CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

DATE:

REPORT TO: AUDIT AND PERFORMANCE AUDIT COMMITTEE

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1. ITEM NUMBER

2. SUBJECT

REPORT TO THE AUDIT AND PERFORMANCE AUDIT COMMITTEE: PERFORMANCE REPORT OF THE OFFICE OF THE CITY OMBUDSMAN (OCO): ANNUAL STATISTICAL REPORT FOR 2021/22 FINANCIAL YEAR (PERIOD 1 JULY 2021 TO 30 JUNE 2022)

ONDERWERP

VERSLAG AAN DIE OUDIT- EN PRESTASIE-OUDITKOMITEE: PRESTASIEVERSLAG VAN DIE KANTOOR VAN DIE STADSOMBUDSMAN (OCO): JAARLIKSE STATISTIEKVERSLAG VIR DIE 2021/22-BOEKJAAR (TYDPERK 1 JULIE 2021 TOT 30 JUNIE 2022)

ISIHLOKO

INGXELO EYA KWIKOMITI YEZOPHICOTHO NOPHICOTHO KWINDLELA YOKUSEBENZA: INGXELO ENGOKUSEBENZA KWEOFISI KANOZIKHALAZO WESIXEKO (OCO): INGXELO YONYAKA ENGENKCUKACHAMANANI YONYAKAMALI KA2021/22 (YESITHUBA ESISUSELA NGOWO1 KWEYEKHALA 2021 UKUYA KOWAMA30 KWEYESILIMELA 2022)

N0513

3. DELEGATED AUTHORITY

In terms of delegation

This report is FOR NOTING

☑ **Committee name :** Audit and Performance Audit Committee

4. DISCUSSION

Members of the public who are aggrieved by actions of the City's Administration may lodge complaints with the Office of the City Ombudsman (OCO). The OCO investigates these complaints and strives to reach working resolutions on an amicable basis, and has been requested to submit quarterly and annual reports to the Audit and

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Performance Audit Committee. In addition to the complaints management and investigation functions, the OCO also performs advocacy and awareness functions. This report contains statistics on how complaints received by the OCO have been managed, as well as advocacy and awareness sessions held, during the period 1 July 2021 to 30 June 2022. This report also provides feedback regarding analysing complaints received, identifying trends, issues and concerns relating to certain City's administrative practices, processes, by-laws and policies.

During the 2021/22 financial year, 1540 new complaints were recorded by the OCO, of which the Early Resolution Unit has resolved 1480. The full breakdown of the outcome of the assessments of the complaints is noted on **page 11** of **Annexure "A"**.

The majority of the complaints received that were processed by the OCO were against the Water and Sanitation Directorate (435 complaints or 28.24%), followed by the Finance Directorate (180 complaints or 11.68%) and the Energy Directorate (173 complaints or 11.23%). Collectively, these three directorates account for 51.15% of complaints that are lodged at the OCO against the Administration.

The Case Investigation Unit deals with more complex cases and preliminary report with recommendations will be submitted to line department for their consideration. The investigation methodology includes but is not limited to site inspections, data analysis on all internal systems, analysing and understanding various standard operating procedures and mediation meeting. The unit will issue a formal report when the case has been finalised. During the 2021/22 financial year, the Unit resolved 322 cases. The OCO has included case summaries of finalised cases as per **Annexure "B"**

In addition to identifying complaint and case outcome trends, the Office will determine whether these trends are considered a risks, and if so, will notify the relevant directorates and the Risk, Ethics, and Governance (REG) Department. In Annexure A to this report, these patterns are examined in further depth.

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Financial Impact Analysis

The financial impact, where a rand-value is applicable is determined after the line department considered and accepted the recommendation and the OCO can therefore not determine what the value at risk would be prior to concluding the case.

For the period 1 July 2021 to 30 June 2022, the rand value of Office of the City Ombudsman recommendations that were accepted by line departments in favour of complainants (75 cases) were R3 988 303.53. During this period, the rand value in respect of matters wherein the OCO could not provide an alternative solution or concurred with line departments' decisions (255 cases) was R4 405 182.10.

Furthermore, not all recommendations have a financial impact, and can include conciliation or mediation facilitated by the office if the office believes that this will remove the source of the complaint, such as a line department apologising to the complainant. Additionally, based on the outcome of the case investigation more than one recommendations can be made in a single case which recommendation can be within different Directorates.

Advocacy and awareness functions

For the 2021/22 financial year, the OCO must hold four awareness sessions, one each quarter. The OCO held eleven (11) awareness sessions during the 2021/22 financial year, exceeding its annual target.

Financial Implications	☑ None	☐ Opex	☐ Capex ☐ Capex: New Projects ☐ Capex: Existing projects requiring additional funding ☐ Capex: Existing projects with no Additional funding requirements
Legal Implications	☐ Yes	☑ No	

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Staff Implications	☐ Yes	☑ No
Risk Implications	☐ Yes	☑ No
POPIA Compliance	☑ Yes	It is confirmed that this report has been checked and considered for POPIA compliance.

5. RECOMMENDATIONS

Not delegated: For noting by the Audit and Performance Audit Committee:

It is recommended that the Audit and Performance Audit Committee note the contents of the report.

AANBEVELINGS

Nie gedelegeer nie: vir kennisname deur die oudit- en prestasie-ouditkomitee:

Daar word aanbeveel dat die oudit- en prestasie-ouditkomitee van die inhoud van die verslag kennis neem.

IZINDULULO

Azigunyaziswanga: yeyokuba iqwalaselwe yiKomiti yoPhicotho noPhicotho lwendlela yokusenza: kundululwe ukuba kuwalaselwe iziqulatho zengxelo yeKomiti yoPhicotho lwendlela yokusebenza noPhicotho.

ANNEXURES

Annexure A: Report to the Audit and Performance Audit Committee: Annual Performance report of the Office of the City Ombudsman (OCO) for the period 1 July 2021 to 30 June 2022.

Annexure B: Sample of case summaries for the period 1 July 2021 to 30 June 2022.

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FOR FURTHER DETAILS CONTACT

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E-MAIL ADDRESS	Helene.Fouche@capetown.gov.za		
DIRECTORATE	Office of the City Manager	FILE REF NO	13/2/1/2

CITY OMBUDSMAN

NAME

COMMENT:

DATE

SIGNATURE

Vusumzi Magwebu

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Date: 2022.10.25 14:21:22 +02'00'

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

Joan-Mari Holt

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Date: 2022.10.26 15:10:01 +02'00'

COMMENT:

For information.

DATE

SIGNATURE

Office of the City OMBUDSMAN

Striving to reach a workable solution

Annual Statistical report for the Period 1 July 2021 to 30 June 2022

Free • Fair • Impartial • Independent • Professional

1. The Role and Function of the City Ombudsman

People who have complaints against City of Cape Town officials (the administration) may approach the Office of the City Ombudsman (OCO / the Office) to intervene. The OCO serves as a catalyst between the City Administration and a complainant to, as far as possible, facilitate an amicable conclusion of the matters under dispute. The Office usually acts as a last internal resort process, and is a voluntary option for conflict resolution. The OCO does not make binding decisions, mandate policies, or formally adjudicate issues for the City of Cape Town, but does have recommendatory powers.

The facilitation of all negotiations between the relevant parties is aimed at settling their disputes or differences, are considered privileged (whether oral or written), and are therefore protected from disclosure. Accordingly, the content of any statement relating to the dispute / difference between the parties, any admission and / or any offer to achieve a compromise which is made with bona fide or genuine intent, will be protected from being disclosed or presented in any court.

In dealing with a complaint, the OCO usually combines facilitative and non-adversarial processes in terms of which the Ombudsman acts or assists as a neutral third party, in order to move towards the resolution of the complaint. It is important to note that the Office attempts to resolve public complaints by recommending workable solutions to both the City and the Complainant.

2. Alternative Dispute Resolution

The OCO has developed a Hybrid approach to conflict resolution, which combines the elements of both the organisational and statutory models for ombud services. The Classical (statutory) Model of the Ombudsman's Office is regulated by legislation (created in the Constitution or legislation) and conducts formal investigations, whereas the Organisational Ombudsman's primary duties are to work with individuals / groups in an organisation, in order to explore and assist in determining options to help resolve conflict, problematic issues or concerns.

The Office's investigation methodology follows either the classical investigation process or alternative conflict-resolution process. These methodologies entail undertaking independent investigations into complaints against the City's administration.

The preliminary investigation will indicate whether recommendations towards corrective action can be made, whether alternative dispute resolutions are available, or whether the Office agrees with the City's officials. When the Office recommends that corrective action be taken, the line department has fourteen (14) days to respond (as per the Office of the City Ombudsman Policy). If there is no alternative dispute resolution available to the complainant, the Office will issue a report to confirm the outcome of the investigation.

3. Advocacy, Relationship Management & Communication

Another role of the OCO is performing advocacy, relationship management, and communication functions to create awareness of the ombud service by:

i. Arranging advocacy and communication initiatives relating to the Ombud services (awareness and education);

ii. Engaging with local, national, and international associations for organisational and statutory ombudsman institutions; and

iii. Liaising and forging linkages, and managing long-term relationships with local, national, and international institutions / stakeholders.

4. Discussion: statistical information, data analysis and key performance indicators

The Office of the City Ombudsman fulfils a supportive role to ensure fair administration of the functional areas which have been entrusted to the City in terms of Schedules 4 and 5 of the Constitution. It promotes the effective administration of the matters which the City is empowered to administer and to assist it to discharge its functions and powers, and provide its municipal services more efficiently. In this context, the function of the City Ombudsman's Office is to assist the City to meet its Constitutional obligations of providing accountable, democratic and transparent governance, while delivering on its mandate in relation to its Constitutional functions. The role of the Office is consistent with various objects of local government as set out in section 152(1) of the Constitution, which the City is required to strive to attain in terms of section 152(2).

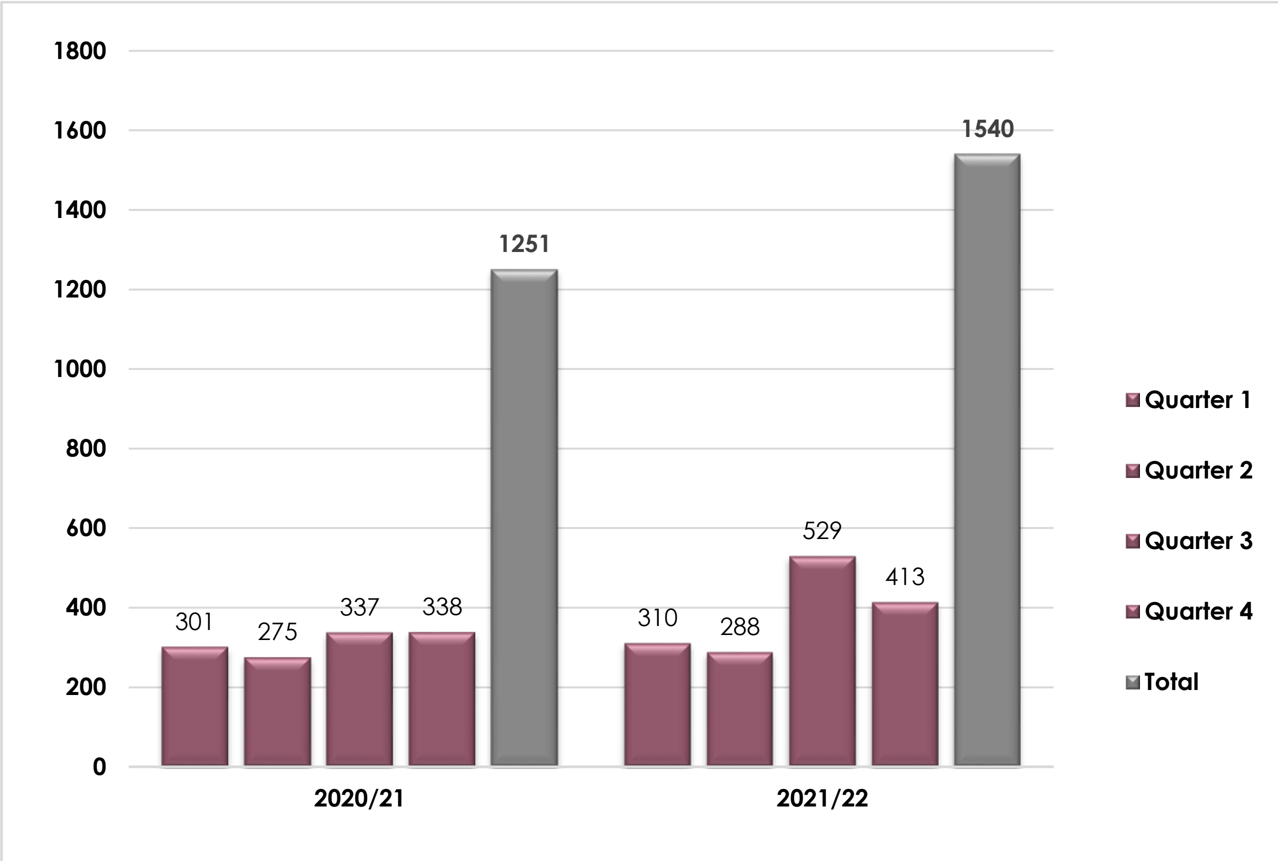
The Office of the City Ombudsman is designed to ensure openness, accountability and propriety in the City Administration. It is underpinned by two of Council's strategic focus areas, namely, an "Inclusive City" and a "Well-run City."

In light of good governance practice, the Ombudsman submits quarterly reports, as well as an annual statistical report, to the Audit and Performance Audit Committee (APAC) regarding its activities. This report includes, amongst others, information such as the number and type of complaints received during the financial year, the directorates affected by these complaints, how the complaints were dealt with, comparative numbers, and other relevant information. This report covers the 2021/2022 financial year, which is for the period 1 July 2021 to 30 June 2022, and will include information on the Office's advocacy and stakeholder engagements.

4.1 Complaints Management: Early Resolution Unit

During the 2021/2022 financial year, a total of 1540 complaints were lodged with the Office of the City Ombudsman, versus 1251 that were lodged in the 2020/21 financial year (see Graph 1 below), which equates to an increase of 289 complaints year-on-year. The main reason for the increase in complaints was due to the lifting of COVID-19 lockdown restrictions.

Graph 1: Comparative Number of Complaints received: 2020/21 and 2021/22 financial years

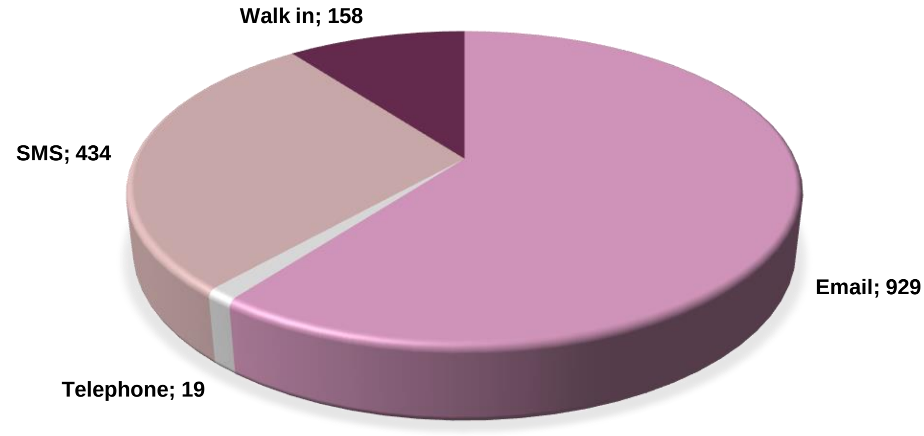


4.1.1 Mode of Contact

The mode of contact to the OCO is through a designated e-mail account, (ombudsdirect@capetown.gov.za), by post and fax, by complainants who come to the OCO to lodge complaints (the latter group is referred to as "walk-in" complainants) and via the SMS line.

As indicated in pie chart 1 below, the manner in which the 1540 complaints were received, 929 (66.42%) were via email, 158 (15.21%) were walk-in complaints, 19 complaints were received via telephone and 434 (22.70%) via the SMS line.

Pie Chart 1: Modes of Complaint Submissions: 2021/22 financial year



4.1.2 Complaints Processed

The performance target for ERU is to finalise 950 early resolution matters (non-complex investigations), the target was exceeded as 1459 early resolution matters were finalised.

Table 1: Breakdown of complaints received for 2021/22 financial year

Outside of Jurisdiction	Complaints redirected and escalated to line departments	Complaints submitted for Investigation	SMS service	Investigation for Early Resolution	Total
196	689	161	434	60	1540

As indicated in table 1, during the 2021/22 financial year, 1540 new complaints were recorded by OCO of which the Early Resolution Unit resolved 1480 complaints. The outcome of the complaints assessments are as follows:

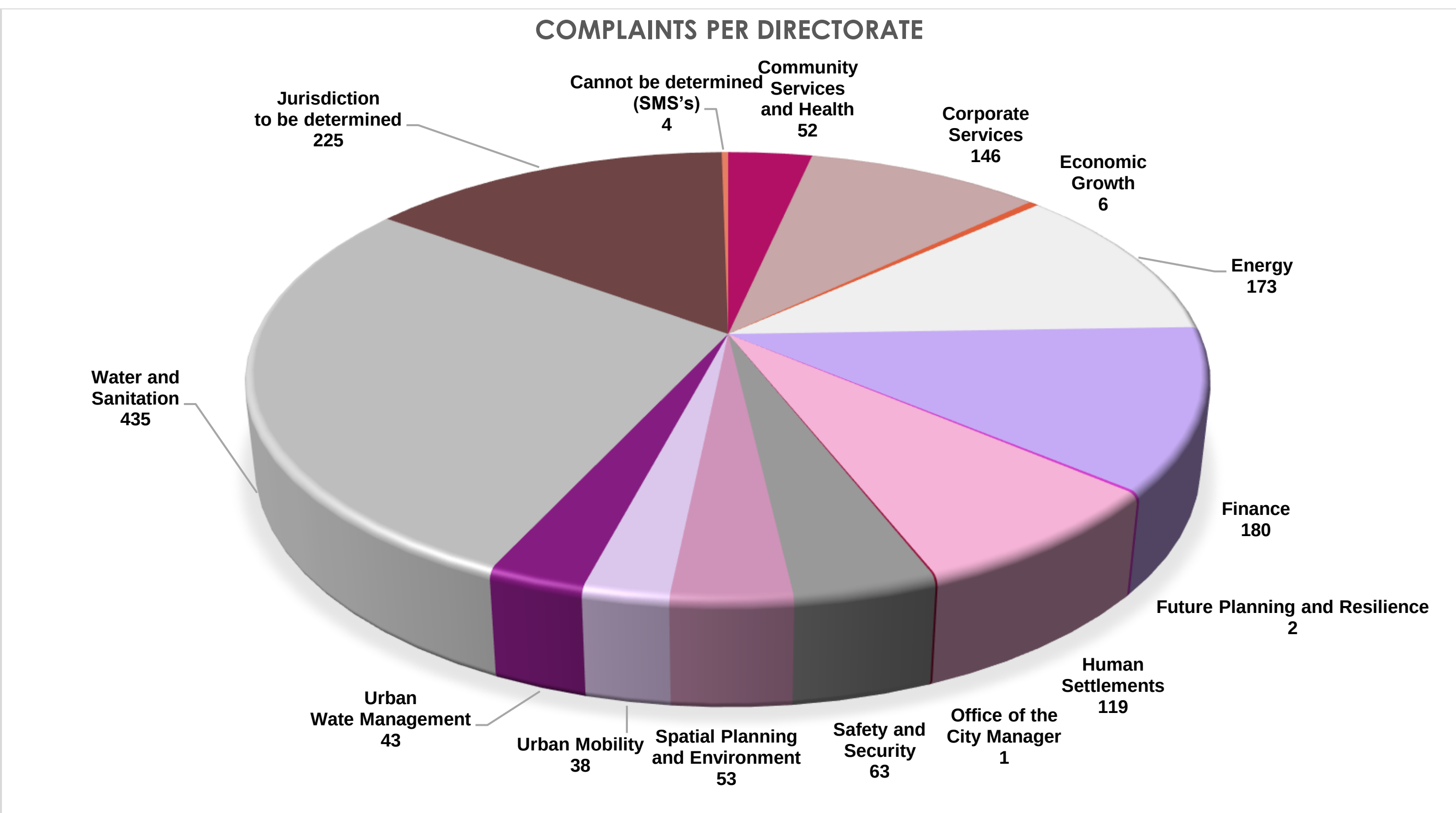
- 196 complaints not related to the City administration or specifically excluded from the OCO's mandate in terms of the Ombudsman Policy and By-Law. The OCO responded by either providing the relevant regulatory body or general contact numbers to the client and is categorised as "out-of jurisdiction" matters,
- 689 complaints was redirected or escalated to the relevant line departments for resolution;

- 434 have been received via the SMS line; and
- 60 matters still need to be assessed and will be carried over to the subsequent financial year and progress on these assessments will be reported on during the first quarter of the 2022/2023 financial year.
- 161 complaints were deemed to be formally investigated and was allocated to an investigating officer.

4.1.3 Complaint Analysis: 2021/22 financial year

As reflected in below pie chart 2, it can be seen that the majority of the complaints received that were processed by the OCO were against the Water and Sanitation Directorate (435 complaints or 28.24%), followed by the Finance Directorate (180 complaints or 11.68%) and the Energy Directorate (173 complaints or 11.23%). Collectively, these three directorates account for 51.15% of complaints that are lodged at the OCO against the Administration.

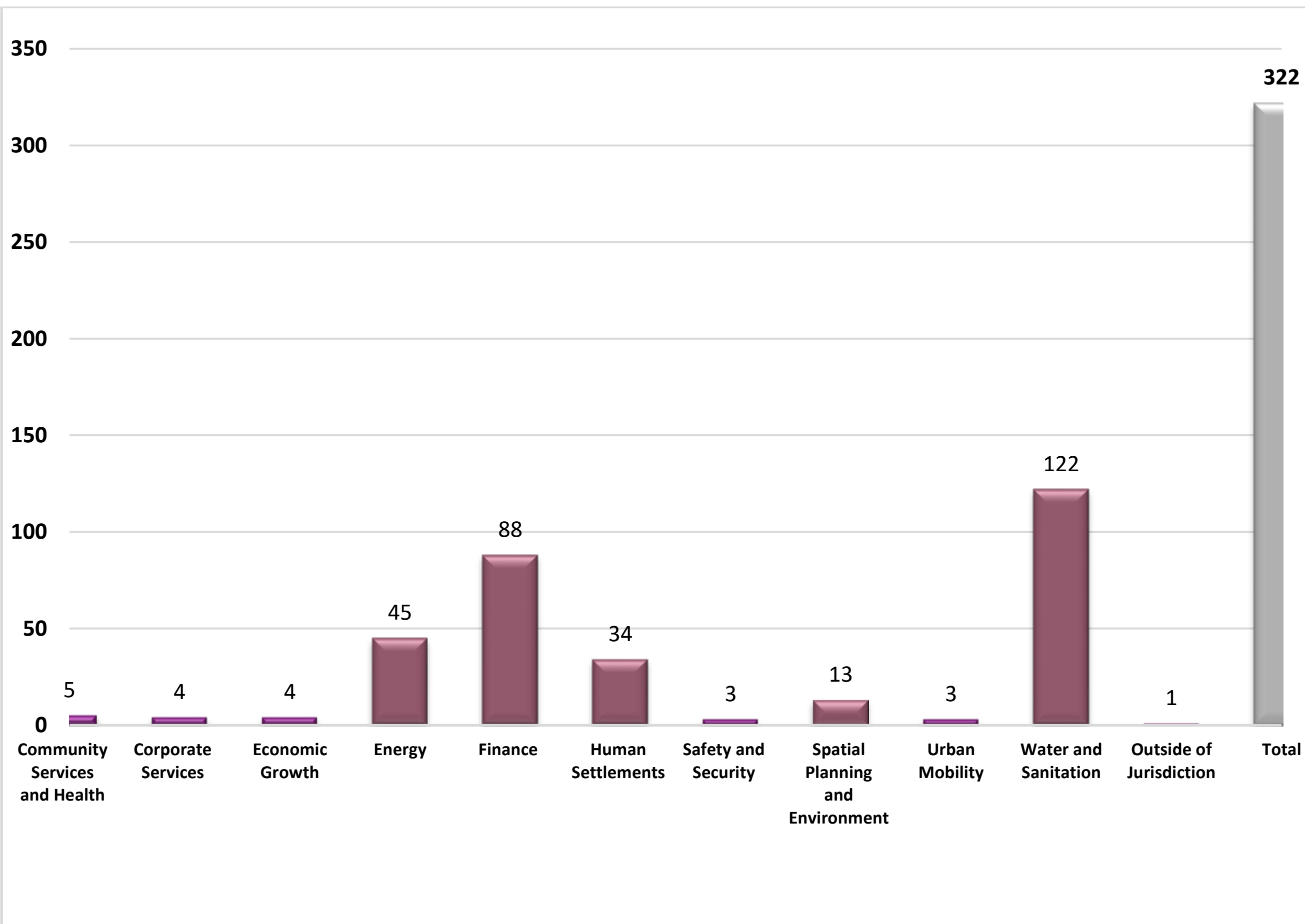
Pie Chart 2: Complaints lodged against City of Cape Town Directorates: 2021/2022 financial year



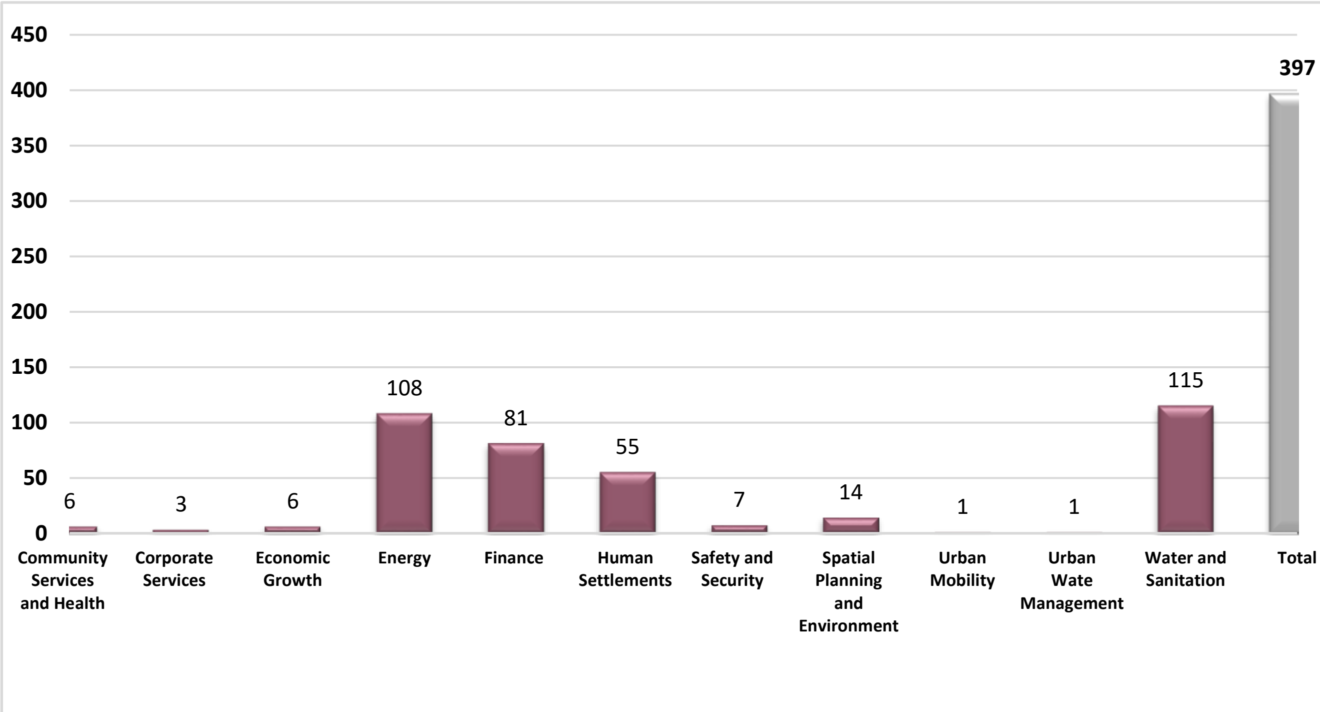
4.1.4 Investigation Finalised

As reflected in below graph 2, it can be seen that the majority of the cases closed were in the Water and Sanitation Directorate (122 cases or 37.88%), followed by the Finance Directorate (88 cases or 27.32%) and the Energy Directorate (43 cases or 13.35%). Collectively, these three directorates account for 78.55% of cases closed. The OCO is mindful that due to the nature of the Directorates (being delivery of services) the majority cases will be lodged / registered against these Directorates. A sample of case summaries has been attached as Annexure "B".

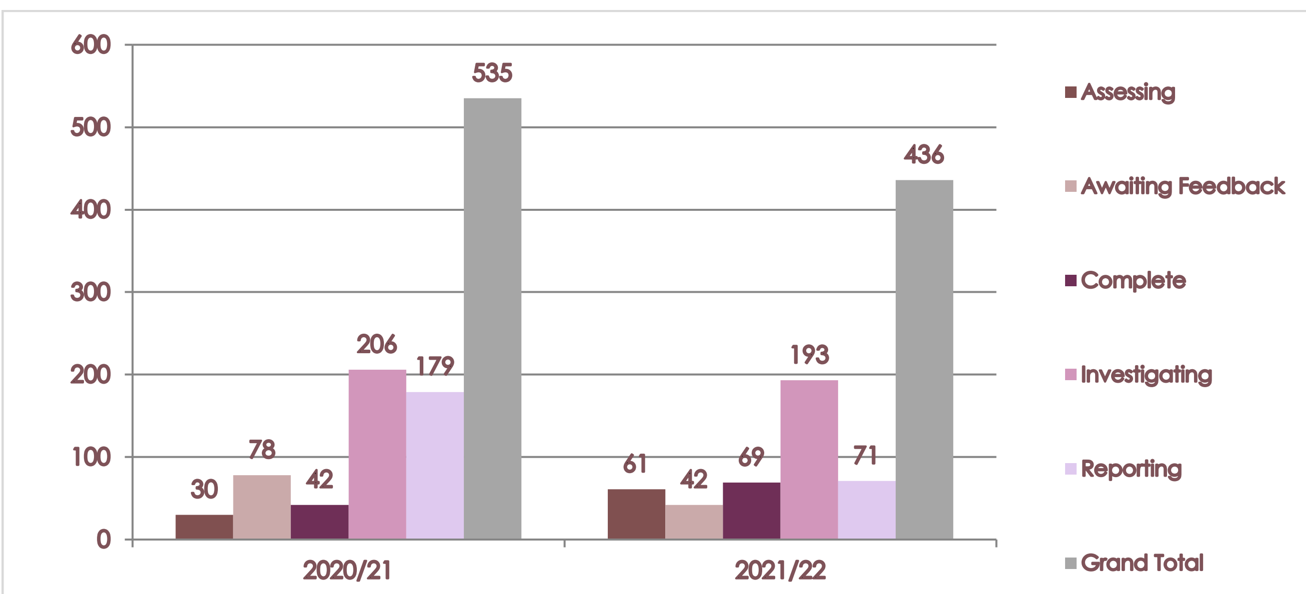
Graph 2: Breakdown of closed cases per City of Cape Town Directorates: 2021/22 financial year



Graph 3 indicates that as at 30 June 2022, there were 397 formal investigations in progress and the graph below reflects a breakdown per directorate:



Graph 4 indicates the formal investigations in progress and the graph below reflects a breakdown per case statuses in the 2020/21 and 2021/22 financial years



5. A summary of the data analysis of the three directorates are as follows:

Water and Sanitation Directorate

Early Resolution Unit (ERU) Complaints

Private underground leaks disputes related to water restrictions tariffs affected ratepayers account and requests for second water rebate applications was rejected by line department. Untested faulty water meter disputes related to WMD installation, disputed consumption and account adjustments and sewerage blockage complaints were received and redirected to the relevant line departments.

These disputes that was not consider as last resort disputes are generally referred to the OCO Formal investigation unit for an alternative dispute resolution if any. In many instances, these disputes arise because of the type of feedback provide by line or the comments / interpretation by the consumer of the unfairness/restrictive clause of the policy.

Complaints relating to pavements not being "reinstated" and left unattended after CCT/contractor attended to repairing of a water leak at meter or replaced the water meter due to Level 4 b procedures. These matters was redirected after formal investigation determined that it was related to contract management.

Matters relate to tariff assistance adjustments was escalated to the relevant management to provide feedback on adjustment granted for second leaks and calculations used to adjust that account.

Investigations (Cases)

Water consumption disputes based on adjustments granted for water rebates and tariff assistance adjustments granted, which was provided during the water restriction period. Based on the unresolved disputes reported to our office, we facilitated alternative dispute resolutions (ADR) in these matters by recommending the re-assessment of these adjustments or an adjustment on the sewerage charges where water rebate applications was declined by the line department.

Various engagements held with the directorate whereby our office raised concerns identified in the workflow processes in contract management and management of data capturing on SAP specifically during the water restriction period. On-going disputes related to water charges billed during the water restriction and account adjustments disputes was trending with our office into the third quarter of the 2021-2022 financial year. The increase in the water tariffs made residents aware of their water usage, which has also identified discrepancy with private plumbing infrastructure, which had an impact on the water charges billed during water restriction.

Disputes related to high water consumption caused by private leaks and request for a second rebate application has been on-going by line department rejecting second applications. Property owners allege that they were never informed that water rebates is a once-off application per erf in terms of policy and request for assistance from our office.

Finance Directorate

Early Resolution Unit (ERU) Complaints

The ERU observed an increase in complaints in respect of Debt collection for the City via the electricity-prepaid purchases (piggybacking). Complaints related to debt collection via the prepaid system gradually reduced, which can be attributed to the debt remission write-off that occurred from 1 July 2021.

Investigations (Cases)

Investigations conducted in the Finance directorate mostly related to outstanding arrears, which was linked to services received for water usage charges and other services. The cause of matters escalated for formal investigated were that ratepayers requested assistance with payment arrangements based on the financial impact Covid 19 which was linked to disputes resolved however debt collection was implemented on ratepayers account. Investigation Officers facilitated and negotiated with the CCT line department for suitable payment arrangements so that clients met the requirements for the possible debt remission action that was implemented from 1 July 2021.

Energy Directorate

Early Resolution Unit (ERU) Complaints

General account queries relate to alleged incorrect billings and disputed account adjustments were received in Quarter one. Most of these complaints, was not a last resort matter and was subsequently referred to the relevant line department for further investigation. Various electricity tampering disputes linked to backdated charges was received. Many ratepayers noted that they were not informed of the three years backdated charges billed after the contravention fee was paid. A significant reduction in complaints relating to illegal Small-Scale Embedded Generation (SSEG) connections that were identified (relating to electricity services and penalty charges raised) due to no formal approval in the 2020/2021 have been noted. On-going complaints received are mostly related to electricity tampering disputes.

Investigations (Cases)

Cases are related to electricity tampering and meter defective disputes adjustments. The on-going disputes reported was linked to the implementation of a directive (2019-11-061 EGD) issues during November 2019 which clarified the interpretation of the Electricity By-law the replacement of zero/low consumption meters (defective meters), whereby the line department could backdate for three years for electricity used and not paid for as per the Electricity By-law. Furthermore our office noticed in some cases related to Small-Scale Embedded Generation (SSEG) that standard operating procedures (SOP) was not followed on the replacement of conventional electricity meter when removed. The removal of defective meters was not followed by testing all electricity meters.

On-going disputes relating to data analysing of the electricity purchase history. The line department would use electricity purchase history to calculate backdating for electricity usage. Many complainants question the action from the department and noted that no information was requested from the property owners to explain the zero to low electricity purchase history. Property owners disputed the methodology followed and analyse the electricity purchase data analysis used to determine the backdated charges billed which is determine by the electricity purchase patterns found on the Purchase Vending System. Our investigations has reveal that little to no information are captured on SAP for record keeping and the representation made by the complainant where rates payers are and backdated in terms of the Electricity By-Law. Our office has communicated these concerns related to the backdating action with the relevant officials and received feedback to a report sent to the Executive Director. Further engagements are scheduled to be held with the relevant officials within the new financial year 2022 -2023.

5.1 Financial Impact Analysis

For the period 1 July 2021 to 30 June 2022, the rand value of Office of the City Ombudsman recommendations (as per table 2 below) that were accepted by line departments in favour of complainants (75 cases) were R3 988 303.53. During this period, the rand value in respect of matters wherein the OCO could not provide an alternative solution or concurred with line departments' decisions (255 cases) was R4 405 182.10.

Table 2: Financial Impact of Office of the City Ombudsman interventions: 2021/22 financial year

Period: 1 July 2021 to 30 June 2022	Cases	Amount
Recommendations accepted by line departments (in favour of complainants)	75	R3 988 303.53
Office of the City Ombudsman (no alternative solution or concurring with line departments' decisions)	255	R4 405 182.10

5.2 Customer Satisfaction Survey

In terms of an annual SDBIP target, the OCO must achieve a score of 3+ on a Likert scale of 1 - 5 (with 5 being "extremely satisfied" and 1 being "extremely dissatisfied") on the services offered by the Ombudsman's Office to complainants in respect of cases. Whilst this is an annual target, the results are monitored on a quarterly basis. Surveys are conducted telephonically or a survey form is sent to a complainant via email regarding cases (complex investigations) finalised but, on average, less than 25% of those who have been sent survey forms will respond. During the period under review, the OCO achieved a score of three (3) and has achieved its target.

5.3 Advocacy and awareness campaigns

The Office also performs advocacy, relationship management and communication functions, in order to make residents and City staff aware of the existence of the City Ombudsman's Office, and the services it offers. Some of the campaigns are initiated by the OCO, with internal and external partners invited to participate in the event, or the Office may be invited to participate in campaigns that are initiated by internal and external partners.

In terms of the SDBIP target for 2021/22 financial year the office has to attend to four (4) awareness sessions. During the period under review, the OCO held eleven (11) awareness sessions, and has exceeded its target. The OCO diversified the type of awareness sessions in order to reach various communities as well the vernacular to reach a larger audience.

Further details regarding the eleven sessions and meetings are contained in table 3 below.

Table 3:

	Event	Organisation	Date	Venue	Target Audience
1	SMS artwork Twitter	Internal and External stakeholders	Published on 27 July 2021	Electronic	City of Cape Town Residence
2	SMS artwork Facebook	Internal and External stakeholders	Published on 27 July 2021	Electronic	City of Cape Town Residence
3	OCO Deliverables Presentation to PMP MANCOM	PowerPoint Presentation delivered to the Probity Portfolio Manager	15 September 2021	Skype for Business	City of Cape Town Residence
4	Media Release, Headline: Ombudsman office walk-in service resumes	City of Cape Town – Office of the City Ombudsman	8 October 2021	All online/electronic and social media platforms City News, /Twitter, Facebook)	City of Cape Town Residence
5	International Ombuds Day 2021	IOI	12, 19 and 29 October 2021	Cape Town Administration, Civic Centre, Concourse level	City of Cape Town Residence
6	World Consumer Rights Day 2022	Office of the City Ombudsman annual Event	15 March 2022	Cape Town Administration, Civic Centre, 2nd Floor, Concourse level	City of Cape Town Residence
7	An overview of the Office of the City Ombudsman	Radio Zibonele FM	1 February 2022 @ 18h00	Live telephone interview to Ombudsman.	City of Cape Town Residence
8	CityNews publication, City's Ombudsman Office is in an area near you	City of Cape Town, Media Office	29 June 2022	Online & Print	City of Cape Town Residence
9	Twitter, Come and Talk to us on Tuesdays	City of Cape Town, Media Office	29 June 2022	Social Media, Online	City of Cape Town Residence
10	Facebook, Come and Talk to us on Tuesdays	City of Cape Town, Media Office	29 June 2022	Social Media, Online	City of Cape Town Residence
11	e-nform, Office of the City Ombudsman goes to the public	City of Cape Town, Media Office	30 June 2022	Intranet	City of Cape Town Residence

5.3.1 New Branding and Logo

The Office of the City Ombudsman has acquired new branding and a logo as can be seen in the front page of the Annual Report.

The process for acquiring the new branding and logo was undertaken in consultation with the Communications Department. This is a positive step in establishing the independent nature of the OCO's operations from a normal line department within the City.

FOR FURTHER DETAILS CONTACT

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DIRECTORATE	Office of the City Manager	FILE REF NO	3/2/1/2

CITY OMBUDSMAN

NAME		COMMENT:
DATE		
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