

**COMMENTS AND RESOLUTIONS FROM THE SCOPA COMMITTEE IN RESPECT OF THE 2009/10 ANNUAL REPORT FOR THE CITY OF CAPE TOWN AND THOSE FOR THE MUNICIPAL ENTITIES**

Meeting	Date of Meeting	Comments and Resolutions		Reference
		City of Cape Town Annual Report	Municipal Entities Annual Report	
SCOPA	11 February 2011	<p>Recommend to Council: That, having fully considered the 2009/10 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 SCOPA:</p> <p><b>CHAPTER 1: OVERVIEW OF THE CITY OF CAPE TOWN</b> None</p> <p><b>CHAPTER 2: THE FIFA WORLD CUP™</b> None</p> <p><b>CHAPTER 3: REVIEW OF THE 2009/10 FINANCIAL YEAR</b> None</p> <p><b>CHAPTER 4: INSIDE THE CITY OF CAPE TOWN</b> None</p> <p><b>CHAPTER 5: FINANCIAL STATEMENTS AND AUDIT REPORTS</b></p> <p><b>Capital Expenditure (Page 80) :</b> SCOPA expressed concern over the under expenditure of the Capital Budget and indicated that the processes to improve spending should</p>	<p>Recommend to Council: That, having fully considered the 2009/10 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 SCOPA:</p> <p><b>CAPE TOWN INTERNATIONAL CONVENTION CENTRE</b> None</p> <p><b>KHAYELITSHA COMMUNITY TRUST</b></p> <p>SCOPA noted reports that the process to relinquish the City's effective control of KCT will be completed by 30 June 2011.</p>	<p style="text-align: center;">ANNEXURE TO ITEM C 04/03/11</p>

Meeting	Date of Meeting	Comments and Resolutions		Reference
		City of Cape Town Annual Report	Municipal Entities Annual Report	
		<p>be prioritised. Major projects undertaken by the City (e.g. World Cup) should not negatively affect the progress made with delivery on other capital projects.</p> <p><b>Long term Receivables – Sporting Bodies (Page 102) –</b> The loans to sporting bodies should be investigated at the Community Services Portfolio Committee to ascertain what the current repayments are by these organisations.</p> <p><b>Additional Disclosures - Deviations Note 44.1.1 (Page 134) –</b> Better planning measures should be implemented to avoid deviations where possible. SCOPA draws Council's attention to the reasons for deviations as contained on page 9 of the minutes.</p> <p><b>Material Losses Note 43.3 (Page 133) –</b> SCOPA expressed concern over the material losses regarding water and electricity and indicated that the Utility Services Portfolio Committee should be provided with regular reports representing the main contributing factors of these losses.</p> <p><b>ANNEXURE A:</b></p> <p>None</p> <p><b>FEEDBACK FROM THE PUBLIC PARTICIPATION PROCESS –</b> SCOPA expressed concern over the lack of feedback from the Portfolio Committees and the Public in respect of the Annual Report and requested measures to be implemented to improve the quality of the feedback. It should be noted that this concern has been reported by SCOPA in previous years as well.</p>		

Meeting	Date of Meeting	Comments and Resolutions		Reference
		City of Cape Town Annual Report	Municipal Entities Annual Report	
		<p><b>Unfunded Mandates</b> – SCOPA recommends that management should finalise the proposed way forward with Unfunded Mandates.</p> <p><b>Report of the Audit Committee (AC) of the City of Cape Town on the City's Integrated Report (Annual Report) for the year ended 30 June 2010 (SCOPA 06/03/11)</b> – SCOPA supports the recommendation from the Audit Committee that management should consider the requirements for Integrated Reporting as contained in King III and implement the necessary processes to ensure that the information required to meet the reporting requirements are maintained.</p>		

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- MINUTES -

**OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS  
(SCOPA) HELD IN MEETING ROOM 1, PODIUM BLOCK, CIVIC CENTRE, CAPE  
TOWN ON FRIDAY 11 FEBRUARY 2011 AT 10:00**

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**PRESENT**

**COMMITTEE MEMBERS**

**AFRICAN NATIONAL CONGRESS**

Cllr P Gabriel (Chairperson)  
Cllr V Mavungavunga

**DEMOCRATIC ALLIANCE**

Cllr P Chapple  
Cllr P Hill  
Cllr J van der Merwe  
Cllr A van der Rheede  
Cllr B van Dalen  
Cllr S Vuba

**INDEPENDENT DEMOCRATS**

Cllr P Gouws

**OFFICIALS**

Z Abrams	: Internal Audit
C Aimes	: Integrated Development Plan
D Beretti	: Corporate Services
R Bosman	: Safety & Security
V Botto	: Forensics
I Bromfield	: Health
G Bouwer	: Solid Waste
B Coetzee	: Utility Services
A Ebrahim	: City Manager
R Jaftha	: Internal Audit
A Kariem	: Utility Services
M Marsden	: Transport, Roads & Major Projects
C Maurer	: Forensics
M Mohamed	: Economic Development & Tourism
W Muller	: Housing Finance
L Muller	: Finance
M Mpikashe	: Legal Services



STANDING COMMITTEE ON PUBLIC  
ACCOUNTS (SCOPA) MINUTES

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11 FEBRUARY 2011

M Richardson : Finance  
H Smit : Housing  
S Thomas : Internal Audit  
M van der Merwe : Integrated Development Plan  
R Tippoo : Executive Committee Services

**PUBLIC**

I Fourie : Auditor General  
C Sickle : Deloitte

**PRESS**

None

**LEAVE**

Cllr M Labase

**ABSENT**

Cllr M Klaas

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**SCOPA 01/02/11 OPENING**

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

**SCOPA 02/02/11 APOLOGIES / LEAVE OF ABSENCE**

**RESOLVED** that it **BE NOTED** that Councillor M Labase had been granted leave of absence by the Chief Whip.

**SCOPA 03/02/11 CHAIRPERSON'S REPORT**

The Chairperson reported that the SCOPA had made a number of decisions regarding the last Annual Report and all those matters had been resolved.

**SCOPA 04/02/11 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 12 NOVEMBER 2010**

**RESOLVED** that the minutes of the meeting held on 12 November 2010, **BE CONFIRMED**.

**SCOPA 05/02/11 2009/2010 ANNUAL REPORT OF THE CITY OF CAPE TOWN AND IT'S MUNICIPAL ENTITIES**

The Executive Director: Housing, Mr H Smit, was asked whether the City had been granted housing accreditation by the National and Provincial Departments of Human Settlements in terms of the Housing Act of 1997. He responded that the City of Cape Town had received confirmation regarding the granting of levels 1 and 2 accreditations from the MEC: Housing and processes were currently underway to formalise the transfer of functions. Mr Smit was also asked whether there was any legislation which compelled the owner of an RDP house to give the City first right to purchase such house should the owner wish to sell the house. He responded that currently, recipients of a housing subsidy may not sell the subsidised property for a period of 8 years. Should the beneficiary wish to transfer the property, the Provincial Housing Department had the right of first refusal. In reality however, most of the transfers occurred in an informal environment and by-passed the Deeds Office process. The City and Provincial government have addressed their concerns regarding the matter with the National Department of Human Settlements.

Councillor B van Dalen said that in a particular case, 4 people owned the same property. He enquired what action the City was taking in such a case. Mr Smit responded that in most cases the person living in the house was not the original beneficiary. Beneficiaries were selling their properties without registering the sales in the Deeds Office. The problem was experienced nationally and was not addressed in the National Housing Policy. He was of the opinion that because people were receiving their homes almost free of charge they failed to recognise the value of the property. Councillor A van der Rheede said that the occupants of houses should be monitored and houses checked on a regular basis. Mr Smit responded that the City did not have the resources or funds to monitor the properties on a regular basis. He said that the number of staff had dwindled to about a third of what the directorate previously had. However there was a door-to-door project run by Housing Finance to collect rentals and an extra 20 staff members had been employed with funding from the Provincial government to assist with the checking of properties.

Councillor J van der Merwe referred to page 76 of the Annual Report and requested that reasons be provided for the growth in expenditure. The Executive Director: Finance, Mr M Richardson, responded that with regard to the net depreciation and amortisation expenses, all assets related to the 2010 Soccer World Cup were commissioned during the 2010 financial year and therefore contributed to the increased depreciation and amortisation charge. At the same time the increased assets and depreciation charge did not necessarily impact on the tariffs as the major part of the increase related to grant funded assets. In addition to the increase, the annual review of the useful life of assets also contributed to the increase in the depreciation and amortisation charges.

With regard to the growth in finance costs, Mr Richardson advised that it was as a result of an increase in the capital programme of approximately R1 billion which necessitated an increase in external borrowing. The increase in bulk purchases was a direct result of the increase in bulk ESKOM tariffs and the increase in contracted services was due to additional services provided for the 2010 Soccer World Cup events.

Councillor van der Merwe enquired why there was a decline in revenue to which Mr Richardson responded that it was as a result of the decline in income from investments due to the drop in interest rates.

Councillor P Gouws referred to page 78 of the Annual Report and enquired why there was a deficit in the operating results for the rates and general services, housing services and water services. Mr Richardson responded that the deficit was lower than expected. In respect of Rates & General Services the City had budgeted for a deficit of R133 804 000 and the actual deficit was R11 604 000 and in respect of Housing Services the City had budgeted for a deficit of R483 521 000 and the actual deficit was R372 369 000. In both instances the lower than expected deficit was as a result of stringent expenditure controls. In respect of Water services the City had budgeted for a deficit of R104 824 000 and the actual deficit was R143 968 000. The higher than expected operating deficit was mainly due to the higher contributions to provisions for post-retirement employment schemes. All these services were funded from the Rates account and the deficit would be absorbed from the surplus within the Rates account.

Mr Richardson then clarified the budgeting for a deficit. It is a technical situation that arises from the fact that the City has to include depreciation as an expense even when the project is being funded by a Capital Grant. It is therefore not a real deficit because at another point in the balance sheet a matching contribution will be brought in representing that depreciation.

Councillor van der Merwe referred to page 79 of the Annual Report and enquired why the actual expenditure of R31 920 000 was significantly lower than the R91 157 000 placed on the budget for water services. Mr B Coetzee responded that it was as a result of the delay in the execution of certain projects. There were also fewer than expected new water meter connections.

Councillor van der Merwe referred to page 80 of the Annual Report and requested reasons for the under-spending of capital expenditure for the following services:

Rates & General  
Roads and Stormwater  
Housing  
Water (waste water management)  
Waste Management (solid waste)

Mr Richardson advised that included in the budget was an amount of R300m for the stadium which was in fact a disputed amount. The City was in dispute with the contractors and the matter has still to be resolved. If that amount was ignored then the capital expenditure would have been 85%.



The reasons for under-spending on Rates & General essentially related to the stadium. Besides the R300m under dispute there was also an under-spending on the configuration of the common where the payment was not processed on time. An amount of R22m was also underspent on TV screens and pitch protection for the stadium. Although the capital budget was underspent, in August 2010 there was the adjustment budget of R800m which was for the roll overs. The capital programme had been contractually committed but there was a delay in actual payment. If the R800m was taken into account the capital expenditure was approximately 97%.

Mr H Smit said that the housing funds were transferred to the operating budget and used for the erection of top structures.

Councillor van Dalen enquired why the MEC: Housing had said that the City of Cape Town had not spent its capital budget and threatened to take the allocation of funds away from the City. Mr W Muller responded that since the Minister's speech, 93% of the budget had been spent. The Housing Directorate usually spent between 98% and 100% of its capital budget. He assured the Committee that no funds had been taken from the City and the City had reached its target.

Mr B Coetzee advised that the under spending for waste water management was as a result of delayed payments.

Mr Marsden advised that in respect of roads and Stormwater there was a saving through the civil works as well as the Heerengracht and Western Boulevard foot bridges which came in under budget. There were delays with the Somerset Road improvement project for the fan mile because of negotiations for land acquisitions. Technical problems were experienced with the Main Road Muizenberg and Clovelly project and the appointment of professional consultants for the motorised projects caused delays. Delays were also experienced with the Station Deck, the long distance bus facility and the road improvements project associated with the Khayelitsha Rail system. Mr Marsden advised that R800m would be rolled over because of the Directorate having to concentrate on projects connected to the 2010 Soccer World Cup.

Councillor van der Merwe requested that the amount of the capital expenditure from the grants and donations received be provided for each sub-council. A list of the expenditure is attached to the official minutes as Annexure "A".

Councillor van der Merwe referred to page 84 of the Annual Report and enquired why the liabilities had increased from 2009.

Mr Richardson responded that the main reason for the increase was a rise in external borrowing of R2 billion and the provision for post- retirement medical aid.

Councillor van der Merwe referred to the transfers/adjustments for property plant and equipment on page 98 of the Annual Report and requested reasons for the significant difference in the amounts as at 30 June 2009 and 30 June 2010. Mr Richardson advised that the differences were due to the reclassification of assets from Property, Plant and Equipment to Intangible Assets.

Councillor van der Merwe referred to page 102 of the Annual Report and enquired why there was a decline in housing land sales. Mr W Muller responded that the land sale debtor for land sold to the Cape Town Community Housing Company was transferred from the long term debtors to current debtors due to the fact that the full outstanding balance of R5m became due and payable on the 30 June 2010.

Councillor P Chapple referred to page 102 of the Annual Report and requested a list of the sporting bodies that received loans from the City. A copy of the list is attached to the official minutes as  
----- Annexure "B". He said that he would raise his concerns at the Community Services Portfolio Committee.

Councillor van der Merwe referred to Trade Receivables on page 103 of the Annual Report and requested that reasons be given for the difference in the net balance of service debtors. Mr Richardson responded that the variance in the net outstanding balance of rental debtors was due to a reduction in the collection ratio. Action was being taken such as door-to-door collections, the incentive scheme and debt management action to address the problem notwithstanding the current economic environment. He further advised that the increase in the net balance of Service Debtors was a direct result of the increase in the volumes and tariffs which could be seen from the Age Analysis of Trade Receivables on page 104 of the Annual Report.

Councillor van der Merwe requested the reasons for the difference in the bad debts written off reflected under Reconciliation of Impairment Provision on page 103 of the Annual Report. Mr Richardson advised that the City had an Indigent Policy which stipulates which amounts could be written off. People who also agreed to install a pre-payment water meter and only use the free amount of water allocated to them and not continue to run up a huge water bill could possibly have their debt written off.

Councillor van der Merwe requested reasons for the increase in the Gross debtors for the Economic Entity as shown on page 104 of the Annual Report. Mr Richardson advised that the increase was as a result of increased water tariffs and a 95% debtor's payment ratio.

He drew the Committee's attention to the fact that the Finance Portfolio Committee monitored debt on a regular basis.

Councillor van der Merwe requested the reasons for the increase in Service Charges as shown on page 122 of the Annual Report. Mr Richardson responded that it was due to the increase in tariffs.

Councillor van der Merwe enquired why there was a decline in the government grants and subsidies. Mr Richardson advised that it was as a result of decreased cash flows in the completion phase of the 2010 readiness programme and the reduction was mainly on the Capital Grants and Donations due to the re-phasing of the capital programme in the 2009/2010 financial year.

Councillor van der Merwe requested the reasons for the decrease in the bulk infrastructure levies as shown on page 126 of the Annual Report. Mr Richardson advised that it was mainly the development levies that had decreased and it was because property development had decreased due to the economic climate.

Councillor van der Merwe requested the reasons for the increase in the interest expense under section 35 (Finance Costs) on page 129 of the Annual Report. Mr Richardson advised that the higher interest expense was due to payments in respect of the third bond issue.

Councillor van der Merwe enquired why the amounts paid for grants and subsidies as shown on page 129 were lower than in 2009. Mr Richardson responded that the lower grant payments were due to certain programmes and beneficiaries not being legally compliant and that therefore precluded the grants and subsidies being paid over. The prior year also included the once-off payment of R30m to Dream World Film Studio in 2008/2009.

Councillor van der Merwe requested reasons for the increase in General Expenses as shown on page 130 of the Annual Report. Mr Richardson responded as follows:

**Chemicals** - had to be imported  
**Consultants** - were appointed to do feasibility studies/analysis for capital projects

**Legal Fees** - had increased and it was difficult to predict how much would be spent each year as the expenditure varied from year to year

**Rentals** - additional lease / rental agreements had been entered into as well as higher inflationary increases

**Security Services** - tender prices had increased higher than was anticipated and the increase in crime and vandalism resulted in additional agreements to safeguard Council facilities.

Councillor van der Merwe enquired why there was an increase in irregular expenditure as shown on page 133 of the Annual Report. Mr Richardson responded that the increase was mainly due to contracts being awarded to persons in the service of the State and family members of persons in the service of the State. The Auditor General had access to a data base to check any conflict of interest. However the City, Province and National Treasury did not have access to that database and the matter was being discussed with the Auditor General. Currently the City was solely reliant on the declaration of interest. In addition, the increase in the Economic Entity's disclosure was due to it being in isolation of the supply chain management regulations and due to the nature and industry of the Municipal Entity's business.

Councillor van der Merwe enquired which items of irregular expenditure would be referred to the SCOPA and Mr Richardson responded that all irregular expenditure would be referred.

Councillor Hill enquired whether the losses with regard to water and electricity could not be separately reflected according to the categories of reasons reflected in the explanatory paragraph on page 133 of the Annual Report. Mr Richardson responded that the electricity losses were only in relation to reticulation supply and not bulk which is supplied by Eskom. He advised that water leaks were being attended to but it was difficult to deal with the problem in informal areas. He suggested that the losses relating to water and electricity be referred to the Utility Services Committee for attention.

Councillor van der Merwe requested the reasons for the increase in deviations and how much of the deviations were attributable to the 2010 World Cup. Mr Richardson advised as follows:

- 16% - to be avoided in future
- 33% - could not be avoided
- 29% - 2010 World Cup
- 3% - Integrated Rapid Transit projects
- 1% - Council has binding contract
- 18% - Sole provider

Mr Richardson said that there would always be deviations as the municipality could not operate without them. All deviations were put through a rigorous process. They were first referred to the Bid Adjudication Committee then to the City Manager and thereafter to the Finance Committee, Mayco and Council. Deviations could arise for a number of reasons. Sometimes they were caused through the lack of planning which could be addressed by the City. The problem was however compounded by a Court Ruling which overturned a previous decision that did not permit section 62 appeals in terms of the Systems Act. The Promotion of Administrative Justice Act then allowed any contractor the right to appeal a decision within 21 days of the date of the decision.

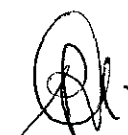
After the appeal is received a further delay is caused by the investigation and actual hearing of the appeal. In the meantime you may have a contract which expired and the only way to continue to provide a service is by having a deviation to re-appoint the existing contractor otherwise services would just stop. No penalty is placed on the person who appeals. For two years the City has been working on the Cape High Court decision which ruled that section 62 appeals did not apply to procurement and tender awards. That was convenient because once the tender was awarded it was final.

Councillor van der Merwe requested that the information regarding the reasons for deviations be brought to the attention of all Councillors in the City of Cape Town.

Councillor van der Merwe requested reasons for the decrease in the capital expenditure commitments. Mr Richardson responded that the reason for the decrease was that the 2010 projects were nearing completion.

Councillor van der Merwe requested the reasons for the deficit relating to Corporate Services, Planning and Development, Health, Community & Social Services, Public Safety, Sport and Recreation, Environmental Protection, Road & Transport and Housing as shown on page 153 of the Annual Report. Mr Richardson advised that all these services were funded from the Rates Account and thus when balancing the budget it was not balanced per directorate and the deficit would be absorbed from the surplus within the Rates account.

The Chairperson requested that the process to be undertaken with the disestablishment of the Khayelitsha Community Trust (KCT) be defined and the time-lines within which this would occur, be specified. Mr Richardson emphasised that the Khayelitsha Community Trust would not be disestablished.



The City has embarked on a process, endorsed by the Accountant-General, to deal with effective control over the Khayelitsha Community Trust. The City is therefore embarking on a process to relinquish effective control of the Trust in accordance with a decision taken by the City. A meeting has already been held between the Executive Mayor and the Trustees regarding the matter. A further meeting was also held between the Chairperson of the Board of Trustees and the major funder of the developments in the Khayelitsha Central business District as well as between the funder and the City. Any semblance of effective or perceived control has been removed from the Trust Deed by the Khayelitsha Community Trust. Once this has been approved by the Board of Trustees it will be submitted to Council where it will be recommended that the City relinquishes effective control of KCT on 30 June 2011 (or earlier date) so that the KCT will no longer be a municipal entity and the City will no longer be a parent municipality as determined by local government legislation. The Khayelitsha Community Trust will no longer have to comply with the Municipal Finance Management Act and will not be audited by the Auditor General.

With regard to time-frames, the City has been assisting the KCT with the amendment of the Trust Deed in order that the revised Trust Deed can be approved by a Trustees meeting and submitted to the City for the March 2011 Council meeting to relinquish control by the City over the Trust. Assuming Council agrees to relinquish control, the amended Trust Deed will be submitted to the Master of the Court as required for Trusts and the necessary letter will be submitted to the National Treasury stating that the Trust is no longer to be considered as a municipal entity.

Councillor Chapple enquired what the status was of unfunded mandates in the City. Mr Richardson advised that the City had engaged with the Provincial government regarding the matter for the past 10 years and the Provincial government has said that no purpose will be served by continuing the engagement. A report will be forwarded to the Mayoral Committee with the recommendation that the City accept that services such as libraries and clinics will continue to be funded by the City. He suggested that in the meantime the City should enter into an agreement to provide the services and sort out the funding at a later date.

The Executive Director: Safety & Security, Mr R Bosman, drew the Committee's attention to the fact that with the new Administrative Adjudication of Road Traffic Offences system the income generated by the Traffic Department could drop drastically. At present the income was between R13m and R15m per month.

The City could lose up to 70% in income as a result of the new system. The system should have come into operation in July 2010 but the City has requested a delay because there will be a problem with the accountability for traffic fines. According to a media release the Johannesburg traffic officers have been operating without traffic fine books. The government has failed to provide any backing for the implementation of the system. A letter has been written to the Minister of Transport giving suggestions as to how to deal with the problems and a response is awaited.

**RESOLVED** that the comments of the Committee on the 2009/2010 Annual Report be included in the Oversight Report.

**ACTION: S THOMAS**

**SCOPA 06/02/11 OUTSTANDING MATTERS**

**(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 any feedback regarding the case must be provided in April 2011 or whenever progress is made, whichever comes first.

**ACTION: M MPIKASHE**

**(1.2) AFRICAN JEWELLERY CITY**

**RESOLVED** that

(1) it **BE NOTED** that the investigation is still in progress as advised by the prosecutor;

(2) it **BE NOTED** that Legal Services was still awaiting a response on whether or not the individual concerned in the case was employed in the Office of the Speaker of Parliament.

**ACTION: M MPIKASHE/ V BOTTO**

**(2) ITEMS EMANATING FROM THE CITY'S 2006/07 ANNUAL  
REPORT AND 2006/07 AUDITOR-GENERAL'S REPORT**

**TIME THEFT: MR MBALI**

**RESOLVED** that it **BE NOTED** that judgement had been granted against Mr Mbali.

**ACTION: M MPIKASHE**

**(3) MATTERS REFERRED BY THE MAYORAL COMMITTEE (MC  
09/02/09): IRREGULAR EXPENDITURE IN 2007/08  
FINANCIAL STATEMENTS**

**RESOLVED** that it **BE NOTED** that the Supply Chain Management Policy will be referred to the Mayoral Committee on 16 February 2011 for consideration.

**ACTION: L SHNAPS**

**(4) NAME OF THE COMMITTEE**

**RESOLVED** that it be **NOTED** that feedback from the office of the Minister of Co-operative Governance and Traditional Affairs (COGTA) was awaited.

**ACTION: S THOMAS**

**(5) MATTER REFERRED BY MAYORAL COMMITTEE (MIC  
06/02/10) : POSSIBLE IRREGULAR EXPENDITURE IN  
RESPECT OF ALLOWANCES PAID TO COUNCIL  
EMPLOYEES**

Councillor B van Dalen advised that the sub-committee had met on 31 January 2011 where questions were put to the Executive Directors. Responses from the Executive Directors were received but were not acceptable and have been referred back to them for further information which has to be submitted by 2011-02-18.

**RESOLVED** that it **BE NOTED** that the Executive Directors have been given until the 18 February 2011 to submit responses to questions put to them by the SCOPA Sub-committee.

**ACTION: S THOMAS**



STANDING COMMITTEE ON PUBLIC  
ACCOUNTS (SCOPA) MINUTES

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11 FEBRUARY 2011

SCOPA 07/02/11 DATE OF NEXT MEETING

**RESOLVED** that it **BE NOTED** that the next meeting of the SCOPA will be held on Wednesday 9 March 2011.

THE MEETING ENDED AT 11:35

  
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CHAIRPERSON: COUNCILLOR P GABRIEL

9/3/2011  
\_\_\_\_\_  
DATE

**COMMENTS RECEIVED FROM PORTFOLIO COMMITTEES AND THE PUBLIC IN RESPECT OF THE 2009/2010 ANNUAL REPORT**

**A: PORTFOLIO COMMITTEES**

	<b>PORTFOLIO COMMITTEE</b>	<b>COMMENTS</b>
1.	Finance	<p><b>RECOMMENDATION FROM THE FINANCE PORTFOLIO COMMITTEE: 4 FEBRUARY 2011 (FIN 14/02/11)</b></p> <p><b>RECOMMENDED</b> that the City's Annual report and Executive Summary for 2009/10 be noted.</p>
2.	Utility Services	<p><b>UTS 11/02/11 TABLING OF CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2009/10 FOR COMMENT</b></p> <p><b>RESOLVED</b> that the City's Annual Report and Executive Summary for 2009/10 as per Annexure A &amp; B attached to the report be noted</p>
3.	Planning and Environment	<p><b>RECOMMENDATION FROM THE PLANNING &amp; ENVIRONMENT PORTFOLIO COMMITTEE: 1 FEBRUARY 2011 (PLAN 12/02/11)</b></p> <p><b>RECOMMENDED</b> that the City's Annual report and Executive Summary for 2009/10 be noted.</p>
4.	Corporate Services and Human Resources	<p><b>CORHR 17/02/11 CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2009/2010</b></p> <p><b>RECOMMENDED</b> that</p> <ul style="list-style-type: none"> <li>(i) the achievements of the City and its future plans to address the challenges it faced be included in the Annual Report;</li> <li>(ii) the staff be thanked for their contribution to the unqualified audit received by the City.</li> </ul>
5.	Safety and Security	<p><b>SAFS 26/02/11 TABLING OF CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2009/10 FOR COMMENT</b></p>

	<b>PORTFOLIO COMMITTEE</b>	<b>COMMENTS</b>
		<b>RECOMMENDED</b> that the contents of the report be noted.
6.	Transport, Roads and Stormwater	<p><b>TRS&amp;MP 17/02/11 TABLING OF CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2009/10 FOR COMMENT</b></p> <p><b>RESOLVED</b> that the City's Annual Report and Executive Summary for 2009/10 (Annexure A &amp; B as tabled at Council on 26 January 2011), be noted.</p>
7.	Economic Development	<p><b>EDT 16/02/11 TABLING OF CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2009/10 FOR COMMENT</b></p> <p><b>RESOLVED</b> that the City's Annual Report and Executive Summary for 2009/10 be noted.</p>
8.	Housing	<p><b>HOU 13/02/11 CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2009/2010</b></p> <p><b>RESOLVED</b> that the City's Annual Report and executive summary for 2009/2010, <b>BE NOTED.</b></p>
9.	Social Development	<p><b>SOCDEV 16/02/11</b></p> <p><b>TABLING OF CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2009/2010 FOR COMMENT</b></p> <p><b>RESOLVED</b> that the City's Annual Report and Executive Summary for 2009/10 (Annexure A &amp; B as tabled at Council on 26 January 2011), be noted.</p>
10.	Health	<p><b>HEA 14/02/11 TABLING OF CITY'S ANNUAL REPORT AND EXECUTIVE SUMMARY 2009/2010 FOR COMMENT</b></p> <p>The Committee was requested to submit their comments in writing through the secretariat.</p> <p><b>RECOMMENDED</b> that the tabling of City's annual report and executive summary 2009/2010 for comment be noted.</p>
11.	Community Services	<b>RECOMMENDATION OF THE COMMUNITY SERVICES PORTFOLIO COMMITTEE : 1</b>

	PORTFOLIO COMMITTEE	COMMENTS
		<b>FEBRUARY 2011:</b>  <b>RECOMMENDED</b> that the report in respect of tabling of City's annual report and executive summary 2009/2010 be noted.

**B: SUB-COUNCILS**

ISSUE	COMMENT
Subcouncil 1	<b>RESOLVED</b> 1. That the contents of the report regarding the Tabling of the City's Annual Report and Executive Summary 2009/10 for comment BE NOTED. 2. That it FURTHER BE NOTED that no person or organisation reserved a time a slot to make a verbal representation during the meeting of the Subcouncil in respect of the two documents referred to in 1 above.
Subcouncil 2	<b>RESOLVED</b> 1) that the City's Annual report and Executive summary 2009/10 Comment <b>BE NOTED</b> ; 2) that the following comment be submitted: "although the annual report is accepted, it should next year also include the comments as to what extent the guidance of the IDP was used in spending the ratepayers' money."
Subcouncil 3	A. That the report be noted; B. That comments be submitted to the Subcouncil Manager on or before 28 February 2011.
Subcouncil 4	That the report: Tabling of City's Annual Report and Executive Summary 2009/10 <b>BE NOTED</b> .
Subcouncil 5	<b>RESOLVED</b> that the Subcouncil <b>COMMENTS</b> on the City's Annual Report and Executive Summary 2009/10 by 25 February 2011.
Subcouncil 6	<b>RESOLVED</b> that the Subcouncil <b>COMMENTS</b> on the City's Annual Report and Executive Summary 2009/10 by 25 February 2011.

ISSUE	COMMENT
Subcouncil 7	That the City's Annual Report and Executive Summary 2009/10 <b>BE NOTED</b> .
Subcouncil 8	That the City's Annual Report and Executive Summary for 2009/2010 <b>BE NOTED</b> and that comments thereon <b>BE SUBMITTED</b> by not later than 28 February 2011.
Subcouncil 9	That the report tabling of City's annual report and executive summary 2009/10 for comment <b>BE NOT ACCEPTED</b> as the true reflection of the status of the City due to poor implementation of Capital projects in the Sub-council. That the non-implementation of Capital projects <b>BE ESCALATED</b> to the office of the Auditor General.
Subcouncil 10	That the report be <b>NOTED</b> with <b>COMMENTS</b> made by Sub council 10.
Subcouncil 11	The information be <b>NOTED</b>
Subcouncil 12	<b>RESOLVE</b> that: a) comments be forwarded to the subcouncil office.
Subcouncil 13	That the report be <b>NOTED</b> .  <i>*See ANNEXURE C.3</i>
Subcouncil 14	No comments received from Sub-Councils via the IDP.OPM department.
Subcouncil 15	It was <b>RESOLVED</b> that • the report tabling the City's Annual Report and Executive Summary 2009/10 for comment, be <b>NOTED</b> • a return of <b>NO COMMENT</b> be <b>SUBMITTED</b> to the relevant department.
Subcouncil 16	<b>UNANIMOUSLY RESOLVED</b> that it be noted that:  (a) no request for a 5 minute timeslot had been received (b) comments may be submitted on or before 28 February 2011.
Subcouncil 17	Cllr Hill raised his concern that there were many of these documents available and that the volume of this document was too big. He wanted to know whether this document could not be shortened so that only this Sub-council's information is sent to the Sub-council. Cllr Lategan concurred with Cllr Hill and stated that this Department needed to look at how they could summarise it to a shorter version pertaining to this Sub-council. Mr Carolissen said that he would forward these concerns to

ISSUE	COMMENT
	<p>the relevant Department.</p> <p>RESOLVED that: The content of the above report be NOTED and that the comments be forwarded to the relevant Department.</p>
Subcouncil 18	That Rondevlei Subcouncil (18), supports the City's Annual Report and Executive Summary 2009/2010.
Subcouncil 19	Councillors requested that formal tabled comments also be included in the Audit Report, as well as the C3 Notification Tracking system. RECOMMENDED ACCORDINGLY.
Subcouncil 20	Protea Subcouncil (20) <b>NOTES</b> the contents of the City's Annual Report and Executive Summary for 2009/2010 (Annexure A and B).
Subcouncil 21	<p>That the City's Annual Report and Executive Summary for 2009/10, <b>BE NOTED</b>.</p> <p>That the written comment submitted by Cllr Van Dalen <b>BE FORWARDED</b> to the responsible official, Mr W Claassens to be considered during the annual report oversight process.</p> <ul style="list-style-type: none"> <li>• See ANNEXURE C.2</li> </ul>
Subcouncil 22	<p><b>RESOLVED</b></p> <p>➤ That the City's Annual report and Executive Summary for 2009/10 <b>BE CONSIDERED</b>.</p>
Subcouncil 23	The report for Subcouncil 23 be noted, there were no comments from Councillors.

## B : PUBLIC VIA THE SUBOUNCILS

Comment from Sub-Council 21 (Oostenberg)

Councillor B van Dalen

Die Raad van die Stad maak  
 geen melding van die Ekow. kom en  
 Ekow. maak om ons opmerkings en  
 Sekers daters nie - Dit word op die  
 oomblik deur die verskillende  
 Departemente individueel aangepak  
 met verskeide komitees - Dit is egter  
 'n oerkroon probleem wat 'n gemanentele  
 aanpak nodig het en is taak op sy  
 toe Omdat dit nie by vooraf  
 in 'n plan vir opleiding word  
 daar ook geen geld van bespaar nie.  
 Dit word te goed met word in  
 die TDP soek na die verskeie  
 in 'n plan.

## ANNEXURE C.3

### DISCUSSION DETAILS OF THE SUB-COUNCIL 13 MEETING

Report presented by Mr. Buntu Dosi. And he informed the meeting that the report was the last one for this year.

Chairperson said the report reflects some of the areas which they engaged around. He further said the issue of the unbalance of distributing the resources was still reflected on the report. And welcomed what has been done in terms of implementation, showing that what was supposed to be done has been done. And further saying there was a lot that could be done for the communities that they serve under. He commended on the departments that made sure that their areas were serviced, Roads and Stormwater, Electricity services whilst it need to be improved in particular in the squatter areas, the visibility of police and other departments in making sure that the 2010 World Cup was safe. And saying the plan was needed for the utilisation of the Stadiums build and renovated for the World Cup and also they should take note of the areas that didn't benefited in the World Cup.

Cllr. Adams said the City of Cape Town was a well driven municipality as indicated in the report. And it was a clear indication on why the City of Cape Town received a clean bill of health. And one should take into consideration that a report of this nature gave a clear indication of what has been done holistically in the municipality. But they cannot overlooked the reality of what they were faced with as mentioned by the chairperson in our communities. And further said if there were imbalances as indicated whose job was it to ensure that those imbalances were not perpetrated or encouraged. He encouraged the councillors not to wait for the report in order to take action, they should make sure that the jobs are executed and officials are held accountable, and it was their jobs to knock at officials door on a daily basis if they want things to run efficiently and smooth in the City, it is their role as community leaders. In conclusion Cllr. Adams said the report indicated positively on what has been done by the City.

Cllr. Nkuzana welcomed the report but showed the concern over the shortage of life guards in the community swimming pools.

Cllr. Gqola said most of the things that have been done in the report were being done in affluent areas compared to their areas. Adding that he agreed with Cllr. Adams that it was their responsibility to ensure that jobs were being executed in their areas but the problem was that the City doesn't prioritize their proposed projects that they think would help in terms of the development in their areas.

Cllr. Mbaliswana said in the report there were nothing done for people living in informal settlements in the Subcouncil 13 constituency. There were people living under the electricity wires but nothing was being done whereas there were funds made available for the informal upgrade. He also requested that there should be Area Based Officials that will focus on the informal settlement areas and disadvantaged areas. He said looking at the report there was no budget allocation from line department for Subcouncil 13.

Chairperson said comments were welcomed in writing from the community to be forwarded to the IDP office so they can be collated into one document. He further said in the coming months IDP office will be in talks with the communities in order to get people's views. He said their communities depend on public meetings in order to be able to raise their views and to be informed of the happenings in the City. He said he hoped the next annual report will reflect everyone's views who has participated in the process