

How do I know the CID finances will be managed correctly and effectively?



The following protocols govern the financial accountability of a CID:

- CIDs are heavily regulated - they are governed by Section 22 of the Municipal Property Rates Act, the Municipal Finance Management Act, Section 21 of the Companies Act, the Constitution and Cape Town's City Improvement District By-law of 2004
- All CIDs must develop a business plan with a 5-year forecasted budget indicating how improvements are to be achieved
- The budget is developed according to input from residents and is approved by residents
- Once a CID application is approved by the City, a board is elected by residents to direct the Section 21 CID company
- The City exercises financial oversight and ensures the legal compliance of the CID
- The CID must submit monthly financial reports to the City so that it can monitor that expenditure is incurred according to the CID business plan
- The CID must be audited, and its audited financial statements form part of the City's consolidated accounts which are reviewed by the Auditor-General
- Each year the CID board must submit a detailed budget to the City by 31 January and this proposed budget cannot materially deviate from the approved business plan
- The City evaluates the proposed budget for affordability and sustainability

For more information or to read some frequently asked questions, please visit http://cityimprovement.co.za/wordpress/?page_id=42