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**1. ITEM NUMBER**

**2. SUBJECT**

**OVERSIGHT REPORT IN RESPECT OF THE 2020/2021 INTEGRATED ANNUAL REPORT OF THE CITY OF CAPE TOWN**

**ONDERWERP**

**TOESIGVERSLAG OOR DIE 2020/2021-GEÏNTEGREERDE JAARVERSLAG VAN DIE STAD KAAPSTAD**

**ISIHLOKO**

**INGXELO YOKUBEK' ILISO EPHATHELELE KWINGXELO EHLANGENEYO YONYAKA KA2020/21 YESIXEKO SASEKAPA**

**LSU: N2361 / N3288**

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**3. RECOMMENDATION FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE:  
12 APRIL 2022 (MPAC 10/04/22)**

It is **RECOMMENDED** that:

- (a) Council adopt the Oversight Report and approves the 2020/2021 Integrated Annual Report of the City of Cape Town without reservations.
- (b) the resolutions in Annexure B attached to the report on the agenda report be supported for action and where applicable, be referred to the relevant officials and feedback, where applicable, be provided to the Municipal Public Accounts Committee.
- (c) the questions and comments received from Subcouncils and Portfolio Committees and the responses thereto as set out in Annexure C attached to the report on the agenda, be subjected to review at the next Municipal Public Accounts Committee meeting.

## **AANBEVELINGS VAN DIE KOMITEE OOR MUNISIPALE OPENBARE REKENINGE: 12 APRIL 2022 (MPAC 10/04/22)**

Daar word **AANBEVEEL** dat:

- (a) Die Raad die toesigverslag aanneem en die 2020/21- geïntegreerde jaarverslag van die Stad Kaapstad sonder voorbehoud goedkeur.
- (b) die resolusies in bylae B by die verslag op die agenda aangeheg, vir optrede gesteun word en, waar toepaslik, na die betrokke amptenare verwys word en terugvoering, waar toepaslik, aan die munisipale komitee oor openbare rekeninge gelewer word.
- (c) die vrae en kommentaar wat van subrade en portefeuljekomitees ontvang is en die antwoorde daarop, soos uiteengesit in bylae C by die verslag op die agenda aangeheg, by die volgende vergadering van die munisipale komitee oor openbare rekeninge aan hersiening onderwerp word.

## **ISINDULULULO ESIPHUMA KWIKOMITI KAMASIPALA EJONGENE NEE-AKHAWUNTI ZOLUNTU: 12 EKATSHAZILIMPUZI 2022 (MPAC 10/04/22)**

**KUNDULULWE** ukuba:

- (a) IBhunga malamkele ngaphandle kwamathandabuzo ingxelo engobek'iliso kwaye liphumeze iNgxelo eHlanganisiweyo yoNyaka ka2020/21 yeSixeko saseKapa.
- (b) Makuxhaswe izigqibo ezikwisihlomelo B eziqhotyoshelweyo kwingxelo ekwiajenda ukuze kuthatyathwe amanyathelo kwaye apho kufanelekileyo zidluliselwe kumagosa afanelekileyo ukuze ingxelo, apho kufanelekileyo, inikezelwe kwiKomiti kaMasipala engee-Akhawunti zoLuntu.
- (c) Imibuzo nezimvo ezifunyenwe kumaBhungana nakwiiKomiti zeMicimbi yeSebe kunye neempendulo njengoko zichazwe kwisihlomelo C esiqhotyoshelwe kwingxelo ekwiajenda, ziya kuphononongwa kwintlanganiso elandelayo yeKomiti kaMasipala engee-Akhawunti zoLuntu.

### **MPAC CHAIRPERSON**

NAME

Cllr Y Adams



RECOMMENDED



REFUSED



REFERRED BACK

DATE

SIGNATURE

## **SPEAKER**

NAME

Ald. F Purchase

Comment:

DATE

SIGNATURE



## REPORT TO MUNICIPAL PUBLIC ACCOUNTS COMMITTEE

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1 ITEM NUMBER MPAC 10/04/22

2 SUBJECT

OVERSIGHT REPORT IN RESPECT OF THE 2020/2021 INTEGRATED ANNUAL  
REPORT OF THE CITY OF CAPE TOWN

ONDERWERP

TOESIGVERSLAG OOR DIE 2020/2021- GEÏNTEGREERDE JAARVERSLAG VAN  
DIE STAD KAAPSTAD

ISIHLOKO

INGXELO YOKUBEK' ILISO EPATHELELE KWINGXELO EHLANGENEYO  
YONYAKA KA2020/21 YESIXEKO SASEKAPA

LSU N3021

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 Report (IAR) of the City of Cape Town was tabled at a Special Council meeting on 24 February 2022 (SPC 03/02/22).

The oversight process commenced on 25 February 2022 when the Auditor-General of South Africa (AGSA) briefed MPAC on the 2020/2021 audit outcomes of the City of Cape Town (refer to **Annexure A1**). On 4 March 2022 MPAC met with the City Manager and Executive Directors to respond to questions raised by MPAC (refer to **Annexure A2**). In addition to this meeting, the MPAC submitted written questions to the City Manager and Executive Directors, and MPAC met on 29 March 2022 to consider the responses (refer to **Annexure A3**). Comments and resolutions from the oversight process, and outstanding items to be added to the schedule of matters receiving attention, are contained in **Annexure B**. The IARs are made public and questions and comments can be submitted via the Organisational Performance Management department. Comments from the public are forwarded to the relevant line departments who respond to the person directly and questions/comments from the portfolio committees and subcouncils form part of the MPAC oversight questions (refer to **Annexure C**). The Audit and Performance Audit Committee submitted a report to MPAC for consideration during the oversight process (refer to **Annexure D**).

MPAC will establish task teams to investigate the unauthorised, irregular and fruitless and wasteful expenditure and other additional disclosures in terms of section 32(2) of the

MFMA, and report to Council on conclusion of the investigations.

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

## 5 RECOMMENDATIONS

Not delegated: for decision by Council

- (a) The Municipal Public Accounts Committee (MPAC), having fully considered the 2020/2021 Integrated Annual Report of the City of Cape Town and representations thereon, **RECOMMENDS** that Council adopts the oversight report and approves the annual report without reservations.
- (b) It is **RECOMMENDED** that the resolutions in Annexure B to the attached report be supported for action and where applicable, be referred to the relevant officials and feedback, where applicable, be provided to the Municipal Public Accounts Committee.

## AANBEVELINGS

Nie gedelegeer nie: vir besluitneming deur die Raad

- (a) Na die volledige oorweging van die 2021/2021- geïntegreerde jaarverslag van die Stad Kaapstad en vertoë daaroor, **BEVEEL** die munisipale komitee oor openbare

rekeninge (MPAC) **AAN** dat die Raad die toesigverslag aanneem en die jaarverslag sonder voorbehoud goedkeur.

- (b) Daar word **AANBEVEEL** dat die resolusies in bylae B vir optrede gesteun word en, waar toepaslik, na die betrokke amptenare verwys word en terugvoering (waar toepaslik) aan MPAC gelewer word.

## IZINDULULO

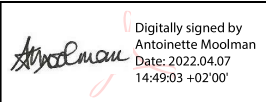
### Azigunyaziswanga: isigqibo seseBhunga

- (a) IKomiti kaMasipala ejongene neeAkhawunti zoLuntu (MPAC), ekubeni ithathele ingqalelo ngokupheleleyo iNgxelo ehlangeneyo yoNyaka ka2020/21 yeSixeko saseKapa neengxelonkcaza, **MAYENZE ISINDULULO** kwiBhunga ukuba lamkele ingxelo engobek'iliso kwaye liphumeze ingxelo yonyaka ngaphandle kwemiqathango.
- (b) **KUNDULULWE** ukuba Makuxhaswe izisombululo ezikwisihlomelo-B ukuze kuthatyathwe inyathelo kwaye apho kufanelekile zidluliselwe kumagosa afanelekileyo kwakhona kunikezelwe ngengxelo (apho kufanelekileyo) kwiKomiti kaMasipala ejongene nee-Akhawunti zoLuntu (MPAC).

## ANNEXURES

- ANNEXURES A1 to A4: Minutes of the MPAC meetings held on 25 February 2022, 4 March 2022, 29 March 2022 and 12 April 2022
- ANNEXURE B: Schedule of outstanding comments and resolutions from the MPAC oversight process
- ANNEXURE C: Questions from the public participation process
- ANNEXURE D: Report from the Audit and Performance Audit Committee

## 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: 2022.04.07 14:49:03 +02'00'</p>		

**MPAC CHAIRPERSON**NAME CLLR YAGYAH ADAMS COMMENT: \_\_\_\_\_

DATE \_\_\_\_\_

SIGNATURE  Digitally signed by yagyah adams  
Date: 2022.04.07 15:00:15 +02'00' \_\_\_\_\_

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 \_\_\_\_\_ Certified as legally compliant based on the contents of the report

SIGNATURE  Digitally signed by Jason Sam Liebenberg  
Date: 2022.04.07 15:43:21 +02'00' 

Note: Submitted to MPAC in terms of Part 22, delegation 1 (1).

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**- MINUTES -**

**OF A SPECIAL MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
HELD IN COMMITTEE ROOM A, 5TH FLOOR, PODIUM BLOCK, CIVIC CENTRE,  
CAPE TOWN ON FRIDAY, 25 FEBRUARY 2022 AT 09:00**

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**PRESENT**

*Note: Some of the councillors were present in the venue while others linked in via Skype.*

**COMMITTEE MEMBERS:**

**CAPE MUSLIM CONGRESS**

Cllr Y Adams (Chairperson)

**DEMOCRATIC ALLIANCE**

Cllr A van Zyl (Deputy Chairperson)

Cllr A McKenzie (via Skype)

Cllr A Moses

Cllr K Southgate

Cllr J Witbooi

**AFRICAN NATIONAL CONGRESS**

Cllr B Majingo

Cllr L Phakade (via Skype - joined at 09:10)

**ECONOMIC FREEDOM FIGHTERS**

Cllr L Ntshuntshe

**FREEDOM FRONT PLUS**

Cllr F Botha-Rossouw

**GOOD**

Cllr S Little

**OTHER COUNCILLORS**

Cllr J Cupido

# **SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

## **MINUTES**

**25 FEBRUARY 2022**

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*Note: Some of the officials were present in the venue while others linked in via Skype.*

### **OFFICIALS:**

D Valentine	: Director: Treasury
Z Hoosain	: Chief Audit Executive
P Fisher	: Forensics Services
K Motaung	: Combined Assurance
T Singatha	: 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
G Josephs	: Executive Committee Services
E Fray	: Executive Committee Services

### **OFFICE OF THE AUDITOR-GENERAL SOUTH AFRICA (AGSA)**

A Bloew

### **WESTERN CAPE GOVERNMENT DEPARTMENT OF LOCAL GOVERNMENT**

N Henge  
S Swanson

### **APOLOGIES**

Ald. B Watkyns  
Cllr N Rheeder  
A Karriem

**SPMPAC 09/02/22 OPENING**

The Chairperson, Cllr Y Adams, welcomed everyone to the meeting.

The Chairperson also extended a word of welcome to the official from AGSA.

**SPMPAC 10/02/22 APOLOGIES / LEAVE OF ABSENCE**

**RESOLVED** that it be noted that apologies for not being able to attend the meeting were received from Ald. B Watkyns and Cllr N Rheeder and Mr A Karriem.

**SPMPAC 11/02/22 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 12/02/22 TABLING OF THE CITY'S INTEGRATED ANNUAL REPORT AND INFOGRAPHICS SUMMARY FOR 2020/21**

Mr A Bloew gave an overview of the outcome of the City's 2020/21 audit by way of a visual presentation.

At this stage, the chairperson afforded MPAC members an opportunity to comment on and ask questions with regard to the presentation.

Cllr Little was concerned regarding the monitoring and implementation of non-compliance findings and enquired how and where the follow-up should be monitored. Cllr Little referred to slide 6, the finding regarding the irregular expenditure in the amount of R767 276 000 and enquired about the monitoring role by MPAC on the outcomes of investigation regarding matters, such as these.

Mr Vorster said that, with regard to the matter of compliance and irregular expenditure, the Auditor-General (AG) is reporting on a previous financial period, and in the meantime, the City has established a Contract Management Unit. Mr Vorster explained that at present, more stringent guidelines and contract-monitoring controls have been implemented. He said that the City has taken

necessary steps in respect of preventative measures and that matters regarding unauthorised, irregular, fruitless and wasteful expenditure (UIFW) will be referred to MPAC with the required disclosures.

Mr Bloew said that the AG would report to the City when it is noticed that consequence management measures or where recommendations were not effectively implemented, and where recommendations were not appropriately implemented. With regard to a concern raised regarding MPAC's functions and responsibilities, Mr Bloew referred to the Terms of Reference (ToR) of MPAC.

Ms Postings said that MPAC is an investigative body, hence any matters related to irregular expenditure (Section 32 of the MFMA) would be referred to MPAC. Ms Postings also referred to the Consequence Management Policy of the City which was approved in October 2020. She also referred to the Standard Operating Procedure (SOP) established in 2021 with regard to the Unauthorised, Irregular, Fruitless and Wasteful expenditure (UIFW) register, and said that governance reporting also flows to the Audit and Performance Audit Committee (APAC).

Cllr Majingo said that he has made an observation of the Annual report, that the focus was more on compliance rather than controls. Cllr Majingo felt that the City should focus on the organisational culture and behaviour and reinforce the required controls required to manage projects. Cllr Majingo felt that ongoing training should be implemented in the administration in order for the City's staff to remain up to date with all the technological and contract requirements.

Cllr Moses enquired about the risks alluded to in the report and enquired whether any penalties were imposed on the City. Cllr Moses also referred to the human behaviour versus the systemic processes that needs to be place, and enquired whether there is non-adherence to the controls that are in place.

Mr Valentine referred to the value of the irregular expenditure and said that it solicits the question whether the City has applied corrective measures. Mr Valentine added that from the total value of an amount in excess of R767 million, the AG only noticed a value of approximately R30 million of irregular expenditure for that financial period. He said that from the total of R767 million, R500 million relates to 1 contract, which is for Security Services, and only 2 repeated findings were noticed. Mr Valentine said that the bulk of the irregular expenditure relates to self-reporting, and that the City of Cape Town is the only Metro Council in South Africa that motivates

and exercise self-reporting. He said that the City of Cape Town applies consequence management and issues directives, which stimulates self-reporting. Mr Valentine added that low value matters are also raised and referred to MPAC and that controls and systems are in place for matters of higher values. He said that some of the matters are related to past practices and interpretations by the administration, and most of these behaviours are being corrected.

Mr Valentine mentioned that the Annual report refers to corrective measures, especially in terms of Senior Management, and the notion of automated controls are being introduced for such occurrences. He said that the focus is to change behaviour, and that the City has made good progress in respect of prevention of non-compliance.

Cllr Moses referred to the service delivery challenges alluded to by the AG, and also referred to the cost containment issues and reviews being applied by the City and other Municipalities in terms of the SALGA requirements. Cllr Moses enquired how the City would correct the behaviour of the staff in respect of the cost containment requirements.

Mr Vorster explained that the cost containment regulations are being applied in the City through the Supply Chain Management (SCM) process. He said that tender specifications have to comply with the cost containment regulations. Mr Vorster added that the past bad practices and incorrect interpretations are being addressed for all tenders in terms of legislative requirements. He said that there is ongoing training for staff and the necessary guidelines and directives are being issued. Mr Vorster mentioned that the City Manager insists that appropriate consequence management actions must be taken in cases of wrongdoing. He said that matters do receive the proper attention and appropriate action is being exercised.

Cllr Southgate commended the context provided by Mr Valentine and said that a vast improvement in respect of financial matters was noticed over the last two financial years. Cllr Southgate referred to a comment by the AG on slide 5, regarding the financial statements that were submitted and that it was free from material misstatements. Cllr Southgate felt that this is a good indication of how processes are managed. Cllr Southgate further referred to the action plans implemented by the City to address prior year findings, and felt that this is an indication that the City was not brushing over matters, but has applied corrective measures, where needed. Cllr Southgate said that it was also noted that the City Manager issued directives regarding contract and project management, and other

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related issues, which complements the investigative oversight of MPAC. Cllr Southgate felt that there is an active movement from accounting to accountability, and that appropriate behaviour of City officials are encouraged. Cllr Southgate also highlighted several positive indicators in the reports and applauded the progress achieved. Cllr Southgate noted that there are still a number of matters to be investigated and addressed by MPAC, but felt that it was part of the clean-up. Cllr Southgate was also comfortable that the message is being conveyed to the administration that due process and care must be exercised and correct action in terms of the legal framework must be taken to avoid recurrence of bad practices of the past. Cllr Southgate commended the efforts of the relevant City staff who ensures financial prudence.

Cllr Witbooi commended the audit team and referred to the issues raised with regard to interpretation, which appears to have improved over the last financial period. Cllr Witbooi enquired how the current legislation that is being imposed upon Municipalities, nationally, impact on democracy objectives of the City, and whether the democracy objectives or the regulatory objectives are being met. Cllr Witbooi felt that the regulatory objectives are over-bearing when it comes to expenditure and this makes it difficult for spending the planned budgets. Cllr Witbooi felt that there should be a review of the intention of legislation, especially when it comes to service delivery to the poor, and that the AG and National Treasury should meet to have discussion surrounding this aspect. Cllr Witbooi felt that service delivery to the poor should be fast-tracked and enabled by appropriate legislation as following of legal processes are sometimes tedious and considerable delays are experienced before services are actually executed. Cllr Witbooi felt that talks between the AG and National Treasury could enhance the ability of “eating the fruits of democracy”. Cllr Witbooi felt that all the positives in the report should be taken note of as it was augmented by the efforts of MPAC and that MPAC adds value to the smooth running of the City.

Cllr Ntshuntshe enquired about the controls that are in place as many of the previous contraventions and failures were due to human behaviour. Cllr Ntshuntshe mentioned the newly constructed bridge in Khayelitsha, for example, as a failed project.

Mr Bloew agreed that some of the contraventions could be ascribed to human behaviour and mentioned the fruitless and wasteful expenditure, although not specifically highlighted. Mr Bloew said that attention should be given to the root causes to curtail it going forward. Mr Bloew said that it is often a debate whether legislation improves or stifle service delivery. He said that Legislation, however, is general to all Municipalities and is derived from the Constitution,

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which was based on history and attempts to redress the injustices of the past. Mr Bloew was of the view that Councillors are in a better space than the AG to address service delivery imbalances. Mr Bloew said that the AG could assist when it comes to interpretation of Legislation and was of the view that it is an evolving process, and that National Treasury was in a process of improving its supply chain legislation over the last few years. In respect of the question raised regarding the controls that are in place, Mr Bloew said that there are a number of stage gates (controls) from inception of a project until development of a specification. He said that this is particularly prevalent with engineering contracts where certain things need to happen before the next stage is initiated. Mr Bloew said that it is evident that the City has learnt from the implementation of the controls and this will be tested in future.

Cllr Majingo referred to the automated system and said that it is an early warning indicator, especially when projected timeframes for projects are not met, and processes have to put in place for expansions. Cllr Majingo felt that when it comes to Legislation, officials should familiarise themselves with the Laws so that they do not transgress it.

Cllr Southgate requested that the AG explain the “material losses” concerning water and electricity, as well as, the fruitless and wasteful expenditure. Cllr Southgate also mentioned the interest on late payments and the extension of time claims. Cllr Southgate also asked for the AG’s views on the City doing business with family members of employees of the City. Cllr Southgate also requested the AG’s view on the concept of “value for money”, and whether the City received value for money with their contracts during the financial period under review.

Mr Bloew in addressing the question on the water and electricity losses, said that as an explanation, the City purchase bulk electricity and the consumer is billed, but somehow losses of electricity are experienced between supplier and consumer. He said that it is usually because of illegal connections or a problem with the infrastructure. He said that load-shedding also plays a role in electricity losses. Mr Bloew mentioned that there are a number of standards in the industry where losses are acceptable, and of which there is a limitation up to 30%, in some cases. He felt that the City should decide on its tolerance level for these losses, but if the AG notice the losses in the region of 30% and above, it will highlight it in the report.

Mr Bloew said that, in respect of the fruitless and wasteful expenditure, interest on late payments are sometimes unavoidable,

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due to Court judgments against the City, and sometimes it is due to penalties against the City.

In respect of the value for money concept, Mr Bloew said that there is a perception that some suppliers charge the City more than they should, but it should be borne in mind that SCM processes are in place. Due diligence checks and balances occur in order that the City could achieve market-related prices. He said that interest payments could occur with the extension or expansion of contracts, as the market would not be tested in those cases, and a monopoly could be created through that as there are no competitive process. Mr Bloew said that these matters could be looked at from a Demand Management process, going forward. He said that Legislation attempts to achieve the best prices for government and that the Government has a dual purpose, in that it has to drive the economy on the one hand, and has to conserve public funds.

In respect of the question raised regarding “doing business with family member of employees of the City”, Mr Bloew said that doing business with “employees of the State” is discouraged, but doing business with family members of employees of the City is allowed in terms of the MFMA, provided that it is disclosed. Questions are often asked about the involvement of such employees in those businesses, but the City usually have its own investigative processes.

Cllr Southgate said that the declaration of interest of Senior Management is normally about 100%, but that the declarations by lower level staff is about 70%. Cllr Southgate felt that this indicates a gap, and enquired how the AG tests this aspect.

Mr Valentine said that Regulation 44 only require that disclosure be made, but he will provide information to MPAC regarding the disclosure by staff and their connection to businesses. He said that the City regulates and manage this aspect quite rigorously.

Cllr Witbooi enquired whether the City could change the findings of the AG in respect of UIFW, if the investigation by the City has a different outcome. Cllr Witbooi also referred to the “white paper on service delivery” which speaks to value for money, as well as the Batho Pele principles. Cllr Witbooi enquired whether the word “market-related” or “fair price” is more appropriate than “value for money”.

Mr Bloew agreed with Cllr Witbooi that it is a better description as “value for money” has a connotation of judgement. In respect of a disclosure by the Accounting Officer in the Annual Financial



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Statements that an amount is irregular, Mr Bloew said it cannot be changed. He said that the possibility of recoverability of such value should be stated.

Cllr Moses enquired whether penalties were raised against the City, and about the financial risks associated with such penalties.

Mr Valentine said that if any penalties or interest are raised or paid, it would be referred to MPAC. He said that the City will make a payment, but as there is no budget allocation for penalties or interest, the Accounting Officer would refer it to MPAC as it would be an expense for which the City did not obtain "value for money".

Mr Bloew said that if an investigation by MPAC reveals that a staff member was deliberately negligent, it should be stated that the amount is recoverable from the offending party. Mr Bloew said that if non-compliance is found in respect of irregular expenditure, and such amount exceeds R1million, the AG would report a material irregularity. He said that in such case the Accounting Officer would have to take further consequence management action.

Cllr van Zyl referred to the outstanding matters that the previous MPAC could not complete due to the ensuing Local Elections, and that these matters would be considered as soon as possible. Cllr van Zyl enquired whether it is only the AG who could determine whether a matter is irregular, or whether the Accounting Officer also have that mandate.

Mr Bloew said that AGSA would report to the Accounting Officer that irregular expenditure has been identified. He said that the Accounting Officer then has the responsibility to include it in the Annual Financial Statements, but the Accounting Officer could also disagree with the AG, with reasons. Mr Bloew said that the matter would be debated and the AG could qualify an amount in the Financial Statements. Mr Bloew said that the Accounting Officer must be consulted in a decision to declare something as irregular or not.

Cllr van Zyl enquired about the process for self-reporting when it comes to irregular expenditure.

Mr Bloew said that the AG would only see the self-reporting matters once it is included in the Financial Statements, and prior to that, it is in the hands of the Accounting Officer.

Mr Valentine said that at times City departments would identify and self-report on irregular expenditure, and then the Accounting Officer

has to scrutinise such matters and make a determination. Mr Valentine said that the City is proactive in determining UIFW matters and does not want to wait on the AG to highlight matters, hence it embarked on an active self-reporting drive.

Cllr Witbooi said that when matters appear before MPAC, the Executive Directors and reporting staff are being held accountable, and not the Accounting Officer. Cllr Witbooi enquired whether this MPAC is right in doing so.

Cllr Botha-Rossouw enquired whether self-report is not a tool that could be misused, whereby City staff could deliberately not follow the proper processes, and then self-report. Cllr Botha-Rossouw enquired whether other options are available.

Mr Valentine explained that the City reviewed all existing contracts after discussion with the AG, and that self-reporting comes with consequence management, which includes practices to change behaviour. He said that self-reporting is not the preferred mechanism to address contraventions, but the City is in a process of a clean-up and self-reporting should not be infinitely perpetuated.

Ms Postings said that when line departments identify non-compliance in terms of UIFW matters, it is required that they look at the definitions and report such matters.

Cllr Southgate was concerned regarding the delay before matters are sometimes reported to MPAC and enquired whether the AG look at delays and report on it.

Mr Bloew said that in respect of the question raised whether to hold the Accounting Officer accountable, every Municipality should have an Accountability Framework to ensure that Accounting Officers put proper controls in place. He said that the MFMA also includes a section regarding the requirement for such controls to prevent Unauthorised, irregular, wasteful and fruitless expenditure. Mr Bloew said that the City Manager is ultimately accountable, as it is the responsibility of Council to hold the administration accountable. The City Manager, in turn, is conferred with powers to delegate to the Section 56 managers.

In respect of the delays, Mr Bloew said that the AG do report on how long matters take, but conceded that each investigation has its own merits and timeframes. Mr Bloew said that sometimes the AG considers to deploy its own investigators to examine irregularities and to detect hindrances when such matters take too long to be concluded.

Cllr Southgate enquired regarding the timeframes for investigations and whether mechanisms are in place to measure the timeframes.

Mr Valentine confirmed that mechanisms are in place for this purpose and said that a Contract Management system was implemented in the City. He said that the City Manager issues the Executive Directors (EDs) with target dates for submission and reporting on irregularities. Mr Valentine said that preventative controls would eradicate the need for self-reporting. He said that all contracts are being monitored for expenditure and the process is being refined on an ongoing basis.

The chairperson thanked the representative from the Office of the Auditor-General for the briefing on the City's Annual Report, as well as the officials from the WC Government's Department of Local Government for their attendance.

Members of MPAC expressed appreciation for the presentation of the report by the official of AGSA.

Mr Vorster explained the further oversight process and dates of meetings for further consideration of the City's Annual Audit report and advised the Committee that all questions on the Annual Report had to be submitted to Mr E Fray by Monday, 12 April 2021.

**RESOLVED** that:

- (a) the briefing by the Auditor-General South Africa on the City's 2020/21 Annual Report, be noted
- (b) written questions on the Annual Report be submitted by the members of the Committee to Mr Fray by 11 March 2022.

**ACTION: E FRAY, G JOSEPHS**

**THE MEETING ENDED AT 10:37**

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**CHAIRPERSON: CLLR Y ADAMS**

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**DATE**

**- MINUTES -**

**OF A SPECIAL MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
HELD IN COMMITTEE ROOM A, 5TH FLOOR, PODIUM BLOCK, CIVIC CENTRE,  
CAPE TOWN ON FRIDAY, 04 MARCH 2022 AT 09:00**

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**PRESENT**

*Note: Some of the councillors were present in the venue while others linked in via Skype.*

**COMMITTEE MEMBERS:**

**CAPE MUSLIM CONGRESS**

Cllr Y Adams (Chairperson)

**DEMOCRATIC ALLIANCE**

Cllr A van Zyl (Deputy Chairperson)

Cllr A McKenzie (via Skype)

Cllr A Moses (via Skype)

Cllr N Rheeder

Cllr K Southgate

Ald. B Watkyns

Cllr J Witbooi

**AFRICAN NATIONAL CONGRESS**

Cllr B Majingo

Cllr L Phakade (via Skype)

**ECONOMIC FREEDOM FIGHTERS**

Cllr L Ntshuntshe

**FREEDOM FRONT PLUS**

Cllr F Botha-Rossouw

**GOOD**

Cllr S Little

# **SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

## **MINUTES**

**04 MARCH 2022**

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**Note:** *Some of the officials were present in the venue while others linked in via Skype.*

### **OFFICIALS:**

L Mbandazayo	: City Manager
K Jacoby	: Chief Financial Officer
V Botto	: Acting ED: Safety and Security
D Campbell	: ED: Urban Mobility
R Gelderbloem	: Acting ED: Economic Growth
N Gqiba	: ED: Human Settlements
R Keraan	: Acting ED: Urban Waste Management
G Morgan	: Acting ED: Future Planning & Resilience
Z Mandlana	: Acting ED: Corporate Services
K Nassiep	: ED: Energy
E Naude	: Acting ED: Spatial Planning & Environment
E Sass	: ED: Community Services & Health
M Webster	: ED: Water and Sanitation
D Valentine	: Finance: Treasury
C January	: Director: OPM
E Dick	: Future Planning & Resilience
P Fisher	: Forensics Services
S du Toit	: Combined Assurance
T Singatha	: Combined Assurance
A Moolman	: Internal Audit
F Arendse	: Internal Audit
B Lufundo	: Legal Services
G Postings	: Office of the City Manager
A Vorster	: Office of the Speaker
R Razack	: Executive and Councillor Support Operations
G Josephs	: Executive Committee Services
E Fray	: Executive Committee Services

### **APOLOGIES**

K Motaung  
Z Hoosain

**SPMPAC 01/03/22 OPENING**

The Chairperson, Cllr Y Adams, welcomed everyone to the meeting.

**SPMPAC 02/03/22 APOLOGIES / LEAVE OF ABSENCE**

**RESOLVED** that it be noted that apologies for not being able to attend the meeting were received from Mr Z Hoosain and Ms K Motaung.

**SPMPAC 03/03/22 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. Mr D Valentine also declared his involvement with preparation of the City's Annual Financial Statements.

**SPMPAC 04/03/22 TABLING OF THE CITY'S INTEGRATED ANNUAL REPORT AND INFOGRAPHICS SUMMARY FOR 2020/21**

The Chairperson said that members of MPAC have the opportunity to direct questions to the City Manager and EMT members present on the City's 2020/21 Annual Report.

Some of the MPAC members indicated that they would submit written questions on the Annual Audit report to the Administration.

Cllr Majingo enquired whether training to staff would be ongoing in order to ensure compliance and adherence to the Legislative requirements.

The City Manager, Mr L Mbandazayo confirmed that ongoing training interventions would be available and encouraged for the City staff in order for the Administration to pursue adherence with Legislative requirements and compliance where required. Mr Mbandazayo said that it is necessary for the City's Staff corps to broaden their understanding of the direction the City would take on various aspects and that staff are capacitated for the functions of their positions. Mr Mbandazayo added that disciplinary measures is not the primary focus, but the focus is about assisting and

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empowering staff to execute their functions in order to deliver the required services.

Cllr Southgate expressed appreciation to the City Manager for the manner in which the Administration was managed over the last 12 months. Cllr Southgate said it is noted from the Annual Audit report that there have been significant changes over the financial period under review, compared to the previous period. Cllr Southgate was also pleased that the City Manager has taken note of previous concerns raised by MPAC and has implemented strategies and systems to improve the behaviour of the administration where Unauthorised, irregular, fruitless and wasteful (UIFW) expenditure matters are concerned. Cllr Southgate requested that the City Manager provide detail to MPAC regarding Project Management and deficiencies about supply chain management raised by the Auditor-General (AG). Cllr Southgate also referred to the statement by the City Manager on pages 12/13 of the Annual report, and enquired about the City's Investment Facilitation Unit and the engagement with the potential investors. Cllr Southgate also requested information on the percentage split between local and international investors and how many direct and indirect work opportunities would be generated through the investments.

Mr Mbandazayo, referred to the matters raised by the AG, and explained that there are still some basic errors in the City's systems, whereby contracts were not monitored in a proper way, where the expiry dates are concerned. Mr Mbandazayo said that he is proactive in this regard and would not wait until the matter is raised by the AG, but would immediately put measures in place to address such issues and for officials to be cognisant of contract expiry dates. Mr Mbandazayo added that there are ongoing training in respect of Project Management and Project Management Body of Knowledge (PMBOK) to capacitate Project Managers, and that project management at the City is not similar to that in the private sector due to Local Government Legislative compliance requirements. Mr Mbandazayo mentioned that if a Project Manager has erred, part of the remedial action is that an explanation and assurance should be given about the measures to prevent a recurrence of the contravention. It was said that the AG continuously changes its Audit approach, hence the City should be adaptable and conscious of the ever-changing audit environment.

With regard to the questions raised about investments, Mr Mbandazayo said that it should be ensured that the City have the proper infrastructure to make it conducive for investments. He said that the City of Cape Town has engaged with big and small companies in and around the City to offer assistance in respect of

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economic survival and for employees to remain employed. Mr Mbandazayo felt that job creation is key and necessary for the citizens in the Municipal area and the City of Cape Town can assist and be a facilitator for the private sector businesses in this regard.

The Acting Executive Director: Economic Opportunities and Asset Management, Ms R Gelderbloem said that the City do have the Innovation & Ease of Doing Business Portfolio Committee in place and that various officials gives input to Committee meetings. Input include matters in respect of infrastructure, special purpose vehicles with regard to direct interaction with investors, and job-creation programmes. Ms Gelderbloem said that the over-arching and broad explanation is that the focus of the Committee is to start analysing and reporting on the available initiatives, but details could be made available, if required.

Cllr van Zyl commended the approach of the officials and expressed appreciation towards the City Manager for the working relationship with MPAC and the attempts to improve efforts in respect of past errors. Cllr van Zyl requested details regarding the Forensic Investigation initiated by the City Manager and details regarding deviations. Cllr van Zyl also referred to an article in the Media regarding the suspension of tenders by National Treasury, as it was felt that this could have a huge impact on the City, as well as, on service delivery.

Mr Mbandazayo said that National Treasury issued an advisory letter to the City regarding the suspension of tenders and that this would have no impact on the City's processes. Mr Mbandazayo said that when the Judgment was made, he had immediately requested the CFO to obtain Senior Counsel Opinion on the matter. The City should be receiving the opinion during the next week. In respect of the question raised regarding deviations, Mr Mbandazayo said that deviations are referred to him for consideration and approval in terms of delegations, and he often has to consider the options available, but that service delivery usually trumps the other options. Mr Mbandazayo said that the Administration is aware that he despises deviations and that he would rather encourage that the officials make use of Section 116(3) of the MFMA for extension of contracts. In response to the question raised regarding the "material irregularity" matter referred for a Forensic Investigation, Mr Mbandazayo requested that the CFO, Mr Jacoby give an explanation regarding this matter.

The CFO explained that in the case of the City receiving a "Material Irregularity" (MI) notice from the AG, the Accounting Officer could be held personally liable in terms of the Public Auditing Act for



recovery, if the Accounting Officer do not react to the level of satisfaction of the AGSA. The CFO said that the Forensic Investigation is complete and the outcome would be made available to AGSA. The CFO explained the nature of the irregularity in that a staff member went beyond his mandate and issued an instruction to a Service Provider related to a standby contract. The CFO said that the Contract Manager did not put it in writing, as, if it was, there would not have been an irregularity. The CFO said that there was an issue of over-billing and measures are in place for the recovery. The CFO added that the City must also do an assessment to establish whether there was an element of fruitless and wasteful expenditure. The CFO said that there were 2 Material Irregularities and that the 2<sup>nd</sup> one relates to over- and under-billing. The CFO mentioned that it was found that there was about R46 000 of fruitless and wasteful expenditure. In terms of the prescriptions, controls needs to be put in place with immediate effect.

Cllr Botha-Rossouw referred to the Statement of the City Manager on page 12 of the report, regarding the Covid-19 virus and its impact in relation to the “economic inclusion” objective, the budget % spend on the workplace skills plan. Cllr Botha-Rossouw further referred to the below target performance due to learners not having access to computers and enquired how access would be ensured. Cllr Botha-Rossouw also referred to pages 286/287, with reference to the irregular, unauthorised, and fruitless and wasteful expenditure and enquired what the impact is on the behaviour of the staff on all the directives issued to date. Also, whether all the Executive Directors (EDs) implement all the recommendations from MPAC and Council to mitigate the risks.

In response to the question raised regarding the workplace skills plan, Mr Mbandazayo said that there was a problem during the lockdown period, when not many City staff members had access to computers due to Covid-19 protocols and requirements. Mr Mbandazayo said that staff currently have access to training in venues where there are sufficient equipment. There is also the “hot desks” project in various areas so that staff could have access to computers for training and work purposes. In response to the question raised regarding the UIFW expenditure, Mr Mbandazayo said that there are consequences associated with such expenditure and it is not only the low ranking staff that is subjected to consequence management actions. Mr Mbandazayo said that, as part of their primary responsibility, he holds the EDs responsible for UIFW expenditure. Mr Mbandazayo said that he has regular collaboration meetings on various platforms, including SCM, to encourage that staff are capacitated, and there is definitely a reduction in this kind of expenditure. Mr Mbandazayo added that the

AG is changing the manner in which audits are performed, and when it comes to deviations, he often has to consider between not allowing a deviation, and service delivery, and would often have no option but to choose service delivery and face the fallout.

The CFO also added that the last Audit was interesting in that some of the matters which the AG previously considered to be irregular and due to bad planning, were not so at all. The CFO said that the organisation cannot be operated in view of the Legislative interpretation of the AG, as it would put the City Manager in a position where his decisions are unlawful. The CFO said if the City did not have robust and lengthy debates with the AG, the City would have had approximately R500 million more expenditure that is irregular. The CFO added that the fact that the debate went in favour of the City was not considered a windfall, but that both the City and the AG learnt from it and it speaks about the maturity of the audit, and that other Municipalities could benefit from the lessons learnt. The CFO highlighted that out of the irregular expenditure value of over R700 million, only R37 million was identified by AGSA. The CFO said that the rest was self-disclosure and it is believed to be a very important part of the audit. It was felt that that when the City identifies the contraventions in terms of self-disclosure, then it is easier to put the required hard-locked controls in place. Most of the hard-locked controls are currently in place and the current UIFW Register is below R35 million for the financial year at this stage.

Cllr Little referred to the table on findings in the various Directorates on page 399 and enquired about the outstanding and recurring matters. Cllr Little also referred to “housing selling development loans” page 253 and queried whether there was a way for the City to transfer the units to the occupiers. Cllr Little also queried whether the report covered staff housing.

In response to the question raised about the outstanding matters regarding the various Directorates, Mr Mbandazayo said that this matter is about an Internal Audit report. The CFO explained that “COMAF” is an acronym for “Communication of Audit Finding” and specifically COMAF numbers are referred to in the report. The meeting was informed that other COMAF numbers not mentioned could have satisfactorily been resolved and COMAFS are typically related to external audits.

Alderman Watkyns referred to the consequence of “consequence management” and queried how a balance is drawn between the MPAC recommended consequence action and service delivery.

Mr Mbandazayo said that officials work in an environment underpinned by a Legislative Framework and it is about the confidence level of officials to perform their duties in terms of governance tools (legislative requirements). Mr Mbandazayo said that what he has noticed in the public sector is that there is a lack of work ethic among officials.

Cllr Witbooi felt that the City of Cape Town is morphing and that the organisation has become more reliant on and driven by supply chain. Cllr Witbooi also felt that the skills set should change to align with the requirements of supply chain. Cllr Witbooi enquired whether an assessment was made whether the City have the capacity to manage all of its existing and potential contracts.

Mr Mbandazayo agreed with Cllr Witbooi that previously Municipalities were driven by engineers, but the regime and Constitutional democracy has changed. Mr Mbandazayo said that the City has appointed project managers and contract managers in all directorates in alignment with the new way of getting things done.

The Chairperson, Cllr Adams expressed concerned about the influx of informal dwellers in the CBD and surrounding areas. Cllr Adams referred to Cape Town as an investment destination and a City of economic opportunities and enquired how a balance will be struck in these circumstances.

Mr Mbandazayo said that the problem of mushrooming informal dwellers is common in all areas and the City's hands are tied during the current State of Disaster period. Mr Mbandazayo said he had to make robust decisions with regard to the removal of informal dwellers in some instances, though.

At this stage, the time being 10:19, the City Manager was excused to attend to urgent City business.

Councillors McKenzie, Moses and Phakade, who were connected to the meeting via Skype media, indicated that they do not have any verbal questions at this time.

In response to the questions raised by Cllr Witbooi, the CFO said that the City's capacity to measure up to what is expected in terms of legislation is important. The CFO said that the City puts capital and operating programmes together based on its ability to contract and staff capacity should be assessed at all times in terms of the needs and demands.

Cllr Southgate referred to the appointment of project and contract managers in the City and queried whether there was a manner if skills gatekeeping where this was concerned.

The CFO explained that the training that is being offered to these staff members are not voluntary, but compulsory, and a lot of assistance is available to the project and contract management staff.

Mr G Morgan explained the Project and Contract Management processes and where the line functions reside in the Future Planning and Resilience Directorate. Mr Morgan further explained that the Project Management journey is highly advanced and the Contract Management is at the beginning of that maturity journey. He said that the Unit has been set up and that contract management had been moved off share-point into the SAP space. Mr Morgan also explained how Project Managers are assessed in terms of the job descriptions and skills and job expectation is a common standard. Mr Morgan said that training for Project and Contract Managers is mandatory.

Cllr Little referred to the City employing a number of Project Managers a few years ago and trained them at great cost and enquired what had happened to them. Cllr Little felt that that the services the City require in terms of Project Management is not a new problem. Cllr Little enquired from the CFO whether the City could develop a mechanism to monitor that the budget is applied for what it is intended for.

Mr G Morgan said that he understand the sentiments expressed about an investment made years ago, but the investment was never meant to deliver its returns in two or three years. He said that that the maturity journey of the investment was well-known at the time. Mr Morgan reiterated that the maturity journey of the Project Programme Management is at an advance stage. He added that if the maturity is allowed to reach its full stage, the City should achieve its capital programme targets that it pursues.

Cllr Witbooi felt that the ability of SCM should be assessed on an annual basis, similarly to workers in the Health profession having to achieve Continuing Professional Development (CPD). Cllr Witbooi further suggested that the Project and Contract Managers write an annual test. Cllr Witbooi also felt that the number of contracts in the system should be matched to officials who have the ability to manage such contracts. Cllr Witbooi was concerned that if the amount of contracts increase the possibility of having irregularities would increase, as well. Cllr Witbooi also felt that if Project and

Contract Managers are overwhelmed with contracts at the City that they would seek employment elsewhere at the backdrop of all the knowledge and experience obtained.

The CFO said that a full assessment of all Contract Managers are known in the City and that is how the City targets the compulsory training.

Cllr Rheeder extended a word of appreciation to the CFO for always being readily available to offer assistance.

Cllr Majingo felt that the efforts of officials in the City that does excellent work without the necessary qualifications should also be acknowledged.

Ms Z Mandlana confirmed that the Project Managers attend continuous training to stay on top of their game. Ms Mandlana agreed with the sentiments expressed that regular skill audits should be performed on the City's officials. In respect of the concerns raised regarding "recognition of prior learner", Ms Mandlana said that there are many avenues the City uses to empower its employees. She mentioned the Individual Performance Management (IPM) programme, as well as, the Workplace Skills Plan (WSP) through which one on one engagement between an employee and Manager takes place and through which training needs are identified.

In terms of the Safe City objective, the Chairperson, Cllr Adams enquired what the long-term safety strategy of the City is to protect communities from "smash and grab" incidents.

At this stage, Councillors agreed to submit written questions on matters pertaining to the City's 2020/21 Annual Report in order for the relevant EMT members to respond thereto in writing.

MPAC members were reminded that the cut-off date to submit written questions is 11 March 2022.

**RESOLVED** that:

- (a) written questions on the City's 2020/21 Annual Report be submitted by the members of the Committee to Mr E Fray by 11 March 2022

- (b) the following item be added to the MPAC Matters Receiving Attention list for a written response to be provided:

Annual Report page number 12: 250 Prospective Investors:

- (a) Provide details of the sectors represented by the proposed investors.
- (b) What is the percentage split between local vs international?
- (c) How many direct and indirect work opportunities will be generated through those investments?

**ACTION: E FRAY; G JOSEPHS**

**THE MEETING ENDED AT 11:08.**

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**CHAIRPERSON: CLLR Y ADAMS**

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**DATE**

**- MINUTES -**

**OF A SPECIAL MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE  
HELD VIA THE CITY'S VIRTUAL PLATFORM (SKYPE) ON TUESDAY, 29 MARCH  
2022 AT 08:30**

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**PRESENT**

**COMMITTEE MEMBERS:**

**CAPE MUSLIM CONGRESS**

Cllr Y Adams (Chairperson)

**DEMOCRATIC ALLIANCE**

Cllr A van Zyl (Deputy Chairperson)

Cllr A McKenzie

Cllr A Moses

Cllr N Rheeder

Cllr K Southgate

Ald. B Watkyns

Cllr J Witbooi

**AFRICAN NATIONAL CONGRESS**

Cllr B Majingo

Cllr L Phakade

**ECONOMIC FREEDOM FIGHTERS**

Cllr L Ntshuntshe

**FREEDOM FRONT PLUS**

Cllr F Botha-Rossouw

**GOOD**

Cllr S Little

**OFFICIALS:**

Z Hoosain : Chief Audit Executive

D Valentine : Treasury Services

C Hendricks : Forensics Services

A Karriem : Forensics Services

## **SPECIAL MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)**

### **MINUTES**

**29 MARCH 2022**

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L Ndaba	: Combined Assurance
T Singatha	: 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
R Razack	: Executive and Councillor Support Operations
G Josephs	: Executive Committee Services
E Fray	: Executive Committee Services

### **APOLOGIES**

L Mbandazayo

### **SPMPAC 09/03/22 OPENING**

The Chairperson, Cllr Y Adams, welcomed everyone to the meeting.

### **SPMPAC 10/03/22 APOLOGIES / LEAVE OF ABSENCE**

**RESOLVED** that it be noted that an apology for not being able to attend the meeting was received from the City Manager, Mr L Mbandazayo.

**ACTION: G JOSEPHS**

### **SPMPAC 11/03/22 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. Mr D Valentine also declared his department's material input into the City's Annual Report.



**SPMPAC 12/03/22 QUESTIONS SUBMITTED BY COUNCILLORS ON THE CITY'S  
2020/21 ANNUAL REPORT AND ANSWERS GIVEN BY THE CITY  
MANAGER AND EXECUTIVE DIRECTORS**

The MPAC members were advised that they could raise further questions of clarity in respect of the written questions submitted regarding the City's 2020/21 Annual Report.

Cllrs B Majingo, J Witbooi and L Ntshuntshe indicated satisfaction with the responses in respect of their questions posed regarding the Annual Report.

Cllr Little indicated satisfaction with the responses in respect of the Annual Report, except that further clarity is required regarding Question 50 (staff housing).

Cllr Little was concerned with the information given that R15 584 665.94 had been collected by the City in respect of Staff Housing. Cllr Little said that during the years 2017/2018 a report was submitted to Mayco, which indicated that no lease agreement had been signed with staff, and that no income had been received at the time for this purposes. Cllr Little questioned the veracity of the information provided at that time and at present.

Mr Vorster said that there is now a reflection of income in respect of Staff Housing and according to the applicable Policy, every City official living in a Municipal property has a lease, which is administered by each Directorate. Mr Vorster said that there might have been challenges in this regard during 2017, but in the meantime, it has been reviewed and refined, and Council has adopted a Policy. Mr Vorster said that if there had been specific challenges, it has not been identified during the audit of the period under review.

Mr Vorster also mentioned that if any specific problem was detected, Cllr Little is at liberty to submit a separate and direct request regarding the matter to the Human Resource Portfolio.

Cllr Little was still concerned and said that the City have various staff housing units in various locations in the Municipal area, and some City staff had been occupying such premises for more than 30 years, and no action is underway to transfer those properties to the occupying staff. Cllr Little queried which Directorate is managing the staff houses in affluent areas like Fresnaye, Kloofnek, Newlands, etc.

It was proposed that Cllr Little address the matter in writing to the City Manager.

Cllr McKenzie shared the sentiments expressed by Cllr Little, and enquired about the number of properties the City have available for staff housing and the purpose of these facilities.

The Chairperson proposed that the matter be included in the "Matters Receiving Attention" schedule in order for a response to be obtained from the City Manager by Cllr Little.

Cllr van Zyl indicated satisfaction with most of the responses to her written questions, except that of Question 59 and enquired regarding the trial date for the Litigation with AEM. During the course of the meeting, Mr Valentine confirmed that the date should read "30 June 2021".

Cllr van Zyl also referred to the response in respect of Question 61 and noted that the matter of staff disputes was incorrectly stated in the Financial Statements.

Cllr Southgate indicated satisfaction with the responses in respect of his questions posed and expressed appreciation for the efforts by the City officials for the detailed responses. Cllr Southgate was, however, concerned that the Executive Directors were not available at the meeting to respond to follow-up questions.

Cllr Southgate requested clarity regarding a response that "*there is a power good data which should inform decision making*".

Ms Postings informed the meeting that the response includes a typographical error.

Cllr Southgate referred to the response in respect of Question 6 that mentions "real" investment and asked for clarity regarding this matter.

Cllr Southgate also noted the response, that the word "prospective" investors in respect of Question 6 should be replaced by the word "speculative".

Cllr Southgate also noted the reasons for tender and procurement delays on page 9 due to Covid-19 and said that it is trusted that these challenges are being corrected.

Mr Vorster said that even during the Covid-19 lockdown period, the Supply Chain Management Bid Adjudication Committee (SCMBAC) continued 100% with its roles and functions. He said that weekly online meetings were held and tenders were awarded, albeit that in the beginning there were challenges regarding specification and evaluation meetings for officials working from home. Mr Vorster said that in the procurement space there were worldwide challenges in respect of the delivery of required components, and that there are still back orders that the City was attempting to obtain. He said that although the problem is ongoing, every effort was being made to ensure that there is production in the City.

In response to a question raised by Cllr Southgate whether the challenges being referred to was linked to “capacity” constraints, as mentioned on page 10, Mr Vorster said that reference to challenges were specifically made in respect of IT equipment.

Cllr Southgate referred to the response in respect of Question 12, the forensic investigation, and referred to a bullet point regarding the “accuracy of job card or claim sheet” on page 16. Cllr Southgate was concerned whether proper monitoring and oversight was exercised by the officials, and enquired about the measures employed to overcome the scenario, as it was felt that inspections cannot be performed retrospectively.

Ms Postings explained that this matter refers to the forensics materiality issue that was experienced by the City and was making it difficult in terms of the quantification exercise the AG was looking for. She further explained that the forensics report was giving the City context / evidence that it is not practical to do the assessment in that manner. Ms Postings assured that the work was done in respect of service delivery continuity. She said that in terms of the remedies, a control improvement and a review in the manner of doing the work, was required. Ms Postings mentioned that this improvement would be on record and is one of those that the Water and Sanitation Directorate was tasked with for implementation. She said that it was not “bad” behaviour, but “improved” behaviour.

The Chairperson enquired whether this incident relates to a specific one where the City was invoiced for work that was never manually performed.

Ms Postings said that the specific matter refers to a material irregularity that was raised by the AG. She said that with the particular incident there could not be collusion as there was a segregation of duties. Ms Postings explained the processes followed

in terms of a C3 notification. She also explained that in the case referred to by the AG, it was a matter of record-keeping and due process in keeping evidence to support maintenance.

Cllr Southgate expressed satisfaction with the response given by Ms Postings.

Mr Vorster gave a further explanation in respect of the query raised by Cllr Southgate. He said that retrospective checking is not feasible, and the required preventative measures have been implemented to avoid a recurrence of similar incidents.

The Chairperson felt that measures should include live photographic evidence when jobs, such as the repair of pipe bursts are attended to by contractors.

Cllr Southgate referred to the response in respect of Question 21 and enquired what the cause was for the original backlog. Cllr Southgate said that in the previous Audit the AG also mentioned that the City was severely under-capacitated with equipment in that so many trucks were standing still, etc., and referred to the 85% processing required by the Urban Waste Directorate.

Mr Vorster reminded the meeting that the matter regarding the truck repairs had been investigated by an MPAC Task Team during the past year and the exact concerns were raised and following debates, the required remedial measures were implemented by the Administration.

Cllr Southgate also referred to the cost of hiring vehicles mentioned on page 23 and enquired about the percentage of savings versus expenditure in view of outsourcing of services.

Mr Vorster said that this matter could be included on the Matters Receiving Attention" schedule. He said that certain percentage of the City's vehicles are being serviced in-house, while other vehicles are being serviced by outsourced Vendors. In some instances, vehicles are also hired when the City's fleet are down, although some vehicles and plant, like compactors, are specialised and are not readily available for hiring. Mr Vorster said that the information regarding percentages is not available and require further input.

Cllr Southgate also referred to the response to Question 22 on page 23, Backstage 2 project not being viable anymore, and enquired why the project is no longer viable.

This matter was also marked to be followed up.

Cllr Southgate referred to the response to Question 27 on page 27 regarding the 2460 “problem buildings” on the database, and enquired what actions have been taken against the owners of the buildings. Cllr Southgate also enquired how many of those buildings belong to the City of Cape Town, and why only 37 of the owners are billed in terms of the Tariff Policy.

Cllr Southgate was also concerned that only 5 staff members out of 20 with resources, attend to these matters, and enquired what was being done about the vacancies. Cllr Southgate also enquired whether the new LEAP Officers could be retrained or skilled to deal or assist with these matters. Cllr Southgate also enquired how the amendment of the By-law would assist to reduce the problem buildings, and how many of the buildings were sold in “sale in execution” to recover the cost. It was felt that these questions should be referred to the relevant Executive Director (ED) for response.

Cllr Southgate also referred to the response to Question 28, the number of Project Managers, and enquired whether the training is optional or compulsory.

Mr Vorster said that the 170 Project Managers by designation are fully-fledged project managers and that the City has also inherited 3600 officials of which project management is included in their job functions. Some of these officials are draughtspersons, or technicians. He said that every official that does project management is compelled to do the Project Management Body of Knowledge (PMBOK) training in order to be accredited. Mr Vorster said that there is also further training available for project managers.

Ms Postings also echoed the information given by Mr Vorster and said that the City Manager has recognised the journey of project managers from a training point of view and that a large number of staff had been trained. She said that this should change faulting behaviour and if there are repeat offenses, the necessary consequences will follow. Ms Postings also mentioned that the City Manager had raised this issue at the last SCM Forum.

Cllr Little raised concern that since 2012 until now Project Management has still not reached the appropriate and required standards. Cllr Little also queried whether SCM knew what was expected of them.

Mr Vorster explained that the City has established its PPM Unit during the last few years and during which emphasis were given to

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Project Management. He reminded the meeting that SCM deals with the tender process, line departments are responsible for the specifications and evaluation, and once a tender is awarded it is handed to the line department. The relevant Project Manager would then manage the project, and the relevant Contract Manager would manage the contract, and that it is a split-responsibility, and the whole process does not solely rest with SCM.

Mr Vorster further said that the 3600 post, referred to, are not new posts, but speaks to inherent responsibilities of City staff on various levels and positions and of which their job functions include aspects of project management. He said that continuous improvement is taking place with regard to project management as staff are being trained on an ongoing basis and emphasis are put on specific skills.

Cllr Botha-Rossouw also expressed appreciation to all officials for the detailed responses given to questions, and referred to the response given to Question 66. Cllr Botha-Rossouw requested that a list be made available in respect of the suburbs where the electricity losses and theft occurred.

Cllr Botha-Rossouw also noted the response given in respect of Question 67 and enquired what is the consequence management in cases where the instruction of the City Manager is not followed. Cllr Botha-Rossouw also wished to be informed of the number of such incidences and what was the outcome.

Ms Postings assured the meeting that the City Manager follows up on his communication and that there is a Consequence Management Register that is being maintained. She said that as an assurance and governance function implemented from 1 July 2021, progressive reporting takes place. Ms Postings said that the City Manager has an escalation protocol, and if a Director was tasked to take certain action against a staff member, for example, and nothing happens, then the City Manager would ask the relevant ED to take action against that Director.

Ms A Moolman requested MPAC's agreement that the Annual report is recommended without reservations and that the matters highlighted be included on the MRA. The Committee agreed.

The Municipal Public Accounts Committee (MPAC), having fully considered the 2020/2021 Integrated Annual Reports and representations thereon,

**RECOMMENDED** that Council adopts the oversight report and approves the annual reports without reservations.

**ACTION: A MOOLMAN**

**FURTHER RESOLVED** that the following outstanding information relating to the 2020/2021 Integrated Annual Reports be followed up via the MPAC schedule of Matters Receiving Attention:

(i) Annual Report page number 338 / 3.1.3.F:

Provide details on the services affected by the hundreds of trucks standing idle awaiting repairs and SCM delays? What is current status of:

- (a) Repairs;
- (b) Award of SCM tenders;
- (c) Cost of having to outsource services;
- (d) Timeframe before affected services will return to normal.

Above matter resolved at MPAC on 29 March 2022, however, the following additional question raised at the meeting:

- (a) What is the percentage savings versus expenditure in view of outsourcing of services?

(ii) Annual Report page number 338 / 3.2.3.N:

- (a) How many illegal land invasions were reported on the site?
- (b) What is being done to address the matter?
- (c) What is the status currently?

Above matter resolved at MPAC on 29 March 2022, however, the following additional question raised at the meeting:

- (a) What were the costs incurred at the stage when the project was declared not viable?

(iii) Annual Report page number 95:

By law and awareness project:

- (a) How many Problems Buildings have been identified in the City of Cape Town?
- (b) How many are actual PB and are registered and billed accordingly?
- (c) How many are buildings with problems on whose owners notices have been served?
- (d) How many staff effectively and efficiently attend to these matters?

- (e) What is the annual billing in revenue to the City of Cape Town?
- (f) How much of the above is actually paid and how much is outstanding?
- (g) What plans do we have in place to reduce the number of Problem buildings?

Above matter resolved at MPAC on 29 March 2022, however, the following additional questions were raised at the meeting:

- (a) What actions have been taken against the owners of problem buildings?
- (b) How many belong to the City of Cape Town?
- (c) Why are only 37 of 468 active cases being billed?
- (d) There are only 5 staff members dealing with problem buildings. What is being done to fill the vacancies?
- (e) How would the amendment to the by-law assist in reducing the problem buildings?
- (f) How many of the buildings were sold in “sale in execution” to recover the cost?

(iv) Annual Report page number 219:

- (a) What was the total income received from Staff housing since 2000 to date?
- (b) How many staff members utilise Staff housing?
- (c) What are the grading of the staff members currently utilising these facilities?
- (d) What is the rental per unit for these staff houses?

Above matter resolved at MPAC on 29 March 2022, however, the following additional questions were raised at the meeting:

- (a) How many staff housing properties does the City own?
- (b) How many are occupied by staff?
- (c) Why are staff occupying these properties?

(v) Annual Report page number 288 / 38.3.2.4:

Material losses: Mention is made that losses are predominantly due to unauthorised usage and metering inaccuracies on electricity losses is the result of system operation, theft and vandalism. What are the City Manager and Executive Directors doing to prevent the losses and theft taking place?

Above matter resolved at MPAC on 29 March 2022, however, the following additional question was raised at the meeting:



Please provide a list of the suburbs where the electricity losses and theft occurred.

**ACTION: A MOOLMAN; G JOSEPHS; E FRAY**

**SPMPAC 12/03/22 REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE (APAC) TO THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) FOR CONSIDERATION DURING THE OVERSIGHT PROCESS**

Ms A Moolman referred to Annexure A and explained that the Audit and Performance Audit Committee (APAC) gave a summary of their oversight over Internal Audit department.

In response to question raised regarding APAC's comment on inadequate control exercised by management, Ms Moolman explained that the comment relates to the review by APAC, as well as the AG's report.

Ms Postings also pointed out that the items in "bold" font are the high-risk items that were raised by both, Internal Audit and the AG. She said that this was APAC's indication and assurance that these matters are also being noticed by them in terms of a governance level.

Cllr Southgate said that it is noted that there are a number of similarities of issues raised by MPAC, as well as APAC and it was a good indicator. Cllr Southgate enquired whether there was assurance from the City Manager's office that these matters enjoy the necessary attention.

Mr Vorster said that, in view of the similarities referred to, the City Manager has an SCM Forum at which reports-back are given, and instructions issued. He said that guidelines are given and the Chief Financial Officer has monthly collaboration meetings with each Directorate. Mr Vorster said that there should be noticeable improvements in the next cycle.

Ms Postings said that all the assurance-providing reports are directed to the City Manager, who sends out additional correspondence to address risks or governance control matters. She said that are frequent Integrated Governance Report that the City Manager peruses and refers to the Executive Management Team (EMT) for discussion and action.

Mr Z Hoosain said that for each assurance report issued, such reports are not issued without first obtaining assurance by management that issues are addressed in accordance of timelines. Mr Hoosain said that in terms of consequence management or accountability framework, the outstanding matters and due dates are included on an EWS system for monitoring purposes.

It was proposed that the pursuance of “*benchmarking the City's Integrated Annual Report with other SA metros, leading global cities, especially those with active resilience programs and with other public sector entities particularly those identified as applying leading practices*” should be included on MPAC's Matters Receiving Attention list for the necessary attention.

**RESOLVED** that the Audit and Performance Audit Committee's report, be NOTED.

**ACTION: A MOOLMAN; Z HOOSAIN**

**THE MEETING ENDED AT 09:56.**

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**CHAIRPERSON: CLLR Y ADAMS**

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**DATE**

**- MINUTES -**

**OF THE ORDINARY MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD (HYBRID) IN COMMITTEE ROOM A, 5TH FLOOR, PODIUM BLOCK, CIVIC CENTRE, CAPE TOWN ON TUESDAY, TUESDAY, 12 APRIL 2022 AT 10:00**

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**PRESENT**

**COMMITTEE MEMBERS:**

**CAPE MUSLIM CONGRESS**

Cllr Y Adams (Chairperson)

**DEMOCRATIC ALLIANCE**

Cllr A van Zyl (Deputy Chairperson)

Ald. B Watkyns

Cllr A Moses

Cllr N Rheeder

Cllr K Southgate

Cllr J Witbooi

**AFRICAN NATIONAL CONGRESS**

Cllr B Majingo

Cllr L Phakade

**ECONOMIC FREEDOM FIGHTERS**

Cllr L Ntshuntshe

**FREEDOM FRONT PLUS**

Cllr F Botha-Rossouw

**GOOD**

Cllr S Little

**OFFICIALS**

Z Hoosain : Chief Audit Executive (via Skype)

E Sass : Community Services & Health (via Skype)

L May : Community Services & Health (via Skype)

D Valentine : Director: Treasury Services

N Gqiba	: Human Settlements (via Skype)
S September	: Human Settlements (via Skype)
R Pretorius	: Human Settlements (Via Skype)
R Cummings	: Water and Sanitation (via Skype)
A Moolman	: Internal Audit
F Arendse	: Internal Audit
S du Toit	: Combined Assurance
C Hendricks	: Forensic Services (via Skype)
P Fisher	: Forensic Services (via Skype)
S de Villiers	: Forensic Services (via Skype)
B Lufundo	: Legal Services
K Larney	: Legal Services
G Postings	: Office of the City Manager
A Vorster	: Office of the Speaker
R Razack	: Executive Committee Services (via Skype)
G Josephs	: Executive Committee Services
E Fray	: Executive Committee Services

## APOLOGIES

L Mbandazayo  
A Karriem  
K Motaung  
T Singatha

### MPAC 01/04/22      OPENING

The Chairperson, Cllr Y Adams, welcomed all present at the meeting.

### MPAC 02/04/22      APOLOGIES / LEAVE OF ABSENCE

**RESOLVED** that it be noted that apologies for not being able to attend the meeting were received from Messrs L Mbandazayo, A Karriem and Mesdames K Motaung and T Singatha.

### MPAC 03/04/22      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.

**MPAC 04/04/22      CONFIRMATION OF THE MINUTES OF THE SPECIAL MEETING  
HELD ON 25 FEBRUARY 2022**

**RESOLVED** that the minutes of the Special MPAC meeting held on 25 February 2022, be confirmed, subject to the following amendment:

On page 09 of the agenda, the word “regent” being replaced with the word “region”.

**ACTION: G JOSEPHS, E FRAY**

**MPAC 05/04/22      CONFIRMATION OF THE MINUTES OF THE SPECIAL MEETING  
HELD ON 04 MARCH 2022**

**RESOLVED** that the minutes of the Special MPAC meeting held on 04 March 2022.

**ACTION: G JOSEPHS, E FRAY**

**MPAC 06/04/22      CONFIRMATION OF THE MINUTES OF THE ORDINARY  
MEETING HELD ON 08 MARCH 2022**

**RESOLVED** that the minutes of the Ordinary MPAC meeting held on 08 March 2022, be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**MPAC 07/04/22      CONFIRMATION OF THE MINUTES OF THE SPECIAL MEETING  
HELD ON 15 MARCH 2022**

**RESOLVED** that the minutes of the Special MPAC meeting held on 15 March 2022, be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**MPAC 08/04/22      CONFIRMATION OF THE MINUTES OF THE SPECIAL MEETING  
HELD ON 29 MARCH 2022**

**RESOLVED** that the minutes of the Special MPAC meeting held on 29 March 2022, be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**MATTERS ARISING FROM THE MINUTES**

Ordinary MPAC meeting held on 08 March 2022: Pages 31 to 29 of the minutes:

As Cllr A McKenzie is no longer a member of MPAC, Cllr van Zyl indicated that she would, as far as possible, replace Cllr McKenzie as member of the Task Teams that Cllr McKenzie was appointed to.

During the course of the meeting Cllr Southgate requested that the Chairperson of MPAC writes to the office of the Chief Whip and the Speaker regarding the challenges of some Councillors not being able to attend Task Team meeting that they were appointed to, i.e. representation on Outside Bodies, etc.

**MPAC 09/04/22**

**MATTERS RECEIVING ATTENTION**

- (1) **EXPENDITURE INCURRED OUTSIDE THE SCOPE OF THE CONTRACT FOR SERVICES RENDERED BY H.E.B MAINTENANCE (PTY) LTD FOR THE DELIVERY OF POTABLE WATER TO INFORMAL SETTLEMENT COMMUNITIES TO MITIGATE THE SPREAD OF COVID-19 (MPACIC 10/09/20)**

The meeting was informed that the forensic report was finalised and is available.

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, J Witbooi, B Majingo, and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (2) **IRREGULAR EXPENDITURE: 177Q/2015/16 TERM TENDER FOR THE REPAIR AND PLUMBING INSTALLATION OF WATER MANAGEMENT DEVICES AT DOMESTIC PROPERTIES OCCUPIED BY INDIGENT HOUSEHOLDS (MPACIC 08/02/21) (FSD156/20-21)**

Cllr Botha-Rossouw indicated that she would not be available on 26 April 2022.

Cllr L Ntshuntshe agreed to join the Task Team on 26 April 2022 for quorum purposes.

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs K Southgate, L Phakade, S Little and L Ntshuntshe be held on 26 April 2022.

**ACTION: G JOSEPHS, E FRAY**

- (3) **IRREGULAR EXPENDITURE INCURRED VIA CONTRACT 102C/2015/2016: PROVISION OF TRAINING BY AN ACCREDITED SERVICE PROVIDER(S) OR A TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET): PROVIDE APPRENTICE PROGRAMMES FOR ENGINEERING AND CONSTRUCTION TRADES (MPACIC 07/04/21)**

The meeting was informed that Cllr Witbooi would not be available to attend Task Team meeting on the Fridays as identified as he was appointed as Chairperson of the Board of Trustees of the Cape Municipal Pension Fund, which have meetings on every alternative Friday.

**RESOLVED** that the above Task Team meeting be held on 29 April 2022.

**ACTION: G JOSEPHS, E FRAY**

- (4) **IRREGULAR EXPENDITURE INCURRED FOR SERVICES RENDERED BY TOP N NOS FOR GENERAL CLEANING AND GARDENING SERVICES WITHIN THE BOUNDARIES OF THE CITY OF CAPE TOWN (DEVIATION - DP6536S/2020/21) (MPACIC 11/04/21)**

Cllr Botha-Rossouw indicated that she would not be available on 26 April 2022.

Cllr L Ntshuntshe agreed to join the Task Team on 26 April 2022 for quorum purposes.

**RESOLVED** that the Task Team meeting of Cllrs J Witbooi, A Moses, L Phakade, and L Ntshuntshe be held on 26 April 2022.

**ACTION: G JOSEPHS, E FRAY**

- (5) **IRREGULAR EXPENDITURE INCURRED FOR PROFESSIONAL SERVICES RENDERED BY DAVENG CONSULTING ENGINEERS CC FOR DESIGN AND CONSTRUCTION SUPERVISION OF A SEWER LINK FOR PROPERTIES IN DIGTEBIJ ROAD, KUILS RIVER (MPACIC 12/04/21)**

The Task Team had a meeting on 08 April 2022 and requested that a follow-up meeting be arranged.

**RESOLVED** that it be noted that a follow-up meeting of the Task Team would be arranged.

**ACTION: G JOSEPHS, E FRAY**

- (6) **REPORTING IRREGULAR EXPENDITURE ON PROCUREMENT OF: WEEKLY FLOWER ARRANGEMENTS (MPACIC 14/05/21)**

Cllr Botha-Rossouw indicated that she would not be available on 26 April 2022.

Cllr L Ntshuntshe agreed to join the Task Team on 26 April 2022 for quorum purposes.

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A van Zyl, L Phakade, and L Ntshuntshe be held on 26 April 2022.

**ACTION: G JOSEPHS, E FRAY**

- (7) **INVESTIGATION INTO FRUITLESS AND WASTEFUL EXPENDITURE IN RESPECT OF ALLEGED UNFAIR SUSPENSION: SAMWU ON BEHALF OF FIRE AND RESCUE SERVICES STAFF MEMBER (MPACIC 15/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, A van Zyl B Majingo, S Little and F Botha-Rossouw be held on 19 April 2022.

**ACTION: G JOSEPHS, E FRAY**



- (8) **THE PAYMENT OF INTEREST IN RESPECT OF AN ADJUDICATOR'S DECISION - CONTRACT 134Q/2016/17 RECONSTRUCTION OF CONCRETE ROADS IN HANOVER PARK AREA 2 (MPACIC 16/05/21)**

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, J Witbooi, L Phakade, S Little, and F Botha-Rossouw be held on 19 April 2022.

**ACTION: G JOSEPHS, E FRAY**

- (9) **IRREGULAR EXPENDITURE (EXPENDITURE WITHOUT A VALID CONTRACT) RELATING TO THE PROCUREMENT OF THE SMALLWORLD SOFTWARE LICENSE AND PROFESSIONAL SERVICE (MPACIC 15/06/21)**

**RESOLVED** that the Task Team meeting of Cllrs A Moses, J Witbooi, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (10) **UNAUTHORISED EXPENDITURE (CM60249): DP6049S/2020/21 - PROVISION OF ANIMAL CARE, POUND AND ANIMAL CONTROL RELATED SERVICES (MPACIC 04/07/21)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, A Moses, L Phakade, and F Botha-Rossouw be held on 17 May 2022.

**ACTION: G JOSEPHS, E FRAY**

- (11) **FRUITLESS AND WASTEFUL EXPENDITURE: ABORTIVE MUNICIPAL NOTICE COSTS FOR TENDER 194C/2020/21 - TERM TENDER FOR THE PROVISION OF MULTIDISCIPLINARY PROFESSIONAL SERVICES FOR THE WATER AND SANITATION DEPARTMENT (MPACIC 07/07/21)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held on 20 May 2022

**ACTION: G JOSEPHS, E FRAY**

- (12) **PROVISION OF A SCANNING, MICROFILMING, INDEXING AND STORAGE SERVICE FOR THE FORENSIC SERVICES DEPARTMENT AND MOTOR VEHICLE REGISTRATION AND LICENCING SECTION OF THE CITY OF CAPE TOWN (MPACIC 08/07/21)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, K Southgate, B Majingo, S Little and F Botha-Rossouw be held on 20 May 2022.

**ACTION: G JOSEPHS, E FRAY**

- (13) **IRREGULAR EXPENDITURE INCURRED VIA CONTRACT 140S/2016/17: SUPPLY, DELIVERY AND/OR RENTAL OF HAZARDOUS WASTE CONTAINERS AND COLLECTION, REMOVAL, TRANSPORTATION AND MANAGEMENT OF HAZARDOUS WASTE (MPACIC 05/08/21)**

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, A van Zyl, L Phakade, S Little and F Botha-Rossouw be held on 20 May 2022.

**ACTION: G JOSEPHS, E FRAY**

- (14) **IRREGULAR EXPENDITURE: NATIONAL LABORATORY ASSOCIATE MEMBERSHIP AND PARTICIPATION FEE 2020 (PARTICIPATION IN WATER MICRO AND AQUATIC TOXICITY PROFICIENCY TESTING SCHEME) (MPACIC 06/08/21)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, L Phakade, S Little and F Botha-Rossouw be held on 24 May 2022.

**ACTION: G JOSEPHS, E FRAY**

- (15) **SUPPLY CHAIN MANAGEMENT RESOLUTION OF THE CITY MANAGER: CM 04/02/20: REQUEST FOR DEVIATION AND/OR CONDONATION: PROVISION OF PROFESSIONAL SERVICES FOR THE DESIGN AND CONSTRUCTION OF REMEDIAL MEASURES AT GLENCAIRN RAIL LINE AND BEACH (MPACIC 07/08/21)**

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, A van Zyl, B Majingo, S Little and F Botha-Rossouw be held on 31 May 2022.

**ACTION: G JOSEPHS, E FRAY**

- (16) **IRREGULAR EXPENDITURE (EXPENDITURE WITHOUT A VALID CONTRACT) RELATING TO PROCUREMENT ON EXPIRED TENDER 253S/2015/16 FOR THE SUPPLY, INSTALLATION AND MAINTENANCE OF SECURITY ALARM SYSTEMS** (MPACIC 10/09/21 and MPACIC 05/02/22)

**RESOLVED** that the Task Team meeting of Cllrs J Witbooi, A van Zyl, B Majingo, S Little and F Botha-Rossouw be held on 31 May 2022.

**ACTION: G JOSEPHS, E FRAY**

- (17) **INVESTIGATION OF IRREGULAR EXPENDITURE INCURRED IN RELATION TO THE APPOINTMENT OF ATTORNEYS IN A DISCIPLINARY HEARING** (MPACIC 11/09/21 and MPACIC 06/02/22)

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A van Zyl, L Phakade, S Little and F Botha-Rossouw be held on 29 April 2022.

**ACTION: G JOSEPHS, E FRAY**

- (18) **INVESTIGATION OF IRREGULAR EXPENDITURE INCURRED IN RELATION TO THE APPOINTMENT OF ATTORNEYS IN A HIGH COURT MATTER** (MPACIC 15/02/22)

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A van Zyl, L Phakade, S Little and F Botha-Rossouw be held on 29 April 2022.

**ACTION: G JOSEPHS, E FRAY**

- (19) **INVESTIGATION OF IRREGULAR EXPENDITURE INCURRED IN THE APPOINTMENT OF LEGAL SERVICES PROVIDERS** (MPACIC 29/02/22)

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A van Zyl, L Phakade, S Little and F Botha-Rossouw be held on 29 April 2022

**ACTION: G JOSEPHS, E FRAY**

- (20) **INVESTIGATION OF IRREGULAR EXPENDITURE INCURRED IN RESPECT OF THE APPOINTMENT OF LEGAL SERVICES PROVIDERS** (MPACIC 12/09/21 and MPACIC 07/02/22)

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A van Zyl, L Phakade, S Little and F Botha-Rossouw be held on 29 April 2022

**ACTION: G JOSEPHS, E FRAY**

- (21) **PAYMENT FOR THE PROVISION OF PROFESSIONAL DESIGN AND CONSTRUCTION SUPERVISION SERVICES IN RELATION TO THE UPGRADING OF STRAND SEA WALL PHASE 1** (MPACIC 13/09/21 and MPACIC 08/02/22)

**RESOLVED** that the Task Team meeting of Cllrs A Moses, N Rheeder, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (22) **CONTRACT NUMBER 146Q/2017/18: RECONSTRUCTION OF CONCRETE ROADS IN GUGULETHU PHASE 5B** (MPACIC 14/09/21 and MPACIC 09/02/22)

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, J Witbooi, B Majingo and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (23) **IRREGULAR EXPENDITURE INCURRED IN CONTRAVENTION OF THE DEMAND PLANNING AND RISK MANAGEMENT REQUIREMENTS OF THE CITY'S SCM POLICY AND RELATED SCM LEGISLATIVE FRAMEWORKS** (MPACIC 15/09/21 and MPACIC 10/02/22)

**RESOLVED** that the Task Team meeting of Cllrs N Rheeder, J Witbooi, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (24) **IRREGULAR EXPENDITURE INCURRED AS A RESULT OF REPAIR AND VERIFY 3 WEIGHBRIDGES AT COASTAL PARK LANDFILL SITE** (MPACIC 16/09/21 and MPACIC 11/02/22)

**RESOLVED** that the Task Team meeting of Cllrs J Witbooi, A van Zyl, B Majingo and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (25) **UNAUTHORISED AND IRREGULAR EXPENDITURE: DEVIATION APPROVAL Z47/01/21 FOR THE COMPULSORY CALIBRATION OF THE INCOMING WEIGHBRIDGE AT VISSERSHOK LANDFILL SITE** (MPACIC 22/02/22)

**RESOLVED** that the Task Team meeting of Cllrs J Witbooi, A van Zyl, B Majingo and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (26) **IRREGULAR EXPENDITURE INCURRED AS A RESULT OF DEVIATION APPROVAL CM61175 FOR PROVISION OF THE HANDLING, CHIPPING AND REMOVAL OF GREEN WASTE SERVICE TO SOLID WASTE FACILITIES WITHIN THE CITY OF CAPE TOWN** (MPACIC 17/09/21 and MPACIC 12/02/22)

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, A van Zyl, L Phakade and S Little be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (27) **IRREGULAR EXPENDITURE INCURRED FOR SERVICES RENDERED BY TOP N NOS CC FOR GENERAL CLEANING AND GARDENING SERVICES WITHIN THE BOUNDARIES OF THE CITY OF CAPE TOWN** (MPACIC 13/02/22)

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A van Zyl, B Majingo, S Little and F Botha-Rossouw be held on 26 April 2022.

**ACTION: G JOSEPHS, E FRAY**

- (28) **UNAUTHORISED CONTRACT CLEANING AND GARDENING SERVICES EXPENDITURE WITHIN THE ECONOMIC OPPORTUNITIES AND ASSET MANAGEMENT DIRECTORATE: TENDER 156S/2016/17; TENDER 165S/2016/17; TENDER 173S/2016/17; TENDER 174S/2016/17 AND TENDER 175S/2016/17 (MPACIC 14/02/22)**

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A van Zyl, L Phakade and S Little be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (29) **IRREGULAR EXPENDITURE INCURRED IN RESPECT OF CANCELLATION OF TENDER NO. 4F/2020/21: REQUEST FOR PROPOSALS FOR SMART POLE PILOT PROJECT (MPACIC 16/02/22)**

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, A Moses, L Phakade and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (30) **IRREGULAR EXPENDITURE (CONTRAVENTION OF THE CITY'S SUPPLY CHAIN MANAGEMENT POLICY) RELATING TO UMDLA CIVILS AND PROJECT MANAGEMENT (MPACIC 17/02/22)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo and S Little be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (31) **IRREGULAR EXPENDITURE INCURRED AS A RESULT OF SPARE PARTS PURCHASED DURING REPAIRS OF THE 30 TON MORRIS CRANE AT ATHLONE REFUSE TRANSFER STATION AND THE MORRIS AND ADC CRANES AT VISSERSHOK LANDFILL SITE (MPACIC 19/02/22)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, A Moses, B Majingo and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (32) UNAUTHORISED AND IRREGULAR EXPENDITURE INCURRED AS A RESULT OF JAMMED PISTON/CYLINDER REPAIRS AT BELLVILLE REFUSE TRANSFER STATION (MPACIC 20/02/22)**

**RESOLVED** that the Task Team meeting of Cllrs J Witbooi, A van Zyl, L Phakade and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (33) IRREGULAR EXPENDITURE INCURRED VIA CONTRACTING NATIONAL SECURITY & FIRE (PTY) LTD FOR V&A WATERFRONT ALARMS, MONITORING AND ARMED RESPONSE FOR THE PERIOD: AUGUST 2017, JANUARY 2018 - APRIL 2020 (MPACIC 21/02/22)**

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs N Rheeder, B Majingo and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (34) IRREGULAR EXPENDITURE (CONTRAVENTION OF THE CITY'S SUPPLY CHAIN MANAGEMENT POLICY) RELATING TO A SERVICE PROVIDER: COMPANY GARDENS (MPACIC 23/02/22)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (35) IRREGULAR EXPENDITURE (CONTRAVENTION OF THE CITY'S SUPPLY CHAIN MANAGEMENT POLICY) RELATING TO A SERVICE PROVIDER: TREES IN ZONNEBLOEM (MPACIC 24/02/22)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, A van Zyl, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (36) **IRREGULAR EXPENDITURE INCURRED AS A RESULT OF OIL COOLER, NYLON LINER AND LOAD CELL FAULT REPAIRS AT BELLVILLE REFUSE TRANSFER STATION (MPACIC 25/02/22)**

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A Moses, B Majingo and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (37) **UNAUTHORISED, IRREGULAR AND FRUITLESS & WASTEFUL (UIFW) EXPENDITURE NOTIFICATION FORM SUBMISSION: SK120C0502 AND DP6218/2020/21 - LANGA PUMPSTATION (MPACIC 26/02/22)**

**RESOLVED** that the Task Team meeting of Cllrs N Rheeder, A Moses, L Phakade and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (38) **IRREGULAR EXPENDITURE INCURRED IN TERMS OF EMERGENCY DEVIATION APPROVALS: TENDER 171Q/2018/19: DIVERSION OF EXISTING MIDBLOCKS GUGULETHU NY1 TO NY5 (MPACIC 27/02/22)**

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A van Zyl, B Majingo and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (39) **IRREGULAR EXPENDITURE RELATING TO PROCUREMENT ON TENDER 179Q/2011/12 - PERIOD TENDER FOR OPTIC FIBRE CIVIL INFRASTRUCTURE CONSTRUCTION AND TENDER 111Q/2012/13 - TERM TENDER FOR THE CONSTRUCTION OF NEW SWITCHING CENTRES FOR THE CITY OF CAPE TOWN'S OPTIC FIBRE NETWORK (MPACIC 28/02/22)**



**RESOLVED** that the Task Team meeting of Cllrs N Rheeder, A van Zyl, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (40) **SUPPLY CHAIN MANAGEMENT RESOLUTION OF THE CITY MANAGER: CM 56210: REQUEST, FOR DEVIATION AND/OR CONDONATION: PROVISION OF PROFESSIONAL SERVICES: UPGRADING OF STOCK ROAD BETWEEN THE R300 AND LANSDOWNE ROAD (MPACIC 30/02/22)**

The meeting was informed that Cllr Van Zyl will replace Cllr McKenzie on this Task Team.

**RESOLVED** that the Task Team meeting of Cllrs J Witbooi, A Van Zyl, B Majingo and F Botha-Rossouw.

**ACTION: G JOSEPHS, E FRAY**

- (41) **INVESTIGATION IN TERMS OF SECTION 32(2) OF THE MFMA: SUPPLY CHAIN MANAGEMENT RESOLUTION: CONTRACT NO 45Q/2017/18: THE CONSTRUCTION OF NON-MOTORISED TRANSPORT FACILITIES ALONG MAJOR ROADS IN EERSTERIVER (PHASE 2) INCLUDING BLUEDOWNS AREA (MPACIC 06/03/22)**

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs A Moses, B Majingo and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (42) **CONTRACT NO. 001Q/2018/19: RECONSTRUCTION OF CONCRETE ROADS IN HEIDEVELD, AREA 5 (MPACIC 07/03/22)**

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs K Southgate, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (43) UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE (UIFW): EXPENDITURE INCURRED WHERE SERVICE PLANS EXIST (MPACIC 08/03/22)**

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs J Witbooi, L Ntshuntshe, S Little and F Botha-Rossouw at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (44) TENDER 68Q/2020/21: REHABILITATION AND UPGRADE OF EXISTING RESERVOIR AS AN ARCHIVE STORAGE FACILITY FOR RECORDS MANAGEMENT (MPACIC 09/03/22)**

**RESOLVED** that the Task Team meeting of Cllrs N Rheeder, A van Zyl, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

- (45) REPORTING OF IRREGULAR EXPENDITURE RELATING TO PROCUREMENT ON TENDER 60G/2018/2019 - PROVISION OF RELATED COMMODITY HARDWARE DEVICES (MPACIC 10/03/22)**

**RESOLVED** that the Task Team meeting of Ald. B Watkyns, Cllrs K Southgate, B Majingo and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

#### **MATTERS EMANATING FROM THE 2018-19 ANNUAL REPORT**

- (46) COMAF 47: 179Q/2011/12 - PERIOD TENDER FOR OPTIC FIBRE CIVIL INFRASTRUCTURE CONSTRUCTION (FSD017)**

The meeting was informed that this matter was concluded by the MPAC Task Team on 02 June 2020.

Subsequently, on 11 October 2021, an email communication was received from the Office of the City Manager informing of the finalisation of the forensic investigation.

It was proposed that, in the light of the finalisation of the forensic investigation and findings therein, the MPAC Task Team, chaired by Cllr A Van Zyl, be reconvened in order to further consider the matter.

**RESOLVED** that, in the light of the finalisation of the forensic investigation and findings therein, all the information relating to the matter, i.e. Task Team agendas and minutes, reports, etc., be made available to Cllr Van Zyl in order to determine a way forward with the matter.

**ACTION: G JOSEPHS, E FRAY**

**(47) COMAF 59: PROCUREMENT OF SERVICES TO COVER THE PURCHASING, MANAGEMENT AND MAINTENANCE OF THE EXISTING CISCO NETWORK, CORE CA, EDGE AND IP ADDRESS MANAGEMENT EQUIPMENT**

The meeting was informed that it appears that the Task Team concluded its investigation regarding this matter, but unsigned minutes were received.

**RESOLVED** that the Task Team minutes be made available to Cllr Van Zyl in order to determine a way forward with the matter.

**ACTION: G JOSEPHS, E FRAY**

**MATTERS EMANATING FROM THE 2019-20 ANNUAL REPORT**

**(48) 2019/20 COMAF: TRANSPORT DIRECTORATE**

**COMAF 40 - IRREGULAR EXPENDITURE INCURRED AFTER CONTRACT EXPIRY 165Q/2015/16 FOR THE LOURENS RIVER FLOOD ALLEVIATION PROJECT IN SOMERSET WEST (MPACIC 22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs N Rheeder, J Witbooi, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(49) 2019/20 AGSA FINDINGS: TRANSPORT DIRECTORATE:**

**COMAF 25 (CONTRACT: 31Q/2017/18 EXPENDITURE INCURRED AFTER CONTRACT EXPIRY)**

**RESOLVED** that the Task Team meeting of Cllrs N Rheeder, J Witbooi, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(50) 2019/20 AGSA FINDINGS: TRANSPORT DIRECTORATE:**

**COMAF 28 (PROFESSIONAL SERVICES - UPGRADING OF STOCK ROAD)**

**RESOLVED** that the Task Team meeting of Cllrs N Rheeder, J Witbooi, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(51) 2019/20 COMAF: WATER & WASTE DIRECTORATE**

**COMAF 10 - TENDER NUMBER 85Q/2016/17: DESIGN – BUILD OF MECHANICAL AND ELECTRICAL WORKS FOR THE CONSTRUCTION OF PRIMARY TREATMENT AND SLUDGE HANDLING FACILITIES AT ZANDVLIE T WWTW (MPACIC 22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(52) 2019/20 COMAF: WATER & WASTE DIRECTORATE**

**COMAF 33 AND 9 (ECHO BAU) - CIDB GRADING NOT INCLUDED IN TENDER 019Q/2018/19 (MPACIC 22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(53) 2019/20 COMAF: WATER & WASTE DIRECTORATE**

**COMAF 37 (EXPENDITURE INCURRED AFTER CONTRACT EXPIRY) TENDER 312Q/2016/17: ROTARY CORE AND PERCUSSION DRILLING IN TMG AQUIFER (MPACIC 22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(54) 2019/20 COMAF: WATER & WASTE DIRECTORATE**

**COMAF 52 - CONTRACT RFQ SJ 12000003: HANDLING, CHIPPING AND REMOVAL OF GARDEN WASTE SERVICES FROM SOLID WASTE MANAGEMENT FACILITIES WITHIN THE CITY OF CAPE TOWN (Ref: SCMB 22/10/19) (MPACIC 22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(55) 2019/20 COMAF: WATER & WASTE DIRECTORATE**

**COMAF 60 - 141C/2011/12 CONTRACT DOCUMENT FOR THE PROVISION OF PROFESSIONAL SERVICES: SLUDGE DEWATERING AND SLUDGE HANDLING FACILITIES AT VARIOUS WASTEWATER TREATMENT PLANTS AND A MOBILE SLUDGE DEWATERING UNIT (MPACIC 22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(56) 2019/20 COMAF: WATER & WASTE DIRECTORATE**

**COVID-19 TENDER 179S/2017/18 - TENDER 279S/2017/2018: SERVICING AND MANAGEMENT OF PORTABLE FLUSH TOILETS IN AREAS OF INFORMALITY CITYWIDE**  
(MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(57) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 34 - FALSE DECLARATION BY SUPPLIER**  
(MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held on 17 May 2022.

**ACTION: G JOSEPHS, E FRAY**

**(58) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 42 - FLEET ORDERS PLACED WITHOUT THE APPROVAL OF THE APPROPRIATELY DELEGATED OFFICIAL** (MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held on 17 May 2022.

**ACTION: G JOSEPHS, E FRAY**

**(59) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 43 - REASONS FOR DEVIATIONS NOT JUSTIFIABLE**  
(MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(60) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 45 - SECTION 17 DEVIATIONS: LESS THAN 3  
QUOTES NOT REPORTED (MPACIC 22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(61) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 50 - LOCAL CONTENT (MPACIC 22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(62) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 54 - DEVIATION NOT TAX-COMPLIANT AT TIME  
OF AWARD (MPACIC 22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(63) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 62 - FUNCTIONALITY (SUB-CRITERIA WITH A  
REQUIRED MINIMUM SCORE NOT MET) (MPACIC  
22/05/21)**

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(64) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 66 - FUNCTIONALITY EVALUATION CRITERIA  
NOT OBJECTIVE/ SPECIFIC**  
(MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(65) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 67 - REASONS FOR DEVIATIONS NOT  
JUSTIFIABLE: SCM REGULATION 36** (MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(66) 2019/20 COMAF: FINANCE DIRECTORATE**

**COMAF 69 - BIAS BID SPECIFICATIONS (LOCALITY)  
AND BID EVALUATION (BIDDERS DEEMED  
INCORRECTLY NON-RESPONSIVE)** (MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs A van Zyl, N Rheeder, B Majingo, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(67) 2019/20 COMAF: ECONOMIC OPPORTUNITIES & ASSET  
MANAGEMENT DIRECTORATE**

**COMAF 28 (EO&AM) - REQUEST FOR DEVIATION  
AND/OR CONDONATION: 368Q/2015/16 TERM TENDER  
FOR MECHANICAL AND ELECTRICAL MAINTENANCE  
AND FULL OPERATION OF THE EXISTING AIR-  
CONDITIONING INSTALLATIONS AT CAPE TOWN CIVIC  
CENTRE** (MPACIC 22/05/21)



Task Team meetings were held on 11 March 2022 and 25 March 2022 to conclude the investigation into COMAF 68.

The Task Team had a further meeting on 8 April 2022 to deal with COMAF 28. It was requested that a follow-up meeting be arranged to give further consideration to matter.

**RESOLVED** that a follow-up Task Team meeting be arranged to further consider COMAF 28.

**ACTION: G JOSEPHS, E FRAY**

**(68) 2019/20 COMAF: ECONOMIC OPPORTUNITIES & ASSET  
MANAGEMENT DIRECTORATE**

**COMAF 53 (EXPENDITURE INCURRED AFTER  
CONTRACT EXPIRY)**  
(MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(69) 2019/20 COMAF: SAFETY AND SECURITY  
DIRECTORATE:**

**COMAF 48 (COVID-19 MUNICIPAL RELIEF FUNDING:  
STRANDFONTEIN - TEMPORARY PROVISION OF FOOD  
AND SHELTER TO THE HOMELESS)** (MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw at a date to be confirmed

**ACTION: G JOSEPHS, E FRAY**

**(70) 2019/20 COMAF: SAFETY AND SECURITY  
DIRECTORATE:**

**COMAF 49 - PROVISION OF BASIC SERVICES TO  
WINGFIELD REFUGEE / PROTESTING FOREIGN  
NATIONALS SHELTER** (MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**(71) 2019/20 COMAF: OFFICE OF THE CITY MANAGER**

**COMAF 71 - APPOINTMENT OF ATTORNEYS TO PROVIDE PROFESSIONAL ASSISTANCE** (MPACIC 22/05/21)

**RESOLVED** that the Task Team meeting of Cllrs K Southgate, N Rheeder, L Phakade, S Little and F Botha-Rossouw be held at a date to be confirmed.

**ACTION: G JOSEPHS, E FRAY**

**QUESTIONS EMANATING FROM THE CITY'S 2020/21 ANNUAL REPORT**

The schedule with questions emanating from the City's 2020-21 Annual Report, was NOTED.

**RESOLVED** that the additional questions and comments from MPAC's oversight process of the City's 2020/21 Integrated Annual Report be forwarded to the relevant Executive Directors and that the written responses be included in the agenda for the next ordinary MPAC meeting scheduled for 10 May 2022.

**ACTION: G JOSEPHS, E FRAY**

**GENERAL ITEMS**

**REGISTER OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE**

The meeting was informed that a report in respect of the Register for Unauthorised, Irregular or Fruitless and Wasteful Expenditure would be submitted to MPAC every 6 months.

**RESOLVED** that it be noted that a report in respect of this matter will be submitted to MPAC in July 2022.

**ACTION: G POSTINGS, G JOSEPHS, E FRAY**

**SCHEDULE OF MONIES RECOVERED (MPACIC 21/07/19)**

Legal Services to submit a schedule every 6 months of all cases where money had to be recovered indicating the amounts already collected and the amounts outstanding.

**RESOLVED** that it be noted that a report in respect of this matter will be submitted to MPAC in July 2022.

**ACTION: G JOSEPHS, E FRAY, D VALENTINE**

**INVESTIGATIONS COMPLETED AND REPORTS TO BE SUBMITTED TO MPAC**

**RESOLVED** that the schedule of completed investigations as at 4 April 2022, be noted.

**ACTION: G JOSEPHS; E FRAY**

***REPORT FOR CONSIDERATION***

**MPAC 10/04/22      OVERSIGHT REPORT IN RESPECT OF THE 2020/2021  
INTEGRATED ANNUAL REPORT OF THE CITY OF CAPE TOWN**

The meeting was informed that the questions/comments received from Subcouncils and Portfolio Committees were forwarded to the relevant line departments.

It was proposed that, in view of the fact, that engaging with Subcouncils and Portfolio Committees form part of the MPAC oversight process, the responses to the questions/comments received, be submitted to MPAC for review.

Cllr Southgate said that it was encouraging that questions and comments were received from Subcouncils and Portfolio Committees.

It is **RECOMMENDED** that:

- (a) Council adopt the Oversight Report and approves the 2020/2021 Integrated Annual Report of the City of Cape Town without reservations.

- (b) the resolutions in Annexure B attached to the report on the agenda report be supported for action and where applicable, be referred to the relevant officials and feedback, where applicable, be provided to the Municipal Public Accounts Committee.
- (c) the questions and comments received from Subcouncils and Portfolio Committees and the responses thereto as set out in Annexure C attached to the report on the agenda, be subjected to review at the next Municipal Public Accounts Committee meeting.

**ACTION: G JOSEPHS; A MOOLMAN; Z HOOSAIN**

**THE MEETING ENDED AT 11:04 FOLLOWED BY THE CONFIDENTIAL MEETING**

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**CHAIRPERSON: CLLR Y ADAMS**

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**DATE**

# ANNEXURE B

## SCHEDULE OF OUTSTANDING COMMENTS AND RESOLUTIONS FROM THE MPAC OVERSIGHT PROCESS

NO.	ANNUAL REPORT PAGE NO.	QUESTION RAISED CLLR/ALD. BY	COMMENTS AND RESOLUTIONS ON THE 2020/2021 INTEGRATED ANNUAL REPORT	RESPONSIBLE OFFICIAL
<b>MPAC MEETING 4 MARCH 2022</b>				
1		B Majingo	Are there any repeat transgressors identified after trainings, and if yes, how many? How do we motivate staff to follow procedures and controls without the fear of disciplinary action? Is training ongoing in order to ensure compliance and adherence to the Legislative requirements.  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager
2		K Southgate	Provide some detail on the improvement to SCM and project management in response to the AG's findings.  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager
3	12	K Southgate	250 Prospective Investors  (a) Provide details of the sectors represented by the proposed investors. (b) What is the percentage split between local vs international? (c) How many direct and indirect work opportunities will be generated through those investments?  <b>MATTER WILL BE RESPONDED TO IN WRITING</b>	City Manager R Gelderbloem
4		A van Zyl	Please provide feedback on the forensic investigation into the material irregularity.  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager K Jacoby
5		A van Zyl	There has been no change in deviations over the years. Please explain.  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager
6	N/A	A van Zyl	National Treasury has suspended tenders from a certain date. Will this impact the City and service delivery?  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager
7	337	F Botha-Rossouw	Objectives 1.3 Economic inclusion (1.F): One of the reasons given for the below target performance was the fact that not all WSP learners had access to computers. How is the City Manager going to address this problem?  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager
8	286 / 38.3.2.1 287 /	F Botha-Rossouw	What is the impact on behaviour of the staff on all the directives issued to date and do all the Executive Directors implement all the recommendations from MPAC and Council on UIFW expenditure to mitigate risks?	City Manager K Jacoby

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	38.3.2.2 & 38.3.2.3		<b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	
9	399	S Little	Provide details on the 27 recurring findings for Corporate Services please and how many COMAFS are outstanding.  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager K Jacoby
10		S Little	Is there was a way for the City to transfer the units to the occupants? And does the report include staff housing?  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	
11		B Watkyns	How do you balance consequence management and the impact on service delivery, i.e. how do we give officials the confidence to make decisions without the threat of consequence management?  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager
12		J Witbooi	Does the City have sufficient capacity to manage all the contracts? How many contracts does the City have? How many are we foreseeing to have to manage? Is the staff aligned to the number of contracts? What type of staff are we attracting in order to address this?  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager K Jacoby G Morgan
13	41	Y Adams	SFA 1 focuses on improving Cape Town's business climate, establishing Cape Town globally as an attractive investment destination with positive economic growth, encouraging business opportunities, and investing in and maintaining infrastructure. With the increasing number of informal settlements in and around the City Bowl, how does the City envisage attracting business and investment if the City cannot keep the CBD clean of all the "crime and grime".  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	City Manager
14		K Southgate	Are we attracting the right staff with the correct skillset to manage projects and contracts?  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	K Jacoby G Morgan
15		S Little	With all the developments and investment in project and contract management, can we develop a mechanism that monitors the delivery of the budget where it's supposed to be spent?  <b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	G Morgan
16		J Witbooi	On an annual basis, the Continuous Professional Development of project and contract managers should be assessed.	Z Mandlana

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			<b>MATTER RESOLVED AT MPAC ON 4 MARCH 2022</b>	
<b>MPAC MEETING 29 MARCH 2022</b>				
17	10	K Southgate	(a) Please state what systems were you able to adopt to respond to the crisis in order to continue delivering effective services; (b) How was the effectiveness of the systems measured?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	City Manager
18	11	K Southgate	Provide a breakdown of the R3.3bn social package in terms of: (a) The amount of beneficiaries; (b) Break down of the demographics.  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby J Steyl
19	11	K Southgate	With reference to the R4bn historical debt write-off: (a) How was the programme marketed? (b) Who was the target market? (c) What were the categories of debt written off i.e.: Rates, Electricity, Water, etc.? (d) Provide an historical analysis of the debt.  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby T Blake
20	11	K Southgate	(a) What were the lessons learnt? (b) What plans have been put in place to advance the recovery plan? (c) Provide details of the target sectors; (d) What awareness plans are in place and how can people access the resources?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	G Morgan
21	12	K Southgate	What is the estimated value of the recovery plan and programmes?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	City Manager R Gelderbloem
22	12	K Southgate	250 Prospective Investors: (a) Provide details of the sectors represented by the proposed investors and the percentage split between local vs international; (b) How many direct and indirect work opportunities will be generated through those investments?	R Gelderbloem

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			<b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	
23	12	K Southgate	<p>91.1% = R6,53bn Capital budget spent:</p> <p>(a) What was the original capital budget?</p> <p>(b) Was it reduced if yes, what were the reasons?</p> <p>(c) What prevented the City from achieving 98% - 100% spend on the capital budget?</p> <p>(d) Did the under expenditure include any grant funding? If yes, provide details.</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	K Jacoby J Steyl
24	12	K Southgate	<p>Help save budget allocation R3.35 billion for the year ahead. How is it being marketed to ensure that we reach the real beneficiaries?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	K Jacoby
25	187	K Southgate	<p>Significant underspending:</p> <p>(a) Provide a breakdown of categories / areas of underspending?</p> <p>(b) What contracts / projects were adversely impacted?</p> <p>(c) How will this be remedied?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	K Jacoby J Steyl
26	189	K Southgate	<p>Expenditure Management:</p> <p>What interventions have been made to address the inadequacies in relation to preventative measures regarding the re-occurrences of irregular expenditure?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager K Jacoby D Valentine
27	189 (Note 38.3.2.1)	K Southgate	<p>Report on the audit of compliance with legislation</p> <p>Despite the introduction of Circulars and directives, the AG notes that reasonable steps were not taken to prevent all occurrences of irregular expenses. Provide details of the following:</p> <p>(a) Cases that were self-reported (value)</p> <p>(b) Cases identified by the AG (value)</p> <p>(c) Did these cases result in Consequence Management if yes</p> <p>(d) What was the nature of these Consequence Management actions</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager K Jacoby D Valentine



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28	190 (39-43)	K Southgate	<p>In respect of payments made for plumbing repairs, I note the comments made by the AG and the City's response:</p> <p>(a) Provide an update on the status of the Forensic Investigation</p> <p>(b) What were the key findings?</p> <p>(c) Whether the officials identified are still in the service of the City of Cape Town?</p> <p>(d) Whether the service provider/s are still contracting with the City?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	K Jacoby D Valentine M Webster
29	190 (44-48)	K Southgate	<p>Number of standby teams for plumbing repairs. This is a repeat of the 2019/20 AG finding:</p> <p>(a) Why was this allowed to continue?</p> <p>(b) What steps are currently in place to address the matter and prevent a re-occurrence?</p> <p>(c) Has Consequence Management steps been taken against the responsible officials?</p> <p>(d) What is the status of the Forensic Investigation?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager K Jacoby D Valentine M Webster
30	196	K Southgate	<p>Review and evaluation of AFS:</p> <p>Have the committee's work plan been updated to focus on the areas identified? Please provide details.</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	K Jacoby D Valentine
31	197	K Southgate	<p>Resolving internal control findings:</p> <p>(a) Please elucidate on the concern that some finding statuses remain as not implemented by Management and provide reasons as to why this is so.</p> <p>(b) What remedial steps have been implemented to address the concern?</p> <p>(c) What is the status and projected timelines to have those matters resolved?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager G Postings
32	285	K Southgate	<p>Political Party Arrears:</p> <p>(a) Is the amount still outstanding?</p> <p>(b) What is the name of the PP?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	K Jacoby T Blake
33	286 Section 125	K Southgate	<p>Irregular Expenditure – Incident:</p> <p>(a) Provide a breakdown of the number of cases this relates to.</p> <p>(b) How many of the cases have already been investigated by MPAC and, if any, what were the outcomes?</p>	K Jacoby D Valentine

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	38.3.2.1		<b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	
34	288	K Southgate	<p>Water Losses - We see an increase in the material losses:</p> <p>(a) How many cases were there of unauthorized usage and metering inaccuracies?</p> <p>(b) How many of these cases resulted in SAPS investigations?</p> <p>(c) Were all these cases investigated?</p> <p>(d) What were the outcomes and remedial action?</p> <p>(e) Were there any financial recoveries and in terms of charges and penalties?</p> <p>(f) If not, why not?</p> <p>(g) If yes, what was the amount?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	M Webster
35	288	K Southgate	<p>Electricity Losses:</p> <p>(a) What was the value of the losses incurred as a result of cable theft and vandalism?</p> <p>(b) How many cases were identified?</p> <p>(c) How many cases were registered / reported with SAPS?</p> <p>(d) Which areas did they occur in? and</p> <p>(e) What are the City's plans to reduce the amount of cable theft in areas where they have been identified?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	K Nassiep
36	298/38.4.3	K Southgate	<p>Bids Awarded:</p> <p>(a) Provide a list of those employed in the CoCT.</p> <p>(b) What is the % ratio of persons who disclosed vs Non-disclosure?</p> <p>(c) What is being done to achieve 100% compliance in this regard</p> <p>(d) Where non-disclosure have been identified, what remedial steps were implemented to correct occurrences?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	K Jacoby B Chinasamy
37	338 / 3.1.3.F	K Southgate	<p>Provide details on the services affected by the hundreds of trucks standing idle awaiting repairs and SCM delays? What is current status of</p> <p>(a) Repairs;</p> <p>(b) Award of SCM tenders;</p> <p>(c) Cost of having to outsource services;</p> <p>(d) Timeframe before affected services will return to normal.</p>	K Jacoby Z Mandlana

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			<p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p> <p><b><u>ADDITIONAL QUESTION RAISED AT THE MEETING ON 29 MARCH 2022</u></b>  (a) What is the percentage savings versus expenditure in view of outsourcing of services.</p> <p><b>MATTERS WILL BE FOLLOWED UP VIA THE SCHEDULE OF OUTSTANDING MATTERS</b></p>	
38	338 / 3.2.3.N	K Southgate	<p>(a) How many illegal land invasions were reported on the site?  (b) What is being done to address the matter?  (c) What is the status currently?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p> <p><b><u>ADDITIONAL QUESTION RAISED AT THE MEETING ON 29 MARCH 2022</u></b>  (a) What were the costs incurred at the stage when the project was declared not viable?</p> <p><b>MATTERS WILL BE FOLLOWED UP VIA THE SCHEDULE OF OUTSTANDING MATTERS</b></p>	N Gqiba
39	397	K Southgate	<p>As at 30 June 2021, there were 535 formal investigations in progress:  (a) What is the status of these investigations?  (b) How many relate to officials still in the service of the City?  (c) What are the reasons for the majority of these being in Water &amp; Waste and Finance directorates?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager Ombudsman
40	401	K Southgate	<p>Declaration of Interest:  (a) Why are the % completions in Energy and Climate and Water and Waste services so low?  (b) What steps are being taken to improve compliance?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager G Postings M Webster K Nassiep
41	399	K Southgate	<p>Provide details of recurring Internal Audit recommendations that remain unresolved in:  (a) Safety and Security – 80%  (b) Spatial Planning and Environment – 100%  (c) Urban Management – 53%  (d) When will they be resolved</p>	V Botto E Naude G Postings (to assist with split)

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			<b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	
42	410	K Southgate	<p>Combined Assurance: It is noted that the outcomes for the risk governance and legal compliance has regressed due to non-compliance identified by the AG. Elucidate on the statement and provide details as to how this is being addressed.</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager G Postings
43	95	K Southgate	<p>By law and awareness project:</p> <p>(a) How many Problems Buildings have been identified in the City of Cape Town?</p> <p>(b) How many are actual PB and are registered and billed accordingly?</p> <p>(c) How many are buildings with problems on whose owners notices have been served?</p> <p>(d) How many staff effectively and efficiently attend to these matters?</p> <p>(e) What is the annual billing in revenue to the City of Cape Town?</p> <p>(f) How much of the above is actually paid and how much is outstanding?</p> <p>(g) What plans do we have in place to reduce the number of Problem buildings?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p> <p><b><u>ADDITIONAL QUESTION RAISED AT THE MEETING ON 29 MARCH 2022</u></b></p> <p>(a) What actions have been taken against the owners of problem buildings?</p> <p>(b) How many belong to the City of Cape Town?</p> <p>(c) Why are only 37 of 468 active cases being billed?</p> <p>(d) There are only 5 staff members dealing with problem buildings. What is being done to fill the vacancies?</p> <p>(e) How would the amendment to the by-law assist in reducing the problem buildings?</p> <p>(f) How many of the buildings were sold in "sale in execution" to recover the cost?</p> <p><b>MATTERS WILL BE FOLLOWED UP VIA THE SCHEDULE OF OUTSTANDING MATTERS</b></p>	V Botto
44	193	K Southgate	<p>In respect of procurement and contract management, the City of Cape Town is commended for its own detection and reporting systems! Provide details as to how many Projects Managers there are in the system:</p> <p>(a) By function?</p> <p>(b) By designation?</p> <p>(c) What is the City of Cape Town doing to maintain the professionally trained Project managers?</p> <p>(d) Attract qualified Project managers to the City of Cape Town.</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	G Morgan

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45	187 (no. 12)	B Majingo	Why is there underspending of R1.5 billion on the operating budget? Provide details.  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby J Steyl
46	187	B Majingo	Can the City of Cape Town provide details of the underspending by R847 million, which communities had those dynamics and delays on which projects?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby J Steyl
47	189	B Majingo	How many non-compliances were there in 2019/20 financial year and the amount, please provide details?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine
48	189	B Majingo	How many non-compliances are there in 2020/21 financial year and the amount, please provide details?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine
49	189	B Majingo	Looking at the irregularities, the improvement of the situation may mean that there are controls in place, but adherence is still an issue. How much training has been conducted in different levels of the organogram?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	City Manager D Valentine
50	193	B Majingo	While the City of Cape Town might be conducting training emanating from non-compliances, how much training of new procedures and controls have been provided for contract management?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	G Morgan
51	193	B Majingo	How is the City of Cape Town motivating its personnel in order for them to adhere to controls and promote good organisational culture?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	Z Mandlana
52	193	B Majingo	Are there any repeat transgressors, identified after trainings, if yes, how many?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	G Morgan
53	193	B Majingo	Does the City of Cape Town have adequate capacity and skills to take it where it wants to be?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	G Morgan
54	193	B Majingo	With the vacancies available in the City of Cape Town, how many are in the Procurement and Contract Management space?	G Morgan

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			<b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	
55	-	B Majingo	Can the City of Cape Town give us a detailed breakdown of the non-compliances that amounted to R767 276 000?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine
56	-	B Majingo	How is the City of Cape Town intending to deal with the figure mentioned above?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine
57	-	B Majingo	How is the City of Cape Town planning to deal with security aspect factored in projects, as it is getting more expensive due to extortions and/or disruptions?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	G Morgan
58	193	B Majingo	Given these delays, what is the plan of the City of Cape Town to fast track the service delivery process in those affected communities?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	G Morgan
59	-	J Witbooi	(a) What mechanism did the City put in place to stop the recurrence of these findings? (b) What was the root cause of these findings (c) What corrective actions were put in place to deal with these findings.  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine
60	53	L Ntshuntshe	On page 53, it speaks of the concrete road upgrade programme. It speaks of the project being complete however: (a) The road by the Police station is still not complete, and the concrete itself seems to be an issue, as after only a couple of months and thus the roads being fixed becomes a yearly thing. (b) Have there maybe been other recommendations of using another product as I feel the current manner of fixing the roads especially with the monies being used renders itself useless in the places where we have informal settlements seemingly making it seem that you have not completed after the task has been completed.  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	D Campbell
61		L Ntshuntshe	With regard to the nature reserves, I see the amount of efforts made in preserving the nature reserves but this stops as far as Strandfontein side and nothing for Khayelitsha:	E Naudé

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			<p>(a) Can you explain why Khayelitsha has been neglected as by Monwabisi beach, as well as town to the maintenance is not done and thus these reserves are in danger of being invaded due to negligence;</p> <p>(b) Are there any upgrades maybe in the pipeline?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	
62	68	L Ntshuntshe	<p>With the EPWPs, as much as there are 34 306 jobs created:</p> <p>(a) Can you go into detail as to how many were 3mnths, 6mnths and 12mnths?</p> <p>(b) Why they cannot be permanent as there is always cleaners needed in the informal settlements?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	R Keraan
63	14/15	S Little	<p>Both the Mayor and the City Manager acknowledged the severe impact the Pandemic has had on our communities during the 2020/21 financial year. It was so severe that the Mayor and its Council decided to make food hampers available. Can the City Manager provide a list of those who have qualified for the 1,99 billion indigent relief and the list for those who had qualified for the 3,35 billion rates relief?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	K Jacoby T Blake
64	189	S Little	<p>Can the City Manager advise what monitoring tools have been put in place to ensure that the recurrence of the Irregular Expenditure is properly monitored and/or stopped?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager K Jacoby D Valentine
65	197	S Little	<p>"APAC is however, concerned that some findings statuses remain as not implemented by management and that the percentage implementation of findings decreased". Can the City Manager advise what measures have been put in place to ensure that these findings are implemented and can the City Manager advise the number of findings still outstanding?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager G Postings
66	219	S Little A McKenzie	<p>(a) What was the total income received from Staff housing since 2000 to date?</p> <p>(b) How many staff members utilise Staff housing?</p> <p>(c) What are the grading of the staff members currently utilising these facilities?</p> <p>(d) What is the rental per unit for these staff houses?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	N Gqiba S September R Gelderbloem

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			<p><b><u>ADDITIONAL QUESTION RAISED AT THE MEETING ON 29 MARCH 2022</u></b></p> <p>(b) How many staff housing properties does the City own?</p> <p>(c) How many are occupied by staff?</p> <p>(d) Why are staff occupying these properties?</p> <p><b>MATTERS WILL BE FOLLOWED UP VIA THE SCHEDULE OF OUTSTANDING MATTERS</b></p>	City Manager
67	253	S Little	<p>Housing selling development Loans – the City is still charging these historical tenants interest at 7% per annum:</p> <p>(a) What are the balances outstanding over these past years?</p> <p>(b) How many of these houses are still on this particular scheme?</p> <p>(c) What are the possibilities of having these properties transferred to the owners as saleable units?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	N Gqiba
68	276	S Little	<p>Contingent Liabilities 34.1 – Contractual Disputes – 292.84 million spent on legal fees:</p> <p>(a) How many of these cases relates to staff?</p> <p>(b) How many of these cases have already been resolved by the Labour court?</p> <p>(c) How many of those resolved at the Labour Court has been referred to High Court?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	City Manager R Sayed
69	399	S Little	<p>Can the City Manager provide us with a list of the 27 recurring findings for Corporate Services, which is mentioned in this report?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	Z Mandlana City Manager Z Hoosain
70		S Little	<p>Can the CM provide me with a list of findings with the Property Management Portfolio?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	R Gelderbloem
71		S Little	<p>Since the 15 December 2018, when Council repealed the Staff housing policy:</p> <p>(a) What policy now governs these assets of Council?</p> <p>(b) Which department manages the staff housing component of the assets?</p> <p><b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b></p>	N Gqiba S September R Gelderbloem
72	187	A van Zyl	<p>Please provide the details of the underspending on the operating budget:</p> <p>(a) top 3 directorates in which most of the underspending took place, the specific service;</p> <p>(b) where the underspending took place; and</p> <p>(c) the reasons provided by the Directorates for the underspending.</p>	K Jacoby J Steyl



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			<b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	
73	244	A van Zyl	Please provide the details (and reasons) for the significant delays in the completion of the work at: (a) the Contermanskloof reservoir, (b) the new Prince George Drive waste drop-off, and (c) the work done at the Imizamo Yetho informal settlement?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	M Webster R Keraan N Gqiba
74	244	A van Zyl	Please provide more details regarding the contractual disputes at the Hout Bay depot and the force majeure at housing projects, which have resulted in the halting of the projects.  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Nassiep N Gqiba
75	252	A van Zyl	Please provide details of the dispute with a service provider regarding an outstanding claim (litigation debtors).  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine
76	270	A van Zyl	Please provide the details of the project(s) where volunteers were deployed. (Services in-kind to the value of R11,52 million)  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine
77	276	A van Zyl	How many staff are currently in contractual disputes with the City?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine
78	276	A van Zyl	Please provide the details (amounts) of the 5 biggest contractual disputes?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine
79	276	A van Zyl	Outstanding insurance claims: (a) What is the total number of outstanding claims? (b) How many insurance claims are "older" than 12 months? (c) How many between 12 and 24 months? (d) And between 24 and 36 months? (e) And how many longer than 36 months?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	K Jacoby D Valentine

NO.	ANNUAL REPORT PAGE NO.	QUESTION RAISED BY CLLR/ALD.	COMMENTS AND RESOLUTIONS ON THE 2020/2021 INTEGRATED ANNUAL REPORT	RESPONSIBLE OFFICIAL
80	336 / 337 Bottom	F Botha-Rossouw	Objectives 1.3 Economic inclusion (1.F): One of the reasons given for the below target performance was the fact that not all WSP learners had access to computers. How is the City Manager going to address this problem?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	Z Mandlana
81	340 / 341 bottom	F Botha-Rossouw	<u>Objective 4.3 Building integrated communities (4.D)</u> What actions are you going to take to prevent the same reasons for not achieving the target in the next financial year?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	Z Mandlana
82	288 / 38.3.2.4	F Botha-Rossouw	Material losses: Mention is made that losses are predominantly due to unauthorised usage and metering inaccuracies on Electricity losses is the result of system operation, theft and vandalism. What are the City Manager and Executive Directors doing to prevent the losses and theft taking place?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>  <u><b>ADDITIONAL QUESTION RAISED AT THE MEETING ON 29 MARCH 2022</b></u> Please provide a list of the suburbs where the electricity losses and theft occurred.  <b>MATTERS WILL BE FOLLOWED UP VIA THE SCHEDULE OF OUTSTANDING MATTERS</b>	K Nassiep
83	286 / 38.3.2.1 287 / 38.3.2.2 & 38.3.2.3	F Botha-Rossouw	Page 286 (bottom) par. 38.3.2.1 Irregular expenditure & Page 287 (bottom) par. 38.3.2.2. Unauthorised expenditure and par. 38.3.2.3. Fruitless and Wasteful expenditure.  City Manager, what is the impact on behaviour of the staff on all the directives issued to date and whether all the Executive Directors implement all the recommendations from MPAC and Council to mitigate risks?  <b>MATTER RESOLVED AT MPAC ON 29 MARCH 2022</b>	City Manager G Postings
84	296 / 38.4.3 297 / 38.4.3 298		Page 296 (bottom) par. 38.4.3; Page 297 (bottom) par. 38.4.3 & Page 298 (bottom) par. 38.4.3:  Bids awarded to family of employees in the service of the state:  How many family members of employees and employees do we have in the City of Cape town that render services to the City and the State and what measures are in place to deal with employees who do not abide by declaration rules?	K Jacoby B Chinasamy

NO.	ANNUAL REPORT PAGE NO.	QUESTION RAISED CLLR/ALD.	BY	COMMENTS AND RESOLUTIONS ON THE 2020/2021 INTEGRATED ANNUAL REPORT	RESPONSIBLE OFFICIAL
				MATTER RESOLVED AT MPAC ON 29 MARCH 2022	

# ANNEXURE C

The public making of the 2020/2021 Integrated Annual Report of the City of Cape Town and receipt of comments were coordinated by the Organisational Performance Management department.

**A The following comments on the 2020/21 Integrated Annual Report were received via the official website (<https://www.capetown.gov.za/City-Connect/Have-your-say/Issues-open-for-public-comment/cct-2020-21-integrated-annual-report>) and will be responded to directly by the relevant Executive Director:**

Comment/Question
(1) City needs by-law on people moving around with wheelie bins and do illegal dumping in local areas Residents needs more local drop off facilities and do possible job creation opportunities. Job Creation for Youth and empower EPWP Worker and source EPWP workers for permanent employment in the City Employ more disabled people (vulnerable people and women).
<u>The following comments that might be useful for the City to consider in the compilation of future Annual Reports</u>
(2) Point 1 is essentially the Vision Statement as it speaks to the future and is not operational like the other two points, which talk to some of the more specific strategic objectives.
(3) The mission Statement Point 2 (two) is the core purpose of the city, its raison d'être, it is duplicated with the point two of the vision statement.
(4) Clarification of the actual clauses between Vision and Mission Statement would be useful, with the Vision being succinctly stated in terms of what the City is trying to IMPACT, which are then further unpacked in the 5 SFA's.
(5) In focussing on the 5 SFA's and how they are being impacted, would be useful to measure e.g., how do we know whether the City is becoming a more; Opportunity City, a Safer City, a Caring City and a Well-Run City. A diligent process of deciding on these measures is important so that over the next 20 years the trends on achieving these SFA's can be reported on.
(6) The chart on the elements feeding into the Vision and Mission, is unclear and could be simplified. It is difficult to read.
(7) In the section ABOUT THIS ANNUAL REPORT, the list of stated underlying plans is limited, as over 100 different types of planning documents and frameworks were counted and recorded in undertaking an analysis of the documents on the website and references to new document in daily Media Releases. It would not be appropriate to list them all, but rather perhaps categorise them into types per Directorate as this would give the reader confidence that there are robust underlying strategic and operational plans.
(8) In the section OVERVIEW OF THE CITY, it is suggested that only the factual demographics are stated and not what the strategic objectives are reporting progress on. E.g., suggest that the City does not state education variables and crimes variables here, rather police stations (schools are stated). It is suggested that number of businesses in the City be stated and an estimate of informal businesses.
(9) The section on the MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK, it is suggested this section needs to be brief and a diagram would be useful to communicate what this is about.
(10) It is suggested the GOVERNANCE STRUCTURE CHART be simplified or broken into sections and narrated. It is also suggested that the entire governance section be simplified, and the detail referred to in the underlying governance charters. This section could be moved to after the sections on the different SFA details as structure (organisational and governance) follows strategy. It is considered that the reader is far more interested in what has been achieved.
(11) The portrayal on information under the various SFA's appear complex and often repetitive and does not follow the structure of the different Directorates /Divisions in the City. E.g all

### Comment/Question

information of water and thereafter sanitation, would ideally be better in one place, to enable the reader to get a comprehensive view on what has been achieved and what progress is being made on what is being achieved. Following a matrix structure might be useful. (many more specific comments could be made about the SFA sections).

- (12) Quantitative information in relation to the reporting year is less meaningful than trends in reporting achievement and progress. The selection of appropriate measure would be useful, albeit sometimes a challenging task to determine, so that trends can be reported.
- (13) The narrative in project progress /achievement is detailed and more pictures to illustrate the achievement would be useful.

**B** The following questions were received from the Portfolio Committees and Subcouncils via the OPM department or their website ([performance.management@capetown.gov.za](mailto:performance.management@capetown.gov.za)):

### Comment/Question

#### Finance Portfolio Committee

- (1) What is our plan with all the vacancies and by when will these posts be filled.** **Z Mandlana**  
**L Sithole**

Achieved vacancy rate as at 31 March 2022

Turnover Rate	Target Vacancy Rate	Achieved Vacancy Rate
5.02%	12.02%	10.44%

#### What is our plan with all the vacancies?

- We are continuing to implement the R&S turnaround strategy, including continuous monitoring and management of the vacancies to ensure expeditious turnaround times and sustainable vacancy rates within all Directorates.
- Key projects have been prioritized, e.g. LEAP (S&S).
- Vacancy reduction plans are being developed for implementation as a start of a sustainable mechanism to reduce vacancy rates in all Directorates.

Whilst all efforts are made to ensure expeditious turnaround times the below challenges remains a reality.

#### Challenges:

- Capacity within Corporate HR - insufficient
- Scarce and Critical Skills environment / Ability to attract the right people, right skills and competencies
- Meeting the Employment Equity Targets
- High number of internal promotions resulting in consequential vacancies (currently +/- 60% of appointments made result in consequential vacancies)
- Compliance issues requiring multiple delegated authorities/signatories
- 460 vacancies placed on hold as part of the cost containment exercise has been reinstated and this has resulted in a backlog of vacancies to be filled.
- Creation of new vacancies for key projects which has resulted in a 'spike' in vacancies

#### By when will all these posts be filled?

All efforts are made to fill vacancies within 6 months, subject to the challenges noted above.

- (2) Is our organogram aligned to our service delivery request?** **Z Mandlana**  
**L Sithole**

The City's organogram aligns with the functional structure that was approved by Council in Dec 2021. Service Delivery Request capability and effectiveness is not dependant on the

Comment/Question	
organogram structure but rather on the effectiveness of the departments to revert service request to the appropriate teams to address. This seems to be more of a process issue and not an organogram issue.	
<b>(3) Deviations - what mechanisms are in place to reduce the re-occurrences of deviations?</b>	<b>City Manager</b>
Refer to Q5 in Annexure B	
<b>(4) The reports show surpluses, however these surpluses are committed - what can we do to reflect this reality in our reports.</b>	<b>K Jacoby D Valentine</b>
Whilst not included in an annual report, it is confirmed that this information is provided on a monthly basis to the Finance Portfolio Committee and Executive Mayor via the Financial Monitoring Report (S 71), under the Key Data section entitled "Commitments against Cash and Investments".	
<b>(5) The number of contracts "SCM" related outputs are increasing - are we making allowance for these within our operations?</b>	<b>City Manager K Jacoby G Morgan</b>
Refer to Q12 in Annexure B	
<b>(6) Electricity losses within the system – what mechanisms are we putting in place to reduce these</b>	<b>K Nassiep</b>
Refer to Q35 and Q82 in Annexure B	
<b>(7) Water losses – what mechanisms are we putting in place to reduce these</b>	<b>M Webster</b>
Refer to Q34 in Annexure B	
<b>(8) What mechanisms are we putting in place to ensure that our debtors are paying timeously</b>	<b>K Jacoby T Blake</b>
See question 9 below.	
<b>(9) <u>Pages 187; 254 - 261; 272 Report of the AGSA: Material losses / impairments; Note 26</u> What measures are in place to reduce or mitigate against the City incurring material losses from receivables? I.e. How does the City plan to improve collection of outstanding debts to avoid increase impairment of receivables?</b>	<b>K Jacoby T Blake</b>
<p>Debt Management action, including legal action, are carried out against debtors who can afford to pay, but choose not to, with a special focus on:</p> <ul style="list-style-type: none"> <li>▪ Categorisation of accounts into high value accounts - business and residential;</li> <li>▪ Top 1000 debtors;</li> <li>▪ Government and State Owned Entities(SOEs) accounts; and</li> <li>▪ Staff and councillor arrears.</li> </ul> <p>The City will continue to enforce the payment of outstanding debt through effective debt management actions to those residents/businesses who have not come forward to access the City's benefits and COVID-19 relief offered. These actions may include:</p> <ul style="list-style-type: none"> <li>▪ Restriction/disconnection of water/electricity services;</li> <li>▪ Collection of all arrear debts through electricity prepaid purchases;</li> <li>▪ Listing of property owners for adverse credit listing at relevant credit bureaus; and</li> <li>▪ Handing over accounts to appointed attorneys to initiate legal recovery action, which could lead to a sale in execution (SIE) of the property to recover the municipal debts.</li> </ul> <p>Further to the above, the City's strategy for indigent debtors are:</p> <ul style="list-style-type: none"> <li>▪ Deemed indigent properties are allocated 10.5kl of water and 7.35kl sanitation for free with additional consumption billed in terms of the approved water and sanitation indigent tariffs;</li> </ul>	

Comment/Question

- Prepaid electricity meters are installed free of charge;
- When successfully registered as indigent, a once off write-off is done of all outstanding debt; and
- Council approves the write-off of all interest charges as well as suspension of interest charges on indigent properties until the pre-paid electricity meters have been installed and applicable outstanding debts have been written off.

Debtors experiencing difficulty in paying their accounts may either enter into affordable payment arrangements or apply to be registered as indigent or apply for rates rebates. The City provides the option of an affordable payment plan for debtors to settle their arrears, where compliance with the agreed payment plan leads to the suspension of all debt management action and interest being raised, until the arrears are paid in full.

**NOTING:** Options are being provided to those parts of the residential and commercial sector most affected by COVID-19. This could be extended into the 2022/23 financial year - in accordance with the City's Credit Control and Debt Collection Policy and not in violation of MFMA Section 164 (1)(c)(iii).

(10) **Page 187 Report of the AGSA: Significant Underspending**

What measures are in place to reduce or mitigate against the City underspending? Is this being monitored as a risk for the City? Are these unspent funds linked to any conditional grants and are there any implications on these grants as a result of the underspending?

K Jacoby

J Steyl

Refer to Q23 and Q25 in Annexure B

(11) **Page 284 Budget Information - explanation for variances Note 37.3.1**

It is noted that some reasons for variances for capital expenditure relate to delays experienced, capacity constraints on tenders, and unavailability of tenders. How are these deficiencies being addressed? How are these addressed to prevent future reoccurrences?

K Jacoby

J Steyl

Refer to Q23 in Annexure B

(12) **Page 286 Irregular expenditure - Note 38.3.2.1**

Irregular expenditure has increased from the prior year by approximately 13.9% mainly due to non-compliance with SCM regulations. Why is there an increase? How are the deficiencies being addressed to reduce the irregular expenditure in the future?

City Manager

K Jacoby

D Valentine

Refer to Q26, Q48 and Q64 in Annexure B

(13) **Page 287 Fruitless and Wasteful expenditure**

Fruitless and wasteful expenditure has increased significantly in the current year. Which departments do the incidents relate to (can more detail be provided)? What measures are in place to reduce or mitigate against the City incurring these losses?

City Manager

G Postings

Agreed, there was an increase in Fruitless and Wasteful Expenditure from 2020 (R28 000) to 2021 (R12 328 000). These were however self-reported and the Auditor-General of South Africa found no additional Fruitless and Wasteful Expenditure. The incidents relate to:

Incident	Department	Value	Detail
Interest Paid on late payments	Safety and Security	R79K	Tender [REDACTED]: Construction of a New Fire Station in the Vicinity of Masiphumele, Kommetjie

Comment/Question				
		Transport	R70K	Tender [REDACTED]: Reconstruction of Concrete Roads in Hanover Park
Extension of time claims	Water and Sanitation	R5.1M	Tender [REDACTED]: [REDACTED]	
	Water and Sanitation	R2.8 M	Tender [REDACTED]: Plant Construction at Bellville Wastewater Treatment Works	
Other: false claims	Corporate Services	R356K	Tender [REDACTED]: Supply of Protection Services	
Other: cost claims	Water and Sanitation	R2M	Tender [REDACTED]: Civil and Building Works for a New Stercus Building and Other Works at Borchers Quarry Wastewater Treatment Works	
Other: Staff Suspension	Safety and Security	R253K	Alleged Unfair Suspension: SAMWU	
Other: Premature advertising cost	Water and Sanitation	R30K	Tender [REDACTED]: Term Tender for the Provision of Multidisciplinary Professional Services for the Water and Sanitation Department of the City of Cape Town	
Other: Advertising cost	Energy	R5K	Tender [REDACTED]: Request for Proposals for Smart Pole Pilot Project	
Other: Advertising cost	Transport / Human Settlement	R54K	SCMB [REDACTED]: Request for Proposal for the Development of Affordable Housing, Woodstock and Salt River Precinct	
Other: Penalties	Safety and Security Transport Water and Sanitation Community Services and Health	R119K	Admin Penalty <ul style="list-style-type: none"><li>▪ Oude Molen</li><li>▪ Repair to culvert</li><li>▪ Contempt of court</li><li>▪ Settlement claim</li></ul>	

Interventions to date, include inter alia:

- Directive was communicated on paying invoices within 30 days.
- Extension of time and cost claims are to be reviewed by the City’s Engineering Services Unit within the Corporate Project, Program and Portfolio Department.
- Court costs, related legal costs and interest are no longer regarded as fruitless and wasteful as the City took a stance on the substantive evidence that the court action was warranted.
- Appropriate supply chain management demand and project planning is required before budget is secured.

Note: All UIFW are referred to MPAC for investigation and recommendation to Council

<p><b>(14) <u>Page 288 Material losses - Note 38.4.2.4</u></b></p> <p>The significant increases in losses is noted. How are the metering inaccuracies and system operations deficiencies being addressed? What measures are in place to reduce or mitigate against the City incurring these losses?</p>	<p><b>M Webster</b> <b>K Nassiep</b></p>
<p>Refer to Q34, Q35 and Q82 in Annexure B</p>	



- (1) What was the percentage spending of Ward Allocations during the 2020/2021 financial year? K Jacoby  
J Steyl

**Capital**

Area	Current Budget 2020/21	Actual Expenditure 2020/21	% Spend
Area North	26 579 353	23 340 618	87.8%
Area East	17 634 961	16 987 830	96.3%
Area Central	18 531 229	17 967 872	97.0%
Area South	14 879 386	12 790 895	86.0%
Sub-Total	77 624 929	71 087 215	91.6%

**Operating**

Area	Current Budget 2020/21	Actual Expenditure 2020/21	% Spend
Area North	11 388 160	10 331 158	90.7%
Area East	13 990 000	11 713 911	83.7%
Area Central	15 134 000	13 423 672	88.7%
Area South	10 367 000	9 532 519	92.0%
Sub-Total	50 879 160	45 001 260	88.4%

**Total**

Area	Current Budget 2020/21	Actual Expenditure 2020/21	% Spend
Area North	37 967 513	33 671 775	88.7%
Area East	31 624 961	28 701 741	90.8%
Area Central	33 665 229	31 391 544	93.2%
Area South	25 246 386	22 323 415	88.4%
Total	128 504 089	116 088 475	90.3%

- (2) How many Sports Facilities of the COCT are there in wards 11, 14, 16, 17, 19, 108 & 109? How many of these facilities have valid leases? E Sass  
D Galant

	Sports Ground	Erf No.	Sub-area	Sub-council	Ward	Management Model & Status
1	Macassar New Sports Ground	10097/2633-RE	2.1	21	109	Book , Pay and Play
2	Macassar Old Sports Ground		2.1	21	109	Facility is not utilised/maintained
3	Dennemere Sports Ground	1103	2.2	21	14	Book , Pay and Play
4	Eersteriver Sports Ground	2369/4826	2.2	21	16	Book , Pay and Play
5	Kuilsriver Central Sports Ground	3285-RE/5382	2.2	21	11	Pigeon Club & Tennis Club have active lease agreements in place
6	Jagtershof Sports ground	ST-235	2.2	21	14	Book , Pay and Play
7	Malibu Sports Ground	1892-RE/34350	2.2	21	108	Book , Pay and Play
8	Sarepta Sports Ground	2625/ 3175-RE	2.2	21	11	Book , Pay and Play
9	Kleinvele Sports Ground	1094, 2675	2.2	21	17	Book , Pay and Play
10	Wesbank Sports Ground	9937-RE/13339	2.2	21	19	Book , Pay and Play

Comment/Question				
<b>(3) How many capital projects of COCT were there in wards 11, 14, 16, 17, 19, 108 and 109? What was the amount spent on above-mentioned projects?</b>				<b>K Jacoby J Steyl</b>
The Directorates and Departments reflect the Organisational Structure approved for the 2020/21 financial year. The Wards and Subcouncils reflect the 2016 LG Elections ward boundaries and Subcouncils. The attached list of projects excludes: <ul style="list-style-type: none"><li>▪ Infrastructure projects implemented as part of programmes,</li><li>▪ Multi-ward projects implemented within the boundaries of the relevant Subcouncil, and</li><li>▪ Multi-ward projects implemented in the Area</li></ul>				
<b>Ward (2016)</b>	<b># of Projects</b>	<b>Current Budget 2020/21</b>	<b>Actual 2020/21</b>	<b>% Spend</b>
11	12	3 131 284	2 870 576	92%
14	7	24 149 057	20 768 609	86%
16	9	20 097 903	19 920 651	99%
17	5	8 506 290	6 347 354	75%
19	8	1 357 030	1 272 813	94%
108	5	4 383 229	4 382 556	100%
109	20	798 757 419	744 977 554	93%

**(4) How many Building Plans were approved during the 2020/2021 financial year within the boundaries of Subcouncil 21 and Subcouncil 22 and what was the total value of these plans?**				**E Naude C Walters**
Number and value of Building Plans Approved Sub-Council 21 and 22 for the period 1 July 2020 – 30 June 2021 were:				
**Subcouncil**	**Number of Plans Approved**	**Value of Building Plans Approved**		
Subcouncil 21	470	R256 488 622 million		
Subcouncil 22	1712	R813 629 836 million		
**(5) What was the amount of spending on Repairs of Sewer Network Pump Stations in Subcouncils 21 and 22 during the 2020/2021 Financial Year?**				**M Webster S Bashe Matiwane**
It is important to note that sewer pump stations would be based on the catchment area and not aligned with the border of Subcouncils. Therefore the amount cited below relates to the pump stations that serves the areas referred to and these pump stations would also service other areas in the catchment.  The repairs and maintenance costs for the pump stations for the applicable areas for 2020/2021 was R49 242 810. This amount excludes the repairs and maintenance costs for the sewer network				
Subcouncil 18				
**Objective 2: Camera Surveillance: Page 53: The report reflects that the CCTV footprint equates to 1909 cameras.**				**V Botto B Schuller**
**(1) While 835 are managed and monitored by MPSU (Metro Police Strategic Unit):**				
**(a) How many are managed and monitored by private businesses and at what costs?**				
**(b) How many are managed and monitored by volunteer monitors and at what costs?**				

Comment/Question	
<p>(a) The Metropolitan Police Department has two main CCTV Centres and three satellite camera centres. These centres are managed by the Metropolitan Police Department and only the satellite centres are supervised by outsources contractors. All monitoring are done by security officials as per contract. The cost for surveillance / monitoring costs is R1.9million per month.</p> <p>(b) No centres are managed by volunteers- the Metropolitan Police Department manages the centres. Neighbourhood Watch members volunteer to do monitoring, as the advantage is being able to monitor many locations from one safe place, at no cost.</p>	
<b>(2) What is the staff compliment within the MPSU?</b>	<b>V Botto B Schuller</b>
There are fourteen (14) permanent operational staff members in the CCTV section from the Director to Sergeants. The monitoring of the cameras are outsourced to a security contractor with a compliment of one hundred and forty four, which includes the contract managers, control room Inspectors, front desk staff and surveillance operators.	
<b>(3) How many volunteer monitors do we have and have they all been trained?</b>	<b>V Botto B Schuller</b>
We have trained one hundred and eighty neighbourhood watch volunteers, but very few return to assist with camera duties, once they have been training.	
<b>(4) Provide a breakdown of the ratio of funding for the CCTV programme</b> <b>(a) CAPEX vs OPEX</b> <b>(b) Funding breakdown:</b> <b>(i) Safety and Security Directorate</b> <b>(ii) Ward Allocation Funding and which wards</b> <b>(iii) Development grants</b>	<b>V Botto B Schuller</b>
<p>(a) 2022/23 CAPEX: R50,052,000.00 OPEX: R11,526,844.96</p> <p>(b) Funding breakdown:</p> <p>(i) Departmental 2022/23 CAPEX R38,775,000.00 OPEX: R9,778,844.96</p> <p>(ii) Ward Allocation 2022/23 CAPEX R11,277,000.00 OPEX: R1,748,000.00 Wards 1/9/15/18/21/42/55/56/57/58/59/60/63/6/6/67/68/69/70/72/75/77/83/ 84/86/87/100/102/107/109/110/113/115/116</p> <p>(iii) Nil Development Grants</p>	
<b>(5) While the average uptime is between 80% - 90%:</b> <b>(a) What is the average downtime?</b> <b>(b) How often are the cameras maintained and by whom?</b> <b>(c) What criteria is used to determine how often they are maintained?</b>	<b>V Botto B Schuller</b>
<p>(a) Repairs can take 24 hours plus- depending on the extend of the damage and the insurance pay-out.</p> <p>(b) Preventative maintenance are done daily and repairs executed when required. There are generally repairs every day, as we are running slightly behind with the vast number of vandalism and repairs on the camera network.</p> <p>(c) The cameras are scheduled so that each camera get checked / cleaned regularly.</p> <p>(d) Operational status reports are generated by Information Management, highlighting cameras out of operations for long periods and the technical section is thus tasked to detect the faults and restore operational capability of these cameras. As faults arise they are also scheduled and repaired.</p>	
<b>(6) How many service requests were generated as a result of incidents identified by monitors?</b>	<b>V Botto B Schuller</b>
<p>As per our Information Management section:</p> <p>2021 - 13 784</p> <p>2020 - 14 196</p>	

Comment/Question	
2019 - 15 936 2018 - 15 827 2017 - 13 709	
<b>(7) How many has resulted:</b> <b>(a) Successful arrests</b> <b>(b) Perpetrators having been fined for violations.</b>	<b>V Botto</b> <b>B Schuller</b>
(a) As per our Information Management section: 2021 - 226 2020 - 261 2019 - 259 2018 - 266 2017 - 268  (b) CCTV operations inform Metro Police, Law Enforcement, Traffic Services or the South African Police Services, regarding infringements / offences and units are dispatched to arrest these perpetrators. Outcomes of these infringements are not communicated to the City directly, but are available from the National Prosecuting Authority. There is very limited feedback on its findings since this process involve the judicial system, with very extensive timelines and processes.	
Safety and Security Portfolio Committee	
<p>Safety and Security directorate consists of the following departments which the portfolio committee herein commenting on the annual report is playing an oversight role over. Disaster Risk Management, Metropolitan Police, Traffic Services, Law enforcement, Fire &amp; Rescue Services, 107 Public emergency Centre, Events department, SSIU, SIMS, EPIC &amp; VIP unit.</p> <p>The City of Cape Town annual report reflects a very good financial balance sheet, an operating surplus of about 2billion, which was a figure far below compared to previous financial year where the city achieved a whopping 4.3 billion surplus, credit to all the finance managers of the organisation lead by chief financial officer.</p> <p>(1) Firstly, of outmost significance, Safety &amp; Security portfolio committee notes with gratitude the fact that this directorate is the only directorate to have achieved above 95% spending for the year under review.</p> <p>(2) Notable since 2011 Safety &amp; Security directorate has never performed below 94% on its overall expenditure, this portfolio committee is proud of the level of oversight and expertise that it has developed throughout the past two decades. PC notes the sentiments shared by the report on page 63, which emphasize our film and events objectives <i>"The film and media industry has grown rapidly over the past few years, and Cape Town has developed a strong global positioning as a filming destination of choice. Over the next five years, the City will actively promote this positioning to attract various film and media productions, in particular feature films, television series, documentaries, commercials, still photography, animation and interactive computer games"</i>.</p> <p>(3) The portfolio committee is continuously closely monitoring the utilization of technology in enhancing and expediting the call for efficiency and response time to incidences of crime and emergency. PC notes the reflection on page 89 of the annual report of intelligence policing</p>	N/A

Comment/Question	
projects undertaken by the city's Safety & Security to deliver effectively to its residence.	
<b>Subcouncil 3</b>	
The Portfolio- and Subcouncil committees should be provided the opportunity to submit written comments on the electronic copy of the City's Integrated Annual Report as part of the public participation process.	N/A

## REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE TO THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON THE CITY OF CAPE TOWN'S 2020/2021 INTEGRATED ANNUAL REPORT

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### PURPOSE

To provide a report to the Municipal Public Accounts Committee ("MPAC") in support of its oversight function, and to inform the MPAC oversight report.

### MANDATE AND AUTHORITY

The Audit and Performance Audit Committee ("APAC" or "the committee") is mandated in terms of section 166 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA).

The responsibility of the APAC, as an advisory oversight activity, is further re-iterated 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
- In terms of MFMA Circular No. 32 of March 2006 the Audit Committee provides independent specialist advice on financial performance, efficiency and effectiveness, performance management and compliance with legislation.

*Note: The above circulars have not been adopted by the Council of the City of Cape Town.*

The APAC chairperson is available to discuss the report if requested by the MPAC chairperson.

In terms of the APAC's Terms of Reference, approved by Mayco on 20 October 2020, the APAC has the following responsibilities related to the Annual Financial Statements and Integrated Annual Report:

- 5.3.4: Review the integrity of the information included in the final Integrated Annual Report before release, by considering the work and results of assurance providers (e.g. external and internal audit) relating to the validity, accuracy and completeness thereof;
- 5.3.9: Consider the Integrated Annual Report with recommendation to MPAC regarding onward submission to Council;
- 5.4.5: Advise on disclosures on matters of risk and risk management in the Integrated Annual Report;
- 6.14: The committee will report to the Municipal Council on how it has fulfilled its duties during the financial year. This report is included in the Integrated Annual Report of the City and the Fund;
- 6.18: The committee should have regard to all factors and risks that may impact on the integrity of the Integrated Annual Report, aligned to its role and functions;
- 6.19: The committee must review the disclosure of sustainability issues in the annual report to ensure that it is reliable and does not conflict with the financial information.

### RELATED AUDIT REPORTS

The APAC has considered the work performed by Internal Audit (IA) and the Auditor-General of South Africa (AGSA) on the Integrated Annual Report in exercising its responsibilities and as required by its Terms of Reference.

With reference to the Integrated Annual Report, the APAC noted an increased maturity and steady improvement towards achieving the goal of integrated thinking and practices. There is also an increased focus on communication with all stakeholders. The APAC would encourage benchmarking the City's Integrated Annual Report with other SA metros, leading global cities – especially those with active resilience programs – and with other public sector entities particularly those identified as applying leading practices.

Section 79A(3)(b) of the Local Government: Municipal Structures Amendment Act, Act 3 of 2021, requires the MPAC to review internal audit reports together with comments from the management committee and the audit committee and make recommendations to the municipal council. To assist MPAC in fulfilling this mandate, APAC wishes to draw MPAC's attention to the following areas flowing from APAC's activities during the year, including the quarterly review of Internal Audit projects completed, as required by section 165(2)(b) of the MFMA, and Internal Audit's Annual Statement on Governance, Risk Management and Internal Control Processes within the City of Cape Town for the year ended 30 June 2021:

- A matrix (based on COSO – Committee of Sponsoring Organizations of the Treadway Commission) is applied to measure and provide an opinion on the overall governance, risk management and internal control processes of the City. The overall assessment rating for 2020/2021 was calculated at 2.59, compared to 2.42 in the previous financial year, which falls into the “some improvement needed” category. The movement represents an improvement compared to the previous financial year.
- The overall ratings for the 43 assurance audits completed are:
  - Effective: 14% (2019/2020: 10%)
  - Some improvement needed: 60% (2019/2020: 46%)
  - Major improvement needed: 26% (2019/2020: 44%)
  - Unsatisfactory: 0% (2019/2020: 0%)
- Main root causes identified from the 43 assurance audits conducted in 2020/2021 are:
  - lack of policies and procedures and the inadequacy of existing policies and procedures (19 of the 43 audit reports = 44%);
  - lack of management review and supervisory checks (20 of the 43 audit reports = 47%);
  - lack of supporting evidence/information/records management processes (22 of the 43 audit reports = 51%);
  - resource/capacity constraints and lack of skills (7 of the 43 audit reports = 16%);
  - lack of communication/collaboration (6 of the 43 audit reports = 14%); and
  - lack of monitoring activities (25 of the 43 audit reports = 58%).
- Follow-up audits are performed to determine if corrective actions agreed to by line management, in respect of audit findings from previous audits, have been implemented. The directorates' Key Operational Indicator for “% Internal Audit findings resolved” has a target of 75% and follow-up audit results indicated that 76% of audit findings previously reported were addressed.

Internal Audit also completed an advisory review on the draft Annual Financial Statements where issues were raised with management for action. In addition, risks and opportunities with value-adds were shared. The report also gave the APAC comfort that subsections 5.3.1, 5.3.3 and 5.3.8 of our Terms of Reference had been achieved.

Notwithstanding significant challenges during the year under review, the City has exhibited growth and efficacy, effective governance, increased accountability, and transparency. The APAC congratulates the City's management on achieving an unqualified audit report on the Annual Financial Statements and Performance Management. The committee notes the findings reported by the AGSA on the City's compliance with legislation and has already requested that the committee work plan be updated to focus on this area. Management is equally committed to

implementing the necessary controls to prevent and reduce the re-occurrence of these events, especially in the areas of supply chain management. When compared to the prior year there has been a marked decrease in incidents and value of non-compliance. Well done to the City's Management Team on the continuous improvement as it strives towards a "clean" audit.

## CONCLUSION

In terms of the MFMA Circular No. 32 of March 2006, relating to The Oversight Report, the APAC has the following to bring to the attention of the MPAC:

- A Report of the APAC for year ended 30 June 2021 is included in the Integrated Annual Report.
- As part of its continual monitoring and assurance, an Outstanding Matters Schedule is maintained on the APAC agenda and matters not finalised are followed-up at subsequent meetings, until resolved.
- APAC maintains oversight of the key performance areas and the control environment through ongoing monitoring of indicated activities and controls, challenges and shortcomings.
- APAC monitors the implementation and maturity of the combined assurance process, integrated thinking and other initiatives to enhance governance. Risk identification, mitigation plans, and achievement of targets are robustly engaged to ensure and assure relevance on a continuing basis.
- Important matters, related to the 2020/2021 Annual Financial Statements and Integrated Annual Report, include:
  - **Budget:** Significant underspending of the operating and capital budgets mainly due to the impact of the COVID-19 lockdown, community dynamics and influences, delays with the appointment of service providers and contractor performance.
  - **Expenditure Management:** Most of the irregular expenditure related to non-compliance with Supply Chain Management SCM regulation 5.
  - **Procurement and contract management:** In contravention of SCM regulation 5 contracts were extended/modified without the approval of a properly delegated official, and similar issues were reported in the previous financial year.
  - **Oversight responsibilities:** Inadequate oversight was exercised by management over internal controls relating to contracts.
  - **Material irregularities:** A forensic investigation into plumbing repairs was initiated by the City Manager.
- Governance enhancements, such as:
  - Continued focus on the implementation and maturity of combined assurance
  - Management and monitoring of corrective actions to be implemented to address internal control findings, ethics, loss and risks
  - Information technology governance
  - Application of King IV principles
- Enhanced focus by APAC on:
  - Forensic findings and recommended management actions
  - Legal matters – contingent liabilities
  - Governance and control improvements
  - Proactive management of critical risks – APAC attendance of RiskCo
  - Compliance
  - Information, Communication and Technology (IC&T)
  - Environmental/climate change

The City's Integrated Annual Report presents performance against all key commitments and the committee is pleased with the progressive continuous improvement made by the City and



compliments the City's Executive Management Team and recommends the City's Integrated Annual Report for onward submission.

A handwritten signature in black ink, appearing to be 'Mervyn Burton', written over a horizontal line.

**Mervyn Burton**

**Chairperson: Audit and Performance Audit Committee**

**Date: 18 March 2022**