



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

REPORT TO: COUNCIL

DATE: 22 AUGUST 2024

1. ITEM NUMBER: **C 43/06/24**

2. SUBJECT

FINANCE PORTFOLIO COMMITTEE ANNUAL REPORT FOR THE
PERIOD 1 JULY 2023 TO 30 JUNE 2024

INGXELO YONYAKA YEKOMITI YESEBE LEZEMALI YESITHUBA
ESISUSELA NGOWO1 KWEYEKHALA 2023 UKUYA KOWAMA
30 KWEYESILIMELA 2024

JAARVERSLAG VIR DIE PORTEFEULJEKOMITEE OOR FINANSIES
VIR DIE TYDPERK 1 JULIE 2023 TOT 30 JUNIE 2024

3. RECOMMENDATION FROM THE FINANCE PORTFOLIO COMMITTEE:
5 AUGUST 2024 (FNPC 28/08/24)

RECOMMENDATION:

It is recommended that the Finance Portfolio Committee Annual Report for the period 1 July 2023 to 30 June 2024, as set out in Annexure A, be approved.

**AANBEVELING VAN DIE PORTEFEULJEKOMITEE OOR FINANSIES:
5 AUGUST 2024 (FNPC 28/08/24)**

AANBEVELING:

Daar word aanbeveel dat die jaarverslag van die portefeuljekomitee oor finansies vir die tydperk 1 Julie 2023 tot 30 Junie 2024, soos in bylae A uiteengesit, goedgekeur word.

**ISINDULULO ESIVELA KWIKOMITI YEMICIMBI ENGEZIMALI:
5 EYETHUPHA 2024 (FNPC 28/08/24)**

ISINDULULO

Kundululwe ukuba makuphunyezwe ingxelo yonyaka yeKomiti yeSebe lezeMali yesithuba esisusela ngowo1 kweyeKhala 2023 ukuya kowama 30 kweyeSilimela 2024 njengoko kuqulunqiwe kwisihlomelo A.



DATE: 05 AUGUST 2024

REPORT TO: FINANCE PORTFOLIO COMMITTEE

1. ITEM NUMBER FNPC 28/08/24**2. SUBJECT**

FINANCE PORTFOLIO COMMITTEE ANNUAL REPORT FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2024

**INGXELO YONYAKA YEKOMITI YESEBE LEZEMALI YESITHUBA
ESISUSELA NGOWO1 KWEYEKHALA 2023 UKUYA KOWAMA30
KWEYESILIMELA 2024**

JAARVERSLAG VIR DIE PORTEFEULJEKOMITEE OOR FINANSIES VIR DIE TYDPERK 1 JULIE 2023 TOT 30 JUNIE 2024

Q0253

3. DELEGATED AUTHORITY

This report is for DECISION BY

- Committee name** : Finance
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

4. DISCUSSION

In terms of Section 7.2 of the Finance Portfolio Committee Terms of Reference (TOR), the Chairperson must submit an Annual report to Council of the functional operations of the Finance Portfolio Committee. The report should include:

- 7.2.1 A summary of how the Committee executed their assigned functions and responsibilities against the annual work plan;
- 7.2.2 Clarify and justify their decisions or actions;
- 7.2.3 A summary of key cross-cutting issues dealt with together with other Portfolio Committees and how these matters were effectively dealt with;
- 7.2.4 A summary of and explanation of how the Committee went about amending any faults or errors found when exercising their oversight role and what steps were taken to prevent recurrence in future;

John Laing Smale
Digitally signed by John Laing Smale
DN: cn=John Laing Smale, o=Cape Town, ou=City of Cape Town, email=jlaing@cityofcapetown.gov.za



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7.2.5 Details of meetings and the number of meetings attended by each member. This is to include attendance at meetings of Working Groups and Joint Working Groups.

Section 7.3 of the TOR states that the Finance Portfolio Committee should recommend its Annual report for approval by the Municipal Council.

- 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 Implications Yes No
- 4.5. Staff Implications Yes No
- 4.6. Risk Implications Yes The risks for approving and/or not approving the recommendations are listed below:
 No Report is for decision and has no risk implications.
 No Report is for noting only and has no risk implications.
- 4.7. POPIA Compliance Yes It is confirmed that this report has been checked and considered for POPIA compliance.

John
Laing
Smale

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Laing Smale
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5. RECOMMENDATIONS

It is recommended that the Finance Portfolio Committee Annual Report for the period 1 July 2023 to 30 June 2024, as set out in Annexure A, be approved.

IZINDULULO

Kundululwe ukuba makuphunyezwe ingxelo yonyaka yeKomiti yeSebe lezeMali yesithuba esisusela ngowo1 kweyeKhala 2023 ukuya kowama30 kweyeSilimela 2024 njengoko kuqulunqiwe kwisihlomelo A.

AANBEVELINGS

Daar word aanbeveel dat die jaarverslag van die portefeuljekomitee oor finansies vir die tydperk 1 Julie 2023 tot 30 Junie 2024, soos in bylae A uiteengesit, goedgekeur word.

ANNEXURE A: FINANCE PORTFOLIO COMMITTEE ANNUAL REPORT FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2024

FOR FURTHER DETAILS CONTACT

NAME	Ald Siva Moodley	CONTACT NUMBER	021 444 0963
E-MAIL ADDRESS	Siva.Moodley@capetown.gov.za		
FINANCE PC CHAIRPERSON	Ald Siva Moodley	FILE REF NO	

CHIEF FINANCIAL OFFICER

NAME	KEVIN JACOBY	COMMENT:
DATE		
SIGNATURE	 Digitally signed by Kevin Jacoby Date: 2024.07.31 08:48:43 +02'00'	

John Laing Smale
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Date: 2024.08.01 08:11:17 +02'00'

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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 _____

SIGNATURE

John Laing Smale	Digitally signed by John Laing Smale Date: 2024.08.01 08:11:34 +02'00'
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Certified as legally compliant based on the contents of the report. Note: For approval by Council.

ANNEXURE A

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

**FINANCE PORTFOLIO COMMITTEE
ANNUAL REPORT FOR THE PERIOD JULY 2023 TO JUNE 2024**

1. COMMITTEE MEMBERSHIP

Current membership list of the Finance Portfolio Committee (FNPC):

Chairperson: Ald Siva Moodley DA

Ald J Van Der Merwe	DA
Ald R Arendse	DA
Cllr J Witbooi	DA
Cllr M Adonis	DA
Cllr A Griesel	DA
Cllr T Jackson	DA
Cllr D Christians	DA
Cllr S Booysen	DA
Cllr A Z Elyas	DA
Cllr J Mills	DA
Cllr M Temlett	DA
Cllr B Majingo	ANC
Cllr T Mjuza	ANC
Cllr L Mqina	ANC
Cllr A Louw	GOOD
Cllr A Davids	CCC
Cllr K Bodin	CAPEXIT

Total 18

Mayco Member: Finance
Cllr S Mbandezi

2. COMMITTEE MEETINGS

The Finance Portfolio Committee held 8 **quorate meetings** for 2023/24 as set out below:

- ✓ **7 August 2023**
- ✓ **4 September 2023**
- ✓ **2 October 2023**
- ✓ **6 November 2023**
- ✓ **5 February 2024**
- ✓ **4 March 2024**
- ✓ **8 April 2024**
- ✓ **6 May 2024 (Special PC)**

3. **COMMITTEE WORKSHOPS AND/OR ACTIVITIES**

The Finance Portfolio Committee facilitated the following Committee Workshops and Activities during the period in question

Committee Workshops and/or Activities	Total
Workshops	2

✓ **Workshop on Finance Policies was held on 27 October 2023**

This workshop addressed the following matters:

Main purpose was to discuss the relevant Finance related Policies, but with specific focus on the proposed changes by Policy owners. Questions were posed by the Portfolio Committee and changes would then be included in the Budget report to Council in March 2024. The following policies were discussed during the workshop;

- Accounts payable policy
- Appeals policy
- Budget management and oversight policy
- Grants-in-aid policy
- Policy governing the planning and approval of capital projects
- Policy governing adjustment budgets
- Virement policy
- Rates policy
- Credit control and debt collection policy
- Below Tariff policies also discussed;
 - Water and sanitation
 - Energy
 - Emergency Services, Disaster Risk Management Cost recovery

✓ **Workshop on Finance Policies was held on 22 January 2024**

This workshop addressed the following matters:

Main purpose was to discuss the relevant Finance related Policies, but with specific focus on the proposed changes by Policy owners. Questions were posed by the Portfolio Committee and changes would then be included in the Budget report to Council in May 2024. The following policies were discussed during the workshop;

- Grants in Aid policy
- Credit control and debt collection policy
- Below Tariff policies also discussed;
 - Water and sanitation
 - Electricity
 - Urban Waste management
 - Emergency Services, Disaster Risk Management Cost recovery

4. **COMMITTEE ORIENTATION AND TRAINING**

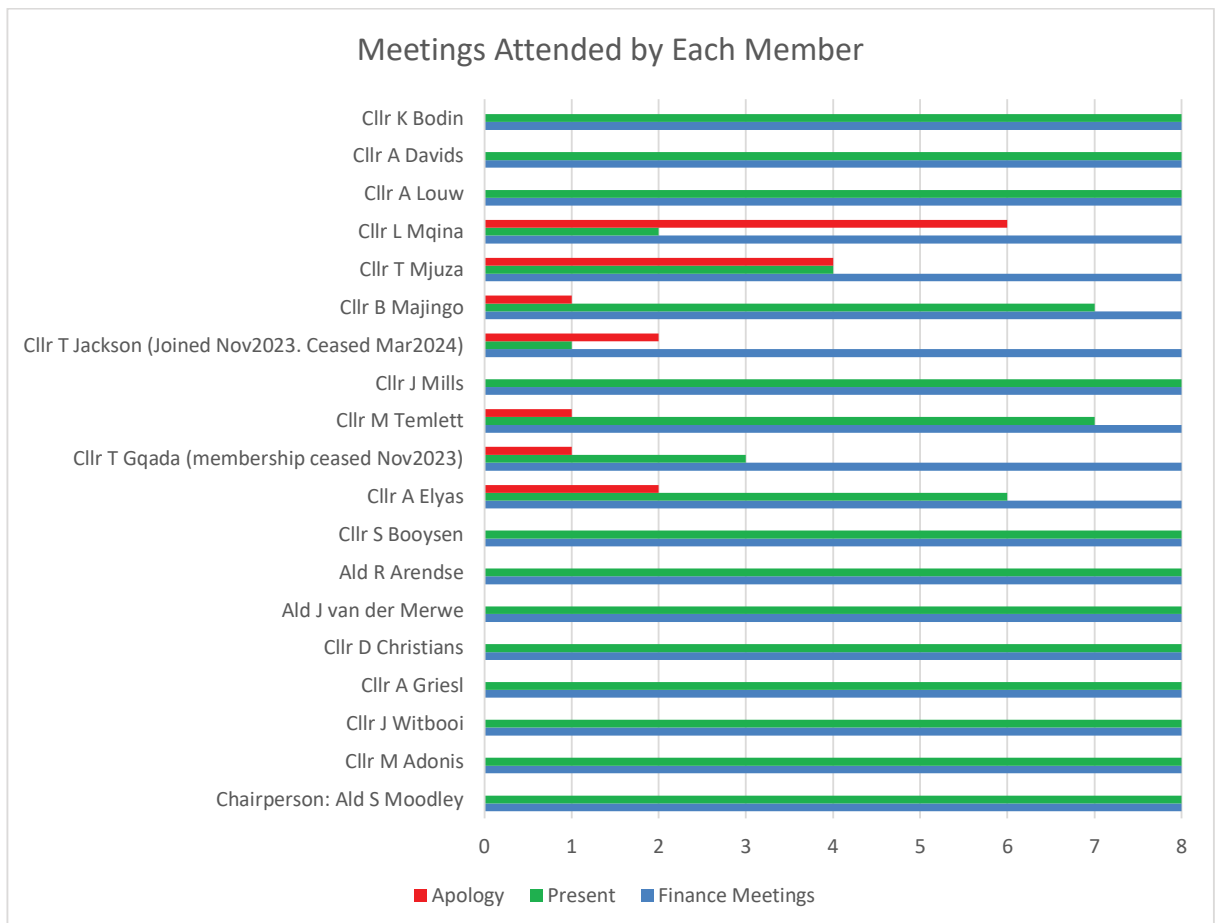
Councillor Support provides ongoing Councillor Training and further training on the Code of Conduct, Rules of Order and Terms of Reference will continue as part of the Finance Bi-annual Oversight Work Plan 2024.

5. CHAIRPERSON'S OVERVIEW REPORTS TO COMMITTEE

Section 6.2 of the Committees terms of reference , requires the Chairperson to develop an Annual Oversight Work Plan (derived from the relevant Service Delivery Budget Implementation Plans [SDBIPs]) for each year, based on the Committee’s assigned functions and responsibilities, ensuring that such plan is aligned to all relevant strategies and governance priorities for service delivery and operational implementation, as well as to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

The Finance Portfolio Committee Annual Oversight Work Plan was adopted on 07 August 2023:

ITEM NUMBER	REPORT AND RESOLUTION DETAILS
FNPC 07/08/23	FINANCE PORTFOLIO COMMITTEE 2023/24 ANNUAL OVERSIGHT WORK PLAN
	RESOLVED that the 2023/24 Annual Oversight Work Plan for the Finance Portfolio Committee, be adopted.



6. CHAIRPERSON'S QUARTERLY SECTION 63 REPORTS TO COUNCIL

Section 63 of the Local Government: Municipal Systems Act, Act 32 of 2000, as amended, requires a political structure, political office bearer, councillor or staff member of a municipality to whom a delegating authority has delegated or sub-delegated a power or duty, to report to the delegating authority on decisions taken in terms of that delegated or sub-delegated power or duty.

All decisions taken by the Section 79 Portfolio Committees in terms of delegated authority are reported to Council on a quarterly basis as set out below:

REPORT TITLE	ITEM NUMBER	COUNCIL MEETING
Decisions taken by the Section 79 Portfolio Committees in terms of delegated authority for the period <u>July to September 2023</u>	C 108/10/23	Thursday, 26 October 2023
Decisions taken by the Section 79 Portfolio Committees in terms of delegated authority for the period <u>October to December 2023</u>	C 49/01/24	Tuesday, 30 January 2024
Decisions taken by the Section 79 Portfolio Committees in terms of delegated authority for the period <u>January to March 2024</u>	C 33/04/24	Thursday, 25 April 2024
Budget adoption 2024/25 – 2026-27	C 10/05/24	Friday, 31 May 2024

7. MAYCO MEMBERS/ED REPORT TO COMMITTEE

The Chief Financial Officer, together with the Mayco Member: Finance signs off on the proposed Directorate and Departmental Service Delivery and Budget Implementation Plans (SDBIPs) for the applicable financial year. The table below reflects all SDBIP-related reports submitted to the Finance Portfolio Committee in 2023/24:

ITEM NUMBER	REPORT AND RECOMMENDATION DETAILS
FNPC 12/02/24	<p>DIRECTORATE AND DEPARTMENT AMENDMENTS TO THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR 2023/24</p> <p>It is RECOMMENDED that the amendments of the Finance Directorate and Departmental Service Delivery and Budget Implementation Plans for 2023/24 be supported for onward submission to the Executive Mayor together with the Mayoral Committee for approval.</p>
FNPC 13/02/24	<p>DIRECTORATE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR 2024/2025</p> <p>It is RECOMMENDED that the Portfolio Committee review and recommend the contents of the Finance Directorate Service Delivery and Budget Implementation Plan (SDBIP) for 2023/2024 to the Executive Mayor together with the Mayoral Committee.</p>

SPFNPC 03/05/24	DIRECTORATE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) FOR 2024/2025
	It is RECOMMENDED that the Portfolio Committee review and recommend the contents of the Finance Directorate Service Delivery and Budget Implementation Plan (SDBIP) for 2023/2024 to the Executive Mayor together with the Mayoral Committee.

The Council approved Organisational Performance Management Framework (Section 6), requires that departmental quarterly scorecards be submitted to the relevant committees. The Finance Portfolio Committee has monitored and evaluated the impact and performance of the Finance Directorate and Departments' throughout the 2023/24 financial year, as set out in the table below.

ITEM NUMBER	REPORT AND RECOMMENDATION DETAILS
FNPC 13/09/23	<p>FINANCE: 2022/23 FOURTH QUARTER'S PROGRESS REPORT ON THE DIRECTORATE AND DEPARTMENTS' PERFORMANCE</p> <p>It is RECOMMENDED that the 2022/23 fourth quarter's progress report on the Finance Directorate and Departments' performance be noted for onward submission to the Executive Mayor together with the Mayoral Committee; and Council for noting.</p> <p>FURTHER RESOLVED that the corrections to the scorecards be finalised before submission to the Executive Mayor together with the Mayoral Committee and Council for noting.</p>
FNPC 14/11/23	<p>FINANCE: 2023/24 FIRST QUARTER'S PROGRESS REPORT ON THE DIRECTORATE AND DEPARTMENTS' PERFORMANCE</p> <p>It is RECOMMENDED that the Finance: 2023/24 first quarter's progress report on the directorate and departments' performance, be noted.</p>
FNPC 14/03/24	<p>FINANCE: 2023/24 SECOND QUARTER'S PROGRESS REPORT ON THE DIRECTORATE AND DEPARTMENTS' PERFORMANCE</p> <p>It is RECOMMENDED that the Finance 2023/24 second quarter progress report on the directorate and departments' performance, be noted.</p>
FNPC 11/02/24	<p>2023/24 QUARTERLY PROGRESS REPORT ON THE CORPORATE PERFORMANCE AND PERFORMANCE OF THE CITY'S ENTITIES (CTICC and CAPE TOWN STADIUM)</p> <p>It is RECOMMENDED that the Finance Portfolio Committee monitor and evaluate the impact and performance of the 2023/24 quarterly progress report on Corporate Performance of the City's entities in relation to its functional area, on the Directorate and Departments' performance, be noted.</p>

Once considered by the Portfolio Committee, the reports were submitted to the Executive Mayor together with the Mayoral Committee for review and evaluation and onward submission to Council for noting.

8. **BUDGET CYCLE AND IDP YEAR PLAN**

The IDP and Budget process plan is published annually to ensure the proper management of the plan:

The Finance Portfolio Committee continues to have an important oversight role especially with regard to the IDP, budgets, policies, rendering of services, strategic objectives, priorities, and by-laws as outlined by the table below.

ITEM NUMBER	REPORT AND RESOLUTION DETAILS
FNPC 10/10/23	<p>INTERGRATED DEVELOPMENT PLAN (IDP) ANNUAL AMENDMENT PROCESS</p> <p>The Committee resolved that:</p> <p>(a) The commencement of the Integrated Development Plan (IDP) annual amendment process, be noted</p> <p>(b) Proposals to amend the IDP be submitted on the approved template, attached as annexure A to the report on the agenda, by 16:00 on 31 October 2023</p> <p>(c) All Sub council Chairpersons who serve on a section 79 Committee inform their respective Sub councils of the process</p>
FNPC 14/02/24	<p>INVITATION TO SUBMIT WRITTEN COMMENTS IN CONNECTION WITH THE CITY'S INTERGRATED ANNUAL REPORT 2022/23</p> <p>The Chairperson reiterated his appeal for all councillors to lead their communities in this process of engagements around the draft IDP.</p> <p>IT WAS FURTHER RESOLVED that the Portfolio Committee submit written comments on the electronic copy of the City's Integrated Annual Report as part of the public participation process.</p>

9. **POLICIES/STRATEGIES TO BE MONITORED**

The [Policy Coordinating Committee \(PCC\)](#) under the Future Planning and Resilience Directorate plays a facilitation role and provides a medium for policy stakeholders to review proposed policies, by-laws, standard operating procedures (SOPs), propose additional information, evidence or amendments, ensuring integration of policy frameworks across the organisation and alignment with the IDP and strategic policy objectives.

To further strengthen policy development and improvement, the Finance Portfolio Committee will strive to continually ensure that directorate specific policies are updated, relevant and ensure the strengthening of services to the residents of Cape Town.

List of policy items currently in review

1. Approval by Council of the Revised Cost Containment Policy (FNPC 09/11/23)

10. COMMITTEE MOTIONS TO BE MONITORED

"Motion" means a matter submitted by a member in terms of **Rule 15** of the Rules of Order Regulating the Conduct of Meetings of Section 79 and 80 Committees of the Council of the City of Cape Town (Latest version as approved by Council on 15 December 2021 – C08/12/21).

No motions were received by the Finance Portfolio Committee for the period July 2023 to June 2024.

11. KPAS EXTRACTED FROM DIRECTORATE/DEPARTMENTS SDBIPS

In terms of the Annual Oversight Work Plan, the Finance Portfolio Committee extracted a number Key Performance Areas (KPAs) derived from the relevant Service Delivery and Budget Implementation Plans (SDBIPs) to monitor the implementation of Council's IDP, budget, business plans, strategic objectives, policies and programmes in relation to their functional area.

The indicator performance outlined in the subjoined table is based on the Finance: 2023/24 second Quarter Progress Report on the Directorate and Departments' Performance tabled at the Finance Portfolio Committee on 5 June 2023 (FNPC 08/06/23)

ITEM	EXTRACTED FROM DIRECTORATE AND DEPARTMENTS SDBIPS	INDICATOR PERFORMANCE						
1.	Property revenue clearance certificates issued within 10 working days(%)	<p>Quarter 2: October - December 2023</p> <table border="1" data-bbox="890 1039 1316 1187"> <tr> <td>Target:</td> <td>93%</td> </tr> <tr> <td>Actual:</td> <td>99.92%</td> </tr> <tr> <td>Rating:</td> <td>Target achieved</td> </tr> </table>	Target:	93%	Actual:	99.92%	Rating:	Target achieved
Target:	93%							
Actual:	99.92%							
Rating:	Target achieved							
2.	Percentage of the municipality's operating budget spent on indigent relief for free basic services	<p>Quarter 2: October - December 2023</p> <table border="1" data-bbox="890 1330 1326 1478"> <tr> <td>Target:</td> <td>2%</td> </tr> <tr> <td>Actual:</td> <td>1.97%</td> </tr> <tr> <td>Rating:</td> <td>Target Not Achieved</td> </tr> </table> <p>Reasons for Variance: The variance reflected is the result of the Total Operating Expenditure Budget being increased during the January Adjustment Budget Process, but the estimation for Free Basic Services was not adjusted from the original estimations during the Adjust Budget Process.</p> <p>Remedial Action: To be monitored by the department</p>	Target:	2%	Actual:	1.97%	Rating:	Target Not Achieved
Target:	2%							
Actual:	1.97%							
Rating:	Target Not Achieved							

3.	<p>Average number of days from the point of advertising to the letter of award per 80/20 procurement process</p> <p>Regular tenders = 150 = 180 days</p> <p>Complex tenders = 1 = 277 days</p>	<p><u>Quarter 2: October - December 2023</u></p> <table border="1" data-bbox="890 275 1316 423"> <tr> <td>Target:</td> <td>220</td> </tr> <tr> <td>Actual:</td> <td>190</td> </tr> <tr> <td>Rating:</td> <td>Target Achieved</td> </tr> </table>	Target:	220	Actual:	190	Rating:	Target Achieved
Target:	220							
Actual:	190							
Rating:	Target Achieved							
4.	<p>Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission</p>	<p><u>Quarter 2: October - December 2023</u></p> <table border="1" data-bbox="890 562 1305 710"> <tr> <td>Target:</td> <td>97%</td> </tr> <tr> <td>Actual:</td> <td>99.87%</td> </tr> <tr> <td>Rating:</td> <td>Target Achieved</td> </tr> </table>	Target:	97%	Actual:	99.87%	Rating:	Target Achieved
Target:	97%							
Actual:	99.87%							
Rating:	Target Achieved							
5.	<p>Completion rate of tenders processed as per the Demand Plan (%)</p>	<p><u>Quarter 2: October - December 2023</u></p> <table border="1" data-bbox="890 851 1327 999"> <tr> <td>Target:</td> <td>50%</td> </tr> <tr> <td>Actual:</td> <td>100%</td> </tr> <tr> <td>Rating:</td> <td>Well above</td> </tr> </table>	Target:	50%	Actual:	100%	Rating:	Well above
Target:	50%							
Actual:	100%							
Rating:	Well above							
6.	<p>External audit actions completed as per Audit Action Plan (%)</p>	<p><u>Quarter 2: October - December 2023</u></p> <table border="1" data-bbox="890 1106 1316 1254"> <tr> <td>Target:</td> <td>100%</td> </tr> <tr> <td>Actual:</td> <td>100%</td> </tr> <tr> <td>Rating:</td> <td>Target Achieved</td> </tr> </table>	Target:	100%	Actual:	100%	Rating:	Target Achieved
Target:	100%							
Actual:	100%							
Rating:	Target Achieved							

12. ANNUAL COMMITTEE EFFECTIVENESS ASSESSMENTS**FINANCE PORTFOLIO COMMITTEE: SELF-ASSESSMENT RESULTS FOR 2023/24****Scoring criteria:**

- 1 = Performance was Poor
 2 = Performance was Good
 3 = Performance was Excellent

Item	Functional Area	Self-Assessment Results 2023/24
1.	Committee Meetings	3.00
2.	Committee Workshops and/or Activities	2.88
3.	Committee Orientation and Training	2.50
4.	Annual Oversight Work Plan	2.63
5.	Agendas in accordance with Council's approved calendar of meetings	3.00
6.	Remedial action plans to enhance the Committee's performance	2.38
7.	Signed minutes of meetings of the Finance Portfolio Committee	3.00
8.	KPA Monitoring: Vacancy rate (%)	2.75
9.	KPA Monitoring: Entities (Cape Town Stadium and CTICC)	2.88
	Average Score	2.78