



**Annual Report
2013/2014**

DEPARTMENT OF HUMAN SETTLEMENTS

Vote 31, Annual Report for the year ended 31 March 2014

RP 152/2014

ISBN 978-0-621-42788-2

LN Sisulu (MP)

Minister of Human Settlements

I have the honour of submitting the Annual Report of the Department of Human Settlements for the period 1 April 2013 to 31 March 2014 for tabling in the National Assembly on 30 September 2014.

A handwritten signature in black ink, appearing to be 'T Zulu', enclosed within a large, loopy circular flourish.

Mr T Zulu

Director-General

Date: 25 August 2014

Contents Page

PART A: General Information

1. Department General Information	6
2. List of Abbreviations / Acronyms.....	7
3. Foreword by the Minister	9
4. Statement of Responsibility and Confirmation of Accuracy for the Annual Report.....	15
5. Strategic Overview	16
6. Legislative and Other Mandates.....	16
7. Organisational Structure.....	17
8. Entities Reporting to the Minister	18

PART B: Performance Information

1. Auditor-General's Report.....	22
2. Overview of Departmental Performance	23
2.1 Service Delivery Environment	23
2.2 Service Delivery Improvement Plan	23
2.3 Organisational Environment.....	25
2.4 Key Policy Developments And Legislative Changes	25
3. Strategic Outcome-Oriented Goals	26
4. Performance Information by Programme	42
4.1 Programme 1: Administration	56
4.2 Programme 2: Human Settlements Policy, Strategy And Planning	56
4.3 Programme 3: Programme Delivery Support	83
4.4 Programme 4: Housing Development Finance	88
5. Transfer Payments	95
5.1 Transfer Payments to Public Entities	95
5.2 Transfer Payments to all Organisations other than Public Pntities.....	96
6. Conditional Grants.....	97
6.1 Conditional grants and Earmarked Funds Paid.....	97
6.2 Conditional grant 1: Conditional Grants and Earmarked Funds Received	112
7. Donor Funds.....	112
7.1 Donor funds received	112
8. Capital Investment.....	112
8.1. Capital investment, Maintenance and Asset Management Plan	112

PART C: Governance

1. Introduction	116
2. Risk Management.....	116
3. Fraud and Corruption	116
4. Minimising Conflict of Interest.....	116
5. Code of Conduct.....	117
6. Health Safety and Environmental Issues.....	117
7. Portfolio Committees	117
8. Standing Committee on Public Account Resolutions.....	117
9. Prior Modifications to Audit Reports	118
10. Internal Control Unit.....	120
11. Internal Audit and Audit Committees.....	121
12. Audit Committee Report	121

PART D: Human Resource Management

1. Introduction	126
2. Human Resource Oversight Statistics: April 2013 to March 2014.....	127

PART E: Financials

1. Report of The Auditor-General	172
2. Appropriation Statement.....	176
3. Statement of Financial Performance	192
4. Statement of Financial Position	197
5. Statement of Changes in Net Assets.....	199
6. Cash Flow Statement	200
7. Accounting Policies.....	201
8. Annexures.....	229



PART A

GENERAL INFORMATION

1. Department General Information

Minister of Human Settlements:
Ms Lindiwe Sisulu

Minister's contact details:

Pretoria
Mail: Private Bag X644, Pretoria 0001
Street: Govan Mbeki House, 240 Justice Mahomed Street, Sunnyside, Pretoria
Tel: +27 12 421 1310
Fax: +27 12 341 8513

Cape Town
Mail: Private Bag X9029, Cape Town, 8000
Street: 2nd Floor, Room 219, 120 Plein Street, Cape Town
Tel: +27 21 466 7600 / 7608
Fax: +27 21 465 3610

Private Secretary
Ms Ntsiki Nkompela
Mail: Private Bag X644, Pretoria, 0001
Street: Govan Mbeki House, 240 Justice Mahomed Street, Sunnyside, Pretoria
Tel: +27 12 421 1310 / 021 466 7603
Fax: +27 12 341 8513 / 021 465 3610
Email: ntsiki@dhs.gov.za

Deputy Minister:
Ms Zou Kota-Fredericks
Mail: Private Bag X644, Pretoria, 0001
Street: Govan Mbeki House, 240 Justice Mahomed Street, Sunnyside, Pretoria
Tel: +27 12 421 1610
Fax: +27 12 341 0404

Personal Assistant
Ms Eartha Scholtz
Mail: Private Bag X644, Pretoria, 0001
Street: Govan Mbeki House, 240 Justice Mahomed Street, Sunnyside, Pretoria
Tel: +27 21 466 7600 / 7611
Fax: +27 21 461 3695
Email: eartha.scholtz@dhs.gov.za

Director General:
Mr Thabane Zulu
Mail: Private Bag X644, Pretoria, 0001
Street: Govan Mbeki House, 240 Justice Mahomed Street, Sunnyside, Pretoria
Tel: +27 12 421 1312
Fax: +27 12 341 2998

Personal Assistant
Ms Nokuthula Mbeje
Mail: Private Bag X644, Pretoria, 0001
Street: Govan Mbeki House, 240 Justice Mahomed Street, Sunnyside, Pretoria
Tel: +27 12 421 1312
Fax: +27 12 341 2998
Email: nokuthula.mbeje@dhs.gov.za

General Contact Information
Website: www.dhs.gov.za
Pretoria Office
Mail: Private Bag X644, Pretoria, 0001
Street: Govan Mbeki House, 240 Justice Mahomed Street, Sunnyside, Pretoria
Tel: +27 12 421 1310
Fax: +27 12 341 8513

Cape Town Office
Mail: Private Bag X9029, Cape Town, 8000
Street: 2nd Floor, Room 219, 120 Plein Street, Cape Town
Tel: +27 21 466 7600 / 7608
Fax: +27 21 465 3610
Email: info@dhs.gov.za
Call Centre: (Toll free): 0800 1 (house) 46873 Weekdays 6a.m. - 10p.m.
Fraud & Corruption: (Toll free): 0800 701 7012.

2. List of Abbreviations / Acronyms

ADEC	African Development Economic Consultants
AFS	Annual Financial Statements
AMCHUD	The African Ministerial Conference on Housing and Urban Development
APP	Annual Performance Plan
BAS	Basic Accounting System
BEP	Bucket Eradication Programme
BEPP	Built Environment Performance Plan
BER	Bureau of Economic Research
CEF	Central Energy Fund
CRU	Community Residential Units
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DCOG	Department of Cooperative Governance
DHS	Department of Human Settlements
DOE	Department of Energy
DoRA	Division of Revenue Act
DPME	Department of Performance Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DST	Department of Science and Technology
EAAB	Estate Agency Affairs Board
ENE	Estimate of National Expenditure
FEDUP	Federation of the Urban Poor
FLISP	Finance Linked Individual Subsidy Programme
FOSAD	Forum of South African Director-Generals
GEHS	Government Employees Housing Scheme
HDA	Housing Development Agency
HLAMDA	Home Loans and Mortgage Disclosure Act
HSDG	Human Settlements Development Grant
HSS	Housing Subsidy System
IBSA	India, Brazil and South Africa Cooperation
ICT	Information and Communications Technology
IDP	Integrated Development Plans
IRDP	Integrated Residential Development Programme
ISUP	Informal Settlements Upgrading Programme
IUDF	Integrated Urban Development Framework
JCC	Joint Coordination Committee
LOGIS	Logistical Information System
MDI	Mortgage Default Insurance
MEIA	Monitoring, Evaluation and Impact Assessment
MFMA	Municipal Finance Management Act
MHSCG	Municipal Human Settlements Capacity Grant
MIG	Municipal Infrastructure Grant
MinMEC	Minister and Members of Executive Council
MinTop	Minister and top management
MOU	Memorandum of Understanding
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NARS	National Archive and Records Service
NCOP	National Council of Provinces
NDMC	National Disaster Management Centre
NEDLAC	National Economic Development and Labour Council
NHBRC	National Home Builders Registration Council
NHFC	National Housing Finance Corporation
NMMU	Nelson Mandela Metropolitan University
NSPU	National Sanitation Programme Unit
NURCHA	National Urban Reconstruction and Housing Agency
NUSP	National Upgrading Support Programme
ODA	Official Development Assistance
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act

PHP	People's Housing Projects
PPMU	Programme and Project Management Unit
PPPFA	Preferential Procurement Policy Framework Act
PRT	Professional Resource Team
RCG	Restructuring Capital Grant
RHIG	Rural Households Infrastructure Grant
RHIP	Rural Housing Infrastructure Programme
RHLF	Rural Housing Loan Fund
SAAHI	South Africa Angola Housing Initiative
SALGA	South African Local Government Association
SAQA	South African Qualifications Authority
SHRA	Social Housing Regulatory Authority
SCM	Supply Chain Management
SIP	Strategic Integrated Projects
SIU	Special Investigations Unit
USDG	Urban Settlements Development Grant
WRC	Water Research Commission
WUF	World Urban Forum

3. Foreword by the Minister

I am pleased to submit my Department's Annual Report for the 2013/2014 financial year on behalf of my predecessor, Ms Connie September. This marks the end of the term of the fourth administration.

Government has for some time employed an outcome based approach to the provision of human settlements for South Africans. The department is guided by Outcome 8, which contains the following Outputs: Acceleration of housing delivery and Upgrading of Informal Settlements, amongst others.

In the year under review, a large part of the department's work involved assisting provincial and local government authorities in implementing various human settlements delivery programmes. By the end of this term, government had delivered 3.7 million housing opportunities, an achievement matched by no other country. The department brought about qualitative changes towards housing provision resulting in higher delivery at improved standards.

Future outlook

In the next financial year, we will build on this momentum and consolidate our stakeholders and partnerships to allow us to deliver tangible results on the work we have committed to do. Accelerating the delivery of sustainable integrated human settlements through greater coordination with our human settlements partners and portfolio organisations remains our goal and particular prominence will be placed on the following areas:

- Expansion of housing opportunities delivered through grants for the poorest of the poor;
- Increased access to affordable housing and stimulating the property market through financial instruments constructed for supporting qualifying beneficiaries (FLISP, MDI, rental option, amongst others);
- Issuing of title deeds to rightful beneficiaries; and
- Eradication of the bucket system.

The work that lies ahead in transforming the human settlements landscape in our country forever remains a daunting challenge that can be met through the commitment and dedication demonstrated by our staff.

My department will promote the achievement of a non-racial, integrated society through the development of sustainable human settlements and quality housing, delivering dignity and hope to all who live within our borders.



Ms LN Sisulu, MP
Minister of Human Settlements

Report of the Accounting Officer

The 2013/14 financial year marks the coming of age of the South African democracy. At the same time, it marks the ongoing process of government's efforts to provide shelter as a socio-economic right.

Provinces, as guided by the national Department, embraced principles of integrated planning, project implementation and synergy in deploying funding. Through collaboration and coordination, provinces as delivery agents were brought into the outcomes-based approach as they discharge their responsibilities to change the Human Settlements space. This occurs in an environment in which the state is struggling to access suitably located land for the realisation of the Human Settlements mandate.

It was during the year under review that the Department increased its efforts in setting up systems for delivery in sanitation programmes. Monitoring efforts were doubled to ensure that sanitation programmes are performing. To this end, the Department established a relationship with water authorities in the context of inter-governmental relations. A formal working arrangement for sanitation with Heads of Departments, Chief Accounting Officers of Human Settlements entities and water authorities was established and supported by the inter-ministerial committee on sanitation.

Increasing access to housing remained a key focus area. Through entities reporting to the Department, access to housing finance was facilitated, thus bridging the rural-urban dichotomy in the human settlement environment. A working relationship was established with housing finance entities to increase rural loan uptake.

We thus report that the human settlement sector has made reasonable strides and progress in setting the delivery framework and systems for the achievement of Outcome 8 targets. In the Informal Settlement Upgrading Programme we have improved outputs and *delivered serviced* sites in the 2013/14 financial year. Efforts were made to ensure that households in the affordable sector increased their ability to access adequate housing.

In this regard, the National Housing Finance Corporation has commenced with the necessary work to activate the Mortgage Default Insurance Programme and the process is awaiting National Treasury approval. The Department has also revised the Finance Linked Individual Subsidy Programme to improve the ability of households in the income category R3,501–R15,000 to access mortgage finance for housing, thus increasing access to housing finance and the provision of shelter and basic services.

Municipalities were allocated the Urban Settlement Development Grant for the development and management of the urban space. This is supported by efforts to accredit municipalities to be fully responsible for the human settlements development and management.

These successes reflect the tireless efforts by all stakeholders in the human settlement sector to respond to the challenge of working differently and better. In a short period, a firm foundation has been laid for the provision of human settlements and sanitation through a coordinated government effort. This annual report accounts for this success as implemented through each programme in the Department.

You are invited to note our efforts within the available resources to address the human settlement challenges in the context of rising land cost and impact to human settlements programs on one hand and the costs of building material and labour on the other. The private sector in the rental market was encouraged to provide products that would assist in meeting the macro policy provision. Collaboration with innovators in the human settlements and construction sectors continues to get priority. With environmental effects of traditional construction methods, the Department is exploring industrialisation and prefabrication as an option to ensure speed and quality in the delivery of human settlements.



Mr T Zulu
Director-General
Date: 25 August 2014

Overview of the financial results of the Department:

Departmental receipts

The Department does not render any direct services to the public. Its receipts are a result of administrative activities such as commission earned on the payroll withholdings, staff members' car parking, telephone usage refunds, etc. There was therefore no tariff policy applicable and there were no free services rendered by the Department. Bad debts are written off in terms of the debtors management policy of the Department. During the year, debts amounting to R4,700 (which is 0.5% of the closing balance at year end) were written off per advice from the State Attorney. The following table presents a summary of the departmental receipts for the year under review:

Table1: Summary of receipts

Departmental receipts	2013/2014			2012/2013		
	Estimate	Actual amount collected	(Over)/ Under collection	Estimate	Actual amount collected	(Over)/ Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	188	192	(4)	167	170	(3)
Interest, dividends and rent on land	36	63	(27)	55	90	(35)
Sale of capital assets	0	0	0	0	0	0
Financial transactions in assets and liabilities	6,360	6,440	(80)	1,048	779	269
Total	6,584	6,695	(111)	1,270	1,039	231

During the year, more breaches of contracts by staff in relation to their bursary agreements were recorded, resulting in an increase of staff debtors balance and hence an over collection of interest. Financial transactions relate mainly to prior year expenditure recoveries, which make projections very difficult.

Programme expenditure

Table 2: Departmental expenditure by programme

Programme name	2013/14			2012/2013		
	Final appropriation	Actual expenditure	(Over)/ Under expenditure	Final appropriation	Actual expenditure	(Over)/ Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	404,599	299,428	105,171	397,335	302,921	94,414
2. Human Settlements Policy, Strategy and Planning	86,245	73,328	12,917	79,712	63,200	16,511
3. Programme Delivery Support	193,202	90,794	102,408	179,494	109,534	69,959
4. Housing Development Finance	27,571,410	27,240,255	331,155	24,481,265	23,987,616	493,649
Total	28,255,456	27,703,806	551,650	25,137,805	24,463,272	674,533

Administration

One of the major contributing factors to under spending in the Department, and in this programme, is under spending on compensation of employees, which can be attributed to the following:

- Delays experienced in qualification verification by the South African Qualifications Authority for candidates who have been recommended. A meeting was arranged between the Department and SAQA in the 3rd quarter and improvement has been seen.
- Posts that had to be re-advertised due to the fact that no suitable candidates could be found.
- Problems are experienced with non-disclosure of criminal records on applications, disqualifying selected candidates.
- Limited office space also delayed the appointment of staff and interns.

Funds provided for the Special Investigation Unit were not fully utilised. This is due to the SIU not invoicing the Department or not providing the Department with supporting documentation on work performed and invoiced. The Department held various meetings but could not resolve the matter.

Funds provided for the leasing of additional office accommodation have not been fully utilised as the Department has not yet occupied the planned office accommodation. The unspent portion of the Property Management portfolio is in respect of the leasing of both 240 and 260 Justice Mahomed Street buildings. The Department of Public Works entered into a seven-year lease agreement on behalf of the Department for office accommodation, effective from 01 January 2011 to 31 December 2018. A dispute arose between the DPW and the landlord that led to a delay in planned building refurbishment and tenant installation as well as the subsequent occupation of the additional office accommodation (i.e. 260 Justice Mohamed Street building).

The dispute has been resolved in the latter part of the 2013/14 financial year. The owner of the building has commenced with refurbishment; occupancy is expected to be by the end of June 2014. The payment for the lease of additional office accommodation can only take place when the building is handed over to the Department.

The migration from Novel to Microsoft was delayed due to uncertainty on the procurement process to be followed. The migration will start in 2014/15 financial year and is a multi-year project.

Human Settlements Policy, Strategy and Planning

The major contributor to under spending in this programme is the slow filling of vacancies, which contributed to under spending on both personnel and personnel-related costs and budget allocated for consultancy services. Another contributing factor is the fact that a project on the evaluation of the Urban Settlements Development Grant could not be finalised by year end.

Programme Delivery Support

Apart from savings on compensation of employees, the following are reasons for under spending:

- Delay in the implementation of the National Upgrading Support Programme, which takes up 30% of the branch's budget, has contributed to the programme's under spending. This is due to the following:
 - The NUSP programme is of such a nature that the Department cannot provide technical support without the involvement and agreement of both the specific municipality and province in each specific case. Therefore, without the concurrence of the municipality (both from a technical and political point of view), the Department cannot conclude agreements with service providers.
 - Another contributing factor is the lengthy approval processes by municipal councils of draft terms of reference. In certain cases, a total unwillingness is encountered by municipalities to cooperate with NUSP, such as Nelson Mandela Bay Metro and KwaDukuza.
 - Slow procurement and approval processes by the Department as well as lack of sufficient human resources to manage the NUSP effectively.
 - Another contributing factor is funds provided for the appointment of consultants to assist with sanitation-related projects could not be utilised.

Housing Development Finance

The under spending is as a result of:

- Vacant positions filled during the year or not filled by year end.
- The total grant appropriation for the Social Housing Regulatory Authority in respect of the 2013/14 financial year is R936.2 million and consisted of an operational component of R32.1 million to defray operational expenses and a capital grant component of R904.1 million for investment in the social housing sector for the development of new social housing units. An amount of R286.1 million was not transferred to SHRA.
- Allocation for the Rural Household Infrastructure Grant was not fully spent due to challenges experienced during implementation.

Virements and rollovers

Virements

The following virements were part of the adjustment estimate:

Table 3: Details of virements that were part of the adjustment estimate

Originating programme	Receiving programme	Amount	Reason	Approved by
		R'000		
Programme 3	Programme 4	1,220	Funds shifted from goods and services to fund the closure costs of Servcon.	Director-General

The following virements were approved after the adjustment estimate:

Table 4: Details of virements after adjustment estimate

Originating programme	Receiving programme	Amount	Reason	Approved by
		R'000		
Programme 1	Programme 4	19,100	To fund the prepayments of the Rural Household Infrastructure Grant made in the 2012/13 financial year.	Director-General
Programme 2		3,000		
Programme 3		6,000		

Rollovers

The following were rollovers approved during the year under review:

Table 5: Details of rollovers approved during the year under review

Programme	Amount R'000	Purpose
Programme 4	100,539	This was in respect of the Rural Household Infrastructure Grant and was to enable the Department to complete projects funded by the grant
Programme 3	20,000	This was for the initial start up costs for the Community Scheme Ombud Service
Total	120,539	

Future plans

The Department has introduced two new grants, which will be transferred to municipalities. These are in respect of bucket eradication and capacitation of metros towards accreditation.

Private public partnerships

There were no private public partnerships during the year under review.

Discontinued activities

The South African Housing Fund was de-listed during 2004/05. The delisting of the fund was necessary as the fund is dormant due to the introduction of the Division of Revenue Act. As a result of a MinMec decision to disestablish all the funds, there is a need to:

- Amend the Housing Act in order to effect alignments between the Housing Act, the Public Finance Management Act and the Division of Revenue Act.
- Disestablish the fund.
- The winding up of Thubelisha Homes, the Social Housing Foundation and Servcon has not been finalised.

New or proposed activities

There were no new or proposed activities

Supply chain management

The Department has in place a supply chain management directorate. There are in place approved policies and procedures which are reviewed annually. In line with prescripts, the Department has established bid specification, bid evaluation and bid adjudication committees.

The following are some of the challenges experienced and how they are resolved:

- The poor response rates to requests for proposals or quotations for professional services from service providers on our database due to price versus project scope matters.

The following actions were taken to resolve the challenges:

- The invitations to submit proposals for professional services (requirements less than R500,000) are now all advertised in the Government Tender Bulletin.
- Training on preparation of terms of reference was provided to officials in line functions who are involved in the preparation of specifications and terms of reference.

An internal control unit is in place under the Chief Financial Officer, which continuously reviews departmental processes and policies to ensure the continued effectiveness of internal controls.

List all unsolicited bid proposals concluded for the year under review

The Department of Human Settlements did not conclude any unsolicited bid proposals during the year under review.

Gifts and donations received in kind from non-related parties

Except for pens and diaries received from Sabinet by the Department's library, there were no gifts or donations received from non-related parties.

Exceptions and deviations received from National Treasury

There were no exemptions and deviations from the National Treasury for the period under review.

Events after the reporting period

There were no events to report after the reporting date.



Mr T Zulu
Accounting Officer
Department Of Human Settlements
Date: 25 August 2014

4. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The annual financial statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2014.

Yours faithfully



Mr T Zulu
Accounting Officer
Department Of Human Settlements
Date: 25 August 2014

5. Strategic Overview

5.1 Vision

A nation housed in sustainable human settlements

5.2 Mission

To facilitate the creation of sustainable human settlements and improved quality of household life

5.3 Values

The core values guiding and regulating the Department are based on the Constitution of the Republic of South Africa and supporting legislations and include:

- Accountability
- Fairness and equity
- Choice, quality and affordability
- Sustainability
- Innovation
- Batho Pele principles

6. Legislative and Other Mandates

In addition to the mandate derived from the Constitution, the Department of Human Settlements derives its responsibilities from Section 3 of the Housing Act (1997). According to the Act, the Department must, after consultation with provinces and municipalities, establish and facilitate a sustainable national housing development process by:

- determining national policy, including national norms and standards, in respect of housing and human settlements development;
- setting broad national housing delivery goals;
- monitoring performance of provinces and municipalities against housing budgetary and delivery goals;
- building the capacity of provinces and municipalities; and
- promoting consultation with all stakeholders in the housing delivery chain, including civil society and the private sector.

The legislative mandate of the Department remains the same save for the inclusion of the following:
Estate Agency Affairs Act (1976)

Following a Presidential Proclamation, the Department took over the administration of the Estate Agency Affairs Act (1976) from the Department of Trade and Industry during May 2012. The principal objects of the Act are to:

- Establish the Estate Agency Affairs Board to regulate the conduct of estate agents;
- Establish the Estate Agents Fidelity Fund;
- Monitor trends within the real estate industry; and
- Render education and training to estate agents.

Other specific constitutional, legislative and policy mandates of the Department, including government policy frameworks, are:

- Constitution of the Republic of South Africa
- Housing Act (Act No. 107 of 1997)
- Comprehensive Plan for the Creation of Sustainable Human Settlements (BNG)
- The Housing Consumer Protection Measures Act (Act No. 19 of 1998)
- The Housing Development Agency Act (Act No. 23 of 2008)
- Public Finance Management Act (Act No. 1 of 1999, as amended by Act No. 29)
- The Social Housing Act (Act No. 16 of 2008)
- The Division of Revenue Act (Act No. 6 of 2011)
- The Rental Housing Act (Act No. 50 of 1999)
- Home Loan and Mortgage Disclosure Act (Act No. 63 of 2000)
- Inclusionary Housing Bill
- Sectional Titles Scheme Management Bill
- Community Scheme Ombud Service Bill
- Intergovernmental Relations Framework (Act No. 13 of 2005)
- National Development Plan

7. Organisational Structure



8. Entities Reporting to the Minister

Name of public entity	Legislative mandate	Financial relationship	Nature of operations
National Housing Finance Corporation	Mobilise funding into human settlements space in partnership with a broad range of institutions.	Transfer payment	NHFC granted 22 approvals for projects and five for strategic investment. The value for projects was R669 million while the disbursements was R483 million for projects and R132 million for strategic investments.
National Home Builders Registration Council	Provide innovative quality products and services that will delight the customer.	Transfer payment	NHBRC recorded a total number of 3,175 for registered homebuilders and 12,447 for renewals of registration. The institution recorded 92% in reduction in the building of homes outside the agreed standards and norms. The total of 451,324 inspections were undertaken for both subsidy and non-subsidy.
Estate Agency Affairs Board	To improve compliance with the Estate Agency Affairs Act.	Transfer payment	EAAB recorded 312 NQF level candidates. Five candidates enrolled in and passed the Professional Designation Examination. 22 agent awareness campaigns were undertaken. An initiative of "1 learner 1 estate agent" was well received by the industry. 80% of the top estate agents committed to the initiative. This initiative seeks to address transformation issues in the next five years.
Housing Development Agency	Facilitate the release of land and landed properties for human settlements development.	Transfer payment	HDA acquired and released 3,945.0369 hectares of well-located land for human settlements development.
National Urban Reconstruction and Housing Agency	Ensure the availability of bridging finance to small, medium and established contractors building low- and moderate-income housing and related communities, facilities and infrastructure.	Transfer payment	NURCHA provided funding for 14 projects to the value of R873,072,445 for affordable housing (sites and services). This funding facilitated the delivery of 1,619 sites and services.

Name of public entity	Mandate	Financial relationship	Output
Rural Housing Loan Fund	The RHLF is a development finance institution, established in August 1996 as an association not for gain. The company is mandated to empower low-income households in rural areas to access housing credit. It operates as a wholesale lender and thus attains its mandate by providing loans through retail intermediaries to its target market to be utilised for incremental housing purposes.	Transfer payment	RHLF provided R421,393 in loans to commercial lenders for rural housing development, R146,257 in disbursements was provided to intermediaries and R246,257 was disbursed to retail intermediaries.
Social Housing Regulatory Authority	SHRA was established in terms of the Social Housing Act (Act No. 16 of 2008). SHRA is intended to regulate all social housing institutions and projects obtaining public funds.	Transfer payment	SHRA reported 2,279 social housing units being approved. 100% of applications for accreditations were processed.



PART B

PERFORMANCE INFORMATION

AUDITOR GENERAL'S REPORT
Refer to page 174

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Global economic developments

The global economy remained subdued with a growth rate of 2.1% in 2012. This emanates from the fact that most developed economies continued to grapple with the aftermath of the financial crisis, while a number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered headwinds. As a result, growth of world merchandise trade weakened further in 2013, registering 2.3% growth in export volumes in 2013 compared to 3.1% world export volume growth in 2012. Despite this, South African exports reached an all-time high of R86,499.96 million in November of 2013, benefiting mainly from regional trade.

South African economic outlook

Economic performance

Due to improved personal spending as well as exports during the 2013, economic growth reaching a high of 3.8% in the fourth quarter of 2013. The recurring developments of low savings, combined with consumers' credit-risk profiles that severely restrict access to credit, negatively impacted on household consumption expenditure, which is the engine for economic performance in the country.

Unemployment

The year 2013 has seen improvements in the labour market. Over the period of the fourth quarter of 2012 to the fourth quarter of 2013 employment has increased by 653,000 largely as a result of an increase of 507,000 in the formal sector. Employment in the informal sector increased by 95,000 over the same period. Despite this, the rate of unemployment remained high at 24.1%. High unemployment is a cause for concern in South Africa and gives an indication that a large number of South Africans will still rely on government for the maintenance of their livelihood, including housing assistance.

Increasing costs of living

Overall inflation was on the increase in 2013 reaching 5.9% in February 2014. Producer price inflation also reached 7% growth in the same period, which is a lead indicator for overall inflation. The upwards trend in inflation generally means that households' disposable income is eroded at a faster pace, thereby reducing the standard of living at a faster rate as the same level of income keeps affording fewer goods.

Building costs

According to ABSA (2014), the average building cost of a new house constructed came to R5,202/m² in 2013. This was 10% higher than in 2012. The cost of having a new house built increased by 8.5% year-on-year in the fourth quarter of 2013, contributing to an average rise in building costs of 8.1% in 2013. The Bureau of Economic Research also confirmed a higher cost of building residential properties 2013. The BER tender price increase, as measured by BER building costs index, which is used to adjust the subsidy, rose by 5.7% in 2013 following an increase of 6.9% recorded in 2012. This means it will cost a little more to build the same size house, thereby reducing the value of capital investments made in the building industry. This is then expected to limit the number of houses to be delivered with the subsidy unless more funding is provided.

Financial environment

After a long period of stable cost of credit, the South African Reserve Bank has increased the repo rate by 50 basis points (5.5%) following its meeting in January 2014. The prime interest rate asked by commercial banks also was raised to 9% (SA Reserve Bank, 2014). This decision meant that the pressure on disposable income for individuals with mortgages and other forms of credit exposure also ticked up. This took place in an environment of low and declining credit extension, gross fixed capital formation, particularly from the private sector, which is significantly below what is required. Capital outflows and sustained current account deficit also exacerbate the difficulties that lie ahead according to the SA Reserve Bank (SA Reserve Bank, 2014). These are indications that chances to finance more development are expected to be limited going forward.

Vulnerability of the low-income earners and access to credit

Despite the stable cost of credit during 2013, many low-income earners struggled to access credit. The percentage of applications rejected increased from 53% to 57% while the level of indebtedness remains beyond 75%. The high level of impaired credit records presents evidence of vulnerability of low-income earners to access credit, particularly mortgage loans, which are the main form of funding housing development. This impacted mainly on low-income earners as 99% of the value of all mortgage loans were granted to those earning R10,000 and above. This calls for a shift from mortgages to short-term loans as viable instruments to finance housing development for low-income earners. The policy does provide a platform for this approach.

2.2 Service Delivery Improvement Plan

With regard to Pillar 3 of (SDIP), which is managed within Human Resources (Organisational Transformation), the following activities took place in the year under review:

The Batho Pele, Employment Equity and Change Management (BP, EE, CM) sub-directorate, together with the Communications unit, coordinated the departmental exhibition at the Africa Public Service Day event in Cullinan (Refilwe Sports Ground), organised by the DPSA.

- The BP, EE, CM sub-directorate rolled out the Batho Pele Change Management Engagement Programme (BPCMEP), as part of the Human Resources Awareness Campaign, mainly to the Sanitation unit staff in North West, Gauteng and East London.
- The BP, EE, CM sub-directorate co-coordinated Project Khaedu training deployments for teams from the DPSA and DPW.

Main service for service delivery improvement and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Consultation	Walk-in beneficiaries	Walk-in beneficiaries	Case attended on presentation	100% beneficiaries attended to and queries resolved
Value for money	Subsidy beneficiaries	Walk-in beneficiaries	Case attended on presentation	100% beneficiaries attended to and queries resolved

Consultation arrangements for customers

Type of arrangement	Actual customer	Potential customer	Actual achievements
Front desk consultant and 18-hour functional call centre	Walk-in and call-in beneficiaries	Walk-in and call-in beneficiaries	100% of queries resolved

Service delivery access strategy

Access strategy	Actual achievements
Functional toll-free number	100% of calls received attended to
Functional fraud and corruptions number	80% of cases reported with preliminary investigation

Service information tool

Type of information tool	Actual achievements
Record of queries	Fraud cases reported are investigated

Complaint mechanism

Complaint mechanism	Actual achievements
Mail and suggestion box	100% of suggestions and complaints reported with the manager and those in boxes reported anonymously attended to or referred to the law enforcement agencies

2.3 Organisational Environment

The 2009 proclamation resulted in departmental reorientation that impacted on the operational model. The mandate expanded as parts of the Water Act governing sanitation were now administered within the Department of Human Settlements while the full power and authority remained with the Minister of Water Affairs. This was a learning curve that resulted in the development of formal partnership for the effective application of the law and service delivery.

With the Housing Act of 1996 and the departmental mandate being extended, a need arose to reassess the strength of the Housing Act and its relevance under the changed circumstances. The four main programmes as per departmental budget structure repositioned themselves to meet the challenge. To this end, the Delivery Framework Branch was established with a focused attention on enablement of the Project Management Unit which in turn was strengthened by the branch strategy and planning. This realignment brought to light a skills deficit, which was addressed by engagement of the professional task teams whose sole focus is in the built environment.

Key to internal operations is the effectiveness of office of the Chief Financial Officer whose systems and processes aided in ensuring good governance and application of high accounting standards to match a fast-paced organisation. Lessons learned from the 2012/13 audit assisted in a focus on closing gaps in internal processes; this includes the time lag between advertisement of a post to the placement of a successful candidate, procurement processes and record management. Efforts made in this space contributed significantly to the high standards of independence and objectivity in the procurement value chain. This includes the establishment of the bid specification and assessment committees based on the principle of separation of functions and powers.

The Department during the period under review continued to implement the turn-around strategy, aimed at enabling the Department to effectively respond to the human settlement conditions in South Africa, building alignment to context, organisational design and structure, strategy of the Department and outcome-based approach of government. This continued implementation is in the form of the filling of posts on the new structure as well as implementation of the approaches identified in the turn-around strategy.

The Department embarked on filling all the vacant positions to address the challenge of skills shortages. The strengthening of internal and capacity development initiatives aims to achieve the mandate of the Department of Human Settlements.

From a human resource management perspective, significant developments are as follows:

- Significant efforts have been made to fill vacant, funded posts and reduce the vacancy rate that existed.
- A key appointment that was made was that of the DDG: Project Management Unit.
- There was no strike during the year in question.
- With regard to employment equity and other transformation initiatives, the Department reviewed its employment equity plan to support the transformation agenda of the Department.

The DDG as well as other lower-level staff members resigned. An appointment drive was initiated and all vacant posts are in the process of being filled.

A number of promotions among branch personnel resulted in vacancies. Accordingly, the recruitment process undertook another cycle of recruitment further down the organisational structure. The delays in completing the recruitment processes were necessary and desirable. The human resource management team was instrumental in facilitating the recruitment activities.

As the financial year comes to a close there is no anticipation of a repetition of the abovementioned challenges as the structure is now fully functional and capacitated.

The issue of office accommodation has been with the Department since the last financial year. The Delivery Frameworks Branch was allocated adequate office accommodation during the year under review. As a result the working environment has improved and the staff has settled.

In addition to the provinces, six metros are ready for assignment of housing functions:

- City of Cape Town
- Ethekwini metro
- Ekurhuleni metro
- City of Jo'burg
- Tshwane metro
- Nelson Mandela Bay metro

2.4 Key Policy Developments And Legislative Changes

Even though the name of the Department changed in 2009 from Housing to Human Settlements, the Department still draws its mandate from the Constitution of the Republic of South Africa and Section 3 of the Housing Act of 1997.

According to the Housing Act, the Department must, after consultation with provinces and municipalities, establish and facilitate a sustainable national housing development process by:

- setting broad national housing delivery goals;
- promoting consultation with all stakeholders in the housing delivery chain, including civil society and the private sector;
- determining national policy, including national norms and standards, in respect of housing and human settlements development;
- monitoring performance of provinces and municipalities against housing budgetary and delivery goals; and
- building the capacity of provinces and municipalities.

The key policy developments during the year under review include the following:

- The MINMEC approval of the new norms and standards for building
 - 40m² metres houses for beneficiaries in line with the SANS 10400 XA;
 - a house for a wheelchair-bound person; and
 - a house for qualifying military veterans and facilitating the signing service level agreements with the provinces regarding the transfer of top-up funding from the Department of Military Veterans.
- The building capacity of accredited metropolitan municipalities leading to approval of a municipal Human Settlements Capacity Grant for the metropolitan municipalities that have been earmarked for assignment of housing functions by 2014.
- The Department has also promoted consultation with stakeholders in the housing delivery chain by consulting and partnering with the organisations responsible for people with special needs, such as the disabled, and further partnered with the Department of Social Development and the Department of Women, Children and People with Disabilities regarding future programs in line with the UN Declaration.

The following legislation was revised during the current financial year:

1. Developments on the Rental Housing Amendment Bill, 2014

1.1 The Rental Housing Amendment Bill, 2014, was formally presented to Parliament on 20 November 2013 and subsequently referred to the Portfolio Committee on Human Settlements for deliberation.

1.2 The Portfolio Committee finalised its deliberations on the Bill and subsequently referred the Bill to the National Assembly for debate and adoption scheduled for 25 February 2014.

1.3 Translations of the Bill to Afrikaans and Xhosa have also been finalised.

3. STRATEGIC OUTCOME-ORIENTED GOALS

The Department of Human Settlements has since its existence attempted to capture the mandate to build functioning communities and respond to the national dynamics and challenges by drafting a human settlements strategy that aims to create sustainable human settlements and improve the quality of household life.

Following the national and provincial elections in 2009, government adopted a medium-term strategic framework (MTSF) and included the priority of “building cohesive and sustainable communities”, which directly informs the strategic objective of the Department. The adoption of Outcome 8 as the development outcome the Department must achieve builds on the priority set in the MTSF by Cabinet in July 2009.

The strategic outcome identified for the Department to realise is “sustainable human settlements and improved quality of household life”. The following are the departmental strategic outcome-oriented goals, referred to as “outputs of Outcome 8” elsewhere in this Departmental Strategic Plan:

Strategic outcome-oriented goal 1	Accelerated delivery of housing opportunities
Goal statement	Achieving the target of 400,000 households by 2014 and the securing of some form of land tenure for these families so they have a real asset and access to universal services. Upscaling the development of affordable rental housing stock
Technical indicators	To upgrade informal settlements and proper services and land tenure to 400,000 houses by 2014. To increase the rate of affordable rental housing delivery to 20,000 units per year towards 2014. To provide support for accelerated delivery of 80,000 affordable rental units by 2014. To develop comprehensive profile of informal settlements. To actively participate in and oversee project choice by provinces and municipalities. To undertake a national human settlements sector capacity audit. To determine and implement incentives for private sector investment in our target market. To facilitate the implementation of the "Each-One-Settle-One" campaign.

Strategic outcome-oriented goal 2	Improve access to basic service
Goal statement	This outcome is the primary responsibility of the Department of Cooperative Governance and Traditional Affairs, and the Department of Human Settlements will play a supportive role in access to basic services: water from 92% to 100%, sanitation from 69% to 100%, refuse removal from 64% to 75% and electricity from 81% to 92%.
Technical indicators	To accelerate the provision and upgrade of infrastructure networks to prioritised settlements by 2014 through establishment of a consolidated infrastructure (community and bulk) funding scheme. To facilitate stronger alignment between MIG and Human Settlements Development.

Strategic outcome-oriented goal 3	More efficient land utilisation
Goal statement	More efficient utilisation of the land to enhance urban agglomeration and improve access to social amenities and job opportunities. Urban sprawl and low densities contribute to unproductive and inefficient cities as poor households continue to be marginalised by distance and transportation costs and the lack of agglomeration in many urban centres undermines economic development and efficiency. The release of well-located land and properties owned and held by the state in the national spheres of government for purpose of housing and human settlements development.
Technical indicators	To assemble and acquire 6,250 hectares of state-owned land that is well located for low-income and affordable housing. To determine and oversee implementation of higher densities. To acquire tribunal land.

Strategic outcome-oriented goal 4	Improved property market
Goal statement	The target is to facilitate, with the private sector, related DFIs and spheres of government, the improvement of financing of 600,000 housing opportunities within the gap market for people earning between R3,500 and R12,800.
Technical indicators	To establish a mortgage default insurance programme to accommodate people whose salaries are too high to get government subsidies, but who earn too little to qualify for a normal bank mortgage. To supply affordable housing finance to 600,000 households.

The adoption of outcome-based performance has resulted in the focusing of priorities for the Department and key areas of development that the Department must focus on to achieve goals and outcomes. The failure in the recent past has been to have a plethora of outcomes and goals to be achieved and limited impact. It is important that, based on the current state of overall national development goals, the Department focuses on the key national development strategic outcomes and goals, which are eradication of poverty and inequality and redress of social and economic underdevelopment.

Progress made towards the achievement of the 5 year targets. These are the highlights of significant achievements with regard to Outcome 8 announced by the Department of Performance Monitoring and Evaluation.

15th POA summary progress report: Outcome 8 (1 April 2010 – 31 March 2014)

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
8.1: Accelerated delivery of housing opportunities					
8.1.1	Upgrading households in informal settlements 2014 target: 400,000 HH	8.1.1.1 Provide technical assistance to 49 Municipalities to categorise, classify and map Informal Settlements, develop upgrading strategies and settlement specific upgrading plans	98% of target achieved. 48 of the 49 NUSP Municipalities are provided with technical assistance with Nelson Mandela Metropolitan Municipality the only outstanding municipality. Requests were received to provide assistance to three additional Municipalities, namely KwaDukuza, Stellenbosch and Matlosana. Two of the three are currently being assisted resulting in a total of 51 municipalities receiving NUSP assistance. The 51 municipalities represent 605 informal settlements of which categorisation and geographical information is currently being collected. Details are as follows : Eastern Cape: Buffalo City: (32 settlements) SLA is concluded between the Department and Service Provider and Inception meeting held. The PHSD agreed the ToR's for Amahlathi, Elundini, Mhlontlo and Mquma municipalities and were submitted advertised in government tender bulletin. The Nelson Mandela Bay Metro will further be engaged concerning the Programme. Free State: Categorisation and mapping is under way in Dhlabeng, Maluti A Phofung, Moqhaka, Matjhabeng and Metsimaholo NUSP Municipalities. Gauteng: Categorisation is underway in City of Johannesburg for 21 settlements, Mogale City for 66 and 18 settlements in Ekurhuleni Metro while the SLA's for Emfuleni (24 settlements) and City of Tshwane (30 settlements) municipalities were concluded between the Department and Service providers.	The two challenging Municipalities (KwaDukuza and Nelson Mandela Bay) are continuously consulted to determine technical and capacity needs to address informal settlements in their areas of jurisdiction.	The Provincial NUSP Fora in the two Provinces will be involved in an effort to resolve the non-cooperation of the two Municipalities

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
			<p>Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)</p> <p>KwaZulu-Natal: Service providers are on site to conduct the categorisation of informal settlements in three Municipalities, namely Ladysmith, Newcastle (10 settlements) and Msunduzi (72 settlements). The Bid for Ethekwini (20 settlements) was advertised in government tender bulletin in December 2013. Umhlathuzi (7 settlements) tender evaluation was done in December 2013 and recommended service provider which will be appointed once SCM process is completed.</p> <p>KwaDukuza will further be engaged concerning the Programme.</p> <p>Mpumalanga: Govan Mbeki (43 settlements): the service provider completed the scope of work. Emalaheni (29 settlements) tender was advertised in government tender bulletin in December 2013. Approval of the draft TOR by the respective municipalities of Thembisile Hani (9 settlements), Steve Tshwete and Lekwa (list of settlements for both municipalities to be confirmed) are awaited.</p> <p>Northern Cape: The service provider is busy with the categorisation and development of detail settlements plans in Gamagara (2 settlements), Ga-Segonyana (list of settlements to be confirmed), //Khara Heis (list of settlements to be confirmed), Phokwane (7 settlements), Sol Plaatje (28 settlements) and Tsantsabane (5 settlements) municipalities.</p>		

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
			<p>North West: The Department and the Service provider concluded SLA for the categorisation and detailed settlements plans in Rustenburg (10 settlements). Madibeng (30 settlements). Tender evaluation was done in December 2013 and recommended Service provider will be appointed once SCM process is completed. ToR's have been submitted to the Bid Specification Committee for consideration and approval for Tlokwe, Kgetlengrivier and Maquassi Hills. This will form a single contract (list of settlements for the three municipalities to be confirmed). Province has been engaged and will be responsible for coordinating the municipalities.</p> <p>Western Cape: In the City of Cape Town the service provider is appointed to produce development frameworks for 25 informal settlements. Drakenstein service provider is appointed to produce development frameworks for 32 settlements.</p> <p>In George (12 settlements) and Mossel Bay the NDOHS concluded SLA's with service providers to update municipal informal settlement master plan and production of development frameworks. Stellenbosch (Nkanini and Langrug settlements) tender was advertised in government tender bulletin in December 2013 and tender evaluation will be done as soon as the BID evaluation committee is approved. Theewaterskloof (list of settlements to be confirmed) tender will be advertised as soon as SCM process is completed.</p>		

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
		8.1.1.2 Establish a Project Management Unit	Target achieved: The Programme Management Unit was established on 1 April 2012 in terms of the new Organisational Structure of the National Department implemented on 1 April 2012.	All vacant posts have been advertised, interviews conducted and successful candidates appointed. Additional capacity is being contracted through Professional Resource Teams (PRTs).	Technical teams have been deployed to Provinces and Municipalities to resolve constraints that cause slow programme delivery to ensure that there is urgency in delivery of houses, serviced sites and various services to communities.
		8.1.1.3 Provide 400 000 households with upgraded services through in-situ development and relocation to green fields development Total number of households assisted up to 31 December 2013: 407 463	101, 9 % of the target achieved by 31 December 2013 with 407 463 households assisted utilising mainly the Upgrading of Informal Settlements Programme, the Integrated Residential Development Programme (Informal Settlements), the Enhanced People's Housing Process Programme and the Rural Housing Programme (especially in the more rural Provinces).	A process has been undertaken to verify and confirm the total number of households reported. A report on the findings will be available in the first week of February 2014.	In addition, a service provider has been appointed to conduct a rapid appraisal to determine the benefits for beneficiaries and communities produced as well as the nature and sustainability thereof.
8.1.2	Implementation of National Upgrading Support Programme 2014 target: 49 municipalities	8.1.2.1 and 8.1.2.2 Establish a National NUSP Unit and Provincial NUSP structures 8.1.2.3 Establish a Capacity Building Programme	Target achieved. A National NUSP Unit and provincial NUSP structures have been established. Approval has been obtained to enlarge the NUSP Core team in order to create more capacity and 4 contract positions will be advertised during January 2014. The Department advertised for tender proposals in November 2013, and evaluation of tender proposals was completed in December 2013. The Bid Adjudicating Committee approved the appointment of the successful tenderer on 21 January 2014 subject to the approval of an increased budget amount.	It is anticipated that the Capacity Building Programme Guidelines will be finalised in the first quarter of the 2014/15 financial year for implementation.	A support programme has been established. A support programme has been appointed to create more capacity and 4 contract positions will be advertised during January 2014. None at this stage.

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
8.1.3	Increased provision of well-located rental accommodation 2014 target: 80,000	8.1.3.1 Declaration of 130 restructuring zones	60,8% (79 out of 130) of the target was achieved. Proposals for the designation of the remaining 55 zones are being prepared for ministerial approval. Guidelines for restructuring zones were developed and presented to management structures.	A number of smaller towns in Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape and North West have been identified as additional restructuring zones. Designation processes will be implemented as soon as formal approval has been received for the commencement of Phase 3 of the restructuring zone process.	Provincial-based assessment task teams were established to further assess the relevant towns, taking into account the demand for social housing and infrastructural capacity to sustain the social housing projects. Consultation with the relevant SALGA officials have been undertaken. A comprehensive report of the assessment results is being developed and will be presented to management structures.
		8.1.3.2 Establish a Programme Management Unit	See 8.1.1.2		
		8.1.3.3 Revise CRU policy and institutional instrument	Target not yet achieved. The Bid Specification Committee approved the terms of reference to appoint expertise to undertake a detailed investigation on the implementation of the programme.	As soon as formally approved by the Accounting Officer, the TOR will advertised for tender proposals.	The investigation will also determine what the funding spent was utilised for and will inform the development of clear norms and standards for the programme.
		8.1.3.4 Develop a low-income rental policy (backyard policy)	A policy was developed and submitted to management structures for comment.	As soon as approved within the Department, the draft policy will be submitted to Technical MinMEC and MinMEC.	The approval and implementation of the policy instrument and the development of regulations need to be fast-tracked as backyard dwellers is a major challenge.

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
		8.1.3.5 Confirm project pipeline and financial implications	SHRA's performance to date: <ul style="list-style-type: none"> • Units completed and tenanted: 4,535 units • Total units approved: 17,337 • Number of units under construction: 12,802 units. • Approved pipeline: 23,724 units. 	It is envisaged that the increase in the subsidy quantum from 1 April 2014 will enable the sustainability of institutional housing projects for the low-income group and as such may result in more projects being developed.	SHRA's capital budget was suspended, pending greater internal control on the administration of the RCG. Based on the new internal controls, additional investment and finance staff will be required and therefore SHRA's operational budget needs to be reviewed.
		8.1.3.6 Develop a monitoring model to determine private sector delivery	Target not yet achieved. An external service provider may have to be appointed to assist with this project.	The NHFC, NHBRC and SHRA have been requested to assist with the development of a mechanism to allow the sector to report on the contributions from the private sector.	The three entities must come with the relevant specifications for such a model in order to advertise for tender proposals.
		8.1.3.7 Deliver 80,000 of well-located affordable rental accommodations Total delivery up to 31 March 2014: 53 339	The Outcome 8 target for rental accommodation has not been reached. Only 66.7% of the target was achieved with 53,339 units delivered between 1 April 2010 and 31 March 2014. The total number of 53,339 units represents 37,903 units delivered by provincial Departments of Human Settlements through three of the four rental housing instruments, 10,368 private sector rental units and 5,068 units financed through the USDG.	Professional teams are assisting provinces with project packaging and negotiations are also being conducted with municipalities to facilitate the release of land to social housing institutions.	The national Department and SHRA are currently in the process of aligning SHRA's business plan and pipeline with provincial business plans. It is envisaged that this process will be completed by August 2014.

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
8.1.4	Accreditation of municipalities 2014 target: 6 metros and 27 municipalities	8.1.4.1 Accredit 27 municipalities with Level 2 accreditation	74% of the target was achieved Level 1: 8 district/ local municipalities Level 2: 8 metros, 12 district/ local municipalities. The outstanding 4 implementation protocols are Mangaung, Nelson Mandela Bay, Tlokwe and Rustenburg.	Regular meetings are held with municipalities to discuss challenges and progress made with the accreditation processes, capacity gaps and support requirements. Funding allocations still need to be gazetted by most provinces. Provinces also need assistance with the development of municipal human sector plans and the alignment of IDPs and APPs.	
		8.1.4.2 Accredit 6 metros with Level 3 accreditation or assignment	The national Department and National Treasury are in the process of resolving the funding procedures and transferring assets and projects with a view to assign at least six metropolitan municipalities on 1 July 2014. The assignment of the remaining metropolitan municipalities is planned for March 2015.	Council resolutions to support assignment were issued by the metropolitan municipalities. Metros have also redesigned their organisational structures to accommodate the new functions. Joint provincial and metro assignment task teams were established to negotiate the transfers and manage associated risks.	The Department recognises the complexity of the transfer process and has developed a two-phase transfer framework. The first phase includes the transfer of staff, moveable assets, contractual obligations and liabilities within a year after the signing of the executive assignment agreement by the respective MEC and executive mayors. The second phase addresses the transfer of immoveable assets, such as property and buildings, and this will take place over a five-year period from the signing of the agreement

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
		8.1.4.3 Alignment of funding streams	The development of a spatial reporting format has been delayed due to insufficient technical capacity.	A guideline document is envisaged to ensure that government programmes achieve their objectives and to determine the impact thereof. The anticipated target date is August 2014	
		8.1.4.4 Evaluate performance of accredited municipalities	The programme of the performance of the municipalities will be managed under the Grant Management Unit, which is responsible for the management of both the HSDG and the USDG.	A process to determine the capacity needs of accredited municipalities will be undertaken in collaboration with the Capacity Building Unit with a view to design appropriate programmes.	A TOR was submitted to the Bid Specification Committee to contract expertise to address the capacity needs of accredited municipalities. Certain amendments were requested and are receiving attention with a view to re-submission to the Bid Specification Committee for approval.
8.2: Access to basic services: The provision of basic services is delineated in the Outcome 9 Delivery Agreement and as such will be reported on by DCOG as the coordinating Department of Outcome 9. This is to avoid duplication of effort and reporting by both DCOG and DHS.					
8.3: Efficient utilisation of land for human settlements development					
8.3.1	Release of land vested nationally and provincially for human settlements development 2014 target: 6,252 ha	8.3.1.1 Develop criteria for the identification, acquisition and development of state land	Target achieved: Development of land identification and acquisition criteria have been completed and approved and are continuously implemented and updated. (In terms of the criteria the component government, spatial priority (notes/corridor), has a weight of 50%, HDA development trend analysis a weight of 25% and the principles of the Housing Act and breaking new ground a weight of 25%).		

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
		8.3.1.2 Develop framework for the release of state land	Target achieved.	The Department has facilitated the follow-up on action items in the Joint Coordination Committee established to support the delivery on Outcome 8 targets.	The land compensation framework has been submitted to the JCC for consideration, addressing the legal obstacles to release of assets, financial compensation for asset release and mechanisms to fast-track internal procedures for release of non-core assets.
		8.3.1.3 Compile periodic register of prioritised state land	Target achieved: The periodic register has been compiled and is continuously revised to make provision for additional land.		
		8.3.1.4 Release 6,252 ha of state land for human settlements development	Target achieved: The 6252 hectares target of state land has since been met and exceeded up to 11 308.7 hectares. The figure of land made available for human settlements development is based on 9 071 .8 ha of donated land and 2 236.9 ha of acquired land.	Despite meeting the target, the Department and HDA are continuing to identify more suitable land for human settlement development. Total identified land to date is 463,713.5 ha.	A draft national land assembly strategy for human settlements has been developed and must be discussed with MinMEC structures in order to influence the provincial land identification and acquisition plans. Land pipelines with selected provinces have been developed to facilitate forward planning and budgeting.

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
8.3.2	Increased urban densities and NDOHS policy framework based on the Spatial Planning and SLUMB drafted, approved and implemented	8.3.1.5 Commit released state land for development by entering into development agreements with key development actors	To date, 14 land and project management protocols with seven accreditation protocols have been concluded. Implementation protocols pending: <ul style="list-style-type: none"> • Gauteng Department of Local Government and Housing • KwaDukuza Local Municipality • Free State Human Settlements Department, Mangaung and HDA 	Discussions have commenced with relevant provinces and municipalities on action and funding requirements to package released land for development.	Outcome 8 land identification guidelines were approved. The HDA has updated, refined and tested the revised guidelines and they are at a draft stage. The land released alignment is happening in provinces where the HDA has medium-term operational plans. It is more difficult in other provinces, but conversations are taking place.
8.3.2	Increased urban densities and NDOHS policy framework based on the Spatial Planning and SLUMB drafted, approved and implemented	8.3.2.1 Develop a policy framework to facilitate increased densities and comments provided for Spatial Planning and Land Use Management Bill	Detailed guidelines have been drafted, making provision for three categories, and have been submitted to internal management structures.	The Department also undertook the design and costing of higher-density housing typologies, ranging from semi-detached dwellings for individual ownership through to three storey walk-up units for sectional title ownership options where feasible and practicable.	These proposals will be submitted to MinMEC during the first quarter of the 2014/2015 financial year.
8.4: Improved Property Market					

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
8.4.1	Mortgage Default Insurance scheme 2014 target: 600,000 housing opportunities	8.4.1.1 Develop Mortgage Default Insurance scheme 8.4.1.2 Develop Human Settlements Charter	The target has not been achieved. Discussions held between the Department, NHFC, National Treasury and the Reserve Bank have not yet resulted in agreement and approval of the MDI is still outstanding. The target has not been achieved. Initially this target was for stakeholder engagement and later amended to a Human Settlements Charter. Regular engagements were held with National Treasury and Business and Arts South Africa to negotiate a bilateral agreement. Developers were also engaged to commit to the social contract.	Some of the issues that still need to be addressed are, for example, the development of a policy for equity participation in the MDI by the private sector and the resolving of regulatory and supervisory matters. The social contract needs to be revised with the commitment of relevant stakeholders.	It is critical that accountability and timelines are committed to ensure finalisation of the outstanding issues on the funding of the MDI project. A meeting at ministerial level may be necessary to get the process on track.
8.4.2	Revised Finance-Linked Individual Subsidy Programme to be responsive to the affordability challenges in the GAP market	8.4.2.1 Develop revised FLISP policy 8.4.2.2 Support provincial Human Settlements Departments with packaging of planned FLISP projects 8.4.2.3 Number of households assisted with a FLISP subsidy Total delivery up to 31 March 2014: 1,696	Target achieved. Revised policy implemented 1 April 2012. 36 projects have been approved across the country for FLISP representing 7,070 units. EC ... 1 FS 1 GP16 KZN ... 11 LP1 MP 0 NC1 NW 2 WC.....3 FLISP approvals for the period are 1,696 subsidies valued at R81 million. Banks provided an estimated R424 million bond finance against these approvals.	Implementation constraints, legislative, policy and administration, were identified and a comprehensive review of the programme is underway and due for discussion within the Department by the end of first quarter of the 2014/15 financial year. Projects are approved based on the state of readiness for immediate implementation.	A FLISP pilot programme review is underway and a submission by the policy unit on the challenges and proposed solutions is being prepared for tabling to MINMEC for consideration. Private developers in the affordable housing market are encouraged to develop stock that caters for this market. NHFC and the national Department developed a FLISP communication strategy to create national awareness.

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
8.4.3	Instrument to allow banks to make mortgage loans available on a long-term fixed interest rate	8.4.3.1 Develop instrument on long-term fixed interest rate	The fixed-rate instrument is one of the market offerings that were envisaged as a solution for the affordable housing market.	In the current low-interest environment and without immediate steep inflationary expectations, such an instrument will not benefit the households and thus for now will not be cost effective as an offering.	The development of the relevant instrument will be reconsidered when the market environment has changed.
8.4.4	Mortgage and non-mortgage loans delivered to the targeted market	8.4.4.1 NHFC to grant 1,929 mortgage loans Total loans 31 March 2014: 2,219	Target achieved. Total number of mortgage loans granted up to 31 March 2014: 2,219 This represents 115.3% of the target for 2014.	Combined with the notable contribution from the Incremental business the NHFC was able to achieve 142.5% of their overall target.	None
		8.4.4.2 NHFC to grant 40,591 incremental loans Total loans 31 March 2014: 15,355	Target not achieved. Total number of incremental loans granted up to 31 March 2014: 15,355 This represents 37.8% of the target for 2014.	Given the stagnating market, the intermediaries have taken a conservative view and as such they are awaiting market improvements.	This is a reflection of market conditions; however, efforts are being pursued to introduce new products and also support emerging housing micro finance institutions.
		8.4.4.3 NHFC to contribute 39,332 units from whole sale funding Total units 31 March 2014: 27,891	Target not achieved. Total number of units contributed from whole sale funding up to 31 March 2014: 27,891. This represents 70.9% of the target for 2014.	Funding challenge remains the major obstacle to achieving this target.	DHS has secured funds to capitalise NHFC business but these funds are only available in the next financial year.
		8.4.4.4 NHFC to deliver 12,837 housing units leveraged by the NHFC with other stakeholders Total units 31 March 2014: 89,442	Target achieved. Total number of units delivered through leveraging with other stakeholders up to 31 March 2014: 89,442 This represents 696.8% of the target for 2014.	This NHFC sub-output has performed extremely positively.	None

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
		8.4.4.5 RHFL to grant 181,811 incremental loans Total loans 31 March 2014: 176,754	Target not achieved. Total number of incremental loans granted up to 31 March 2014: 176,754 This represents 97.2% of the revised 2014 target.	RHFL successfully negotiated for the relaxation of liquidity covenant with the Development Bank of South Africa and KFW, resulting in liquidity covenant being reduced from 30% to 10% of capital employed, resulting in more funds being released for development. In the short term this gave a respite to RHFL.	RHFL needs a further capital injection from RSA government in order to meet a huge demand for incremental housing finance. RHFL will engage with DHS on new funding application for the 2015/16 financial year following the turning down of additional funding for the 2014/15 financial year.
		8.4.4.6 77 loans to be granted by NURCHA for the construction of 11,641 housing units Delivered: 54 loans for the construction of 10 093 housing units	Target not achieved. Up to 31 March 2014, NURCHA granted 54 loans for the construction of 10,093 units, which represents 88.1% of the 2014 target.	The regulations emanating from the implementation of the National Credit Act resulted in banks reducing the granting of mortgage loans which negatively influenced growth in the affordable housing sector. The banks have been working on alternative products to increase affordable housing delivery.	NURCHA has a strong pipeline of projects and with the continued support of banks providing the end user finance into the GAP market, this programme will grow comfortably and contribute substantially to the affordable property market
		8.4.4.7 Rationalise development financial institutions	Phase 2 of the rationalisation process makes provision for the development of a business case and draft-enabling legislation for the consolidated entity. A draft business case will be finalised by 31 May 2014.	Additional capacity has been assembled to fast-track the process.	The final business case will be submitted to Cabinet by the end of June 2014. Concurrently the process of the draft legislation will take place.
8.4.5	Contribution of housing finance opportunities by sector stakeholders	8.4.5.1 Number of housing finance opportunities contributed by banks	The total number of home loans that were approved by the banks over the period is 354,291 with 162,800 loans to the affordable market.	It was agreed that disclosure of information by banks shall be 60 days after the end of the reporting period (2 March) and auditors' reports will be 90 days after the end of the reporting period (2 April) annually.	Proposed HLAMDA amendments have been submitted to the Office of the State Law Advisors to obtain certification for gazetting for public comment. This will then be followed by amendments of regulations, reporting format and compliance manual. Target date: 31 October 2014.

Output and sub-output number	Name	Strategic drivers and activities	Progress up to 31 December 2013: Explanation of status (where green) and problems (where red/amber) (focusing on key activities)	Action taken to resolve blockages	Further action needed to resolve blockages (by whom)
		8.4.5.2 Number of housing finance opportunities contributed by Employer Assisted Housing Programme	Good progress is being made with the Government Employee Housing Scheme commissioned by the Public Service Commission. Other employers are interested to link up with this scheme.	Further sector-specific consultative engagements will be arranged to encourage employer participation and contributions.	

PERFORMANCE INFORMATION BY PROGRAMME

PROGRAMME 1: ADMINISTRATION

Purpose: Provide strategic leadership and administrative support services to the Department.

- List of sub-programmes:
- Executive Support
- Internal Audit, Risk Management and Special Investigation
- Advisory Services
- Enterprise Architecture
- Corporate Support
- Communication Services
- Legal Services
- Human Resource Management
- Information Management Systems and Information Technology Systems
- Financial Management

Strategic objectives

Below are strategic objectives for Programme 1: Administration:

- To provide executive support to the Office of the Director-General on parliamentary, cabinet liaison, secretariat support and management of intra-departmental structures.
- To provide integrated assurance and advice on governance practices to assist the Department achieve its objectives.
- To provide advisory services to the Department and Portfolio Committee on matters relating to project quality assurance and integration.
- To oversee the enhancement of human settlements operations through effective enterprise architecture services in order to ensure improved service delivery and compliance.
- To manage corporate support services to the Department.
- To ensure that the public is informed of the departmental programmes and policies.
- To manage the legal services to the Department.
- To manage human resource services to the Department.
- To manage information systems and information technology systems and infrastructure support services.
- To provide financial administration, supply chain and budget management services and provincial debtors support.

Strategic objectives, performance indicators, planned targets and actual achievements

The corporate function and administration is a key programme providing leadership, strategic thinking, coordination, facilitation, administration and monitoring of interest. Carrying the 2009 mandate required realignment and repositioning the Department to be strategically fit for purpose.

From an administrative and management perspective, efforts were made to establish systems for internal control and effective management that exploits the opportunities provided by the technological advancement. This resulted in more internal efficiency and streamlining of process flow and inter-linkages in the departmental internal operations.

The budget processes were finalised, ensuring that the budget for the 2014/15 financial year was approved. The adjustment estimate process was completed successfully in 2013/14. The monthly and quarterly interim financial statements as well as the annual financial statements were submitted to management. All reports were generated and submitted as planned. Much was done to implement the results of the work study previously completed; however, inadequate funding was an impediment.

Executive support as an aspect of strategic support brought to bear effective coordination of the respective departmental operational units and serviced and kept records of governance structures in line with the principle of good governance. The corporate secretariat played a role similar to company secretary in ensuring that departmental decisions are kept safely. The relations between Parliament, its committees, provinces and stakeholders in the sector were effectively managed in the interest of good governance and delivering the human settlement offerings. Fraud and corruption were topmost on the Departmental agenda, their prevention, detection, investigation and prosecution became the focal point. This took into account national risk assessments that come with cybercrime as a key component in fraud and corruption.

In order to strengthen performance management systems and improve performance, the Department initiated the process for validation of performance agreements against annual performance plans, including verification of individual performance against programme and organisational performance as per the Performance Management Development System. Further departmental reports on key management performance areas were produced in line with the management performance assessment tool.

The Department achieved all its targets in the area of corporate support programmes. The set targets were set in order to enhance the quality of employees' work lives in respect of facilitating acquisition and provision of adequate, conducive, habitable and secure office accommodation and facilities, as well as encouraging accountable and transparent governance by facilitating compliant access to corporate records, knowledge and information.

The specific achievements were as follows:

- Implementation of compliant protective security measures in all departmental premises, including contracting a private security company for guarding services. Threats and vulnerabilities were identified, assessed and addressed for a safe, secured and conducive corporate environment. Effective safety and security measures were applied at departmental and ministerial events as per the Safety at Sports and Recreational Events Act (Act No. 2 of 2010). There were collaborations with the Labour Relations Unit to finalise due processes for four reported cases of security breaches and the human resources management for pre-employment screening of all advertised posts in support of the recruitment drive project. Officials dealing with or having access to classified information were fully vetted and security checks were conducted on companies for bid processes. The State Security Agency audited the Department's compliance to minimum information security standards provisions on information operational issues in its Cape Town offices.
- Provision and maintenance of office accommodation and facilities were managed effectively and efficiently. All new fulltime appointments and interns were fully placed. The Department successfully consolidated different branches in the same building. This was to ensure that functioning of branches is enhanced and productivity is improved.

The branches were consolidated as follows:

- Human Settlements Delivery Framework Branch was fully consolidated in Metropark. The DPW completed physical verification of office space at Struktura, where the branch Programme and Project Management Unit branch is located. The landlord completed tenant installations at Provisus with subsequent DPW official handover and relocation of some units. Based on the size of the PPMU, this branch was successfully consolidated at both Struktura and Provisus buildings. 240 Justice Mohammed Street continued to house other branches. The final draft floor layout plans for 240 Justice Mohammed Street was recommended for approval. 260 Justice Mohammed Street renovations are progressing as per the project plan. The unit also facilitated allocation of parking facilities and provision of sessional accommodation.
- Compliance to Occupational Health and Safety Act (Act No. 85 of 1993) requirements was successfully monitored through committee meetings and monthly inspections at all departmental sites were conducted for a safe and habitable working environment.
- Departmental records were managed through enforcing and monitoring compliance to implemented records management policy, procedures and systems, as per requirements of the National Archives and Records Service Act (Act No. 43 of 1996). The conducted compliance inspections revealed an improvement in user compliance for correct use of file plans, recording generated documents and timeous return of issued files. The decongestion project initiated under the systematic records disposal programme to gain control over all corporate closed and terminated records progressed well. In this regard, 15 internal transfers of 171.36 linear meters of terminated records were realized. 32,176 records batches were captured electronically to enable future access. 9,596 kg worth of 383.85 linear meters of qualifying ephemeral records were destroyed under approved NARS disposal authorities, with 14 respective destruction certificates submitted to NARS. Off-site records were well managed. Postal, courier and messenger services were provided effectively.
- Access to library and information services and resources was well facilitated, including inter-library loans. The Department participated in the South African Library Week celebrations. The Knowledge Management Programme was initiated. In compliance with the Promotion of Access to Information Act (Act No. 2 of 2000), a staff awareness workshop was coordinated through the South African Human Rights Commission. 16 public requests for access to information were received and attended to, with three granted in full, 11 transferred to relevant institutions, one refused access and one with no existing record.

The chief directorate internal audit, risk management and special investigations managed to achieve most of its planned targets and the notable achievements include:

- Successfully identified and assessed and monitored strategic risk for the year under review. The risk assessment process was extended to fraud, branch, information technology, emerging risk and incident identification.
- Finalised preliminary investigations into alleged illegal sale of low-income houses. The outcome of these investigations suggests that there could be criminal syndicates that are responsible for the illegal sale of low-income houses.
- Reviewed the mechanisms aimed at combatting fraud and corruption. The mechanisms include fraud and corruption prevention policy, fraud prevention plan and whistle blowing policy.
- Reviewed three-year rolling strategic internal audit plan and one-year operational plan based on departmental key risk areas.

Advisory services: Due to delays in the recruitment process, the unit could not fully function. The unit now has a full staff complement and will therefore be able to achieve its targets in the 2014/15 financial year. However, the following are the targets that were partly achieved for the period under review.

- Two groundwork reports on the development of project integration framework compiled.
- Work towards the development of the national quality assurance plan was carried out and reports compiled.

The Directorate Parliamentary Management Services managed to achieve its target for the 2013/14 financial year by providing four reports on Portfolio Committee services. This was obtained by providing support to the Deputy Minister's public meeting with the Blikkiesdorp Delft community, providing support to the Minister's follow-up meeting in Khwezi (Transnet Hostel in Langa, Western Cape), coordinating Portfolio Committee oversight visit follow-up meetings with the Northern Cape and North West provinces, Portfolio Committee follow-up meeting with the Eastern Cape province in Parliament and organising sponsorship for various departmental projects. Two alternative building technology houses were donated by one private sponsor and another sponsor refurbished a house for a blind man.

Enterprise architecture: During the financial year under review, the 2013/14 departmental annual report was tabled as per legislative requirements. The departmental quarterly performance reports were presented to the senior management meetings and Portfolio Committee for decision-making. The departmental compliance reports on the alignment of plans were also presented at the senior management meetings for corrective measures.

In order to strengthen performance management systems and improve performance, the Department initiated the process of validation of performance agreements against annual performance plans, including verification of individual performance against programme and organisational performance as per the Performance Management Development System. Furthermore, departmental reports on key management performance areas were produced in line with the management performance assessment tool.

The **Chief Directorate: Corporate Support** provides corporate support to the Department to enhance the quality of employees' work life and service delivery with regard to the acquisition and maintenance of conducive office accommodation and facilities, security services, records management and library and information services.

In terms of the Chief Directorate: Corporate Support most of its targets were met during this reporting period. Areas of achievement are highlighted as follows:

Corporate Support implemented the provision of compliant protective security measures and processes, during which all vulnerabilities and potential threats were identified, assessed and dealt with to ensure that the corporate environment remains safe, secure and conducive to support the realisation of core business. Effective security measures were implemented for physical safeguarding of departmental assets, personnel security and securing state information.

All safety and security prescripts and measures were complied with for all ministerial events. Shortlisted candidates for the advertised vacant posts were screened before interview in line with prescripts. Pre-employment vetting of personnel handling sensitive information and security checks were conducted for service providers prior to bid adjudication processes or authorisation to render services to the Department.

Departmental records were effectively managed through the implementation of the approved policy and records classification systems. A decongestion project was initiated to establish an accurate inventory of all closed and terminated records with 33,310 files sorted to date. 791.4 linear metres of qualifying ephemeral records were destroyed in line with approved disposal authorities, under the systematic disposal programme, with 19 relevant destruction certificates submitted to NARS. The remainder of the closed housing support institutions (Thubelisha and Social Housing Foundation) records totalling 13.5 linear metres were transferred to the custody of the Department.

Departmental office accommodation and facilities were maintained in line with prescripts and departmental plans. It should be noted that the adequacy of office accommodation remains a challenge; however, after a protracted engagement with the DPW, the matter is moving towards a resolution.

Chief Directorate: Communication Services is tasked with ensuring the public is informed of departmental programmes and policies.

In terms of the Communication Services, most of the targets were met during this reporting period and these are reflected as follows:

- The Department supported departmental and ministerial programmes for project launches handovers and other related activities with targeted communication campaigns.
- The Department held the Human Settlements Communicators' Forum, a meeting of national, provincial and human settlements institutions communicators. Communicators meet in this forum in order to share ideas and find synergies.
- The Chief Directorate has not been able to fill a number of vacancies and thus is compromised in its capacity to deliver on its mandate.
- The dissemination of accurate, fair and reliable information to internal stakeholders is managed the Department's call centre and helpdesk by facilitating responses to public inquiries. The departmental call centre is rated among the best in resolving public inquiries as reported in the Presidential Hotline reports.
- The correct branding, styling and proofreading of all publications and branded items was undertaken in accordance to the corporate identity and the branding guideline approved by Cabinet.
- Partnerships with institutions like GCIS, provincial Human Settlements Departments and human settlements institutions remained area of focus and improvement.

Some of the other notable achievements were:

- Planned and coordinated Minister's budget speech.
- Managed events such a media build, youth build and the Govan Mbeki awards.
- Supported Women's Month activities.
- Managed the timely submission of the annual report.
- Participated in other government forums intended to enhance communication across departments, such as the social cluster meetings, human settlements Communicators' Forum and GCIS workshops.

- Published generic beneficiary booklets.
- Re-launched the departmental website.
- Strengthened the SMS events alert to various stakeholders.
- Conducted face-to-face beneficiary campaigns.
- Showcased the human settlements brand in various platforms.
- Erected site boards in all priority projects of the Department.
- Re-launched the internal newsletter and an external publication.
- Appointed a service provider to run the multimedia campaign. The work of this service provider includes producing radio adverts and billboards, and a human settlements book in celebration of the 20 years of democracy, among others.

Chief Directorate: Legal Services: During the period under review, the Department was restructured and reorganised towards the improvement of service delivery. A new directorate called Contract Management Services was established under Legal Services. The Department took a conscious decision to separate the legal compliance function from legal services. This was done in order, among others, to improve legislation compliance.

Notable key outputs achieved during the period under review were as follows:

- The Department managed to successfully table the Rental Housing Amendment Bill, 2013, at the social sector cluster for approval to introduce the Bill in Parliament, and same was approved for tabling at the Cabinet Committee for further approval. A pre-certification legal opinion on the draft Bill was also received from the office of the Chief State Law Adviser confirming that the Bill was constitutionally sound.
- The Rental Housing Amendment Bill, 2013, was tabled at the Cabinet Committee for Social Protection, Community and Human Development for recommendation to full Cabinet for introduction of the Bill into Cabinet and same was approved by Cabinet and accordingly tabled in Parliament for deliberations and adoption.
- The Rental Housing Amendment Bill was adopted by National Assembly and sent to the National Council of Province for concurrence.
- The Department further managed to brief the National Council of Provinces Select Committee on Public Services on the contents of the Rental Housing Amendment Bill and further accompanied permanent delegates to the provinces to brief the provincial legislature on the Bill and to obtain negotiating mandates. Public hearings were held in this regard and the Department made presentations on the contents of the Bill. The Bill was successfully passed by the NCOP; thereafter it will be assented to by the President of the Republic of South Africa.
- The Department further finalised the draft Property Practitioners Bill. A pre-certification legal opinion was received from the office of the Chief State Law Adviser confirming that the Bill was constitutionally sound. The Bill was tabled at social cluster for approval in order to publish the Bill in the Government Gazette for public comments.
- The Department further finalised the HDA regulations in terms of the Housing Development Agency Act, 2008, and same was tabled in Parliament and accordingly referred to the Portfolio Committee for deliberation and adoption. The Department consulted with SALGA and the HDA on the proposed regulations with a view of further enhancing the contents of the regulations before finalisation.
- The Department is currently in the process of publishing the approved regulations in the Government Gazette as regulations developed under the Housing Development Agency Act, 2008.
- The Department continued to render efficient and effective contract management services, including the formulation of more than 100 service level agreements, contracts, memoranda of agreements, cooperatives agreements, implementation protocols and project funding agreements including addendums as well as international agreements. These agreements were drafted or vetted accordingly.

Some of the other notable achievements were:

- Auction Alliance PTY (LTD) v EAAB, Minister of Human Settlements, Minister of Finance, Western Cape High Court, Constitutional Court
- Newtown Housing Cooperative, Gauteng High Court, Johannesburg
- WGG Eliot v Water, NHBC, Minister of Human Settlements, Cape Town, Western Cape High Court.
- MG Seape and Another v The SIU and 3 others, Pretoria High Court
- The Three Tanners Properties CC v Shane Thomson and Minister of Human Settlements, Western Cape High Court
- Igshaan May v Minister of Human Settlements, Cape Town High Court, Western Cape High Court.
- AMDEC Residential Developments
- M.D. & F.R. Mchunu v RSA & 5 others, KZN High Court
- Tsoga ka Bohlaswa Trading Enterprise CC v Minister of Human Settlements, North Gauteng High Court
- Hubbard v Cool Ideas, Constitutional High Court
- Robert Ross v Minister of Human Settlements, Western Cape High Court.
- Ruiters v Minister of Human Settlements, appeal in terms of Section 22 (5) of Housing Consumer Protection Measures Act
- Mamelodi Concerned Residence v Tshwane Metro, North Gauteng High Court
- HAD v Chetty 1380 Invaders, Eastern Cape High Court, PE
- Dladla & 32 Others v City of Joburg, South Gauteng High Court.
- Pasco v EAAB, North Gauteng High Court
- Department of Human Settlements v PSA obo T. Mpotulo, Labour Court
- Nelly Letsholonyane v Department of Human Settlements, Labour Court

- Vincent Morodi v Department of Human Settlements, Labour Court
- A Braaf v Minister of Human Settlements, Western Cape High Court
- National Ceramic Industries PTY (LTD) v City of Tshwane Metropolitan Municipality, Minister of Housing and others
- In the ex parte application of City of Johannesburg municipality with regard to all pending eviction matters where the occupier's eviction may lead to homelessness as set out in Annexure A. Greater Westonaria Concerned Residence Association v Westonaria Local Municipality, MEC, Department of Human Settlements, Gauteng.

In terms of the **Chief Directorate: Human Resources** most of its targets were met during this reporting period. Areas of achievement are highlighted as follows:

On completion of the turn-around strategy and the implementation of the new structures, a human resource plan was formulated, and approved by the executive authority.

With the support of Human Resources, the Department has been actively involved in a recruitment drive to fill vacancies that emanated due to the finalisation of the turn-around strategy with effect from 01 April 2012. 202 posts have been advertised and are in the process of being filled.

Performance assessments, and appeals of officials on levels 1–12, were finalised.

Work-study for the Chief Financial Officer Branch was conducted and concluded. When the recommendations are approved it will impact positively on payment of overtime and appointment of contract workers.

A departmental internship and learnership programme was successfully implemented with 43 interns completing the internship programme and 23 employees successfully completing learnerships. An employee wellness programme was in place and through a service provider, counseling services continued to be offered to the employees.

Chief Directorate IMS & IT: The Department continued to improve on information technology as a support function to service delivery.

The Department achieved all the set targets for the financial year under review. The following achievements were reported under information management systems and information technology systems:

- Maintained and provided an infrastructure support services that support the business and strategy.
- Maintenance of information management systems that support the development of integrated human settlements by providing an enabling systems environment to record the need of citizens for adequate shelter and the administration of the housing subsidy process at provincial, municipal and metros levels.

Notable key outputs achieved during the period under review were as follows:

- Ensured availability of the various information management systems both internally and externally
- Provided support and training to provincial and municipal users of the various information management systems. The provincial and municipal spheres are key stakeholders in the delivery of sustainable human settlements.
- Managed and maintained the various information management systems in order to ensure alignment to the National Housing Code and the entire sector as a whole.
- Created and maintained formal communication channels and structures with the users at provincial, municipal and metro levels of the various information management systems.

The Department recorded an improvement in relation to the matters that were raised by the office of the Auditor General. An assessment report was prepared and presented to the office of the Auditor General and this was well received. This intervention yielded the following positive results:

- To have “aligned” ICT and business strategic plans;
- Government Wide Enterprise Architecture framework for ICT “best practice”; and
- Corporate Governance of ICT Policy framework with prescribed security standards for “governance and policy guidelines”.

Financial Management: The budget processes were finalised ensuring that the budget for the 2014/15 financial year was approved. The adjustment estimate process was completed successfully in 2013/14. The monthly, quarterly interim financial statements as well as the annual financial statements were submitted to management. All reports were generated and submitted as planned. Much was done to implement the results of the work study previously completed; however, inadequate funding was an impediment.

Strategic objectives
Sub-programme: Executive Support Services

Strategic objective: To provide executive support to the Office of the Director-General on parliamentary, cabinet liaison, secretariat support and management of intra departmental structures

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of reports on administrative and logistical support produced	Report on administrative and logistical support	Four reports on administrative and logistical support developed	Four reports produced	None	None
Number of reports on parliamentary and cabinet liaison	FOSAD reports Report on parliamentary and cabinet liaison	Four FOSAD reports submitted Four reports on parliamentary and cabinet liaison submitted	Four reports produced Four reports submitted	None None	None None
Number of reports on recording of proceedings	Records of proceedings	Four reports on stakeholders liaison and engagements submitted Four reports on record of proceedings	Four reports submitted	None	None

Sub-programme: Internal Audit, Risk Management and Special Investigations

Strategic objective: To provide integrated assurance and advice on governance practices to assist the Department achieve its objectives						
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation	
Reviewed, approved and implemented annual internal audit project plan	Approved and implemented internal audit annual project plan for 2010/11	Reviewed, approved internal audit annual project plan for 2013/14 implemented	The internal audit plan reviewed, approved and implemented	None	None	
Reviewed, approved and implemented risk management strategy for 2013/14	Approved and implemented risk management strategy for 2010/11	Reviewed, approved and implemented risk management strategy for 2013/14	Risk management strategy reviewed and approved and implemented	None	None	
Approved and implemented anti-fraud and corruption strategy	Approved and implemented anti-fraud and corruption strategy for 2010/11	Approved and implemented anti-fraud and corruption strategy	Anti-fraud and corruption strategy not approved The Department is currently implementing the 2011/12 approved fraud prevention plan and whistle blowing policy.	Fraud and corruption prevention policy, revised fraud prevention plan and revised whistle blowing policy recommended for approval by the Risk Management Committee and Audit Committee.	Anti-fraud and corruption strategy to be developed in first quarter of 2014/ 15 financial year.	
				Executive management team recommended that policies and plan be presented at the Departmental Bargaining Council before approval by the Director-General.		

**Management for Chief of Operations
Sub-programme: Advisory Services**

Strategic objective: Provide advisory services to the Department and Portfolio Committee on matters relating to project quality assurance and integration						
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation	
Approved national project integration plan	No baseline established	Approved national project Integration plan	Two groundwork reports on the development of project integration framework compiled	Work towards the development of the national project integration plan was carried out and reports compiled	Capacity constraints due to delays in the recruitment of staff The unit now has a full staff complement and will therefore be able to achieve its targets in the next financial year.	
Number of reports on the implementation of the national project integration plan	No baseline established	Two reports on the implementation of the national project integration plan	Target not achieved. Instead, groundwork reports on the development of project integration framework were compiled.	Implementation reports not compiled because the project integration plan is still in development	Due to deviation in the development of project integration plan, the implementation of the plan could not be done	
Approved national quality assurance plan	No baseline established	Approved national quality assurance plan	Two groundwork reports on quality assurance developed	Work towards the development of the national quality assurance plan was carried out and reports compiled	Capacity constraints due to delays in the recruitment of staff The unit now has a full staff complement and will therefore be able to achieve its targets in the next financial year.	
Number of reports on the implementation of the national quality assurance plan	No baseline established	Two reports on the implementation of the national quality assurance plan	Two groundwork reports on quality assurance developed	Work towards the development of the national quality assurance plan was carried out and reports compiled	Capacity constraints due to delays in the recruitment of staff The unit now has a full staff complement and will therefore be able to achieve its targets in the next financial year.	

Strategic objective: Provide advisory services to the Department and Portfolio Committee on matters relating to project quality assurance and integration					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of reports on Portfolio Committee services provided	Three reports on Portfolio Committee services provided	Four reports on Portfolio Committee services provided	Four reports on Portfolio Committee services provided	Achieved through doing the following: Provided support to the Deputy Minister's public meeting with the Blikkiesdorp Delft community. Provided support to the Minister's follow-up meeting in Khwezi (Transnet Hostel in Langa, Western Cape). Coordinated Portfolio Committee oversight visit follow-up meetings with the Northern Cape and North West provinces. Portfolio Committee follow-up meeting with the Eastern Cape province in Parliament. Organised sponsorship for various departmental projects.	None
				Two alternative building technology houses were donated by one private sponsor and another sponsor refurbished a house for a blind man	

Sub-programme: Enterprise Architecture

Strategic objective: Oversee the enhancement of human settlements operations through effective enterprise architecture services in order to ensure improved service delivery and compliance					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Approved departmental annual performance plans	Approved departmental annual performance plans for 2012/13	One approved departmental annual performance plan 2014/15	One approved departmental annual performance plans 2014/15	None	None
Approved departmental performance reports	Approved departmental performance reports for 2011/2012	Approved departmental performance reports	Approved departmental performance reports (quarterly and annual)	None	None

Corporate Services

Sub-programme: Corporate Support

Strategic objective: To manage the corporate support services to the Department					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of reports on compliance to all security standards submitted	Four reports on compliance to all security standards	Four reports on compliance to all security standards submitted	Four reports on compliance to all security standards submitted	None	None
Number of reports on property management submitted	Four reports on facilities and property management	Four reports on facilities and property management submitted	Four reports on facilities and property management submitted	None	None
Number of reports on records management submitted	Four reports on records management	Four reports on records management submitted	Four reports on records management submitted	None	None
Number of reports on library and information management services provided	No baseline	Four reports on library and information management services provided	Four reports on library and information management services provided	None	None

Sub-programme: Human Resources Management

Strategic objective: To provide human resource management services to the Department

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of reports on coordinated human resource admin services submitted	Reports on coordinated human resource admin services	Four reports on coordinated human resource services submitted	Four reports on coordinated human resource services submitted	None	None
Number of reports on coordinated human resource development initiatives	Reports on coordinated human resource development initiatives	One annual training report on coordinated human resource development initiatives submitted	One annual training report on coordinated human resource development initiatives submitted	None	None
Number of reports on coordinated labour relation services submitted	Reports on coordinated labour relation services	Four reports on coordinated labour relation services submitted	Four reports on coordinated labour relation services submitted	None	None
Number of reports on organisational transformation programmes	Four reports on organisational transformation programmes	Four reports on organisational transformation programmes submitted	Four reports on organisational transformation programmes submitted	None	None

Sub-programme: Legal Services

Strategic objective: To manage legal services to the Department

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of litigation and legal advisory services		Four reports on litigation and legal advisory services	Four reports on litigation and legal advisory services	None	None
Number of legislative framework developed		Four reports on legislative frameworks developed	Four reports on legislative frameworks developed	None	None
Number of reports on oversight contracts in the Department developed		Four reports on oversight contracts in the Department developed	Four reports on oversight contracts in the Department developed	None	None

Sub-programme: Management Information Systems and Information Technology Systems

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of reports on the implementation plan of management information services submitted	No baseline	Four reports on the implementation plan of management information services submitted	Four reports on the implementation plan of management information services submitted	None	None
Number of reports on the implementation plan of information technology services submitted	No baseline	Four reports on the implementation plan of information technology services submitted	Four reports on the implementation plan of information technology services submitted	None	None
Number of reports on the implementation plan of ICT infrastructure submitted	No baseline	Four reports on the implementation plan of ICT infrastructure submitted	Four reports on the implementation plan of ICT infrastructure submitted	None	None

Sub-programme: Communications

Strategic objective: To ensure the public is informed of departmental programmes and policies

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Corporate communication plans approved and implemented		Four reports on the implementation of approved corporate communication plans	Four reports on the implementation of approved corporate communication plans	None	None
Media services plans approved and implemented		Four reports on the implementation of approved media services plans	Four reports on the implementation of approved media services plans	None	None
Public information and marketing plans approved and implemented		Four reports on the implementation of approved public information and marketing plans	Four reports on the implementation of approved public information and marketing plans	None	None

Sub-programme: Financial Management

Strategic objective: To manage and provide financial support services.

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Annual financial statements approved	Annual financial statements published	Four interim financial statements and one annual financial statement approved and submitted	Four interim financial statements and one annual financial statement submitted	Interim financial statements for March 2013/2014 not submitted	It is no longer required to complete the fourth interim financial statement in terms of National Treasury Instruction 03 of 2013/2014 paragraph 6.3, issued in February 2014.
	12 monthly reconciliation certificates submitted	12 monthly reconciliation reports on system and document reviews submitted	12 monthly reconciliation reports submitted	None	-
	12 monthly reports on system and document reviews submitted	12 monthly reports on system reviews and documents submitted	12 monthly reports on system reviews and documents submitted	None	-
	Four workshops on financial policies conducted	Four workshops on financial policies conducted	Four workshops on financial policies were conducted	None	-
	One asset disposal report submitted	One asset disposal report submitted	One asset disposal report submitted	None	
	12 monthly reconciliation between LOGIS and Basic Accounting System (BAS) on fixed asset transactions submitted	12 monthly reconciliation between LOGIS and BAS on fixed asset transactions submitted	12 monthly reconciliation between LOGIS and BAS on fixed asset transactions submitted	None	
	1 asset stock-take report submitted	1 asset stock-take report submitted	1 asset stock-take report submitted	None	
	Four quarterly spot checks reports on store items conducted	Four quarterly spot checks reports on store items conducted	Four quarterly spot checks reports on store items conducted	None	
	12 monthly reports submitted to National Treasury on contracts above R100,000	12 monthly reports submitted to National Treasury on contracts above R100,000	12 monthly reports submitted to National Treasury on contracts above R100,000	None	
	Four quarterly reports on awarded bids submitted	Four quarterly reports on awarded bids submitted	Four quarterly reports on awarded bids submitted	None	
	One report on approved departmental procurement plan on goods, works and services that exceed R500,000 submitted	One report on approved departmental procurement plan on goods, works and services that exceed R500,000 submitted	One report on approved departmental procurement plan on goods, works and services that exceed R500,000 submitted	None	

Strategic objective: To manage and provide financial support services.

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
	Four quarterly corporate travelling reports submitted	Four quarterly corporate travelling reports submitted	Four quarterly corporate travelling reports submitted	None	
	12 monthly and four quarterly reports on government vehicle fleet management submitted	12 monthly and four quarterly reports on government vehicle fleet management submitted	12 monthly and four quarterly reports on government vehicle fleet management submitted	None	
	12 monthly progress reports on debtors system support submitted	12 monthly progress reports on debtors system support submitted	12 monthly progress reports on debtors system support submitted to management	None	
	Four quarterly reports on debtors system management of data cleanup, devolution and transfer of properties submitted	Four quarterly reports on debtors system management of data cleanup, devolution and transfer of properties submitted	Four quarterly reports on debtors system management of data cleanup, devolution and transfer of properties submitted to Management	None	
	Four quarterly BAS reports submitted	Four quarterly BAS reports submitted	Four quarterly BAS reports submitted to management	None	
	Three training sessions on BAS conducted	Three training sessions on BAS conducted	Three training sessions on BAS were conducted	None	
	Four quarterly reports on user activities on BAS submitted	Four quarterly reports on user activities on BAS submitted	Four quarterly reports on user activities on BAS submitted to management	None	
	Estimate of national expenditure approved	Estimate of national expenditure approved	Estimate of national expenditure approved by National Treasury	None	
	Departmental adjustment estimate approved	Departmental adjustment estimate approved	Departmental adjustment estimate approved by National Treasury	None	
	12 monthly early warning system reports to ensure compliance to legislation submitted to National Treasury	12 monthly early warning system reports to ensure compliance to legislation submitted to National Treasury	12 monthly early warning system reports to ensure compliance to legislation were submitted to National Treasury	None	
	12 monthly financial reports regarding over or under expenditure submitted	12 monthly financial reports regarding over or under expenditure submitted	12 monthly financial reports regarding over or under expenditure submitted to executive authority	None	

Strategy to overcome areas of under performance **Advisory Services**

The under performance in this unit was mainly because of capacity constraints; now that the unit has full staff it will be able to function fully.

Linking performance with budgets

4.1 Programme 1: Administration

Sub-programme Name	2013/14			2012/2013		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	31,809	28,739	3,070	36,334	30,353	5,981
Departmental Management	91,793	55,156	36,637	80,147	63,915	16,232
Corporate Services	211,068	151,534	59,534	200,279	154,529	45,750
Property Management	29,403	24,699	4,704	38,156	20,403	17,753
Financial Management	40,526	39,300	1,226	42,420	33,722	8,698
Total	404,599	299,428	105,171	354,915	269,199	85,716

N.B.: The summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year must be provided at a sub-programme level and must agree with the appropriation statement of the audited financial statements. Reasons for variations should be linked to the information discussed in the organisational environment and the service delivery environment. Report on how expenditure contributed to achievement of outputs.

4.2 Programme 2: Human Settlements Policy, Strategy And Planning

Purpose: Manage the development and compliance with human settlements sector delivery frameworks and oversee integrated human settlements strategic and planning services.

Sub-programmes

Human Settlements Policy Frameworks

- Operational Policy Frameworks
- Governance Frameworks

Human Settlements Strategy and Planning

- Human Settlements Strategy
- Human Settlements Planning
- Stakeholder and Intergovernmental Relations

Strategic objectives

Human Settlements Policy Frameworks

- To manage the development and maintenance of human settlements policy frameworks.
- To manage research and compliance with human settlements governance frameworks.

Human Settlements Strategy and Planning

- To manage the research and development of the human settlements macro strategy for the sector.
- To manage human settlements planning frameworks and processes.
- To manage intergovernmental and sector relations and cooperation for the human settlements development.

Strategic objectives, performance indicators, planned targets and actual achievements

Operational Policy Frameworks

During the period under review the Chief Directorate: Operational Policy Frameworks was tasked to come up with an approved new national human settlement macro policy and a strategy is being developed in-house to draft the densification policy; the unit is waiting for the draft policy to be tabled before the executive management team. Eight policy workshops were conducted as opposed to nine as some provincial departments did not need them. A new Policy for Backyard Rental Programme was developed and approved by the task team; MinMEC approval will be obtained in the 2014/15 financial year. The Restructuring Guidelines were developed and

approved by the task team; MinMEC approval will be obtained in the 2014/15 financial year.

The Community Residential Units policy was adjusted in regard to the grant quantum levels. The investigation in the broader policy revision will be conducted during the 2014/15 financial year. The social housing revision project was cancelled in view of the joint evaluation initiative with the DPME, in terms of which the project has been scheduled for 2015.

The Directorate Accreditation has successfully assessed six metro municipalities for the readiness to receive Level 3 accreditation and conducted six workshops to capacitate municipalities on the implementation protocols and six workshops to capacitate provinces and municipalities on assignment.

Governance Frameworks

During the period under review this unit had the following notable achievements.

- One report on Functional Governance Framework System developed and submitted.
- One report on the analysis and review of the sector delivery instruments developed.
- Five build projects (youth, women, Mandela Day, military vets, and 16 Days builds) implemented.
- Four reports on training and mentorship programmes implemented.
- Four quarterly reports on sector transformation and special projects submitted.
- Research paper on the use of institutional subsidies for the provision of group housing accommodation for people with special needs.
- Four reports on human settlements environment scanning and analysis submitted.
- Research paper: "Asbestos Use in South Africa: Related Health Risks and Policies for Risk Management."
- "Research Towards the Development of the Empowerment Strategy: Legislative, Policy and Documentary Review Analysis" report arguing the adequacy of the policy for job creation in SA.
- Report on the impact of economic crisis on human settlements.
- Provided environmental scan for the annual report.
- Director-General's note on the world economic crisis as it relates to SA's ability to create jobs.
- Report on the role of human settlements in economic development as per the request by the Director-General's office.
- Provided inputs to the departmental response to the Financial and Fiscal Commission review.
- Four reports on human settlements environment scanning and analysis submitted.
- Two reports on the sector compliance to human settlements governance frameworks submitted, since the Director only commenced duty towards the end of the second quarter.
- Two sector transformation strategies developed (military vets and TRC): this was due to the delay in procurement processes.
- One research request was outsourced, which resulted in the capacity to deliver more. The target of two research requests was based on the standard request known year, in year out; three more requests were made and successfully delivered.
- Houses developed for 16 Days projects were handed over for international women in March 2014.

Human Settlements Strategy and Planning

National and provincial conditional grant business plans for 2013/14

The 2014/15 national and provincial business plan process has been finalised and delivered timeously to National Treasury, within the prescript of the Division of Revenue Act. A rigorous process was followed to ensure that provincial plans are aligned to national priorities. This year the Chief Directorate established a working group within the Department to assess the provincial business Plans to address areas of interest and priority. The timeous submission of the plans enabled the Department to analyse and finalise the national business plan within the required timeframe. Focus was also placed on the disaster areas and mining towns.

Provinces were also engaged in quarterly performance review sessions to ensure that planned targets and commitments had been honoured, both in respect of delivery per quarter and for the financial year.

Targeted support to municipalities

In exercising both its oversight and support responsibilities, the Chief Directorate in the Strategy and Planning Branch rendered support to the eight Metropolitan municipalities on the first draft BEPPs, while also assessing the use of the USDG in giving traction to the BEPPs. In addition, support was rendered through the Induction Programme for Councillor Training where municipalities were capacitated to develop higher quality housing sector plans. Assessment of IDPs was also done.

Assessment of township establishment applications

In rendering further advice to the built environment sector, the Chief Directorate assessed and provided feedback on a number of township establishment applications.

Strategic Integrated Projects

The Chief Directorate was tasked with reporting on progress made with SIPs 1–7 and 18. A working relationship was formed with the SIP coordinators from various sector departments, the Department of Economic Development and the HDA. Priority has now been given to the Department's interventions in the mining towns and the corresponding reports and presentations have been done to show how much of the Human Settlements Development Grant has been dedicated to development in the mining towns.

Collaboration with relevant sector departments

In collaboration with the DPME, the DHS provided input to the development of the country's 20-year review document, which was launched by the President in March 2013. The Department played a fundamental role in providing input to and co-crafting the human settlements section contained in the Social Transformation Chapter. The 20-year review document provides an intense overview of government's performance during the past 20 years, elaborating on the achievements and progress made in the democratic era, but also being honest and frank about the challenges and shortcomings that have been encountered during this period. The review will be used by government to shape our initiatives and operational plans going forward, as we give effect to the National Development Plan.

The Chief Directorate provided inputs to the HSDG frameworks and made significant input to the Spatial Planning and Land Use Management Bill.

The Chief Directorate liaised with the Council for Scientific and Industrial Research and the Department of Science and Technology to redraft the Red Book. In addition, sessions were held with the Department of Environmental Affairs in order to make input into the Waterberg-Bojanala priority area. Sessions were also held with the Department of Water Affairs during the IDP analysis process.

During the 2013/2014 financial year, the Directorate performed the following in their bid to provide the necessary support to the sector:

Housing project implementation support rendered to the sector

- Eersterivier project in the Western Cape visited to investigate PHP-related issues raised by the community.
- Drommedaris project progress report.
- Facilitated the SDI Board of Governors.
- Supported and facilitated the launch of the Ditsobotla PHP project in the North West.
- Attended Vulindlela Technical meetings in KZN.
- Visited the eThekweni Special Needs project to assess project progress on the ground.
- Participated in the Human Settlements and Rural Development and Land Reform Portfolio Committee's oversight visit to Limpopo, North West and KZN on the Natives Land Act.
- The Directorate supported and managed the preparations for the Mitchell's Plain Human Settlements and the Cape Agulhas Rural Human Settlements summits.
- Participated in the Deputy President's visit to the farming community in De Doorns, Western Cape.
- Responsible for the project verification visits in preparation for the Minister's eight-month programme in Eastern Cape, Free State and Western Cape.
- Planned and managed preparations for the launch of the Naval Hill Reservoir and Mangaung Sewer Plant in preparation for the Minister's visit to the Free State.
- The Directorate supported the Federation of the Urban Poor (FEDUP) in the North West to launch its Charter.
- The Directorate met with the in-land region of the KZN Department to engage them on the status of the Vulindlela EPHP pilot project.
- The Directorate engaged Mpumalanga province on progress relating to the implementation of PHP projects.
- Oversight visits conducted in Mpumalanga province (Nkomazi municipality of Ehlanzeni district), Dromedaris priority PHP project and KZN Vulindlela Rural PHP project as well as in the North West to assess progress in the implementation of PHP projects in the respective provinces.
- Eastern Cape province engaged on the ePHP project pipeline to be implemented in 2014/15.
- Gauteng province engaged to assess the status of the FEDUP/SDI pledge in Doornkop.
- The reports for these activities are attached as "Annexure 1".

Capacity development initiatives delivered to the sector

- Directorate engagement with the UN-Habitat on potential collaborative programmes (creation of parks).
- Delivered PHP capacity development training to KZN, North West and Eastern Cape province officials and to the councillors in Mpumalanga and Limpopo province in an effort to establish common understanding of the enhanced PHP programme.
- Participated in the National Capacity Development Task Team meeting in Bloemfontein to strategise in incorporating the PHP programme in the provincial capacity development initiatives.
- Participated in the DTI Inter-Departmental Task Team regarding the amendments to the Cooperative Act, 2013.
- Delivered PHP training to new Cuban technical advisors as part of the Capacity Development Unit induction programme.
- The reports for these activities are attached as "Annexure B".

Ad-hoc (Minister's eight-month programme)

- The Directorate conducted verification visits in preparation for the Minister's visits to the following projects in the Western Cape:
 - Nuwe Begin BNG project
 - Pelican Park integrated human settlements project
 - Drommedaris Priority ePHP project
 - Klapmuts IRDP project
 - De Doorns IRDP project
 - Thembaletu informal settlements upgrading project in George
- The Directorate coordinated and managed the following project launches by the Minister and Deputy Minister:

- Ditsobotla PHP project
- The Natives Land Act Centenary commemoration
- Dromedaris Priority PHP project
- Delft Integrated Human Settlements project
- Nuwe Begin BNG project
- The Directorate is currently overseeing, managing and coordinating the MaAfrica family house build in Mitchells Plain, hand-over of the Klapmuts IRDP project as well as the official launch of the Vulindlela Rural PHP project.

The reports for these activities are attached as “Annexure C”.

The following provinces will be implementing PHP in the Strategy and Planning Branch in the 2014/2015 financial year:

- North West
- Mpumalanga
- Western Cape
- Eastern Cape
- Limpopo
- KZN

Human Settlements Green Paper

The development of the Human Settlements Green Paper is ongoing. To date, the following milestones have been achieved:

- The terms of reference were approved by the Director-General and presentations were made to executive management, MinTop, Technical MinMEC and MinMEC.
- The framework and project plan were approved by the Director-General and presentations were made to executive management, MinTop, Technical MinMEC and MinMEC.
- The draft concept paper was approved by the Director-General, and presentations were made to executive management, MinTop, Technical MinMEC and MINMEC.
- The establishment of a project management team to oversee the project.
- Presentations on progress were made to the Human Settlements Portfolio Committee.

Other processes have since stalled due to the absence of human resources in the Chief Directorate in the Strategy and Planning Branch, as well as the delayed finalisation of the Memorandum of Understanding between the Department of Human Settlements and the Department of Science and Technology. The MOU was subsequently signed in January 2014. All the abovementioned deliverables will have to be reviewed and updated in the 2014/15 financial year, and the Chief Directorate is confident that it will now be able to accomplish this task.

During the year under review, the Chief Directorate published and disseminated the following reports, as part of the Department's value-add to knowledge production and management in the human settlements sector:

- Re-establishing the People's Contract: Meaningful Participation in Building Sustainable Human Settlements
- Economic Impact of Government's Housing Program
- Human Settlements Review: Economics and Finance (Edition 01)
- Human Settlements Review: Self-Help Housing (Edition 02)
- Housing Bibliography 2008–2012

While the Chief Directorate had also initially embarked on convening two National Strategy and Research Task Team forums, this initiative did not proceed, due to the research function in the Department being disbanded as a result of the turn-around strategy.

Human settlements evaluations

In the past financial year the Chief Directorate engaged in a project to conduct evaluation studies that are part of the presidency's national evaluation plan approved by Cabinet. The evaluations have been commissioned to improve policy and programme performance, improve accountability and improve decision-making on strategies and programmes implemented.

In addition, the evaluations were initiated to assist the Department to analyse the progress made in the realisation of human settlements outcomes. The focus of the current evaluations includes:

- The design and implementation evaluation of the USDG.
- The design and implementation evaluation of the IRDP.
- The assessment of the current status of informal settlements targeted for upgrading Informal Settlements Upgrading Programme.
- The assessment of the extent to which the goal of creating housing as an asset for low and moderate income individuals been realised.

Progress to date

To date, the service provider for the USDG evaluations (Palmer Development Group) was appointed and the following milestones have been achieved:

- Inception report.
- Design review report.
- Draft case study reports have been submitted and approved. The estimated completion date for the evaluation study is July 2014.

For the IRDP evaluation, the service provider African Development Economic Consultants has been appointed and the following milestones have been achieved:

- The inception report.
- Design review report is awaited by April 2014 and the estimated completion date for this evaluation is December 2014.

For the ISUP, the following has been achieved:

- Service provider has been appointed.
- Reference group and technical working group established.
- Draft inception report has been submitted.
- The estimated completion date for the evaluation is November 2014.

On the meta-analysis evaluation of assets created through DHS programme, the following progress has been achieved:

- Inception report.
- Conceptual framework and the estimated completion date for the project is October 2014.

Progress on the development of the medium term strategic framework

The MTSF has been developed in consultation with the top management of DHS and entities supported by the Department of Monitoring and Evaluation.

The document outlines sector strategic priorities to be implemented in the next five years to achieve measurable progress in creating sustainable human settlements. The MTSF document has also been presented to various forums, including the following:

- MinTop
- MinMEC
- Technical MinMEC
- Portfolio Committee

The listed committees approved the contents of the draft MTSF including the Accounting Officer of the Department. The draft document has been submitted to the Presidency for assessment and evaluation. It is expected that the draft MTSF will be presented again in May 2014 when the new Cabinet is appointed for final approval and endorsement for implementation.

For the financial year of 2013/14, stakeholder and inter-government relations engagements coordination in the Strategy and Planning Branch has undertaken the following tasks:

Govan Mbeki Awards coordination under the sub-directorate Stakeholder Programmes, utilising the awards framework document.
Meetings with private and public stakeholders utilising the stakeholder engagements framework document.
Stakeholder outreach and initiatives events facilitated utilising the events management framework.

Stakeholder Programmes

Govan Mbeki Awards: Several Intergovernmental Relations Coordination Forums comprising all provincial departments and human settlements institutions were convened in preparation for the Govan Mbeki National and Provincial Awards 2013 as well as review and planning sessions for the Govan Mbeki National and Provincial Awards for 2014. The Provincial Govan Mbeki Awards were delivered in April and May 2013. On 06 June 2013, the National Govan Mbeki Awards were delivered at Gallagher Estate, Midrand. All the 2012 and 2013 Govan Mbeki Awards prize money winners were paid.

“Each-One-Settles-One” cases:

The following sponsorships were secured for the 2013/14 financial year:

Sponsorships secured for the National Govan Mbeki Awards to the total amount of R700,000.00

Youth in Human Settlements Builds Programme: The Directorate secured a total amount of R50,000.00, building materials such as cement, painting materials and ceilings and other items such as construction work suits, protective shoes, hard hats, furniture and fruit trees, amongst others, were donated. The sponsorship benefited the elderly, the destitute and child-headed households. The secured funds paid for plumbing services, electrification, tools and other building materials.

Women in Human Settlements Builds Programme: A total of seven sponsors pledged their support, which included cash, building material, protective clothes as well as furniture. A total of R100,000.00 in cash as well as building material, protective gear, soccer kits and a voucher for groceries, estimated at R357,955.00, was pledged. The prime beneficiaries were the elderly, child-headed households and people with disabilities.

Maekiso Family Special Programme: During the reporting period, the sub-directorate Stakeholder Programmes received a request from Chief of Operations to assist the family of Ms Maekiso in Sekampaneng, Hammanskraal with roof trusses; the Directorate visited the family to assess the site. In addition, NHBRC was consulted on 11 September 2013 to visit the site and advise on the integrity of the structure, cost installation of the roof as well as plastering of the house. Sponsorship was secured from Group Five. A request to approve sponsorship secured from Group five was submitted to the Minister.

Mrs Africa Special Programme and Leading Change Build-Up Summit: A sponsorship of R90,000.00 was secured from PPC.

Media Build: Sponsorships were secured from PPC, FNB, MDV, NHBRC, Saint Gobain, Media Connexion, NHFC and Silinda Construction. A total amount of R160,000, alternative technology housing, protective clothing, labour for building two houses and a ceiling were received. The funds were utilised for demolition of a house, building materials as well as installation of the ceiling.

Lerato Park Project: 1,000 trees for the Lerato Park project were sponsored by the Department of Agriculture.

International Women's Day: Four double bed mattress sets to the value of R20,000 were secured from NHBRC.

Phetisa Family Special Programme: The provincial department has undertaken to assist the family after several engagements with the Directorate.

Portfolio of identified stakeholders

The following engagements were held during this financial year:

25th International Union of Architects World Congress in preparation for the 25th International Union of Architects World Congress planned to be hosted at the International Convention Centre in Durban from 01–11 August 2014.

Houses for 100 victims of natural disaster in the Nyandeni local municipality: The provincial department has undertaken to assist the families

Memorandum of Understanding with the National Treasury in respect of the City Support Programme: The Department and Cities Support Programme agreed to collaborate on the following: (1) Land grant matters and related issues, (2) programme coordination and support in respect of land grant matters, (3) action plan in terms of land assessment and (4) rules of engagement with HDA, NDHS and National Treasury. The Director-General of Human Settlements has thus far signed the agreed-upon MOU in August 2013. Both parties have agreed, together with provincial departments, to leverage support processes and capacities to the eight large municipalities.

Meetings with External Stakeholders: Submitted a progress report to management following presentation of proposals by Pholosa Development Scheme, Saint Goban and Cement and Concrete Institute as well as the South African National Cooperative Council.

Proposal to enter into a MOU with the Department of Science and Technology: The MOU between the DST and DHS was signed by both Directors-General and concluded in February 2014.

Proposal to enter into a Memorandum of Understanding with the Department of Correctional Services: The MOU will be subject to approval by the Directors-General of both Departments. The MOU has been sent to NHBRC for approval and signature. The Directorate has been engaging NHBRC legal services regarding the signing of the MOU.

Proposal to enter into a MOU with the Water Research Commission: The MOU has been signed and approved by the Director-General of the DHS and the Chief Executive Officer of the WRC.

Proposal to enter into a MOU with the Central Energy Fund and a request for a meeting or working session with the Department of Energy: The Directorate has made a proposal to the Director-General, requesting that engagements be initiated with the Department of Energy on the above, to align its plans over and above CEF proposal with the DOE and ensure that proper targeting is managed in accordance with the national objectives and in fulfilling both Departments' mandates.

Department participation on the Government Advisory Committee on the Green Fund led by the Department of Environmental Affairs through the DBSA: The Department is one that the Advisory Committee agreed that needs to form part of the team. The Directorate participated in the Government Advisory Committee through NHBRC and Policy Chief Directorate.

Shelter Afrique: The Directorate held several meetings with the South African Affordable Residential Developers Association which was representing Shelter Afrique as requested by the Minister of Finance. During the meeting, National Treasury and Shelter Afrique requested the Department to assist in coordinating a workshop with developers and other involved stakeholders to discuss the possibilities of South Africa or any South African entity to subscribe to at least 10% of the called capital of the company. The workshop is planned for the 2014/15 financial year.

Departmental participation in the Extension of Security of Tenure Amendment Bill task team: The National Economic Development and Labour Council is a forum where government, business, community and trade unions meet to deliberate on government policy imperatives such as legislative frameworks and bills that affect all parties before they are ratified in Parliament. The Chief Directorate Human Settlements Planning and Policy Unit represented the Department in the sessions as approved by the Director-General.

Meetings between DHS, HDA and the Department of Traditional Affairs on the implementation guidelines for the partnership framework: The Department was approached by the Department of Traditional Affairs following the development and approval of a partnership framework for the traditional affairs environment during the previous financial year. The framework document seeks to address the development, establishment and sustainment of collaborative and cohesive relations between various sector departments, traditional structures and other partners operating within the traditional affairs environment. Several meetings with the HDA and the Department of Traditional Affairs have been held.

Forum meetings between DHS, DST, CSIR and WRC: Following the approval and signing of the MOU by both Directors-Generals of the DHS and DST, a forum has been established that looks at taking forward the work of the DHS and the DST. The forum comprises Sanitation and Alternative Building Technology task teams.

Stakeholder outreach and initiative support

The following launches and outreach projects were facilitated and led by the Directorate:

- Danida Energy Efficiency Pilot Project, N2 Gateway project launch and site visit, 11 April 2013
- Cornubia site meeting, 17 April 2013, to assess the state of readiness on the launch of the project on 21 April 2013
- Sanitation and Hygiene Week 2013, 25 April 2013
- Walmer Link Project and MinMEC, – 9 May 2013
- Planning for Hosting Chinese Deputy Minister and delegation for visiting DPW and the DHS during the week of 12–16 May 2013
- Budget Vote Human Settlements, 22 May 2013

Govan Mbeki Human Settlement Awards, 6 June 2013

Presidential delivery of infrastructure projects and ministerial eight-month programme: Following Ministry's request for key deliverables on human settlements programmes to be submitted to the Presidency in respect of national Department contribution to the presidential programme on the delivery of infrastructure projects, the Directorate together with the Chief Directorate: Priority Projects, verified the following departmental key project deliverables:

Province	Human settlements		Sanitation	
	Municipality	Project	Municipality	Project
Eastern Cape	Nelson Mandela Bay Metro	Walmer Link (FLISP)	Nelson Mandela Bay Metro	Walmer Bucket Eradication
Free State	Mangaung	Brandwag (CRU)	Mangaung	Sterkwater Waste Water Treatment Works
Gauteng	Ekurhuleni	Chief Luthuli Ext. 6	Ekurhuleni Metro	Germiston Bulk Sewer Upgrade
KwaZulu Natal	Ethekwini	Cornubia (IRDP)	Ethekwini Metro	Ohlange/Phoenix Link sewer upgrade
Limpopo	Lephalale	Lephalale Bulk Infrastructure	Vhembe District Municipality	Vhembe Rural Households Sanitation Projects
Mpumalanga	Bushbuckridge	Mkhulule, Crackban, New Line Casteel	Bushbuckridge Municipality	Bushbuckridge Rural Households Sanitation Project
Northern Cape	Sol Plaatjie	Lerato Park	Joe Morolong Municipality	Joe Morolong Rural Households Sanitation Project
North West	Ratlou	Kraaipan	Ratlou Municipality	Ratlou Rural Households Sanitation Project
Western Cape	Drakenstein	Drommedaris	City of Cape Town	Cape Flats Waste Water Treatment Works
Gauteng	City of Johannesburg	Malibongwe Ridge Mixed Housing Development.		

- Northam Thabazimbi FLISP Handover Project preparatory meetings
- Cosmo City FLISP Handover Project, 06 December 2013
- Integrated Urban Development Framework Summit media plan, 25 October 2013
- Graskop Handover preparatory meetings
- Chief Albert Luthuli Ext. 6 project preparatory meetings
- Avoca Hills Social Housing Project handover
- Delft Symphony Precincts 3 and 5 handover of alternative technology (IRDP)
- Presidential Cornubia Integrated Human Settlement Development Project Launch

Intergovernmental Relations

Intergovernmental relations in South Africa forms the basis within which government functions and delivers services to the population. One of the key objectives of intergovernmental relations is to ensure a coordinated and coherent approach to service delivery. Service delivery is as a result of the interaction between the three spheres of government through cooperative governance. The DHS has a constitutional mandate of providing qualifying citizens of South Africa with access to adequate shelter. Housing is a concurrent function and as such demands a strong intergovernmental relations institutional arrangement and forums coordination. The Department, through the Intergovernmental Relations directorate in the 2013/14 financial year, has performed as follows:

Participation at the Directors-General clusters

The Department continued to participate at the Forum of South African Directors-General social cluster and in this regard a framework to guide the Department's participation at this forum was developed. The Department also tabled the following submissions at the Forum of South Africa's Directors-General:

- Leading change in the city conference: The Department has tabled this item at the cluster and it was approved for tabling at the Cabinet Committee. The conference received Cabinet approval in July 2013 and it will be held on 21–22 November 2013. This item was tabled at the social and ICT cluster.
- Rental Housing Amendment Bill: The cluster has approved the Bill for tabling at the Cabinet Committee.
- Property Practitioners Bill: This Bill is on the agenda of the cluster for 18 September 2013 for approval for tabling at the Cabinet Committee.
- Report on the Rapidly Growing Towns/Areas: This item was tabled at the cluster and the Department was requested to have a bilateral discussion with the Department of Rural Development and Land Reform to clarify issues of spatial planning. The Department went back to the cluster on 11 September 2013 to provide a report but this item is yet to be tabled at the Cabinet Committee.
- Sanitation Progress Report: The Department tabled the progress report on Bucket Eradication Programme as at March 2014 at the social cluster and the report is ready for tabling at the Cabinet Committee.
- Municipal Accreditation and Assignment: The progress report on the accreditation and assignment of the function to administer national housing programmes to the six metros by 2014 was tabled at the social cluster technical working group, which is a sub-structure of the FOSAD social cluster. This is a team of Chief Directors and Deputy Directors-General from the core departments of the social sector cluster who are responsible for vetting all submissions serving before the Directors-General social cluster.

Provincial and municipal performance reviews

The Department in each quarter conducted a performance review of the sector wherein it assessed the performance of the provinces against their budgetary goals on the approved business plans, the performance of the metropolitan municipalities against the approved built environment performance plans and the performance of the human settlements institutions against their budgetary goals as contained in their annual performance plans. The framework for the quarterly assessment of provinces and municipalities was reviewed and an approved performance review meeting was developed and approved by the Director-General.

The DHS conducts a quarterly performance review of the human settlements sector as part of its oversight responsibility on the HSDG and USDG. The Department's oversight responsibility emanates from various legislations such as the Housing Act (Act No. 107 of 1997) and the Division of Revenue Act, 2012, which stipulate that the national Department of Human Settlements has the responsibility to oversee the performance of provincial Human Settlements Departments and metropolitan municipalities both in terms of their financial and non-financial performance in respect of the HSDG and USDG. It is the Department's responsibility to ensure that the provinces' and municipalities' performance is in line with the approved business plan targets at this forum. In terms of Treasury Regulation 26.1, the Accounting Officer must also ensure that a Schedule 3A public entity submits information on its actual revenue and expenditure up to the end of each quarter as well as information about the projected revenue and expenditure for the remainder of the particular financial year, within 30 days after the end of the quarter. The Department's entities are Schedule 3A entities and also report their performance to the Department quarterly against the approved annual performance plans.

This forum is significant because it also provides an opportunity for the Department to identify challenges that may impede service delivery and offer assistance where the challenges are as a result of policy or an area within the Department's ability to resolve.

National Forum for Human Settlements and Urban Development

The DHS, in collaboration with the Department of Cooperative Governance and Traditional Affairs, successfully hosted the launch of the National Forum on Human Settlements and Urban Development at Birchwood Conference Centre on 25 October 2013. The brought together national, provincial and local government, professional bodies, civil society organisations, academics and sector

stakeholder representatives to officially open public debate and create awareness of the Integrated Urban Development Framework process, to obtain inputs and ideas for the further development of the IUDF discussion document and to build sustainable partnerships with stakeholders to support the urban policy development process going forward

The forum serves as a very important platform for continuous stakeholder engagement on policy discussions. To date the DHS and the Department of Cooperative Governance and Traditional Affairs are jointly working in the development of a discussion paper for an IUDF.

The dialogue at launch presented key thematic topics and raised questions for debate on the following areas:

- Integrated human settlements and land use management: settlement typologies and spatial perspectives
- Meeting the demand for urban infrastructure
- Framing institutional and financing responses to support integrated urban development
- Strengthening linkages between rural and urban areas. The event was a success and was attended by about 400 delegates including Ministers, Deputy Ministers, Chairs of the Portfolio Committees, provincial Heads of Departments, national and provincial officials, housing institutions, local government, professional bodies, civil society organisations, academics, diplomats, sector stakeholder representatives and state owned entities.

Disaster management plan for the human settlements sector

- The Directorate has established a Disaster Management Task Team with the aim of developing a draft disaster management plan for the human settlements sector. The team has since developed the draft plan and forwarded it to the National Disaster Management Centre for inputs. The NDMC responded with the request for a workshop session wherein they can provide their comments in more detail on the Department's draft plan. The Department successfully convened the workshop in collaboration with the NDMC in November 2013. To date the Department is in the process of drafting the second draft disaster management plan. The Department has also submitted a request for a work study to be undertaken by the human resources department to determine the level and nature of resources required for a disaster management nodal point within the Department.

Engagement with the Department of Environmental Affairs on climate change adaptation in human settlements

In terms of the White Paper on Climate Change as adopted by Cabinet in 2011, the DHS is one of the sectors that have been identified as most vulnerable to climate change. The Department of Environmental Affairs carried out a literature review with the assistance of academics to identify indicators against which the DHS must report on climate change. The Department of Environmental Affairs therefore met with the Department to discuss the identified areas as well as to agree on the relevant indicators against which the Department will be reporting. This process is still ongoing.

Project launches, conferences and summits supported

Walmer Project Launch

The former Minister of Human Settlements, Mr Tokyo Sexwale, launched the Walmer Link Affordable Housing Scheme on 09 May 2013 in Port Elizabeth. The project is an accredited housing project aimed at providing affordable homes using FLISP. The programme is intended to assist the beneficiaries in reducing the initial mortgage loan amount and total house price.

Through the Intergovernmental Relations unit, the Department drafted the invitations and disseminated them to the MinMEC members only, since the launch coincided with the MinMEC meeting. Stakeholders who attended include the national DHS top management, the Eastern Cape provincial Department, the Nelson Mandela Bay metropolitan municipality, the NHFC and General Motors South Africa Foundation. The targeted audience for the launch was MinMEC attendees. The Eastern Cape province and the Nelson Mandela Bay metropolitan municipality were requested to invite their own stakeholders.

Sanitation and Hygiene Week celebration

The 2002 World Summit on Sustainable Development, which was held in Johannesburg, included sanitation as one of the Millennium Development Targets. The Department celebrated the Sanitation Week aimed at raising awareness on sanitation issues, encouraging local government and communities to prioritise sanitation, health and hygiene and further to highlight the work that the Department is doing to ensure access to sanitation. The main event was held in the Western Cape (Khayelitsha) on 25 April 2013 and Deputy Minister Zou Kota-Fredericks delivered the key message. Other celebrations took place around the country.

The unit supported the program by bringing together stakeholders involved in the human settlements value chain to form part of the awareness campaign. The event targeted 1,000 people: 800 people were to come from the community and the 200 people were to be stakeholders. A guest list of 200 stakeholders was developed, targeting those based in the Western Cape: City of Cape Town, local municipalities, sector Departments, community-based organisations, non-governmental organisations, sanitation partners, sponsors and the Khayelitsha community.

The event was to increase awareness of the importance of sanitation to one's daily lifestyle, health and dignity, highlight government's initiatives in sanitation service delivery, improve people's behaviour through the correct use of sanitation facilities and good hygiene practices, promote the continued identification, documentation and replication of sanitation best practices and promote innovative approaches to the acceleration of sanitation implementation programmes.

Scholarship programme

The Department's scholarship programme made recommendations to build a house for one of the scholarship beneficiaries. The Department brought in stakeholders and sought sponsors to assist in the building of the house in Hibiscus Municipality in Kwazulu-Natal. The event targeted 1,000 stakeholders made up of 800 community members and 200 other sector stakeholders. The unit, together with the Communication unit, drafted and disseminated the invitations to 200 guests. The unit was responsible for stakeholders' mobilisation. The launch was held on 27 June 2013 and the MEC delivered the key note address. The event was successfully attended by the community, graduates in the human settlements scholarship programme as well as government and private sector representatives. In attendance was also the mayor of Hibiscus municipality.

Budget vote

The 2013/14 budget vote was held on 22 May 2013 at E249, Old Assembly, in Parliament. The unit supported the ministerial budget vote speech and cocktail event through stakeholder identification and mobilisation. A guest list of 300 people was developed and the unit facilitated the drafting of the invitations, dissemination thereof and tracking of confirmations. A confirmation list of 150 attendants was forwarded to the Ministry prior to the event and it comprised the departmental top management, senior management, housing institutions, members of the Executive Council and provincial senior management, metropolitan municipalities, Members of Parliament, inclusive of Portfolio and Select Committees, private sector and civil society. The event was a huge success with a turnout of 250 delegates.

Govan Mbeki Awards

The Minister of Human Settlements hosted the 2013 Govan Mbeki Awards on 06 June 2013 at Gallagher Estate, Gauteng. The event aimed to bring together 1,100 stakeholders to showcase excellence, best practice and healthy competition among provinces.

The unit was responsible for coordinating a guest list of 700 national delegates and 500 from the provinces. The unit further supported the event by sending out invitations to 700 stakeholders and following up on invitation delivery and confirmations. Approximately 1,200 confirmations were received by the service provider and the unit developed a VIP list to assist with sitting arrangements and oversee the delegate management.

National Informal Settlements Upgrading Summit

The 21st century has brought unprecedented growth in informal settlements in South Africa. From 300 informal settlements in 1994, there are now approximately 2,700 informal settlements in the country housing around 1.3 million families. The Department hosted a summit on 02 July 2013 aimed at reinforcing the message of the government's directives for informal settlement upgrading and also to update participants on progress of national informal settlement upgrading efforts, and NUSP.

The summit targeted 200 delegates within government, private sector and civil society. The unit supported the Chief Directorate Programme Implementation Support with the coordination of task team meetings for the preparation of the summit, producing minutes and decision tracking. The unit also assisted with the dissemination of invites and the confirmations.

Leading Change in the City

The Department, on behalf of South Africa, was to co-host an international conference with the UN-Habitat. The unit supported this process by enlisting the country guest list and lending support to the logistics meeting held on 17 July 2013. The first consultation meeting was held on 18 July 2013 and the unit was able to assist with stakeholder mobilisation and reporting the outcomes of the meeting. Stakeholders were identified and invited to the international conference on "Leading Change in the City" which was to be held on 20–22 November 2013. The aim of the conference was to debate issues of women's leadership in urban development with emphasis on livelihood, shelter and safety. The conference was however postponed until further notice.

BRICS Urbanisation Forum

The Department also supported the Department of Cooperative Governance and Traditional Affairs in hosting the second BRICS Urbanisation Forum and the third Friendship Cities and Local Government Cooperation Forum on 27–29 November 2013 at the Chief Albert Luthuli Convention Centre, Durban. It played a major role in stakeholder coordination, logistics for the event as well as in the content development.

Native Land Act Centenary Commemoration

The year 2013 marks 100 years since the Natives Land Act of 1913 was enacted in South Africa and to commemorate the centenary, the Department had committed itself to host an exhibition and a Human Settlement Gala Dinner Summit on 19–20 August 2013 at the Rockland's Civic Centre in Cape Town. The celebration gave an opportunity to:

- educate the public about the history and residual impacts of the 1913 Natives Land Act;
- celebrate the resilience of individuals, organisations and communities who strove to resist its implementation and impacts;
- assess the challenges and progress made since the advent of democracy in redressing this legacy; and
- mobilise public awareness and support for the continued efforts to redress this legacy and to build a socially cohesive society.

The unit supported the event with the logistical arrangements.

Avo Hills and Cornubia project launches

The unit supported the Department with the preparations for the project launches for Avo Hills, which took place on 02 February 2014,

and the Cornubia Integrated Human Settlements Development Project through stakeholder identification and the dissemination of invitations.

International Relations

Bilateral coordination

Cooperation with the Kingdom of Denmark (DANIDA-funded project)

In 2005 the Government of South Africa and the Kingdom of Denmark concluded an agreement on “Support for Energy Efficiency in the Low Income Housing Sector in South Africa”. Through this agreement, the South African Department of Human Settlements received a funding commitment to the value of R17.5 million from the Danish International Development Assistance Agency for a project on the mainstreaming of energy efficiency in low-income housing. One of the anticipated outcomes of this project is that lessons learned on energy efficiency in low-income housing will inform the South African regulatory framework in the formation of standard policies to be incorporated into the relevant legislation. The project has been hampered by continuing delays in construction of the houses at Joe Slovo 3A, which have caused delays in the installation of the energy efficiency measures.

During the period under review, the document on lessons learned from the installation of the first batch of energy efficiency measures has been finalised and will be transmitted through departmental channels for consideration by executive management, Technical MinMEC and MinMEC in the next quarter. A further request for extension of the project is currently being finalised with indications from the government of Denmark that it will be granted. A parliamentary delegation from Denmark visited the project in March 2014 with a very positive response. Once the extension has been formalised, a new MOU with the Western Cape Department of Human Settlements will have to be entered into. The lessons learned will be disseminated through workshops with provincial departments and SALGA.

Cooperation with Cuba

During the period under review, the governments of South Africa and Cuba extended their cooperation agreement, which was thoroughly reviewed in order to improve the South Africa – Cuba Technical Support Programme. It addressed a more focused utilisation of the Cuban technical advisors, as well as included new areas of cooperation that reflect the expanded mandate of the Department of Human Settlements.

The new agreement seeks to sharpen the existing cooperation to focus more on:

- technical support, to accelerate the implementation of the PHP projects and other human settlements projects;
- knowledge and information sharing on best practices for engineers and architects working in human settlements projects;
- promotion of community participation based on the Cuban experience; and
- innovative and cost-effective implementation based on Cuban experiences.

The new agreement also provides for the following new areas of cooperation:

- The recruitment and utilisation of Cuban technical advisors not only in provincial departments, but also by the national Department and accredited municipalities in human settlements projects.
- The cooperation in the field of social building brigades to enhance implementation of PHP projects, youth and women’s programmes, including related human settlements projects.
- An exchange programme for training of engineers and architects to strengthen the skills transfer component of this agreement.
- A training programme for artisans in South Africa based on Cuban experiences.
- Recruitment and utilisation of Cuban technical advisors with specialisation in sanitation to support the implementation of the national sanitation projects.

We are awaiting formal confirmation from the Cuban government that all processes for the ratification of the agreement have been undertaken on their side. The current technical advisors working in South Africa continue to operate under the provisions of the previous agreement. Issues pertaining to the opting out of one of the technical advisors have been addressed and he has since left the Department of Human Settlements in Mpumalanga and has had his treaty permit cancelled by the Department of Home Affairs. Issues pertaining to the insecure accommodation for technical advisors working in Emalahleni have also been resolved and new, more suitable accommodation has been found for the technical advisors affected. The Cuban government is currently considering the extension of contracts for some of the technical advisors working in the Western Cape and Mpumalanga.

In the next financial period, 2014/2015, the agreement should be tabled before Parliament for noting, and a work plan and terms of reference for the new technical advisors to be recruited under the agreement should be finalised. Recruitment is planned to take place in the second quarter of 2014/15.

China Assisted Housing Project

In 1999 the governments of the People’s Republic of China and the Republic of South Africa entered into an agreement (through an exchange of letters) concerning a housing project of 400 units of three-bedroom flats in Graskop, Mpumalanga. This commitment was renewed in 2004 as no progress had been made since the initial agreement. Subsequent to this, the governments of China (represented by China National Complete Plant Import Corporation) and Thaba Chweu municipality concluded a contract on the implementation of the “Chinese assisted 400 dwelling units project in Graskop, South Africa”. The municipality again failed to show

progress in implementing the agreement until a renewed commitment by the mayor of Thaba Chweu in China in 2007.

Subsequent agreements have since been entered into, reducing the initial units from 400, to 200 and then to 170. This followed a request by the Thaba Chweu municipality to change the specifications from construction of low-cost houses, which are not to the required minimum standards, to quality affordable houses. To date, 170 houses are completed and enrolled with the NHBRC. The allocated budget for this project is US\$9,400,000 which is provided by the Chinese government through the Ministry of Commerce.

During the period under review, the completed and empty houses were invaded by nearby residents. The Department ensured that appropriate steps were taken by the municipality and provincial Department to evict the illegal occupiers and ensure the safety of the property and members of the Chinese technical team. In the last quarter of 2013/14, an inspection team consisting of engineers from the Chinese technical team and Thaba Chweu municipality completed a comprehensive acceptance check of the project together and testified the project is qualified and complete in terms of the agreement. The Department is currently facilitating an official handover of the certification confirming completion of the project by the Chinese Embassy on behalf of the government of the People's Republic of China.

Cooperation with the Kingdom of the Netherlands

The Department has a long-standing cooperation arrangement with its counterpart in the Netherlands on cooperation in the field of social rental housing. The cooperation focuses on different components of support, namely the provision of short-, medium- and long-term assistance, training and exposure programmes. Under the cooperation arrangement, the parties are scheduled to meet annually to monitor progress in the implementation of annual implementation plans, agree on projects for the coming year and their funding. The Ministry of the Netherlands responsible for housing, the Association of Netherlands Municipalities and the Social Housing Association provide technical assistance to their counterpart organisations in South Africa, namely the DHS, SALGA, the SHRA and the National Association of Social Housing Organisations in order to strengthen policy, capacitate institutions and support implementation of social rental housing in South Africa.

This cooperation also provides for financial assistance in the form of provision of financial guarantees for social housing projects by the Dutch International Guarantees for Housing. To monitor the progress and efficiency of the agreement, both parties have set up oversight committees. In addition to the Oversight Committee meetings, the parties convene a joint annual review meeting, held alternately in South Africa and the Netherlands, to discuss the implementation of agreed activities and to evaluate, revise and adopt the projects identified for each programme of under the cooperation arrangement for the following year. During the 2014/2015 financial year, South Africa will be visiting the Netherlands to review the 2013 annual implementation plan and agree on the 2014 annual implementation plan for consideration by both parties. It is also important to note that the cooperation arrangement will be coming to an end in June 2015. Discussions have already begun to define the relationship beyond 2015.

Hosting of international delegations

The Department of Human Settlements hosted a delegation from Angola's Ministry of Construction in March 2014. South Africa and Angola signed a MOU on cooperation in the field of human settlements during President Zuma's state visit to Angola in August 2009. The MOU is intended to provide a platform for engagements on human settlements issues and related matters. Notably, an Angola/South Africa Working Group on Human Settlements was also established to oversee implementation of the MOU and agree on a work plan for implementation by the respective parties. The working group has since adopted the South Africa Angola Housing Initiative as appointed by the Angolan government to undertake some infrastructures projects in Angola. The Department also facilitated a meeting between SAAHI, the DBSA and the Angolan delegation.

The Angolan delegation, led by the Secretary of State for Construction Mr Ilidio de Jesus Braz Martins, explained that there have been some changes to the structure of the Angolan government. The Ministry of Construction and the Ministry of Urban Development have been established as separate ministries. It was agreed that both countries understand each other in terms of policies and implementation and that there is a lot of scope for continued exchanges. It was agreed that the MOU must continue and that there is also a need for it to be transformed.

The Department also hosted a delegation from the government of Bangladesh who were visiting South Africa on a study tour. The delegation met with the Department to gain an understanding of our approach to the following topics: legal framework, planning and financing of human settlements programmes in South Africa.

MULTILATERAL COORDINATION

India, Brazil and South Africa Cooperation

IBSA is a trilateral, development initiative between India, Brazil and South Africa to promote south-south cooperation and exchange on several mutually agreed upon areas of interest. At the fourth meeting of the Trilateral Commission of the IBSA Dialogue Forum in Delhi in July 2007, human settlement development was identified as an area for IBSA cooperation. As a result a working group on human settlements was established and, subsequently, a MOU on cooperation in the area of human settlement development was signed at the 3rd IBSA Summit held in October 2008. The MOU serves as the formal platform for trilateral engagement among the three countries and provides for:

- Development of common conceptualisation and approach between parties in the areas of human settlements development, particularly slums upgrading and housing for the poor.
- Collaboration in defining fundamentals of housing and human settlements development for a shared understanding.

- Enhancing existing cooperation in exchange of experience and information and multilateral cooperation through participation in workshops, regional positions, etc.
- Promotion of cooperation in training and skills development, exchange of scientific knowledge, dissemination of cost-effective building materials, development of policy framework and implementation as well as strengthening partnerships of non-governmental organisations active in human settlements.

During the period under review, the International Relations unit contributed in the following aspects:

- Development of the strategy for IBSA Working Group on Human Settlements aimed at achieving the goals stated in the MOU, and elaborating on the themes defined for collaboration. Part of the strategy is to further develop the conceptual approach and documents that maybe disseminated among the international community and strengthen the IBSA agenda for human settlements.
- Participated in the IBSA Working Group on Human Settlements Seminar, hosted by Brazil on 12–15 March 2014 and themed “Mobilising Reflexive Communities for Transformation in Cities”. This seminar is aimed at strengthening the information exchange and making progress towards the implementation of the IBSA activities in line with the strategy of the IBSA Human Settlements Working Group together with its implementation plans based on the themes, namely research, policy dialogue, technical cooperation and knowledge management. South Africa will be expected to coordinate session 1 of the seminar on political dialogues from the Millennium Goals to the post-Rio+20 scenario. The International Relations unit, together with South African Anchor institution SA Cities Network, further provided comments to the concept document of the seminar.
- Continues to interact with counterparts from India and Brazil via video conferences on IBSA matters

Cities Alliance

The Cities Alliance is jointly chaired by UN-Habitat and the UN Office for Project Services. The Cities Alliance provides strategic policy and grant support for city development strategies and slum upgrading, in line with the Cities without Slums Action Plan. In this regard, South Africa, as one of its members, has benefited considerably from the Cities Alliance funding a number of projects. The Cities Alliance annually holds a public policy forum, which is an open meeting to debate topical issues related to urban development and cities, followed by the consultative group meeting, which only members of the Cities Alliance attend to decide operational and strategic issues pertaining to the Cities Alliance, review and accept the annual report, elect members to the various committees, review the project plans and programmes, as well as set priorities for the coming year.

South Africa has been actively advocating for the Cities Alliance to move beyond its role as donor to be a network for learning exchange and a repository of knowledge on urban and human settlement issues. On behalf of the African Ministerial Conference on Housing and Urban Development, the Department has been arguing for the Cities Alliance to play a greater role in engendering real contact between developing countries to exchange experience and knowledge and foster south-south cooperation on urban issues.

During the period under review, the International Relations provided the following:

- Facilitated the request by Cities Alliance for the Minister of Human Settlements, Ms September, to support and participate at the second consultation meeting of Cities Alliance members, African Country Programme partners and specialists aimed at discussing and deciding on the Cities Alliance strategy for its work in sub-Saharan Africa, which is expected to take place on 14–16 October 2013 in South Africa. The Minister addressed the delegates and shared a South African perspective on some of the urban and city challenges and solutions to them. South Africa’s support and participation was crucial as the Africa strategy will also be helpful in refining our own strategy and infusing new thinking and best practice into our framework for energising urban development and implementation of the National Development Plan.
- South Africa participated at the Cities Alliance consultative meeting held in November 2013 in Burkino Faso to discuss and decide on the recommendation pertaining to governance issues such as the Africa strategy, Habitat III Joint Work Programme and Performance Monitoring System. The Department’s participation was crucial as we participated in the second round of the discussions on the Africa strategy, which will be helpful in refining our own strategy and infusing new thinking and best practice into our framework for energising urban development and implementation of the National Development Plan.

“Lead the Change in the City” conference to be co-hosted by South Africa and UN-Habitat

UN-Habitat requested South Africa to co-host the “Lead the Change in the City” Conference, which was to allow for thorough discussion and dialogue on “transformative leadership in urban governance”. It was envisaged that this international conference would allow participants from the public sector, private sector, and civil society to share successes and challenges on women empowerment in urban governance and identify solutions to common problems.

As it was envisaged that ministers and mayors from various parts of the world would participate, it was necessary to obtain approval from Cabinet for the hosting of the conference.

Rationale for South Africa’s co-hosting this conference is, amongst others:

- South Africa is a prominent member of UN-Habitat and continues to advocate and play an instrumental role for the support of human settlements programmes in Africa. It is therefore fitting that South Africa, with support from UN-Habitat, convenes this conference to discuss and debate how women’s leadership in urban governance can improve livelihoods, shelter and safety.
- The proposed conference has a very solid agenda that is of significant strategic relevance for South Africa. We attach great

importance to women's empowerment and have made significant strides in this regard. Much still remains to be done, however, and a conference that focuses on livelihoods, shelter and safety, and building sustainable cities and communities from a women's empowerment perspective, will greatly enhance our own understanding of these issues.

- The Department is committed to addressing the issues of women's empowerment in fast-tracking South Africa's economic growth, and has a policy framework for empowerment and participation of women in human settlements. The Department has been actively involved in conceptualising and implementing the programme to promote women in human settlements, including programmes aimed at promotion and empowerment of sustainable and emerging women contractors through access to finance, procurement, corporate social investments. In addition, the Department is conducting consultative workshops throughout the nine provinces, which are a stepping stone towards consolidating an input ahead of the proposed "Lead the Change in the City" international conference.

In this regard South Africa would have a significant contribution to make to the conference discussions. South Africa's co-hosting this international conference would attest our commitment and compliance to international conventions aimed to respect, promote, protect and advance the rights of women. Finally, our participation was aimed at marking the start of an important national debate on promoting safety, livelihoods and shelter and leaving a legacy of a network of experts that will live beyond the event.

Objectives and themes of the conference

The objective of the conference was to consolidate a network of government and private sectors (including civil society) that is committed to exchanging knowledge, policies and relevant tools to enhance women's participation in the urban life in Africa to ensure improvement in the women's livelihoods, shelter and safety. The network was expected to attract participants from Africa, BRICS countries and elsewhere.

The themes of the conference are:

- Leadership in urban governance
- Economic and livelihood development
- Housing and shelter
- Urban safety

Period under review: the International Relations unit facilitated preparations to co-host, with UN-Habitat, the "Leading the Change in the City" conference from 21–22 November 2013 at the Sandton Convention Centre, Johannesburg. The International Relations unit further facilitated the establishment of communications, content and logistics task teams with relevant sector departments to prepare for this international conference. However, the conference has since been postponed until further notice.

24th session of the UN-Habitat Governing Council

The UN-Habitat, the United Nations agency for human settlements, is mandated by the UN General Assembly to promote socially and environmentally sustainable towns and cities with the goal of providing adequate shelter for all. The main documents outlining the mandate of the organisation are the Vancouver Declaration on Human Settlements, Habitat Agenda, the Istanbul Declaration on Human Settlements, the Declaration on Cities and other Human Settlements in the New Millennium and Resolution 56/2006.

According to the rules and procedures of the UN-Habitat, South Africa is one 16 African states that are among the 58 members of the UN-Habitat Governing Council. As a result we are expected to make a country statement on the set UN-Habitat Governing Council session theme, participate in the resolution drafting processes and contribute to decisions pertaining to the programme and budget of the UN-Habitat.

During the period under review, International Relations facilitated participation at the 24th session of the UN-Habitat Governing Council, which was titled "Sustainable urban development: The role of cities in creating improved economic opportunities for all, with special reference to youth and gender". South Africa also exhibited during the meeting and showcased material that proved South Africa's commitment to creation of economic opportunities for the youth and gender through audiovisual presentation and publications. (See the attached report of South Africa's participation at the 24th session of the UN-Habitat Governing Council.)

African Ministerial Conference on Housing and Urban Development

AMCHUD is an initiative by Housing Ministers in Africa to tackle issues associated with housing and urban development. It was established at its inaugural conference held in 2005 in South Africa. Its scope of work is guided amongst others by the Millennium Development Goal 7, which seeks to ensure environmental sustainability and targets on water, sanitation and slums. It has held five Ministerial Conferences and three special sessions since 2005, dealing with land, financing, planning and other issues related to human settlements.

During the period under review, International Relations facilitated participation at the Ministerial Meeting of AMCHUD, which was held in Lusaka, Zambia, from 27–29 February 2014 and was aimed at preparing for the 5th AMCHUD. During the Ministerial Meeting in Lusaka, Minister September made a South African case study on financing human settlements, which was a reflection on 20 years of human settlements programmes in South Africa.

The 5th session of AMCHUD took place in N'djamena, Chad, in February 2014. The Department participated in the session, both in terms of providing technical support to the AMCHUD secretariat and as member of AMCHUD. The meeting adopted the N'djamena

Declaration and the N'djamena Action Plan, with focus on strengthening AMCHUD as an institution, taking concrete measures to improve conditions for financing human settlements, and working together towards the creation of an African urban agenda to be linked to the continental and global discussion on the post-2015 global development agenda and the African Union's Agenda 2063.

7th session of the World Urban Forum

The WUF was established by the United Nations to examine one of the most pressing problems facing the world today: rapid urbanisation and its impact on communities, cities, economies, climate change and policies. South Africa has been at the forefront in the establishment of WUF and has participated in all the previous forums since its inception in 2002.

South Africa's participation at WUF is in line with its foreign policy objectives, which provide for strengthening of our voice for the cause of Africa. It also provides opportunity to participate in the debates, share our perspectives and find solutions to topical issues of human settlements and urban development.

South Africa will be participating at the 7th session of WUF in April 2014 and it is anticipated that the outcomes from WUF 7 will support the concept of the long-term planning approach to urban policy and implementation and management thereof. This is expected to accord the long-term vision of the country's National Development Plan Vision 2030, as well as respective city visions, which can look as far ahead as 2055.

During the period under review, the International Relations unit facilitated South Africa's preparations for participation at WUF 7, which will be hosted by the government of Colombia, from 05–11 April 2013, in the city of Medellin with the theme "Urban equity in development – Cities for life".

The preparations were in the form of stakeholder workshops on 10 and 28 March aimed at obtaining inputs from stakeholders on the three priority subthemes:

- Urban planning and design for social cohesion
- A safe city as a just and equitable city
- Raising standards of urban resilience

These inputs are aimed at assisting in the development of a South Africa's position during WUF 7.

Human Settlements Policy Frameworks
Sub-programme: Operational Frameworks

Strategic objective: : To manage the development of human settlement policy and accreditation frameworks					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Macro human settlement policy approved	None	New national human settlement macro policy approved	Densification policy submitted to EMT	A strategy is being developed in-house to draft the densification policy. Still waiting for the draft policy to be tabled before executive management.	Still waiting for executive management comment on densification strategy.
Number of provincial and municipal workshops on national human settlement policy conducted	Nine policy assistance initiatives provided through workshops	Nine structured policy workshops on human settlement policies conducted	Eight policy workshops conducted as follows: North West Mpumalanga Eastern Cape: Umtata and Port Elizabeth Limpopo Northern Cape: Kimberley and Upington	Some provincial Departments did not need policy workshops.	Despite numerous correspondence and reminders, no cooperation was received from other provinces when trying to organise the workshop.
Number of new national human settlement policy, guidelines and norms and standards approved	None	New policy for low-income backyard rental programme and new criteria for restructuring zones	New policy for backyard rental programme was developed and approved by task team. MinMEC approval will be obtained in 2014/15 financial year The restructuring guidelines were developed and approved by the task team. MinMEC approval will be obtained in 2014/15 financial year.	MinMEC approval outstanding	Approval will be requested at the meeting of the MinMEC committee after May 2014

Strategic objective: : To manage the development of human settlement policy and accreditation frameworks					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
National human settlements policy and guidelines revised	None	Two revised human settlements policies submitted: revised CRU and social housing policies	The CRU policy was adjusted with regard to the grant quantum levels. The investigation into the broader policy revision will be conducted during the 2014/15 financial year. The social housing revision project was cancelled in view of the joint evaluation initiative with the DPME in terms of which the project has been scheduled for 2015.	Broader policy evaluation and revision was not realised.	Both projects are scheduled for the 2014/15 financial year.
Number of municipalities assessed for accreditation	Eight municipalities assessed for accreditation	Six municipalities assessed for accreditation	Assessments for the readiness to receive Level 3 accreditation were completed for the six metro municipalities.	None	None
Number of workshops to capacitate municipalities on the implementation protocols conducted	None	Six workshops to capacitate municipalities on the implementation protocols conducted	Six workshops to capacitate municipalities on the implementation protocols conducted	None	None
Number of workshops to capacitate provinces and municipalities on assignment conducted		Six workshops to capacitate provinces and municipalities on assignment conducted	Six workshops to capacitate provinces and municipalities on assignment conducted	None	None

Sub Programme: Governance Frameworks

Strategic Objective: To develop and manage operational compliance policy framework						
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation	
Sector operational compliance policy framework approved	None	Governance frameworks and implementation guidelines for 2013/14 approved	Governance frameworks approved	Governance framework systems will be used as the guidelines for implementation.	The governance framework will be used in conjunction with the framework system for implementation.	
Number of reports on functional governance framework systems submitted	None	One report on functional governance submitted framework system developed	One report on functional governance framework system developed and submitted.	None	None	
Number of reports on the sector compliance to human settlements governance framework submitted	None	Two reports on the sector compliance to human settlements governance frameworks submitted	One report on the sector compliance to human settlements governance frameworks submitted	Only one report on the sector compliance to human settlements governance framework submitted	Director commenced duty towards the end of the second quarter. The framework and the implementation matrix were concluded during the fourth quarter.	
Number of reports on the analysis and review of the sector delivery instruments developed	None	One report on the analysis and review of the sector delivery instruments developed	One report on the analysis and review of the sector delivery instruments developed	None	None	
Number of approved annual build projects implemented	Three build projects (youth, women and Mandela Day buildS)	Five builds (youth, women, Mandela Day, military vets, and 16 Days builds) implemented	Five build projects implemented (youth, women, Mandela Day, military vets, and 16 Days builds)	16 Days of Activism project was put on hold due to the passing of Tata Mandela.	Houses developed for 16 Days projects were handed over for International Woman's Day in March 2014	
Number of reports on training and mentorship programmes implemented	Four reports	Four reports on training and mentorship programmes implemented	Four reports on training and mentorship programmes implemented	None	None	

Strategic Objective: To develop and manage operational compliance policy framework

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of reports on the implementation of the sector transformation programmes and special projects submitted	None	Four reports on the implementation of the sector transformation programmes and special projects submitted	Four reports on the implementation of the sector transformation programmes and special projects submitted	None	None
Number of sector transformation strategies developed and reviewed	Two strategies developed	Two sector transformation strategies developed (military vets and TRC)	Disability strategy is under development. Terms of reference approved.	Delay in procurement processes	Terms of reference are with the adjudication committee
Number of research reports on the identified themes in the research agenda (sustainable human settlements, demand, supply, land and tenure) submitted	Four research reports	Two research reports on the identified themes in the research agenda submitted	Two research papers: "Asbestos Use in South Africa: Related Health Risks and Policies for Risk Management Research" "Towards the Development of the Empowerment Strategy: Legislative, Policy and Documentary Review Analysis" report arguing the adequacy of the policy for job creation in SA.	Three research reports out of two planned reports	One research was outsourced which freed up capacity to deliver more.
Number of policy analysed and reviewed	None	One policy analysed and reviewed	Research paper on the use of institutional subsidies for the provision of group housing accommodation for people with special needs	None	None

Strategic Objective: To develop and manage operational compliance policy framework					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of research requests completed	Eight research requests completed	Two research requests completed	Five requests received and completed. Report on the impact of economic crisis on human settlements. Provided environmental scan for the annual report. Director-General's note on the world economic crisis as it relates to SA's ability to create jobs. Report on the role of human settlements in economic development as per the request by the Director-General's office. Provided inputs to the departmental response to the Financial and Fiscal Commission review document.	Additional three requests were made and completed.	The target of two was based on the standard request known year in, year out; there were three more requests made and successfully delivered.
Number of reports on human settlements environment scanning and analysis (economic and social environment) submitted	Four reports	Four reports on human settlements environment scanning and analysis submitted	Four reports on human settlements environment scanning and analysis submitted	None	None

**Human Settlements Strategy and Planning
Sub-programme: Human Settlements Strategy**

Strategic objective: To oversee the design, development and the implementation of the human settlements sector strategy, provide leadership in the development of the MTSF for human settlements and provide leadership and support in the evaluation, analysis or appraisal of progress made in the achievement of human settlements outcomes					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Development and approval of a human settlements macro strategy	None	A draft Green Paper on Human Settlements submitted for approval to MinMEC	Project plan and concept paper developed for the drafting of Human Settlements Green Paper	Delayed MOU between DST and DHS	The development of the Green Paper has been delayed by the MOU between DHS and DST. The MOU was subsequently signed in January 2014. As a result of lack of capacity in the Chief Directorate, the consultation process with stakeholders could not take place.
Conduct evaluation of human settlements policy and programmes	Existing human settlement programmes	One evaluation on human settlements programmes conducted	Inception report and conceptual framework on how housing has facilitated creation of assets for the poor has been submitted. Draft evaluation report on the USDG developed and submitted. Four case studies on the evaluation of USDG submitted. Inception report for the evaluation of the IRDP completed and submitted.	None	None
Knowledge on human settlements programmes collated and information disseminated	No baseline	Two national strategy and research task team forums held and one publication compiled	Publications on human settlements 20-year review published	None	None
Approved human settlement strategy and departmental strategic plans	Outcome 8 report	Approved human settlement strategy and departmental strategic plans 2014/17	MTSF drafted pending approval by incoming minister after 07 May general elections	None	None

Sub-programme: Human Settlements Planning

Strategic objective: To manage human settlements programmatic planning frameworks and support the implementation of human settlement and housing development planning frameworks					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Human settlements planning frameworks and instruments developed and reviewed Provincial HSDG business plans template National and metro USDG business plans template APP-Part D framework Guidelines for human settlements planning and designs (Red Book)	National and provincial HSDG 2012/13 APP-Part D 2012/13 Housing chapter Red Book USDG: No baseline	Human settlements planning frameworks and instruments developed and reviewed.	Human settlements planning frameworks and instruments developed and reviewed. National and provincial HSDG business plan: Reviewed formulas for the annual targets in the province per programme sheet and added a new sheet for the summary of cash flow per programme. HSDG business plan template developed for metros. Business plan template revised for the Disaster Management Grant.	APP-Part D not reviewed.	No requests for amendments to the APP-Part D received.
		Housing chapter reviewed	None	Housing chapter reviewed.	Target was put on hold due to capacity constraints. This target will commence in 2014/15 as a Director was appointed in the Directorate responsible for this target.
		Guidelines for human settlements planning and designs (Red Book) reviewed	Although the review process has not commenced, the MOU was signed and a service level agreement drafted and submitted to National Treasury	The MOU was signed by the DHS and DST.	A service level agreement was drafted and submitted to National Treasury. Response is awaited.

Strategic objective: To manage human settlements programmatic planning frameworks and support the implementation of human settlement and housing development planning frameworks						
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation	
National HSDG and USDG business plan compiled and submitted	One approved national HSDG business plan One approved national USDG business plan	National HSDG business plan submitted	National HSDG 2013/14 business plan submitted.	None	None	
Implementation of human settlement development and programmatic planning frameworks at provincial and municipal level supported	No baseline	Nine provinces on the development of provincial HSDG business plan templates supported	Nine provinces on the development of provincial HSDG business plan templates supported	None	None	
		Nine provinces on the development of the APP-Part D supported	Nine provinces on the development of the APP-Part D supported	None	None	
		SIP information provided	SIP information provided	None	None	

Strategic objective: To manage human settlements programmatic planning frameworks and support the implementation of human settlement and housing development planning frameworks					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
		Eight metros on the development of USDG business plan templates supported	USDG business plans for City of Johannesburg and Nelson Mandela metros submitted	Approval was granted by the Director-General to remove the target from the APP.	Given that the metros must complete a performance matrix as required by National Treasury, which performs the same function as the USDG business plan, the target was removed from the APP as approved by the Director-General.
		Eight metropolitan municipalities and five secondary cities supported on the development of the Housing chapters of the municipal IDPs.	Eight metropolitan municipalities and five secondary cities supported on the development of the Housing chapters of the municipal IDPs.	None	None

Sub-programme: Stakeholder and Intergovernmental Relations

Strategic objective: To manage stakeholder coordination, intergovernmental and sector relations and cooperation for the human settlements development					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of reports on sector stakeholder collaboration	No baseline	Four reports on developed and implemented sector stakeholder programmes	Four reports on developed and implemented sector stakeholder programmes	None	None
Number of reports on the implementation and rollout of PHPs	No baseline	Four reports on the implementation of PHPs submitted	Four reports on the implementation of PHPs submitted	None	None

Strategic objective: To manage stakeholder coordination, intergovernmental and sector relations and cooperation for the human settlements development

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of reports on coordination and participation of stakeholders at intergovernmental forums	Four reports on the coordination of stakeholder and participation of stakeholders at intergovernmental forums	Four reports on coordination and participation of stakeholders at intergovernmental forums as described in the developed procedures and systems to support stakeholder collaborations	Four reports on coordination and participation of stakeholders at intergovernmental forums as described in the developed procedures and systems to support stakeholder collaborations	None	None
Number of reports on the coordination of bilateral and multilateral partnerships in the international sphere	No baseline	Four reports on the coordination of bilateral and multilateral partnerships in the international sphere	Four reports on the coordination of bilateral and multilateral partnerships in the international sphere	None	None

2013/14 PERFORMANCE INDICATORS AS PER ESTIMATES OF NATIONAL EXPENDITURE AND DEPARTMENTAL STRATEGIC AND ANNUAL PERFORMANCE PLANS

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comments on deviation	Evidence
Number of additional municipalities assessed for accreditation Level 2 per year	10	5	One municipality assessed for accreditation at Level 2.	4	Six metro municipalities were assessed for accreditation at Level 3 (assignment)	Assessment reports
Total number of municipalities provided with post-accreditation support per year	None	27	Target achieved	1	The Buffalo City metro was accredited by the provincial Department through their own processes.	Post-accreditation report.

Strategy to overcome areas of under performance

Human Settlements Policy Frameworks

Operational Policy Frameworks

- Tighten up the assessment of municipalities through spot checking and visits to link what is on paper with what actually exists.
- Organising of workshops in time with all provinces each year; that can be achieved by building a database of policy stakeholders and key people in provinces and establishing constant communication with them.
- Obtaining a clear and precise indication on project details and needs from management and the streamline procurement process.
- Better project alignment with external stakeholders and a more compact project schedule.

Human Settlements Strategy and Planning

The main challenge was the filling of vacant posts. There are, however, moves afoot to have these vacancies filled as a matter of urgency.

Changes to planned targets

Human Settlements Policy Frameworks

- **Operational Policy Frameworks:** Minor adjustments to the Directorate's macro policy and policy development and review were required. The adjustments were required since certain projects planned for the period under review, 2013/14, were undertaken by other units in the Department.
- **Governance Frameworks:** The main challenge for this unit was that the implementation of the APP for the 2013/14 financial year because it had misalignment of targets between the approved strategic plans 2013/16 and the approved operational plans 2013/14.

Human Settlements Strategy and Planning

The main challenge was the filling of vacant posts. There are, however, moves afoot to have these vacancies filled as a matter of urgency.

Changes to planned targets

During the latter part of quarter 2 a submission was made to the Director-General to request the approval to change targets in quarters 3 and 4. The reasons were that the review of the programme for Housing chapters of IDP and the human settlements development planning and design (Red Book) could not commence due to lack of resources and funding. In view of the USDG business plan, the Chief Directorate would have duplicated work on this target as the performance matrix required by National Treasury contains the same information. Therefore, the request to remove the target from the APP was justified, to avoid duplication.

Sub-programme name	2013/14			2012/2013		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management Human Settlements Policy, Strategy and Planning	5,552	3,568	1,984	2,501	2,160	341
Human Settlements Policy Frameworks	27,771	27,758	13	35,364	27,765	7,600
Human Settlements Strategy and Planning	52,922	42,002	10,920	41,846	33,275	8,571
Total	86,245	73,328	12,917	79,712	63,200	16,511

N.B.: The summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year must be provided at a sub-programme level and must agree with the appropriation statement of the audited financial statements. Reasons for variations should be linked to the information discussed in the organisational environment and the service delivery environment. Report on how expenditure contributed to achievement of outputs.

4.3 Programme 3: Programme Delivery Support

Purpose: To oversee and support the execution of human settlements programmes and projects **Sub-programmes**

- Programme and Project Planning Support
- Programme Implementation Facilitation
- National Sanitation Programme
- Technical Capacity Development

Strategic objectives

- To manage the conceptualisation and planning of human settlements strategic programmes and projects.
- To oversee and facilitate the implementation and facilitation of human settlements projects.
- To manage and monitors the implementation of the sanitation programmes .
- To manage the development of the technical capacity in the human settlements sector.

Strategic objectives, performance indicators, planned targets and actual achievements

The Branch has provided strategic and project management support to the relevant provinces and municipalities in the implementation of identified priority projects and Special Presidential Package. 486 units were completed and 150 were handed over to the beneficiaries in the first phase of the Cornubia Project in KwaZulu-Natal and preparations for the installation of civil infrastructure commenced for the next phase in this project. Progress on Lephalale involved the provision of bulk and electrical infrastructure while the town planning processes for the housing component in Altoostyd are now complete and the township register is to be opened on 01 April 2014. In the Lufhereng Project in the City of Johannesburg, to date, 1,832 housing units were completed and the City of Johannesburg has appointed a professional property valuer to finalise the evaluations on the remaining farms in line with the farmer settlement processes.

Of the 5,500 units in the first phase of the Khutsong Project, 3,434 are complete, 4,976 foundations have been laid and 4,428 wall plates constructed. In the Sweetwaters Project in the City of Johannesburg, 1,000 units have been completed and occupied in the adjacent Tulamtwana Project. In the Drommedaris Project in the Drakenstein municipality, 974 housing units have been completed and handed over while in the Duncan Village Project in the Buffalo City municipality, 5,354 housing units have been completed in this project.

In the other projects that are funded via the HSDG, again, progress in the reporting period varied. Construction of houses in the Zanemvula Project, situated in the Eastern Cape, within the jurisdiction of the Nelson Mandela Bay metropolitan municipality, is ongoing and, to date, 6,181 new units have been completed and 1,970 units rectified. The Klarinet Project, located in Mpumalanga, within the jurisdiction of the Emalahleni local municipality, has, to date, delivered 1,788 housing units while 62 foundations, 67 wall plates and 186 roofs are in the process of being constructed. On the N2 Gateway project, situated, within the jurisdiction of the City of Cape Town, a total of 11,400 units have been completed of the 16,083 units that were planned in Phase 1 of the project while in the Lerato Park Project, situated in the Sol Plaatje local municipality, 491 units have been completed.

Insofar as the mining towns were concerned, it was firstly necessary to request funding from National Treasury and R1.1 billion was subsequently approved for informal settlement upgrading in the identified mining towns. Each of the mining towns was required to provide a human settlement implementation plan that set out the project details, targets, funding implications, and deliverables. While some of the mining towns achieved this, many did not comply.

The emphasis in the first three quarters in respect of the Special Presidential Package in the mining towns involved concentration on the Bojanala district municipality (Rustenburg, Moses Kotane and Madibeng). Issues that militated against delivery were identified and processes put into place to try overcome these challenges. The donation of land (with 850 serviced sites) by the Lonmin mining company will assist in providing subsidised housing for the mining community in Rustenburg. Meetings with Eskom were also held to ensure that the processes to align the delivery of electrical infrastructure with that of housing delivery were aligned.

Considerable progress has been made in supporting 49 identified municipalities in developing informal settlement upgrading strategies and detailed project plans for the informal settlements in their areas of jurisdiction through the NUSP. Political and technical buy-in has been negotiated with all 49 municipalities, while technical assistance has been provided to 33 municipalities. Provincial NUSP structures have been established in eight provinces and these are operational while a structure for the development of a capacity-building programme on informal settlement upgrading has been completed. The development of a comprehensive capacity building programme has also been initiated.

The government has a constitutional responsibility to ensure that all South Africans have access to adequate sanitation. Considerable progress has been made in supporting 27 municipalities in training municipalities on health and hygiene programmes. The Department in collaboration with the Department of Health conducted health and hygiene awareness campaigns emphasising the importance of washing hands with soap after making use of the toilet. The NSPU planned to monitor 144 Municipal Infrastructure Grant projects and a total number of 152 MIG projects were monitored across nine provinces. The RHIG business plans were received from 24 benefitting municipalities and funds were transferred to municipalities to implement RHIG.

In response to the prioritisation of rural development by government, National Treasury has established the RHIG over the 2010 MTEF period. This grant is for the provision of on-site sanitation and water facilities (where necessary) to rural communities. The strategic goal of the grant is to facilitate hands-on involvement of the beneficiaries in the implementation of the programme benefitting them, so as to instill a culture of ownership towards sustainable communities. Hence, the grant encourages the use of community-based organisations, non-governmental organisations and public entities to ensure the communities are trained on how to sustain and maintain the infrastructure beyond implementation. Furthermore, the grant seeks to alleviate poverty by implementing programmes through labour-intensive methods.

During the period under review training and skills development programmes were implemented for beneficiaries, councillors and officials in all three spheres of government within the Department of Human Settlements sector. The following were notable achievements:

- 16 beneficiary and community empowerment training sessions were conducted and 2,672 beneficiaries were reached.
- 22 councillor training sessions on human settlements policies were conducted and 740 councillors were reached.
- 258 officials from Limpopo, Eastern Cape, KwaZulu Natal, North West and Gauteng were trained on various aspects of the human settlements programme.
- The human settlements sector knowledge management strategy was developed and approved.
- Provincial Departments of Human Settlements were supported during the development and implementation of provincial capacity development programmes and business plans;
- Provincial Departments of Human Settlements were supported and monitored during the implementation of the South African – Cuban Technical Support Programme.
- A draft model organisational structure was developed for provincial Departments of Human Settlements.

The scholarship implementation programme was implemented as per the operational plan and the following were notable achievements during the year:

- Applications for the 2014 academic intake were received from all provinces. A database of all applications was created for quality assurance and 48 scholarships were awarded.
- All payments of invoices received from the institutions of higher learning were processed and paid within 30 days.
- Successfully built a house for a scholarship beneficiary in Port Shepstone, KwaZulu-Natal.
- Launch of the Chair for Education in Human Settlements Development Management and the Bachelor's degree in Human Settlements at the Nelson Mandela Metropolitan University.
- Cabinet approved the Chair of Education in Human Settlements Development Management and the Bachelor's degree in Human Settlements.
- First intake of 14 students for the Bachelor's degree in Human Settlements was implemented at the beginning of 2014.

Strategic objectives

Sub-programme: Programme and Project Planning Support

Strategic objective: Manage the conceptualisation and planning of human settlements strategic programmes and projects					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Consolidated quarterly progress report on 12 identified projects	Four consolidated quarterly project progress reports	Four consolidated quarterly reports on 12 identified projects indicating progress achieved in planning, the provision of infrastructure, houses delivered, funds spent, socio-economic amenities delivered and compliance to the built environment standards.	Achieved Four consolidated quarterly project progress reports on 12 identified projects facilitated produced.	None	None

Sub-programme: Programme Implementation Facilitation

Strategic objective: Oversee and facilitate the implementation of human settlements projects					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Quarterly progress reports on the 49 municipalities provided with technical support, informal settlements classification and formulation of informal settlements upgrading plans to provide the basic services and secure tenure in line with Outcome 8 outputs.	Four quarterly progress reports on the upgrading of informal settlements.	Four quarterly progress reports on the 49 municipalities supported and assisted with technical support, informal settlements classification and formulation of informal settlements upgrading plans in line with Outcome 8 outputs.	Achieved Four quarterly progress reports on the 49 municipalities supported and assisted with technical support, informal settlements classification and formulation of informal settlements upgrading plans in line with Outcome 8 outputs	None	None
Four quarterly reports on the implementation support provided to human settlement projects.	Four quarterly reports on identified prioritised slow-moving projects. Supported or responded to 34 matters and projects that needed assistance	Four quarterly reports on the implementation support provided to human settlement projects	Achieved Four quarterly reports on the implementation support provided to human settlement projects	None	None

Strategic objective: Oversee and facilitate the implementation of human settlements projects					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of blocked projects requiring delivery support	No baseline	Four quarterly reports on blocked projects requiring delivery support.	Achieved four quarterly reports on blocked projects requiring delivery support.	None	None

Sub-programme: National Sanitation Programme

Strategic Objective: Manage and monitor the implementation of the Sanitation Programmes					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
RHIP implemented in 26 municipalities	No baseline	Four quarterly progress reports on the implementation of the RHIP in 26 municipalities on the number of units delivered and expenditure	Three quarterly progress reports on the implementation of the RHIP in 26 municipalities on the number of units delivered and expenditure	One quarterly progress report on the implementation of the RHIP in 26 municipalities on the number of units delivered and expenditure	The programme was delayed and the National Treasury gazette RHIG funding towards end of the financial year
Number of municipalities trained on health and hygiene programs (WASH, health and hygiene education programme)	Regions supported with development of WASH activity plan and implementation targeting schools and municipalities. Municipalities supported with health and hygiene user education.	27 municipalities trained on health and hygiene programmes.	Achieved 27 municipalities trained on health and hygiene programmes	None	None
Number of MIG projects monitored	No baseline	144 MIG projects monitored across nine provinces (i.e. 16 per province)	Achieved 152 MIG projects monitored across nine provinces	Eight additional MIG projects were monitored across provinces	Some provinces monitored more projects during the period under review: Free State (28) Gauteng (7) Limpopo (33) KwaZulu-Natal (3) Northern Cape (11) Mpumalanga (25) North West (30) Eastern Cape (6) Western Cape (9)

Sub-programme: Technical Capacity Development

Strategic objective: Manage the development of the technical capacity in the human settlements sector

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of officials, beneficiaries and councillors trained	40 officials, 274 beneficiaries and 679 councillors trained	160 officials, 2,400 beneficiaries and 120 councillors trained	328 officials, 2,672 beneficiaries and 740 councillors were trained	None	None
Sector knowledge management strategy developed	No baseline	Sector knowledge management strategy developed	The sector knowledge management strategy was developed	None	None
Number of reports on provincial Departments workshopped, monitored and evaluated on the implementation of the national technical capacity development strategy	No baseline	4 quarterly reports on nine Provincial departments workshopped, monitored and evaluated on the implementation of the national technical capacity development strategy	4 quarterly reports were compiled on nine provincial Departments workshopped, monitored and evaluated on the implementation of the national technical capacity development strategy	None	None
Number of reports on Provincial departments workshopped in the development and implementation of provincial capacity development programmes and business	No baseline	4 quarterly reports on nine provincial Departments workshopped in the development and implementation of provincial capacity development programmes and business plans	4 quarterly reports were compiled on nine provincial Departments work-shopped on the development and implementation of provincial capacity development programmes and business plans	None	None
Number of reports on sector professional development programmes Implemented	No baseline	Four reports on the progress of the implementation of the sector professional development programmes	Sector professional development programmes implemented	None	None

Linking performance with budgets

Sub-programme name	2013/14			2012/2013		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management for Programme Delivery Support	2,824	1,229	1,595	2,887	778	2,109
Programme Implementation Facilitation	87,961	12,539	75,422	66,165	8,803	57,361
Technical Capacity Development	27,244	27,389	(145)	35,614	35,371	243
Programme and Project Planning Support	9,699	4,081	5,618	8,730	3,760	4,970
National Sanitation Programme	64,768	44,364	20,404	66,098	60,822	5,276
Total	127,728	45,237	82,490	113,395	48,712	64,683

N.B.: The summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year must be provided at a sub-programme level and must agree with the appropriation statement of the audited financial statements. Reasons for variations should be linked to the information discussed in the organisational environment and the service delivery environment. Report on how expenditure contributed to achievement of outputs.

4.4 Programme 4: Housing Development Finance

Purpose: To manage and support human services grant management services, mobilise sectoral resources and identify possible discriminating lending patterns by financial institutions.

Sub-programmes

- Chief Investment Officer
- Regulatory Compliance Services
- Programme Monitoring and Evaluation

Strategic objectives

- To manage and mobilise sectoral resources and identify possible discriminating lending patterns by financial institutions.
- To manage regulatory compliance services within the human settlements sector and provide oversight management over the Department's entities.
- To manage the monitoring, evaluation and assessment of the impact of human settlements projects, policies and programmes.

Strategic objectives, performance indicators, planned targets and actual achievements

During the year under review the HLAMDA and its supporting tools were implemented. Information from financial institutions was collated and analysed in terms of provisions of the Act. An annual report on the lending patterns and practices by financial institutions was prepared and submitted to the Minister in terms of the requirements of the Act.

The grant allocation processes for the 2014/15 financial year budget were finalised and approved. The HSDG transferred to provinces for the 2013/14 financial year amounted to R17.0 billion. Provinces spent a total of which R16.4 billion, which represents a 97% spending rate.

Engagements were held with the private sectors such as Pathfinder Development Company as well as employers such as Harmony Golden to encourage investments and encourage access to affordable housing finance. Departmental development financial institutions were also closely monitored to assess their impact in respect of access to affordable housing finance.

The amended FLISP policy has been approved; implementation has started. A number of accredited projects were identified in each province through which the programme will further be implemented

Over performance of the number of additional loans granted (target 74,470 and achievement 257,572) in the affordable housing

segment per year is mostly as a result of performance of the RHLF and the increase in loans from banks. The draft Human Settlements Charter between the stakeholders such as banks and other role players is pending approval

The Department has finalised the revision of the Monitoring, Evaluation and Impact Assessment policy and Implementation Framework (2010) for the human settlements sector to incorporate all human settlements programmes funded by various grants administered by the Department.

Physical monitoring and verification of active human settlements projects funded through the HSDG were done on a quarterly basis in all nine provinces and detailed reports in this regard were submitted to management. The project-level monitoring inspections confirmed that there are projects with good quality workmanship in all provinces providing beneficiaries not only with a formal dwelling, but also access to basic services and secure tenure. There are still challenges that hampered the progress of projects, for example poor workmanship, slow beneficiary administration processes, poor planning, availability of building materials as well as the lack of consumer education and alignment between efforts of various stakeholders.

In respect of the USDG, four quarterly reports were submitted to National Treasury on the performance of the metropolitan municipalities. Physical monitoring and verification of projects funded through the USDG were also done on a bi-annual basis in all eight metropolitan municipalities and detailed reports in this regard were submitted to management. The project level monitoring exercise elicited information hampering maximum performance, such as adequate land shortages, high influx of people to metropolitan municipalities due to urbanisation, social instability, which affects the service delivery programme, starting shacks farming, illegal electricity connections, slow procurement process resulting in late designs and contractor procurement. Measures have been put in place to ensure maximum expenditure by financial year end which include the construction of bulk infrastructure projects planned to commence in non-rainy season to enhance the implementation rate, procurement of contractors to be concluded before the beginning of the preceding financial year, gravel roads upgrade projects to be awarded on a two-year basis by end of November and only projects ready to go to be included in the annual plans.

The Branch successfully managed to submit progress reports on achieving of the various targets and milestones of Outcome 8. These reports were submitted to human settlements MinMEC and Cabinet on a quarterly basis. The Department is actively participating in the various forums of the Department of Performance Monitoring and Evaluation to ensure accurate reporting of Outcome 8 of the Programme of Action. Interaction with provincial Departments, development finance entities, relevant stakeholders and the DPME took place on a continuous basis.

Back-up data from the Housing Subsidy System was gathered from provincial Departments on a monthly basis and restored to the national Department's data warehouse from where it was available to be extracted as required for reporting and responding to enquires and Parliamentary questions. Non-financial delivery performance statistics were gathered on a monthly basis from the relevant units within provincial DHSSs. Monthly analysis was done on the extent to which provinces were making use of the HSS to record their non-financial delivery information.

Operational data on projects funded from the HSDG was analysed and a presentation on the overview of non-financial performance (delivery trends) was compiled. Informal settlements reports were analysed and progress with formalisation of data was summarised and made available.

The information handbook was updated to make information on key indicators relevant to human settlements readily available. The human settlements master data set was analysed with the geographical information system to identify location data quality issues, and data enhancements were performed. This spatial data analysis process enables the national Department to report on human settlements development at various geographic levels, including district and local municipality. The operational data was filtered and packaged for monitoring and reporting on human settlements development in Cabinet priority rural districts and mining towns.

The baseline study of the ISUP that was initiated in collaboration with the DPME in 2012/13 financial year was successfully conducted. The baseline study forms part of the evaluations that are on the national evaluation plan submitted to Cabinet. The baseline study will collate existing maps, the estimated number of households, record household information, including demographics, health and safety, employment, consumption and productive activities, as well as the empowerment of local communities in the informal settlements targeted for upgrading. These exercises will collect baseline data that will be used to conduct future impact evaluations.

The Branch also initiated the rapid appraisal study of Outcome 8 Output 1, which responds to the accelerated delivery of housing opportunities through the upgrading of 400,000 households in well-located informal settlements with access to basic services and secure tenure, implementation of the NUSP, delivery of 80,000 well-located and affordable rental accommodation units, as well as the accreditation of municipalities. The purpose of the rapid appraisal is to collect data that will be used to conduct future evaluations targeted at strengthening the implementation and improving the performance (efficiency and efficacy of operational processes) of the programme, determining the nature and sustainability of the programme outcomes and also determining measurable levels of benefits for beneficiaries and communities that the programme produces.

The Branch managed the management performance assessment tool departmental self-assessment process for the financial year led by the DPME. The Department completed the self-assessment of its management practices in the four key performance areas, which are strategic management, governance and accountability, human resource management and financial management, to

assess the current level of performance of the Department and to pinpoint specific areas that need improvement. The departmental self-assessment scores improved significantly as compared to the previous financial year's scores.

The Directorate Legislative Compliance and Monitoring was successfully established following the implementation of the Department's turnaround strategy. This directorate will ensure that the Department complies with relevant laws and regulations. The Directorate's operations started in September 2013. The following two reports were approved by the Accounting Officer:

An analysis of the 2012/2013 management report and implementation of the Auditor-General's recommendation. Progress report on the Action Plan was produced through engagements with the office of the Auditor General.

The assessment report on legislative compliance to applicable laws and regulations relevant to the operations of the Department. The report identified key legislations and regulations that the Department has to comply with, challenges that were encountered by various Directorates in complying and implementation of relevant legislation. As a result, the recommendations contained in the report were approved by the Accounting Officer and will be implemented in the 2014/15 financial year.

A further highlight in terms of over achievement was the analysis of the entities' risk management. The report has a set of recommendations that will be implemented during the 2014/15 financial year.

Among others was the analysis of entities' reports to ensure oversight role over the entities reporting to the DHS:

- The first and second drafts of APPs for the 2014/15 financial year of human settlements entities were analysed in August and December 2013. In providing planning support to entities, a series of workshops were conducted by the Directorate with entities to ensure alignment of entities' APPs with the requirements of the framework for strategic plans and annual performance plans. The final drafts of entities' APPs were submitted to the executive authority for approval.
- Entities' quarterly reports were received and analysed as per the targets on the APP. The Directorate produced four consolidated financial and non-financial performance monitoring reports. The entities were also provided with feedback and recommendations on a quarterly basis. This was done in order to ensure performance enhancement and improvement.
- Two governance oversight reports were developed and submitted to the Accounting Officer. The reports highlighted key corporate governance activities that include appointment of board members, attendance of board meetings and appointment of executives by public entities.

Sub-programme: Chief Investment Officer

Strategic objective: To manage and provide overall grants managements service, administer the HLAMDA and promote investments for sustainable human settlements					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of financial reports on the monitoring of performance of the HSDG and USDG submitted	12 reports on performance of the grants were produced 2010/11	HSDG reports submitted 12 monthly Four quarterly One annual Two reports on financial evaluation of the draft business plans One analysis report on the annual provincial reports	12 monthly reports, four quarterly reports, two reports on financial evaluation and one annual report submitted		
	No baseline for the USDG	USDG reports submitted 12 monthly 4 quarterly 1 annual	12 monthly reports, four quarterly reports and one annual report submitted		
Provide secretariat function for Office of Disclosure in terms of the act	Four reports were produced and submitted.	Four reports on secretariat functions for Office of Disclosure in terms of the Act produced and submitted.	4 reports were produced and submitted.	None	None
	Three reports were produced on lending practices	Three reports from financial institutions on lending patterns developed and submitted	Three reports on lending practices were produced and submitted.	None	None
	Annual report on the performance and the ratings of financial institutions prepared for the Minister and submitted.	Annual report on financial institution's performance and ratings submitted	Annual report on the performance and the ratings of financial institutions prepared for the Minister and submitted.	None	None
Number of reports on affordable housing market interventions	One report on ODA in 2010/11	Two reports on ODA	Two reports on ODA produced	None	None
	Three reports on MDI in 2010/11	One report on MDI	One report on MDI produced	None	None
	No baseline	Four reports on improved property market	Four reports on improved property market produced	None	None

Sub-programme: Regulatory Compliance Services

Strategic objective: To manage regulatory compliance services					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Compliance on performance of housing entities managed	Approved strategic plans, entities governance plans and compliance frameworks	Approved APPs 2014/15 for housing entities	Final drafts of the APPs for 2014/15	None	None
	Performance monitoring reports on housing entities for 2012/13	Performance monitoring reports on housing entities (financial and non-financial) submitted to the Department	Performance monitoring reports on housing entities (financial and non-financial) for the fourth quarter of 2012/13, first, second and third quarters for 2013/14 submitted to the Department	None	None
Number of compliance monitoring reports on the implementation of rental programmes (CRU and social housing)	Four oversight reports on governance.	Number of reports on governance oversight	Two governance oversight reports	Not applicable	Not applicable
	New target	Four compliance monitoring reports on the implementation of rental programmes (CRU and social housing)	Four compliance monitoring reports on the implementation of rental programmes (CRU and social housing) developed	None	None
Number of reports on the performance of rental housing tribunal developed	New target	Four reports on the performance of rental housing tribunals	Four reports on the performance of rental housing tribunals	None	None
	New target	Two reports on the implementation of human settlements legislations and regulations	Two reports on the implementation of human settlements legislations and regulations	None	None

Sub-programme: Programme Monitoring and Evaluation

Strategic objective: To manage the monitoring, evaluation and assessment of the impact of human settlements projects, policies and programmes						
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation	
Report on implementation of the revised monitoring and evaluation framework for human settlements programmes	Approved revised monitoring and evaluation framework for 2011/12	Status report on the implementation of the approved revised monitoring and evaluation framework	Not achieved Final draft of MEIA submitted for approval to publish	Final approval to publish awaited	Final approval to be fast-tracked	
Number of monitoring reports on performance of human settlements programmes	Four quarterly reports on performance of human settlements programmes and projects	Four quarterly reports on performance of human settlements programmes and projects	Achieved Four quarterly reports on performance of human settlements programmes and projects	None	None	
Number of monitoring reports on the human settlements index	One annual report on performance of human settlements index	Report on human settlements index	Achieved One annual report on performance of human settlements index	None	None	
Number of monitoring reports on performance of Outcome 8 outputs	Four quarterly reports on performance of Outcome 8 outputs	Four quarterly reports on performance of Outcome 8 outputs	Achieved Four quarterly reports on performance of Outcome 8 outputs	None	None	
Number of impact assessment reports on human settlements programmes	One impact assessment report on human settlements programmes	One impact assessment report on prioritised human settlements programmes	Not achieved Service level agreement was signed on 27 March 2014		Service level agreement between Department and service provider was signed on 27 March 2014	
		One rapid appraisal report on prioritised human settlements programme	Not achieved Service level agreement was signed on 27 March 2014	Inception	Service level agreement between Department and service provider was signed on 27 March 2014	

Strategic objective: To manage the monitoring, evaluation and assessment of the impact of human settlements projects, policies and programmes					
Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of evaluation reports on the performance of provinces (HSDG) and metropolitan municipalities (USDG) on the conditional grants in terms of DoRA		Four quarterly reports on performance of provinces (HSDG)	Achieved Four quarterly reports on performance of provinces (HSDG)	None	None
		Four quarterly reports on performance of metropolitan municipalities (USDG)	Achieved Four quarterly reports on performance of metropolitan municipalities (USDG)	None	None
Number of reports on the implementation of data management, verification and analysis processes	(Four reports made available in previous configuration)	Four reports on the implementation of data management, verification and analysis processes	Achieved Four reports on the implementation of data management, verification and analysis processes	None	None
Number of performance assessment reports in terms of the management performance assessment tool		One annual performance assessment report in terms of the management performance assessment tool	Achieved One annual performance assessment report in terms of the management performance assessment tool	None	None

Strategy to overcome areas of under performance

On the underperformance of provinces the Grant Management unit is planning to do more provincial visits to improve spending performance. Process reviews were conducted, resulting in some changes and shifts in the processing of transactions, which enhanced internal controls. For USDG, project readiness is to be conducted to ensure that projects are ready for implementation before transfers. On the other hand, one-on-one sessions will be conducted with underperforming metros to diagnose the problem in order to identify the intervention required to improve financial performance.

Changes to planned targets

Linking performance with budgets

Sub-programme Name	2013/14			2012/2013		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/ under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management Housing Development Finance	3,385	1,940	1,445	3,013	1,678	1,335
Chief Investment Officer	20,670	19,022	1,649	23,045	17,795	5,250
Regulatory Compliance Services	23,813	16,805	7,007	59,779	50,172	9,607
Human Settlements Development Grant	17,028,326	17,028,326	-	15,725,959	15,395,032	330,927
Contributions	1,150,751	864,648	286,103	912,808	912,808	-
Rural Household Infrastructure Grant	240,370	215,310	25,060	340,625	205,566	135,059
Urban Settlements Development Grant	9,076,906	9,076,906	-	7,392,206	7,392,206	-
Programme Monitoring and Evaluation	27,189	16,459	10,730	23,829	12,358	11,471
Total	27,571,410	27,239,416	331,994	24,481,265	23,987,616	493,649

N.B.: The summary of the actual expenditure in comparison to the adjusted appropriation for both the current year and previous year must be provided at a sub-programme level and must agree with the appropriation statement of the audited financial statements. Reasons for variations should be linked to the information discussed in the organisational environment and the service delivery environment. Report on how expenditure contributed to achievement of outputs.

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Name of public entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
National Urban Reconstruction and Housing Agency	Provision of bridging finance to contractors building low- to moderate-income housing, infrastructure and community facilities.	R100,000,000.00	The purpose of the transfer was to increase the capital base of the entity. The funds are therefore converted into bridging finance to contractors and are repayable.	The Affordable Housing team concluded R230.7 million or 14 new loan facilities to clients. 64% of the approved loans were new clients to NURCHA. The number of houses in loans signed equated to 1,983 while the number of houses built and handed over is 1,619 units.

Housing Development Agency	Identify, acquire, hold, develop and release state-owned and privately owned land for residential and community purposes. Project, technical and geospatial services to provincial and municipal authorities.	R97,497,000.00	R97,497,000.00	3945.0369 hectares of land were released and acquired for human settlements purposes within the financial year.
Social Housing Regulatory Authority	Regulation of the social housing sector. Provision of restructuring capital and capacity-building grants to accredited social housing institutions.	R650,151,000.00	R177,677,297.00	2,279 social housing units approved. 60 social housing institutions accredited.
Community Schemes Ombud Service	Dispute resolution service for community schemes. Administration of community schemes governance documentation.	R17,000,000.00	-	The CSOS board and Board Committees were established. The strategic and annual performance plan has been developed and approved for implementation. The Chief Financial Officer has been appointed. Operational policies have been reviewed and approved for implementation.

5.2. Transfer payments to all organisations other than public entities

The Department developed and registered a Bachelor of Human Settlements degree with the South African Qualifications Authority in 2008. This process was followed up with road-shows, predominantly to universities that offer qualifications in the built environment and those that showed an interest. The unit standards of the degree were made available to all universities for them to use in the development of a curriculum that would respond to the unit standards.

The Nelson Mandela Metropolitan University took the initiative to develop a curriculum that responded to the unit standards of the degree. The institution consulted the Department and a team consisting of officials from the Service Delivery and Policy branches were fully involved in the development of the four-year curriculum.

The Minister granted approval for the establishment of a Chair for Education in Human Settlements Development Management at the NMMU.

With the introduction of new programmes the Department of Higher Education and Training does not subsidise universities for the first two years of a new programme.

The Department and Treasury approved funding to the university as follows:

- 2012/13: R3,090,000
- 2013/14: R3,949,000
- 2014/15: R4,499,000

The Chair for Education in Human Settlements Development Management gives the Department an opportunity to take advantage of the private sector's capacity to conceptualise, package and develop formal human settlements education programmes.

The benefits of a partnership with the NMMU are as follows:

- Availability of formal and non-formal education in human settlements.
- The generation and transfer of knowledge and the development of skills and competencies towards improving the management of human settlements development processes that will support the delivery of services and houses and contribute to new and improved human settlements, thereby improving the quality of life of households and communities.

- Research in support of human settlements development management education and practice.
- Support and enhancement of the professionalisation and capacity development endeavours of the Department.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

HUMAN SETTLEMENTS DEVELOPMENT GRANT

Department/municipality to whom the grant has been transferred	Nine provinces
Purpose of the grant	To provide funding for the creation of sustainable human settlements
Expected outputs of the grant	Number of residential units delivered in each housing programme. Number of serviced sites delivered in each housing programme. Number of finance-linked subsidies approved and disbursed. Number of households in informal settlements provided with access to services or upgraded services. Number of hectares of well-located land acquired or released. Number of work opportunities created.

Actual outputs achieved

Province	Annual Delivery Targets			Delivery Performance as at 31 March 2014			% of performance	Variance Delivery sites	Variance Delivery Top Structure	Total Variance Delivery
	Sites (units)	Top Structure	Total Delivery Targets	Sites	Top Structure (units)	Total Delivery Performance				
Eastern Cape	15 316	20 341	35 657	10 245	12 624	22 869	64%	5 071	7 717	12 788
Free State	5 028	8 341	13 369	6 232	6 765	12 997	97%	-1 204	1 576	372
Gauteng	13 173	30 351	43 524	8 280	20 464	28 744	66%	4 893	9 887	14 780
KwaZulu-Natal	3 362	25 377	28 739	2 790	29 084	31 874	111%	572	-3 707	-3 135
Limpopo	493	7 382	7 875	85	2 972	3 057	39%	408	4 410	4 818
Mpumalanga	3 319	16 404	19 723	3 884	7 550	11 434	58%	-565	8 854	8 289
Northern Cape	4 734	1 735	6 469	2 875	2 464	5 339	83%	1 859	-729	1 130
North West	2 110	14 092	16 202	166	9 362	9 528	59%	1 944	4 730	6 674
Western Cape	6 629	13 414	20 043	6 667	11 845	18 512	92%	-38	1 569	1 531
Total	54 164	137 437	191 601	41 224	103 130	144 354	75%	12 940	34 307	47 247

Milestone performance

Report as at 31 March 2014

Delivery variables/milestones	Delivery Targets		Delivery Performance	
	Sites	Units	Sites	Units
FLISP	-	3 080	-	207
Rectification Programme	2 334	11 188	1 375	10 579
Blocked Projects	239	1 580	-	529
Land Parcels	-	6 772	-	1 681
Disaster Relief	1 095	2 562	444	1 603
Priority Projects	4 566	3 715	1 006	1 489
Total	8 234	28 898	2 825	16 088

Amount per amended DoRA	R17,028,326
Amount transferred	R17,028,326
Reasons if amount as per DoRA not transferred	N/A

Amount spent by the department or municipality	R16,451,683
Reasons for the funds unspent by the entity	Slow procurement processes; Cash flow management; Non-availability of land; and Beneficiary management.
Monitoring mechanism by the transferring department	Analysing financial reports and providing feedback; Conducting quarterly reviews and CFO forums to discuss performance matters; The performance reported to executive authority and MinMEC for way forward; and Provinces were monitored as outlined in DoRA and HSDG framework.

URBAN SETTLEMENTS DEVELOPMENT GRANT:

Department or municipality to whom the grant has been transferred	All metropolitan municipalities
Purpose of the grant	The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of households in informal settlements provided with basic household and socio-economic infrastructure, via in-situ upgrading or relocation. • Number of additional households receiving support in the access of basic municipal services, including water and sanitation, solid waste, transport access and area lighting. • The hectares of land identified, procured and proclaimed for informal settlements upgrading or mixed used development. • Number of title deeds transferred to eligible households. • Number of work opportunities created through the overall capital programme of the municipality. • Number of households provided with access to public amenities and economic services within upgraded settlements. • Improved dwelling unit densities within an improved spatial integration framework

Indicator	31 March 2014 actual achieved
Spatial development and the built environment	
Number of hectares of land required for human settlements development	13,553
Number of hectares of land procured for greenfield development	755
Number of hectares of land (including building) procured for brownfield development (reflect both informal settlements upgrading and building refurbishments and conversions)	3,713
Number of hectares of land proclaimed (township establishment completed)	7
Number of dwelling units developed per hectare	750
Number of households living in informal settlements	910,696
Number of sites serviced	15,818
Number of informal settlements upgraded (services provided): In-situ	6
Number of informal settlements upgraded (services provided): Relocated	1,704
Number of title deeds transferred to eligible beneficiaries	9,765

Indicator	31 March 2014 actual achieved
Transport	
KMs of paved roads	131
KMs of gravel roads	1,607
KMs surfaced roads resealed	82
KMs of roads resurfaced or rehabilitated	566

KMs of storm water drainage installed	83
KMs of pedestrian walkways constructed	78
Water	
Number of formal domestic customers receiving water services	5,929,393
Number of water service points installed for informal settlement dwellers within a 200m radius	3,458
Number of additional households (RDP) provided with water connections	11,656
Backlog of consumer units provided with a basic level of potable water above RDP standards	1,206,436
Number of consumer units provided with access to a free basic level of potable water, by means of an individual HH supply or in informal areas by means of a standpipe within 200m	3,226,984
Backlog in the number of consumer units with access to a free basic level of potable water	213,137
Sewerage	
Number of formal domestic customers receiving sewerage services	6,267,078
Number of sanitation service points (toilets) installed for informal settlement dwellers	13,308
Number of additional households (RDP) provided with sewer connections	14,539
Backlog in the provision of basic sanitation services (above RDP standards)	1,438,805
Solid waste management	
Number of households with weekly kerb-side waste removal services in formal areas	11,458,862
Number of informal settlements with access to refuse removal	1,805,507
Number of additional households (RDP) with access to refuse removal	476,986
Number of waste minimisation projects initiated	17
Backlog of kerb-side refuse removal services to consumer units (once a week)	32,921

Indicator	31 March 2014 actual achieved
Electricity	
Number of formal households with access to basic electricity	3,784,137
Number of high mast lights installed in informal settlements	1,505
Number of additional households (RDP) provided with electricity connections	21,860
Backlog of electricity connections to consumer units	971,879
Number of households provided with access to free basic electricity	1,728,600
Socio-economic amenities	
Number of community halls developed	4
Number of sports fields and stadia developed	1
Number of parks and gardens developed	1
Number of clinics developed	1
Number of pre-schools developed	714
Number of community swimming pools developed	1
Number of cemeteries developed	14
Number of markets developed	34
Number of fire safety and emergency facilities developed	7
Local economic development and job creation	
Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	99,643
Amount per amended DoRA	R9,076,906
Amount transferred	R9,076,906
Reasons if amount as per DoRA not transferred	None
Amount spent by the department or municipality	R4,882,968

Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> • Slow procurement processes. • Lack of relevant skills to oversee projects. • Contractual issues.
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Conduct quarterly reviews with the municipalities. • Undertake oversight visits in order to assess and, where possible, address challenges faced by municipalities. • Hold CFO forums.

Buffalo City metropolitan municipality

Department or municipality to whom the grant has been transferred	Buffalo City metropolitan municipality
Purpose of the grant	The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of households in informal settlements provided with basic household and socio-economic infrastructure, via in-situ upgrading or relocation. • Number of additional households receiving support in the access of basic municipal services, including water and sanitation, solid waste, transport access and area lighting. • The hectares of land identified, procured and proclaimed for informal settlements upgrading or mixed used development. • Number of title deeds transferred to eligible households. • Number of work opportunities created through the overall capital programme of the municipality. • Number of households provided with access to public amenities and economic services within upgraded settlements. • Improved dwelling unit densities within an improved spatial integration framework.

Indicator	31 March 2014 actual achieved
Spatial development and the built environment	
Number of dwelling units developed per hectare	750
Number of sites serviced	1,700
Number of informal settlements upgraded (services provided): Relocated	1,700
Transport	
KMs surfaced roads resealed	12
KMs of roads resurfaced or rehabilitated	108
KMs of storm water drainage installed	12
KMs of pedestrian walkways constructed	1
Water	
Number of formal domestic customers receiving water services	264
Number of water service points installed for informal settlement dwellers within a 200m radius	122
Number of additional households (RDP) provided with water connections	30
Backlog of consumer units provided with a basic level of potable water above RDP standards	264
Number of consumer units provided with access to a free basic level of potable water, by means of an individual HH supply or in informal areas by means of a standpipe within 200m	105
Sewerage	
Number of formal domestic customers receiving sewerage services	403,400
Number of sanitation service points (toilets) installed for informal settlement dwellers	270
Number of additional households (RDP) provided with sewer connections	984
Backlog in the provision of basic sanitation services (above RDP standards)	192,561
Solid waste management	
Number of households with weekly kerb-side waste removal services in formal areas	167,137

Number of informal settlements with access to refuse removal	500
Number of additional households (RDP) with access to refuse removal	3
Number of waste minimisation projects initiated	5
Backlog of kerb-side refuse removal services to consumer units (once a week)	6
Electricity	
Number of formal households with access to basic electricity	262
Number of additional households (RDP) provided with electricity connections	253
Socio-economic amenities	
Number of community halls developed	4
Number of cemeteries developed	8
Local economic development and job creation	
Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	269
Amount per amended DoRA	R613,305
Amount transferred	R613,305
Reasons if amount as per DoRA not transferred	None
Amount spent by the department or municipality	R409,323
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> • Technical capacity issue to oversee project implementation on transportation. • No suitable qualified contractor available for the project on local economic development.
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Conduct quarterly reviews with the municipalities. • Undertake oversight visits in order to assess and, where possible, address challenges faced by municipalities. • Hold CFO forums.

Nelson Mandela metropolitan municipality

Department or municipality to whom the grant has been transferred	Nelson Mandela Bay metropolitan municipality
Purpose of the grant	The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of households in informal settlements provided with basic household and socio-economic infrastructure, via in-situ upgrading or relocation. • Number of additional households receiving support in the access of basic municipal services, including water and sanitation, solid waste, transport access and area lighting. • The hectares of land identified, procured and proclaimed for informal settlements upgrading or mixed used development. • Number of title deeds transferred to eligible households. • Number of work opportunities created through the overall capital programme of the municipality. • Number of households provided with access to public amenities and economic services within upgraded settlements. • Improved dwelling unit densities within an improved spatial integration framework.

Actual outputs achieved	Indicator	31 March 2014 actual achieved
Spatial development and the built environment		
Number of hectares of land procured for greenfield development		87.45
Number of hectares of land proclaimed (township establishment completed)		Public participation process commenced
Number of sites serviced		2,528
Number of informal settlements upgraded (services provided): In-situ		6
Number of informal settlements upgraded (services provided): Relocated		100%

Transport	
KMs of gravel roads	4.27
KMs of storm water drainage installed	0.29
KMs of pedestrian walkways constructed	2.69
Water	
Number of additional households (RDP) provided with water connections	651

Actual outputs achieved	Indicator	31 March 2014 actual achieved
Sewerage		
Number of additional households (RDP) provided with sewer connections		651
Electricity		
Number of high mast lights installed in informal settlements		316
Number of additional households (RDP) provided with electricity connections		1,900
Socio-economic amenities		
Number of sports fields and stadia developed		91% complete
Local economic development and job creation		
Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes		8,766
Amount per amended DoRA		R727,986
Amount transferred		R727,986
Reasons if amount as per DoRA not transferred		None
Amount spent by the department or municipality		R341,504
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> Delays due to supply chain processes for the supply of water meters. Late approval of the ward-based budget. Delays in the submission of invoices by the service provider. 	
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> Conduct quarterly reviews with the municipalities. Undertake oversight visits in order to assess and, where possible, address challenges faced by municipalities. Hold CFO forums. 	

Mangaung metropolitan municipality

Department or municipality to whom the grant has been transferred	Mangaung metropolitan municipality
Purpose of the grant	The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.
Expected outputs of the grant	<ul style="list-style-type: none"> Number of households in informal settlements provided with basic household and socio-economic infrastructure, via in-situ upgrading or relocation. Number of additional households receiving support in the access of basic municipal services, including water and sanitation, solid waste, transport access and area lighting. The hectares of land identified, procured and proclaimed for informal settlements upgrading or mixed used development. Number of title deeds transferred to eligible households. Number of work opportunities created through the overall capital programme of the municipality. Number of households provided with access to public amenities and economic services within upgraded settlements. Improved dwelling unit densities within an improved spatial integration framework,

Actual outputs achieved	Indicator	31 March 2014 actual achieved
Spatial development and the built environment		
Number of informal settlements upgraded (services provided): Relocated		3
Number of title deeds transferred to eligible beneficiaries		2,181
Transport		
KMs of roads resurfaced or rehabilitated		45
KMs of storm water drainage installed		1
KMs of pedestrian walkways constructed		8
Water		
Number of formal domestic customers receiving water services		1 470
Backlog of consumer units provided with a basic level of potable water above RDP standards		1,792
Backlog in the number of consumer units with access to a free basic level of potable water		1,792

Actual outputs achieved	Indicator	31 March 2014 actual achieved
Sewerage		
Number of formal domestic customers receiving sewerage services		730
Number of additional households (RDP) provided with sewer connections		1,792
Backlog in the provision of basic sanitation services (above RDP standards)		38,935
Solid waste management		
Number of households with weekly kerb-side waste removal services in formal areas		330,928
Number of informal settlements with access to refuse removal		46,260
Backlog of kerb-side refuse removal services to consumer units (once a week)		100%
Electricity		
Number of high mast lights installed in informal settlements		26
Number of additional households (RDP) provided with electricity connections		350
Backlog of electricity connections to consumer units		1,100
Number of households provided with access to free basic electricity		46,857
Socio-economic amenities		
Number of community swimming pools developed		1
Number of cemeteries developed		6
Amount per amended DoRA		R596,719
Amount transferred		R596,719
Reasons if amount as per DoRA not transferred		None
Amount spent by the department or municipality		R333,054
Reasons for the funds unspent by the entity	Projects on hold due to court case.	
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> Conduct quarterly reviews with the municipalities. Undertake oversight visits in order to assess and, where possible, address challenges faced by municipalities. Hold CFO forums. 	

Ekurhuleni metropolitan municipality

Department or municipality to whom the grant has been transferred	City of Ekurhuleni metropolitan municipality
Purpose of the grant	The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.
Expected outputs of the grant	<ul style="list-style-type: none"> Number of households in informal settlements provided with basic household and socio-economic infrastructure, via in-situ upgrading or relocation. Number of additional households receiving support in the access of basic municipal services, including water and sanitation, solid waste, transport access and area lighting. The hectares of land identified, procured and proclaimed for informal settlements upgrading or mixed used development. Number of title deeds transferred to eligible households. Number of work opportunities created through the overall capital programme of the municipality. Number of households provided with access to public amenities and economic services within upgraded settlements. Improved dwelling unit densities within an improved spatial integration framework.

Actual outputs achieved	Indicator	31 March 2014 actual achieved
Transport		
KMs of paved roads		97
KMs of gravel roads		162
KMs of roads resurfaced or rehabilitated		125
KMs of storm water drainage installed		35
KMs of pedestrian walkways constructed		12
Water		
Number of formal domestic customer receiving water services		1,666
Number of water service points installed for informal settlement dwellers within a 200m radius		154
Number of addition households (RDP) provided with connections		1,666
Backlog in the number of consumer units with access to a free basic level of portable water		1,666

Actual outputs achieved	Indicator	31 March 2014 actual achieved
Sewerage		
Number of formal domestic customers receiving sewerage services		1,666
Number of sanitation service points (toilets) installed for informal settlement dwellers		1
Number of additional households (RDP) provided with sewer connections		1,666
Backlog in the provision of basic sanitation services (above RDP standards)		1,666
Solid waste management		
Number of households with weekly kerb-side waste removal services in formal areas		2,879,670
Number of informal settlements with access to refuse removal		447,966
Number of additional households (RDP) with access to refuse removal		166,725
Number of waste minimisation projects initiated		9
Backlog of kerb-side refuse removal services to consumer units (once a week)		700

Electricity	
Number of high mast lights installed in informal settlements	19
Number of additional households (RDP) provided with electricity connections	3,231
Local economic development and job creation	
Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	9,656
Amount per amended DoRA	R1,584,912
Amount transferred	R1,584,912
Reasons if amount as per DoRA not transferred	None
Amount spent by the department/municipality	R906,707
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> Contractual issues. Rescheduled of the projects. Slow procurement of materials.
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> Conduct quarterly reviews with the municipalities Undertake oversight visits in order to assess and where possible address challenges faced by municipalities Hold CFO forums

City of Johannesburg metropolitan municipality

Department or municipality to whom the grant has been transferred	City of Johannesburg metropolitan municipality
Purpose of the grant	The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.
Expected outputs of the grant	<ul style="list-style-type: none"> Number of households in informal settlements provided with basic household and socio-economic infrastructure, via in-situ upgrading or relocation. Number of additional households receiving support in the access of basic municipal services, including water and sanitation, solid waste, transport access and area lighting. The hectares of land identified, procured and proclaimed for informal settlements upgrading or mixed used development. Number of title deeds transferred to eligible households. Number of work opportunities created through the overall capital programme of the municipality. Number of households provided with access to public amenities and economic services within upgraded settlements. Improved dwelling unit densities within an improved spatial integration framework.

Actual outputs achieved	Indicator	31 March 2014 actual achieved
	Spatial development and the built environment	
	Number of hectares of land procured for greenfield development	20
	Transport	
	KMs of gravel roads	1,440
	KMs surfaced roads resealed	18
	KMs of roads resurfaced or rehabilitated	206
	Water	
	Number of formal domestic customers receiving water services	2,250,000
	Backlog of consumer units provided with a basic level of potable water above RDP standards	1,202

Actual outputs achieved	Indicator	31 March 2014 actual achieved
	Number of consumer units provided with access to a free basic level of potable water, by means of an individual HH supply or in informal areas by means of a standpipe within 200m	2,910
	Sewerage	
	Number of formal domestic customers receiving sewerage services	2,250,000
	Backlog in the provision of basic sanitation services (above RDP standards)	1,202
	Solid waste management	
	Number of households with weekly kerb-side waste removal services in formal areas	2,369,946
	Number of informal settlements with access to refuse removal	357,468
	Number of waste minimisation projects initiated	4
	Backlog of kerb-side refuse removal services to consumer units (once a week)	32,913
	Electricity	
	Number of formal households with access to basic electricity	1,246,236
	Number of high mast lights installed in informal settlements	1,110
	Number of additional households (RDP) provided with electricity connections	1,084
	Backlog of electricity connections to consumer units	11,538
	Socio-economic amenities	
	Number of parks and gardens developed	1
	Number of pre-schools developed	714
	Number of markets developed	34
	Number of fire safety and emergency facilities developed	7
	Local economic development and job creation	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	27 351
Amount per amended DoRA		R1,488,877
Amount transferred		R1,488,877
Reasons if amount as per DoRA not transferred		None
Amount spent by the department or municipality		R607,204
Reasons for the funds unspent by the entity	Slow procurement processes. Contractual issues. Delays by Eskom to provide supply points.	
Monitoring mechanism by the transferring department	Conduct quarterly reviews with the municipalities. Undertake oversight visits in order to assess and, where possible, address challenges faced by municipalities. Hold CFO forums.	

City of Tshwane metropolitan municipality

Department or municipality to whom the grant has been transferred	City of Tshwane metropolitan municipality
Purpose of the grant	The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of households in informal settlements provided with basic household and socio-economic infrastructure, via in-situ upgrading or relocation. • Number of additional households receiving support in the access of basic municipal services, including water and sanitation, solid waste, transport access and area lighting. • The hectares of land identified, procured and proclaimed for informal settlements upgrading or mixed used development. • Number of title deeds transferred to eligible households. • Number of work opportunities created through the overall capital programme of the municipality. • Number of households provided with access to public amenities and economic services within upgraded settlements. • Improved dwelling unit densities within an improved spatial integration framework.

Actual outputs achieved	Indicator	31 March 2014 actual achieved
	Spatial development and the built environment	
	Number of hectares of land required for human settlements development	214
	Number of hectares of land procured for greenfield development	221
	Number of hectares of land proclaimed (township establishment completed)	7
	Number of title deeds transferred to eligible beneficiaries	4,599
	Transport	
	KMs of paved roads	20
	KMs surfaced roads resealed	40
	KMs of roads resurfaced or rehabilitated	28
	KMs of storm water drainage installed	35
	KMs of pedestrian walkways constructed	5
	Water	
	Number of formal domestic customers receiving water services	8,461
	Number of water service points installed for informal settlement dwellers within a 200m radius	152
	Number of additional households (RDP) provided with water connections	137
	Number of consumer units provided with access to a free basic level of potable water, by means of an individual HH supply or in informal areas by means of a standpipe within 200m	13,444
	Sewerage	
	Number of formal domestic customers receiving sewerage services	1,263
	Number of sanitation service points (toilets) installed for informal settlement dwellers	62
	Backlog in the provision of basic sanitation services (above RDP standards)	1,263

Actual outputs achieved	Indicator	31 March 2014 actual achieved
	Solid waste management	
	Number of households with weekly kerb-side waste removal services in formal areas	1,624,836
	Number of informal settlements with access to refuse removal	474
	Number of additional households (RDP) with access to refuse removal	300,812
	Electricity	
	Number of formal households with access to basic electricity	3,140
	Number of high mast lights installed in informal settlements	34
	Number of additional households (RDP) provided with electricity connections	5,596
	Backlog of electricity connections to consumer units	5,596
	Number of households provided with access to free basic electricity	158,869
	Socio-economic amenities	
	Number of clinics developed	1
	Local economic development and job creation	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	79,038
Amount per amended DoRA		R1,290,611
Amount transferred		R1,290,611
Reasons if amount as per DoRA not transferred		None
Amount spent by the department or municipality		R791,087
Reasons for the funds unspent by the entity	Late approval of projects. Expenditure is anticipated in the last quarter of the year. Construction of roads and storm water drains is still in progress.	
Monitoring mechanism by the transferring department	Conduct quarterly reviews with the municipalities. Undertake oversight visits in order to assess and, where possible, address challenges faced by municipalities. Hold CFO forums.	

eThekwini metropolitan municipality

Department or municipality to whom the grant has been transferred	eThekwini metropolitan municipality
Purpose of the grant	The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of households in informal settlements provided with basic household and socio-economic infrastructure, via in-situ upgrading or relocation. • Number of additional households receiving support in the access of basic municipal services, including water and sanitation, solid waste, transport access and area lighting. • The hectares of land identified, procured and proclaimed for informal settlements upgrading or mixed used development. • Number of title deeds transferred to eligible households. • Number of work opportunities created through the overall capital programme of the municipality. • Number of households provided with access to public amenities and economic services within upgraded settlements. • Improved dwelling unit densities within an improved spatial integration framework.

Actual outputs achieved	Indicator	31 March 2014 actual achieved
	Spatial development and the built environment	
	Number of hectares of land required for human settlements development	13,259
	Number of hectares of land procured for greenfield development	347
	Number of hectares of land (including building) procured for brownfield development (reflect both informal settlements upgrading and building refurbishments and conversions)	3,633
	Number of households living in informal settlements	910,696
	Number of sites serviced	9,446
	Number of title deeds transferred to eligible beneficiaries	58
	Transport	
	KMs of paved roads	14
	KMs of pedestrian walkways constructed	40
	Water	
	Number of formal domestic customers receiving water services	1,840,644
	Number of water service points installed for informal settlement dwellers within a 200m radius	232
	Number of additional households (RDP) provided with water connections	9,446
	Backlog of consumer units provided with a basic level of potable water above RDP standards	1,203,178
	Number of consumer units provided with access to a free basic level of potable water, by means of an individual HH supply or in informal areas by means of a standpipe within 200m	4,809
	Backlog in the number of consumer units with access to a free basic level of potable water	209,679

Actual outputs achieved	Indicator	31 March 2014 actual achieved
	Sewerage	
	Number of formal domestic customers receiving sewerage services	1,840,644
	Number of sanitation service points (toilets) installed for informal settlement dwellers	232
	Number of additional households (RDP) provided with sewer connections	9,446
	Backlog in the provision of basic sanitation services (above RDP standards)	1,203,178
	Solid waste management	
	Number of households with weekly kerb-side waste removal services in formal areas	1,573,746
	Number of informal settlements with access to refuse removal	952,839
	Number of additional households (RDP) with access to refuse removal	9,446
	Electricity	
	Number of formal households with access to basic electricity	21,900
	Number of additional households (RDP) provided with electricity connections	9,446
	Backlog of electricity connections to consumer units	852,823
	Number of households provided with access to free basic electricity	257,558
	Local economic development and job creation	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes.	6,576
Amount per amended DoRA		R1,580,999
Amount transferred		R1,580,999
Reasons if amount as per DoRA not transferred		None
Amount spent by the department or municipality		R1,007,292
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> • Poor supply chain management (e.g. late tender approval). • Insufficient database to access information. • Late payment of some invoices. 	
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Conduct quarterly reviews with the municipalities. • Undertake oversight visits in order to assess and, where possible, address challenges faced by municipalities. • Hold CFO forums. 	

City of Cape Town metropolitan municipality

Department/municipality to whom the grant has been transferred	City of Cape Town metropolitan municipality
Purpose of the grant	The purpose of the grant is to supplement the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.
Expected outputs of the grant	<p>Number of households in informal settlements provided with basic household and socio-economic infrastructure, via in-situ upgrading or relocation.</p> <p>Number of additional households receiving support in the access of basic municipal services, including water and sanitation, solid waste, transport access and area lighting.</p> <p>The hectares of land identified, procured and proclaimed for informal settlements upgrading or mixed used development.</p> <p>Number of title deeds transferred to eligible households.</p> <p>Number of work opportunities created through the overall capital programme of the municipality.</p> <p>Number of households provided with access to public amenities and economic services within upgraded settlements.</p> <p>Improved dwelling unit densities within an improved spatial integration framework.</p>

Actual outputs achieved	Indicator	31 March 2014 actual achieved
	Spatial development and the built environment	
	Number of hectares of land required for human settlements development	79.8
	Number of hectares of land procured for greenfield development	79.8
	Number of hectares of land (including building) procured for brownfield development (reflect both informal settlements upgrading and building refurbishments and conversions)	79.8
	Number of dwelling units developed per hectare	40–70
	Number of sites serviced	2,144
	Number of deeds of sales agreements signed with identified beneficiaries	2,927
	Transport	
	KMs surfaced roads resealed	12
	KMs of roads resurfaced or rehabilitated	54
	KMs of pedestrian walkways constructed	10
	Water	
	Number of formal domestic customers receiving water services	1,826,888
	Number of water service points installed for informal settlement dwellers within a 200m radius	2,798
	Number of consumer units provided with access to a free basic level of potable water, by means of an individual HH supply or in informal areas by means of a standpipe within 200m	3,205,716
	Sewerage	
	Number of formal domestic customers receiving sewerage services	1,769,375
	Number of sanitation service points (toilets) installed for informal settlement dwellers	12,743

Actual outputs achieved	Indicator	31 March 2014 actual achieved
	Solid waste management	
	Number of households with weekly kerb-side waste removal services in formal areas	2,512,599
	Electricity	
	Number of formal households with access to basic electricity	2,512,599
	Backlog of electricity connections to consumer units (estimated; includes non-electrifiable)	112,360
	Number of households provided with access to free basic electricity (Eskom and CCT)	1,253,778
	Local economic development and job creation	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	28,648
Amount per amended DoRA		R1,193,497
Amount transferred		R1,193,497
Reasons if amount as per DoRA not transferred		None
Amount spent by the department or municipality		R486,797
Reasons for the funds unspent by the entity	Poor supply chain management. Labour unrest issues on various sites. Delays in programme implementation due to weather conditions. Sourcing of employment equity beneficiaries in scarce skill disciplines.	
Monitoring mechanism by the transferring department	Conduct quarterly reviews with the municipalities. Undertake oversight visits in order to assess and, where possible, address challenges faced by municipalities. Hold CFO forums.	

6.2 Conditional grant 1: conditional grants and earmarked funds received

No conditional grants were received in the current financial year,

7. DONOR FUNDS

7.1 Donor funds received

All donors funding is channelled to the Department through the National Treasury. There were no new donor funds received, during the year under review.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

The Department did not make any capital investment during the year under review except for the RHIG. The grant was appropriated to the Department under capital expenditure to build sanitation structures in the rural areas. The structures are handed over to beneficiaries on completion and their maintenance is the responsibility of the local authorities.

In respect of its own assets the Department has an asset register, which is updated regularly with additions and disposals. An Asset Management sub-directorate has been established to render asset management services. An asset acquisition plan is developed by each sub-programme and is used as the basis for the procurement of assets. A disposal board is in place to assist with the disposal of assets. Physical asset verification is conducted annually and asset maintenance is the responsibility of the various custodian units.

9. Programme: Programme Delivery Support

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Total number of municipalities provided with technical assistance for informal settlement upgrading per year	20 (As per estimates of national expenditure) 49 (as per strategic and annual performance plan)	49 (cumulative target in terms of Outcome 8) Planned target for 2013/14 in terms of Outcome 8 was 9	50 (cumulative target in terms of Outcome 8) 2013/14 actual performance Outcome 8 was 30	47 municipalities of the 49 prioritised by Cabinet plus 3 additional municipalities	
Number of additional residential units completed per year	72,223 (as per estimates of national expenditure) 127,200 (as per strategic and annual performance plan)	132,705	105,441 (HSDG only)		
Number of additional sites serviced per year (greenfields)	26,308 (as per estimates of national expenditure) 72,876 (as per strategic and annual performance plan)	77,248	43,403 (HSDG only)		
Number of additional households upgraded in well-located informal settlements with access to secure tenure and basic services per year (brownfield)	22,460 (as per estimates of national expenditure) 67,124 (as per strategic and annual performance plan)	62,752 According to revised business plans of provinces: 71,094 POA delivery agreement: 140,000 households (both greenfields and brownfields)	Actual delivery Outcome 8 : cumulative : 417,723 households Actual delivery Outcome 8: 2013/14: 71,766 households	Information not provided	
Number of additional hectares of land prepared for human settlements development per year	2,000 (as per estimates of national expenditure) 2,100 (as per strategic and annual performance plan)	2,000 (as per estimates of national expenditure) 2,100 (as per strategic and annual performance plan) POA delivery agreement: 2,084 ha	Actual performance Outcome 8: Cumulative : 9,361 ha Actual performance Outcome 8: 2013/14: 1,883.5 ha	Original target for Outcome 8 of 6,250 ha exceeded by HDA	

Performance indicator	Baseline (actual achievement 2012/2013)	Planned target 2013/2014	Actual performance 2013/2014	Deviation from planned target for 2013/2014	Comment on deviation
Number of additional loans granted in the affordable housing segment per year	69,970	63,798 (as per estimates of national expenditure) 74,470 (as per strategic and annual performance plan) Target Outcome 8: 2013/14: 73,082	Actual performance: Outcome 8: 393,607 Actual performance: Outcome 8: 2013/14: 167,112	Over performance mostly as a result of performance of RHLF	
Number of additional households provided with on-site sanitation in rural areas	5,818	11,858	12,101 additional households provided with on-site sanitation in rural areas	Over achieved the target by 243 households Some units were started in the 2012/13 financial year and completed in 2013/14	Some units were started in the 2012/13 financial year and completed in 2013/14



PART C

GOVERNANCE

1. INTRODUCTION

The Department is committed to the principles of good governance and this commitment is demonstrated through governance structures that have been established and also the core values guiding and regulating the Department to ensure effective, efficient and economic utilisation of resources. These structures are continually reviewed to ensure their effectiveness.

2. RISK MANAGEMENT

The Department has a fully functional Risk Management Committee whose responsibility is to assist the Accounting Officer in addressing its oversight requirements of risk management, evaluation and monitoring of the institution's performance with regard to risk management. Furthermore, the committee's role is to formulate, promote and review the institution's enterprise risk management objectives, strategy and policy and monitor the process at strategic management and operational levels.

The committee is composed of executive and non-executive members including a representative from the Audit Committee and the chairperson, who is a non-executive member. The Risk Management Committee operates in accordance with the approved terms of reference and risk management policy and strategy, which are updated on a yearly basis where necessary.

The Committee is supported by a Risk Management Directorate. The committee meets quarterly to review processes and discuss critical issues in respect of risk management, which are also tabled before the Audit Committee. The Risk Management Committee is currently chaired by a representative from Audit Committee while it finalises the process of appointing the new chairperson.

The Department has identified, monitored and reported the progress on management of the following risk categories: strategic, branch (tactical), fraud and information technology. The Department has further identified emerging risks and incidents that occurred during the year under review and will continuously monitor those risks.

3. FRAUD AND CORRUPTION

The Departmental Special Investigations Directorate participated in the induction programme for local government employees and officials, including members of Mayoral Committee and councillors. This programme seeks to train and inform local government employees about human settlements' policies and programmes for respective municipalities. Furthermore, the Department has also conducted anti-fraud and awareness sessions for departmental employees in which the focal area was raising awareness on issues of ethics, values, integrity and morals.

The Department has finalised 16 cases that relate to illegal sale of low-cost houses and tender irregularities. Evidence gathered suggests that there is an involvement of a syndicate in the illegal sale of low-cost houses. The Department is also investigating allegations of illegal sale of low-cost houses through various IT mediums.

The programme achieved the following:

- The Department continues to monitor external cases being investigated by the Special Investigating Unit in terms of Presidential Proclamation R.7 of 2007, which was extended by Proclamation R.35 of 2010 and R.15 of 2012.

The objectives of the investigations conducted in terms of the Proclamation referred to above were:

- To investigate any fraud, corruption and maladministration in respect of the development and delivery of low-income housing in South Africa, by national and provincial departments, local authorities (and agents) and housing development boards
- The Department has recovered over R53.8 million by the end of March 2014, from officials who benefited illegally from the housing subsidy. Furthermore, the Department continues to monitor the progress of cases that are investigated by the Special Investigating Unit.

4. MINIMISING CONFLICT OF INTEREST

Supply chain practitioners are made to sign a code of conduct and are security vetted. All bidders or their representatives (all procurement, i.e. open bids and quotations) are required to declare (on SBD4 forms) their positions or relationship in relation to any person employed by the Department. Members of the Bid Adjudication Committee declare their financial interests on an annual basis. Members of the Bid Adjudication Committee and Bid Evaluation Committee as well as all officials rendering administrative support to these committees are required to sign a declaration form at each meeting. Any members with an interest in the matter at hand must recuse themselves.

Human resource management has the following involvement in minimising conflicts of interest:

- Declaration forms are issued to and completed by members of selection panels in the interview process, in which they indicate any possible conflict of interest in the form of relationships with candidates.
- When applications for approval for remunerative work outside the public service are processed, the issue of possible conflict of interest with the official duties of employees is considered and advised upon.
- Labour relations conducts training on a quarterly basis, during which the issue of conflict of interest is addressed.
- The management of financial disclosures.
- The maintenance of a gifts register.

5. CODE OF CONDUCT

Labour relations conducts awareness sessions, which include information on the code of conduct, on a quarterly basis. Employees are informed that breaches of the code of conduct constitute misconduct. During the year in question, no breaches of the code of conduct were reported to labour relations or human resources.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

(Refer to AR Guide for requirements)

The Occupational Health and Safety Act (Act No. 85 of 1993) charges the Department with a responsibility to reasonably and practically provide and maintain a safe and risk-free working environment for its employees.

In compliance with provisions of the Act, the Department continued to monitor consistent implementation of prescribed measures to ensure a conducive, habitable working environment, through monthly inspections conducted at all departmental sites to identify risks and challenges with recommendations for address.

The OHS risks and challenges identified previously that resulted in non-compliance were corrected and eliminated. These include but are not limited to overloading of power and electricity supplies and gadgets, absence of windows, poor ventilation, unauthorised partitioning, loose electric cables and cords in passageways, acquisition of anti-slip threads for staircases, fire drills as well as alignment of building layout plans to configured offices.

7. PORTFOLIO COMMITTEES

The 2013/14 financial year for Parliament was the last year aimed at assessing its success in execution of its mandate. The departmental strategic plan and individual programme performance underpinned by governance became the key focus for the period. An intergovernmental relations framework was effectively managed in supporting Parliament's oversight role.

For the period under review, Parliament had a three-pronged approach, focusing on the effectiveness of internal governance systems, use of state resources, the human settlements plan as implemented in respective provinces and performance of the different funding stream to deliver integrated human settlements.

The Rental Housing Amendment Bill was served before Parliament. Its recommendations were factored back to the Department to inform its comprehensive policy and legislation development processes. Departmental quarterly performance reports on respective housing programmes were served before the committees as scheduled and in line with the parliamentary programme.

Parliamentary questions posed during the period focused on informal settlement upgrading, plans and funds set aside for this upgrading, experiences of individual complainants in informal settlements, spatial restructuring, performance of the USDF and the Housing Development Grant and the RHIG as a facilitator of RHIP on rural sanitation. The bucket eradication programme took the better part of the last two quarters of the financial year; the Western Cape featured prominently in this regard with a backlog on rolling out waterborne toilets. The nature of questions posed by Parliament can be categorised as follows: programme planning, governance, policy interpretation and application, financial accountability and internal procurement processes, procedures in the Department, human resources and employment practices, adherence to regulatory legislation in transforming the public service and effectiveness of strategic leadership.

At the close of Parliament, the Department and its leadership were appreciated for their efforts in enabling parliamentary oversight performance in all human settlements programmes and its transparency in the management of the budget.

During the financial year under review, the Departmental annual report 2012/13 was tabled as per legislative requirements. The departmental quarterly performance reports were presented to the Portfolio Committee and senior management for decision-making, further guidance and planning. The departmental compliance reports were also presented to senior management for corrective measures.

8. STANDING COMMITTEE ON PUBLIC ACCOUNT RESOLUTIONS

There were no resolutions taken by the Standing Committee on Public Accounts in respect of the Department during the year under review.

The following prior resolutions have been addressed by the Department as reported in the previous financial year:

- Approval and allocation of housing subsidies at provincial housing departments (2005/06 performance audit report).
- Approval of housing subsidies to municipal employees and the administration of low housing projects by certain provincial housing departments (2008/09 performance audit report).

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Based on the final management letter, an action plan was developed that clearly indicates the audit findings, planned actions to address the findings, the responsible senior manager and the timeframes within which the planned actions will be implemented.

The action plan was updated monthly by the Internal Control unit and verified by internal auditors. In updating the action plan, responsible senior managers had to indicate progress in implementation of planned actions. On a monthly basis the Internal Audit unit presented a report to executive management on the outcomes of their verification

Matters of non-compliance	Financial year in which it first arose	Progress made in clearing or resolving the matter
Assets not removed from asset register after disposal	2012/2013	Two contract workers resumed their duties on 14 October 2013. Contract workers were appointed and the senior supply chain practitioner was also appointed on 01 November 2013. She will be responsible for the financial statements. Interviews for the DD and ASD of asset management positions were held 28 and 29 November 2013. Human resources expect to finalise the appointment by 28 February 2014. Interns have been appointed as at 10 February 2014.
Supply chain management process not followed while no deviations for not obtaining the required quotes were documented	2010/2011	<p>(1) Service providers were appointed to conduct training as follows: (a) Demand management (dates: 06–08 August 2013, 14–16 August 2013 and 21–23 August 2013) and (b) Bid specifications and bid evaluations (dates: 23–25 October 2013, 06–08 November 2013 and 13–15 November 2013).</p> <p>(2) Requests for quotations for professional services are advertised in the Government Tender Bulletin to ensure that the required number of quotations are obtained.</p> <p>(3). A procurement check list is used to monitor the process of obtaining the required number of quotations.</p>
Treasury not made aware of deviation (irregular expenditures)	2011/2012	<p>(1) The irregular expenditure was reported to the Director-General, requesting signature of a letter to the National Treasury.</p> <p>(2) A letter reporting and requesting condonation of the irregular expenditure was sent to the National Treasury. The National Treasury has acknowledged receipt of the letter and undertaken to provide feedback on the matter.</p>
Service level agreement signed after contract commenced and payments made	2012/2013	<p>(1) Orders are created once the service level agreement has been signed by both parties.</p> <p>(2) Regular follow-ups on outstanding service level agreements are done. Furthermore, outstanding agreements are reported weekly to executive management.</p> <p>(3). Payments are not made if the service level agreement is not signed by both parties.</p>
Inconsistencies in Bid Evaluation Committee scoring	2012/2013	<p>(1) Service providers were appointed to conduct training as follows: (a) Demand management (dates: 06–08 August 2013, 14–16 August 2013 and 21–23 August 2013) and (b) Bid specifications and bid evaluations (dates: 23–25 October 2013, 06–08 November 2013 and 13–15 November 2013).</p> <p>(2) Requests for quotations for professional services are advertised in the Government Tender Bulletin to ensure that the required number of quotations are obtained.</p> <p>(3) A procurement check list is used to monitor the process of obtaining the required number of quotations. A template for forwarding a bid evaluation report to the Bid Adjudication Committee to facilitate motivation of vast scoring discrepancies has been developed.</p>
Names of bidders that submitted bids not published on Department's website	2012/2013	<p>(1) Names of bidders that submitted bids are published on the Department's website.</p> <p>(2) Evidence of publication is printed and kept on bid files for audit purposes.</p>

Matters of non-compliance	Financial year in which it first arose	Progress made in clearing or resolving the matter
Procurement policy not approved	2012/2013	A copy of the approved procurement policy was sent to all staff members and the Office of the Auditor General on 28 August 2013.
Payments not made within 30 days of receipt of invoice	2010/2011	A new approach of handling of invoices in the supply chain has been developed, Weekly reporting of invoices by supervisors is done. Officials delaying invoices for payment are reported to the Chief Financial Officer for her attention. The electronic register has been amended for the supervisor to follow up on invoices sent out to managers for approval and to give updates. An internal audit has been conducted and a report produced.
Subsistence and travel: Inappropriate car, air, travel and hotel accommodation categories used	2012/2013	A transport policy was drafted and approved by the Director-General on 05 September 2013 (implementation date) and it was circulated to all staff members on 12 September 2013.
Debt management policy not approved	2011/2012	Approved debt management policy SUBMITTED TO Attorney-General on 20 August 2013. The policy was approved subsequent to the issuing of an audit query (April 2013).
Payroll certification not performed and returned in a timely manner	2010/2011	Financial delegations have been amended and approved by the Director-General on 03 March 2014. Acting Chief Directorate: Human Resource Management was requested to move officials to the new pay points.
Performance agreements not signed on time by SMS members	2010/2011	Human resources issued letters to branch heads regarding non-compliance in November 2013, requesting reasons for non-compliance and advising of the consequences. The matter will be presented to executive management and finalised by 31 March 2014 to address the issue non-compliance and approve the action plan.
Department does not perform pre-employment screening when appointing	2010/2011	An action plan has been developed and implemented which includes pre-employment screening when appointing. The newly developed action plan clearly outlines roles, responsibilities and timelines in order to speed up the recruitment process. Human resources is to finalise this process by 28 February 2014. The investigation has been concluded and document evidence will be resubmitted to Internal Control to close this matter.
Acting allowances paid late	2012/2013	A director has been assigned to manage the payment of the acting allowance. Acting allowance becomes effective after approval by the delegated authority and allowance is paid are after six weeks of acting.
Employee performing remunerative work outside of the Department without prior approval	2011/2012	The draft policy to be presented by human resources to executive management by 31 March 2014. Furthermore, the draft policy is ready and will be en route for approval.
No implementation or action plan for the five-year human resource plan	2010/2011	A written confirmation has been received from the DPSA that there is no template for an implementation plan for the human resource plan, and that Section 8 of the plan is the action plan. Human resources has completed Section 8 of the human resource plan.
Irregular expenditures: No proof that identified irregular expenditure was reported to Treasury	2011/2012	An investigation was conducted and a report compiled addressing all of the abovementioned issues, which was submitted to the Chief Financial Officer on 30 November 2013. This report has not been returned to human resources. Also, human resources has drafted a memo requesting condonation of the irregular expenditure, as advised by SCM. This memo has been submitted to finance for advice; we are still awaiting proper advice so that the memo can be finalised. Regarding the finding related to the acting appointments, human resources has disputed the finding; a formal letter and supporting documents will be submitted to finance in this regard. The memo will be reproduced and be submitted to the acting Chief Financial Officer by 31 March 2014.

Matters of non-compliance	Financial year in which it first arose	Progress made in clearing or resolving the matter
Entity-wide strategic risk assessment not conducted regularly	2012/2013	Department-wide risk assessment was conducted on 29 August 2013. The risk owners have developed action plans based on the draft risk register. The processes was finalised on 30 September 2013. The strategic risk register with action plans was finalised, tabled at the Risk Management Committee meeting held on 28 October 2013 and adopted. The Department has finalised the process of strategic and IT risks assessment (i.e. actions have been implemented for all risks identified and status updated. The department-wide strategic risk assessment has been completed and adopted by both the Risk Management Committee and executive management and approved by the Accounting Officer. • The fraud risk assessment draft has been compiled and distributed for inputs. The fraud risks will be assessed once all inputs are consolidated. A meeting will be scheduled for rating of the risk by executive management.
Strategic plan (Annexure E of APP) not completed: Technical indicator descriptions not compiled	2012/2013	The strategic plan is at an advanced state of development. Consultation with sector stakeholders is nearing conclusion.
Strategic plan does not contain vision, mission and values of the Department	2012/2013	<ul style="list-style-type: none"> • The branch has made sure that in the development of the 2013/16 strategic plan vision, mission and values are contained. • 2013/16 strategic plan contains all National Treasury frameworks on strategic planning requirements.
Strategic plan not aligned to 2012/14 MTEF	2012/2013	Proposals have been tabled with the Chief Financial Officer.
Strategic plan does not include specific Constitutional and other legislatives	2012/2013	The branch has made sure that in the development of 2013/16 strategic plan Constitutional and other legislative are included. Refer to the 2013/16 strategic plan.
Inconsistency between planned indicators and targets and reported indicators and targets	2012/2013	<p>To exercise oversight and ensure compliance with performance reporting prescripts, the Chief Directorate has introduced an ongoing system of exception letters where there is poor performance and non-compliance. The Chief Directorate has also introduced a system of information packs and assessment questionnaires.</p> <p>The Chief Directorate has introduced a system of compulsory performance review sessions.</p> <p>The Chief Directorate has ensured compulsory training of all SMS members in areas monitoring and evaluation, strategic planning, governance and accountability. In addition, the Chief Directorate has developed the enterprise operations performance assessment framework as well as guidelines on enterprise architecture. The Chief Directorate has also introduced a system of tracking outstanding targets.</p>
Relevance of indicators and targets		
Information to support reported achievements not provided		
Targets not achieved		
Reasons for variances for targets not supported by sufficient evidence		

10. INTERNAL CONTROL UNIT

The unit is a custodian of all current financial year's financial transactions. During the year:

- It conducted compliance testing in relation to internal policies, laws and regulations and ensured effectiveness of internal controls. Discrepancies were identified, noted and brought to the attention of management with recommendations to enhance the controls and deal with them in compliance with prescripts.
- It served as a secretariat to the Loss Control Committee and is tasked to implement the decisions of the committee. The committee held four meetings during the financial year.

- It managed the process of submission of audit findings to the Department and submission by the Department of management responses to external auditors.
- It developed an action plan to address the audit findings by the office of the Auditor General. This action plan was updated on a monthly basis as planned actions were implemented. The plan was presented to various stakeholders such as the Audit Committee, executive management team, internal audit and MinTop for review and recommendations.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal audit

The Department has an Internal Audit Directorate which operates in accordance with the PFMA, Treasury regulations and the approved internal audit charter which defines the purpose, authority and responsibility of the unit. The unit also conducts its operations in accordance with the standards for the professional practice of internal auditors issued by the Institute of Internal Auditors. The Internal Audit Unit focuses mainly on providing assurance and consultancy services to management and the Audit Committee on matters pertaining to systems of control, risk management and governance processes. The unit through its chief audit executive reports functionally to the Audit Committee and administratively to the Accounting Officer.

The Audit Committee continuously assesses the performance of the Internal Audit Directorate to determine the level of its effectiveness and recommends areas which need improvement. The unit as per requirements of Institute of Internal Auditors's standards and Treasury regulations developed a three-year rolling strategic plan inclusive of a one-year operational audit plan in consultation with management and approved by the Audit Committee. All the reviews conducted by the function had reflected that the systems of internal controls are adequate in those areas reviewed while on certain areas there were control weaknesses identified pertaining to effectiveness of those controls. Recommendations were made on weaknesses identified and management committed itself to implement agreed actions plans.

Audit Committee

The Department has an Audit Committee, which operates in accordance with the requirements of the PFMA and Treasury regulations; the Audit Committee comprises members appointed from outside the public service. In addition the committee also operates in terms of the audit charter terms of reference, which were reviewed and approved in the period under review. The committee has currently two vacancies which the Department is in the process of filling to bring the number of committee members to five. During the period under review the committee met five times and the Accounting Officer and executive management were always represented at these meetings. The Office of the Auditor General, National Treasury and the chairperson of the Risk Management Committee are always invited to these meetings.

The committee has unrestricted access to both information and personnel of the Department. A 360-degree evaluation of the performance of the committee is done annually to assess its performance and measures are put in place to address weaknesses identified. The results of the assessment conducted during the period under review reflect that performance of the committee is satisfactory and the committee is adding value to the Department.

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Mr K Buthelezi	BComm degree Diploma in Accountancy Further Diploma in Accountancy (ACCA)	External	Not applicable	1 January 2011	Not applicable	5
Ms T Moja	BComm degree BCompt degree Advanced Treasury Management Master's in Business Leadership	External	Not applicable	1 January 2012	Not applicable	4
Mr N Monakedi	Master's in Project Management BTech (Construction Management) National Diploma Building Diploma in Labour Intensive Management	External	Not applicable	22 August 2011	Not applicable	5

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2014.

Audit Committee members and attendance

The Audit Committee consists of the external members listed below and meets at least four times per year, in accordance with its approved Terms of Reference. During the current financial year five meetings were held.

Name of member	Number of meetings scheduled	Attended
Mr K Buthelezi	5	5
Ms T Moja	5	4
Mr N Monakedi	5	5

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities in terms of Section 38(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as outlined in its Audit Committee charter and met its responsibilities as stipulated in the charter.

The effectiveness of internal control

The Committee review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- Review of the Interim Financial Statements audit
- Payments made within 30 days audit
- Human Resource Management audit
- Payroll audit
- Asset Management audit
- Supply Chain Management audit
- Human Settlements Development Grant audit
- Urban Settlements Development Grant audit
- Audit of Performance Information audit
- Performance Audit on Facilities Management
- Performance Audit on Outcome 8 (Output 1 and Output 3)

The following are areas of concern from the Committee. There are recurring system deficiencies raised by both Internal and External Auditors from the previous years and management have not addressed them adequately:

- Rural Household Infrastructure Programme/ Grant
- Performance Information
- Accruals
- Human Resource Management
- Commitments
- Non-compliance with legal and regulatory provisions
- Information Technology Governance

In-Year Management and Monthly/Quarterly Report

The quality of management and quarterly reports submitted to the Treasury as is required by the PFMA and the DoRA was also reviewed.

Evaluation of Financial Statements

The Audit Committee:

- Reviewed and discussed the audited and adjusted financial statements to be included in the annual report.
- Reviewed the Auditor-General management report and management responses to the report.
- Reviewed audited financial statements and adjustments made

Changes to accounting policies

The Audit Committee noted that there were no changes to accounting policies.

Internal Audit

The Audit Committee is satisfied that the Internal Audit Function is independent, objective and operating effectively and also strives to address the risks pertinent to the department in its audits.

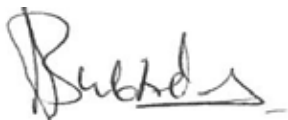
Auditor General's Report

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are not satisfied with progress especially with regard to the following:

- Strategic planning and performance management
- Annual financial statements, performance and annual reports

- Human resource management and compensation
- Asset management and liability management

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited financial statements be accepted and read together with the report of the Auditor-general.



Mr K Buthelezi
Chairperson Of The Audit Committee
Department Of Human Settlements
31 July 2014

35

PART D

HUMAN RESOURCE MANAGEMENT



LEGISLATURE THAT GOVERNS HUMAN RESOURCE MANAGEMENT

The following legislation governs human resource management in the public service:

- The Public Service Act and regulations
- The Labour Relations Act
- The Skills Development Act
- The Skills Development Levies Act
- The Employment Equity Act

In addition to the legislation, the following prescripts govern human resource management in the public service:

- Collective agreements
- DPISA directives
- DPISA frameworks
- DPISA guidelines

1. INTRODUCTION

The Department achieved all the set targets in relation to human resources. The achieved targets are summarised as follows:

- Performance assessments were finalised.
- Employee wellness programme was successfully implemented. In addition, counselling services continued to be offered to affected employees.
- The Department appointed 44 interns. This was in line with a Cabinet directive dated 2002 which stipulated that the Department was required to take 5% of its establishment (804) as interns under the learnership programme. The Department exceeded the target in support of employment creation.
- On completion of the turnaround strategy and the implementation of the new structure, a human resource plan was formulated and approved by the executive authority.

Some of the other notable achievements were:

- With the support of human resources, the Department has been actively involved in a recruitment drive in order to fill vacancies that emanated due to the finalisation of the turnaround strategy with effect from 01 April 2012.
- Despite the high rate of staff turnover during the period under review, the departmental vacancy improved from the previous financial year

Some of the challenges faced, include:

- A lack of sufficient capacity in the Human Resource Chief Directorate to deal with the increased workload, particularly as a result of the additional work involved in the recruitment drive.

Key aspects of the human resource plan as at 31 March 2014 (please note that these objectives are applicable over the five-year time span of the plan) include the following:

- Recruitment of staff in terms of employment equity targets;
- Development and implementation of human resource policies, strategies and guidelines;
- Filling of vacant posts to 94% capacity;
- Ensuring compliance with the Public Service Act and its regulations; and
- Management of organisational development processes.

2. HUMAN RESOURCE OVERSIGHT STATISTICS: APRIL 2013 to MARCH 2014

TABLE 2.1 - Personnel costs by programme

Programme	Total voted expenditure (R'000)	Compensation of employees expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Compensation of employees as percentage of total expenditure
Housing development finance	27,240,255	38,323	0	0	0.1
Home Services Programme, strategy and planning	73,255	38,397	0	0	52.4
Programme delivery support	86,200	53,606	0	0	62.2
Administration	299,260	142,141	0	0	47.5
Total as on financial systems (BAS)	27,703,812	272,466	0	0	1.0

TABLE 2.2 - Personnel costs by salary band

Salary band	Compensation of employees cost including transfers (R'000)	Percentage of total personnel cost for Department	Average compensation cost per employee (R)	Total personnel cost for Department including goods and services (R'000)	Number of employees
Lower skilled (Levels 1-2)	2,869	1.1	124,739	270,416	23
Skilled (Levels 3-5)	12,804	4.7	145,500	270,416	88
Highly skilled production (Levels 6-8)	47,297	17.5	257,049	270,416	184
Highly skilled supervision (Levels 9-12)	113,305	41.9	460,589	270,416	246
Senior management (Levels 13-16)	68,565	25.4	879,038	270,416	78
Contract (Levels 1-2)	318	0.1	7,067	270,416	45
Contract (Levels 3-5)	948	0.4	316,000	270,416	3
Contract (Levels 6-8)	5,958	2.2	238,320	270,416	25
Contract (Levels 9-12)	5,243	1.9	476,636	270,416	11
Contract (Levels 13-16)	9,791	3.6	1,087,889	270,416	9
TOTAL	267,098	98.8	375,138	270,416	712

TABLE 2.3 - Salaries, overtime, home owners allowance and medical aid by programme

Programme	Salaries (R'000)	Salaries as % of personnel cost	Overtime (R'000)	Overtime as % of personnel cost	Home Owners Allowance (R'000)
Programme 1: Administration	111,147	78.0	1,123	0.8	3,595
Programme 2: Human settlements policy strategy and plan	25,457	76.9	87	0.3	735
Programme 3: Programme delivery support	52,886	75.7	292	0.4	1,607
Programme 4: Housing development finance	19,354	78.5	14	0.1	432
Programme 5: Strategic relations and governance	184	66.7	0	0.0	5
TOTAL	20,9028	77.3	1,516	0.6	6,374

TABLE 2.4 - Salaries, overtime, home owners allowance and medical aid by salary band

Salary band	Salaries (R'000)	Salaries as % of personnel cost	Overtime (R'000)	Overtime as % of personnel cost	Home Owners Allowance (R'000)
Lower skilled (Levels 1-2)	1,791	62.4	42	1.5	219
Skilled (Levels 3-5)	8,575	66.8	305	2.4	754
Highly skilled production (Levels 6-8)	33,662	70.9	499	1.1	1,715
Highly skilled supervision (Levels 9-12)	87,652	76.2	550	0.5	1,765
Senior management (Levels 13-16)	55,984	80.4	0	0.0	1,922
Contract (Levels 1-2)	316	98.4	2	0.6	0
Contract (Levels 3-5)	892	94.0	42	4.4	0
Contract (Levels 6-8)	5,841	97.6	66	1.1	0
Contract (Levels 9-12)	4,968	93.3	10	0.2	0
Contract (Levels 13-16)	9,345	94.7	0	0.0	0
TOTAL	209,026	77.3	1,516	0.6	6,375

TABLE 3.1 - Employment and vacancies by programme at end of period

Programme	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Programme 1: Administration, permanent	508	439	13.6	70
Programme 2: Human settlements policy strategy and plan, permanent	89	71	20.2	3
Programme 3: Programme delivery support, permanent	235	145	38.3	5
Programme 4: Housing development finance, permanent	80	56	30	0
Programme 5: Strategic relations and governance, permanent	3	1	66.7	0
TOTAL	915	712	22.2	78

TABLE 3.2 - Employment and vacancies by salary band at end of period

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1–2), permanent	25	24	4	0
Skilled (Levels 3–5), permanent	117	88	24.8	3
Highly skilled production (Levels 6–8), permanent	250	184	26.4	8
Highly skilled supervision (Levels 9–12), permanent	340	245	27.9	9
Senior management (Levels 13–16), permanent	90	78	13.3	0
Contract (Levels 1–2), permanent	45	45	0	45
Contract (Levels 3–5), permanent	3	3	0	1
Contract (Levels 6–8), permanent	25	25	0	10
Contract (Levels 9–12), permanent	11	11	0	1
Contract (Levels 13–16), permanent	9	9	0	1
TOTAL	915	712	22.2	78

TABLE 3.3 - Employment and vacancies by critical occupation at end of period

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Administrative related, permanent	171	118	31	1
Agriculture related, permanent	1	1	0	0
Civil engineering technicians, permanent	3	3	0	0
Cleaners in offices workshops hospitals, etc., permanent	25	25	0	0
Client information clerks (switchboard, reception, information clerks), permanent	11	10	9.1	0
Communication and information related, permanent	6	6	0	0
Community development workers, permanent	3	3	0	0
Custodian personnel, permanent	1	1	0	0
Economists, permanent	38	22	42.1	0
Engineering sciences related, permanent	3	3	0	0
Engineers and related professionals, permanent	16	11	31.3	0
Finance and economics related, permanent	52	35	32.7	0
Financial and related professionals, permanent	21	13	38.1	2
Financial clerks and credit controllers, permanent	46	42	8.7	2
Food services aids and waiters, permanent	6	6	0	0
General legal administration and related professionals, permanent	6	5	16.7	0
Geologists geophysicists hydrologists and related prof, permanent	1	1	0	0
Head of department or chief executive officer, permanent	1	1	0	0
Household food and laundry services related, permanent	5	4	20	0
Housekeepers laundry and related workers, permanent	1	1	0	0
Human resources and organisational development & relate professionals, permanent	28	23	17.9	7
Human resources clerks, permanent	65	62	4.6	45
Human resources related, permanent	8	7	12.5	0
Language practitioners interpreters and other communications, permanent	1	1	0	0
Librarians and related professionals, permanent	1	1	0	0
Library mail and related clerks, permanent	32	30	6.3	9
Light vehicle drivers, permanent	1	1	0	0
Logistical support personnel, permanent	76	50	34.2	6
Material-recording and transport clerks, permanent	23	19	17.4	0

Critical occupations	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Medical research and related professionals, permanent	1	1	0	0
Messengers porters and deliverers, permanent	10	8	20	0
Natural sciences related, permanent	1	1	0	0
Other administrative and related clerks and organisers, permanent	36	31	13.9	0
Other administrative policy and related officers, permanent	2	2	0	0
Other information technology personnel, permanent	11	11	0	0
Other occupations, permanent	6	6	0	0
Risk management and security services, permanent	2	2	0	0
Secretaries and other keyboard operating clerks, permanent	89	66	25.8	3
Security guards, permanent	3	3	0	0
Security officers, permanent	21	17	19	1
Senior managers, permanent	75	53	29.3	2
Social sciences related, permanent	4	4	0	0
Trade and industry advisers and other related profession, permanent	2	2	0	0
TOTAL	915	712	22.2	78

Table 3.3.1 SMS post information as at 31 March 2014

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ or Head of Department	1	1	100%	0	0%
Salary Level 16	6	4	67%	2	33%
Salary Level 14	22	18	82%	4	18%
Salary Level 13	66	51	77%	15	23%
Total	95	74	78%	21	22%

Table 3.3.2 SMS post information as at 30 September 2013

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ or Head of Department					
Salary Level 16	1	1	100%	0	0%
Salary Level 15	6	5	83%	1	17%
Salary Level 14	22	18	82%	4	18%
Salary Level 13	66	38	58%	28	42%
Total	95	62	65%	33	35%

Table 3.3.3 Advertising and filling of SMS posts for the period 01 April 2013 to 31 March 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ or Head of Department					
Salary Level 16	1	1	100%	0	0%
Salary Level 15	6	4	67%	2	33%
Salary Level 14	22	18	82%	4	18%
Salary Level 13	66	51	77%	15	23%
Total	95	74	78%	21	22%

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS (Advertised within six months and filled within 12 months after becoming vacant) for the period 01 April 2013 to 31 March 2014

Reasons for vacancies not advertised within six months
Some of the posts were not job evaluated after the turn around strategy.

Reasons for vacancies not filled within six months
Unavailability of the Selection Committee members. Approval of appointments not granted while the processes are at advanced stages.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 01 April 2013 to 31 March 2014

Reasons for vacancies not advertised within six months
No disciplinary action was taken
Reasons for vacancies not filled within six months
No disciplinary action was taken for vacancies not being filled within 12 months

HUMAN RESOURCE OVERSIGHT APRIL 2013 to MARCH 2014: Human settlements

TABLE 4.1 - Job evaluation

Salary band	Number of posts	Number of jobs evaluated	% of posts evaluated	Number of posts upgraded	% of upgraded posts evaluated
Lower skilled (Levels 1-2)	25	0	0.0	0	0.0
Contract (Levels 1-2)	45	0	0.0	0	0.0
Contract (Levels 3-5)	3	0	0.0	0	0.0
Contract (Levels 6-8)	25	0	0.0	0	0.0
Contract (Levels 9-12)	11	0	0.0	0	0.0
Contract (Band A)	4	0	0.0	0	0.0
Contract (Band B)	2	0	0.0	0	0.0
Contract (Band C)	1	0	0.0	0	0.0
Contract (Band D)	2	0	0.0	0	0.0
Skilled (Levels 3-5)	117	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	250	2	0.8	0	0.0
Highly skilled supervision (Levels 9-12)	340	14	4.1	6	43.0
Senior management service band A	56	2	3.5	0	0.0
Senior management service band B	27	0	0.0	0	0.0
Senior management service band C	5	0	0.0	0	0.0
Senior management service band D	2	0	0.0	0	0.0
TOTAL	915	18	1.9	6	33.3

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	3	0	0	1	4
Total	5	0	0	1	6
Employees with a disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	No. of employees in Department
None	0	0	0	0	0
None	0	0	0	0	0
Total	0	0	0	0	0
Percentage of total employment	0	0	0	0	0

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

HUMAN RESOURCE OVERSIGHT APRIL 2013 to MARCH 2014:- Human settlements

TABLE 5.1 - Annual turnover rates by salary band

Salary band	Employment at beginning of period (April 2013)	Appointments	Terminations	Turnover rate
Lower skilled (Levels 1-2), permanent	23	0	0	0.0
Skilled (Levels 3-5), permanent	64	17	3	4.7
Highly skilled production (Levels 6-8), permanent	170	9	5	2.9
Highly skilled supervision (Levels 9-12), permanent	215	19	9	4.2
Senior management service band A, permanent	34	3	1	2.9
Senior management service band B, permanent	22	1	1	4.5
Senior management service band C, permanent	5	1	2	40.0
Senior management service band D, permanent	2	1	1	50.0
Contract (Levels 1-2), permanent	6	44	6	100.0
Contract (Levels 3-5), permanent	15	1	13	86.7
Contract (Levels 6-8), permanent	40	6	27	67.5
Contract (Levels 9-12), permanent	14	7	5	35.7
Contract (Band A), permanent	5	1	3	60.0
Contract (Band B), permanent	0	5	1	0.0
Contract (Band C), permanent	1	0	1	100.0
Contract (Band D), permanent	2	0	0	0.0
TOTAL	618	115	78	12.6

TABLE 5.2 - Annual turnover rates by critical occupation

Occupation	Employment at beginning of period (April 2013)	Appointments	Terminations	Turnover rate
Administrative related, permanent	101	11	4	4.0
Agriculture related, permanent	1	0	0	0.0
Civil engineering technicians, permanent	3	0	1	33.3
Cleaners in offices workshops hospitals, etc., permanent	25	0	0	0.0
Client information clerks (switchboard, reception, information clerks), permanent	8	2	0	0.0
Communication and information related, permanent	6	0	0	0.0
Community development workers, permanent	3	0	1	33.3
Custodian personnel, permanent	1	0	0	0.0
Economists, permanent	23	0	1	4.3
Engineers and related professionals, permanent	11	4	2	18.2
Finance and economics related, permanent	31	3	1	3.2
Financial and related professionals, permanent	11	2	3	27.3
Financial clerks and credit controllers, permanent	51	1	17	33.3
Food services aids and waiters, permanent	6	0	0	0.0
General legal administration and related professionals, permanent	3	3	1	33.3
Geologists geophysicists hydrologists and related professionals, permanent	1	0	0	0.0
Head of department or chief executive officer, permanent	1	0	0	0.0
Household food and laundry services related, permanent	4	2	1	25.0
Housekeepers laundry and related workers, permanent	1	0	0	0.0
Human resources and organisational development and related professionals, permanent	22	0	0	0.0
Human resources clerks, permanent	22	46	8	36.4
Human resources related, permanent	6	2	1	16.7
Language practitioners interpreters and other communications, permanent	1	0	0	0.0
Legal related, permanent	1	0	0	0.0
Library mail and related clerks, permanent	37	0	11	29.7
Logistical support personnel, permanent	52	2	4	7.7
Material-recording and transport clerks, permanent	14	3	1	7.1
Medical research and related professionals, permanent	1	0	0	0.0
Messengers porters and deliverers, permanent	5	1	0	0.0
Natural sciences related, permanent	1	0	0	0.0

Occupation	Employment at beginning of period (April 2013)	Appointments	Terminations	Turnover rate
Other administrative and related clerks and organisers, permanent	24	2	1	4.2
Other administrative policy and related officers, permanent	2	0	1	50.0
Other information technology personnel., permanent	10	2	0	0.0
Other occupations, permanent	5	1	1	20.0
Risk management and security services, permanent	0	2	0	0.0
Secretaries and other keyboard operating clerks, permanent	53	11	9	17.0
Security guards, permanent	2	0	0	0.0
Security officers, permanent	17	4	1	5.9
Senior managers, permanent	42	11	8	19.0
Social sciences related, permanent	6	0	0	0.0
Trade and industry advisers and other related professionals, permanent	1	0	0	0.0
TOTAL	618	115	78	12.6

TABLE 5.3 - Reasons why staff are leaving the Department

Termination type	Number	Percentage of total resignations	Percentage of total employment	Total
Resignation, permanent	24	30.8	3.9	78
Expiry of contract, permanent	51	65.4	8.3	78
Dismissal-misconduct, permanent	2	2.6	0.3	78
Retirement, permanent	1	1.3	0.2	78
TOTAL	78	100.0	12.6	78
Resignations as % of employment	12.6			

TABLE 5.4 - Granting of employee-initiated severance packages

Category	No. of applications received	No. of applications referred to the MPSA	No. of applications supported by MPSA	No. of packages approved by Department
Lower skilled (salary level 1-2)	0	0	0	0
Skilled (salary level 3-5)	0	0	0	0
Highly skilled production (salary level 6-8)	0	0	0	0
Highly skilled production (salary level 9-12)	0	0	0	0
Senior management (salary level 13 and higher)	0	0	0	0
Total	0	0	0	0

TABLE 5.5 - Promotions by critical occupation

Occupation	Employment at beginning of period (April 2013)	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Administrative related	101	15	14.9	59	58.4
Agriculture related	1	0	0.0	1	100.0
Civil engineering technicians	3	0	0.0	1	33.3
Cleaners in offices workshops hospitals etc.	25	0	0.0	21	84.0
Client information clerks (switchboard, reception, information clerks)	8	0	0.0	4	50.0
Communication and information related	6	0	0.0	5	83.3
Community development workers	3	1	33.3	2	66.7
Custodian personnel	1	0	0.0	1	100.0
Economists	23	5	21.7	20	87.0
Engineering sciences related	3	0	0.0	2	66.7
Engineers and related professionals	11	0	0.0	3	27.3
Finance and economics related	31	9	29	14	45.2
Financial and related professionals	11	3	27.3	2	18.2
Financial clerks and credit controllers	51	5	9.8	18	35.3
Food services aids and waiters	6	0	0.0	3	50.0
General legal administration and related professionals	3	0	0.0	2	66.7
Geologists geophysicists hydrologists and related prof	1	0	0.0	1	100.0
Head of department or chief executive officer	1	0	0.0	0	0.0
Household food and laundry services related	4	0	0.0	1	25.0
Housekeepers laundry and related workers	1	0	0.0	0	0.0

Occupation	Employment at beginning of period (April 2013)	Promotions to another salary level	salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Human resources and organisational development and related professionals, permanent	22	2	9.1	13	59.1
Human resources clerks, permanent	22	2	9.1	12	54.5
Human resources related, permanent	6	0	0.0	4	66.7
Language practitioners interpreters and other communications, permanent	1	0	0.0	1	100.0
Legal related, permanent	1	0	0.0	1	100.0
Library mail and related clerks, permanent	37	1	2.7	7	18.9
Logistical support personnel, permanent	0	0	0.0	1	0.0
Material-recording and transport clerks, permanent	52	1	1.9	21	40.4
Medical research and related professionals, permanent	14	0	0.0	6	42.9
Messengers porters and deliverers, permanent	1	0	0.0	1	100.0
Natural sciences related, permanent	5	0	0.0	6	120.0
Other administrative and related clerks and organisers, permanent	1	1	100.0	0	0.0
Other administrative policy and related officers, permanent	24	3	12.5	16	66.7
Other information technology personnel, permanent	2	1	50.0	1	50.0
Other occupations, permanent	10	1	10.0	7	70.0
Risk management and security services, permanent	5	0	0.0	3	60.0
Secretaries and other keyboard operating clerks, permanent	53	4	7.5	31	58.5
Security guards, permanent	2	0	0.0	1	50.0
Security officers, permanent	17	0	0.0	13	76.5
Senior managers, permanent	42	4	9.5	21	50.0
Social sciences related, permanent	6	1	16.7	4	66.7
Trade and industry advisers and other related professionals, permanent	1	1	100.0	1	100.0
TOTAL	618	60	9.7	331	53.6

TABLE 5.6 - Promotions by salary band

Salary Band	Employment at beginning of period (April 2013)	Promotions to another salary level	Salary level promotions as a % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Lower skilled (Levels 1-2), permanent	23	0	0.0	18	78.3
Skilled (Levels 3-5), permanent	64	0	0.0	43	67.2
Highly skilled production (Levels 6-8), permanent	170	13	7.6	98	57.6
Highly skilled supervision (Levels 9-12), permanent	215	35	16.3	131	60.9
Senior management (Levels 13-16), permanent	63	10	15.9	40	63.5
Contract (Levels 1-2), permanent	6	0	0.0	0	0.0
Contract (Levels 3-5), permanent	15	0	0.0	0	0.0
Contract (Levels 6-8), permanent	40	0	0.0	0	0.0
Contract (Levels 9-12), permanent	14	1	7.1	0	0.0
Contract (Levels 13-16), permanent	8	1	12.5	1	12.5
TOTAL	618	60	9.7	331	53.6

HUMAN RESOURCE OVERSIGHT APRIL 2013 to MARCH 2014: Human settlements

TABLE 6.1 - Total number of employees (incl. employees with disabilities) per occupational category

Occupational category	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Legislators, senior officials and managers, permanent	23	1	1	25	2	20	4	2	26	2	55
Professionals, permanent	62	1	3	66	4	69	3	1	73	8	151
Technicians and associate professionals, permanent	77	2	1	80	3	77	2	5	84	6	173
Clerks, permanent	83	2	0	85	2	150	9	5	164	10	261
Service and sales workers, permanent	13	0	0	13	0	13	0	1	14	0	27
Plant and machine operators and assemblers, permanent	1	0	0	1	0	0	0	0	0	0	1
Elementary occupations, permanent	13	0	0	13	1	27	1	0	28	1	43
Other, permanent	1	0	0	1	0	0	0	0	0	0	1
TOTAL	273	6	5	284	12	356	19	14	389	27	712
Employees with disabilities	0	0	0	0	0	0	0	1	1	0	1

TABLE 6.2 - Total number of employees (incl. employees with disabilities) per occupational band

Occupational band	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Top management, permanent	2	0	0	2	0	2	1	1	4	0	6
Senior management, permanent	33	1	2	36	4	24	2	1	27	5	72
Professionally qualified and experienced specialists and mid-management, permanent	100	2	3	105	5	114	4	5	123	12	245
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	54	2	0	56	2	108	4	5	117	9	184
Semi-skilled and discretionary decision making, permanent	32	0	0	32	1	53	1	1	55	0	88
Unskilled and defined decision-making, permanent	7	0	0	7	0	16	1	0	17	0	24
Contract (top management), permanent	2	0	0	2	0	0	0	1	1	0	3
Contract (senior management), permanent	3	0	0	3	0	1	2	0	3	0	6
Contract (professionally qualified), permanent	4	0	0	4	0	6	0	0	6	1	11
Contract (skilled technical), permanent	11	1	0	12	0	10	3	0	13	0	25
Contract (semi-skilled), permanent	1	0	0	1	0	1	1	0	2	0	3
Contract (unskilled), permanent	24	0	0	24	0	21	0	0	21	0	45
TOTAL	273	6	5	284	12	356	19	14	389	27	712

TABLE 6.3 – Recruitment

Occupational band	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Top management, permanent	1	0	0	1	0	0	1	0	1	0	2
Senior management, permanent	1	0	0	1	0	3	0	0	3	0	4
Professionally qualified and experienced specialists and mid-management, permanent	7	1	0	8	0	10	1	0	11	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	4	0	0	4	0	5	0	0	5	0	9
Semi-skilled and discretionary decision making, permanent	6	0	0	6	0	11	0	0	11	0	17
Contract (senior management), permanent	1	0	1	2	0	0	2	1	3	1	6
Contract (professionally qualified), permanent	2	0	0	2	0	4	0	0	4	1	7
Contract (skilled technical), permanent	2	0	0	2	0	3	1	0	4	0	6
Contract (semi-skilled), permanent	0	0	0	0	0	0	1	0	1	0	1
Contract (unskilled), permanent	23	0	0	23	0	21	0	0	21	0	44
TOTAL	47	1	1	49	0	57	6	1	64	2	115
Employees with disabilities (no data)	0	0	0	0	0	0	0	0	0	0	0

TABLE 6.4 – Promotions

Occupational band	Male, African	Male, Coloured	Male, Indian	Male, total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Senior management, permanent	22	0	1	23	3	18	2	0	20	4	50
Professionally qualified and experienced specialists and mid-management, permanent	71	1	2	74	3	77	2	2	81	8	166
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	32	1	0	33	1	63	4	4	71	6	111
Semi-skilled and discretionary decision making, permanent	15	0	0	15	1	25	1	1	27	0	43
Unskilled and defined decision making, permanent	5	0	0	5	0	12	1	0	13	0	18
Contract (senior management), permanent	1	0	0	1	1	0	0	0	0	0	2
Contract (professionally qualified), permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	146	2	3	151	9	196	10	7	213	18	391
Employees with disabilities	0	0	0	0	0	0	0	1	1	0	1

TABLE 6.5 – Terminations

Occupational band	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
Top management, permanent	1	0	1	0	1	0	0	1	0	3
Senior management, permanent	1	0	0	1	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, permanent	7	1	0	0	0	1	0	1	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, permanent	0	0	0	0	2	1	0	3	2	5
Semi-skilled and discretionary decision making, permanent	2	0	0	0	1	0	0	1	0	3
Contract (top management), permanent	0	0	0	0	0	1	0	1	0	1
Contract (senior management), permanent	0	0	1	1	2	0	0	2	0	4
Contract (professionally qualified), permanent	2	0	0	0	3	0	0	3	0	5
Contract (skilled technical), permanent	12	1	0	0	12	1	0	13	1	27
Contract (semi-skilled), permanent	2	0	0	0	11	0	0	11	0	13
Contract (unskilled), permanent	0	0	0	0	6	0	0	6	0	6
TOTAL	27	2	2	2	38	4	0	42	3	78
Employees with disabilities	1	0	0	0	0	0	0	0	0	1

TABLE 6.6 - Disciplinary action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, total Blacks	Female, White	Total
SMS										
SMS	0	0	1	1	0	0	0	0	0	0
SMS										
Employees on salary level 2-12	2									
TOTAL										

Demographics	Percentage of total employment	Cost (R'000)	average cost per beneficiary (R)
African, Female	51.7	1,821	9,898
African, Male	45.4	1,307	10,540
Asian, Female	61.5	82	10,287
Asian, Male	40.0	35	17,618
Coloured, Female	42.1	136	17,055
Coloured, Male	33.3	20	9,838
Total Blacks, Female	51.5	2,040	10,199
Total Blacks, Male	45.1	1,362	10,639
White, Female	77.8	319	15,200
White, Male	41.7	96	19,157
Employees with a disability	100.0	9	8,760
TOTAL	49.9	3,825	10,776

TABLE 7.2 - Performance rewards by salary band for personnel below senior management service

Salary band	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Lower skilled (Levels 1-2)	21	23	91.3	80	3,810
Skilled (Levels 3-5)	48	88	54.5	164	3,417
Highly skilled production (Levels 6-8)	125	184	67.9	917	7,336
Highly skilled supervision (Levels 9-12)	144	246	58.5	2,108	14,639
Contract (Levels 1-2)	0	45	0.0	0	0
Contract (Levels 3-5)	0	3	0.0	0	0
Contract (Levels 6-8)	0	25	0.0	0	0
Contract (Levels 9-12)	0	11	0.0	0	0
TOTAL	338	625	54.1	3,269	9,672

TABLE 7.3 - Performance rewards by critical occupation

Critical occupation	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Administrative related	64	117	54.7	1,001	15,641
Agriculture related	0	1	0.0	0	0
Civil engineering technicians	2	3	66.7	14	7,000
Cleaners in offices workshops hospitals etc.	20	25	80.0	71	3,550
Client information clerks (switchboard, reception, information clerks), permanent	5	10	50.0	31	6,200
Communication and information related	4	6	66.7	48	12,000
Community development workers	2	3	66.7	29	14,500
Custodian personnel	1	1	100.0	20	20,000
Economists	17	22	77.3	273	16,059
Engineering sciences related	1	3	33.3	13	13,000
Engineers and related professionals	10	11	90.9	169	16,900
Finance and economics related	18	35	51.4	247	13,722
Financial and related professionals	6	13	46.2	76	12,667
Financial clerks and credit controllers	25	42	59.5	159	6,360
Food services aids and waiters	6	6	100.0	25	4,167
General legal administration and related professionals, permanent	3	5	60.0	38	12,667

Geologists geophysicists hydrologists and related professionals, permanent	0	1	0.0	0	0	0
Head of department or chief executive officer, permanent	0	1	0.0	0	0	0
Household food and laundry services related, permanent	1	4	25.0	8	8,000	
Housekeepers laundry and related workers, permanent	1	1	100.0	3	3,000	
Human resources and organisational development and related professionals, permanent	16	23	69.6	187	11,688	
Human resources clerks, permanent	10	62	16.1	84	8,400	
Human resources related, permanent	1	7	14.3	32	32,000	
Language practitioners interpreters and other communications, permanent	0	1	0.0	0	0	
Librarians and related professionals	0	1	0.0	0	0	
Library mail and related clerks	7	30	23.3	45	6,429	
Light vehicle drivers	1	1	100.0	4	4,000	
Logistical support personnel	32	50	64.0	207	6,469	
Material-recording and transport clerks	8	19	42.1	50	6,250	
Medical research and related professionals	0	1	0.0	0	0	
Messengers porters and deliverers	5	8	62.5	27	5,400	
Natural sciences related	0	1	0.0	0	0	
Other administrative and related clerks and organisers, permanent	18	31	58.1	197	10,944	
Other administrative policy and related officers, permanent	0	2	0.0	0	0	
Other information technology personnel.	8	11	72.7	83	10,375	
Other occupations	3	6	50.0	79	26,333	
Rank: Unknown	0	1	0.0	0	0	
Risk management and security services	0	2	0.0	0	0	
Secretaries and other keyboard operating clerks	36	66	54.5	277	7,694	
Security guards	2	3	66.7	6	3,000	
Security officers	13	17	76.5	37	2,846	
Senior managers	6	53	11.3	227	37,833	
Social sciences related	2	4	50.0	24	12,000	
Trade and industry advisers and other related professionals, permanent	1	2	50.0	34	34,000	
TOTAL	355	712	49.9	3,825	10,775	

TABLE 7.4 - Performance related rewards (cash bonus) by salary band for senior management service

SMS band	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Band A	13	53	24.5	350	26,923
Band B	4	25	16.0	206	51,500
Band C	0	5	0.0	0	0
Band D	0	4	0.0	0	0
TOTAL	17	87	19.5	556	32,705.9

HUMAN RESOURCE OVERSIGHT APRIL 2013 to MARCH 2014: Human settlements

TABLE 8.1 - Foreign workers by salary band

Salary band	Employment at beginning of period	Percentage of total	Employment at end of period	Percentage of total	Change in employment	Percentage of total	Total employment at beginning of period	Percentage of total	Total Employment at end of period	Total change in employment
Senior management (Levels 13–16)	1	100	1	100	0	0	1	0	1	0
TOTAL	1	100	1	100	0	0	1	0	1	0

TABLE 8.2 - Foreign workers by major occupation

Major Occupation	Employment at beginning of period	Percentage of total	Employment at end of period	Percentage of total	Change in employment	Percentage of total	Total employment at beginning of period	Percentage of total	Total Employment at end of period	Total change in employment
Professionals and managers	1	100	1	100	0	0	1	0	1	0
TOTAL	1	100	1	100	0	0	1	0	1	0

HUMAN RESOURCE OVERSIGHT APRIL 2013 to MARCH 2014: Human settlements
TABLE 9.1 - Sick leave for January 2013 to December 2013

Salary band	Total days	% days with medical certification	Number of employees using sick leave
Lower skilled (Levels 1-2)	271	91.9	22
Skilled (Levels 3-5)	499	89.4	63
Highly skilled production (Levels 6-8)	1328	84.9	145
Highly skilled supervision (Levels 9-12)	1299	80.6	181
Senior management (Levels 13-16)	276	81.9	48
Contract (Levels 1-2)	5	40.0	3
Contract (Levels 3-5)	36	52.8	10
Contract (Levels 6-8)	71	50.7	27
Contract (Levels 9-12)	29	79.3	6
Contract (Levels 13-16)	7	0.0	2
TOTAL	3821	83.1	507

TABLE 9.2 - Disability leave (temporary and permanent) for January 2013 to December 2013

Salary band	Total days	% days with medical certification	Number of employees using disability leave
TOTAL	0	0	0

TABLE 9.3 - Annual leave for January 2013 to December 2013

Salary band	Total days taken	Average days per employee	Number of employees who took leave
Lower skilled (Levels 1-2)	548	24	23
Skilled (Levels 3-5)	1,565	19	81
Highly skilled production (Levels 6-8)	4,019	21	195
Highly skilled supervision (Levels 9-12)	5,021	19	258
Senior management (Levels 13-16)	1,670	21	81
Contract (Levels 1-2)	72	6	13
Contract (Levels 3-5)	136	9	16
Contract (Levels 6-8)	418	9	46
Contract (Levels 9-12)	137	9	15
Contract (Levels 13-16)	113	14	8
TOTAL	13,699	19	736

TABLE 9.4 - Capped leave for January 2013 to December 2013

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2013
Highly skilled production (Levels 6-8)	3	3	56
Highly skilled supervision (Levels 9-12)	17	4	34
TOTAL	20	4	41

TABLE 9.5 - Leave payouts

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Leave payout for 2013/14 due to non-utilisation of leave for the previous cycle	279	8	34,875
Capped leave payouts on termination of service for 2013/14	482	17	28,353
Current leave payout on termination of service for 2013/14	183	8	22,875
TOTAL	944	33	28,606

HUMAN RESOURCE OVERSIGHT APRIL 2013 to MARCH 2014: Human settlements

TABLE 10.1 - Steps taken to reduce the risk of occupational exposure

Units or categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
xxx	xxx
xxx	xxx

TABLE 10.2 - Details of health promotion and HIV/AIDS programmes

Question	Yes/No	Details, if yes
1. Has the Department designated a member of the senior management to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes	Ms Palesa Mokalapa Director: Organisational Transformation
2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes	The Department has an Employee Health and Wellness unit at the level of a Sub-directorate, with two staff members. That is, the Deputy Director: EHW and the EHW practitioner at the level of an Assistant Director, who's a social worker by profession <ul style="list-style-type: none"> • Short-term counselling for a variety of psychosocial problems to employees and their immediate families; • Managerial consultancy and training services; • Health promotion through wellness days; health calendar events and awareness sessions on health promotion, and • Trauma debriefing services, including bereavement support
3. Has the Department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of the programme.	Yes	
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	No	
5. Has the Department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	No	
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	No	
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	Yes	On a quarterly basis, an average of 10% of employees attend the health screenings during wellness days, also attend the HIV counselling and testing to learn their HIV status
8. Has the Department developed measures or indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	No	

TABLE 11.1 - Collective agreements for the period 01 April 2013 to 31 March 2014

Total number of collective agreements	None
---------------------------------------	------

Table 11.2 Misconduct and disciplinary hearings finalised for the period 01 April 2013 to 31 March 2014

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	3	75
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	25
Not guilty	0	0
Case withdrawn	0	0
Total	4	100

Table 11.3 Types of misconduct addressed at disciplinary hearings for the period 01 April 2013 to 31 March 2014

Type of misconduct	Number	% of total
Uses the property of state without permission	1	20
Intimidation or assault	1	20
Insubordination, contravening of public service policy or dereliction of duties	1	20
Gross insubordination, contravention of the public service policy and Public Service Act	1	20
Negligence for mismanaging the funds of the state, gross dereliction of duty	1	20
TOTAL	5	100

TABLE 11.4 - Grievances lodged

Number of grievances addressed	Number	
Director - Disapproval of study aid (not finalised yet)	1	7.7
Deputy Director – Non shortlisting (not finalised)	1	7.7
Deputy Director – Unbecoming behaviour of a staff member	1	7.7
Deputy Director – Non-payment of acting allowance	1	7.7
Town and Regional Planner – Allocation of incorrect notch	1	7.7
Chief Director – Dissatisfaction towards branch manager (not finalised)	1	7.7
Seven officials – Notch salary adjustment of certain officials within the same unit and omitting other officials in the same unit (finalised)	7	53.8
TOTAL	13	100

TABLE 11.5 - Disputes lodged with councils for the period 01 April 2013 to 31 March 2014

Number of disputes addressed	Number	
Unfair labour practice – Promotion		1
Unfair labour practice – Unfair dismissal (matter resolved)		1
Unfair labour practice – Unfair dismissal (matter resolved)		1
Unfair labour practice – Unfair dismissal (matter resolved)		1
Unfair labour practice – Unfair suspension (matter resolved)		1
Total		5

TABLE 11.6 - Strike actions

Strike actions		
Total number of person working days lost		0
Total cost (R'000) of working days lost		0
Amount (R'000) recovered as a result of no work no pay		0

TABLE 11.7 - Precautionary suspensions

Precautionary suspensions	
Number of people suspended	5
Number of people whose suspension exceeded 30 days	
Average number of days suspended	60
Cost (R'000) of suspensions	R2,148,021

HUMAN RESOURCE OVERSIGHT APRIL 2013 to MARCH 2014: Human settlements

TABLE 12.1 - Training needs identified

Occupational category	Gender		Employment	Learnerships/ internships	Skills programmes and other short courses	Other forms of training (bursaries)	Total
	Female	Male					
Legislators, senior officials and managers	17	25	permanent	-	Finance	-	42
	7	11	permanent	-	Project management	-	18
Professionals	20	18			Finance for non-financial managers	-	38
	3	2	permanent	-	-	National Certificate: Public Administration	5
	2	3	permanent	-	Communication skills	-	5
	5	3	permanent	-	HR training	-	8
	11	9	permanent		Supervisory skills		20
Technicians and associate professionals	9	7	permanent	-	Presentation skills	-	16
	4	1	permanent		IT training	-	5
	14	5	permanent	-	Finance for non-financial managers	-	11
	16	4	permanent	-	Office management	-	20
Clerks	21	21	permanent	-	Minutes and report writing	-	42
	2	3	permanent	-	Health and hygiene	-	5
	35	35	Contract	Internship	Breaking barriers to entry in the public service	-	70
	6	3	permanent	-	-	National Certificate: Public Administration	9
	6	6	Contract and permanent	-	Communication skills	-	12
Service workers	3	2	permanent	-	-	National Certificate: Public Administration	5
	2	2	permanent	-	AET		4
Elementary occupations	3	0	permanent	-		National Certificate: Public Administration	3
Gender sub-totals	186	160					346
Total	186	160					346

TABLE 12.2 - Training provided

Occupational category	Gender		Employment	Learnerships/ internships	Skills programmes and other short courses	Other forms of training (bursaries)	Total
	Female	Male					
Legislators, senior officials and managers	0	1	permanent	-	Mentoring and coaching		1
	1	0	permanent	-	Project management		1
	0	1	permanent	-		BA: Human & Social Science	1
	1	0	permanent	-		Master's: Town and Regional Planning	1
	0	1	permanent	-		Masters: Public Administration	1
	1	0	permanent	-		Master's: Development	1
	1	0	permanent	-	Records management		1
	1	0	permanent	-	Business English and report writing		1
	4	2	permanent	-	Mentoring and coaching		6
	3	3	permanent	-	Monitoring and evaluation		6
Professionals	1	0	permanent	-	Conflict handling		1
	6	2	permanent	-	Project management		8
	3	0	permanent	-	MS Office		3
	0	2	permanent	-	Accelerated development programme		2
	0	1	permanent	-		BA: Accounting Science	1
	1	0	permanent	-		BCom: Business Management	1
	1	0	permanent	-		BCom: Informatics	1
	0	1	permanent	-		BTech: Civil Engineering	1
	1	0	permanent	-		BTech: Forensic Investigation	1
	0	1	permanent	-		Certificate: Strategic Management	1
0	1	permanent	-		Certificate: Internal Auditing	1	

Occupational category	Gender		Employment	Learnerships/ internships	Skills programmes and other short courses	Other forms of training (bursaries)	Total
	Female	Male					
	0	1	permanent	-		Certificate: Internal Auditing CIA	1
	0	1	permanent	-		Comprehensive Diploma: Project Man: Build Environ	1
	0	1	permanent	-		Diploma: Transport Management	1
	1	0	permanent	-		Higher Certificate: Archives and Records Management	1
	1	0	permanent	-		LLB	1
	1	0	permanent	-		LLM	1
	1	0	permanent	-		Master's: Environmental Management	1
	2	0	permanent	-		Master's: Public Administration	2
	1	0	permanent	-		Master's: Town and Regional Planning	1
	1	0	permanent	-		MBA	1
	0	1	permanent	-		ND: Public Management	1
	1	0	permanent	-		PhD: Development Studies	1
	1	0	permanent	-		Post Graduate Dip: Business Administration	1
	1	0	permanent	-		Postgraduate Diploma: Risk Management	1
	1	0		-		Advanced Certificate: Strategic Management	1
	0	1	permanent	-		Advanced Certificate: Project Management	1
	0	1	permanent	-		Honours: Public Management	1

Occupational category	Gender		Employment	Learnerships/ internships	Skills programmes and other short courses	Other forms of training (bursaries)	Total
	Female	Male					
	0	1	permanent	-		BA: Government Administration	1
	1	0	permanent	-		BCom: Business Management	1
	0	1	permanent	-		Master's: Development	1
	1	0	permanent	-		Postgraduate Diploma: Drafting and Interpretation of Contracts	1
	0	1	permanent	-		BA: Public Management	1
	1	0	permanent	-		Postgraduate Diploma: Public Management	1
	1	0	permanent	-		BCom: Public Sector Management	1
Technicians and associate professionals	2	3	permanent	-	Mentoring and Coaching		5
	1	1	permanent	-	Monitoring and Evaluation		2
	3	1	permanent	-	Project Management		4
	1	0	permanent	-	Accelerated development programme		1
	2	0	permanent	-	Administration skills		2
	3	0	permanent	-	Records management		3
	2	1	permanent	-	Business English and report writing		3
	1	0	permanent	-	Office management		1
	4	2	permanent	-	MS Office 2007		6
	2	0	permanent	-	Administration skills		2
	1	0	permanent	-		BA: Community Development	1
	0	1	permanent	-		Master's: Business Leadership	1

Occupational category	Gender		Employment	Learnerships/ internships	Skills programmes and other short courses	Other forms of training (bursaries)	Total
	Female	Male					
	1	0	permanent	-		Masters: Town and Regional Planning	1
	1	0	permanent	-		PhD: Town and Regional Planning	1
	1	0	permanent	-		Postgraduate Diploma: Management	1
	1	0	permanent	-		Certificate: Management	1
	0	1	permanent	-		Master's: Town and Regional Planning	1
	1	0	permanent	-		Honours: Journalism	1
	0	1	permanent	-		Postgraduate Diploma: Labour Law	1
	0	1	permanent	-		Certificate: Logistical Management	1
	1		permanent	-		BTech: Business Administration	1
	0	1	permanent	-		BTech: Labour Relations	1
	0	1	permanent	-		Certificate: Business Management	1
	0	1	permanent	-		MBA	1
	0	1	permanent	-		BA: Law	1
	0	1	permanent	-		Postgraduate Diploma: Public Management	1
	0	1	permanent	-		Postgraduate Diploma: Compliance	1
	2	0	permanent	-		BTech: IT	2
	1	0	permanent	-		BTech: IT Communications	1
	7	0	permanent	-	Business English and report writing skills		7
	12	3	permanent	-	Office management		15
	4	3	permanent	-	Project management		7

Occupational category	Gender		Employment	Learnerships/ internships	Skills programmes and other short courses	Other forms of training (bursaries)	Total
	Female	Male					
	15	4	permanent	-	MS Office 2007		19
	1	0	permanent	-	PFMA amd Treasury regulations		1
	2	0	permanent	-	Records management		2
	2	3	permanent	-	Monitoring and evaluation		5
	21	5	permanent	-	Administration skills		26
	1	0	permanent	-	Meeting, minutes and speed writing		1
	1	0	permanent	-	Meetings, minute taking		1
	3	0	permanent	-		BA: Administration	3
		2	permanent	-		BTech: Public Management	1
	2	0	permanent	-		ND: Public Relations	2
	2	0	permanent	-		ND: Public Management	2
	1	0	permanent	-		BCom: Public Procurement Management	1
	1	0	permanent	-		Honours: BA Psychology	1
	1	0	permanent	-		LLB	1
	4	0	permanent	-		Postgraduate Diploma: Public Management	4
	1	0	permanent	-		Diploma: Business Administration Management	1
	0	1	permanent	-		BCom: Business Management and Public Management	1
	0	1	permanent	-		ND: HRM	1
	5	1	Interns	Internship			6
Service workers	2	1	permanent	-	MS Office 2007		3

Occupational category	Gender		Employment	Learnerships/ internships	Skills programmes and other short courses	Other forms of training (bursaries)	Total
	Female	Male					
	0	1	permanent	-		BTech: Forensic Investigation	1
	1	0	permanent	-		Higher Certificate: Economical and Management Science	1
	1	0	permanent	-		LLB	1
	1	0	permanent	-		ND: Safety Management	1
Elementary occupations	1	1	permanent	-	Records management		2
	3	0	permanent	-	Administration skills		3
	2	0	permanent	-	Office management		2
	4	1	permanent	-	MS Office 2007		5
	1	0	permanent	-		Diploma: Administration Management	1
	1	2	permanent	-		Grade 12	3
Gender sub-totals	175	72					247
Total	175	72					247

Occupational category	Male				Female				Total	
	African	Coloured	Indian	White	African	Coloured	Indian	White		
	Legislators, senior officials and managers	3	0	0	0	0	3	0		1
Professionals	23	1	1	1	0	34	0	1	0	60
Technicians and associate professionals	6	0	0	0	0	20	4	0	0	30
Clerks	23	0	0	1	0	73	1	2	0	100
Service and sales workers	11	1	0	0	0	21	3	1	0	37
Elementary occupations	4	0	0	0	0	9	0	0	0	13
Total	70	2	2	2	0	160	8	5	0	247
Employees with disabilities	0	0	0	0	0	0	0	0	0	0

HUMAN RESOURCE OVERSIGHT APRIL 2013 to MARCH 2014: Human settlements

TABLE 13.1 - Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	0	0

13.2 UTILISATION OF CONSULTANTS

13.2.1 Report on consultant appointments using appropriated funds for the period 01 April 2013 to 31 March 2014

Contract No.	Project title or purpose	Contract value R	Total of consultants worked on project	Duration of work days
DH-020479 [VA50/149]	Development of Informal Settlements Upgrading Plans in Govan Mbeki Municipality	R329,289.00	6	150 days
DH-020484	Management of the Functionality of the Website of NDHS	R418,50.0	4	110 days
DH-020493 [VA49/352]	Rendering of Sanitation and Hygiene Services	R3,423,057.21	18	780 days
DH-020535	Rendering Support Services: HSS Services – SITA	R11,915,428.00	Sita	260 days
DH-020556	Systems Development – SLA for fees for 2013/14	R2,500,000.00	Sita	260 days
DH-020581 (VA49/388)	Programme Manage the National Implementation, oversight and monitoring of the National Rectification Programme in respect of subsidised houses constructed between 1994 and 2010.	R9,063,000.00	5	260 days
DH-020595	Marketing tool for strategic direction, positioning and leadership.	R399,000.00	3	15 days
DH-020652	Outsourced Risk and Compliance	R108,300.00	4	40 days
DH-020668	Render Security Services to the Department of Human Settlements	R1,070,496.06	14	260 days
VA50/151	Development of an Informal Settlements Upgrading Programme in Mogale City Municipality	R435,109.56	11	150 days
DH-020699	Investigation of charges of misconduct by SMS members in the Department of Human Settlements	R743,350.00	1	260 days
DH-020740	Revision of the Monitoring, Evaluation and Impact Assessment Policy and Implementation Framework for the Human Settlements Sector	R459,192.00	7	100 days
DH-020742 [VA50/157]	Review Supply Chain Management: Evaluation, Development of policies and procedures, support and related assistance	R517,500.00	1	160 days

Contract No.	Project title or purpose	Contract value R	Total of consultants worked on project	Duration of work days
DH-020755 [VA49/394]	Design and Implementation Evaluation of the Urban Settlements Development Grant	R1,498,148.00	6	160 days
DH-020855 [VA49/407]	Service, maintain and replace all electronic security software or equipment: Govan Mbeki House, Metro Park and Struktura building	R251,704.70	4	520 days
DH-020861 [VA49/ 399]	Develop an Informal Settlements Upgrading Programme: City of Cape Town	R2,922,272.17	6	160 days
DH-020862 [VA49/ 402]	Develop an Informal Settlements Upgrading Programme: City of Johannesburg	R2,348,395.00	5	150 days
DH-020863 [VA49/ 401]	Develop an Informal Settlements Upgrading Programme: Northern Cape	R1,940,504.83	15	170 days
DH-020868 [VA49/ 403]	Develop an Informal Settlements Upgrading Programme: Ekurhuleni Metropolitan Municipality	R2,999,395.00	5	150 days
DH-020869 [VA50/150]	Develop an Informal Settlements Upgrading Programme: Ladysmith Municipality	R486,634.00	6	120 days
DH-020870 [VA50/164]	Provision of Sanitation Technical Expertise	R499,999.99	2	260 days
DH-020871 [VA50/ 153]	Develop an Informal Settlements Upgrading Programme: Newcastle Municipality	R447,649.50	12	130 days
DH-020907 [VA50/159]	Conduct Training on Mediation to Members of the Rental Housing Tribunals	R491,405.00	4	40 days
DH-020913 [VA49/380]	HR Adverts: Advert and Recruitment	R2,000,000.00	6	520 days
DH-020919	Presiding Officer for Disciplinary Hearing for two SMS members	R190,500.00	1	260 days
DH-020922 [VA50/155]	The Legal Due Diligence on the Development Finance Institutions	R495,000.00	5	40 days
DH-020925 [VA49/400]	Develop an Informal Settlements Upgrading Programme: Msunduzi Municipality	R621,414.00	4	160 days
DH-021010 [VA50/162]	The Provision of State Subsidised Housing Addressed Asset Poverty for Households and Local Municipalities.	R498,344.62	4	80 days
DH-020884	Chair disciplinary hearings	R, 182,000.00	1	260 days
DH-021041	Consulting: Contribution to Urban Strategies Alignment Study 2013 project under MOU between SCAN and DHS	R250,000.00	6	80 days
DH-021061	Employee Assistance Programme Wellness Programme	R242,265.60	6	260 days

Contract No.	Project title or purpose	Contract value R	Total of consultants worked on project	Duration of work days
DH-021072	Investigation of SMS members in DHS and to assist with disciplinary hearings	R316,350.00	1	260 days
DH-021092	WAN and Infrastructure Support Services	R500,000.00	Sita	780 days
DH-021094	LAN/WAN and Desktop Support Services	R400,000.00	Sita	780 days
DH-021115	Training: Microsoft Office for 35 officials for five days	R182,000.00	1	5 days
DH-021127	Valuation of Assets for DHS (Sanitation assets transferred from Department of Water Affairs)	R85,200.00	4	30 days
DH-021218 [VA49/413]	Develop an Informal Settlements Upgrading Programme: George Municipality	R1,524,750.00	18	170 days
DH-021231 [VA49/414]	Develop an Informal Settlements Upgrading Programme: City of Tshwane Municipality	R1,894,230.99	5	200 days
DH-021196	Novell MLA Licenses Renewal and Consulting Services (120 days)	R1,280,790.00	Sita	120 days
DH-021225 [VA49/416]	Develop an Informal Settlements Upgrading Programme: Buffalo City Municipality	R3,524,835.82	5	210 days
DH-021230 [VA49/415]	Develop an Informal Settlements Upgrading Programme: Rustenburg Municipality	R999,697.00	5	130 days
VA 49/ 417	Conduct operational due diligence of the NHFC, NURCHA and the RHLF	R,977,518.00	5	40 days
DH-021337	Training: [Executive] Accelerated Development Programme	R318,510.00	4	45 days
DH-021339 [VA50/179]	Conduct a Regulatory Impact Assessment on the Home Loan and Mortgage Disclosure Amendment Bill	R500,000.00	4	22 days
DH-021357	Support services for HSS Operational System and Assistance to Provinces	R540,000.00	Sita	910 days
DH-021386	Rendering Security Services for 260 Justice Mohamed Street building from 01/02/2014 – 31/07/2014	R340,500.00	5	120 days
DH-021394 [VA50/172]	Conduct a Regulatory Impact Assessment on the Rental Housing Amendment Bill.	R304,578.00	1	22 days
DH-021398 [VA50/163]	Develop a new empowerment strategy for designated groups in human settlements	R476,904.99	4	80 days
DH-021420 [VA49/381]	Develop a policy as well as Housing Cooperative Programme and legislative framework to integrate, align and develop a housing cooperative policy	R540,360.00	4	100 days
VA49/419	Evaluation of the Integrated Residential Development Programme	R,1,026,858.00	6	160 days
VA49/420	Provision of participatory-based planning support to the Umhlathuze municipality on informal upgrading projects	R,3,131,249.00	10	200 days

Contract No.	Project title or purpose	Contract value R	Total of consultants worked on project	Duration of work days
VA49/421	Provision of participatory-based planning support to the Madibeng municipality on informal upgrading projects	R,2,569,538.00	5	175 days
VA 49/ 426	Rendering integrated marketing and communication solution to the Department of Human Settlements	R,5,428,416.00	2	260 days
VA 49/428	Conduct baseline study for future impact evaluation for informal settlements targeted for upgrading	R,4,986,777.03	6	225 days
VA 49/439	Production of content materials for the Introduction to informal settlements upgrading course	R,2,387,641.08	4	60 days

Total:

Total number of projects	Total individual consultants	Total duration work days	Total contract value
55	271	11,429	R83,985,008.00

**Table 3.15.2
Not applicable – Government did not report on HDI only on BEEEE since 07 December 2011**

TABLE 14.3 - Report on consultant appointments using donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
xxx	xxx	xxx	xxx

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
xxx	xxx	xxx	xxx

TABLE 14.4 - Analysis of consultant appointments using donor funds, i.t.o. HDIs

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
xxx	xxx	xxx	xxx

Severance packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 01 April 2013 to 31 March 2014

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by Department
Lower skilled (Levels 1-2)	None			
Skilled Levels 3-5)	None			
Highly skilled production (Levels 6-8)	None			
Highly skilled supervision(Levels 9-12)	None			
Senior management (Levels 13-16)	None			
Total				

PART E

FINANCIALS



NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 31
REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2014

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of National Department of Human Settlements set out on pages 172 to 248, which comprise the appropriation statements, the statement of financial position as at 31 March 2014, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officers responsible for the preparation and fair presentation of these financial statements in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999(Act no. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2013(Act no. 2 of 2013)(DoRA) and for such internal control as accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National department of Human Settlements as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard prescribed by the National Treasury and the requirements of PFMA and DoRA.

EMPHASIS OF MATTER PARAGRAPHS

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Material underspending of the vote

7. As disclosed in the appropriation statement, the department has materially underspent the budget on programme 2. The department spent R12 433 000 of its allocation of R 87 773 000 in respect of Programme Implementation Facility. As a consequence, the department's objectives of supporting human settlements projects were not achieved.

8. The department spent R108 589 000 of its allocation of R133 649 000 pertaining to implementation of the Rural Household Infrastructure Grant. The department was also allocated an amount of R106 721 000 to be transferred to municipalities; however these transfers were only transferred in March 2014 and a significant portion of these grants were unspent at 31 March 2014. As a consequence the department may not achieve its objectives of providing sanitation services to the rural communities.

Restatement of corresponding figures

9. As disclosed in note 18 to the financial statements, the corresponding figures for commitments have been restated as a result of an error discovered during 2014 in the financial statements of the National department of Human Settlements at, and for the year ended, 31 March 2014.

Additional matter

I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

10. The supplementary information set out on pages 246 to 248 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:

- Programme 2: Human Settlements Policy, Research and Monitoring on pages 56 to 82
- Programme 3: Programme Delivery Support on pages 83 to 88
- Programme 4: Housing Development Finance on pages 88 to 95

13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. The material findings in respect of the selected programmes are as follows:

Changes to objectives, indicators and targets not approved

17. Treasury Regulation 5.1.1 requires the executive authority to approve the strategic and annual performance plan. Therefore, if this plan is changed in the year due to significant policy or mandate changes, the executive authority must also approve the updated plan. Material changes were made to indicators and targets reported in the annual performance report without these changes being approved. This was due to management's lack of understanding of their approval requirements of Treasury Regulation 5.1.

Programme 2: Human settlements policy, research and monitoring Consistency of indicators and targets

18. Treasury Regulation 5.2.4 requires the strategic plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 28% of the reported indicators and 29% of reported targets were not consistent with those in the approved annual performance plan. This was due to management's lack of understanding of their reporting requirements during the strategic planning phase.

Measurability of indicators targets

19. The FMPPI requires the following:

- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 26% of the targets were not specific.
- Performance targets must be measurable. We could not measure the required performance for 26% of the targets.

20. This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes and technical indicator descriptions

Reliability of reported performance information

21. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of documented standard operating procedures for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance.

Programme 3: Programme delivery support

Measurability of indicators and/or targets

22. The FMPPI requires the following:

- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 58% of the targets were not specific.
- Performance targets must be measurable. We could not measure the required performance for 58% of the targets.

23. This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes and technical indicator descriptions

Reliability of reported performance information

24. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.

Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of documented standard operating procedures for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance.

Programme 4: Housing development finance

Consistency of indicators and targets

25. Treasury Regulation 5.2.4 requires the strategic plan to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 33% of the reported indicators and 34% of reported targets were not consistent with those in the approved annual performance plan. This was due to management's lack of understanding of their reporting requirements during the strategic planning phase.

Reliability of reported performance information

26. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of documented standard operating procedures for the accurate recording of actual achievements and technical indicator descriptions for the accurate measurement, recording and monitoring of performance.

Additional matters

27. I draw attention to the following matter:

Achievement of planned targets

28. Refer to the annual performance report on pages 47 to 55; 71 to 80; 85 to 87; 91 to 94 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 17 to 29 of this report.

Compliance with laws and regulations

29. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation as set out in the General Notice issued in terms of the PAA are as follows:

Strategic planning and performance management

30. Effective, efficient and transparent systems of risk management and internal control with respect to performance information and management was not in maintained as required by section 38(1)(a)(i) of the PFMA.

Annual financial statements, performance and annual reports

31. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (b) of the Public Finance Management Act.

32. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Human resource management and compensation

33. Funded vacant posts were not filled within 12 months as required by Public Service Regulation 1/VII/C.1A.2.

34. A human resource plan was not in place as required by Public Service Regulation 1/III/B.2(d).

Asset management and liability management

35. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1)(d) of the Public Finance Management Act and Treasury Regulation 10.1.1(a).

Internal control

36. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below under limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

37. Leadership did not exercise effective oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls.

38. Leadership did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is adequately monitored.

39. Leadership did not effectively monitor the implementation of action plans to address internal control deficiencies.

Financial and performance management

40. Proper record keeping was not always implemented in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support financial reporting.

41. Regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information were not prepared throughout the period.

42. The reviewing and monitoring of compliance with applicable laws and regulations were ineffective.

OTHER REPORTS

43. The Office of the Auditor-General was requested on 29 November 2012 by the previous minister to conduct a special audit into the procurement, implementation and performance of the Rural Household Infrastructure Grant (RHIG). The report has been finalised and significant concerns with regard to overall management of the programme, monthly processes, oversight over service providers and quality of structures have been communicated to management on 18 February 2014.

Auditor-General

Pretoria
31 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2014

Appropriation per programme										
	2013/14					2012/13				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1. ADMINISTRATION										
Current payment	415,337	(4,023)	(19,100)	392,214	291,930	100,284	74.4%	381,723	299,219	
Transfers and subsidies	24	203	-	227	175	52	77.1%	104	74	
Payment for capital assets	7038	4996	-	12034	7,226	4,808	60.0%	15,453	3,572	
Payment for financial assets	0	124	-	124	117	7	94.4%	55	54	
	422,399	(1,300)	(19,100)	404,599	299,448	105,151		397,335	302,919	
2. HUMAN SETTLEMENTS POLICY, RESEARCH AND MONITORING										
Current payment	82,110	4,264	(3,000)	83,374	71,572	11,802	85.8%	76,493	60,953	
Transfers and subsidies	1,050	125	-	1,175	1,148	27	97.7%	1,835	1,807	
Payment for capital assets	895	763	-	1,658	575	1,083	34.7%	1,357	425	
Payment for financial assets	-	38	-	38	32	6	84.2%	27	15	
	84,055	5,190	(3,000)	86,245	73,327	12,918		79,712	63,200	
3. PROGRAMME DELIVERY SUPPORT										
Current payment	196,327	(7,313)	(6,000)	183,014	81,360	101,654	44.5%	160,279	91,846	
Transfers and subsidies	7,969	250	-	8,219	8,543	(324)	103.9%	16,910	16,910	

Appropriation per programme										
2013/14		2012/13								
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Payment for capital assets	1,406	495	-	1,901	828	1,073	43.6%	2,246	723	
Payment for financial assets	-	68	-	68	66	2	97.1%	58	56	
	205,702	(6,500)	(6,000)	193,202	90,797	102,405		179,493	109,535	
4. HOUSING DEVELOPMENT FINANCE										
Current payment	79,093	(471)	(5,010)	73,612	53,520	20,092	72.7%	107,892	81,568	
Transfers and subsidies	27,362,744	-	-	27,362,744	27,076,601	286,143	99.0%	24,031,055	23,700,094	
Payment for capital assets	101,463	475	33,110	135,048	109,290	25,758	80.9%	342,313	205,954	
Payment for financial assets	-	6	-	6	5	1	83.3%	5	1	
	27,543,300	10	28,100	27,571,410	27,239,416	331,994		24,481,265	23,987,617	
Subtotal	28,255,456	-	-	28,255,456	27,702,988	552,468		25,137,805	24,463,271	
TOTAL	28,255,456	-	-	28,255,456	27,702,988	552,468	98.0%	25,137,805	24,463,271	

	2013/14		2012/13	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	763		1,039	
Actual amounts per statement of financial performance (total revenue)	28,256,219		25,138,844	
Actual amounts per statement of financial performance (total expenditure)		27,702,988		24,463,271

Appropriation per economic classification									
	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	363,934	(24,715)	(33,100)	306,119	267,622	38,497	87.4%	289,941	249,834
Goods and services	408,933	17,162	-	426,095	230,748	195,335	54.2%	436,446	283,752
Interest and rent on land	-	36	-	36	36	-	100%	-	-
Transfers and subsidies									
Provinces and municipalities	26,211,953	-	-	26,211,953	26,211,953	-	100.0%	23,118,165	22,787,238
Departmental agencies and accounts	1,150,751	-	-	1,150,751	864,648	286,103	75.1%	912,808	912,808
Higher education institutions	3,749	200	-	3,949	3,949	-	100.0%	3,090	3,090
Foreign governments and international organisations	1,050	50	-	1,100	1,075	25	97.7%	1,280	1,279
Public corporations and private enterprises	-	-	-	-	-	-	-	400	400
Households	4,284	328	-	4,612	4,842	(230)	105.0%	14,161	14,069
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	100,539	-	33,110	133,649	108,589	25,060	81.2%	340,625	205,566
Machinery and equipment	9,781	6,085	-	15,866	8,633	7,233	54.4%	16,178	5,079
Intangible assets	482	644	-	1,126	697	429	61.9%	4,566	30

Appropriation per economic classification										
2013/14										2012/13
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Payments for financial assets	-	236	-	236	220	16	93.2%	145	126	
Total	28,255,456	(10)	10	28,255,456	27,702,988	552,468	98.0%	25,137,805	24,463,271	

Detail per programme 1 - ADMINISTRATION

Detail per sub-programme	2012/13									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1.1 MINISTRY										
Current payment	30,129	(387)		29,742	27,228	2,514	91.5%	35,114	30,192	
Transfers and subsidies	-	39		39	39	-	100.0%	26	-	
Payment for capital assets	1,680	271		1,951	1,401	550	71.8%	1,144	113	
Payment for financial assets	-	77		77	71	6	92.2%	49	48	
1.2 DEPARTMENTAL MANAGEMENT										
Current payment	108,109	(4,810)	(13,100)	90,199	54,360	35,839	60.3%	77,722	63,320	
Transfers and subsidies	-	-		-	-	-		10	7	
Payment for capital assets	684	904		1,588	791	797	49.8%	2,411	581	
Payment for financial assets	-	6		6	5	1	83.3%	4	4	
1.3 CORPORATE SERVICES										
Current payment	201,782	1,248		203,030	146,756	56,274	72.3%	188,853	151,979	
Transfers and subsidies	24	140		164	112	52	68.3%	68	67	
Payment for capital assets	4,062	3791		7,853	4,653	3,200	59.3%	11,356	2,481	
Payment for financial assets	-	21		21	21	-	100.0%	2	2	
1.4 PROPERTY MANAGEMENT										
Current payment	34,403	-	(5,000)	29,403	24,699	4,704	84.0%	38,156	20,403	
1.5 FINANCIAL MANAGEMENT										
Current payment	40,914	(74)	(1,000)	39,840	38,887	953	97.6%	41,878	33,325	

2013/14	2012/13									
	Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	-	24			24	24	-	100.0%	-	-
Payment for capital assets	612	30			642	381	261	59.3%	542	397
Payment for financial assets	-	20			20	20	-	100.0%	-	-
Total	422,399	1300	(19,100)	404,599	299,448	105,151	74.0%	397,335	302,919	

2013/14	2012/13									
	Programme 1 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments										
Compensation of employees	179,369	(5068)	(19100)	155,201	141,976	13,225	91.5%	156,479	135,845	
Goods and services	235,968	1,009	-	237,013	149,953	87,060	63.3%	225,244	163,374	
Interest and rent on land	-	36	-	36	36	-	100%	-	-	
Transfers and subsidies to:										
Households	24	203		227	175	52	77.1%	104	73	
Payment for capital assets										
Buildings and other fixed structures				-						
Machinery and equipment	6,603	4,470		11,073	6,645	4,428	60.0%	10,913	3,543	
Intangible assets	435	526		961	581	380	60.5%	4,540	30	
Payments for financial assets	-	124		124	117	7	94.4%	55	54	
Total	422,399	1,300	(19100)	404,599	299,448	105,151	74.0%	397,335	302,919	

Detail Per programme 2-HUMAN SETTLEMENT POLICY, RESEARCH AND MONITORING

Detail per sub-programme	2013/14						2012/13		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 MAN FOR POLICY, STR & PLANNING									
Current payment	5,778	(513)		5,265	3,475	1,790	66.0%	2,430	2,123
Transfers and subsidies	-	62		62	61	1	98.4%	-	-
Payment for capital assets	37	188		225	32	193	14.2%	71	37
2.2 HUMAN SETTLEMENT POLICY FRAMEWORK									
Current payment	27,541	(94)		26,272	27,447	-	100%	34,591	27,539
Transfers and subsidies	-	13		13	12	1	92.3%	127	103
Payment for capital assets	277	205		482	297	185	61.6%	620	109
Payment for financial assets	-	4		4	-	4		26	14
2.3 HUMAN SETTLEMENT STRATEGY & PLANNING									
Current payment	48,791	4,871	(3,000)	50,662	40,650	10,012	80.2%	39,472	31,291
Transfers and subsidies	1,050	50		1,100	1,075	25	97.7%	1,708	1,704
Payment for capital assets	581	370		951	246	705	25.9%	666	279
Payment for financial assets	-	34		34	32	2	94.1%	1	1
Total	84,055	5,190	(3,000)	86,245	73,327	12,918	85.0%	79,712	63,200

Programme 2 per Economic classification	2013/14						2012/13		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments									
Compensation of employees	58,201	(11,422)	(3,000)	43,779	38,322	5,457	87.5%	41,051	33,283
Goods and services	23,909	15,686		39,595	33,250	6,345	84.0%	35,442	27,670
Interest and rent on land									
Transfers and subsidies to:									
Foreign governments and international organisations	1,050	50		1,100	1,075	25	97.7%	1,280	1,279
Non-profit institutions									
Households		75		75	73	2	97.3%	400	400
Gifts and donations								155	128
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	895	763		1,658	575	1,083	34.7%	1,357	425
Payments for financial assets		38		38	32	6	84.2%	27	15
Total	84,055	5,190	(3,000)	86,245	73,327	12,918	85.0%	79,712	63,200

Detail per programme 3-PROGRAMME DELIVERY SUPPORT

Detail per sub-programme	2013/14					2012/13			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 MANAGEMENT FOR PROGRAMME DELIVERY SUPPORT									
Current payment	3,203	(90)		3,113	2,381	732	76.5%	2,724	713
Transfers and subsidies	-	-		-	-	-	-	-	-
Payment for capital assets	327	90		417	41	376	9.8%	163	66
3.2 PROGRAMME IMPLEMENTATION FACILITY									
Current payment	90,918	(3,145)		87,773	12,433	75,340	14.2%	66,102	8,803
Transfers and subsidies	-	50		50	41	9	82.0%	-	-
Payment for capital assets	138	-		138	65	73	47.1%	63	-
3.3 TECHNICAL CAPACITY DEVELOPMENT									
Current payment	16,218	2,740		18,958	18,668	290	98.5%	18,506	18,342
Transfers and subsidies	7,969	200		8,169	8,502	(333)	104.1%	16,910	16,910
Payment for capital assets	162	155		317	217	100	68.5%	180	102
Payment for financial assets	-	2		2	1	1	50.0%	17	16
3.4 PROGRAMME & PROJECT PLANNING SUPPORT									
Current payment	13,869	(1,502)	(3,000)	9,367	4,036	5,331	43.1%	8,456	3,698
Payment for capital assets	130	-		130	45	85	34.6%	274	62

Detail per sub-programme	2013/14						2012/13		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.5 SANITATION SERVICES									
Current payment	72,119	(5,316)	(3,000)	63,803	43,842	19,961	68.7%	64,491	60,290
Payment for capital assets	649	250		899	460	439	51.2%	1,566	493
Payment for financial assets	-	66		66	65	1	98.5%	41	40
Total	205,702	(6,500)	(6,000)	193,202	90,797	102,405	47.0%	179,493	109,535

Programme 3 per Economic classification	2013/14						2012/13		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	70,023	(4,102)	(6,000)	59,921	49,012	10,909	81.8%	52,424	45,493
Goods and services	126,304	(3,211)		123,093	32,348	90,745	26.3%	107,855	46,353
Transfers and subsidies to:									
Higher education institutions	3,749	200		3,949	3,949	-	100.0%	3,090	3,090
Households	4,220	50		4,270	4,594	(324)	107.6%	13,820	13,820
Gifts and donations									
Payment for capital assets									
Machinery and equipment	1,359	495		1,854	828	1,026	44.7%	2,220	723
Intangible assets	47	-		47		47	-	26	-
Payments for financial assets	-	68		68	66	2	97.1%	58	56
Total	205,702	(6,500)	(6,000)	193,202	90,797	102,405	47.0%	179,493	109,535

Detail per programme 4 – HOUSING DEVELOPMENT FINANCE

Detail per sub-programme	2012/13									
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
4.1 MANAGEMENT FOR HDF										
Current payment	3,100	210		3,310	1,928	1,382	58.2%	2,942	1,678	
Payment for capital assets	75	-		75	12	63	16.0%	71	-	
4.2 CHIEF INVESTMENT OFFICER										
Current payment	20,651	(231)		20,420	18,859	1,561	92.4%	22,428	17,715	
Transfers and subsidies	-	-		-	-	-		7	7	
Payment for capital assets	229	20		249	163	86	65.5%	610	74	
4.3 REGULATORY COMPLIANCE SERVICES										
Current payment	25,570	(394)	(2,010)	23,166	16,624	6,542	71.8%	59,374	50,009	
Transfers and subsidies	40	-		40	-	40		25	25	
Payment for capital assets	203	405		608	181	427	29.8%	380	139	
4.4 HUMAN SETTLEMENTS DEVELOPMENT GRANT										
Transfers and subsidies	17,028,326	-		17,028,326	17,028,326	-	100.0%	15,725,959	15,395,032	
4.5 CONTRIBUTIONS										
Transfers and subsidies	1,150,751	-		1,150,751	864,648	286,103	75.1%	912,808	912,808	

2013/14		2012/13							
Detail per sub-programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
4.6 RURAL HOUSEHOLDS INFRASTRUCTURE GRANT									
Transfers and subsidies	106,721	-		106,721	106,721	-	100.0%		
Payment for capital assets	100,539	-	33110	133,649	108,589	25,060	81.3%	340,625	205,566
4.7 URBAN SETTLEMENTS DEVELOPMENT GRANT									
Transfers and subsidies	9,076,906	-		9,076,906	9,076,909	-	100.0%	7,392,206	7,392,206
4.8 PROGRAMME MONITORING & EVALUATION									
Current payment	29,772	(56)	(3,000)	26,716	16,109	10,607	60.3%	23,148	12,166
Transfers and subsidies	-	-		-	-	-	-	50	16
Payment for capital assets	417	50		467	345	122	73.9%	627	175
Payment for financial assets	-	6		6	5	1	83.3%	5	1
Total	27,543,300	10	28,100	27,571,410	27,239,416	331,994	98.8%	24,481,265	23,987,617

2013/14		2012/13							
Programme 4 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	56,341	(4,123)	(5,000)	47,218	38,323	8,895	81.2%	39,987	35,213
Goods and services	22,752	3,642		26,394	15,197	11,197	57.6%	67,905	46,355
Transfers and subsidies to:									
Provinces and municipalities	26,211,953			26,211,953	26,211,953	-	100.0%	23,118,165	22,787,238
Departmental agencies and accounts	1,150,751			1,150,751	864,648	286,103	75.1%	912,808	912,808
Households	40			40	-	40		82	48
Payment for capital assets									
Buildings and other fixed structures	100,539	-	33,110	133,649	108,589	25,060	81.2%	340,625	205,566
Machinery and equipment	924	357		1,281	585	696	45.7%	1,688	388
Intangible assets		118		118	116	2	98.3%		
Payments for financial assets		6		6	5	1	83.3%		
Total	27,543,300	-	28,110	27,571,410	27,239,416	331,994	98.8%	24,481,265	23,987,617

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL PERFORMANCE

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets:

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Administration				
Current payment	392,214	291,911	100,303	26%
Transfers and Subsidies	227	174	53	23%
Expenditure for capital assets	12,034	7,227	4,807	40%

Underspending can be attributed to the following:

- Personnel and personnel related costs due to delay in filling of vacancies. Some of these were before year end while other were filled in the new year.
- Funds provided for the Special Investigation Unit (SIU) have not been fully utilised. The SIU could not provide the Department with supporting documentation on work performed and invoiced.
- Funds provided for the leasing of additional office accommodation have not been fully utilised.
- The unspent portion of the Property Management portfolio is in respect of leasing of a building which could not be occupied as it still had to undergo refurbishment. Delays in the migration from Novel to Microsoft also resulted in under expenditure on the Information Technology budget. This however was addressed and the project procurement process started in the new year.

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Human Settlements Policy, Strategy and Planning				
Current payment	83,374	71,574	11,800	14%
Expenditure for capital assets	1,658	575	1,083	65%

Underspending can be attributed to the following:

- Personnel and personnel related costs due to delay in filling of vacancies. Some of these vacancies were before year end while other were filled in the New Year.
- Another contributing factor is that a project on the evaluation of the Urban Settlements Development grant had not been finalised at year end as originally planned.

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Programme Delivery Support				
Current payment	183,014	81,357	101,657	56%
Expenditure for capital assets	1,901	828	1,073	56%

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL PERFORMANCE

Underspending can be attributed to the following:

- Personnel and personnel related costs due to delay in filling of vacancies.
- Delays in the implementation of the National Upgrading Support Programme (NUSP) Impacted negatively on spending patterns of this program.

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Housing Development Finance				
Current payment	73,612	53,520	20,092	27%
Expenditure for capital assets	135,048	109,313	25,735	19%

Underspending can be attributed to the following:

- Personnel and personnel related costs due to delay in filling of vacancies.
- Funds provided for the initial operational budget of the Community Scheme Ombuds Service (CSOS) was not utilised, due to delay in the appointment of Chief Executive and Chief Financial Officer of the CSOS.
- An amount of R286 million was not transferred to SHRA as the institution due to concerns about financial management and the control environment of the entity, following an investigation by the Accountant-General.
- An amount of R24 million of the Rural Household Infrastructure grant was not utilised as the appointed contractors failed to implement the programme due to the rock in the affected municipal areas.

4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments				
Compensation of employees	306,119	267,624	38,495	13%
Goods and services	426,095	230,738	195,357	46%
Interest and rent on land				
Unauthorised expenditure approved				
Transfers and subsidies				
Provinces and municipalities	26,211,953	26,211,953	-	0%
Departmental agencies and accounts	1,150,751	864,648	286,103	25%
Higher education institutions	3,949	3,949	-	0%
Public corporations and private enterprises	1,100	1,075	25	2%
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	4,612	4,841	(229)	5%
Gifts and donations				

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL PERFORMANCE

Payments for capital assets	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Buildings and other fixed structures	133,649	108,612	24,221	18%
Machinery and equipment	15,866	8,634	7,232	46%
Heritage assets	-	-	-	-
Specialised military assets	1,126	697	429	38%
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	236	221	15	6%
Payments for financial assets	236	221	15	6%

Underspending can be attributed to the following:

- Personnel and personnel related costs due to delay in filling of vacancies. Some of these were before year end while other were filled in the new year.
- Funds provided for the Special Investigation Unit (SIU) have not been fully utilised. The SIU could not provide the Department with supporting documentation on work performed and invoiced.
- Funds provided for the leasing of additional office accommodation have not been fully utilised. The unspent portion of the Property Management portfolio is in respect of leasing of a building which could not be occupied as it still had to undergo refurbishment. Delays in the migration from Novel to Microsoft also resulted in under expenditure on the Information Technology budget. This however was addressed and the project procurement process started in the new year.
- The migration from Novel to Microsoft was delayed resulting in under expenditure on the Information Technology budget. The evaluation of the Urban Settlements Development grant could not be finalised by year end.
- Delay in the implementation of the National Upgrading Support Programme (NUSP)

Transfers and subsidies

Underspending can be attributed to the following:

- An amount of R286 million was not transferred to SHRA due to concerns about financial management and the internal control environment of the entity, following an investigation by the Accountant-General.

Payments for capital assets

Underspending can be attributed to the following:

- An amount of R24 million of the Rural Household Infrastructure Grant was not utilised as contractors contract terms ended, before new work could be started.

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Human Settlements				
Human Settlements Dev Grant	17,028,326	17,028,326	-	0%
Urban Settlements Dev Grant	9,076,906	9,076,906	-	0%

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL PERFORMANCE

	Note	2013/14	2012/13
		R'000	R'000
REVENUE			
Annual appropriation	1	28,255,456	25,137,805
Departmental revenue	2	763	1,039
TOTAL REVENUE		28,256,219	25,138,844
EXPENDITURE			
Current expenditure			
Compensation of employees	3	267,622	249,834
Goods and services	4	230,724	283,752
Interest and rent on land		36	-
Total current expenditure		498,382	533,586
Transfers and subsidies			
Transfers and subsidies	6	27,086,467	23,718,884
Total transfers and subsidies		27,086,467	23,718,884
Expenditure for capital assets			
Tangible assets	7	117,222	210,645
Intangible assets	7	697	30
Total expenditure for capital assets		117,919	210,675
Payments for financial assets	5	220	126
TOTAL EXPENDITURE		27,702,988	24,463,271
SURPLUS/(DEFICIT) FOR THE YEAR		553,231	675,573

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL PERFORMANCE**

Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		552,468	674,534
Departmental revenue and NRF Receipts	13	763	1,039
SURPLUS/(DEFICIT) FOR THE YEAR		553,231	675,573

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL POSITION

	Note	2013/14	2012/13
		R'000	R'000
ASSETS			
Current assets		1,418,218	675,185
Cash and cash equivalents	8	1,406,317	623,562
Prepayments and advances	9	8,940	48,149
Receivables	10	2,961	3,474
Non-current assets		880,604	880,604
Investments	11	880,604	880,604
TOTAL ASSETS		2,298,822	1,555,789
LIABILITIES			
Current liabilities		1,417,897	674,988
Voted funds to be surrendered to the Revenue Fund	12	552,468	674,535
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	37	164
Payables	14	865,392	289
Non-current liabilities			
TOTAL LIABILITIES		1,417,897	674,988
NET ASSETS		880,925	880,801

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL POSITION

	Note	2013/14	2012/13
		R'000	R'000
Represented by:			
Capitalisation reserve		880,604	880,604
Recoverable revenue		321	197
TOTAL		880,925	880,801

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF CHANGES IN NET ASSETS

	Note	2013/14	2012/13
		R'000	R'000
Capitalisation Reserves			
Opening balance		880,604	880,604
Closing balance		<u>880,604</u>	<u>880,604</u>
Recoverable revenue			
Opening balance		197	172
Transfers:		124	25
Debts recovered (included in departmental receipts)		124	25
Closing balance		321	<u>197</u>
TOTAL		<u>880,925</u>	<u>880,801</u>

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
CASH FLOW STATEMENT

	Note	2013/14	2012/13
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		28,256,219	25,138,844
Annual appropriated funds received	1.1	28,255,456	25,137,805
Departmental revenue received	2	700	949
Interest received	2.2	63	90
Net (increase)/decrease in working capital		904,825	(44,330)
Surrendered to Revenue Fund		(675,425)	(227,507)
Current payments		(498,346)	(533,586)
Interest paid		(36)	-
Payments for financial assets		(220)	(126)
Transfers and subsidies paid		(27,086,467)	(23,718,884)
Net cash flow available from operating activities	15	900,550	614,411
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	5	(117,919)	(210,675)
Net cash flows from investing activities		(117,919)	(210,675)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		124	25
Net cash flows from financing activities		124	25
Net increase/(decrease) in cash and cash equivalents		782,755	403,761
Cash and cash equivalents at beginning of period		623,562	219,801
Cash and cash equivalents at end of period	16	1,406,317	623,562

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	<p>Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	Revenue
7.1	<p>Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES

8.1.2	<p>Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accrued expenditure payable Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.</p>
8.4	Leases
8.4.1	<p>Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</p>
9	Aid Assistance
9.1	<p>Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <i><Indicate when prepayments are expensed and under what circumstances.></i></p>
12	<p>Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
13	<p>Investments Investments are recognised in the statement of financial position at cost.</p>

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES

14	<p>Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables Loans and receivables are recognised in the statement of financial position at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
16.2	<p>Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
16.3	<p>Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>
17.3	<p>Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department</p>

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2014

17.4	<p>Commitments Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash</p>
18	<p>Unauthorised expenditure Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: approved by Parliament or the Provincial Legislature with funding and the related funds are received; or approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting estimates There were no changes in the accounting estimates.</p>
22	<p>Prior period errors <i>There were no prior year errors corrected.</i></p>
23	<p>Non-adjusting events after the reporting date <i>[Insert the nature of the event and an estimate of its financial effect (or a statement to that effect where such estimate cannot be made) for each material category of non-adjusting event after the reporting date and refer to the relevant note to the financial statements.]</i></p>
24	<p>Agent-Principal arrangements During the year under review the Mvula Trust and the Independent Development Trust were the department's implementing agents of the Rural Household Infrastructure Grant. This grant is intended to address sanitation and water services backlogs in the Rural areas. In implementing this programme they worked closely with local municipalities and the rural communities.</p>

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2013/14			2012/13
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
ADMINISTRATION	404,599	404,599	-	397,335
HOUSING POLICY AND RESEACH, MONITORING	86,245	86,245	-	79,712
PROGRAMME DELIVERY SUPPORT	193,202	193,202	-	179,493
HOUSING DEVELOPMENT FINANCE	27,571,410	27,571,410	-	24,481,265
	28,255,456	28,255,456	-	25,137,805

The drawings were amended during the year after funds were already requested, received through the bank and adjustments made later on funds requisition.

2. Departmental revenue

	Note	2013/14	2012/13
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	193	170
Interest, dividends and rent on land	2.2	63	90
Transactions in financial assets and liabilities	2.3	507	799
Total revenue collected		763	1,039
Less: Own revenue included in appropriation			
Departmental revenue collected		763	1,039

2.1 Sales of goods and services other than capital assets

	Note	2013/14	2012/13
		R'000	R'000
Sales of goods and services produced by the department		190	167
Sales by market establishment		52	47
Administrative fees		1	-
Other sales		137	120
Sales of scrap, waste and other used current goods		3	3
Total		193	170

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

2.2 Interest, dividends and rent on land

	Note	2013/14	2012/13
	2	R'000	R'000
Interest		63	90
Total		63	90

2.3 Transactions in financial assets and liabilities

	Note	2013/14	2012/13
	2	R'000	R'000
Other Receipts including Recoverable Revenue		507	779
Total		507	779

3. Compensation of employees

3.1 Salaries and Wages

	Note	2013/14	2012/13
		R'000	R'000
Basic salary		184,321	169,318
Performance award		3,985	4,516
Service Based		13,253	938
Compensative/circumstantial		10,402	4,935
Other non-pensionable allowances		25,068	41,755
Total		237,029	221,462

3.2 Social contributions

	Note	2013/14	2012/13
		R'000	R'000
Employer contributions			
Pension		22,040	19,728
Medical		8,515	8,610
Bargaining council		38	34
Total		30,593	28,372
Total compensation of employees		267,634	249,834
Average number of employees		712	655

4. Goods and services

	Note	2013/14	2012/13
		R'000	R'000
Administrative fees		583	299
Advertising		23,263	21,111
Minor assets	4.1	691	764
Bursaries (employees)		935	996
Catering		6,226	7,363
Communication		8,258	8,327
Computer services	4.2	26,811	32,517

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

Consultants, contractors and agency/outsourced services	<u>4.3</u>	42,871	102,196
Entertainment		168	168
Audit cost – external	<u>4.4</u>	8,689	7,018
Fleet services		1,243	688
Inventory	<u>4.5</u>	234	6,392
Consumables	4.6	15,353	-
Operating leases		21,405	16,789
Property payments	<u>4.7</u>	3,424	5,928
Rental and hiring		8	-
Travel and subsistence	<u>4.8</u>	49,104	57,447
Venues and facilities		12,949	10,816
Training and development		1,855	2,628
Other operating expenditure	<u>4.9</u>	6,667	2,305
Total		230,737	283,752

The absence of comparatives in note 6.5 and 6.6 for 2012/13 and 2013/14, is due to the re-classification of items according to Standard Chart of Accounts, introduced by National Treasury at the beginning of the year under review.

4.1 Minor assets

	Note	2013/14	2012/13
	<u>4</u>	R'000	R'000
Tangible assets		691	764
Machinery and equipment		691	764
Total		691	764

4.2 Computer services

	Note	2013/14	2012/13
	<u>4</u>	R'000	R'000
SITA computer services		23,192	24,592
External computer service providers		3,619	7,925
Total		26,811	32,517

4.3 Consultants, contractors and agency/outsourced services

	Note	2013/14	2012/13
	<u>4</u>	R'000	R'000
Business and advisory services		38,315	98,959
Legal costs		2,210	1,082
Contractors		1,036	1,148
Agency and support/outsourced services		1,310	1007
Total		42,871	102,196

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

4.4 Audit cost – External

	Note	2013/14	2012/13
	4	R'000	R'000
Regularity audits		8,689	7,018
Total		8,689	7,018

4.5 Inventory

	Note	2013/14	2012/13
	4	R'000	R'000
Clothing material and accessories		128	-
Food and food supplies		-	17
Fuel, Oil and gas		-	8
Learning and teaching support material		-	5,572
Materials and supplies		106	63
Medical supplies		-	1
Other supplies		-	731
Total		234	6,392

4.5.1 Other supplies

	Note	2013/14	2012/13
	4.5	R'000	R'000
Ammunition and security supplies			
Assets for distribution			
Other		-	731
Total		-	731

4.6 Consumables

	Note	2013/14	2012/13
	4	R'000	R'000
Consumable supplies		10,967	-
Uniform and clothing		383	
Household supplies		252	
Building material and supplies		-	
Communication accessories		37	
IT consumables		55	
Other consumables		10,240	
Stationery, printing and office supplies		4,386	
Total		15,353	-

The absence of comparatives in note 6.5 and 6.6 for 2012/13 and 2013/14, is due to the re-classification of items according to Standard Chart of Accounts, introduced by National Treasury at the beginning of the year under review.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

4.7 Property payments

	Note	2013/14	2012/13
	4	R'000	R'000
Municipal services		2,212	4,436
Property management fees		-	-
Property maintenance and repairs		-	-
Other		1,212	1,492
Total		3,424	5,928

4.8 Travel and subsistence

	Note	2013/14	2012/13
	4	R'000	R'000
Local		45,954	50,665
Foreign		3,150	6,782
Total		49,104	57,447

4.9 Other operating expenditure

	Note	2013/14	2012/13
	4	R'000	R'000
Professional bodies, membership and subscription fees		76	225
Resettlement costs		936	70
Other		5,655	1,957
Total		6,667	2,305

5. Interest and rent on land

	Note	2013/14	2012/13
		R'000	R'000
Interest paid		36	-
Total		36	-

Payments for financial assets

	Note	2013/14	2012/13
		R'000	R'000
Purchase of equity		-	-
Other material losses written off	5.1	215	-
Debts written off	5.2	5	126
Total		220	126

a. Other material losses written off

	Note	2013/14	2012/13
	5	R'000	R'000
Nature of losses		-	-
No Shows		20	13
Damage Vehicles		195	110
Total		215	123

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

b. Debts written off

	Note	2013/14	2012/13
	5	R'000	R'000
Other debt written off			
Bad Debts		5	3
Total		5	3
Total debt written off		5	3

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

7. Transfers and subsidies

		2013/14	2012/13
		R'000	R'000
	<i>Note</i>		
Provinces and municipalities	<i>34, Annex 1A, Annex 1B</i>	26,211,953	22,787,238
Departmental agencies and accounts	<i>Annex 1C</i>	864,648	912,808
Higher education institutions	<i>Annex 1D</i>	3,949	3,090
Foreign governments and international organisations	<i>Annex 1E</i>	1,075	1,279
Public corporations and private enterprises	<i>Annex 1G</i>	-	400
Households	<i>Annex 1H</i>	4,842	14,069
Gifts, donations and sponsorships made	<i>Annex 1K</i>	-	-
Total		27,086,467	23,718,884

Unspent funds transferred to the above beneficiaries

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

8. Expenditure for capital assets

	Note	2013/14	2012/13
		R'000	R'000
Tangible assets		117,222	210,645
Buildings and other fixed structures	32	108,589	205,566
Machinery and equipment	30	8,633	5,079
Intangible assets		697	30
Software	31	697	30
Total		117,919	210,675

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

a. Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	117,222	-	117,222
Buildings and other fixed structures	108,589	-	108,589
Machinery and equipment	8,633	-	8,633
Intangible assets	697	-	697
Software	697	-	697
Total	117,919	-	117,919

b. Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	210,645	-	210,645
Buildings and other fixed structures	205,566	-	205,566
Machinery and equipment	5,079	-	5,079
Intangible assets	30	-	30
Software	30	-	30
Total	210,675	-	210,675

9. Cash and cash equivalents

	Note	2013/14	2012/13
		R'000	R'000
Consolidated Paymaster General Account		1,406,202	623,507
Cash on hand		115	55
Total		1,406,317	623,562

The petty cash for the Pretoria and Cape Town offices was increased.

10. Prepayments and advances

	Note	2013/14	2012/13
		R'000	R'000
Staff advances		-	-
Travel and subsistence		2	37
Prepayments		-	33,084
Advances paid	9.1	8,938	15,028
SOCPEN advances		-	-
Total		8,940	48,149

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

a. Advances paid

	Note	2013/14	2012/13
	9	R'000	R'000
National departments		8,938	15,028
Total		8,938	15,028

11. Receivables

	Note	2013/14				2012/13
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	<u>10.1</u> <i>Annex 4</i>	135	8	1	144	177
Recoverable expenditure	10.2	651	348	86	1,085	775
Staff debt	10.3	328	90	22	440	247
Other debtors	<u>10.4</u>	886	178	228	1,292	2,275
Total		2,000	624	337	2,961	3,474

11.1 Claims recoverable

	Note	2013/14	2012/13
	10	R'000	R'000
National departments		144	177
Total		144	177

11.2 Recoverable expenditure (disallowance accounts)

	Note	2013/14	2012/13
	10	R'000	R'000
Disallowance Miscellaneous		34	-
Damage Vehicles		1,051	775
Total		1,085	775

11.3 Staff debt

	Note	2013/14	2012/13
	10	R'000	R'000
Telephone & Cellphone		-	2
Study		197	51
Vehicle		44	55
No Shows		1	4
Salaries		198	124
Losses		-	11
Total		440	247

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

11.4 Other debtors

	Note	2013/14	2012/13
	10	R'000	R'000
Suppliers		1,055	1,953
Vat Vendors		237	322
Total		1,292	2,275

Included in 1,055 is an amount of 815 as a suspected fraudulent payment that is under investigation

11.5 Investments

	Note	2013/14	2012/13
		R'000	R'000
Non-Current			
Shares and other equity			
NHFC		880,000	880,000
SERVCON		604	604
(List investments at cost)			
Total		880,604	880,604
Total non-current		880,604	880,604

	2013/14	2012/13
	R'000	R'000
Analysis of non current investments		
Opening balance	880,604	880,604
Additions in cash		
Disposals for cash		
Non-cash movements		
Closing balance	880,604	880,604

12. Voted funds to be surrendered to the Revenue Fund

	Note	2013/14	2012/13
		R'000	R'000
Opening balance		674,535	226,621
Prior period error (2012/13)	18.2		
As restated		674,535	226,621
Transfer from statement of financial performance (as restated)		552,491	674,534
Paid during the year		(674,535)	(226,620)
Closing balance		552,491	674,535

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2013/14	2012/13
		R'000	R'000
Opening balance		164	12
Prior period error (2012/13)			
As restated		164	12
Transfer from Statement of Financial Performance (as restated)		763	1,039
Paid during the year		(890)	(887)
Closing balance		37	164

14. Payables – current

	Note	2013/14	2012/13
		R'000	R'000
Clearing accounts	<u>14.1</u>	214	289
Other payables	<u>14.2</u>	865,178	-
Total		865,392	289

14.1 Clearing accounts

	Note	2013/14	2012/13
Description	14	R'000	R'000
Salary Income Tax :CL		199	273
Third Party Transport Control Acc		-	-
Pension Fund		15	16
Medical Ai		-	-
Total		214	289

14.2 Other payables

	Note	2013/14	2012/13
Description	14	R'000	R'000
North West Provincial Department of Human Settlements(unspent funds)		88,	-
South African Housing Fund(to be transferred to CPD)		25,229	-
Special Investigation Unit Provincial transfers			-
Skynet		4,814	-
Public Entities(unspent funds for NHFC,SHRA)		3	-
		835,044	
Total		865,178	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

15. Net cash flow available from operating activities

	Note	2013/14	2012/13
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		553,231	675,573
Add back non cash/cash movements not deemed operating activities		347,319	(61,162)
(Increase)/decrease in receivables – current		513	(1,703)
(Increase)/decrease in prepayments and advances		39,209	(42,830)
Increase/(decrease) in payables – current		865,103	203
Expenditure on capital assets		117,919	210,675
Surrenders to Revenue Fund		(675,425)	(227,507)
Net cash flow generated by operating activities		900,550	614,411

16. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2013/14	2012/13
		R'000	R'000
Consolidated Paymaster General account		1,406,202	623,507
Cash on hand		115	55
Total		1,406,317	623,562

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

	Note	2013/14	2012/13
		R'000	R'000
Liable to Nature			
Housing loan guarantees Employees	Annex 3A	65	85
Claims against the department	Annex 3B	990	425
Intergovernmental payables (unconfirmed balances)	Annex 5	-	8
Other	Annex 3B	-	22,413
Total		1,055	22,931

For further information, please refer to Annexure 3B.

18. Commitments

	Note	2013/14	2012/13
		R'000	R'000
Current expenditure			
Approved and contracted		61,334	73,716
Approved but not yet contracted		18,531	19,931
		79,865	93,647
Capital expenditure			
Approved and contracted		12,521	147,624
Approved but not yet contracted		-	-
		12,521	147,624
Total Commitments		92,386	241,271

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

These commitments are longer than a year.

Programme 1 – R 36 851 528,69- Consulting/cellular phone services/hire and rental of photo copiers

Programme 2 – R 2 196 571,26 - Consulting/cellular phone services/hire and rental of photo copiers

Programme 3 – R 17 581 835,03 - Consulting/cellular phone services/hire and rental of photo copiers

Programme 4 – R 231 126,90 - Consulting/cellular phone services/hire and rental of photo copiers

The corresponding figures for current commitments approved and contracted for, have been adjusted with an amount of R20 500 000 due to an error identified in the current year relating to SITA contracts.

19. Accruals

		2013/14		2012/13
		R'000		R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	23,518	2,762	26,280	12,017
Other	-	5	5	92
Total	23,518	2,767	26,285	12,109

	Note	2013/14		2012/13
		R'000		R'000
Listed by programme level				
Administration		13,770		6,002
Housing Policy, Research and Monitoring		1,790		671
Housing Planning and Delivery Support		10,302		794
Housing Development Finance		423		4,642
Total		26,285		12,109

The substantial increase in accruals is due to the following:

Budget for Technical Capacity was finished before 31 March 2014. Invoices for Special Investigation Unit and Property Management were received late in the year and were only paid after year end.

Inadequate funds on the scholarship programme meant that claims from institutions could be paid in the following year.

20. Employee benefits

	Note	2013/14		2012/13
		R'000		R'000
Leave entitlement		12,911		8,335
Service bonus (Thirteenth cheque)		6,962		6,005
Performance awards		5,490		5,055
Capped leave commitments		7,662		7,749
Total		33,025		27,144

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

21. Lease commitments

21.1 Operating leases expenditure

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	26,152	-	26,152
Later than 1 year and not later than 5 years	-	-	118,788	-	118,788
Total lease commitments	-	-	144,940	-	144,940

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	27,593	-	27,593
Later than 1 year and not later than 5 years	-	-	147,824	-	147,824
Total lease commitments	-	-	175,417	-	175,417

21.2 Finance leases expenditure**

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	1,862	1,862
Later than 1 year and not later than 5 years	-	-	-	653	653
Total lease commitments	-	-	-	2,515	2,515

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	2,116	2,116
Later than 1 year and not later than 5 years	-	-	-	1,168	1,168
Total lease commitments	-	-	-	3,284	3,284

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

	Note	2013/14	2012/13
		R'000	R'000
Opening balance			18,284
Add: Irregular expenditure – relating to current year		1,203	556
Less: Prior year amount condoned		-	(2,477)
Less: Amounts not recoverable (not condoned)		-	(9,797)
Irregular expenditure awaiting condonation		7,769	6,566

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

Analysis of awaiting condonation per age classification			
Current year		1,203	214
Prior years		6,566	6,352
Total		7,769	6,566

22.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/ criminal proceedings	2013/14 R'000
Approved payments not in line with financial delegations	Still under investigation	840
Overseas trip approved after was undertaken	Still under investigation	335
15% threshold on extension of contracts exceeded	Still under investigation	28
Total		1,203

22.3 Details of irregular expenditure under investigation incident

Amount paid to Independent Development Trust and Mvula for Rural Household Infrastructure Grant are pending outcome of investigation of procurement process for the appointment of their sub-contractors.

23. Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2013/14 R'000	2012/13 R'000
Opening balance		-	3
Fruitless and wasteful expenditure – relating to current year		36	-
Less: Amounts resolved		-	(3)
Fruitless and wasteful expenditure awaiting resolution		36	-

Analysis of awaiting condonation per age classification			
Current		36	-
Capital		-	-
Transfers and Subsidies		-	-
Total		36	-

23.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2013/14 R'000
Payment to Telkom – Interest	No disciplinary steps taken	24
Interest on late payment GEPPF - February, 2014	No disciplinary steps taken	12
Total		36

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

24. Related party transactions

List related party relationships

- South African Housing Fund
- Servcon
- Social Housing Foundation
- National Urban Reconstruction and Housing Agency
- National Home Builders Registration Council
- National Housing Finance Corporation
- Thubelisha Homes and Rural Housing Loan Fund
- Housing Development Agency
- Social Housing Regulatory Authority
- Estate Agency Affairs Board
- Community Scheme Ombuds Service

25. Key management personnel

	No. of Individuals	2013/14	2012/13
		R'000	R'000
Political office bearers (provide detail below)	3	3,816	3,659
Officials:			
Level 15 to 16	11	11,791	12,126
Level 14 (incl. CFO if at a lower level)	23	19,092	17,470
Family members of key management personnel	1	112	370
Total		34,811	33,625

26. Impairment: other

	Note	2013/14	2012/13
		R'000	R'000
Debtors		491	234
Total		491	234

27. Provisions

	Note	2013/14	2012/13
		R'000	R'000
Vat Vendors		53	59
Sbutumi Trading in all aspects		815	
Total		868	59

27.1 Reconciliation of movement in provisions – 2013/14

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	59	-	-	59
Provisions raised	-	-	-	815
Unused amounts reversed				
Amounts used				
Settlement of provision without cost to the department				
Change in provision due to change in estimation inputs	(1)	(5)	-	(6)
Closing balance	58	(5)	-	868

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014					
	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	55,820	112	8,634	892	63,674
Transport assets	1,063	-	1,093	-	2,156
Computer equipment	26,219	101	5,035	735	30,620
Furniture and office equipment	14,883	11	270	74	15,090
Other machinery and equipment	13,655	-	2,236	83	15,808
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	55,820	112	8,634	892	63,674

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014					
	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	8,634	-	-	-	8,634
Transport assets	1,093	-	-	-	1,093
Computer equipment	5,035	-	-	-	5,035
Furniture and office equipment	270	-	-	-	270
Other machinery and equipment	2,236	-	-	-	2,236
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	8,634	-	-	-	8,634

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014					
	Sold for cash	Transfer out or destroyed or scrapped	Total disposals		Cash Received Actual
	R'000	R'000	R'000		R'000
HERITAGE ASSETS	-	-	-		-
Heritage assets					

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals		Cash Received Actual
	R'000	R'000	R'000		R'000
Computer equipment	-	735	735		
Furniture and office equipment	-	74	74		
Other machinery and equipment	-	83	83		
SPECIALISED MILITARY ASSETS	-	-	-		
Specialised military assets					
BIOLOGICAL ASSETS	-	-	-		
Biological assets					
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	892	892		

28.3 Movement for 2012/13

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	51,883	-	5,079	1,142	55,820
Transport assets	1,063	-	-	-	1,063
Computer equipment	25,199	-	1,856	836	26,219
Furniture and office equipment	14,714	-	382	213	14,883
Other machinery and equipment	10,907	-	2,841	93	13,655
	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	51,883	-	5,079	1,142	55,820

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,105	-	15,528	-	16,633
Curr Year Adjustments to Prior Year balances	-	-	-	32	-	32
Additions	-	4	-	652	-	656
Disposals	-	-	-	333	-	333
TOTAL MINOR ASSETS	-	1,109	-	15,879	-	16,988

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	5	-	310	-	315
Number of minor assets at cost	-	1,031	-	12,743	-	13,774
TOTAL NUMBER OF MINOR ASSETS	-	1,036	-	13,053	-	14,089

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets		5	-	76	-	81
Number of minor assets at cost		1,030	-	12,636	-	13666
TOTAL NUMBER OF MINOR ASSETS		1,035	-	12,712	-	13,747

28.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	333	-	333
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	333	-	333

Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
R'000	R'000	R'000	R'000	R'000	R'000
-	-	-	315	-	315
-	-	-	315	-	315

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	3,611	-	697	-	4,308
TOTAL INTANGIBLE CAPITAL ASSETS	3,611	-	697	-	4,308

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

29.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014					
	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	697	-	-	-	697
MASTHEADS AND PUBLISHING TITLES					
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	697	-	-	-	697

29.2 Movement for 2012/13

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014					
	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	3,581	-	30	-	3,611
TOTAL INTANGIBLE CAPITAL ASSETS	3,581	-	30	-	3,611

30. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014					
	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	137,524	137,524	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	137,524	137,524	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	137,524	137,524	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

30.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	108,589	46,874	(17,939)	-	137,524
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	108,589	46,874	(17,939)	-	137,524
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	108,589	46,874	(17,939)	-	137,524

An amount of R750 106. 83 was understated on the prior year closing balance.

30.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	137,524	137,524	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	137,524	137,524	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	137,524	137,524	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

30.3 Movement for 2012/13

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014					
	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	254,638	254,638	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	254,638	254,638	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	254,638	254,638	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE ANNUAL FINANCIAL STATEMENT
for the year ended 31 March 2014

31. Transfer of functions

Some assets received from Department of Water Affairs(DWA) were fair valued in January 2014. The asset valuation is R 212,783. These assets had not yet been captured into the department's asset register.

Asset transferred to Defence with the amount of R476, 953, 61 were not acknowledged pending the signature of the Accounting Officer at Defence (PFMA Section 42 paragraph 2). These assets are still appearing on the Asset Register of the Department. They were not removed from Asset Register as the transfer process has not being finalised.

32. STATEMENT OF CONDITIONAL HUMAN SETTLEMENTS DEVELOPMENT GRANT(HSDG) PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION			TRANSFER			SPENT			2012/13	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department		% of available funds spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		%
Eastern Cape	2,523,803	-	-	2,523,803	2,523,803	-	-	2,523,803	2,523,802	100%	2,292,859
Free State	1,120,936	-	-	1,120,936	1,350,936	-	230,000	1,350,936	1,350,936	100%	961,619
Gauteng	4,108,399	-	-	4,108,399	4,108,399	-	-	4,108,399	4,095,445	100%	4,003,776
Kwazulu-Natal	3,235,428	-	40,156	3,275,584	3,332,584	-	57,000	3,332,584	3,333,988	44%	2,915,297
Limpopo	1,324,742	-	1,368	1,326,110	682,110	644,000	-	682,110	303,449	44%	1,471,617
Mpumalanga	1,124,332	-	1,764	1,126,096	1,126,096	-	-	1,126,096	1,013,077	90%	965,127
Northern Cape	395,724	-	-	395,724	603,624	-	207,900	603,624	577,450	90%	339,551
North West	1,224,537	-	-	1,224,537	1,341,537	-	117,000	1,341,537	1,341,523	90%	1,050,933
Western Cape	1,925,971	-	1,166	1,927,137	1,959,237	-	32,100	1,959,237	1,959,237	90%	1,725,180
	16,983,872	-	44,454	17,028,326	17,028,326	644,000	644,000	17,028,326	16,498,907		15,725,959

10(a)(iii)&10(b) The total amount of R17,028,326 allocated to provinces including the adjustment of R44,454 (b) an amounts of R 644,000,00 was stopped from Limpopo Province (c) R644,000 was reallocated to Free State, KZN, Northern Cape, North West and Western Cape. (d) Funds were transferred into the primary bank account of the provincial departments.(e) The Human Settlements Development Grant(HSDG) was not utilised for other administrative purposes except in terms of Operational Capital Budget (OPSCAP) programme ,which allows the provinces to utilize a certain percentage maximum of 5% of the voted fund allocation (grant) to support the national and provincial housing programmes and priorities.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

VOTE 31

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2014

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2012/13 Division of Revenue Act R'000
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000		
Buffalo City	613,305	176,875	-	790,180	613,305	-	-	613,305	409,323	67%	499,474		
Nelson Mandela Bay	727,986	-	-	727,986	727,986	-	-	727,986	341,504	47%	592,870		
Mangaung	596,719	129,450	-	726,169	596,719	-	-	596,719	333,054	56%	485,967		
Ekurhuleni	1,584,912	69,509	-	1,654,421	1,584,912	-	-	1,584,912	906,707	57%	1,212,537		
City of Johannesburg	1,488,877	70,347	-	1,559,224	1,488,877	-	-	1,488,877	607,204	41%	1,290,748		
City of Tshwane	1,290,611	-	-	1,290,611	1,290,611	-	-	1,290,611	791,087	61%	1,051,070		
eThekweni	1,580,999	-	-	1,580,999	1,580,999	-	-	1,580,999	1,007,292	64%	1,287,560		
City of Cape Town	1,193,497	66,276	-	1,259,773	1,193,497	-	-	1,193,497	486,797	41%	971,980		
	9,076,906	512,457	-	9,589,363	9,076,906	-	-	9,076,906	4,882,968		7,392,206		

14(1)(a) The total amount of R 9,076,906 was transferred to Municipalities. (b) As at 31 March 2014 an amount of R 4,925,046 has been spent by Municipalities. (c) An amount of R 512,457 was rolled over from the 2012/13 financial year. (d) No amounts were re-allocated. (e) All funds were transferred into the primary bank account of the Municipalities or, where applicable, into the CPD account.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 1B
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT			2012/13
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000	R'000	
Amathole	8,500	-	-	8,500	8,500	-	-	-	-	-	-	
Chris Hani	4,511	-	-	4,511	4,511	-	-	-	-	-	-	
Joe Gqabi	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
O.R Tambo	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Alfred Nzo	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Maluti-A Phofung	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Ugu	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Uthukela	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Umninyathi	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Amajuba	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Zululand	4,500	-	-	4,500	4,500	-	-	-	-	-	-	
Umkhanyakude	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
uMhlatuze	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
uThungulu	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
iLembe	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Sisonke	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Mopani	8,500	-	-	8,500	8,500	-	-	-	-	-	-	
Vhembe	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Capricorn	4,000	-	-	4,000	4,000	-	-	-	-	-	-	
Sekhukhune	4,000	-	-	4,000	4,000	-	-	-	-	-	-	

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

Nkomazi	4,500	-	4,500	4,500	-	-
Ga Segonyane	4,210	-	4,210	4,210	-	-
Ngaka Modiri Molema	4,000	-	4,000	4,000	-	-
Dr Ruth Segomotsi Mompoti	4,000	-	4,000	4,000	100%	-
	106,721	-	106,721	106,721	-	-

14(1) (a) The Rural Household Infrastructure Grant (RHIG) was first introduced in 2013/14 financial year as a direct grant from national department to provide specific funding for the reduction of rural sanitation backlogs and to target existing households where bulk-dependent services are not available. The Rural Household Infrastructure Grant was allocated a total of R106 721 in the 2013/2014 financial year and the allocation was transferred fully to municipalities. The RHIG was incorrectly gazetted to municipalities that were not Water Services Authorities (WSA); this resulted in a regazetting of the RHIG to WSA. The regazetting was published in December 2013. (b) No amounts were withheld. (c) No amounts were reallocated. (d) Funds were transferred into the primary bank accounts of the municipalities. e) According to the reports received form municipalities no funds were utilized for administration purposes.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 1C
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION					TRANSFER		2012/13
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Housing Development Agency	97,497	-	-	97,497	97,497	100%	92,336	
NURCHA	100,000	-	-	100,000	100,000	100%	120,000	
Social Housing Regulatory Authority	936,254	-	-	936,254	650,151	69%	668,497	
Rural Housing Loan Fund	-	-	-	-	-	-	31,975	
Community Schemes Ombuds Service	17,000	-	-	17,000	17,000	100%	-	
	1,150,751	-	-	1,150,751	864,648		912,808	

**NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014**

**ANNEXURE 1D
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION					TRANSFER			2012/13	
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	R'000	R'000	Appro- priation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%			
Nelson Mandela Metropolitan University	3,949	-	-	3,949	3,949	-	-	3,949	3,090	3,090
	3,949	-	-	3,949	3,949	-	-	3,949	3,090	3,090

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 1E
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2012/13	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000	Current R'000		Appropriation Act R'000
Public Corporations										
Transfers										
Sappi Conference										400
Total										400
TOTAL										400

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
 VOTE 31
 ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year ended 31 March 2014

**ANNEXURE 1F
 STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION					EXPENDITURE		2013 Appropriation Act R'000
	Adjusted Appropriation Act	Roll overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred		
	R'000	R'000	R'000	R'000	R'000	%		
Transfers								
United Nation Membership Fees	1,100	-	-	1,100	1,075	98%	1,279	
	1,100	-	-	1,100	1,075		1,279	
Subsidies								
Total	1,100	-	-	1,100	1,075		1,279	

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

**ANNEXURE 1H
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE			2012/13
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers								
Leave Gratuity	393	-	-	393	289	74%	249	
Bursaries (Non-Employee)	4,220	-	-	4,220	4,553	108%	13,820	
	4,613	-	-	4,613	4,842		14,069	
Subsidies								
Total	4,613	-	-	4,613	4,842		14,069	

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
	Subtotal								
	Housing								
	Housing	52	52	-	20	-	32	-	-
	Housing	11	11	-	-	-	11	-	-
	Housing	6	6	-	-	-	6	-	-
	Housing	16	16	-	-	-	16	-	-
	Subtotal	85	85	-	20	-	65	-	-
	Other								
	Subtotal								
	TOTAL	85	85	-	20	-	65	-	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liability	Opening Balance 1 April 2013 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2014 R'000
Claims against the department	425				425
EJ Seeqela v Minister of Human Settlements		75	-		75
Pasco Risk Management v EAAB & 3 Others		490			490
Subtotal	425	565	-	-	990
Other					
Accommodation charges for a building at 260 Justice Mohammed street in respect of which the Department has not taken occupancy. The Department has not taken occupancy. Invoices were received but could not be paid for as they are considered to be under dispute.	22,413		-		-
Subtotal	22,413				
TOTAL	22,838		565		990

Legend:
N1

There were no payments made for a Building at 260 Justice Mohamed Street, because the building was not properly handed over to the department by the owner, and the department did not occupy the building. The Department of Public Works was informed of the dispute as they were charging the department for building 240 and 260. The credit note of 24,887,000 was issued to cancel the contingent liability of the department.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Arts and Culture	-	21	-	-	-	21
Department of Water Affairs	-	-	-	43	-	43
Department of Justice	-	-	-	11	-	11
South African Police Services	-	-	9	8	9	8
Gauteng Department of Health	-	-	60	-	60	-
Department of Public Works	-	-	26	-	26	-
Department of Basic Education	-	-	49	-	49	53
Department of Correctional services	-	-	-	53	-	41
Department of Trade and Industry	-	-	-	41	-	-
	-	21	144	156	144	177
TOTAL	-	21	144	156	144	177

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
South African Police Services	-	-	-	8	-	8
Subtotal	-	-	-	8	-	8
Total	-	-	-	8	-	8
Total	-	-	-	8	-	8

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 6
INVENTORY

Inventory	Note	Quantity	2013/14	Quantity	2012/13
			R'000		R'000
Opening balance		35,236	168	26,480	135
Add: Additions/Purchases - Cash		140,525	10,607	99,541	247,436
Add: Additions - Non-cash		39,345	-	10,430	-
(Less): Issues		(99,684)	(5,283)	(101,215)	(247,413)
Add/(Less) Weighted Average Price Variance		-	2,105	-	8
Closing balance		115,422	7,597	35,236	166

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 7A
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2014				
	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	43,682	112,697	137,524	18,855
Dwellings				
Non-residential buildings				
Other fixed structures	43,682	112,697	137,524	18,855
TOTAL	43,682	112,697	137,524	18,855

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2014

ANNEXURE 8A
INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
GCIS	-	15,005	761	-	761	15,005
DIRCO	-	23	8,177	-	8,177	23
Subtotal	-	15,028	8,938	-	8,938	15,028
Total	-	15,028	8,938	-	8,938	15,028

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2014

POSITION	Notes	31 March 2014	31 March 2013
		R'000	R'000
ASSETS			
Current Assets		32,585	32,585
Trade and other receivables	2	-	-
Cash and Cash Equivalents	5	32,585	32,585
TOTAL ASSETS		32,585	32,585
EQUITY AND LIABILITIES			
Capital and Reserves		31,958	31,958
Treasury Reserves			
Non Distributable Reserves			
Accumulated profits/(Losses)		31,958	31,958
Current Liabilities		627	627
Trade and other payables	3	627	627
TOTAL EQUITY AND LIABILITIES		32,585	32,585

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
CASH FLOW STATEMENT
for the year ended 31 March 2014

CASH FLOW	Note	31 March 2014	31 March 2013
		R'000	R'000
CASH FLOWS FROM FINANCE ACTIVITIES:			
(Increase)/Decrease in financial instruments		-	-
Net cash inflow/(outflow) from investing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		32 585	32 585
Cash and cash equivalents at end of period	5	32 585	32 585

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2014

1. General review of the state of financial affairs

The change in focus in housing delivery to quality housing and a shift to alternative forms of housing tenure have formed the background against which sustainable housing delivery was achieved. As reported in 2003/2004, changes in the financial management legislative environment precipitated a need to review the funds flow mechanisms to provinces. In this regard, MINMEC approved that the process for the disestablishment of the fund be commenced with and draft legislation is in the process of being approved to give effect to that decision. The delisting of the South African Housing Fund was approved with effect from 18 November 2003. The department has commenced a process of developing a green paper. This process will culminate into a Human Settlement Act which will repeal the current Housing Act.

2. Accounting Authority's emoluments

In terms of section 11(5)(a) of the Housing Act (Act No 107 of 1997) the Director-General: Human Settlements is the accounting officer of the South African Housing Fund.

No emoluments were paid to the accounting authority from the funds of the South African Housing Fund since the accounting officer is being remunerated by the Department of Human Settlements (previously Department of Housing).

3. Auditors

In terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1998) read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 11(8) of the Housing Act, 1997 (Act No. 107 of 1997) the Auditor-General has the responsibility to audit the books and statements of account and balance sheet of the South African Housing Fund. The Office of the Auditor-General will continue to perform the statutory audit of the South African Housing Fund.

4. Approval of financial statements

The Annual financial statements for the South African Housing Fund were approved by the accounting officer.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2014

The principle accounting policies adopted in the preparation of these financial statements are set out below.

BASIS OF PREPARATION

The financial statements are prepared on the liquidation basis as set out below. Since the entity no longer conduct its function in terms of the National Housing Act and is waiting to be disestablished and the Housing Act to be amended.

1.1 Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables and creditors.

Measurement

Financial instruments are initially measured at cost. Subsequent to initial recognition these instruments are measured as set out below.

Trade and other receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are measured at cost.

Financial liabilities

Financial liabilities are recognised at cost.

1.2 Administration Costs

All administration costs are borne by Department of Human Settlements.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

NO.		31 March 2014	31 March 2013
		R'000	R'000
2.	TRADE AND OTHER RECEIVABLES		
	Debtors	421	421
	Less: Provision for bad debt	(421)	(421)
		<u> </u>	<u> </u>
		-	-
3.	TRADE AND OTHER PAYABLES		
	Post office account	627	627
		<u> </u>	<u> </u>
		627	627
4.	Disestablishment of the S A Housing Fund		

At the meeting of the MINMEC Committee of 15 August 2003, MINMEC approved the disestablishment of the South African Housing Fund and the Provincial Housing Development funds established in terms of various provincial Housing Acts. A draft Bill has been submitted to the Office of the State Law Adviser and to the National Treasury for consideration and input. The department is also considering repealing the Housing Act and developing a new Human Settlements Act in light of the department's new mandate. The delisting of the South African Housing Fund was approved with effect from 18 November 2003.

	31 March 2014	31 March 2013
	R'000	R'000

NOTES TO THE CASH FLOW STATEMENT

5. Cash and cash equivalents		
Cash on hand	25,229	25,229
Cash with CPD	7,356	7,356
	<u> </u>	<u> </u>
	32,585	32,585