

ITEM NUMBER: C 16/10/20

RECOMMENDATION FROM THE EXECUTIVE MAYOR: 15 SEPTEMBER 2020

MC 33/09/20 THE APPOINTMENT OF MEMBERS TO THE AUDIT COMMITTEE OF THE CAPE TOWN STADIUM (RF) SOC LTD

It is **RECOMMENDED** that:

- (a) Mr. Rowan Graham Nicolls and Ms. Someshni Barnes be removed as Audit Committee members of the Cape Town Stadium (RF) SOC Ltd
- (b) Ms. Sizo Mzizi and Mr. Pritish Dala be appointed as Audit Committee members of the Cape Town Stadium (RF) SOC Ltd.

REPORT TO: COUNCIL

1. ITEM NUMBER MC 33/09/20

2. SUBJECT

THE APPOINTMENT OF MEMBERS TO THE AUDIT COMMITTEE OF THE CAPE TOWN STADIUM (RF) SOC LTD

ONDERWERP

AANSTELLING VAN LEDE IN DIE OUDITKOMITEE VAN DIE KAAPSTAD STADION (RF) (MIS) BPK

ISIHLOKO

UKUCHONGWA KWAMALUNGU EKOMITI YEZOPHICOTHO YESTEDIYAM SASEKAPA (RF) SOC LTD

M0749

3. DELEGATED AUTHORITY

Section 166(5) of the Municipal Finance Management Act (MFMA) requires that Council appoint members of the Audit Committee of the municipality and municipal entity.

This report is FOR DECISION BY

Committee name :

The Executive Mayor together with the Mayoral Committee (MAYCO)

Council

4. DISCUSSION

On 27 July 2017 Council approved a hybrid model of the audit committee structure for municipal entities to be in compliance with the stipulations of section 166 of the

Municipal Finance Management Act, Act 56 of 2003 (MFMA). The following proposed structure was approved by Council:

- Two members of the board of directors of the municipal entity of which one will be the chairperson.
- Two members of the City's audit and performance committee; and
- The Portfolio Manager: Probity

In line with this hybrid model, the Audit and Risk Committee Members of the Cape Town Stadium, previously appointed by Council are as follow:

- Ms Viola Manuel (Chairperson and Non-Executive Director);
- Mr Johannes Dique (Non-Executive Director)
- Mr Rowan Graham Nicholls (City of Cape Town: Audit Committee member)
- Ms Someshni Barnes (City of Cape Town: Audit Committee member)
- Mr Nothemba Lepheana (Director: Expenditure) – Council approved this appointment on 30 July 2020 as the Portfolio Manager: Probity have been appointed as interim Chief Audit Executive (CAE). This appointment will remain in place until such time as the CAE position is filled and the Portfolio Manager: Probity's governance conflict in her role as interim CAE is resolved.

The terms of the two (2) members of the City's audit committee, Mr. Rowan Graham Nicholls and Ms Someshni Barnes, comes to an end on 30 September 2020 and Council have therefore, on 20 August 2020 approved the appointment of the following two (2) new members to the City's audit committee with effect from 1 October 2020:

- Ms. Sizo Mzizi
- Mr. Prittish Dala

These two (2) audit committee members mentioned above were nominated by the City to serve on the audit committee of the Cape Town Stadium (RF) SOC Limited.

We are satisfied that the members put forward has the necessary skills and knowledge required in terms of section 166 of the MFMA.

- 4.1. Financial Implications None Opex Capex
- Capex: New Projects
 - Capex: Existing projects requiring additional funding
 - Capex: Existing projects with no additional funding requirements

- 4.2. Policy and Strategy Yes No

4.3. Legislative Vetting Yes No

4.4. Legal Compliance

Section 166 of the MFMA states the following:

- 1) Each municipality and each municipal entity must have an audit committee.
- 2) An audit committee is an independent advisory body.
- 4) An audit committee must-
 - a) Consist of at least three persons with appropriate experience, of whom the majority may not be in the employ of the municipality or municipal entity, as the case may be; and
 - b) Meet as often as required to perform its functions, but at least four time a year.
- 5) The members of an audit committee must be appointed by the council of the municipality, or in the case of a municipal entity, by the council of the parent municipality. One of the members who is not in the employ of the municipality or municipal entity, must be appointed as the chairperson of the committee. No councillor may be a member of the audit committee.
- 6) A single audit committee may be established for:
 - a) A district municipality and the local municipalities within that district municipality; and
 - b) A municipality and municipal entities under its sole control.

4.5. Staff Implications Yes No

4.6. Risk Implications Yes No

5. RECOMMENDATIONS

It is recommended that:

- a) Mr. Rowan Graham Nicolls and Ms. Someshni Barnes be removed as audit committee members of the Cape Town Stadium (RF) SOC Ltd;
- b) Ms. Sizo Mzizi and Mr. Pritish Dala be appointed as audit committee members of the Cape Town Stadium (RF) SOC Ltd.

AANBEVELINGS

Daar word aanbeveel dat:

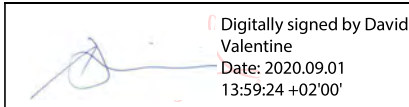
- a) mnr. Rowan Graham Nicolls en me. Someshni Barnes as ouditkomiteelede van die Kaapstad-stadion (RF) MIS Bpk. verwyder word;
- b) me. Sizo Mzizi en mnr. Prittish Dala as ouditkomiteelede van die Kaapstad-stadion (RF) MIS Bpk. aangestel word.

IZINDULULO

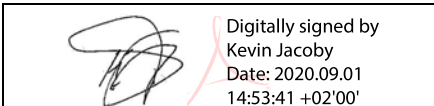
Kundululwe ukuba:

- a) Makususwe uMnu Rowan Graham Nicolls noNkszn Someshni Barnes njengamalungu ekomiti yezophicotho yeStediyam saseKapa (RF) SOC Ltd;
- b) Makuchongwe uNkszn Sizo Mzizi noMnu Prittish Dala njengamalungu ekomiti yezophicotho yeStediyam saseKapa (RF) SOC Ltd.

FOR FURTHER DETAILS CONTACT

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DIRECTORATE	FILE REF NO		
SIGNATURE : DIRECTOR	 <p>Digitally signed by David Valentine Date: 2020.09.01 13:59:24 +02'00'</p>		

CHIEF FINANCIAL OFFICER

NAME	COMMENT:
DATE	
SIGNATURE	
 <p>Digitally signed by Kevin Jacoby Date: 2020.09.01 14:53:41 +02'00'</p>	

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

Joan-Mari Holt
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Joan-Mari Holt
Date: 2020.09.04
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