



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

COUNCIL AGENDA

31 MARCH 2022

VOLUME 3 C

ITEM C 38A/03/22

REPORT TO COUNCIL



REPORT TO COUNCIL

31 MARCH 2022

1. ITEM NUMBER **C 38A/03/22**

2. SUBJECT

OVERSIGHT REPORT IN RESPECT OF THE 2020/2021 ANNUAL REPORTS OF THE CITY OF CAPE TOWN'S TWO MUNICIPAL ENTITIES

ONDERWERP

TOESIGVERSLAG OOR DIE 2020/2021-JAARVERSLAE VIR DIE STAD KAAPSTAD SE TWEE MUNISIPALE ENTITEITE

ISIHLOKO

INGXELO YOKUBEK' ILISO EPHATHELELE KWIINGXELO ZONYAKA KA2020/21 ZESIXEKO SASEKAPA NEYAMAQUMRHU AMABINI KAMASIPALA AZIMELEYO

LSU N2361

3. **RECOMMENDATION FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE:
15 MARCH 2022 (SPMPAC 08/03/22)**

It is **RECOMMENDED** that Council adopts the oversight report in respect of the 2020/2021 Annual Reports of the City of Cape Town's two municipal entities and approves the annual reports without reservations.

**AANBEVELINGS VAN DIE KOMITEE OOR MUNISIPALE OPENBARE REKENINGE:
15 MAART 2022 (SPMPAC 08/03/22)**

Daar word **AANBEVEEL** dat die Raad die toesigverslag wat betref die 2020/21-jaarverslae van die Stad Kaapstad se twee munisipale entiteite aanneem en die jaarverslae sonder voorbehoud goedkeur.

ISINDULULULO ESIPHUMA KWIKOMITI KAMASIPALA EJONGENE NEE-AKHAWUNTI ZOLUNTU: 15 EYOKWINDLA 2022 (SPMPAC 08/03/22)

KUNDULULWE ukuba iBhunga malamkele ingxelo engokubek'iliso ejoliswe kwiingxelo zonyaka zamaqumrhu amabini kamasipala weSixeko saseKapa kwaye liziphumeze ezi ngxelo zonyaka ngaphandle kwamathandabuzo.

MPAC CHAIRPERSON

yagyah adams Digitally signed by yagyah adams
Date: 2022.03.25 16:06:03 +02'00'

- ☒ RECOMMENDED
- ☐ REFUSED
- ☐ REFERRED BACK



REPORT TO MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

1 ITEM NUMBER **SPMPAC 08/03/21**

2 SUBJECT

OVERSIGHT REPORT IN RESPECT OF THE 2020/2021 ANNUAL REPORTS OF THE CITY OF CAPE TOWN'S TWO MUNICIPAL ENTITIES

ONDERWERP

TOESIGVERSLAG OOR DIE 2020/2021-JAARVERSLAE VIR DIE STAD KAAPSTAD SE TWEE MUNISIPALE ENTITEITE

ISIHLOKO

INGXELO YOKUBEK' ILISO EPHATHELELE KWIINGXELO ZONYAKA KA2020/21 ZESIXEKO SASEKAPA NEYAMAQUMRHU AMABINI KAMASIPALA AZIMELEYO

LSU N2361

3 **DELEGATED AUTHORITY**

In terms of Part 20 Delegation 1(1) of the approved Council System of Delegations, the Municipal Public Accounts Committee (MPAC) must *"consider and evaluate the annual report, and the annual report of any municipal entity under the City's sole or shared control, and to make recommendations to Council when it adopts the oversight report on the annual report in terms of section 129 of the Municipal Finance Management Act."*

This report is FOR CONSIDERATION BY

- ☒ **Committee name:** Municipal Public Accounts Committee (MPAC)
- ☐ The Executive Mayor together with the Mayoral Committee (MAYCO)
- ☐ Council

4 **DISCUSSION**

Part 20 Delegation 1(1) of the System of Delegations, adopted by Council on 18 November 2021 (C 11/11/21), requires MPAC to *"consider and evaluate the annual report, and the annual report of any municipal entity under the City's sole or shared*

control, and to make recommendations to Council when it adopts the oversight report on the annual report in terms of section 129” of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA).

In terms of sections 129(1) and (2) of the MFMA:

- (1) *“The council of a municipality must consider the annual report of the municipality and of any municipal entity under the municipality's sole or shared control and by no later than two months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the council—*
 - (a) has approved the annual report with or without reservations;*
 - (b) has rejected the annual report; or*
 - (c) has referred the annual report back for revision of those components that can be revised.*
- (2) *The accounting officer must—*
 - (a) attend council and council committee meetings where the annual report is discussed, for the purpose of responding to questions concerning the report.”*

MPAC’s purpose in terms of paragraph 6.2 of their Terms of Reference (ToR) (C 24/01/22) is to perform an oversight function for Council in line with the leading practices applicable to MPAC and National Treasury Circulars and Guidelines, as adopted by Council.

The 2020/2021 Integrated Annual Reports (IAR) of the Cape Town International Convention Centre Company (RF) SOC Ltd (CTICC) and Cape Town Stadium (RF) SOC Ltd were tabled at Council on 27 January 2022 (C 14/01/22).

The oversight process commenced on 4 February 2022 when the Auditor-General of South Africa (AGSA) briefed MPAC on the 2020/2021 audit outcomes of the two entities. On 8 February 2022 MPAC met with the CEO and senior management of the two entities to respond to questions raised by MPAC (refer to the minutes of the MPAC oversight meeting held on 8 February 2022 which is attached as **Annexure A**). Comments and resolutions from the oversight process are contained in **Annexure B**. The IARs are made public and members of the public are invited to submit written comments via the Organisational Performance Management department. Comments from the public are forwarded to the relevant line departments who respond to the person directly (refer to **Annexure C**). Although the two entities’ IARs were not tabled at the Portfolio Committees, the City of Cape Town’s IAR, which included information on the entities, will be tabled at the Portfolio Committees. The Audit and Performance Audit Committee will submit a report to MPAC for the City’s IAR.

No unauthorised, irregular and fruitless and wasteful expenditure was identified for investigation.

5

- 4.1 Financial Implications ☒ None ☐ Opex ☐ Capex
☐ Capex: New Projects
☐ Capex: Existing projects requiring additional funding
☐ Capex: Existing projects with no additional funding requirements
- 4.2 Policy and Strategy ☐ Yes ☒ No
- 4.3 Legislative Vetting ☐ Yes ☒ No
- 4.4 Legal Implications ☒ Yes ☐ No
▪ Section 129 of the MFMA
- 4.5 Staff Implications ☐ Yes ☒ No
- 4.6 Risk Implications ☐ Yes The risks for approving and/or not approving the recommendations are listed below.
☒ No Report is for decision and has no risk implications.
☐ No Report is for noting only and has no risk implications.
- 4.7 POPIA Compliance ☒ Yes It is confirmed that the report has been checked and considered for POPIA compliance

5 RECOMMENDATION

Not delegated: for decision by Council

The Municipal Public Accounts Committee (MPAC), having fully considered the 2020/2021 Integrated Annual Reports of the two municipal entities and representations thereon, **RECOMMENDS** that Council adopts the oversight report and approves the annual reports without reservations.

AANBEVELING

Nie gedelegeer nie: vir besluitneming deur die Raad:

Na volledige oorweging van die geïntegreerde jaarverslae vir 2020/2021 van die twee munisipale entiteite en vertoë daaroor, **BEVEEL** die munisipale komitee oor openbare rekeninge (MPAC) **AAN** dat die Raad die toesigverslag aanneem en die jaarverslae sonder voorbehoud goedkeur.

ISINDULULO

Azigunyaziswanga: isigqibo seseBhunga:

IKomiti kaMasipala ejongene neeAkhawunti zoLuntu (MPAC), ekubeni ithathele

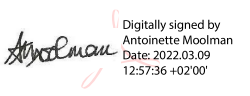
Making progress possible. Together.

ingqalelo ngokupheleleyo iiNgxelo zoNyaka ezihlanganisiweyo zika2020/21 zamaqumrhu kamasipala azimeleyo amabini neengxelonkcaza, **MAYENZE ISINDULULO** kwiBhunga ukuba lamkele ingxelo engobek'iliso kwaye liphumeze iingxelo zonyaka ngaphandle kwemiqathango.

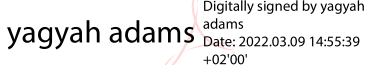
ANNEXURES

- ANNEXURE A: Minutes of the MPAC meeting held on 8 February 2022
- ANNEXURE B: Schedule of outstanding comments and resolutions from the MPAC oversight process
- ANNEXURE C: Questions from the public participation process

FOR FURTHER DETAILS CONTACT

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DIRECTORATE	OFFICE OF THE CITY MANAGER	FILE REF NO	2/9/1/2
SIGNATURE (AUTHOR)	 <p>Digitally signed by Antoinette Moolman Date: 2022.03.09 12:57:36 +02'00'</p>		

MPAC CHAIRPERSON

NAME	CLLR YAGYAH ADAMS	COMMENT:
DATE		
SIGNATURE	 <p>Digitally signed by yagyah adams Date: 2022.03.09 14:55:39 +02'00'</p>	

The MPAC Chairperson's signature represents support for the report content and confirms POPIA compliance.

LEGAL COMPLIANCE

- ☐ REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.
- ☐ NON-COMPLIANT

NAME _____

COMMENT: _____

DATE _____

SIGNATURE

Joan-
Mari Holt

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by Joan-Mari Holt
Date: 2022.03.09
15:32:11 +02'00'

Certified as legally compliant based on the contents
of the report.

- MINUTES -

OF THE SPECIAL MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
HELD IN COMMITTEE ROOM A, 5TH FLOOR, PODIUM BLOCK, CIVIC CENTRE, CAPE
TOWN ON FRIDAY, 08 FEBRUARY 2022 AT 09:00

PRESENT

COMMITTEE MEMBERS:

CAPE MUSLIM CONGRESS

Cllr Y Adams (Chairperson)

DEMOCRATIC ALLIANCE

Cllr A van Zyl (Deputy Chairperson)

Cllr A Moses

Cllr K Southgate

Ald. B Watkyns

Cllr J Witbooi

AFRICAN NATIONAL CONGRESS

Cllr B Majingo

Cllr L Phakade (joined the meeting via Skype)

ECONOMIC FREEDOM FIGHTERS

Cllr L Ntshuntshe

FREEDOM FRONT PLUS

Cllr F Botha-Rossouw

GOOD

Cllr S Little

OFFICIALS:

D Valentine	: Treasury Services
L Fortune	: Treasury Services
Z Hoosain	: Chief Audit Executive
A Karriem	: Forensic Services
K Motaung	: Combined Assurance
T Singatha	: Combined Assurance
S du Toit	: Combined Assurance

A Moolman	: Internal Audit
F Arendse	: Internal Audit
B Lufundo	: Legal Services
K Larney	: Legal Services
G Postings	: Office of the City Manager
A Vorster	: Office of the Speaker

EXECUTIVE COMMITTEE SERVICES

G Josephs	: Executive Committee Services
E Fray	: Executive Committee Services

ENTITIES

Taubie Motlhabane (CTICC)
 Wayne De Wet (CTICC)
 Lesley de Reuck (CTS)
 Kim Theron (CTS)

APOLOGIES

Cllr N Grose
 Cllr T Gqada
 L Mbandazayo (City Manager)

SPMPAC 05/02/22 OPENING

The Chairperson, Cllr Y Adams, welcomed everyone to the meeting and extended a word of welcome to the officials from the CTICC and Cape Town Stadium.

SPMPAC 06/02/22 APOLOGIES / LEAVE OF ABSENCE

RESOLVED that it be noted that apologies for not being able to attend the meeting were received from Cllr N Grose, Cllr T Gqada and L Mbandazayo (City Manager).

ACTION: G JOSEPHS; E FRAY

SPMPAC 07/02/22 DECLARATION OF INTEREST

It was noted that Ms G Postings declared her function in terms of completing the UIFW register and processing SCM deviations in the

Office of the City Manager and that Mr A Vorster declared his role in SCM matters as a member of the Bid Adjudication Committee.

SPMPAC 08/02/22 PERFORMANCE REPORTS (2020/21) OF THE CITY'S TWO MUNICIPAL ENTITIES: CAPE TOWN INTERNATIONAL CONVENTION CENTRE COMPANY (RF) SOC LTD (CTICC) AND CAPE TOWN STADIUM (RF) SOC LTD

At this stage, Ms Taubie Motlhabane introduced herself as CEO of the CTICC and introduced the CFO, Mr Wayne De Wet.

Mr W de Wet proceeded to give a presentation on the CTICC's performance for the 2020/21 financial year, during which they highlighted the following:

- 2021 Financial Results;
- Financial Ratios;
- Forward book;
- Significant upcoming events, and
- Impact of current restrictions.

At this stage, MPAC members raised questions and commented as follows:

Cllr Botha-Rossouw enquired about the marketing strategy of the CTICC.

Ms Motlhabane said that the focus was still to market CTICC as the premium events venue. However, the current situation necessitates CTICC to focus on domestic and regional events with the preference of social events and the academic sector by making it attractive via targeted marketing campaigns.

Cllr Van Zyl enquired about the funds transferred from the Nedbank account, the number of deviations processed, as well as the number of tenders awarded to family members in the service of the state.

Mr de Wet said that the funds were available on the date as indicated and transferred to the entity's bank account. The deviations were processed as a result business circumstances during lockdown and was done in compliance with legislative and regulations. He further stated that the awarding of tenders to family members in the service of the state and was through normal procurement procedures and clarified with National Treasury.

Cllr Southgate requested details with regard to the building costs of R40 million and if the strategy to attract business with a discounted rate was sustainable. Cllr Southgate also enquired about the competency levels of senior staff and if the Workplace Skills Plan addresses this matter.

Ms Motlhabane said that the some staff still need to complete some of the modules in order to become competent and that the status with regard to the competency levels of senior staff will be provided to MPAC.

Ms G Postings indicated that, in terms of the regulations for applicable City and Entities, senior managers have 18 months from date of appointment to complete all the MFMA competency modules.

Mr D Valentine indicated that the Treasury Services Department would follow-up and report to MPAC on the CTICC's competency levels and status.

Mr de Wet said that the bulk of the building costs was for operating the Covid-19 field hospital during the pandemic and related costs of which the Western Cape Provincial Government covered the costs and a contribution from the City. He said that the field hospital operated from the CTICC on a full cost recovery agreement, i.e. the CTICC did not suffer a financial loss in the process.

Cllr Southgate was of the view that everything possible should be done in order to stay relevant in the business.

Cllr Witbooi held the view that the one of lessons learnt should be an opportunity to restructure the entity.

With reference to debt recovery, Mr de Wet responded that debt recovery is part of the process and ongoing.

In response to the question raised by Cllr Witbooi regarding in terms of how the CTICC's risk strategy was augmented during the period under review, Mr de Wet explained that the CTICC's Audit and Risk Committee is responsible for managing the risk register annually and that they have been doing so successfully. Covid-19 risks were identified and staff and customers were covered adequately.

Ms Motlhabane added that restructuring was part of the process based on what is needed to stay in the business. She indicated that

the vacancy rate was high but that the filling of vacant positions would not be considered due to unaffordability.

Cllr Witbooi requested an explanation for the MSCOA payment for consultants upon which Mr de Wet indicated that the payment was for contracted services.

In response to a question raised by Cllr Ntshuntshe, regarding what CTICC is doing to retain current staff and if incentives are being considered, Ms Motlhabane responded that staff appreciate the working from home arrangements and that it is applied where possible to do so. The Board is also in the process to look at other incentives adding value and that further details would be provided at a later stage. She however stated that the lack of funds was a major issue.

Ald. Watkyns requested an indication of how many events were cancelled, as well as how many events were cancelled by the organizers and moved to another venue. Ald. Watkyns also requested an indication of how the CTICC has done in relation to its competitors.

Ms Motlhabane said that the events/conferencing market is “depressed” due to the impact of Covid-19. She said that, in terms of event cancellations, CTICC lost some of its events to the Century City venue due to the accommodation option that the venue provides. She indicated that a comparison would not be accurate as the other major competitor targets a different market.

Cllr Moses requested that the full staff complement of the CTICC be provided to MPAC in order to understand the staffing of the entity, as well as the utilization of staff.

Ms Motlhabane said that the CTICC is doing everything possible to retain skilled staff, i.e. an aggressive strategy for the recruitment and retention of staff. She however said that to recruit skilled was a challenge in terms of the staff bill and that the focus is currently on cross training the current staff. Ms Motlhabane indicated that a comprehensive human resources strategy would be submitted to MPAC.

Cllr Majingo requested further information regarding the City’s shares option and the amounts spent on “consulting”.

Mr de Wet said that the City made R200 million funding available to the CTICC via a shares option. He said that the City would only take up shares on an “as and when needed” basis. He explained that the

R200 million was not transferred to the CTICC, but the arrangement was for transfers to be made only when CTICC requires funding.

With regard to “consulting”, Mr de Wet said that CTICC do not utilise consultants as such but reference thereto in the financial statements, includes audit services, legal services, IT/computer services, labour broker, etc. as advisory services.

Cllr Majingo requested the management of CTICC to inform MPAC with regard to what would be required to be financially viable going forward, as well as right sizing the business.

Mr de Wet responded that the processes of the financial viability and right-sizing were ongoing and highlighted the following:

- a staff complement of 250;
- 107 staff members retrenched which equates to a 40% reduction in staff with a value of 30% reduction in payroll costs;
- a section of the venue was closed down due to underutilization.
- e a review of the CTICC's business model;
- considering other ways of conducting business, as well as generating new income streams.

Ms Motlhabane indicated that the management of CTICC would be available for an opportunity to give an induction presentation to MPAC.

At this stage, Cllrs Van Zyl and Both-Rossouw extended a word of appreciation to the officials of the CTICC and wished them well for the future.

The officials were excused from the meeting at this stage.

Mr L de Reuck and Ms K Theron gave a joint presentation on the Cape Town Stadium (RF) SOC Limited as a Municipal Entity tasked with the management of the DHL Stadium, during which they highlighted the following:

Cape Town Stadium (RF) SOC LTD Highlights
 Covid Impact
 Statement of Financial position
 Statement of Financial performance
 Statement of comparison of budget and actual amounts
 Financial Ratios
 Looking forward to 22/23, and
 Forward book

At this stage, MPAC members raised questions and commented as follows:

Cllr Witbooi referred to note 11 on page 219 and enquired about the entry for debtors to which Ms Theron responded that the entry represents one debtor on the Entity's books and that processes are in place to recover the outstanding debt.

Cllr Majingo requested that an update be provided with regard to the anchor tenant and the status of the tenant. Cllr Majingo also requested that more detail be provided regarding the advertising inventory, as well as an indication as to whether the overlay and growth would require additional staff when the economic situation improves.

Mr de Reuck said that the intention is for the anchor tenant, Western Province Rugby Union (WPRU), to take occupation by 1 July 2022. The details with regard to other secondary tenants, Cape Town City Football Club and Big Concerts still need to be finalised.

The advertising inventory is part of the commercialisation of the stadium and maximising the potential value of approximately R30 million.

With regard to staffing, Mr de Reuck responded that there are currently 28 staff members and no further recruitment is planned, as a re-assessment of staffing will be carried out in due course. The commercialisation was outsourced and the arrangement will be re-assessed after 3 years.

In response to the question regarding where and to whom is the quarterly newsletter of the CTS distributed to Mr de Reuck said the newsletter is targeted at the surrounding area.

Cllr Little referred to page 72 requested an explanation with regard to building contracting services to which Mr de Reuck responded that it relates to maintenance of the facilities, which is done on a regular basis in order to comply with relevant regulations and guidelines.

Southgate acknowledged the importance of the regular maintenance to be carried out and asked if critical maintenance take place in order for the stadium to remain compliant.

Southgate referred to page 217 of the agenda and highlighted the administrative and support costs, and requested that the main drivers

for these costs be provided, as well as for how long would reduce costs for events at CTS, be sustainable.

With regard to the request for the stand-alone financial system to be explained, Ms Theron said that the system is currently running parallel with the City's SAP and prepares for the commercialisation of the entity and the specific accounting system and processes required.

Cllr Majingo requested the CTS representatives to indicate if there was any increase in payables and whether there would further reduction in rental charges.

Mr de Reuck reported that an approved maintenance strategy is in place for the stadium. The purpose is to keep track of and monitor maintenance of the facility in order for it to host a maximum of 35 pitch events per annum. He further stated that Cape Town Stadium generates income mainly through negotiated and viable commercial deals with the aim to retain events. Mr de Reuck said that numerous events would be held at the in the DHL Stadium during 2022, including rugby and soccer matches, music concerts and film shoots.

Cllr Van Zyl raised some matters and requested clarity with regard to the following matters as per the Entities' financial statements:

- Page 208: the difference between approved budget and final budget.

Ms Theron differences in the systems are approved budget for implementation and the final budget reflects internal veriments, re-allocations and adjustments after approval.

- Page 208: Significant variances noted in terms of services-in-kind received.
- Page 217: Employee costs

Ms Theron confirmed that the employee costs reflected on page 217 is for the one staff member of the Cape Town Stadium (RF) SOC Ltd.

- Page 224: detail to be provided for the reason(s) given for the two deviations, i.e. *exceptional case where it is impractical or impossible to follow the official procurement process.*

Mr de Reuck said that the entity dealt with two complex matters and it was discussed with SCM. It was agreed that the reason

provided was sufficient and within the process and criteria for deviations.

- Page 225 - progress to be provided on the SARS matter.

Ms Theron advised that the outcome of the SARS objection process was still awaited.

Cllr Southgate referred to page 228 and pointed out the fact that the entity did not meet the performance target with regard to employing the required percentage of people from employment equity target groups at the three highest levels of management. Mr de Reuck said that the situation was historical and efforts are made to change it to achieve the 80% target.

Cllr Botha-Rossouw referred to slide 4 and slide 11 of the presentation and requested explanation with regard to the “11 commercial services providers” and “dark days/dark spaces”. Mr de Reuck responded that only 8 of the 11 services providers are currently actively rendering services at the stadium and “dark days/dark spaces” refer to no events and unutilised facilities.

In response to the question raised by Cllr Moses regarding the liquor licence, Mr de Reuck indicated that the stadium’s liquor licence was renewed recently.

At this stage, the Chairperson expressed sentiments of gratitude towards the officials from CTS and wished them well for the future.

RESOLVED that questions on the 2020/21 Annual Reports of the Cape Town International Convention Centre and the Cape Town Stadium, be submitted by the members of the Committee to Mr Fray, by 11 February 2022.

ACTION: G JOSEPHS; E FRAY; D VALENTINE; A MOOLMAN

THE MEETING ENDED AT 11:46

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adams

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CHAIRPERSON: CLLR Y ADAMS

DATE

ANNEXURE B

SCHEDULE OF OUTSTANDING COMMENTS AND RESOLUTIONS FROM THE MPAC OVERSIGHT PROCESS

NO.	ANNUAL REPORT PAGE NO.	QUESTION RAISED BY CLLR/ALD.	COMMENTS AND RESOLUTIONS ON THE 2020/2021 INTEGRATED ANNUAL REPORTS	RESPONSIBLE OFFICIAL
ENTITY: CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)				
1	N/A	Moses	Provide the HR Strategy, including staff complement, training and development, equity, etc. MATTER WILL BE FOLLOWED UP VIA THE SCHEDULE OF OUTSTANDING MATTERS	K Jacoby D Valentine
2	N/A	Witbooi	How was the risk strategy augmented? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
3	46	Watkins	How many events were cancelled and/or postponed? Of the cancelled events, is there a possibility that the organisers used a different venue? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
4	46	Watkins	Do we know how we fared when compared to our major competitors? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
5	76	Southgate	Have all senior managers completed the MFMA Minimum Competency Level training and is it compulsory? Are there timelines attached to completion? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
6	133	Van Zyl	What is the reason for the increase in the daily call deposit account? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
7	182	Majingo	How long would it take to recover and improve the financial ratios and are the projections in the forward book sufficient to become sustainable? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
8	213	Southgate	(a) Considering the decrease in business, please elaborate on the building costs. (b) Was the Hospital of Hope managed on a full cost-recovery basis? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
9	213	Majingo	Why was the expenditure under-spent by R105.7m?	K Jacoby D Valentine

NO.	ANNUAL REPORT PAGE NO.	QUESTION RAISED BY CLLR/ALD.	COMMENTS AND RESOLUTIONS ON THE 2020/2021 INTEGRATED ANNUAL REPORTS	RESPONSIBLE OFFICIAL
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	
10	213	Witbooi	Under which MSCO A item are consultants paid?	K Jacoby D Valentine
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	
11	213	Majingo	Have consultants been used in the course of business?	K Jacoby D Valentine
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	
12	213	Adams	How cost-effective is outsourcing?	K Jacoby D Valentine
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	
13	236	Witbooi	Please elaborate on the debtors between 91 and 120 days.	K Jacoby D Valentine
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	
14	242	Majingo	Is there a strategy to address the staff shortage and skills loss, due to retrenchments, once business picks up, i.e. right-sizing the business?	K Jacoby D Valentine
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	
15	242	Southgate	A high premium is placed on upskilling staff. Considering the decrease in the staff complement during the pandemic, what is the strategy for recruiting skilled staff for when business improves after the pandemic?	K Jacoby D Valentine
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	
16	242	Van Zyl	Is there an aggressive recruitment strategy in place?	K Jacoby D Valentine
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	
17	242	Witbooi	Considering the pandemic, and retrenchments, what lessons have management learnt over the past year? Is the structure being reviewed?	K Jacoby D Valentine
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	
18	242	Ntshuntshe	What is the strategy to retain staff, e.g. incentives?	K Jacoby D Valentine
			MATTER WILL BE FOLLOWED UP VIA THE SCHEDULE OF OUTSTANDING MATTERS	
19	252	Majingo	Are the R200m shares that were sold to the City considered a loan?	K Jacoby D Valentine
			MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	

NO.	ANNUAL REPORT PAGE NO.	QUESTION RAISED BY CLLR/ALD.	COMMENTS AND RESOLUTIONS ON THE 2020/2021 INTEGRATED ANNUAL REPORTS	RESPONSIBLE OFFICIAL
20	253	Botha-Rossouw	Many events (especially local) are booking with short lead times due to the risk of restrictions being imposed at short notice. What is the CTICC's marketing strategy to remain competitive? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
21	253	Southgate	Please elaborate on the strategy to attract business and the provision of discounted rates. MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
22	254	Van Zyl	Considering the decrease in operations due to the pandemic, why have deviations increased? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
23	255	Van Zyl	Elaborate on contracts awarded to family members of persons in the service of the state as this practice should be discouraged. MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
ENTITY: CAPE TOWN STADIUM				
24	3	Majingo	Who is the anchor tenant and what is the status of the anchor tenant agreement? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
25	8	Majingo	Who is the newsletter directed to? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
26	8	Botha-Rossouw	How many tenders are active? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
27	9	Southgate	Expand on the stand-alone finance system. MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
28	17	Botha-Rossouw	Elaborate on "dark spaces" and "dark days". MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
29	17	Moses	Has the stadium secured a liquor licence? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine

NO.	ANNUAL REPORT PAGE NO.	QUESTION RAISED BY CLLR/ALD.	COMMENTS AND RESOLUTIONS ON THE 2020/2021 INTEGRATED ANNUAL REPORTS	RESPONSIBLE OFFICIAL
30	21	Majingo	Elaborate on the advert inventory revenue. MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
31	25	Witbooi	Elaborate on the substantial difference in the business model in terms of space. MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
32	35	Majingo	Is there a plan to increase staff when business increases? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
33	56	Majingo	Was there any underspending, and if so, why?	K Jacoby D Valentine
34	60	Majingo	Was there an increase in payables. If yes, why? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
35	61	Majingo	Has management considered decreasing the rental charge? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
36	63	Van Zyl	What is the difference between the approved and final budget? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
37	63	Van Zyl	Please explain the following variances: (a) Increase of 82% in services in-kind utilised; (b) Decrease of 90% in other income; and (c) Increase of 192% in services in-kind received. MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
38	68	Southgate	Is the provision of discounts sustainable? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
39	71	Van Zyl	Is the market-related rental of 5% of estimated annual turnover determined annually or is it in the Service Delivery Agreement? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine

NO.	ANNUAL REPORT PAGE NO.	QUESTION RAISED BY CLLR/ALD.	COMMENTS AND RESOLUTIONS ON THE 2020/2021 INTEGRATED ANNUAL REPORTS	RESPONSIBLE OFFICIAL
40	72	Little	Building contracting services has decreased from 2020. Has the required repairs and maintenance taken place? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
41	72	Southgate	In terms of repairs and maintenance, have all the critical repairs and maintenance taken place to ensure that the Stadium remains compliant? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
42	72	Southgate	What are the main drivers for administrative and support costs? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
43	72	Majingo	How did you ensure that your maintenance is compliant? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
44	72	Van Zyl	There is only one employee of the Cape Town Stadium. What is the long-term strategy, including furniture and equipment? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
45	74	Witbooi	Please elaborate on the debtors over 120 days. MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
46	76	Van Zyl	Are the related party transactions a timing issue? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
47	79	Van Zyl	Explain why it was impractical or impossible to follow the official procurement process for the two deviations. MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
48	80	Van Zyl	Was there any progress on the dispute with SARS? MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine
49	83	Southgate	Explain the under-performance of corporate objective 4.3: Building integrated communities. MATTER RESOLVED AT MPAC ON 8 FEBRUARY 2022	K Jacoby D Valentine

ANNEXURE C

The public making of the 2020/2021 Annual reports and receipt of comments was coordinated by the Organisational Performance Management department.

The following comment on the 2020/21 Integrated Cape Town Stadium Annual Report was received via the official website (www.capetown.gov.za/City-Connect/Have-your-say/Issues-open-for-public-comment/comment-on-the-2020-21-annual-reports):

Comment	Management's Response
Error on Page 38 of 88. Total Spend for 2021 should be identical (R43 057 943 vs R43 057 944). Difference of R1. Total Spend for 2020 should be identical (R47 456 883 vs R56 883). Difference of R47 400 000.	The error was acknowledged by the management of the Cape Town Stadium and the correction was made to the Annual Report.

AGENDA INDEX

VOLUME 3 C

REPORT TO COUNCIL		
C 38A/03/22	<p>OVERSIGHT REPORT IN RESPECT OF THE 2020/2021 ANNUAL REPORTS OF THE CITY OF CAPE TOWN'S TWO MUNICIPAL ENTITIES</p> <p><i>INGXELO YOKUBEK'ILISO EPHATHELELE KWIINGXELO ZONYAKA KA2020/21 ZESIXEKO SASEKAPA NEYAMAQUMRHU AMABINI KAMASIPALA AZIMELEYO</i></p> <p>TOESIGVERSLAG OOR DIE 2020/2021-JAARVERSLAE VIR DIE STAD KAAPSTAD SE TWEE MUNISIPALE ENTITEIT</p>	1 - 22

Volume 4 to follow ...