REPORT TO COUNCIL FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) (FUNCTIONING AS THE OVERSIGHT COMMITTEE)



ITEM NUMBER: C 19/03/12

SUBJECT

OVERSIGHT REPORT IN RESPECT OF THE 2010/11 ANNUAL REPORTS FOR THE CITY OF CAPE TOWN AND ITS MUNICIPAL ENTITIES

ONDERWERP

OORSIGVERSLAG OOR DIE 2010/11-JAARVERSLAE VIR DIE STAD KAAPSTAD EN SY MUNISIPALE ENTITEITE

ISIHLOKO

INGXELO YOKUB'EKILISO NGOKUPHATHELENE NEENGXELO ZONYAKA KUNYAKA-MALI KA-2010/11 ZESIXEKO SASEKAPA KUNYE NAMAQUMRHU KAMASIPALA AZIMELEYO

LSUA2660/C0965

3. PURPOSE

To enable the Committee to discharge its oversight responsibility in considering the City of Cape Town's Annual Report and those Annual Reports submitted by the Municipal Entities for 2010/11 in terms of Section 129 of the Local Government: Municipal Finance Management Act (Act No 56 of 2003) (MFMA).

4. FOR DECISION BY

The statutory authority to adopt an Oversight Report in respect of the Annual Report rests with Council.

5. EXECUTIVE SUMMARY

5.1 MFMA Circular Number 32 recommends the establishment of an oversight committee for the detailed analysis and review of the annual report(s), following

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their tabling in Council, receiving and reviewing representations made by the public, inputs from other councillors and Council Portfolio Committees and then drafting an oversight report that may be taken to full Council for discussion.

- 5.2 The Municipal Public Accounts Committee (MPAC) is required to perform the responsibilities of the Oversight Committee as envisaged in MFMA Circular Number 32 and Section 129 of the MFMA. All Portfolio Committees were requested to consider the City of Cape Town's annual report and those annual reports submitted by municipal entities for 2010/11, with a view to providing comments to MPAC for inclusion in the oversight report to be prepared by MPAC and adopted by Council on 28 March 2012. Relevant comments and resolutions made by the Sub-Councils and the Portfolio Committees, are contained in schedules attached as Annexure C.
- 5.3 MPAC considered the 2010/11 Annual Report of the City of Cape Town and its Municipal Entities and raised any issues of concern with the Executive Management of the City of Cape Town at a meeting on 24 February 2012. The minutes of that meeting is attached as Annexure B. The MPAC resolutions flowing from this process are contained in the schedule attached as Annexure A.
- 5.4 In terms of Section 129 of the MFMA, the Council must 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.
- 5.5 In terms of MFMA Circular Number 32, in order to approve the Annual Report without reservations, Council should be able to agree that the information contained in the report is a fair and reasonable record of the performance of the municipality in the financial year reported upon. Approval means that the executive and administration have discharged in full, their accountability for decisions and actions and that their performance meets the criteria set by performance objectives and measures and is also acceptable in the community.

RECOMMENDATIONS

Not delegated: for decision by Council:

- That Council having fully considered the 2010/11 Annual Report of the municipality and representations thereon, adopts the oversight report; and
 - Approves the annual report without reservations.



- b) That Council having fully considered the 2010/11 Annual Report of the Municipal Entity, Cape Town International Convention Centre Company and representations thereon, adopts the oversight report; and
 - (i) Approves the annual report without reservations.
- c) That Council having fully considered the 2010/11 Annual Report of the Municipal Entity, Khayelitsha Community Trust, and representations thereon, adopts the oversight report; and
 - (i) Approves the annual report without reservations.
- d) That the resolutions per Annexure A be supported for action and be referred to the relevant Portfolio Committees and feedback be provided to the Municipal Public Accounts Committee (MPAC).

AANBEVELINGS

Nie gedelegeer nie: vir besluit deur die Raad:

- Dat die raad n\u00e1 deeglike oorweging van die 2010/2011-jaarverslag van die munisipaliteit, sowel as verto\u00e9 daaroor, die oorsigverslag aanvaar; en
 - i) die jaarverslag sonder voorbehoud aanvaar
- b) Dat die raad n\u00e1 deeglike oorweging van die 2010/2011-jaarverslag van die munisipale entiteit, die maatskappy Cape Town International Convention Centre, sowel as verto\u00e9 daaroor, die oorsigverslag aanvaar; en
 - (i) die jaarverslag sonder voorbehoud aanvaar
- Dat die raad n\u00e1 deeglike oorweging van die 2010/2011-jaarverslag van die munisipale entiteit, die Khayelitsha Community Trust, sowel as verto\u00e9 daaroor, die oorsigverslag aanvaar; en
 - (i) die jaarverslag sonder voorbehoud aanvaar
- d) Dat die resolusies in bylae A vir aksie gesteun word en na die betrokke portefeuljekomitees verwys word, en terugvoering aan die munisipale komitee oor openbare rekeninge (MPAC) verskaf word.



IZINDULULO

Azigunyaziswanga: iSiggibo seseBhunga:

- Ukuba njengoko iBhunga liyiqwalasele ngokupheleleyo iNgxelo yoNyaka yonyaka-mali ka-2010/2011 yomasipala nenkcazelo ezinezizathu zayo, maliyamkele ingxelo yokub'ekiliso; yaye
 - (i) Maliyiphumeze ingxelo yonyaka ngaphandle koxhomekeko.
- b) Ukuba njengoko iBhunga liyiqwalasele ngokupheleleyo iNgxelo yoNyaka yonyaka-mali ka-2010/2011 yamaQumrhu azimeleyo kaMasipala, iNkampani yeZiko leeNgqungquthela zaMazwe ngamazwe eKapa kunye neenkcazelo ezinezizathu zazo, maliyamkele ingxelo yokub'ekiliso; yaye
 - (i) Maliyiphumeze ingxelo yonyaka ngaphandle koxhomekeko.
- c) Nokuba emva kokuba iBhunga liyiqwalasele ngokupheleleyo iNgxelo yoNyaka yonyaka-mali ka-2010/11 yamaQumrhu azimeleyo kaMasipala, iQumrhu loLuntu lwaseKhayelitsha, kunye neenkcazelo ezinezizathu zazo, maliyamkele ingxelo yokub'ekiliso; yaye
 - (i) Maliyiphumeze ingxelo yonyaka ngaphandle koxhomekeko.
- d) Ukuba makuxhaswe izisombululo ngokwesiHlomelo-A ukuze zifezekiswe.kwaye zidluliselwe kwiiKomiti zeMicimbi yamasebe ezifanelekileyo kwaye kunikezelwe impendulo lweKomiti yee-Akhawunti zoLuntu zikaMasipala.

7. DISCUSSION/CONTENTS

7.1. Constitutional and Policy Implications

The Municipal Public Accounts Committee (MPAC) is required to perform the responsibilities of the Oversight Committee as envisaged in MFMA Circular Number 32 and Section 129 of the MFMA.

7.2. Environmental implications

Does your report have any	No ⊠	Yes [
environmental implications:		



7.3. Legal Implications

- 7.3.1 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
- 7.3.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) Chapter 6, as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003)
- 7.3.3 Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)

7.4. Staff Implications

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

7.5. Other Services Consulted

N	0	n	0
1.4	u		C

ANNEXURES

Annexure A: Schedule containing Comments and Resolutions from MPAC

Annexure B: Minutes of the MPAC meeting held on 24 February 2012 to discuss the Annual Report

Annexure C: Schedule containing comments from the Portfolio Committees and Sub-Councils

FOR FURTHER DETAILS CONTACT:

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DIRECTORATE	Internal Audit
FILE REF NO	None



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 JEAN ROMAN	Comment:
TEL (021) 400 2753	Certified as legally compliant:
DATE 13 03 2012	Based on the contents of the report.
CHIEF AUDIT EXECUTIVE Z Abrams	Comment:
CHAIRPERSON OF MPAC CIIr Mxolose	Comment:
DATE 13.03.2012 Anh Swit. THE SPEAKER	Comment:
DATE 20 03 2012	

Annexure A

Comments and Resolutions from the Municipal Public Accounts Committee (MPAC) in respect of the 2010/11 Annual Report for the City of Cape Town and its Municipal Entities

COMMENTS AND RESOLUTIONS FROM THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE(MPAC) IN RESPECT OF THE 2010/11 ANNUAL REPORT FOR THE CITY OF CAPE TOWN AND ITS MUNICIPAL ENTITIES

	Reference – Previous Oversight Report							C04/03/11
olutions	Municipal Entities Annual Report	Recommend to Council: That, having fully considered the 2010/11 Annual Reports of the Municipal Entities and representations thereon, adopts the oversight report and approves the annual report, without reservations and note the following resolutions adopted by MPAC:	CAPE TOWN INTERNATIONAL CONVENTION CENTRE	None	KHAYELITSHA COMMUNITY TRUST	None		
Comments and Resolutions	City of Cape Town Annual Report	Recommend to Council: That, having fully considered the 2010/11 Annual Report of the municipality and representations thereon, adopts the oversight report and approves the annual report, without reservations and note the following resolutions adopted by MPAC:	CHAPTER 1: OVERVIEW OF THE CITY OF CAPE TOWN	None			CHAPTER 2: REVIEW OF THE 2010/11 FINANCIAL YEAR	Capital Expenditure (Page 80) – MPAC expressed concern over the under expenditure of the Capital Budget and indicated that processes should be implemented to reach the annual target and prevent the recurrence of under spending.
Date of		24 February 2012						
Meeting		MPAC						

	Reference – Previous Oversight Report						
olutions	Municipal Entities Annual Report						
Comments and Resolutions	City of Cape Town Annual Report	CHAPTER 3: INSIDE THE CITY OF CAPE TOWN	Employment Equity Highlights for 2010/11 (Page 92) – Disability management – Job advertisements and job descriptions should be reviewed to ensure that disabled persons are encouraged to apply for jobs within the City in order to meet the relevant targets.	CHAPTER 4: BUDGET OVERVIEW FOR 2010/11	Collection Rates for Revenue Services (Page 111) – MPAC expressed concern regarding the delay in the billing of property rates which could result in the loss of potential revenue to the City. Further concern was expressed that not all properties and illegal building works on properties are detected and included for rates billing. Measures should be implemented to ensure that property rates are billed timeously and that all illegal building works to properties are detected and billed.	Auditor-General's report: Material Losses (Page 117) – MPAC expressed concern over the technical losses due to faulty pre-paid electricity meters and indicated that a plan should be implemented to test prepaid electricity meters, even if on a sample basis, to determine the accuracy thereof.	Note 35: Grants and Subsidies Paid - Sporting Bodies - (Page 171) - MPAC commented that amounts paid to sporting bodies should be referred to the relevant Portfolio Committees for further follow up.
Date of							
Meeting							

Meeting		Comments and Resolutions	olutions	
	Meeting	City of Cape Town Annual Report	Municipal Entities Annual Report	Reference – Previous Oversight Report
		ANNEXURE A: 2010/11 Annual Performance Management Report – MPAC commented that review functions should be performed on the information submitted by each Directorate to ensure that the information is valid, accurate and complete in terms of reporting against predetermined objectives.		
		GENERAL		
		Maintenance of Roads – MPAC expressed concern over the dilapidated state of the City's roads and indicated that insufficient money is spent on the repair of these roads.		
		Solid Waste Contracts in Informal Settlements - MPAC expressed concern over the monitoring of contracts related to the cleaning of informal settlements and indicated that those responsible should be held accountable where deliverables are not met.		
		The State of Facilities – Sport and Recreation: MPAC expressed concern over the poor state of some facilities and indicated that this should be followed up by the Community Services portfolio committee.		
		The definition of a Housing Opportunity – MPAC expressed concern over housing opportunities being defined and measured differently by the City and National government.		

Annexure B

Minutes of the MPAC meeting held on 24 February 2012 to discuss the Annual Report

- MINUTES -

OF THE MEETING OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE HELD IN MEETING ROOM 1, PODIUM BLOCK, CIVIC CENTRE, CAPE TOWN ON FRIDAY 24 FEBRUARY 2012 AT 10:00

PRESENT

COMMITTEE MEMBERS

AFRICAN NATIONAL CONGRESS

Cllr S Mxolose (Chairperson)

Cllr D Khatshwa

Cllr C Scheepers

DEMOCRATIC ALLIANCE

Cllr E Anstey

Cllr P Chapple

Cllr S Diamond

Cllr C Mhlanga

Cllr B van Dalen

VISITING COUNCILLORS

Alderman D Smit

Councillor J van der Merwe

OFFICIALS

Z Abrams

: Internal Audit

T Blake

: Finance

R Bosman

: Safety & Security

V Botto

: Forensic Services

1 Bromfield

: Health

D Burger W Claassens : Transport Roads & Stormwater : Integrated Development Plan

A Ebrahim

: City Manager

F Habib

: Corporate Services

K Kalam

: Internal Audit

M Marsden

: Deputy City Manager

L Mbandazayo

: Legal Services

S Maqetuka

: Human Settlements

C Maurer

: Forensic Services

M Mpikashe

: Legal Services

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MINUTES

24 FEBRUARY 2012

A Moolman

: Internal Audit

L Muller

: Finance

E Postings

: Internal Audit

L Rencontré

: Utility Services

S Sokuta

: Legal Services

S Thomas

: Internal Audit

A Vorster

: Office of City Manager

R Tippoo

: Executive Committee Services

PUBLIC

I Fourie

: Auditor General

L Klue-Knipe

: Auditor General

PRESS

B Nelenze

: Cape Times

LEAVE

Cllr N Makasi

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MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) MINUTES

24 FEBRUARY 2012

MPAC 01/02/12

OPENING

The Chairperson, Councillor S Mxolose, welcomed everyone to the meeting and requested that a moment of silence be observed.

MPAC 02/02/12

APOLOGIES / LEAVE OF ABSENCE

RESOLVED that it BE NOTED that Cllr N Makasi had been granted leave of absence by the Chief Whip.

MPAC 03/02/12

CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 11 NOVEMBER 2011

RESOLVED that the minutes of the meeting held on 11 November 2011, **BE CONFIRMED**.

MPAC 04/02/12

2010/2011 ANNUAL REPORT OF THE CITY OF CAPE TOWN AND ITS MUNICIPAL ENTITIES

The Chairperson, Councillor S Mxolose, referred to page 80 of the report and enquired why only 77% of the budget was spent. He further enquired that if the under-spending was as a result of transfers from National government being received too late then how did the City aim to address the problem to ensure that the target will be met in future.

Mr T Blake responded that each allocation provided from National Government at the end of the national government financial year would have to be carefully checked to ensure that the correct planning is already in place for any tender to go out as soon as the funds are allocated through a government gazette and appropriated to the City in an adjustments budget. Strategically, the City will need to evaluate the merits of accepting what is effectively 'fiscal dumping' and consequences of not taking the funding provided.

Ms L Muller further advised there is a new process implemented by National Treasury for funding.

Councillor Chapple referred to page 80 of the report and enquired how many phone calls had been made to the anti-corruption hotline, how many of those calls had been investigated and how successful the anti-corruption hotline was.

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Mr V Botto responded that 170 matters were reported to the anti-corruption hotline in and during the 2010/2011 financial year. The process followed when matters are reported is that they are reviewed, logged on a central case management system and recommendations made to the City Manager in terms of S115 of the System of Council Delegation which specifically deals with forensic investigations. He confirmed that all of the 170 matters reported to the anti-corruption hotline had been reviewed and were either under investigation or have been investigated by the Forensic Services Department or have been referred to the relevant line department for action or attention.

He was of the opinion that the anti-corruption hotline had proved to be a very successful tool in the fight against fraud and corruption and certainly formed a vital cog in the governance framework of the City of Cape Town. The numbers of call made to the hotline bore testimony to his statement. In addition, statistics and information derived from the anti-corruption call centre are made available to the City's independent Audit Committee, Internal Audit Department and also the Auditor General in order to assist with the drafting of audit plans and looking at potential areas of control weaknesses throughout the City.

Councillor Mxolose referred to page 92 of the report and enquired how Corporate Services aimed to meet the employment equity target specifically with regard to people with disabilities.

Ms F Habib advised that the number of disabled persons employed in the Council had increased from 111 to 176. A staff survey had been conducted to determine how many employees suffered from disabilities and 13 000 responses had been received. She said that the corporate Call Centre would accommodate disabled persons and thereafter they could transfer to other departments within Council. She requested that directorates source employees from the Call Centre before employing people from outside the organisation. She said that the City should review the way jobs were advertised as most jobs required "able bodied" persons and suggested that job descriptions be revisited.

Councillor E Anstey referred to page 106 of the report and requested that the difference between depreciation and asset impairment be explained.

Mr Blake responded that depreciation was defined as the systematic allocation of the depreciable amount of an asset over its useful life in providing economic benefits or services. Impairment expense was when a fixed asset was physically damaged or was

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technically obsolete.

Councillor Anstey enquired whether there is a programme in place to reduce impairment as Council property is being damaged during the normal course of business.

Ms L Muller indicated that a written response will be provided to Internal Audit.

Councillor Anstey referred to page 111 of the report and enquired how the City ensured that all properties that should be billed for rates were in fact being billed. He further enquired whether illegal building work was taken into account when assessing the value of the property.

Mr Blake responded that with Project ISIS they identified all City properties via the Deeds Office, Land Use Management and Billing systems and 96% of the properties were aligned. After each billing portion, error reports were generated to identify any properties/accounts which were not billed. The reports reflecting billing errors were dealt with and properties were rebilled with the next billing portion within the billing cycle/month. However, if a move in / out transaction of a property had not been completed; billing would not take place but when billing did take place it would be backdated. All properties that should be billed are billed.

With every new General Valuation (GV), a comparison between the new valuation file and current SAP data is done before implementing the new GV. Where there are missing properties the matter is referred back to the Valuations department.

Councillor Anstey enquired what the plan was for the missing 4%. Mr T Blake responded that the housing projects in the townships made up the 4%, however there is a plan to address this but it will take years.

With regard to illegal building work Mr T Blake advised that the property rates value will not be increased until the next valuation. He indicated that a property will only be billed when the plan is approved. Once it has been signed off and approved, the additions will be detected through the General Valuation and Supplementary Valuation process. He further indicated that the completed date on the approved building plan will be the billing date for rates.

Councillor Anstey indicated that measures should be implemented to ensure that property rates are billed timeously.

Councillor Anstey referred to page 116 of the report and enquired what was being done to minimise the continual losses in respect of water and electricity. Councillor S Diamond requested a progress report on the implementation of the water management devise system. Councillor Anstey also enquired how the City ensured that all prepaid electricity meters were working effectively.

Mr L Rencontré advised that with regard to minimising the loss of electricity, not much could be done to reduce technical losses which were due to heat generated by transporting electrical energy. He was of the opinion that perhaps future networks using new materials would have lower losses, but the existing level of technical losses was a characteristic of existing networks. He said that it should be noted that reporting technical losses as a financial loss was misleading as it is never recoverable. The electricity department had a Revenue Protection section to combat electricity theft (nontechnical losses). Technical and non-technical losses could not be measured separately and could only be assessed together with and in comparison to other Distributors. Less than 10% losses would be an internationally acceptable standard. The City had a target of 9.3%.

Councillor Mxolose referred to page 117 of the report and enquired how the material losses in Utility Services were linked to the material losses. Councillor Anstey further enquired whether the City had investigated the costs of replacing/upgrading the outdated networks which were causing the losses.

Mr Rencontré advised that the water material loss was "unaccounted for water" which consisted of technical losses such as burst pipes, leaks, treatment losses, reservoir overflows, metering inefficiencies, unbilled authorized consumption e.g. some Informal Settlements and RDP houses and unauthorized consumption. The WDM section had adopted a fairly aggressive Water Demand Strategy that seeks to reduce the unaccounted for water by addressing the various components highlighted above. Emphasis in the strategy is placed on the technical losses and metering inefficiencies. The initiatives being undertaken continuously to curb losses are:

- Leak repairs at indigent households (over 70000 to date)
- Installation of water management devices to assist households to manage water consumption per day
- Advanced Pressure management is being undertaken on the bulk supply systems to reduce operating pressures and directly/indirectly impacting on the leaks within the system as well as at households. Over 30 pressure systems installed in 3 years (14 in this financial year already)

- Education and awareness to business, schools, internal departments etc.
- Schools awareness and caretaker training as well as leak repairs at the poorer schools
- · Leak detection on the bulk and main reticulation networks
- · Industrial meter audits

Losses in the water system, measured by the UAW% (excluding some estimations of Informal Settlements consumption) have in fact shown a steady decrease over the last 18 months.

The decrease is attributed to concerted efforts on all the aspects that reduce losses, although it is believed that the biggest improvement has come through apparent loss reduction due to inaccurate meters being replaced. The increased expenditure on water pipe replacement as well as WDM projects such as Pressure Management zone installation is making a steady improvement.

With regard to the water management device system Mr Rencontré advised that the cumulative total for installation as at 30 June 2011 was 53 994 and that 13 649 devices were installed between 1 July 2011 and 28 January 2012.

In order to reflect most recent information, the above figures are the devices physically installed based on field reports and might not necessarily correspond to the figures in SAP due to the backlog in loading information on the system.

With regard to whether the prepaid electricity meters were working effectively Mr Rencontré advised that they relied on customers or communities to report the non-functioning of meters. A meter investigation/test would be performed and the customer charged and if the meter was found to be faulty, the charge would be refunded.

Mr Rencontré advised that 3 projects i.e. Rehab of Water Network (Citywide), Replace & Upgrade Water Network and the South Peninsula Pressure Management had a direct relationship with the material losses.

In response to the question whether the City investigated the costs of replacing/upgrading the outdated networks which caused the losses Mr Rencontré advised that the estimated water losses in terms of burst water mains and visible reported leaks were monitored on a monthly basis and estimated to be between 1 and 2% of potable water produced.

A pipe replacement programme based on cost/benefit of mains replacement and improved operational controls had been compiled. To achieve a pipe burst ratio less than 20 bursts/per 100km of pipe, it was estimated that an investment of R150m was required per annum. He indicated that it was not possible to prevent water losses in the network

Councillor Mxolose referred to pages 117 and 129 of the report and enquired where the underspent money was reflected in the City's accounts and whether the funds were put aside for use in the next financial year.

Ms L Muller advised that on 1 September 2011 Council approved an adjustments budget which included carry-over commitments from the 2010/11 financial year. The MFMA provides for the provision of capital expenditure funding roll-overs to facilitate uninterrupted, seamless expenditure and implementation of projects spanning two financial years under certain conditions.

Councillor Anstey enquired where these funds are reflected in the balance sheet. L Muller indicated that she will come back to the Internal Audit with a response.

Councillor Anstey referred to items 19-22 on page 117 and enquired what controls had been implemented to prevent a recurrence of the issues reported. He further enquired whether the City had considered extending the budget over more than one financial year to avoid unnecessary spending at year-end. He also enquired what processes were in place to ensure that spending did not occur at year-end.

Ms Muller advised that in terms of legislation the City adopted a 3-year capital budget; this implied that spending of a multi-year project could continue as soon as the new financial year started.

Mr M Marsden said that the primary issue was the ability to plan correctly and the City is aiming to improve the project management capacity in the City. An amount of R20m has been placed on the operating budget to address the problem.

Councillor P Chapple referred to item 26 on page 118 of the report and requested the facts of the investigation and enquired whether controls had been put in place to prevent a recurrence.

Mr Botto advised that it was found that City housing stock had been rented out to a relative of a senior official of the City. The City had not recovered the arrears. Alterations had been undertaken at the property without the requisite planning authority. The property was then rented out to a medical practice by the former senior City official and no evidence of fraud could be proved during the investigation.

With regard to the controls that had been put in place to prevent a recurrence Mr Botto advised the official had resigned and the matter had been referred to the Forensic Services Section by the Human Settlements Directorate for investigation.

Councillor Anstey referred to page 132 of the report and requested an explanation for the accumulated surplus.

Ms Muller advised that a surplus is the difference between the total revenue earned less the total expenditure incurred by the municipality. These are aggregated over the entire existence of the municipality thus forming the accumulated surplus. She referred to Note 21 (page 166) of the annual report for further reference.

Councillor Anstey asked what was happening to the accumulated surplus. Ms L Muller indicated that funds can be used by the different departments and that it is cash backed because the City works on an accrual system. She will however provide a comprehensive written response to the Committee via Internal Audit.

Councillor Diamond also referred to page 132 of the report and enquired for how long the VAT that was reflected as a current liability had been outstanding and whether interest had been paid on VAT, PAYE etc.

Ms Muller explained that the municipality, for VAT purposes, is on a payment basis which means that VAT is only paid to SARS once the City received the payment from the debtor. Interest and penalties are levied if the City did not comply with the Tax legislation.

Councillor Diamond enquired what the City was doing to prevent interest on late payments.

Ms Muller responded that the City was not charged any interest in the last financial year however there was an issue in the previous financial year. Councillor Anstey referred to note 6.2 on page 148 of the report and requested an explanation on sinking-fund deposits including how they worked and why the City did it.

Mr Blake advised that a sinking fund is a fund created for the repayment of a loan/bond where a final bullet repayment is due at the end of the period. It is a fund into which the City sets aside money over time which, together with interest earned, is used to repay the loan or bond at the final due date. The sinking funds form part of the investments of the City and are earmarked for purposes of reporting in the annual report. The bulk of the amounts were created in terms of requirements set by National and Provincial Treasury when the City issued its three bonds during 2008 to 2010.

Councillor Diamond referred to note 7 on page 149 of the report and requested further details regarding the sub-items under long-term receivables.

Ms Muller advised that the long term loan to the Khayelitsha Community Trust (Sale of Portion 1-3 Erf 58856) was repayable over 18 years with annual payments made with the final payment due in 2024.

Mr Maqetuka responded that loans to public organisations are granted in terms of National Housing Policy. At present these loans attract interest at 1% and 11% for building and infrastructure respectively and are repayable over 30 years. With the implementation of new legislation (MFMA & Housing Act 107 of 1997) no further loans had been awarded and the final loan repayments are scheduled for 2032. Examples of public organisations are the Cape Peninsula Welfare Organisation for the Aged, Holy Cross Orphanage and Duin en Dal Seunsdorp in Macassar.

With regard to housing developments for sale loans were historically granted to qualifying individuals in terms of the National Housing Policy. These loans currently attract interest at 9.0% per annum, and are repayable over 20 years. The interest rate is determined by Council. With the implementation of new legislation (MFMA & Housing Act 107 of 1997) no further loans have been awarded and the final loan repayments are scheduled for 2023. Examples of housing selling schemes are: project 572 in Ocean View, project 638 in Elsies River and Mitchell's Plain (Beacon Valley 673 - 674).

Councillor Chapple referred to note 12 on page 162 of the report and enquired what a sale-and-leaseback structured loan was and what its benefits were to the City. Councillor Anstey enquired why the City entered into sale-and-leaseback agreements.

Mr Blake advised that a sale-and-leaseback structured loan is where the City sells capital assets to the financial institution (e.g. Nedbank) and leases it back over a specified lease period. The City receives the proceeds from the sale and makes lease payments over the period of the lease. Ownership of the assets reverts back to the City at the end of the lease period. The benefits to the City were in the form of anticipated lower borrowing costs at the time when tax legislation was favorable to such structured loans.

Mr Blake further advised that the City entered into these agreements because of the anticipated lower cost of borrowing. The banks were able to offer the City lower interest rates partly as a result of tax savings which were passed on to the City but also as a result of the additional security it offered the banks related to their ownership of the assets. However, with the changes made to tax legislation over the years these kind of structured loans are no longer beneficial to the City. Subsequent to year-end 2010/11 both the remaining sale and leaseback loans have been fully repaid.

Councillor Chapple referred to note 31 on page 171 of the report and enquired why the allowances for impairment losses were so high and why it had increased substantially from the previous year.

Mr Blake advised that the increase for the provision for impairment of debtors was in line with the average tariff increase of the various services charges.

Councillor Chapple referred to note 35 on page 171 of the report and enquired what the money for "economic promotion and job creation" had been spent on and what had been the outcome. He requested all Portfolio Committees to provide details of all payments to sporting bodies and enquired what the money that was paid to the Khayelitsha Community Trust had been spent on.

Councillor Mxolose indicated that the question regarding "economic promotion and job creation" should be left in abeyance and should be referred to the relevant department for a response.

Ms Mtwazi referred to the breakdown submitted to the Committee and indicated that an amount of R543 998 was granted by subcouncils to sporting bodies.

No. 5 M

Councillor Chapple indicated that this should be referred to the Portfolio committees for information.

Ms Muller responded to the question regarding the Khayelitsha Community Trust and referred to the breakdown of the expenditure incurred in respect of grant funding that was submitted to the Committee.

Councillor Chapple referred to note 36 on page 172 of the report and requested a breakdown of the expenditure incurred in respect of hire charges and rentals.

Mr Blake advised that the expenditure related to costs incurred in the hiring of all vehicles, equipment, plant and tools and the renting of buildings for staff accommodation.

Councillor Chapple referred to note 42.2 on page 176 of the report and requested a breakdown of the closing balance of R431 000.

Ms Muller advised that the breakdown was in the report.

Councillor Chapple referred to note 42.3 on page 177 of the report and requested that subcommittees be established to investigate the fruitless and wasteful expenditure and details thereof be provided to the Municipal Public Accounts Committee. Councillor Mxolose suggested that all items referred to in note 42 be referred to the next MPAC meeting for the establishment of subcommittees and this was supported by Councillor Chapple.

Mr Rencontré indicated that there should be interaction with the office of the Auditor General regarding note 42.3 as he was of the opinion that the amount reflected as a material loss cannot be prevented.

Councillor Anstey referred to note 43 on page 178 of the report and requested further details of all awards over R100 000 in respect of bids awarded to family of employees in the service of the State. Councillor Chapple suggested that a subcommittee be established to investigate the matter.

Councillor Chapple referred to note 43.2.1 on page 178 of the report and requested the Speaker to provide a report detailing the current Councillor debt and what action had been taken to recover the outstanding money.

The Speaker tabled a report which is attached to the official minutes as Annexure "A"

w 5 M

Councillor Anstey referred to page 191 of the report and enquired who reviewed the loans and who ensured that the loans were properly managed. He further requested details of the loans including outstanding balances vs surplus on hand.

Mr Blake advised that the loan section which falls under the Manager: Treasury, reporting to the Director: Treasury ensured that all loans are properly managed and that all the conditions in the loan agreements are met as they fall due.

Details of all loans are found in Note 12 to the Annual Report. There is no surplus of loan funding on hand as noted in Note 40 where it shows R2.3 Billion rand of assets to be loan funded was funded rather through working capital savings. During the 2010/11 financial year no loans were taken out despite Council approval to fund R1.443 million capital expenditure via loan funding.

Councillor Diamond referred to page 196 of the report and enquired what controls were in place to manage the organisations who received funding from the City i.e. what should they comply with and what happens in the event of non-compliance.

Ms Muller advised that with regards to Municipal Entities, they are subject to all municipal legislation, regulations and circulars in as far as it can be applied. They are also subject to the Companies Act and King III Report on governance. The MFMA devotes chapter 10 to Municipal Entities, sections 84-109. It details all the controls with which the municipality and the entity need to comply.

The other grants would be controlled/managed in terms of S67 of the MFMA. It lists a number of controls such as regular reporting on expenditure on the grant, the requirement to have systems to safeguard the funding, auditing of the accounts etc.

Councillor Anstey referred to indicator 2B.2 on page 208 of the report and enquired why there had been such a big decrease in the percentage of waste diverted from Council waste management facilities.

Mr Rencontré advised that the projected growth for the crushing and selling of builders rubble has not materialised due to an insufficient market for the selling of the crushed materials, which was a condition of the approved tender. This resulted in no crushing of builders' rubble, but stockpiling thereof at the disposal facilities.

10 5. 11

As a result an inter-directorate project team had been established to identify and provide solutions for the re-use of builders' rubble material. This included the controlling of builders rubble through the Town Planning Building Plan application process.

Councillor Anstey requested an explanation for the contradiction between indicator 2C.3 which was 22,2% and the statement on page 39 which stated that the City was recognised for its effective water management.

Mr Rencontré acknowledged that the UAW had in 2009/10 reached a higher value than the previous years. The major reason for that had been established as metering inaccuracies which had been getting attention, along with the other causative factors. On the other hand, the City was playing a leading role in the Country with its pro-active and multi-pronged WDM Strategy and Policies and as permanent part of by-laws and tariffs. Additional investment in pipe replacement as well as the current refinement of an Asset Management Plan to reduce pipeline losses is making an impact. A project is underway to divide the water balance into approximately 200 zones with individual zone meters, loggers and AMR providing localised loss identification. A larger investment will be required to achieve a targeted 15% UAW in 4 years.

Councillor B van Dalen enquired how the City could promote Table Mountain. He also requested the City to engage with the responsible parties to ensure that public facilities were properly maintained.

Mr S Granger advised that Table Mountain is undoubtedly one of, if not the most important, economic asset to the City and should be promoted at every opportunity for economic, social and environmental benefits and objectives. The City should work closely with SANParks to achieve this – something which has been sub-optimal to date. The City does and should use a variety of opportunities to promote the Mountain:

- Used as the City's logo and also used visually by related campaigns and programmes, such as Climate Smart Cape Town. This use could be expanded
- Support for TM in any significant national or international competitions or strategy, e.g. the Seven Natural Wonders
- Incorporating TM and its programmes more fully into the City's tourism promotional packages
- Identifying economic opportunities directly linked to the use of the mountain and marketing accordingly



- Identifying the marketing (including communicating of information) of TM to local and other users and potential visitors as one of the key areas of co-operation between the City and Park and creating a focal point in the City for this purpose
- Working with SANParks to identify strategies to ensure a more positive uptake of the Hoerikwagga Trail facility

Mr Granger further advised that the maintenance of Table Mountain should be the function of the City's economic development focal point together with the new suggested focal point aimed at Table Mountain users and potential visitors. He further advised that the city is currently revising a formal bilateral relationship with SanParks at both operational and leadership levels. The maintenance of facilities within the park is the responsibility of SanParks and queries by parties in this regard should be directed at SanParks. However the City can play a supportive or if necessary a critical role to enhance park management (including the management of such facilities) through the channels identified within the City's bilateral structure.

Councillor van Dalen complained that the sewerage works on the Mountain was not always working. He also voiced his concern at the manner in which the waste was removed from the Mountain and requested that the matter be discussed with SanParks.

Councillor van Dalen enquired what was being done to ensure that all the waste water treatment works owned by the City were of the same standard.

Mr Rencontré responded that the Wastewater Branch had developed a 10 year Master Plan for improving the performance of its 27 Water Works Treatment Works. The Plan included, amongst others, the requirements for performance to achieve the 95% treated wastewater effluent compliance as required by the Regulator, the refurbishment and repairs required for critical equipment and the training of staff. The Plan and the commitment of staff had been vital to improving the Wastewater Branch's performance. However, the skills shortage and the number of staff would be a significant constraint in retaining the Drop Green Drops. Moreover, as a major portion of the capital budget was expended on infrastructure to cope with the rapidly developing City, the staff and the repairs and maintenance budget to maintain existing equipment needed to be increased as the City ran the risk of aging and ineffective infrastructure and hence losing the Green Drop at certain Works.

Councillor van Dalen enquired why many of the City's roads were in a dilapidated state.

Mr D Buerger advised that not enough funds were spent on maintaining road. The City's Road pavement asset base was of the order of R37,2 billion as at 2008 when the PMS was last updated. This covered approximately 9 835,8 km of road network. The backlog at that stage was estimated at R2,8 billion and the required annual maintenance funding in the order of R915 million per annum (R549m operational and R366m capital budget per annum). This R915 million presently (2012) converts to approximately R1 340 million per annum.

Councillor Chapple enquired whether there was a shortage of bitumen. Mr Buerger responded that the refinery would commence operating again in April 2012. However bitumen was used for pavements and not for roads. He assured the committee that there was no shortage of bitumen.

Councillor van Dalen enquired whether builders' rubble could be utilised in the maintenance of roads and further said that if roads are not replaced then it should be adequately maintained.

Councillor van Dalen enquired whether compared to last year there had been any improvement in the removal of waste.

Mr Rencontré advised that the department was heavily reliant on ageing fleet to deliver services for the 2010/11 financial year. For the current financial year the department had placed orders for 60 new 19m3 and 20m3 compactor type vehicles of which seven (7) have been delivered. The said vehicles will be delivered between March and June 2012 where after the Department will be in a better position to meet its commitments in terms of service delivery for the current financial year.

The unavailability of vehicles resulted in delayed refuse collection to which the Department responded by calling upon staff to work overtime as a temporary measure. The situation is relatively under control and will normalise once all the vehicles have been delivered and there are no other external factors impacting negatively on the implementation of the 7-Year Vehicle Replacement Plan.

Councillor van Dalen enquired how the City was managing / supervising the contractors who were responsible for the cleaning of informal settlements.

W.S M

The Area Cleaning Branch has a dedicated Contract Management Section which implements contracts and monitors Contractors' output in previously disadvantaged sandy areas and Informal Settlements. This Section, under the Head: Contract Management currently consists of 16 Senior Foreman positions. All areas are serviced by appointed contractors, whether informal or sandy areas and are assigned staff to monitor. The monitoring duties include daily inspections of areas and completing once a week inspection reports (in contractor's presence) to determine cleanliness level in accordance with set criteria as per the tender document. All weekly inspection reports are then used to determine whether monthly invoices will be paid, withheld or penalties imposed in accordance with the results of the month's work. Except for the indicated weekly inspections by Senior Foreman (of which the day of the week will change to make the inspection day not known to the contractor) the Head: Contract Management also does unannounced visits to check on progress made by contractor and Senior Foreman. To ensure all contactors are providing services as per set standards, monthly scheduled contractors meetings are held to facilitate communications, education, etc. All meetings are recorded and all instructions given during meetings form part of the conditions stipulated in the tender document.

Councillor van Dalen said that contracts to clean informal settlements should be monitored and those responsible should be held accountable where deliverables were not met.

Councillor van Dalen enquired why street lights were not fixed or not fixed timeously when the public reported them out of order. Also referring to street lights, Councillor D Khatshwa enquired why departments were not responding timeously to C3 notifications.

Mr Rencontré advised that the time taken to fix a street-light depended on the nature of work that needed to be done. Some work was batched and would take longer. The department was well within the target response time of 14 days. Councillor Khatshwa expressed his dissatisfaction at the delay of 14 days. Councillor van Dalen said that vacant posts should be filled to ensure that the work gets done timeously.

Regarding the sewerage system, Councillor Khatshwa enquired what strategy the City would employ to accommodate the increased number of residents

Mr Rencontré advised that the directorate had a tenure Master Plan for improving the performance of its WWTW and this includes the prioritization of the upgrading of the sewerage reticulation system.

(1.5 34)

Furthermore, the Wastewater Branch is represented on the City's 30 year Growth plan. The Branch is presently undertaking upgrading of its Wastewater Treatment Plants to cope with the influx of people to the City.

Councillor Mxolose enquired what was meant by "housing opportunities" and how it was measured.

Mr S Maqetuka advised that housing opportunities are defined in the constitution and in terms of the City's Corporate Scorecard It is measured using the Indicator Measurement as approved by formal Council Structures.

The definition is as follows:

A housing opportunity is access to * and or delivery of one of the following Housing products:

- (A) Subsidy Housing (BNG), which provides a minimum 40m² house;
- (B) Incremental Housing, which provides a serviced site with or without tenure;
- (C) Rental Housing, which is new Community Residential Units, upgrading and re-development of existing rental units and Hostels;
- (D) People's Housing Process is beneficiaries who maximise their housing subsidy by building or organising the building of their homes themselves;
- (E) Land restitution includes land approved by Council or Court decisions to valid claimants;
- (F) Social Housing is new rental units delivered by the City's Social housing partners
- (G)GAP Housing is a serviced plot, a completed unit for sale or affordable units for sale.

*Access to: is as contemplated in Section 26(1) of the Constitution of the Republic of South Africa 1996 i.e. "Everyone has the right to have access to adequate housing"

Councillor Chapple stated that the City's definition of a housing opportunity was different to that of Provincial and National government. Mr Maqetuka responded that the difference was the manner in which an opportunity was measured.

Councillor Mxolose asked how many subsidies the City had approved in terms of the accreditation approved by the Minister of Human Settlements.

NS M

Mr Magetuka responded that follows:

- The City of Cape Town received Levels 1 and 2 Housing Accreditation in March 2011. Since that date approximately 8 700 project based subsidies have been approved within City projects as well as an estimated 700 Individual Subsidies. The latter are subsidies that are approved to beneficiaries purchasing or building houses outside of approved City projects.
- It should however be noted that although these subsidies were approved for beneficiaries within the boundaries of the City, the City is not the approving agent yet. The Accreditation process is based on a phased delegation of roles and responsibilities and the City and the Provincial Department of Human Settlements are co-operating to finalise and formalise all the delegations etc. relating to levels 1 and 2 Accreditation.
- To date the delegation for the approval of subsidies by the City has not been finalised, as the City and Province is still investigating the most effective methodology for the City to gain access to the Housing Subsidy System (HSS) which is the National database system used for the capturing and screening of applicants against various different national systems and if successful the approval of subsidies.
- All project based subsidies are therefore still submitted to Province for processing in the HSS, but the City manages and implements. This is done in accordance with an interim agreement between the City and the Province related to accreditation.

Councillor Diamond enquired what the City's plan was to adequately maintain its sports facilities. He further enquired whether the City considered assisting clubs through funding the appointment of someone to maintain the facilities.

Ms Mtwazi advised that all facilities have a maintenance standard. The facilities are monitored and work carried out when necessary. There was however a shortage of funds. Halls which were older than 20 years were being identified for complete refurbishment. Artificial turfs were being installed at sports facilities. Where there is a facilities management committee Service Level agreements were being entered into caretakers for minor maintenance work.

Councillor Diamond expressed his dissatisfaction with the state of sports facilities and said that some of the facilities did not have toilets. Councillor Chapple suggested that Councillor Diamond forward his questions to the Portfolio Committee for consideration. This was agreed to.

Councillor Anstey enquired what amount was spent on replacing drain covers.

Mr Buerger responded that the cost of a typical four man crew, utilising a return time of one hour and a distance of 15km, the estimated cost is as follows:

R1550 per drain cover and for 5526 drain covers it will be an estimated R8 565 300.

Councillor Mxolose referred to the list of questions provided by Councillor J van der Merwe of the Finance Portfolio Committee and indicated that Councillor van Merwe was satisfied with the written responses from the finance Directorate. He indicated that the responses were noted for inclusion in the minutes. See Annexure "B".

Councillor Chapple thanked Councillor van der Merwe for submitting the questions.

Councillor S Diamond asked what steps had been taken to ensure the validity, accuracy and completeness of reporting against predetermined objectives to prevent material misstatements in the annual performance report on actual performance which needs to be corrected during the audit. He further enquired what oversight and review functions are being performed on the information on actual performance that is submitted by the each directorate.

Ms C January responded that the process to review all the indicators is currently underway and these will be signed off by the Executive Directors and Directors. This process is currently 80% complete. All evidence is confirmed.

RECOMMENDED that

 job descriptions and job advertisements be reviewed to ensure that disabled persons are encouraged to apply for jobs within Council;

10.5 (4)

- (ii) a programme be implemented to reduce costs related to asset impairment as Council assets are being damaged during the normal course of business;
- (iii) the concerns regarding the delay in the billing of property rates be addressed as it could result in the loss of potential revenue to the City;
- (iv) an explanation be provided regarding the outcome of the funds spent on economic promotion and job creation;
- the contracts related to the cleaning of informal settlements (V) be monitored and those responsible be held accountable where deliverables are not met:
- consideration be given to additional funding for the maintenance of roads:
- (vii) the report on electricity meters requested by the Mayoral Committee member be also referred to the Municipal Public Accounts Committee for consideration:
- (viii) the illegal leasing of a property by a former senior official be considered at the next Committee meeting;
- processes be implemented to reach the annual target and (ix)prevent the recurrence of under-spending of the capital budget;
- a comprehensive report be submitted by Ms L Muller on the (X) operating surplus;
- subcommittees be established to investigate the irregular, (xi) fruitless and wasteful expenditure as contained in note 42 to the annual report;
- Councillor S Diamond submit his concerns regarding sporting (XII) facilities to the Community Services Portfolio Committee for consideration;
- (xiii) review functions be performed on the information submitted by each directorate to ensure that the information is valid, accurate and complete in terms of reporting against predetermined objectives.

MPAC 05/02/12 MATTERS RECEIVING ATTENTION

- (1) QUARTERLY REPORT ON STATUS OF INVESTIGATIONS: FULL SWING TRADING CC & AFRICAN JEWELLERY CITY
 - (1.1) FULL SWING TRADING

RESOLVED that it be NOTED that a progress would be submitted to the April 2012 Committee meeting.

ACTION: M MPIKASHE

(1.2) AFRICAN JEWELLERY CITY

RESOLVED that it BE NOTED that a report on the payments made to the tracing agent would be submitted to the March 2012 Committee meeting.

ACTION: M MPIKASHE

(2) MATTERS REFERRED BY MAYCO (MC 09/01/09): IRREGULAR EXPENDITURE IN 2007/8 FINANCIAL STATEMENTS: SUPPLY CHAIN MANAGEMENT

RESOLVED that it BE NOTED that a report would be submitted to the March 2012 Committee meeting.

ACTION: L SHNAPS / G MEYER

(3) MATTERS REFERRED BY THE MAYORAL COMMITTEE (MC 06/02/10): POSSIBLE IRREGULAR EXPENDITURE IN RESPECT OF ALLOWANCES PAID TO COUNCIL **EMPLOYEES**

This matter was dealt with under item MPACIC 03/02/12.

(4) SCOPA 06/03/11: ITEMS EMANATING FROM THE CITY'S 2009/10 ANNUAL REPORT AND 2009/10 AUDITOR GENERAL REPORT: IRREGULAR EXPENDITURE: SUPPLY CHAIN REGULATIONS

RESOLVED that it BE NOTED that the subcommittee would be meeting on 29 March 2012.



24 FEBRUARY 2012

(5) APPLICATION/S FOR GRANT-IN-AID TO SASDI IN SUPPORT OF MFULENI EARLY CHILDHOOD DEVELOPMENT CONSTRUCTION PROJECT

RESOLVED that it **BE NOTED** that the subcommittee would be meeting on 29 March 2012.

ACTION: S THOMAS

(6) MATTER REFERRED BY COUNCIL (CIC 03/09/11) REPORT TO MAYCO REQUESTING AUTHORITY TO WRITE OFF AMOUNTS DEEMED TO BE IRRECOVERABLE

RESOLVED that Councillor S Diamond be appointed to serve on the subcommittee to deal with the request for authority to write off amounts deemed to be irrecoverable.

ACTION: S THOMAS

THE MEETING ENDED AT 12:40

CHAIRPERSON: COUNCILLOR S MXOLOSE

9/03/2012

PARTY

Annexure C

Comments from the Portfolio Committees, Sub-Councils and the Public

COMMENTS RECEIVED FROM PORTFOLIO COMMITTEES AND THE PUBLIC IN RESPECT OF THE 2010/11 ANNUAL REPORT

A: PORTFOLIO COMMITTEES

	PORTFOLIO COMMITTEE	COMMENTS
		FIN/16/02/12
•	Finance Portfolio Committee	The Chairperson Clir van der Merwe informed members of the Portfolio Committee to submit their comments and questions to the secretariat who will in turn submit it to the relevant department.
		RESOLVED that members submit comments and questions to the IDP department, for consideration during the oversight process.
		UTS 15/02/12
5	Utility Services Portfolio Committee	RESOLVED that the City's Annual Report and Executive Summary for 2010/11 as per Annexure A and B attached to the report be supported.
		HUMSET 11/02/12
		Councillor N Landingwe queried why the budget had been cut when there was such a huge backlog in housing. Mr W Muller explained that one of the major funding sources was the Urban Settlements Development Grant (USDG). The grant was not only for the benefit of housing but also for other necessary facilities. Human Settlements had therefore given some of its money to other directorates to install services that was necessary before any houses could be built. It was a way of expediting housing delivery. No money in Human Settlements had been lost or given back to National government.
_හ	Human Settlements Portfolio Committee	The Chairperson said that the matter would be further discussed with Mr Magetuka and Mr Muller when the working group met. However any comments regarding the annual Report could be submitted to Mr W Claassens before the 29 February 2012.
		RESOLVED that
		(i) the Annual Report BE NOTED;
		(ii) the finances of the Human Settlements Directorate be discussed in detail in the working group.
	L	EESP 18/02/12
4	Economic, Environmental and Spatial Planning Portfolio Committee	Clir Limberg (Deputy Chairperson), highlighted the following contained in the Annual report:

	PORTFOI IO	PORTEO! IO COMMITTEE		COMMENTS
				 13 145 jobs created through EPWP; Expansion of the Cape Town Convention Centre creating a conventions precinct, office blocks and a hospital which will create more jobs and stimulate the local economy; Energy and Climate Change action plan has resulted that Cape Town has become a more resilient City with regards to climate change.
				RESOLVED that:
				(a) the comments submitted by Clir Limberg be noted;
				 (b) members submit comments and questions to the IDP department, for consideration during the oversight process.
				CS 23/02/12
				Councillor Chapple requested that full report on the following headings to be submitted;
				(a) coaching for hope to empower women through football.
				(b) operation of hubs.
2	Community	Services	Portfolio	(c) sporting organisation loans
j	Committee			(d) total amount paid to sporting bodies ex- grant-in-aid and the names of those sporting bodies.
				Councillor Chapple congratulated the library workers for the good work done e.g. Rocklands Library which was recognised as the best youth library in the annual Provincial Arts and Culture Awards. He also talked about partnership with outside bodies.
				RESOLVED that note be taken on the matters raised by Councillor Chapple.
				COR 11/02/12
9	Corporate Ser	Corporate Services Portfolio Committee	o Committee	The Chairperson invited the members of the Committee to forward their comments on the Annual Report to him or Mr W Claassens by 15 February 2012.
				RESOLVED that the members of the Committee submit their comments on the Annual Report to the Councillor D America or Mr W Claassens by 15 February 2012.
7	Social Dev	Development	and Early	SOCDEV 14/02/12

Committee Committee Tourism, Events Portfolio Committee Portfolio Committee	Development		
		Portfolio	The report was noted by the committee without comment.
	Events and ommittee	Marketing	TEV MAR 13/02/12 The report was noted by the committee without comment.
			TR&S 10/02/12
			Clir X Sotashe commented that the Auditor- General's report indicated that the City failed to show a draft report in terms of this annual report and therefore the unconsidered issues still need to be addressed.
	Roads and	Stormwater	Clir E Brunette proposed that the annual report be discussed at the forthcoming workshop of the Portfolio Committee, reason being that this matter was only considered by Council. The proposal was duly supported.
			RESOLVED that:
			(a) the City's Annual Report and Executive Summary for 2010/11 attached as Annexure A & B to the report on the agenda, be noted.
			 (a) the City's Annual Report and Executive Summary for 2010/1 be discussed at the Portfolio Committee workshop scheduled for 16 February 2012.
			SAFS 29/02/12
10. Safety Committee	and Security	Родоно	RECOMMENDED that the City's Annual Report and Executive Summary for 2010/11 be noted.
			HEA 16/02/12
11. Health Port	Health Portfolio Committee		The Portfolio Committee noted the report.

1.1 That the contents of the City of Cape Town's Annual Report and Executive Summary for 2010/11 BE NOTED.
1.2 That it FURTHER BE NOTED that no organisation or person requested a time slot to address the Subcouncil on the documents referred to in 1.1 above. RESOLVED
That the Tabling of The City's Annual Report and Executive Summary 2010/11 For Comment Report BE NOTED. That the report on the City's Annual Report and Executive Summary for 2010/11 BE NOTED That the City's Annual Report and Executive Summary for 2010/11 BE NOTED RESOLVED
That the recommendations in the City's Annual Report be NOTED 06SUB08/02/12 02SUB29/02/12 03SUB23/02/12 04SUB18/02/12 05SUB36/02/12 07SUB06/02/12 01SUB12/02/12 No Comments No Comments COMMENT Subcouncil 2 Subcouncil 3 Subcouncil 4 Subcouncil 5 Subcouncil 6 Subcouncil 1 Subcouncil 7 ISSUE

B: SUB-COUNCILS

ISSUE	COMMENT
Subcouncil 8	08SUB20/02/12 Clir Fourie objected to the wording of the first paragraph of the Mayor's message in the City's annual report for 2010/2011. Report Noted
Subcouncil 9	09SUB20/02/12
	No Comments
Subcouncil 10	10SUB10/02/12
	Mr Coto explained to the meeting about the 2011/12 city's annual report. The Chairperson told the meeting that the report is no longer valid, on the basis that the capital budget was reduced.
	An elaborate discussion ensued as the meeting was of the opinion that the same principle which applied at the Council meeting where this report was rejected by the opposition based on missions of critical budget elements covering poor areas. ANC Councillor requested a five minute adjournment to clarify their stance on this matter which was granted. On return Councillors maintained their opposition stance to the annual report as outlined in the January Council meeting. Mr Coto clarified the difference between annual report which as the City's performance indicator for the 2010/11 financial year which the January meeting was the adjustment budget for ensuing financial year Councillors are of the views that very same annual report is the one that informs the current expenditure patterns and therefore is rejected.
	RESOLVED. That the report on tabling of City's annual report and executive summary 2010/11 for comment BE REFUSED
	Councillor Mofoko MOVER and Councillor Jaffer SECONDER
Subcouncil 11	11SUB14/02/12
	The Sub council NOTED the report and recommended that comments will be forwarded to SCOPA, will be considered by mid of March 2012.
Subcouncil 12	12SUB14/02/12
	No Comments
Subcouncil 13	13SUB15/02/12

ISSUE	COMMENT
	The report was for Noting, Information and Comments. RESOLVED That the comments be forwarded to the Sub council prior to closing date. None Received
	ALSO RESOLVED That the report be NOTED
Subcouncil 14	14SUB17/02/12
	No Comments Received
Subcouncil 15	15SUB07/02/12
	The report on the TABLING OF THE CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2010/11 FOR COMMENT be NOTED. No comments were submitted by the Subcouncil.
Subcouncil 16	16SUB08/02/12
	Ms E du Toit was present for the discussion on this item. It was noted that members of the public were invited to book a time slot to make a verbal presentation as to this report, but that no such requests were received. Report Noted
Subcouncil 17	17SUB20/02/12
	No Comments
Subcouncil 18	18SUB08/02/12
	That Sub-council 18, having taken due cognisance of the City's Annual Report and Executive Summary for 2010/2011 (Annexures A & B) attached to the report dated 2012-01-19, NOTES its content.
Subcouncil 19	19SUB20/02/12
	Mr André Louw (IDP) was present for this item. The Chairperson informed the meeting that the report will be discussed at the Subcouncil's next activity day. NOTED.

ISSUE	COMMENT
Subcouncil 20	20SUB20/02/12
	Mr Andre Louw was present for the item. He explained that the report was undergoing public participation and that all comments received would be submitted to the Oversight Committee.
	Arising from a question, he undertook to forward the closing date of the public participation period to the Sub-Council Manager.
	RESOLVED TO RECOMMEND
	1. Sub-Council 20 notes the City's Annual Report and Executive Summary for 2010/2011 (Annexure A & B).
	2. That the closing date of the public participation period be forwarded to the Sub-Council Manager
Subcouncil 21	21SUB12/02/12
	That the City's Annual Report and Executive Summary for 2010/11, BE NOTED. That comments BE SUBMITTED for the consideration during the annual report oversight process. No comments received
Subcouncil 22	22SUB11/02/12
	No Comments Received
Subcouncil 23	23SUB13/02/12
	No Comments
Subcouncil 24	23SUB14/02/12
	The interm Chairperson Alderman Sitonga said the City of Capetown is giving millions of rands to WESGRO(Western Cape and Trade Promotion Agency) to do this function of its behalf, however on the Economic Development there is no report back from WESGRO with regard to Trade Investments.

	ents be
	councils, and com
	onsidered by all Sub-
	Annexure A & B) be co
	ummary for 2010/11(/ eport oversight proce
	RESOLVED To suppport the recommendation that: That the City's Annual Report and Executive Summary for 2010/11(Annexure A & B) be considered by all Sub-councils, and comments be stipulated for consideration during the annual report oversight process.
COMMENT	RESOLVED To support the recommendation that: That the City's Annual Report and Exestipulated for consideration during the
ISSUE	

CITY OF CAPE TOWN

PUBLIC COMMENTS ON THE 2010/2011 ANNUAL REPORT

PAGE/PARAGRAHP	The state of the s		CONTACT DETAIL OF
REFERENCE IN REPORT	ISSUE	COMMENT	PERSON
DURBANILLE TAXI ASSOCIATION	28 102 12012	FISKING FOR A PREMINIENT CHELTER ON	MR. JOHN VIEGERAND
		DURBHANILLE FAXI RANK	VICE CHAIR ! WI -9766743
MR T. You MEKERK	28 102 12012	THE FENCING OF THE METER BOX IN FRONT OF	
		38 SCHULL STREET, MORNINGSTAR, DURBON VILLE	Mi 961 3431
MR.R. CHERGE	28/02/2012	MAINTHINING OF THE PUM PARE CODOSITE FLUMBY	MR. R. CHECKER CITY CESTSUFEC
Me A Bricey	25/20/202	THE CLE AVING SWITZEDING FROM MICRA INGSTAR	mr. A SALLEY CTASTS LTTI
MR J. V. GGE WAND	24/02/2012	THE MAINTAINING OF THE KUISRIER BEHIND THE	
		WALLSTRUM. CYLISE WHEN IT'S RAINING THAT WATER PUBLIES	
		CAIGA ON TO THE ROMD. THE CALD BLOCKS UP.	(ca) 976 6743