 145	70 362 181	0	7 741 916	0	169 047
Solid Waste - Rates	358 060 626	215 155 444	21 966 910	75 155 077	20 448 812	25 334 383
Water and Sanitation	549 133 185	208 085 674	20 294 162	305 638 652	3 273 235	11 841 462
Electricity	135 465 562	29 631 672	0	104 415 949	768 911	649 031
Health	23 483 894	581 593	4 597 218	11 879 613	1 754 117	4 671 353
City Manager	14 100 855	13 682 752	53 385	56 946	196 318	111 454
Community Services	234 261 601	4 910 793	15 929 891	199 439 837	4 521 364	9 459 717
Compliance and Auxiliary Service	43 487 905	32 384 654	6 107 656	1 544 221	2 395 505	1 035 869
Corporate Services	264 476 858	100 281 127	507 404	158 227 718	3 135 041	2 325 367
EESP	69 621 947	65 307 142	11 500	3 258 294	133	1 044 879
Finance	25 480 924	7 659 423	0	11 574 324	992 408	5 254 769
Human Settlements	209 615 719	171 904 774	1 990 948	33 682 545	1 837 974	199 478
Safety and Security	22 355 024	846 091	2 035 469	18 780 226	204 219	489 019
Social and Early Childhood Dev	26 388 948	10 806 144	12 856 876	1 355 204	329 708	1 041 015
TEAM	42 330 093	33 592 156	1 221 195	7 220 421	203	296 118
Transport for Cape Town	594 387 906	211 043 606	1 303 560	375 893 099	41 199	6 106 442
TOTAL	2 825 823 212	1 299 088 520	88 876 174	1 315 986 941	39 899 148	81 972 430

The growth on Contracted Services can be attributed to the following:

- Higher than CPI growth and increased allocations to address backlogs on Repairs and Maintenance.
- Increased allocation related to the EPWP projects and labour brokers.

ANNEXURE B

Question 121 : Collection Costs R 183 million (2012/13)

Breakdown of Collection Costs per Service for 2012/13:				
	TOTAL	Collection Fees	Commissions	Commission-Revenue Sharing
Finance	43 614 638	9 190 978	34 423 660	
Human Settlements	17 042 172	17 042 172		
Water and Sanitation	1 348 683		1 348 683	
Electricity	65 175 352		65 175 352	
Safety and Security	55 666 613		142 581	55 524 032
Transport for Cape Town	173 811		173 811	
TOTAL	183 021 269	26 233 149	101 264 087	55 524 032

Comments:

1) Finance:

R9 million on Collection fees is the payment made towards attorneys for accounts handed over for recovery of the outstanding debt.

R34 million on Commissions is the payments made towards third party collectors (such as Pick n Pay, Shoprite, etc) for the payment of municipal accounts, traffic fines, etc. at these vendors. Revenue collected was R 2.8 billion.

2) Electricity:

R65 million on Commission is payments made towards the 180+ vendors selling pre-paid electricity. They are paid in cents per kWh sold and are responsible for almost the total amount of R 2 735 929 000 received for pre-paid electricity sales.

3) Safety and Security:

R55 million on Commission-Revenue Sharing is the commissions paid to the third party which relates to the Traffic Fines issued and paid to the value of R 95 million.

4) Human Settlements:

R17 million on Collection Fees related to the collection of outstanding housing debt. Of this an amount of R 2 million is for Attorney Fees and R15 million is for services delivered by Trace Online. The additional cash collected as a result of the "Door-to-Door " Project and the enhanced Debt management Programme was an amount of R 21.5 million. In addition to the additional cash collected, there was also other "value-added" services by the Door-to-Door Collectors, such as update/verifying of Debtor Data, Completion of Grant Forms, etc. These "benefits" cannot be put into a direct monetary value, but it adds to a better and more updated and cleaner database of debtors.

Page Number 135 : P CHAPPLE

BREAKDOWN OF LONG-TERM RECEIVABLES**Sporting Bodies**

GL44900	<u>Organisation</u>	<u>Capital Balance</u>
820300007	MILNERTON BOWLING CLUB	874.43
820300021	LILLIPUT NURSERY SCHOOL	4,089.01
820300044	MILNERTON SQUASH CLUB	2,526.16
820300051	MILNERTON SQUASH CLUB	1,315.16
820300067	CAPE HANDLERS DOG CLUB	4,239.89
820300074	BLOUBERGRANT PRE-PRIMERE	142,150.86
820300081	LILLIPUT NURSERY SCHOOL	11,912.46
820300097	MILNERTON NURSERY SCHOOL	1,531.02
820300103	MILNERTON NURSERY SCHOOL	36,881.26
820300133	MILNERTON PLAYERS	5,856.54
820300163	GIRL GUIDES ASSOCIATION	2,263.87
820300186	MILNERTON RUGBY CLUB	1,824.37
820300275	KUILSRIVIER GHOLF KLUB	356,563.80
820300282	KUILSRIVIER GHOLF KLUB	54,469.46
820300298	KUILSRIVIER GHOLF KLUB	337,191.62
820300357	LLANDUDNO SPORTS CLUB	64,841.03
820300364	SIMONSTOWN COUNTRY CLUB	4,884.26
Balance	30 June 2013	1,033,415.22

Housing Land Sales

Khayelitsha Community TrustR 946,860.67

Public Organisations

Organisation	<u>Capital Balance</u>
	<u>30 June 2013</u>
Jireh Community	399,892.54
Anne Toddlers	371,817.26
CAFDA	218,475.72
LOFOB	27,322.82
AGS Welsyn - Vue Du Cap	1,490,629.22
Orion	1,014,371.21
ACVV Huis Jan Swart	356,369.79
ACVV Versorgingsoord &	175,584.65

Gemeenskapsentrum	
Cape Mental Health Socety	51,825.80
Cheshire Homes	1,884.40
Cheshire Homes	259,770.95
Cheshire Homes	7,542.46
National War Memorial Health Foundation	104,565.03
National War Memorial Health Foundation	27,923.31
Mitchell's Plain Foundation	179,122.36
The Salvation Army	33,691.98
The Salvation Army	81,992.73
SHAWCO	72,216.49
Chris Steytler	599,587.43
Dulcie Howes	7,420.04
Alta Du Toit	699,626.23
Teddington	535,102.67
Oasis Goodwood	252,744.18
Oasis	96,391.87
Rawel	283,188.51
Belhar Pre School	28,863.22
Belhar Pre School	3,440.16
Belhar Pre School	95,784.22
Skierelandsse Diakonale Dienste	10,943.27
Skierelandsse Diakonale Dienste	765.26
SANTA	5,756.56
National War Memorial Health Foundation	1,265.71
National War Memorial Health Foundation	77,050.21
National War Memorial Health Foundation	1,593.26
W/Province Baptist Women's Society	78,096.72
Anne's Toddler & Welfare Centre	18,964.10
Total	7,671,582.34

Housing Selling Debtors

(+- 30,000 contract accounts)

Department	Cost Centre	Manager	Section	Actual spend	Planned spend	Comments
Property Management	19050002	M Sims	Special projects	43 048	248 000	Funds were used for conditional assessment of Strand Concourse.
Property Management	19050014	A Human	Immovable property planning	0	8 800	CTICC expansion project
Property Management	19050010	A Parker	Property intelligence	323 925	522 000	Land survey - Valuation and enviromental services work.
Property Management	19050011	A Human	Property development	1 483 148	1 686 481	CTICC expansion project \ Melkbos CBD engineering study.
Property Management	19050003	A Parker	Property intelligence	293 548	150 000	Survey Services - subdivisions and servitudes
Property Management	19050012	R Geldebloem	Office of Director	19 651		Psychometric assessments
Supply Chain Management	15060001	P de Vries	Support	913 634	1 327 454	Consultans for various functions to cater for staff capacity shortages in the SCM department
Supply Chain Management	15060006	I Binderman	Tenders and Contracts	1 396		Consultans for various functions to cater for staff capacity shortages in the SCM department
Supply Chain Management	15060003	I Binderman	Suppliers Management	55 298	176 674	For the execution of background checks on prospective providers (due diligence)
Expenditure	15030001	M Moloi	Payrol	-229 185		Special Projects (EPWP) : GRN Reversal
Expenditure	15120003	M Moloi	Payrol	23 757	32 364	Special Projects (EPWP)
Leasury	15020001	D Valetine	Management	8 510	45 466	Emotional intelligence testing, writtern testing
Leasury	15020002	P lakay	Accounting		169 869	funds not used
Revenue				192		
				R 2 936 922	R 4 367 108	

ANNEXURE E

Finance Directorate Hire Chargers 2012\13

Cost Elements	Depart.	Cost Centre	Manager	Section	Actual spend	Planned spend	Comments
412350 Hire Charges	Revenue	15040001		Support Serv	63 092	76 003	Hire PA system
412350 Hire Charges	Revenue	15040003		Cash Man	8 128	10 858	Transport/Locksmith
412350 Hire Charges	Revenue	15040005		MVR	17 722	4 886	Transportation of equipment
412350 Hire Charges	Revenue	15040015		Account Interface	2 494	7 600	Moving of safe from Brackenfell
412350 Hire Charges	Revenue	15040002		Billing	0	10 858	
412350 Hire Charges	Revenue	15040007		Master Data	0	23 887	
412350 Hire Charges	Revenue	15040014		Business Processes	1 844	54 288	Moved Equipment
412350 Hire Charges	Revenue	15040009		Special Acc	0	3 257	
412350 Hire Charges	Revenue	15040019		Debt Mang	0	21 715	
412350 Hire Charges	Property	19050003		Prop Intell: GIS	215	100	Locksmith
412350 Hire Charges	SCM	15060001		SCM Mang	0	2 067	
412350 Hire Charges	SCM	15060002		Procurement	0	7 950	
412350 Hire Charges	SCM	15060004		Inv & Stores	2 688	14 172	Moved furniture/Transport
412350 Hire Charges	Treasury	15110003		Ins Claims Mngt	0	12 541	
					96 182	250 183	

OTHER EXPENDITURE (As included under General Expenses)	
Cost Element Description	2012/13 Actuals
Admin Auto Card	1 929
Advertising	39 924 639
Auditing Services	351 823
Auditor Remuneration	14 560 425
Bank Charg & Serv	6 495 650
Books Perio & Subsc	2 107 487
Burials	1 029 689
Catering Services	16 658 764
Cleaning Costs	62 095 886
Cleansing : Litter	1 811 168
Cleansing Related Co	664 972
Gifts	171 109
Conf & Sem - Nat	2 100 745
Conf & Sem - Interna	123 553
Cutlery Non Vat	453 097
Deeds and Transfers	1 053 975
Demolitions	53 500
Dis(re)connections	2 153 124
Entertainment	9 704 119
Fair Value Adjust	208 617
Fire Services	4 358 677
Food & Beverages	15 037 782
Hygiene Services	2 113 731
Investm Mngt Fee	5 580 680
Informal Settlements	3 434 490
Insurance : Non GIF	14 875 809
Insurance Claims	2 477
Interest Other	3 524 730
IRT Compensation	-3 440 584
Land & Bldgs (Capex)	-13 719
Laundry	486 813
Lease Rentals	5 423 476
Levies & Fees	228 074
Levy: Barg Council	1 818 219
Management Fee Paid	8 401 233
Med Hea Serv & Sup	3 984 482
Memb Fees: Prof	12 034 651
Misc Non-Vat Expense	3 078 267
Occ Health & Safety	540 090
Oil, Gas, Lub & Coal	8 360 972
Plant/Eqm (Capex)	455 379
Pers/Recr Costs	1 084 942
Nutrition - Milk For	7 785 684
Pest Control	4 585 770
Plants & Gardening	81 982 189
Projects	3 168 984
Housing PHP payments	143 432 064
Public Functions	5 566 414
Rates	331 180
Rehab of Landfill	2 162 368
Rehab Landfill Contr	-2 162 368
Rehab of Closed Land	757 900
Recr Toursm & Social	18 153 468
Refreshments & Teas	11 815 933

Refunds Paid : Prior	4 106 335
Relocation Costs	1 265 736
Reward Incentives	153 908
Scrapping of Assets	3 776 722
Service Connections	29 427 363
Signage	7 009 748
Small Differences	180
Subsidy : Home Redem	16 485 315
Survey Expenses	3 571 435
Test, Sample&Monitor	36 323 930
Transformation	8 944
Travel & Subsis: Vat	19 391 165
Travel&Subsis:NonVat	4 551 523
Unif & Protec Cloth	51 786 297
Vaccines	57 547 092
Valuation Expenses	7 496 539
Veterinary Services	584 979
Vat Claim Capex	380
Water Purchases	250 761
Wayleaves and Splays	34 158
Medical Expenses	9 328 467
Claim Med Exp Rec	-2 803 526
Pensions	7 262 524
Permanent Disability	1 380 807
Sundry	901 506

896

From: Carien Stegmann
Sent: 03 February 2014 11:30 AM
To: Wadiah Bedford
Cc: Trevor B Mitchell
Subject: Lavender Hill programmes

Lavender Hill Community School and Church / Lavender Hill							
03-Dec-13	10:00 - 15:00	Lavender Hill Com	Lifeskills - enabling upliftment	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
04-Dec-13	10:00 - 15:00	Lavender Hill Com	Lifeskills ; enhance yourself	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
05-Dec-13	10:00 - 15:00	Lavender Hill Com	Lifeskills- we are beautiful	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
05-Dec-13	10:00 - 15:00	Lavender Hill Com	Colour In Competition	68	18	SRA	Carlen Stegmann
06-Dec-13	10:00 - 15:00	Lavender Hill Com	Movie & Popcorn	68	18	SRA	Carlen Stegmann
06-Dec-13	10:00 - 15:00	Lavender Hill Com	Lifeskills - self esteem	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
06-Dec-13	10:00 - 15:00	Lavender Hill Com	Learn To Swim	68	18	SRA	Carlen Stegmann
09-Dec-13	10:00 - 15:00	Lavender Hill Com	5 Aside Sport	68	18	SRA	Carlen Stegmann
09-Dec-13	10:00 - 15:00	Lavender Hill Com	World Aids Day	68	18	Health	Ann Albrecht/Heidie van Wyk
09-Dec-13	10:00 - 15:00	Lavender Hill Com	Life skills - Focus on teenagers	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
10-Dec-13	10:00 - 15:00	Lavender Hill Com	Life skills - Emphasize your features and do away with negative	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
10-Dec-13	10:00 - 15:00	Lavender Hill Com	InStep 4 Life Challenge	68	18	SRA	Carlen Stegmann

11-Dec-13	10:00 - 15:00	Lavender Hill Com	Arts & Craft Session: make my own ...	68	18	SRA	Carlen Stegmann
11-Dec-13	10:00 - 15:00	Lavender Hill Com	Teenage Pregnancy	68	18	Health	Ann Albrecht/Heidie van Wyk
11-Dec-13	10:00 - 15:00	Lavender Hill Com	Lifeskills ; enhance yourself	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
12-Dec-13	10:00 - 15:00	Lavender Hill Com	Life Skills - hair care	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
12-Dec-13	10:00 - 15:00	Lavender Hill Com	Board Games	68	18	SRA	Carlen Stegmann
12-Dec-13	10:00 - 15:00	Lavender Hill Com	Life Skills - Know yourself	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
13-Dec-13	10:00 - 15:00	Lavender Hill Com	Movie & Popcorn	68	18	SRA	Carlen Stegmann
06-Dec-13	10:00 - 15:00	Lavender Hill Com	Learn To Swim	68	18	SRA	Carlen Stegmann
13-Dec-13	10:00 - 15:00	Lavender Hill Com	Drugs - motivational	68	18	Health	Ann Albrecht/Heidie van Wyk
16-Dec-13	10:00 - 15:00	Lavender Hill Com	Lifeskills - Self esteem	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
17-Dec-13	10:00 - 15:00	Lavender Hill Com	Seniors Wellness - Blood pressure	68	18	Health	Ann Albrecht/Heidie van Wyk
17-Dec-13	10:00 - 15:00	Lavender Hill Com	Life skills - Focus on teenagers	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
18-Dec-13	10:00 - 15:00	Lavender Hill Com	Giving Day	68	18	SRA	Carlen Stegmann
18-Dec-13	10:00 - 15:00	Lavender Hill Com	Lifeskills - enabling upliftment	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
19-Dec-13	10:00 - 15:00	Lavender Hill Com	Nutrition Day	68	18	Health	Ann Albrecht/Heidie van Wyk
19-Dec-13	10:00 - 15:00	Lavender Hill Com	Life-skills Emphasize your features and do away with negative	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
20-Dec-13	10:00 - 15:00	Lavender Hill Com	Movie & Popcorn	68	18	SRA	Carlen Stegmann
20-Dec-13	10:00 - 15:00	Lavender Hill Com	Talent competition	68	18	Social Development/ECD	Bonita Stroeble/Chantal

							Adams
20-Dec-13	10:00 - 15:00	Lavender Hill Com	Learn To Swim	68	18	SRA	Carlen Stegmann
02-Jan-14	09:30 - 12:30	Lavender Hill Com	Drumming 4	68	18	Afriworld Business Solutions	Carlen Stegmann
02-Jan-14	13:30 - 16:30	Lavender Hill Com	Marimba Music 4	68	18	Afriworld Business Solutions	Carlen Stegmann
06-Jan-14	10:00 - 15:00	Lavender Hill Com	5 Aside Sport	68	18	SRA	Carlen Stegmann
06-Jan-14	10:00 - 15:00	Lavender Hill Com	Lifeskills - enabling upliftment	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
07-Jan-14	10:00 - 15:00	Lavender Hill Com	Colour In Competition	68	18	SRA	Carlen Stegmann
07-Jan-14	10:00 - 15:00	Lavender Hill Com	Life skills - Focus on teenagers	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
08-Jan-14	09:30 - 12:30	Lavender Hill Com	Hip hop 3	68	18	Afriworld Business Solutions	Carlen Stegmann
08-Jan-14	13:30 - 16:30	Lavender Hill Com	Capoeira 3	68	18	Afriworld Business Solutions	Carlen Stegmann
08-Jan-14	10:00 - 15:00	Lavender Hill Com	Metrol Rail excursion	68	18	SRA	Carlen Stegmann
08-Jan-14	10:00 - 15:00	Lavender Hill Com	Life-skills Emphasize your features and do away with negative	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
09-Jan-14	10:00 - 15:00	Lavender Hill Com	Board Games	68	18	SRA	Carlen Stegmann
09-Jan-14	10:00 - 15:00	Lavender Hill Com	Life skills - know yourself	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
10-Jan-14	10:00 - 15:00	Lavender Hill Com	Movie & Popcorn	68	18	SRA	Carlen Stegmann
10-Jan-14	10:00 - 15:00	Lavender Hill Com	Talent competition	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams
13 - 14 Jan 2014	10:00 - 15:00	Lavender Hill Com	Back To School Drive	68	18	SRA	Carlen Stegmann
13 - 14 Jan 2014	10:00 - 15:00	Lavender Hill Com	Back To School Drive	68	18	Social Development/ECD	Bonita Stroeble/Chantal Adams

District: 2.1

Facility: Lavender
Hill

Date:

Time	Monday	Tuesday	Wednesday	Thursday	Friday	Sat
08:00						
08:30						
09:00		SENIORS PROGRAMME		PHYSICALLY CHALLENGE		
09:30						
10:00						
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21:00						
21:30						
22:00						

Good Day

Please find attached the usage as per City programmes at the Lavender Hill facility.

The top programme was focussed on the mayoral project – ended 15 January. The bottom one is our own recreational programmes.

Carlen Stegmann
Principal Facility Officer
Mulzenberg, Area 2.1
Email Carlen.Stegmann@capetown.gov.za
Tel. 021 7881929 / 0845639058
Fax 021 7883697
Fax to Mail 086 5149766



City of Cape Town
 Facilities Management

Response to MPAC

February 2014

The city has adopted a segmented approach to gang and violence prevention

- **Interventions** for those already involved in gangs
 - Targeted Enforcement, Prosecution, Response Management, etc for Serious & Chronic Offenders: Serious, chronic & violent gang & non gang activity.
 - Intensive Treatment, and Supervision; Harm Reduction Interventions for Gang Involved Youth: Harm Reduction Strategies Youth involved in significant levels of illegal activities.
- **Prevention** targeting those at risk of joining gangs.
 - Interventions to prevent children and youth from making decisions to join gangs; programs aimed at diverting attention and time: addresses the social, emotional, psychological needs & the challenges faced by youth, mentoring, etc for High Risk Youth & Children: Secondary Prevention = At Risk Children and Youth displaying early signs of delinquency
 - Public awareness campaigns, one stop centres, life skills progs, community upliftment projects, for All Children & Youth: Primary Prevention = Targets the general community

Since 2006 the following **interventions** have been established:

- 14-member Gang Unit established December 2011
- Drugbusters (Substance Abuse Unit) and K9 Unit as there is inevitable link between drugs and gangs
- Social Housing Unit in Law Enforcement approach - developmental and quality of life, which is about to be expanded as a joint project between Human Settlements and Safety and Security
- Gathering of research and strategic information through Special Investigations Unit (SIU)
- Joint Ceasefire programme in Hanover Park with PGWC through VPUU, which we are about to expand to Manenberg
- Deployment of Neighbourhood Safety Officers (NSOs) to gang hotpots
- Deployment of School Resource Officers (SROs) to 6 pilot schools plagued by gang violence
- Metro Police Youth Academy and Youth Camps
- Evictions from Council-owned rental stock for drug and gang activity
- Law Enforcement Auxiliary Service (Specials)
- Stabilisation and disruptive policing operations like Operation Choke and Operation Punch
- Joint Operations with SAPS like Operation Sonke in Nyanga Cluster
- Recruitment, training and resourcing of Neighbourhood Watches (NHWs)
- 5-point Community Policing Support Strategy which develops neighbourhood watches, resources them, recruits them into the Auxiliary Service, equips them with hand radios and connects them to crime intelligence through CCTV
- Informant rewards for information

PENDING

- Gun-fire detection technology
- Draft legislation on the control of precursor chemicals used in manufacturing of drugs

- Drawing in outside experts as consultants to support new Gang Task Force being established (including investigators, crime analysts and a criminal prosecutor)

For the treatment of substance abuse there are five Matrix sites currently within the City Health clinics. (Tafelsig; Delft South; Table View; Khayelitsha (Town 2 clinic); Parkwood.)

As regards **prevention** the focus has been on ensuring a coordinated approach to all those activities currently undertaken. The focus has been shifted to ensure a targeted approach to areas of need as opposed to trying a one size fits all city wide approach. Using information on gang hotspots and gang activity three pilot areas were selected for a new integrated approach i.e. Mannenberg, Elsies River and Hanover Park.

Aim is to:

- Develop and facilitate the implementation of an integrated social / crime prevention strategy
- Coordinate and integrate departments activity in implementing the framework/strategy
- Articulate the work of the City to address the root causes of gangsterism and violence specifically
- Mainstream best practice from City projects
- Consider the projects implemented under 'youth development' or 'crime prevention' and facilitate their improvement
- Support activities and programme of other directorates and spheres of government
- Coordinate the activities of government in relation to social / crime prevention within identified areas of the City which are identified in terms of agreed criteria

Objective is to:

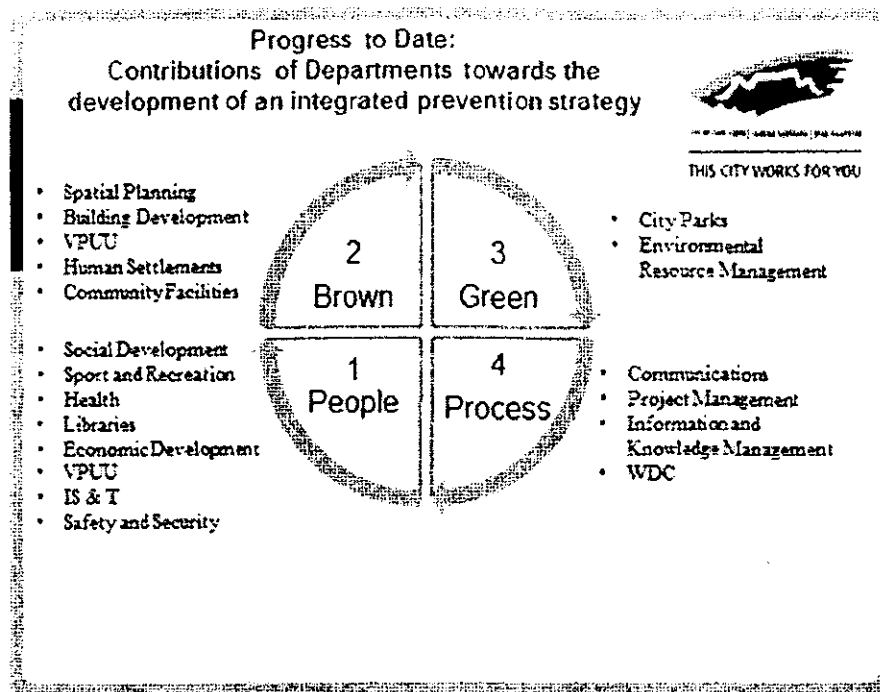
- Collaboratively use City owned and managed community assets and resources to reduce the individual, community, family and peer risk factors that youth are exposed by:
- Providing safe spaces to constructively engage youth and children in activities and programmes (in and out of communities and community facilities)
- Presenting safety nets for youth (in particular) and the community (in general) that need assistance to manage or intervene when challenges arise
- Implementing awareness creating and sensitization projects to draw attention to interventions, issues and activities
- Increasing the skilfulness and capabilities of community members, parents and caregivers to identify and manage challenges
- Stimulating community members to partner and participate in community upliftment projects aimed at addressing socially, economically, structurally and environmentally depressed conditions
- Partnering with other resources that share and promotes the objectives stated herein
- Acting as one-stop referral point for further services and intervention

Phase 2 will involve roll out into other communities selected using various criteria a transversal approach involving all departments within the City inclusive of partnership with external stakeholders and service providers.

A successful integrated holiday programme was implemented in these three areas during December focusing on the youth.

Going forward Departmental representatives from across the Social and Economic clusters identified (a few to be confirmed) , introductory engagements held with PGWC

Integrated City and PGWC meeting to be hosted by mid February with the aim to determine an integrated programme of delivery. areas of collaboration, resource sharing, etc. Community based work group planning meetings of all representatives to be hosted by mid February 2014



ANNEXURE I

TOTAL CAPITAL BUDGET VS CAPITAL EXPENDITURE

Subcouncil	Budget 2011/12	Actual Expenditure 2011/12	%Spent 2011/12	Budget 2012/13	Actual Expenditure 2012/13	% Spent 2012/13
Subcouncil 1	126 380 302	108 724 202	86.0%	126 101 711	108 881 805	86.3%
Subcouncil 2	129 106 593	117 838 980	91.3%	168 683 371	155 202 017	92.0%
Subcouncil 3	62 823 902	60 091 420	95.7%	127 883 668	127 118 054	99.4%
Subcouncil 4	68 935 770	65 399 904	94.9%	75 781 319	73 569 204	97.1%
Subcouncil 5	10 098 173	9 884 245	97.9%	19 678 551	18 162 610	92.3%
Subcouncil 6	175 690 348	171 251 738	97.5%	146 966 876	138 852 136	94.5%
Subcouncil 7	78 593 741	74 637 586	95.0%	79 654 660	73 791 711	92.6%
Subcouncil 8	23 667 616	19 526 853	82.5%	26 548 859	23 519 084	88.6%
Subcouncil 9	6 425 367	6 327 151	98.5%	5 669 783	1 263 163	22.3%
Subcouncil 10	13 105 432	10 039 820	76.6%	17 828 192	13 402 049	75.2%
Subcouncil 11	148 137 911	143 083 331	96.6%	211 055 517	196 598 530	93.2%
Subcouncil 12	35 277 384	26 218 702	74.3%	14 107 524	13 012 136	92.2%
Subcouncil 13	4 572 277	2 482 851	54.3%	5 303 355	3 402 660	64.2%
Subcouncil 14	2 674 710	1 716 181	63.7%	26 974 445	26 184 251	97.1%
Subcouncil 15	12 527 903	12 105 274	96.6%	39 242 085	31 770 399	81.0%
Subcouncil 16	280 931 244	256 326 173	91.2%	266 976 267	307 773 876	115.7%
Subcouncil 17	62 422 438	57 784 733	92.6%	84 323 046	79 646 319	94.5%
Subcouncil 18	66 973 549	59 596 766	89.0%	100 525 664	89 796 737	89.3%
Subcouncil 19	69 431 815	68 087 328	98.1%	64 598 780	60 089 501	93.0%
Subcouncil 20	10 794 759	10 226 936	95.5%	42 741 479	41 657 650	97.5%
Subcouncil 21	78 243 770	56 195 253	70.5%	63 991 474	54 129 562	84.6%
Subcouncil 22	20 090 297	17 488 707	87.1%	22 538 562	21 758 648	96.5%
Subcouncil 23	89 448 566	81 566 312	91.2%	69 414 326	64 567 567	93.0%
Subcouncil 24	53 755 072	49 298 706	91.7%	30 388 026	13 034 983	42.9%
Sub-total	1 629 918 929	1 484 803 202	91.1%	1 835 999 962	1 737 164 739	94.6%
Multisector Projects	2 385 661 507	2 216 104 857	92.9%	2 756 005 126	2 526 620 341	91.8%
Corporate Infrastructure Projects	545 612 015	532 236 897	97.5%	1 626 804 348	1 502 624 662	92.3%
Grand Total	4 561 212 451	4 233 244 957	92.8%	6 221 809 436	5 868 809 742	94.3%

Annexure “B”

**Outstanding Comments and Resolutions from the
Municipal Public Accounts Committee (MPAC)
Oversight Process (7 February 2014, 21 February
2014 and 7 March 2014) in respect of the
2012/13 Annual Report for the City of Cape Town
and its Municipal Entities**

**OUTSTANDING COMMENTS AND RESOLUTIONS
FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE(MPAC)
IN RESPECT OF THE 2012/13 ANNUAL REPORT FOR THE CITY OF CAPE TOWN AND
ITS MUNICIPAL ENTITIES**

ANNUAL REPORT PAGE NO.	COMMENTS AND RESOLUTIONS	RESPONSIBLE OFFICIAL	REFERENCE TO PREVIOUS OVERSIGHT REPORT
	<p>CITY OF CAPE TOWN ANNUAL REPORT</p> <p>Recommendation to Council: It is recommended that Council, having fully considered the 2012/13 annual report of the municipality and representations thereon, adopt the oversight report and approve the annual report without reservations and note the following MPAC follow-up items:</p> <p>Introduction</p> <p>None</p> <p>Chapter 1: Overview of the City of Cape Town</p> <p>None</p> <p>Chapter 2: Governance, Compliance and Risk Management</p> <p>None</p> <p>Chapter 3: 2012/13 Performance Review</p> <p>None</p> <p>Chapter 4: Organisational Development</p> <p>None</p> <p>Chapter 5: Financial Performance and Economic Sustainability</p> <p>None</p> <p>Chapter 6: Annual Financial Statements</p>		

ANNUAL REPORT PAGE NO.	COMMENTS AND RESOLUTIONS	RESPONSIBLE OFFICIAL	REFERENCE TO PREVIOUS OVERSIGHT REPORT
110	<p>Over the last few years there has been a substantial increase in the number of guest houses, B&Bs, boutique hotels in residential areas. These property owners are earning substantial income as can be seen by the value of the sale of these properties when amortized to rental income. It seems many of these properties are benefitting from the residential rebate.</p> <p>a) What attempts are being made to check that all these properties are not having the benefit of the residential rebate?</p> <p>b) What changes to any by- laws are being proposed to ensure that those operating in contravention of regulations are also not benefiting from the rebate while their zonings are in dispute?</p> <p>Residential rebate should be cancelled for any property showing signs of operating a guest house/hotel etc. of more than 3 rooms.</p> <p>ADDITIONAL INFORMATION REQUIRED BY MPAC:</p> <p>1. What steps are being taken by the City to ensure that B&Bs and guesthouses, operating in residential areas, are not receiving a residential rebate?</p>	Kevin Jacoby	
117	<p><u>Contracted Services R2.8 billion</u></p> <p>Please provide a breakdown. What is the reason for the 28,2% increase in expenditure?</p> <p>ADDITIONAL INFORMATION REQUIRED BY MPAC:</p> <p>Explanations were requested for the following amounts:</p> <p>1. Finance: R25 480 924 (<i>RESOLVED: Information provided at MPAC meeting on 7 March 2014</i>)</p> <p>2. Community Services R234 261 601</p>	Kevin Jacoby Lokiwe Mtwazi	
121	<p><u>Collection costs of R183 million</u></p> <p>a) Provide a breakdown of this expenditure and advise whether it is legal fees or collection agencies?</p> <p>b) What was the value collected/recovered?</p> <p>ADDITIONAL INFORMATION REQUIRED BY MPAC:</p> <p>1. What amount was recovered, given the collection costs? (<i>RESOLVED: Information provided at MPAC meeting on 7 March 2014</i>)</p>	Kevin Jacoby	<p><u>2011/12</u></p> <p>Consumer debtors (Annual Report page 109 & Oversight Report page 888 of Annexure A)</p>

ANNUAL REPORT PAGE NO.	COMMENTS AND RESOLUTIONS	RESPONSIBLE OFFICIAL	REFERENCE TO PREVIOUS OVERSIGHT REPORT
135	<p><u>Sporting Body Loans</u></p> <p>a) What loans are still outstanding?</p> <p>b) What is the collection rate on these loans?</p> <p>c) What are the reasons for granting the loans?</p> <p>d) Do we still grant loans?</p> <p>ADDITIONAL INFORMATION REQUIRED BY MPAC:</p> <p>1. Provide a ledger breakdown (general ledger/spreadsheet) depicting the movements in the receivables' balances for sporting bodies. <i>(RESOLVED: Information provided at MPAC meeting on 7 March 2014)</i></p>	Kevin Jacoby	2011/12 Payments to Sporting Bodies (Annual Report page 197 & Oversight Report page 888 of Annexure A)
158	<p><u>Grants and Subsidies paid to Sporting bodies</u></p> <p>a) Please provide a breakdown.</p> <p>b) Are conditions imposed when grants and subsidies are given to sporting bodies?</p> <p>c) Do they provide financial statements and are they checked?</p> <p>ADDITIONAL INFORMATION REQUIRED BY MPAC:</p> <p>1. Provide a breakdown of the R520 000. <i>(Information provided at MPAC meeting on 7 March 2014)</i></p> <p>2. ADDITIONAL QUESTIONS RAISED AT MPAC MEETING ON 7 MARCH 2014:</p> <p>(a) Why do State entities, e.g. schools, receive grants-in-aid / MFMA section 67 grants?</p> <p>(b) Do recipients provide audited Annual Financial Statements?</p>	Kevin Jacoby / Lokiwe Mtwazi	
159	<p>a) I am concerned by the continued high usage of consultants. Please provide a summary of payments made to consultants and the main purpose for consultants.</p> <p>b) I am concerned at the high cost of hire charges. What are we hiring repeatedly and not purchasing? Can we obtain a summary breakdown.</p> <p>c) Rentals of R57million. Can we have a summary of leases that the city is leasing broken down into offices, warehousing, retail space for public interaction, the annual cost and square meters.</p> <p>d) Other expenditure: this item is 22% of general expenses. Please supply a more detailed breakdown.</p> <p>ADDITIONAL INFORMATION REQUIRED BY MPAC:</p>		

ANNUAL REPORT PAGE NO.	COMMENTS AND RESOLUTIONS	RESPONSIBLE OFFICIAL	REFERENCE TO PREVIOUS OVERSIGHT REPORT
60 & 65	<p>1. Rentals of R57million. Can we have a summary of leases that the city is leasing broken down into offices, warehousing, retail space for public interaction, the annual cost and square meters. <i>(RESOLVED: Information provided at MPAC meeting on 7 March 2014)</i></p> <p>2. Other directorates (excluding Finance) to provide a breakdown of consultants and hire charges.</p> <p>What programmes have been established to stem gang violence and violence among youth?</p> <p>ADDITIONAL INFORMATION REQUIRED BY MPAC:</p> <p>1. Details of youth programmes and how departments contribute to this.</p> <p>2. Schedule of youth camps run by Safety & Security.</p>	<p>Kevin Jacoby</p> <p>All Executive Directors except the CFO</p> <p>Lokiwe Mtwazi Richard Bosman</p>	
194	<p>What was the percentage of Capital Expenditure per subcouncil in comparison with the 2011/12 financial year?</p> <p>ADDITIONAL INFORMATION REQUIRED BY MPAC:</p> <p>1. Provide explanations for capital spend variances for:</p> <ul style="list-style-type: none"> • Subcouncil 9 • Subcouncil 13 • Subcouncil 24 <p>Appendices</p> <p>None</p> <p>MUNICIPAL ENTITIES ANNUAL REPORT</p> <p>Recommendation to Council:</p> <p>It is recommended that Council, having fully considered the 2012/13 Annual Reports of the Municipal Entities and representations thereon, adopts the oversight report and approves the annual report, without reservations and note the following MPAC follow-up items:</p>	<p>Gerhard Ras</p>	<p><u>2011/12</u></p> <p>Subcouncil: Ward</p> <p>Allocations: Capital</p> <p>Expenditure (Annual</p> <p>Report page 224 &</p> <p>Oversight Report page</p> <p>890 of Annexure A)</p>

ANNUAL REPORT PAGE NO.	COMMENTS AND RESOLUTIONS	RESPONSIBLE OFFICIAL	REFERENCE TO PREVIOUS OVERSIGHT REPORT
120	<p>Section A: About the CTICC</p> <p>None</p> <p>Section B: Review of the Year</p> <p>None</p> <p>Section C: Sustainability Performance Review</p> <p>None</p> <p>Section D: Governance, Risk Management and Stakeholder Engagement</p> <p>None</p> <p>Section E: Annual Financial Statements</p> <p><u>Trade and Receivables</u> 21,67% outstanding: Who are the debtors and what are the plans to recover the debt?</p> <p>ADDITIONAL INFORMATION REQUIRED BY MPAC: 1. Monthly report feedback to MPAC regarding the singular debtor (R1.5million) addressing progressive recovery, interests accrued and continuous control improvements.</p>	Kevin Jacoby	<p><u>2011/12</u> Debt 90 days and older (CTICC Annual Report page 73 & Oversight Report page 886 of Annexure A)</p>

Annexure “C”**Comments from the
Portfolio Committees
and the Public**

**COMMENTS FROM
PORTFOLIO COMMITTEES, SUBCOUNCILS AND THE PUBLIC
IN RESPECT OF THE 2012/13 ANNUAL REPORT**

PORTFOLIO COMMITTEE	COMMENTS
Community Services Portfolio Committee	CS 16/02/14 RESOLVED that the report on the TABLING OF THE CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2012/13 FOR COMMENT, be noted.
Corporate Services Portfolio Committee	COR 12/02/14 RESOLVED that the members of the Committee submit their comments on the City's 2012/13 Annual Report to Mr Claassens. On 25 February 2014 Mr Claassens confirmed that no additional comments were received.
Economic, Environmental & Spatial Planning Portfolio Committee	EESP 08/02/14 RESOLVED that the above comments be submitted for processing during the annual report oversight process.
Finance Portfolio Committee	FIN 06/02/14 RESOLVED that the questions as submitted by the Chairperson, Cllr J van der Merwe be submitted for processing during the annual report oversight process.
Health Portfolio Committee	HEA 06/02/14 RESOLVED that the City's Annual Report and Executive Summary for 2012/13 (Annexure A & B to the agenda) be noted.
Human Settlements Portfolio Committee	HUMSET 18/02/14 RESOLVED that: (a) the Portfolio Committee take note of the annual report and its submission to Council on 29th January 2014; (b) the Portfolio Committee will discuss and comment on the annual report at a workshop to be held on the 13th February 2014, where after the comments will be submitted to the relevant departments. <u>At a HUMSET workshop on 13 February 2014, the following was noted:</u> Annual Report 2012/13: Mr. W. Claassens explained that the request was for Portfolio Committees and Officials to give input into the document after having read what was already presented in order to ensure maximum feedback from Directorates and Councillors alike. The Chairperson asked that everyone note Mr. W. Claassens request and respond accordingly if they have any input. On 25 February 2014 Mr Claassens confirmed that no additional comments were received.
Safety and Security Portfolio Committee	SAFS 17/02/14 RECOMMENDED that the City's Annual Report and Executive Summary for 2012/2013 be supported.

PORTFOLIO COMMITTEE	COMMENTS
Social Development & Early Childhood Development Portfolio Committee	SOCDEV 10102/14 RESOLVED that the annual report, comments and actions arising therefrom be noted.
Tourism, Events and Marketing Portfolio Committee	TEVMAR 11/02/14 RESOLVED that the annual report be noted.
Transport for Cape Town Portfolio Committee	TCT 10/02/14 RESOLVED that the Portfolio Committee take note of the annual report and its submission to Council on 29th January 2014.
Utility Services Portfolio Committee	UTS 11/02/14 RESOLVED that the City's Annual Report and Executive Summary for 2012/13 as per Annexure A & B attached to the report be noted.

SUBCOUNCILS AND THE PUBLIC

On 25 February 2014:

- The Head: Interdirectorate and Liaison confirmed that members of the public could reserve a slot at the respective subcouncil meetings in February 2014 to submit comments but no public comments were received.
- The Head Reporting & Monitoring indicated that no comments were received from the public via email, facsimile or post.

On 26 February 2014 the Head: Interdirectorate and Liaison confirmed that, unlike last year, the Annual Report was not submitted to Subcouncils this year. It was tabled at Council (29 January 2014) and also at the Portfolio Committee meetings during February.

“Annexure D”

Report from the Audit Committee

REPORT TO MPAC



1. ITEM NUMBER : **MPAC 07/02/14**

2. SUBJECT

REPORT OF THE AUDIT COMMITTEE OF THE CITY OF CAPE TOWN ON
THE CITY'S INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED
30 JUNE 2013

ONDERWERP

VERSLAG VAN DIE OUDITKOMITEE VAN DIE STAD KAAPSTAD OOR DIE
STAD SE GEïNTEGREERDE JAARVERSLAG VIR DIE JAAR GEËINDIG 30
JUNIE 2013

ISIHLOKO

INGXELO YEKOMITI YOPHICOTHO YESIXEKD SASEKAPA EPATHELENE
NENGXELO EHLANGANISIWEYO YONYAKA YESIXEKO OWAPHELA
NGOMHLA WAMA-30 JUNI 2013

LSUE0392

3. STRATEGIC INTENT

- ☐ - Opportunity City
- ☐ - Safe City
- ☐ - Caring City
- ☐ - Inclusive City
- ☒ - Well-run City

4. PURPOSE

To provide an Audit Committee Report to the MPAC for consideration during the MPAC engagements on the oversight report of the City of Cape Town's Integrated Report (Annual Report) for the year ended 30 June 2013.

5. FOR CONSIDERATION BY

The Municipal Public Accounts Committee (MPAC).

6. EXECUTIVE SUMMARY

The Audit Committee has considered the work performed by Internal Audit and the Auditor-General on the Integrated Annual Report in arriving at the report to the MPAC for the financial year ended 30 June 2013. Attached are two reports of the Audit Committee that address the legislated role required of the Audit Committee in terms of the MFMA Circular 32: The Oversight Report –

Annexure "A": Report of the Audit Committee to the Municipal Public Accounts Committee (MPAC) on the City's Annual Report (2012/2013); and

Annexure "B": Report of the Audit Committee for the Year Ended 30 June 2013

7. RECOMMENDATIONS

For consideration by the MPAC:

Recommended that MPAC note that the Audit Committee's conclusion is: The City's Integrated Annual Report adequately presents performance against all key commitments, represents financial management, but needs to continuously strive to be more inclusive of the collective City strategies.

AANBEVELINGS

Vir oorweging deur die MPAC:

Aanbeveel dat die MPAC kennis neem dat die ouditkomitee se gevolgtrekking is: Die Stad se geïntegreerde jaarverslag is 'n toereikende weergawe van prestasie teen alle belangrike verbintenisse en verteenwoordig finansiële bestuur, maar daar moet voortdurend gestreef word na 'n groter insluiting van die kollektiewe Stadstrategieë.

IZINDULULO

Zingeniselwa ukuqwalaselwa yi-MPAC:

Kundululwe ukuba i-MPAC mayiqwalaselwe ukuba isigqibo seKomiti yoPhicotho sesi: Ingxelo yoNyaka eHlanganisiweyo yesiXeko imele ngokufanelekileyo iindlela zokusebenza ezijoliswe kwimibandela ephambili, imele ulawulo lwezimali,

kodwa kufuneka iqhubekeke ngokuzama ukuba iquke ngakumbi izicwangciso-buchule zesiXeko ezidityanisiweyo.

8. DISCUSSION/CONTENTS

8.1. Constitutional and Policy Implications

In terms of Paragraphs 4.2.5 / 4.2.9 / 4.8.9 / 5.9 / 5.10 and 5.11 of the Audit Committee's Terms of Reference approved by Council on 31 October 2012 (C58/10/12):

- Review the integrity of the information included in the annual report before release, by considering the work/results of assurance providers (e.g. external and internal audit) relating to the validity, accuracy and completeness thereof;
- The Committee should recommend the Integrated Report (Annual Report) for approval by Council;
- The Committee should review and recommend disclosures on matters of risk and risk management in the annual report;
- The Committee should have regard to all factors and risks that may impact on the integrity of the Integrated Report (Annual Report); and
- The Committee should review the disclosure of sustainability issues in the Integrated Report to ensure that it is reliable and does not conflict with the financial information.

The Audit Committee is mandated in terms of section 166 of the Municipal Finance Management Act (MFMA), Act 56 of 2003 and updated in July 2011.

The Audit Committee, as an oversight activity, is further confirmed in terms of

- The MFMA Circular No. 65 of November 2012, which stipulates reporting requirements and the need for the chairperson of the audit committee to submit a copy of its report to the MPAC, for consideration during the MPAC engagements on the oversight report; and
- The MFMA Circular No. 32 of March 2006, which stipulates that the audit committee – provides independent specialist advice on financial performance, efficiency and effectiveness, performance management and compliance with legislation.

8.2. Sustainability Implications

Does the activity in this report have any sustainability implications for the City? No ☒ Yes ☐

8.3. Legal Implications

- 8.3.1. Municipal Finance Management Act (MFMA), Act 56 of 2003 and updated in July 2011, section 166 – Audit Committees.
- 8.3.2. MFMA Circular No. 65 of November 2012 – Internal Audit and Audit Committee.
- 8.3.3. MFMA Circular No. 32 of March 2006 – The Oversight Report.

8.4. Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No ☒

Yes ☐

8.5. Risk Implications

Non-compliance with legislated guidelines

8.6. Other Services Consulted

Auditor-General of South Africa: Ignatius Fourie, Gina Schultz and Mohamed Bhayat.

FOR FURTHER DETAILS CONTACT:

NAME	Gayle Postings
CONTACT NUMBERS	021 400 9375
E-MAIL ADDRESS	Gayle.Postings@capetown.gov.za
DIRECTORATE	Compliance and Auxiliary Services
FILE REF NO	


CHIEF AUDIT EXECUTIVE

ZULPHA ABRAMS

Comment:

DATE

07/02/14

**REPORT OF THE AUDIT COMMITTEE
TO THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)
ON THE CITY'S ANNUAL REPORT (2012/2013)**

PURPOSE

Provide an Audit Committee Report to the MPAC for consideration during the MPAC engagements on the oversight report.

MANDATE AND AUTHORITY

The Audit Committee is mandated in terms of section 166 of the Municipal Finance Management Act (MFMA), Act 56 of 2003 and as updated in July 2011.

The Audit Committee, as an oversight activity, is further confirmed in terms of:

- The MFMA Circular No. 65 of November 2012, which stipulates reporting requirements and the need for the chairperson of the audit committee to submit a copy of its report to the MPAC, for consideration during the MPAC engagements on the oversight report; and
- The MFMA Circular No. 32 of March 2006, which stipulates that the audit committee – provides independent specialist advice on financial performance, efficiency and effectiveness, performance management and compliance with legislation.

In terms of Paragraphs 4.2.5 / 4.2.9 / 4.8.9 / 5.9 / 5.10 and 5.11 of the Audit Committee's Terms of Reference approved by Council on 31 October 2012 (C58/10/12), the Committee has the following responsibilities related to the Integrated Report (Annual Report):

- Review the integrity of the information included in the annual report before release, by considering the work/results of assurance providers (e.g. external and internal audit) relating to the validity, accuracy and completeness thereof;
- The Committee should recommend the Integrated Report (Annual Report) for approval by Council;
- The Committee should review and recommend disclosures on matters of risk and risk management in the annual report;
- The Committee should have regard to all factors and risks that may impact on the integrity of the Integrated Report (Annual Report); and
- The Committee should review the disclosure of sustainability issues in the Integrated Report to ensure that it is reliable and does not conflict with the financial information.

RELATED AUDIT REPORTS

The Audit Committee has considered the work performed by Internal Audit and the Auditor-General on the Integrated Annual Report in exercising its responsibilities as required by its Terms of Reference.

The Internal Audit plan focus with regard to the review of financial internal controls was limited to procedures incorporated within the scope of the normal audit engagements, example supply chain and inventory management. However, the overall rating attributed to the control environment, based on the Committee of Sponsoring Organisations Control Model, was a rating of "Major Improvement Needed" was expressed on the Internal Control Environment i.e. the same as the previous two years. The analysis outcome is based on the results of the various audit engagements completed during the 2012/2013 financial year.

The main sub-categories causing the decrease in the above results, as depicted in the spread of internal audit engagements, were as follows:

- Management's Philosophy and Operating Style and Assignment of Authority and Responsibility;
- Access to Information; and
- Management Supervisory controls.

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The Auditor-General has rendered an opinion that states the consolidated and separate financial statements present fairly, in all material respects, the financial position of the City of Cape Town as at 30 June 2013.

The Auditor General's audit efforts involved

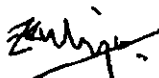
- evidence confirmation of amounts and disclosures in the consolidated and separate financial statements;
- procedure reviews based on auditor's judgement, including the assessment of risk of material misstatements;
- internal control considerations relevant to the preparation and presentation of financial statements;
- the evaluation of the appropriateness of accounting policies used;
- reasonableness of accounting estimates, and
- the assessment of the overall presentation of the financial statements.

CONCLUSION

In terms of the MFMA Circular No. 32 of March 2006 – The Oversight Report, the Audit Committee has the following to bring to the attention of the MPAC –

- A Report of the Audit Committee for year ended 30 June 2013 (as included in the Integrated Annual Report) is attached that addresses the Oversight Report requirements of financial performance, efficiency and effectiveness, performance management and compliance with legislation.
- An outstanding matters schedule is being maintained by the Audit Committee to continuously monitor control environment shortcomings, business process issues and potential emerging risks. A succinct summary of these matters, related to the 2012/2013 Annual Financial Statements and Integrated Annual Report –
 - MFMA: Supply Chain Management (SCM) Regulation 44, clarity is to be obtained from the Accountant General (via a Circular) on stakeholder definitions and guidelines on the rectification of irregular expenditure (Chief Financial Officer).
 - Record management project plans and milestones (Executive Director: Corporate Services and Office of the City Manager).
 - Control Environment will be enhanced by the City's proposed Ethics Office (Executive Director: Compliance and Auxiliary Services).
- Emerging Risks being monitored are –
 - Combined Assurance framework revision, approval and application (Executive Director: Compliance and Auxiliary Services).
 - Management of internal control findings and risks (All Combined Assurance Providers).
 - Good governance principles and interventions where necessary (City Manager).
- Continuous monitoring, via quarterly reporting, of the
 - Transport for Cape Town: Revised structure, mandate and project plans, project milestones, financial management and performance indicators
 - Housing Accreditation – assignment process monitoring

The City's Integrated Annual Report adequately presents performance against all key commitments, represents financial management, but needs to continuously strive to be more inclusive of the collective City strategies.



Z I Manjra
Chairperson of the Audit Committee

Date: 31 January 2014

REPORT OF THE AUDIT COMMITTEE

for the year ended 30 June 2013

REPORT OF THE AUDIT COMMITTEE TO THE EXECUTIVE MAYORAL COMMITTEE AND COUNCIL OF THE CITY OF CAPE TOWN

The Audit Committee has been established as an independent Committee, in terms of S166 of the Municipal Finance Management Act (MFMA), Act No. 56 of 2003. The Committee has adopted formal terms of reference, which are regularly updated and approved by Council.

The Committee presents its report for the financial year ended 30 June 2013.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Committee's terms of reference requires a minimum of 4 independent members, and consists of the members listed below. During the year under review, four quarterly Audit Committee meetings were held and two special meetings.

Other meetings with the City Manager, Internal Audit, Senior Management, and Mayoral Committee (Mayco) were also held. The Auditor General is invited and is in attendance at Audit Committee Meetings. The Chairperson is also a member of the Risk Committee of the City.

Name of Member	Number of meetings attended
Mr Z Manja (Chairperson)	4
Ms K Moloko (resigned 27 July 2013)	3
Ms M Roos	5
Dr S Fisher (Appointed November 2012)	5
Mrs F Essa (Appointed November 2012)	5
Mrs J Gunther (Appointed November 2012)	2

The tenure and qualifications of the members are as follows:

Name	Qualifications	Term of Office	Term of Office
Mr Zaid Manja	CA(SA), Masters in Business Leadership	30/3/2009 to 30/3/2012	01/4/2012 to 31/3/2015
Ms Mariaan Roos	CA(SA), Masters of Commerce in Auditing	01/02/2011 to 31/01/2014	
Ms Keneilwe Moloko	CA(SA), ND in Building Surveying, BSc Quantity Surveying	27/08/2008 to 27/08/2011	01/09/2011 to 27/07/2013
Mrs Fawza Essa	B.Sc (Computer Science and Mathematics)	01/11/2012 to 31/10/2015	
Ms Judy Gunter	B.Compt Honours, Masters in Cost Accounting, Certified Internal Auditor (CIA)	01/11/2012 to 31/10/2015	
Dr S Fisher	M.B., Ch.B. (UCT), M.Med (Community Health)	01/11/2012 to 31/10/2015	

AUDIT COMMITTEE RESPONSIBILITY

The Committee reports that it has, as far as possible, complied with its responsibilities arising from its terms of reference, including relevant legislative requirements. The Committee reviews and updates its terms of reference annually.

Quarterly reporting on the Audit Committee activities are presented to the Mayoral Committee and the full minutes of the Audit Committee meetings are submitted to Council.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Committee has:

- Reviewed and discussed the annual financial statements of the City with the Auditor General and Management, to be included in the Annual Report;
- Reviewed the Auditor General's management letters and management's responses thereto;
- Reviewed and discussed the report and audit opinion of the Auditor General with the Auditor General and Management;
- Reviewed changes in Accounting Policies and Practices;
- Reviewed the City's compliance with legal and regulatory provisions;

The Committee is extremely pleased that the Auditor General has issued an unqualified audit opinion on the Group Financial Statements of the City for the year ended 30 June 2013, with no findings (a clean audit report).

The Financial Statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice, and in the manner required by the Local Government, Municipal Finance Management Act of South Africa, 2003 (Act No 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2005 (Act no 12 of 2005) (DORA). The Committee draws attention to the emphasis of material predetermined objectives and other paragraphs contained in the Auditor General's report.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Committee has considered the work performed by Internal Audit, on a quarterly basis, and has reviewed the Internal Audit Annual Report on Internal Controls, for the year ended 30 June 2013.

An internal audit opinion of "Major Improvement Needed" was expressed on the Internal Control Environment, based on the results of the various audit engagements completed during the year under review. The Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control Framework was used as the reporting framework against which the audit results were applied to form an opinion on each of the COSO components, namely, the Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities.

A decrease in the Control Environment, Information and Communication and Monitoring Activities categories were experienced in this financial year.

The main sub-categories negatively impacting the above results, across the spread of internal audit engagements, were:

- Management's Philosophy and Operating Style and Assignment of Authority and Responsibility;
- Access to Information; and
- Management Supervisory controls.

Despite a similar internal audit opinion being expressed for the 2011/12 financial year, it should be noted that the trend in respect of the overall audit ratings for the individual audit engagements moved from the "Major Improvement Needed" category to the "Some Improvement Needed" category, reflecting an improving trend.

The Committee wishes to draw attention to the following areas flowing from Committee activities during the year and the Internal Audit Annual Report on Internal Controls:

Information Systems

The ERP-SAP system is widely used in the City of Cape Town with many automated controls in place. Continuous Auditing (CA) techniques have been rolled out, by internal audit, on numerous SAP processes.

The majority of the CA findings were positive (70%), mainly impacting the Control Activities and Monitoring categories.

There were findings rated "High" and "Very high" for which management interventions are required, namely:

- Absence of documented policies and procedures in certain business processes, and the inadequacy of existing policies and procedures, including application;
- Insufficient management and supervisory checks to apply in roles and responsibilities; and
- Inadequate supporting evidence / information in the design, implementation and application of controls.

Resolving Internal Control Findings

The committee noted slow improvement in the percentage of audit findings resolved. Follow-up internal audits indicated that 61% of audit findings previously reported were addressed, relative to a target of 70%. Further improvements are required to at least achieve the target.

Combined Assurance

The City is still developing its Combined Assurance Framework, which is in its infancy. Efforts to ensure integration and to avoid duplication amongst assurance providers continued, with regular engagements between service providers to give effect to the principles of the Combined Assurance Framework.

The Committee regularly review developments in this area as part of their workplan.

INTERNAL AUDIT EFFECTIVENESS

The Committee reviews audit quality throughout the year with an emphasis on audit, governance, methodology, independence, scope of work and outputs.

The Committee believes that the Internal Audit Function has been effective in carrying out of its function in the City. This has been achieved through the development of skills and competence of its resources, continuous improvement initiatives and professional leadership.

The Internal Audit activities are completed by an in-house Department operating in terms of an Internal Audit Charter. There appears to have been no compromise of the independence or objectivity of the Internal Audit Function, during the year under review.

The Internal Audit Charter incorporates best practice, including the principles of the King III Report and other Professional Standards. It also differentiates between the Internal Audit functional and administrative reporting lines, and precludes any activity that could impair its independence.

REPORT OF THE AUDIT COMMITTEE (continued)

for the year ended 30 June 2013

PERFORMANCE MANAGEMENT

The Committee is pleased to note that, in terms of the Auditor General report, there were no material findings on the annual performance report concerning the usefulness and reliability of the information. The Committee also notes the improvement in the achievement of the targets for the year.

The Committee had submitted bi-annual reports to Council reporting on the Committee's assessment of the City's Performance Management System for 2012/13. The Committee had reviewed and given consideration to the quarterly reports and quarterly performance results reported by management.

The Committee had reviewed and made various recommendations to management for the improvement of the City's Performance Management System. Continuous improvements were noted in the effectiveness of the processes and the quality and evidence of information reported. The Committee acknowledges the efforts of management to ensure the usefulness and reliability of the information.

The Committee recommends that management continue to address other deficiencies in the performance management process as highlighted by Internal Audit, Auditor-General and Audit Committee reports to Council.

RISK MANAGEMENT

The Committee acknowledges the progress made in embedding Risk Management processes in the City to improve the maturity level of risk management.

City-wide initiatives are still required to further embed Risk Management in the City's processes and this will incorporate the development and investigation of risk management performance measurements.

An Audit Committee representative continues to be a member of the Risk Committee thereby facilitating the Audit Committees understanding of the City's risk interventions processes.

GOVERNANCE

With the City's adoption of the corporate governance principles of the King Code and King III report, efforts are underway to achieve alignment with this Code.

The Committee continues to monitor key City-wide governance interventions required such as the effective implementation and monitoring of ethics.

City governance processes are evolving within the City with a Strategy and Policy Unit, that has been tasked with Policy and By-law improvements.

Compliance requirements and legislative frameworks are yet to be formalised in the reporting processes to the Audit Committee and these will be addressed as part of the 2014 Audit Committee Workplan.

The Committee believes that the City is committed to good governance and will make every effort to achieve it.

MUNICIPAL ENTITY

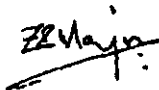
The Cape Town International Convention Centre (CTICC) is the City's Municipal Entity. The Committee plays an oversight role of the Municipal Entity, with the CTICC Audit Committee minutes being reviewed at the City's Audit Committee meetings.

CONCLUSION

The Committee is very pleased with the City having achieved an unqualified audit opinion, with no findings, with the progress made in improving the control environment, and its commitment to good governance. It is also pleased with the positive developments made in risk management and performance management, in a combined assurance framework.

The Committee concurs and accepts the conclusions of both Internal Audit and the Auditor-General. The Committee is of the opinion that the audited Annual Financial Statements should be accepted and read together with the Report of the Auditor-General. An Audit Committee report was also submitted to the Municipal Public Accounts Committee (MPAC) for the annual report oversight process.

The Committee fully supports the City in its vision and strategies, giving due consideration to the economic and social challenges facing the City and its residents on the journey for sustainable service delivery.



Z I Manjra

Chairperson of the Audit Committee

Date: 20 December 2013