

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

1. **ITEM NUMBER : C 38/03/13**

2. **SUBJECT**

**OVERSIGHT REPORT IN RESPECT OF THE 2011/12 ANNUAL REPORTS  
FOR THE CITY OF CAPE TOWN AND ITS MUNICIPAL ENTITIES**

**ONDERWERP**

**TOESIGVERSLAG OOR DIE 2011/12-JAARVERSLAE VIR DIE STAD  
KAAPSTAD EN SY MUNISIPALE ENTITEITE**

**ISIHLOKO**

**INGXELO YOKUB'EKILISO NGOKUPHATHELENE NEENGXELO ZONYAKA  
KUNYAKA-MALI KA-2011/12 ZESIXEKO SASEKAPA KUNYE NAMAQUMRHU  
KAMASIPALA AZIMELEYO**

**LSUA2660/C0965/D1089**

3. **STRATEGIC INTENT**

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

**Objective 5.1: Ensure a transparent and corruption free government**

- **Programme 5.1(a): Transparent government and oversight programme**

#### 4. 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 2011/12 in terms of Section 129 of the Local Government: Municipal Finance Management Act (Act No 56 of 2003) (MFMA).

#### 5. FOR DECISION BY

☒ This report is for decision by:

- Council

#### 6. EXECUTIVE SUMMARY

- 6.1 MFMA Circular Number 32 of March 2006 recommends the establishment of an oversight committee for the detailed analysis and review of the annual report(s), following 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.
- 6.2 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 and Sub-Councils were requested to consider the City of Cape Town's annual report and those annual reports submitted by municipal entities for 2011/12, with a view to providing comments to MPAC for inclusion in the oversight report to be prepared by MPAC and adopted by Council on 27 March 2013. Relevant comments and resolutions made by the Sub-Councils and the Portfolio Committees, are contained in schedules attached as Annexure C. The report of the Audit Committee was received, attached as Annexure D.
- 6.3 MPAC considered the 2011/12 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 26 February 2013. 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.
- 6.4 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.

- 6.5 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.

## 7. RECOMMENDATIONS

- a) That Council having fully considered the 2011/12 Annual Report of the municipality and representations thereon, adopts the oversight report; and
  - (i) Approves the annual report without reservations.
- b) That Council having fully considered the 2011/12 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 the resolutions per Annexure A be supported for action and where applicable be referred to the relevant Portfolio Committees and feedback (where applicable) be provided to the Municipal Public Accounts Committee (MPAC).

## AANBEVELINGS

### Nie gedelegeer nie: vir besluitneming deur die Raad:

- a) Dat die raad ná deeglike oorweging van die 2011/12-jaarverslag van die munisipaliteit, sowel as vertoë daaroor, die toesigverslag aanvaar; en
  - i) die jaarverslag sonder voorbehoud aanvaar
- b) Dat die raad ná deeglike oorweging van die 2011/12-jaarverslag van die munisipale entiteit, die maatskappy Cape Town International Convention Centre, sowel as vertoë daaroor, die toesigverslag aanvaar; en
  - (i) die jaarverslag sonder voorbehoud aanvaar

- c) Dat die resolusies in bylae A vir aksie gesteun word en waar toepaslik na die betrokke portefeuljekomitees verwys word, en terugvoering aan die munisipale komitee oor openbare rekeninge (MPAC) verskaf word.

## IZINDULULO

### Azgunyaziswanga: iSiggibo seseBhunga:

- a) Ukuba njengoko iBhunga liyiqwalasele ngokupheleleyo iNgxelo yoNyaka yonyaka-mali ka-2011/2012 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-2011/2012 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) Ukuba makuxhaswe izisombululo ngokwesiHlomelo-A ukuze zifezekiswe nalapho kufanelekileyo kwaye zidluliselwe kwiiKomiti zeMicimbi yamasebe ezifanelekileyo kwaye kunikezelwe impendulo lweKomiti yee-Akhawunti zoLuntu zikaMasipala.

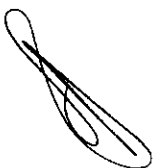
## 8. DISCUSSION/CONTENTS

### 8.1. 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.

### 8.2. Sustainability Implications

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

**8.3. Legal Implications**

- 8.3.1 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
- 8.3.2 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)
- 8.3.3 Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)
- 8.3.4. MFMA Circular No. 32 of March 2006 – The Oversight Report.

**8.4. Staff Implications**

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

No ☒

Yes ☐

**8.5. Other Services Consulted**

Executive Management Team  
Portfolio Committees and SubCouncils  
Office of the Auditor General  
Audit Committee

**ANNEXURES**

*Annexure A: Schedule containing Comments and Resolutions from MPAC*

*Annexure B: Minutes of the MPAC meeting held on 26 February 2013 to discuss the Annual Report*

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

*Annexure D: Report of the Audit Committee*

**FOR FURTHER DETAILS CONTACT:**

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DIRECTORATE	Deputy City Manager
FILE REF No	



CHAIRPERSON OF MPAC  
W Mxolose

Comment:

DATE

8/03/2013



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

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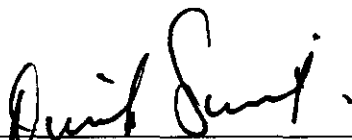
DATE

11/03/2013

Comment:

Certified as legally compliant:

Based on the contents of the report.



SPEAKER  
Ald. D Smit

COMMENT:

NAME

Dirk Smit

DATE

14/03/2013

