



ANNUAL REPORT | 2014/15



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

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 2014 to 31 March 2015.

A handwritten signature in dark ink, appearing to read 'N Tshangana', with a stylized flourish at the end.

Mr N Tshangana
Acting Director-General
Date: 31 August 2015



“The Department of Human Settlements is committed to Building partnerships for accelerated human settlements delivery and to work towards the delivery of 1,5 million housing opportunities by 2019”

DEPARTMENT OF HUMAN SETTLEMENTS

Vote 31, Annual Report for the year ended 31 March 2015

RP236/2015

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PART A | GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS / ACRONYMS

ADEC	African Development Economic Consultants	MHSCG	Municipal Human Settlements Capacity Grant
AFS	Annual Financial Statements	MIG	Municipal Infrastructure Grant
BAS	Basic Accounting System	MinMEC	Minister and Members of Executive Council
BASA	Banking Association of South Africa	MoA	Memorandum of Agreement
BCMM	Buffalo City Metropolitan Municipality	MoU	Memorandum of Understanding
BEP	Bucket Eradication Programme	MTEC	Medium Term Expenditure Committee
BEPP	Built Environment Performance Plan	MTEF	Medium Term Expenditure Framework
BNG	Breaking New Grounds	MTSF	Medium Term Strategic Framework
CFO	Chief Financial Officer	NARS	National Archives and Records Service
CRU	Community Residential Units	NEDLAC	National Economic Development and Labour Council
DANIDA	Danish International Development Agency	NGOs	Non-Governmental Organisation
DFIs	Development Financial Institutions	NHFC	National Housing Finance Corporation
DoD	Department of Defence	NIC	Numsa Investment Company
DoRA	Division of Revenue Act	NT	National Treasury
DPME	Department of Performance Monitoring and Evaluation	NUMSA	National Union of Metalworkers of South Africa
EAH	Employer Assisted Housing	NURCHA	National Urban Reconstruction Housing Agency
ENE	Estimates of National Expenditure	NUSP	National Upgrading Support Programme
FEDUP	Federation of the Urban Poor	ODA	Official Development Assistance
FLISP	Finance Linked Individual Subsidy Programme	OHS	Occupational Health and Safety
FSB	Financial Service Board	PAIA	Promotion of Access to Information Act
GEHS	Government Employees Housing Scheme	PFMA	Public Finance Management Act
HLAMDA	Home Loans and Mortgage Disclosure Act	PHP	People's Housing Projects
HSDG	Human Settlements Development Grant	PWC	Price Waterhouse Coopers
IDP	Integrated Development Plans	RDP	Reconstruction and Development Programme
IP	Implementation Protocol	RHLF	Rural Housing Loan Fund
IRDP	Integrated Residential Development Programme	PPPFA	Preferential Procurement Policy Framework Act
ISUP	Informal Settlements Upgrading Programme	RHIG	Rural Households Infrastructure Grant
LOGIS	Logistical Information System	SCM	Supply Chain Management
MDI	Mortgage Default Insurance	SWH	Solar Water Heaters
MDIC	Mortgage Default Insurance Company	SIP	Strategic Integrated Projects
MBSA	Mercedes Benz South Africa	USDG	Urban Settlements Development Grant
MFMA	Municipal Finance Management Act		

3. FOREWORD BY THE MINISTER

The Annual Report of the Department of Human Settlements is an important mechanism for accountability. It enables us to make an assessment of the health and performance of the Department. Most importantly, the Report makes visible any shortcomings that may need Executive oversight and Minister's intervention in the fulfilment of the Department's mandate.

The Department derives its mandate from the Constitution, the Housing Act of 1994 and subsequent legislative measures, the National Development Plan and the electoral mandate. The NDP is premised on the Comprehensive Housing Plan for Integrated, Sustainable Human Settlements, approved by Cabinet in 2004 and otherwise known as the BNG, whose main thrust was the creation of decent settlements, while making sure these are integrated settlements to reverse apartheid spatial planning. To deal with this urgent policy vacuum that has existed for the past few years, we have put together a White Paper based on the BNG, as augmented and amended by the NDP, and we will submit this for public comment and finally create legislation on the concept of integrated human settlements. We will crystallise the definition of indigency and the basis for qualifying for a free government house.

In pursuance of the above, we have set ourselves the target of providing 1.5 million housing opportunities. Our approach is to comprehensively respond to different human settlement challenges of our communities. These range from the provision of free housing for the indigent, subsidised housing for various categories of citizens based on income, provision of serviced sites, social and economic infrastructure and improving the working of space economy.

The Department has in the last year reviewed and evaluated human settlements instruments and approaches to improve targeting and has combined its



*LN Sisulu, MP
Minister of Human Settlements*

programmes to catalyse spatial, social and economic transformation and integration of settlements. With regard to doing things different and to reversing the apartheid spatial arrangements, a total number of 160 proposals of potential catalytic projects have been received from provinces. This is by any stretch of imagination a ringing endorsement of our commitment to confront apartheid spatial patterns. It is about reducing the cost of living among the poor while simultaneously reducing the cost of doing business in the country.

Through its National Upgrading Support Programme, the Department has completed the assessment of 816 informal settlements representing 62 municipalities. Of these, 503 detailed settlement plans are at various stages of completion.

By 31 March 2015, a total number of 120 327 housing opportunities (houses, flats, community residential units/ hostels, Finance Link Individual Subsidy Programme and mortgage loans from entities) were delivered in the subsidy and affordable housing segments. This represents 80.8% of the annual target of 149 000 houses. In addition, 74 017 serviced sites were delivered for households in informal settlements.

The Department has also embarked on promoting and supporting a functional and equitable residential property market. To this end, a business case for the consolidation of the Development Finance Institutions (DFIs) has been revised to reflect the implications of the inclusion of NURCHA. We have registered a challenge in this space. As at 31 March 2015, the Human Settlements DFIs have issued 62 952 loans. This represents 54.1% of the annual target of 116 448 loans. We are exploring ways in which we can improve performance in this regard.

We also promised to address security of tenure by responding to the backlog in the provision of title deeds. For the period 1 April to 31 March 2015, a total number of 59 029 title deeds were issued comprising 32 750 for new developments and 26 279 for pre- and post-1994 properties.

We have responded to the President's clarion call regarding the challenge of revitalising mining communities. In terms of the mining towns, a total amount of R1.04 billion has been allocated in terms of the Human Settlements Development Grant. The quantum is divided among the provinces as follows: Free State: R75.337 million; Gauteng: R162.862 million; Limpopo: R155.176; Mpumalanga: R114.604 million; Northern Cape: R50.040 million; and North West: R482.681 million. The Mining Charter, which arguably constitutes a memorandum of understanding, is currently being revised and is on the verge of being completed.

We are in the process of establishing Youth Brigades to mitigate youth unemployment and create opportunities for the future generation to participate in the creation of sustainable settlements – “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

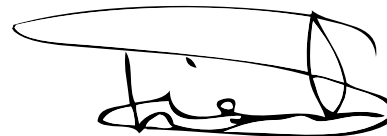
To synchronise planning, multi-year human settlements development plans are aligned with other spheres of government to increase coordination and collaboration in programme delivery. The annual provincial business plans for 2015/16 were conditionally approved. Discussions were held with individual provinces and the revised plans were submitted and are currently being assessed. Multi-year targets for provinces are still to be approved.

To foster common understanding and expectations between different spheres, Delivery Agreements have been prepared between the Minister of Human Settlements and relevant sector departments, MECs of the nine provinces and the CEOs of the various Human Settlements entities.

We have reviewed the structure of the Department to improve on our capacity to deliver basic services and infrastructure and to improve the efficiency of delivery. The shrinking fiscal environment and worldwide economic instability, and the inter-connectedness of the international financial system, emphasise the imperative to do more with less – to “work smarter” as it were.

Communications and outreach programmes are part of our frontline services to ensure that the correct messages reach our people, further or in addition in order to reduce social distance. I have appointed a National Rapid Response Task Team that will help us communicate with our communities before implementing any policies, so that they understand the benefits, who would qualify and who would not, etc. This, we believe, will lessen the tension that always arises when there is a development. This Task Team will also assist us to understand where there is a problem and allow us to rapidly respond to problems as they arise.

We have taken, and will continue to take all the necessary steps to ensure that the promise envisaged in the Freedom Charter: *There shall be Houses, Security and Comfort*, becomes a reality. In this regard, government cannot do it alone. It is precisely for this reason that we have entered into a stakeholder compact to ensure that all sectors work towards the same goal and play their respective roles.



LN Sisulu, MP
Minister of Human Settlements

4. REPORT OF THE ACCOUNTING OFFICER



T Zulu

Director-General:

Department of Human Settlements

The operational and financial year 2014/15 brought with it a refocus of the comprehensive plan on Integrated Sustainable Human Settlements in South Africa. It saw the streamlined Human Settlements, planning and performance environment. This provides a firm foundation upon which the 2015/16 financial year would perform and deliver on the National Development Plan (NDP) and the Medium Term Strategic Framework.

Provinces 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 discharged their responsibilities to change the Human Settlements

space. However, during the year, a need for enhanced intervention and support to provinces and metros to unlock delivery became apparent. Initial efforts were made to support the Limpopo province and the Eastern Cape, while the Free State and the Eastern Cape indicated the need for a sustained intervention to clear the systemic blockages.

The transfer of the Sanitation function to the Department of Water Affairs brought with it a much-needed qualitative refocus of the Department of Human Settlements with key areas of collaboration and a coordinated funding mechanism. Additional efforts were made to strengthen the Housing Finance environment and the provision of Housing products for the middle class and civil servants who were historically marginalised and could not afford housing finance. Through entities reporting to the Department, access to housing finance was facilitated, thus bridging the rural urban dichotomy in the Human Settlement environment with the Rural Housing Loan Fund increasing its reach and access to those who need its services the most. In an environment of growth on in-migration, economic activities have reaffirmed the role and need of the Rural Housing Loan Fund as a complementary funding mechanism in the rural communities.

The human settlements sector has made tremendous strides and progress towards the implementation of the Human Settlements Strategy 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 2014/15 financial year. Efforts were made to ensure that households in the affordable sector increased their ability to access adequate housing.

Save for marked challenges with the Nelson Mandela Bay Metropolitan Municipality and plans for intervention, metros indicated an increased focus on access to shelter through informal settlements upgrading and the provision of serviced sites.

In the short period, a firm foundation has been laid for the provision of human settlements, the eradication of informal settlements, promotion of access to housing finance and the provision of title deeds to those that were historically disadvantaged and marginalised. The Military Veterans Programme has gained momentum with initial projects targeting veterans in North West, Free State and Gauteng.

Efforts for increasing business opportunities to women, the youth and persons with a disability have seen the registration of female and youth companies in the Human Settlements value chain. This has added value to the economy and accounts for an uptake of youth and women as contractors and developers. This report accounts for the performance as corroborated by presentations made to the Human Settlements Portfolio Committee. I thus invite you to reflect on this, our performance for the year under review.

Overview of the financial results of the Department

■ Departmental receipts

The Department does not render any direct services to the public. Its receipts are as a result of administrative activities such as commission earned on the payroll withholdings, staff members' car parking, telephone usage refunds, etc. Therefore, no tariff policy was applicable and no free services were 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 R19,000 were written off. The following table presents a summary of the departmental receipts for the year under review:

Table 1: Summary of receipts

Departmental receipts	2014/15			2013/14		
	Estimate amount	Actual amount collected	(Over)/under-collection	Estimate amount	Actual amount collected	(Over)/under-collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax receipts	-	-	-	-	-	-
- Casino taxes	-	-	-	-	-	-
- Horse racing taxes	-	-	-	-	-	-
- Liquor licences	-	-	-	-	-	-
- Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	211	204	7	188	193	(5)
Transfers received			-			-
Fines, penalties and forfeits			-			-
Interest, dividends and rent on land	430	286	144	36	63	(27)
Sale of capital assets			-			-
Transactions in financial assets and liabilities	500	524	(24)	6 360	507	5 853
Total	1 141	1 014	127	6 584	763	5 821

Interest received is higher than the previous year due to interest incurred on the positive bank balance. The bank balance increased as a result of departmental public entities returning funds because the retention of surpluses was not approved. Financial transactions relate mainly to prior-year expenditure recoveries, which make projections very difficult.

■ Programme expenditure

Table 2: Departmental expenditure by programme

Programme name	2014/15			2013/14		
	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	454 961	447 680	7 281	401 673	297 799	103 874
2. Human Settlements Policy, Strategy and Planning	80 079	78 703	1 376	86 245	73 326	12 919
3. Programme Delivery Support	168 974	119 112	49 862	247 130	125 712	121 418
4. Housing Development Finance	28 713 591	28 712 737	854	27 520 408	27 206 151	314 258
Total	29 417 605	29 358 232	59 373	28 255 456	27 702 988	552 468

Overall, the Department's total expenditure for the period ending 31 March 2015 was R29.4 billion, representing almost 100% of the allocated funds. The underspending of R59 million translates to 0.2% of the total allocation.

Programme 1: Administration

The Programme underspent by 2% or R7.2 million. The underspending is due to a delay in delivery of furniture for new office accommodation. In addition, the Department of Public Works underbilled the Department and also delivered invoices late.

Programme 2: Human Settlements Policy, Strategy and Planning

The Programme underspent by 2% or R1.3 million. The underspending is due to a delay in the delivery of furniture for new office accommodation. Non-filling of vacancies due to funding reductions in the next financial year also contributed to the underspending.

Programme 3: Programme Delivery Support

The Programme underspent by 30% or R49.8 million.

Underspending can be attributed to the following:

- Non-filling of vacancies due to funding reduction in the next financial year.
- Underspending in the National Upgrading Support Programme (NUSP), which constitutes the biggest single allocation within the Goods and Services allocation. This underspending is as a result of the following:
 - Delays in the signing of several SLAs.
 - Delays in the completion of some projects because some municipalities failed to start their projects on time.
 - The development of the Capacity Building Programme content was delayed due to the extension of the pilot by Ekurhuleni Metro.
 - Lack of sufficient human resources to manage the NUSP effectively.

Programme 4: Housing Development Finance

The underspending is due to a delay in delivery of furniture for new office accommodation.

Virements and rollovers

No rollovers or additional funding were approved for the Department in 2014/15.

Virements during the Adjustment Estimate

From	To	Amount	Reason
<ul style="list-style-type: none"> ■ Programme 1: Administration ■ Programme 2: Human Settlements Policy, Strategy and Planning ■ Programme 3: Programme Delivery Support ■ Programme 4: Housing Development Finance 	Programme 1: Administration (Goods and Services)	R15.4 million	Was allocated to Ministry for media campaigns and compensation of employees for the additional staff within Ministry
Programme 2: Human Settlements Policy, Strategy and Planning	Programme 1: Administration (Goods and Services)	R2 million	Corporate Services was allocated additional funding to fund the UN Habitat conference
Programme 1: Administration (Goods and Services)	Programme 1: Administration (Transfers and Subsidies)	R1.1 million	Public Services Sector Education & Training Authority (PSETA) – funding for the transfer of skills levies contribution to Public Service SETA was reallocated from the training budget
Programme 2: Human Settlements Policy, Strategy and Planning (Goods and Services)	Programme 2: Human Settlements Policy, Strategy and Planning (Transfers and Subsidies)	R4 million	Council for Scientific and Industrial Research (CSIR) – was allocated funds to do an Industrial Research for Review of Guidelines for Human Settlement Planning and Design (Red Book)
Programme 2: Human Settlements Policy, Strategy and Planning	Programme 2: Human Settlements Policy, Strategy and Planning	R4.1 million	Funds were allocated to fund the compilation of the Green Paper
Programme 3: Programme Delivery Support	Programme 3: Programme Delivery Support	R593 000	Funds shortage in the allocation of the chair within the Nelson Mandela University
Programme 3: Programme Delivery Support (Compensation of employees)	Programme 3: Programme Delivery Support (Transfers and Subsidies)	R4.5 million	Savings on compensation of employees used to fund shortages in the Scholarship programme
Programme 3: Programme Delivery Support	Programme 4: Housing Development Finance	R20 million	Housing Development Agency (HDA) reallocation from the National Upgrading Support Programme (NUSP) to HDA to assist with the roll-out of NUSP in mining towns

Virements after adjustment budget

The following virements were done after the adjustment estimate process:

From	To	Amount	Reason
<ul style="list-style-type: none"> ■ Programme 1: Administration ■ Programme 2: Human Settlements Policy, Strategy and Planning ■ Programme 3: Programme Delivery Support ■ Programme 4: Housing Development Finance 	Programme 1: Administration (Transfer and Subsidies)	R20 million	Funding of out-of-court settlement
Programme 2: Human Settlements Policy, Strategy and Planning (Goods and Services)	Programme 2: Human Settlements Policy, Strategy and Planning (Transfer and Subsidies)	R271 000	United Nations Habitat membership fees to fund shortage in the allocation due to the deteriorating of the rand exchange rate
Programme 4: Housing Development Finance (Goods and Services)	Programme 4: Housing Development Finance (Transfer and Subsidies)	R860 000	To fund operational expenditure of SERVCON from savings to fund operational expenditure
Programme 3: Programme Delivery Support	Programme 4: Housing Development Finance	R4 million	Funding of outstanding stipends payable on youth build hosted by the Department in the Eastern Cape Province and the NHBRC

Transfer of function

The Sanitation function was transferred to the Department of Water and Sanitation in terms of Presidential Proclamation No. 37839 dated 15 July 2014. The function carried with it two grants, namely the Rural Households Infrastructure Grant (Direct), Rural Households Infrastructure Grant (Indirect) and the Human Settlements Development Grant (Indirect Grant for Bucket Eradication). A total amount of R1.1 billion was shifted from the Department's vote to the Water and Sanitation vote. This portion of the Department's vote consisted of the following:

- R91.4 million for the function's operational expenditure;
- R47.6 million for the Rural Households Infrastructure Grant (Direct);
- R65.5 million for the Rural Households Infrastructure Grant (Indirect); and
- R899.1 million for the Human Settlements Development Grant (Indirect Grant for Bucket Eradication).

■ Future Plans

The Department plans to consolidate all the three Human Settlements Development Finance Institutions to form one consolidated institution. These are the National Urban Reconstruction and Housing Agency, the National Housing Finance Corporation, and the Rural Housing Loan Fund.

Work has started in developing a White Paper, which will culminate into a new Human Settlements Act to replace the current Housing Act.

Training programmes in the Human Settlements sector are going to be aimed at the youth and 60% of the workforce on megaprojects will be made up of the youth.

As the Human Settlements sector continues upgrading informal settlements, backyard dwellers will also be prioritised.

It is envisaged that delivery of houses will, during this term of government, be done mainly through megaprojects. In each of these megaprojects it is hoped to also encompass the construction of government offices. This will not only bring down the exorbitant costs of rental, but will also make government accessible to the people.

Use of alternative building materials will be more closely encouraged to see if these cannot be drawn into our environment to contain costs and allow us to draw our budget to cover more.

We would like to gradually abolish hostels in our towns, and hostel dwellers who have lived in our towns for a number of years would qualify for a Breaking New Grounds (BNG) house or the Community Residential Units (CRU) subsidy, depending on their specific circumstances.

We will be embarking on a process in partnership with the various metros to revitalise the inner cities.

We will review the tender system as it is currently formulated so as to ensure that we have a procurement system that is not susceptible to abuse, corruption and manipulation.

■ Private Public Partnerships

There were no Private Public Partnerships during the year under review.

■ Discontinued activities

No discontinued activities during the 2014 financial year.

■ New or proposed activities

There were no new or proposed activities.

■ Supply Chain Management

The Department has in place a Supply Chain Management Directorate. Approved policies and procedures are in place and are reviewed periodically. 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**

There were no gifts or donations received from non-related parties.

■ **Exceptions and deviations received from National Treasury**

No exemptions and deviations were received from National Treasury for the period under review.

■ **Events after the reporting period**

There were no events to report after the reporting date.



T Zulu
Accounting Officer
Department of Human Settlements
Date: 29 May 2015

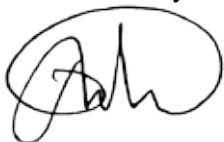
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

I, Mr T Zulu, Accounting Officer at the National Department of Human Settlements, hereby declare that, to the best of my knowledge and belief, I confirm the following:

- That all information and amounts disclosed throughout this annual report are consistent.
- That the annual report is complete, accurate and free from any omissions.
- That the annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- That 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.
- That I am responsible for the preparation of the annual financial statements and for the judgements made in this information.
- That I am responsible for establishing and implementing a system of internal controls 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.
- That the external auditors were 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 2015.

Yours faithfully



T Zulu
Accounting Officer
Department of Human Settlements
Date: 29 May 2015

6. STRATEGIC OVERVIEW

6.1 Vision

A nation housed in sustainable human settlements

6.2 Mission

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

6.3 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

7. 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

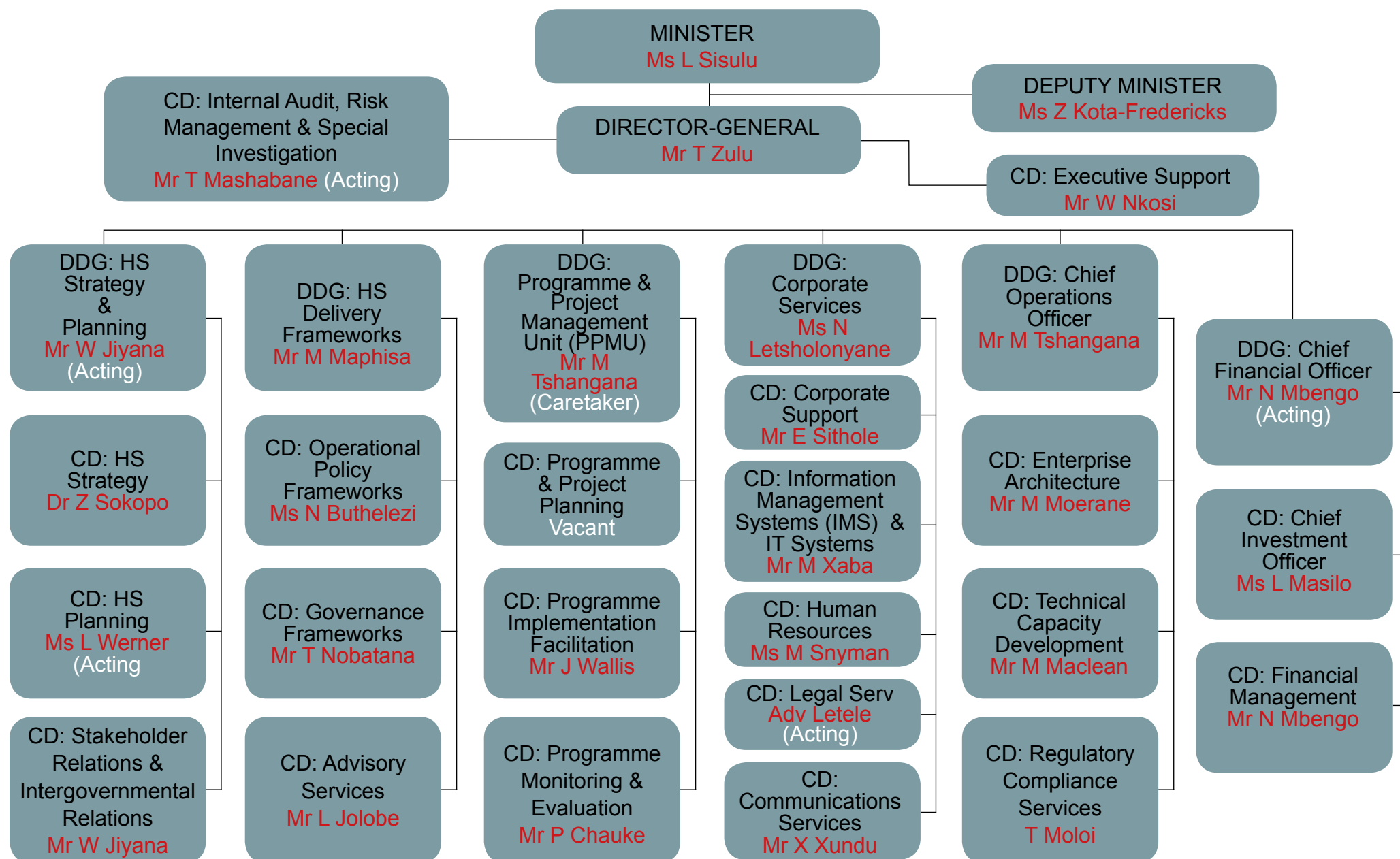
Following a Presidential Proclamation, the Department took over the administration of the Estate Agency Affairs Act, 1976 from the Department of Trade and Industry during May 2012. The principal objects of the Act are to:

- Establish the Estate Agency Affairs Board (EAAB) 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 (section 26 of the Constitution)
- Housing Act, 1997 (Act No. 107 of 1997)
- White Paper: A New Housing Policy and Strategy for South Africa
- Comprehensive Plan for the Creation of Sustainable Human Settlements (BNG)
- Housing Consumer Protection Measures Act, 1998 (Act No. 19 of 1998)
- Housing Development Agency Act, 2008 (Act No. 23 of 2008)
- Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended by Act No. 29)
- Social Housing Act, 2008 (Act No. 16 of 2008)
- Division of Revenue Act, 2011 (Act No. 6 of 2011)
- Rental Housing Act, 1999 (Act No. 50 of 1999)
- Home Loan and Mortgage Disclosure Act, 2000 (Act No. 63 of 2000)
- Inclusionary Housing Bill
- Sectional Titles Scheme Management Bill
- Community Scheme Ombud Service Bill
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)
- National Development Plan

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MINISTER

Name of entity	Legislative mandate	Financial relationship	Nature of operations
The Estate Agency Affairs Board (EAAB)	Regulate and control certain activities of estate agents in the public interest	Empowered to raise funds from the public in terms of enabling legislation	Regulator
Community Schemes Ombud Services (CSOS)	Mandated to provide a dispute resolution service for community schemes, provide training for conciliators, adjudicators and other employees of the service, regulate, monitor and control the quality of all sectional title schemes governance documentation and to take custody of, preserve and provide public access to scheme governance documentation	Fully dependent on grant funding	Regulator
Housing Development Agency (HDA)	The purpose of the agency is to identify, acquire, hold, develop and release state and privately owned land for residential and community purposes and for the creation of sustainable human settlements	Service delivery institutions	Regulator
National Housing Finance Corporation (NHFC)	Mandated to make housing finance accessible and affordable to low and middle-income households. It searches for new ways of mobilising finance for housing from sources outside the state in partnership with the broadest range of organisations. It also provides wholesale finance and acts as a fund and risk manager	Obtain capital funding	Development finance institutions
National Home Builders Registration Council (NHBRC)	Provide housing consumers with warranty protection against defects in new homes, and to provide protection against any failure of builders to comply with their obligations in terms of the Act. It provides an exclusive regulatory function in the home building environment	Empowered to raise funds from the public in terms of enabling legislation	Regulator
The National Urban Reconstruction and Housing Agency (NURCHA)	Maximise options for financing the construction of housing and related facilities and infrastructure and to utilise the NURCHA's loans to contribute and support the emergence of new successful, black-owned construction firms	Obtain capital funding	Development finance institutions
Rural Housing Loan Fund (RHLF)	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	Obtain capital funding	Development finance institutions
Social Housing Regulatory Authority (SHRA)	Regulate and support the social housing sector in order to accelerate the delivery of sustainable and financially viable social housing projects. It is responsible for the disbursement of institutional investment and capital grants to social housing institutions	Obtain capital funding	Regulator



PART B | PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT

Refer to page 206

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

Global economic developments

The global economy was moderate with a growth rate of 2.6% in 2014 from a growth rate of 2.5% experienced in 2013. The global recovery was hampered by a number of unexpected shocks, including geopolitical conflicts in different parts of the world. Developed economies recorded a growth rate of 1.6% in 2014 from 1.2% in 2013, while economies in transition recorded a growth rate of 0.8% in 2014 from 2% in 2013. The developing economies recorded a growth rate of 4.3% in 2014 from a growth rate of 4.8% in 2013. The growth rate of the developing economies was led by China with 7.3%, followed by East Africa with 6.5%, East and West Asia, both with 5.9%, West Africa with 5.9% and Nigeria with 5.8%. South Africa was the fifth country from the bottom of the list of least performers, with only 2% growth during the year 2014.

Global economic performance and growth of world merchandise trade improved slightly by a further 0.4% to a total growth rate of 3.4% in 2014 from 3% in 2013. South Africa, on the other hand, experienced numerous challenges that contributed to its failure to take advantages presented in the international markets. Amongst others, a series of strike actions by workers in the mining and manufacturing sectors in the first half of 2014 contributed to the cut in South Africa's production to the world, and this took place at a time when global demand for commodities was also sluggish. South African companies were also blamed for not taking full advantage of incidences like the decline in the value

of the rand that were experienced during the year. As a result, South African exports remained flat for most part (nine months) of the year.

South African economic outlook

Economic performance

Subsequent to the outbreak of the financial crisis, the South African economic performance remained sluggish. From 2008 to 2011, the South African economy on average grew by 2.2%, and improved further to 2.5% growth in 2012; however, it remained sluggish at 1.9% in 2013 and bounced back to 2% in 2014. The challenges experienced in 2014, amongst others, were broader uncertainty over emerging markets, limited export volumes and volatile currency from an international perspective, production stoppages due to strikes in the key labour-intensive sectors of the economy and low business and consumer confidence from a domestic perspective.

Unemployment

During the year 2014, the country experienced increasing challenges of unemployment. The official rate of unemployment increased from 24.1% in the last quarter of 2013, reaching a high of 25.5% in the second quarter of 2014 before declining slightly to 24.3% at the end of the year. High unemployment is 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 cost of living

Overall inflation was on the increase in the first half of the year and slightly declined in the later part of the second half. CPI increased from 5.8% in January 2014 and reached a peak of 6.6% in June before declining to 6.1% in December 2014. On average, overall inflation for the year was 6.1%. A high rate of inflation generally means that households' disposable income is eroded at a higher rate, thereby reducing the standard of living at a faster rate as the same level of income keeps affording fewer goods. As inflation remained beyond 6%, which is the maximum percentage targeted by the South African Reserve Bank for inflation targeting, it also meant that the risk of possible interest rate hikes also remained high. This could add pressure on the disposable incomes of those individuals with some form of credit exposure.

Building costs

According to ABSA (2015), the cost of building a new house increased by 6.8% year-on-year in the fourth quarter of 2014. Although this was down from an increase of 7.8% y/y in the third quarter and 8.6% year-on-year in the second quarter, it remained above the average consumer price inflation rate of 6.1% for the year. On average, building costs showed an increase of 7.5% in 2014 after rising by 7.1% in 2013. Factors impacting on building costs and ultimately on the price of new housing were largely input costs such as building material; transport; equipment and labour costs. The cost of developing land for residential purposes also continues to contribute extensively to the escalation of building costs.

The Bureau of Economic Research (BER) also confirmed the higher cost of building residential properties in 2014. The BER tender price increase as measured by the BER Building Costs Index, which is used to adjust the subsidy for a government subsidised house, rose by 10% in 2014, with 6.5% accommodating input costs while 3.5% constitutes profit margins of developers. High costs of building means that 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 consistently contributes to the declining number of houses that are delivered by government year after year for the government subsidy market.

Financial environment

During the year 2014, the South African Reserve Bank increased the repo rate by 250 base points to 5.75%. The prime interest rate asked by commercial banks also reached 9.25% (increasing by a quarter of a per cent). This decision meant that the pressure on disposable income for individuals with mortgages and other forms of credit exposure also increased. The impact of this increase on a mortgage bond valued at R250 000 for 20 years is an addition of 1.8% (about R40 extra) on mortgage repayment every month.

Vulnerability of low-income earners to access credit

During 2014, many low-income earners struggled to access credit. For mortgages specifically, the percentage of applications rejected remained high at 56.3% on average during the year, while the level of indebtedness remained beyond 74%.

According to the latest NCR Bureau Monitor Report, impaired credit records remained high at 45% during the year 2014, with over 32% of consumers with credit being in arrears for over three months. The high level of impaired credit records and the high level of rejections for mortgage applications present evidence of the vulnerability of low-income earners to access credit. For mortgage loans in particular (which is the main form of funding housing development), 98% of the total value of mortgages was granted to those individuals earning R10 000 a month and above. This calls for a shift from mortgages to short-term loans as a viable instrument 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 the SDIP, which is managed within Human Resources (Organisational Transformation), the following activities took place in the year under review:

- The Subdirectorate: Batho Pele Employment Equity and Change Management (BPEECM) conducted four Batho Pele Change Management Engagement Programme (BPCMEP) sessions, targeting the Department's frontline staff (i.e. Call Centre staff and Security/Reception staff). The Subdirectorate: BPEECM coordinated the Department's participation in the annual coalface deployment of the DPSA. Two SMS members were deployed to various service points in Limpopo, and four quarterly

progress reports were compiled and submitted to the DPSA's National Batho Pele Forum (NBPF).

2.3 Organisational environment

Two NUSP Coordinators were appointed on contract to assist with the management of the NUSP Programme, while the Housing Development Agency provided additional support in implementing the programme in Limpopo, North West and Free State. Since January 2015, the HDA was also appointed to manage the NUSP in the mining towns in order to create alignment between the NUSP and the development of mining towns generally.

A further matter which has had a major impact on Human Resource Management during this period was the development and approval of the submitted Human Resource Plan – as required in terms of prescripts and by the DPSA.

Tremendous progress was realised in respect of:

- The initiated recruitment drive, which resulted in a reduction of the vacancy rate to 11.33% by October.
- Establishing a compliant and effective performance management system and practices in the Department, as evidenced by 96% all staff agreements and 90% assessment outcomes for salary levels 1–12 captured.
- Conducting staff leave audits, in compliance with DPSA directives and simultaneously addressing the AG concerns.

- Enhancing staff skills capacity in line with approved Workplace Skills Plan, in support of realising departmental strategic objectives. Several staff capacity programmes were successfully coordinated for all performance levels, including deployment of SMS levels on fieldwork at various sites across the country under Project Khaedu in September.
- Addressing and effecting positive interventions on all reported labour relations matters.
- Enhancing staff satisfaction at work through numerous coordinated wellness programmes, which included health, work and counselling interventions.
- The Department also participated in the national initiatives for 'Take a Girl Child to Work', as well as 'Man in the Making', with students from various institutions participating.

When the State President, honourable GJ Zuma announced his new Cabinet after the 2014 general elections, he also announced the reconfigured Department of Water and Sanitation, which meant that the Sanitation function of the Department was to be transferred back to the Department of Water Affairs. The entire Chief Directorate: Sanitation was transferred back to the Department of Water Affairs to become the Department of Water and Sanitation.

During the year under review, the Department considered the inconsistent financial and non-financial performance of the metropolitan municipalities that were earmarked for assignment and revised its approach to accreditation. This included crafting

a revised tool for the assessment of all accredited municipalities and still disbursing the municipal Human Settlements Capacity Grant to the six metropolitan municipalities in order to build capacity to deliver and subsidise operational cost of administering Human Settlements programmes.

2.4 Key policy developments and legislative changes

Even though the name of the Department has changed in 2009 from Housing to Human Settlements, the Department is still drawing 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.

Key policy developments during the year under review include the following:

- MinMEC considered the revised approach to accreditation and the revised assessment tool for accrediting municipalities.
- The Department considered the impact of the revised subsidy quantum and assessed the implementation of the new norms and standards for building 40 m² houses in line with the SANS 10400 XA.
- Drafting of a Green paper for Human Settlements which would culminate into a White Paper and a Human Settlements Act.
- The Department has partnered with the Department of Social Development and developed a draft policy for addressing special housing needs. This included extensive consultation with the majority of organisations responsible for people with special needs, such as the disabled.
- The Department drafted a comprehensive rental framework and further initiated evaluation studies into the Community Residential Units Programme.
- The Department partnered with SALGA in evaluating backyard rental housing and also partnered with the Monitoring and Evaluation unit in the Presidency to evaluate the Social Housing Programme and the utilisation of the Urban Settlements Development Grant. The evaluations will lead the revision of the Community Residential Units Programme, the Social Housing Programme, and the Urban Settlement Development Programme.

- The Department crafted a draft policy on the transformation of human settlements and the provision of serviced sites, and a draft policy to fast-track the issuing and transfer of title deeds.

The following legislation was revised during the current financial year:

Transfer of the Sanitation function back to the Department of Water Affairs.

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/challenges by drafting a human settlements strategy which 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 that the Department must achieve, builds on the priority set in the MTSF by Cabinet in July 2009.

The adoption of outcome-based performance has focused the priorities of the Department, and key areas of development were identified, on which the Department must focus to achieve its 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 de-

velopment goals, the Department focuses on the key national development strategic outcomes and goals, which are the eradication of poverty, inequality and redressing of social and economic underdevelopment.

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 the departmental Strategic Plan.

Outcome 8: Sustainable Human Settlements

Impact indicators

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
1	Number of households living in adequate housing settlements	11.2 million households	MTSF Target: 745 000 households living in adequate housing through the subsidy and affordable housing segments (including BNG, rental, gap housing and mortgage-financed housing)	As at 31 March 2015, 120 327 BNG houses, including rental flats and CRUs, have been built. This represents 80.8% of annual target of 149 000 houses The National Department is in the process of putting an M & E mechanism in place to ensure that reported performance is uniform, credible and verifiable. The initiative makes provision for the compilation of an asset register of all sites serviced and houses completed/delivered by the nine provinces and their respective metropolitan municipalities during the 2014/15 financial year as well as delivery for the 2015/16 financial year. The duration for the 2014/15 asset register is six months, while the 2015/16 register will be compiled on a quarterly basis		PHSDs
2	Improved housing conditions for households living in informal settlements	1.2 million households	750 000 households upgraded	As at 31 March 2015, 74 017 households (represents 49.3% of annual target of 150 000 households) in informal settlements were upgraded with improved housing conditions (i.e. individual households provided with basic services): HSDG: 49 420 households; and USDG: 24 597 households In addition to the above, metropolitan municipalities were also provided with USDG funding: 5 791 water service points and 10 997 sanitation service points (toilets) for households in informal settlements		PHSDs Metropolitan municipalities
3	Number of functional settlements that are spatially, socially and economically integrated (both new and revitalised) 50 priority catalytic projects demonstrating comprehensive integrative mechanisms	To be determined (including reviewing MIG, USDG, NPDG and SDBIP/IDP)	250 projects (approximately 50% of all projects) implemented to provide all-inclusive amenities and public transport, to address spatial, social and economic integration by 2019 (for both new and revitalised settlements)	The Department has received 160 catalytic project proposals from both provincial Human Settlements departments and the private sector. HODs of PHSDs were then requested to provide detailed project profiles of the proposed projects. To date, 22 detailed profiles have been received from Western Cape, Limpopo, KwaZulu-Natal, Northern Cape and Free State. The profiles were evaluated by an evaluation panel, and seven projects were recommended by the panel. These are: <ul style="list-style-type: none"> • Thembaletu (WC); • Southern Corridor N2 Phase 2 (WC); • Lerato Park (NC); • Upington 7612 (NC); • Bendor Extension 100 (LP); • Marapong linked to Lephalale (LP); and • Cornubia South (KZN) The remaining project proposals did not conform to the investment criteria and will be returned for more tangible evidence in order to be considered in the second round		NDHS PHSDs

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
4	Increase in volume of home loans granted by private sector and DFIs to households in the affordable housing market and the creation of new units	485 198 transactions by DFIs and banks	20% increase in the volume of 485 198 or 582 238 loans to the affordable market. This includes the production of 350 934 new affordable units	As at 31 March 2015, the Human Settlements DFIs have issued 62 952 loans (represents 54.1% of annual target of 116 448 loans)		NDHS DFIs
5	Percentage of sales transactions of properties worth less than R500 000	50% of all transactions were properties worth less than R500 000 and 47% were in historically black townships	20% increase in transaction of properties worth less than R500 000	The National Department is currently in collaboration with DPME and various stakeholders in the process of identifying credible sources to obtain this information		Municipalities PHSDs
6	Growth and distribution of value in the residential property market	To be determined	Increased number of rateable properties entering the rates roll of municipalities	The Department is currently in collaboration with DPME and various stakeholders in identifying credible sources to obtain this information		Municipalities
7	Number of metros accredited with the housing function	0 municipalities accredited with the housing function by 2014	8 metros and 12 secondary city municipalities/district municipalities accredited with the housing function	The approach to the Accreditation Programme has been revised and the process of consultation with various relevant stakeholders has been completed. Inputs and comments received have been included in the draft document and the revised document is in the process of being submitted to the management structures of the National Department for consideration		NDHS
8	Number of municipalities accredited with level 2 and provided with post-accreditation support	8 municipalities accredited to level 1 and 14 municipalities accredited to level 2	Additional 21 municipalities accredited to level 1 and additional 8 accredited to level 2			NDHS
9	Investment decisions in human settlements improves spatial efficiency	To be determined	Annual Reports demonstrating changes in urban efficiency	The Spatial Planning Framework has been expanded into a Spatial Investment Framework to ensure the coordination of investments by human settlements departments and agencies in geographic areas in order to address spatial inequality more effectively. The document will serve as a discussion document for a number of round tables to be held with various internal and external stakeholders during June and July 2015. It is anticipated that the final Framework will be submitted to Cabinet by 31 August 2015		PHSDs Metros HDA

Report on progress against MTSF actions

Sub-outcome 01: Adequate housing and improved quality living environments

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
1	Current policies and programmes evaluated, reviewed and consolidated and suitable new policies and programmes developed:	Existing policies and programmes	By 2018, all new and revised policies and programmes will be approved to the following projected schedule:			
a	Human Settlements Green Paper approved	White Paper on Housing	Approved by 2015	Draft chapters completed and consultation process with stakeholders to commence shortly		NDHS
b	Develop a coherent and inclusive approach to land for human settlements	To be determined, based on several policy and programme initiatives	<ul style="list-style-type: none"> Policy for Coherent and Inclusive Approach to Land for Human Settlements approved by December 2015 Framework on Coherent and Inclusive Approach to Land developed by March 2015 The regulations and incentives for Housing and Land Use Management revised by March 2015 	A draft Policy Framework has been developed that seeks to balance the human right of access and use to land with the creation and capturing of value in the utilisation of land through property rights and property-market participation in support of economic growth and prosperity. The success in streamlining and adoption of this policy framework will require multi-stakeholder support and commitment. A policy consultation session on the land framework will be held in order to include it in the Green Paper on Human Settlements		NDHS HDA
c	Evaluation of key human settlements strategic thrusts as outlined in the National Development Plan and the Manifesto	National Development Plan (NDP)	<p>Seven evaluations of key human settlements strategic thrust as outlined in the National Development Plan completed by 2017</p> <p>USDG: September 2014</p> <ul style="list-style-type: none"> Assets Evaluation Study: Due October 2014 Access Evaluation Study: Due October 2015 UISP Baseline: Due February 2015 UISP 3-year Impact Evaluation: Due 2017 Social Housing: Due September 2015 Affordable Housing: Due December 2015 	<ul style="list-style-type: none"> Final report submitted by service provider. Improvement plan being developed, based on the findings Final report submitted by service provider and currently being considered Tenders were invited in February 2015, but only two proposals were received and did not respond to the TOR. Arrangements are being made for re-advertising Pilot study completed and submitted by service provider. Data collection instrument was revised, based on findings of Pilot Study and training for data collection to take place in the last week of May 2015 To commence in 2017/18 Evaluation plan and literature review submitted by service provider Tender advertised and proposals received currently being evaluated with a view to appoint a service provider 		NDHS and DPME

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
d	Housing finance regime framework revised	Housing Finance Framework	Housing Finance Revision approved by last quarter of 2015/16	The conditions in the Grant Frameworks for the HSDG and the USDG as contained in the Division of Revenue Act, 2015 already represent the new approach towards housing finance		NDHS
e	Human Settlements White Paper approved	White Paper on Housing	Approved by June 2016	Finalisation of the White Paper will commence once the Green Paper has been approved		NDHS
f	Housing Act amended and Human Settlements Legislation approved	Housing Act	Approved by 2017	The Housing Act will be amended once the White Paper has been approved		NDHS
g	Housing Code revised and Human Settlements Code approved	Housing Code	Approved by 2018	The revised Housing Code will follow the approval of the Human Settlements White Paper		NDHS
h	Cooperatives Policy approved	DTI Policy for Coops	Approved by March 2015	A Cooperative Housing Policy has been developed and finalised and will be submitted to the management structures of the National Department during May 2015 for consideration before it is submitted to Human Settlements MinMEC for final approval		NDHS
i	Implementation guidelines for PHP approved	PHP Policy	Approved by March 2015	A draft enhanced PHP Policy Framework has been completed and has been endorsed by the Executive Management for submission to the next Human Settlements MinMEC for consideration and approval		NDHS
j	Comprehensive Rental Policy developed	Current Rental Policy	Approved by March 2015	A comprehensive Rental Framework has been developed and referred to approval structures. Research of specific elements of each sub-programme (Backyard Rental, Social Housing, CRU, Private Rental and Special Needs Programme) has been concluded and consultation with relevant stakeholders is currently taking place (e.g. the Department of Health regarding the Special Housing Needs Programme). It is anticipated that the policy will be completed by the third quarter of the 2015/16 financial year		NDHS
2	Implementation Strategy to increase the supply of housing opportunities for affordable housing market (i.e. subsidy and GAP market) developed	No baseline	Implementation Strategy to increase the supply of affordable housing by March 2015	Catalytic Projects: A project assessment tool that demonstrates project impact and integration has been developed and implemented. Together with the evaluation criteria, which involve technical readiness assessments of projects in line with a project-readiness matrix, the National Department, in collaboration with the HDA, could identify projects that demonstrate comprehensive integration Policy proposals for a Mineworker Housing Strategy have been developed and are currently being consulted with the Department of Minerals and Energy. It is anticipated that the strategy will be finalised in the fourth quarter of the 2015/16 financial year		NDHS PHSDs Metros

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
3	Institutional capacity for PHP to support informal settlement upgrading and rural housing enhanced	Policy and programme for self-built PHP cross-referenced to NUSP and HDA programmes	Consolidation of the institutional capacity for self-built PHP and all Informal Settlement Upgrading support programmes completed by March 2015	The National Department conducted oversight visits to seven provinces to evaluate the implementation of the Programme and to deliver the necessary PHP capacity development workshops. Strategic engagements are also planned with the remaining provinces and the metropolitan municipalities to discuss the allocation of resources for the Programme and to deliberate ways to upscale effective implementation of the Programme. Progress of PHPs are being monitored and verified on a quarterly basis. Five provinces were able to deliver a total of 12 553 units on the PHPs		NDHS PHSDs
4	Programme developed to support community-based cooperatives, non-profit rental and self-built housing	White Paper on Housing Act	Programme developed by September 2015	A Cooperative Housing Policy has been developed and finalised and will be submitted to the management structures of the National Department during May 2015 for consideration before it is submitted to Human Settlements MinMEC for final approval		NDHS PHSDs
5	Number of houses and housing opportunities in informal settlements, located in quality living environments:		1,495 million housing opportunities in quality living environments provided by 2019			
a	Number of existing informal settlements assessed	450 (NUSP)	2 200 informal settlements upgraded to Phase 2 by 2019	The National Upgrading Support Programme (NUSP) has to date, in collaboration with the HDA, completed the assessment of 816 informal settlements representing 62 municipalities. Of these, 503 detailed settlement plans have been completed or are in the process of being completed. A further 24 informal settlements are in the process of being assisted. This number will increase once the list of informal settlements for Maquassie Hills, Tlokwe, Steve Tshwete, Lekwa, Thembisile Hani, Amahlathi, Elundini, Kouga, Mhlontlo, Mnquma and Ethekwini is finalised. The National Department, in collaboration with the provincial departments and metros, is currently compiling a list of informal settlements upgraded		PHSDs NUSP HDA
b	Number of households benefiting from informal settlements upgrading	290 000 previous performance (2010/11 – 2013/14)	750 000 households assisted through the Informal Settlements Upgrading Programme by 2019	As at 31 March 2015, 74 017 households (representing 49.3% of annual target of 150 000 households) in informal settlements were upgraded with improved housing conditions (i.e. individual households provided with basic services): HSDG: 49 420 households; and USDG: 24 597 households In addition to the above, metropolitan municipalities also provided 5 791 water service points and 10 997 sanitation service points (toilets) for households in informal settlements		PHSDs

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
c	Number of housing units for subsidy housing submarket provided	Average of 125 000 per annum of the previous performance	560 000 individual units for subsidy housing submarket provided by 2019 (this includes units for military veterans)	As at 31 March 2015, 95 210 (representing 84.6% of the annual target of 112 600 houses) BNG houses have been built		PHSDs
d	Number of affordable housing loans for new houses in the affordable gap housing submarket	Total banks over 4 years: 162 800	NHFC: Mortgage loans: 2 219 Wholesale: 27 891 Leverage: 89 442 NURCHA: 10 units	110 000 loans (70 000 FLISP and 40 000 DFI supported) affordable housing units for the affordable gap housing submarket supported by DFIs by 2019 As at 31 March 2015, the following loans have been issued to beneficiaries: NHFC: 11 847 NURCHA: 27 loans representing 11 227 units RHLF: 51 078 Total: 62 952		NHFC NURCHA RHLF PHSDs
e	Number of affordable rental housing opportunities	Social: 20 429 CRU: 15 225 Institutional: 2 249	35 000 affordable rental housing opportunities provided through private sector (mineworker housing at 10 000; and private affordable rental 25 000) (27 000 state-led social housing; and 10 000 CRU)	As at 31 March 2015, 2 696 units (representing 49.9% of the annual target of 5 400 units) state-led social housing opportunities were delivered, and 2 017 CRU units (representing 100.9% of the annual target of 2 000 units) The NHFC has facilitated 3 713 private rental units through disbursements and leveraged funds (representing 74.4% of the annual target of 5 000 units)		PHSDs
f	A special strategy for mineworker housing	To be determined with DMR by August 2014	Draft strategy by September 2014	Policy proposals for a Mineworker Housing Strategy (designed to increase exponentially the supply of housing) have been developed and are currently being consulted with the Department of Minerals and Energy. It is anticipated that the strategy will be finalised in the fourth quarter of the 2015/16 financial year		NDHS Mine Houses
g	Backyard rental strategy	Backyard rental strategy	Mechanism or strategy with incentives to support increased and improved backyard rental by 2019	The Policy is completed and has been consulted with SALGA, the provinces and the municipalities, and is in the process of being submitted to Human Settlements MinMEC for final approval		NDHS PHSDs SALGA
6	Hectares of well-located land rezoned and released for new developments targeting poor and lower middle-income households	11 308 ha (well-located and strategic – to be determined)	10 000 of hectares of well-located land rezoned and released for new developments targeting poor and lower middle-income households	A total of 2 635.1 ha of land were released for human settlements development during the 2014/15 financial year. Of this number, 986.3 ha have been rezoned. In addition, the HDA has acquired a total number of 1 063.2 ha of which 263.3 ha have been rezoned for human settlements development		HDA

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
7	All new developments have basic infrastructure and services (water, sanitation, roads and energy infrastructure and essential services)	905 744 (over 5 years: average of 181 148 per annum)	All new state housing developments benefiting about 560 000 households have access to basic water, sanitation, energy and road infrastructure and essential services	As at 31 March 2015, 95 210 (representing 84.6% of the annual target of 112 600 houses) BNG houses have been built		NDHS PHSD
		447 780 (to be verified by the Expenditure Review)	750 000 households in informal settlements have access to basic water, sanitation, road infrastructure and services	As at 31 March 2015, 74 017 households (representing 49.3% of annual target of 150 000 households) in informal settlements were upgraded with improved housing conditions (i.e. individual households provided with basic services): HSDG: 49 420 households; and USDG: 24 597 households In addition to the above, metropolitan municipalities also provided with USDG funding: 5 791 water service points and 10 997 sanitation service points (toilets) for households in informal settlements		PHSDs Metropolitan Municipalities
8	Number of households with access to basic services and infrastructure	To be determined by DWS & DCoG	1.1 million households have access to infrastructure and basic services backlog by 2019	As at 31 March 2015, 177 253 families were connected to the electricity grid with an additional 9 548 families connected to non-grid/solar		DCOG Outcome 9 Progress Report
9	Number of households provided with adequate sanitation facilities	To be determined by DWS & DCoG	1.2 million households provided with adequate sanitation facilities by 2019	As at 31 March 2015, 21 861 sanitation buckets were eradicated (refer to Outcome 9 Cabinet Report)		DCOG Outcome 9 Progress Report
10	Framework to ensure spatial, social and economic integration (spatial targeting) of human settlements developed	To be determined, based on the NSDP, the NDP and DORA allocation formula	Framework for spatial investment in human settlements developed by 2014	The Spatial Planning Framework has been expanded into a Spatial Investment Framework to ensure the coordination of investments by human settlements departments and agencies in geographic areas in order to address spatial inequality more effectively. The document will serve as a discussion document for a number of round tables to be held with various internal and external stakeholders during June and July 2015. It is anticipated that the final Framework will be submitted to Cabinet by 31 August 2015		NDHS HDA

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
11	Multi-year Human Settlements Development Plans that support spatial targeting, social and economic integration	To be determined	A consolidated Multi-year Human Settlements Development Plan by March 2015	The annual and multi-year targets for provinces were conditionally approved. A workshop was held with each individual province to align their targets with the MTSF 2019 targets. The revised targets for 2015/16 were due on 24 April 2015		PHSDs NDHS
12	Number of lead catalytic projects that demonstrate spatial, social, and economic integration	To be determined (using 12 priorities and criteria to be defined)	50 lead catalytic projects implemented that demonstrate spatial, social and economic integration implemented by 2019	<p>The Department has received 160 catalytic project proposals from both provincial Human Settlements departments and the private sector. HODs of PHSDs were then requested to provide detailed project profiles of the proposed projects. To date, 22 detailed profiles have been received from Western Cape, Limpopo, KwaZulu-Natal, Northern Cape and Free State. The profiles were evaluated by an evaluation panel and seven projects were recommended by the panel. These are:</p> <ul style="list-style-type: none"> • Thembalethu (WC); • Southern Corridor N2 Phase 2 (WC); • Lerato Park (NC); • Uppington 7612 (NC) • Bendor Extension 100 (LP) • Marapong linked to Lephalale (LP); and • Cornubia South (KZN) <p>The remaining project proposals did not conform to the investment criteria and will be returned for more tangible evidence in order to be considered in the second round</p>		PHSDs HDA
13	Support framed through the structure of HSDG and USDG projects for the development of hubs, nodes, and linkages developed in historical black townships	To be determined, based on evaluation of the USDG and reviews of the NPDG and current CSP and completed by February 2015	Human Settlements projects implemented alongside hubs, nodes and in historical black townships and in new developments	The evaluation study of the USDG has been finalised and is ready to be submitted together with the implementation plan to Human Settlements MinMEC for approval		NDHS PHSD Metropolitan Municipalities

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
14	Minimum standards and finance options for investment in public spaces developed	To be determined in line with above by February 2015	Standards and finance options for investment in public spaces developed by March 2015	The USDG Policy has been finalised and implementation guidelines will be compiled as soon as the Policy has been formally approved		NDHS PHSD Metropolitan Municipalities
15	Yearly allocation invested in public spaces targeting poor and lower middle-income households	To be determined on formula above	15% of USDG projects and 50% of HSDG projects should demonstrate investment in public spaces between 2014 and 2019	In terms of the HSDG, a total of R102.7 million was spent in the 2014/15 financial year for social and economic amenities. This represents 0.6% of the total allocation in terms of the Grant. In terms of the USDG, R209.8 million was spent on social and economic amenities (community halls, sports fields, swimming pools, etc.) representing 2.5% of the total expenditure over the period under review. The National Department is currently revising the reporting format in this regard so as to report on the number of projects that incurred expenditure in this regard		NDHS PHSD Metropolitan Municipalities

Sub-outcome 02: A functionally equitable residential property market

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
1	Single Development Finance Institutions (DFIs)	3 DFIs (with review of HDA and NHBRC)	Single DFI by September 2015	The business case for rationalisation had to be revised to reflect the implications of the inclusion of NURCHA. The revised business case was discussed. The final business case will be presented to the Minister and the Joint Evaluation Panel. Simultaneously, the drafting of the relevant legislation has commenced. It is anticipated that the draft Bill will be tabled together with the JEP consent to Cabinet in October 2016 and November 2016, and to Parliament in November 2016. Enactment of the Bill is planned for 10 January 2017, establishment of the consolidated entity by 1 August 2017, and dissolution of the existing DFI companies by 11 December 2017		NDHS
2	A strategy to increase the supply of affordable housing developed	Refer to Sub-outcome 1	A strategy to increase the supply of affordable housing developed by March 2015	Catalytic Projects: A project assessment tool that demonstrates project impact and integration has been developed and implemented. Together with the evaluation criteria, which involve technical readiness assessments of projects in line with a project-readiness matrix, the National Department, in collaboration with the HDA, could identify projects that demonstrate comprehensive integration Policy proposals for a Mineworker Housing Strategy have been developed and are currently being consulted with the Department of Minerals and Energy. It is anticipated that the strategy will be finalised in the fourth quarter of the 2015/16 financial year		NDHS PHSDs Metros
3	Review current finance products for the affordable housing market (e.g. existing DFI products, FLISP, MDI, etc.)	To be determined in line with Expenditure Reviews and Affordable Housing Evaluation	New state-supported finance products in the affordable market by March 2016	(Post-DFI consolidation and review through Expenditure Review Instruments operated through and with National Treasury/DPME by March 2015 and evaluation by December 2015) Will be revised as soon as the rationalisation of the DFIs is completed		NDHS NT Human Settlements entities
4	Increase in volume of home loans granted (over and above those that produce new houses) by private sector and DFIs to households in the affordable housing market	To be determined	20% increase in loan transactions by 2019	According to the Office of Disclosure, a total number of 26 239 home loans were taken up from financial institutions during 2014 by households earning less than R15 000 per month If the total number of loans issued by the DFIs (62 952) is added, a total number of 89 191 loans were issued by financial institutions and DFIs to households earning up to R15 000 per month. This represents 76.6% of the annual target of 116 448 loans		Banks Human Settlements entities National Credit Regulator

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
5	Curriculum on the property market and homeownership for the subsidy housing market reviewed and improved	Existing current Consumer Education Programmes and those that were agreed to in the FSC	Curriculum for homeownership targeting the subsidy and the gap housing market reviewed and improved by November 2014	Consultations with the various stakeholders continued during the quarter under review with the aim of concluding and consolidating inputs for the revised curriculum Approval was granted by the DG to appoint a specialist who will develop the curriculum in line with the content of the discussions. The draft will include 12 broad themes which encompass areas which are critical for the consumers of Human Settlements Programmes		NDHS
6	Market information for buyers and sellers in the affordable (subsidy and gap) housing market developed	To be determined	Market information for affordable housing market developed by November 2014	The National Department and DPME, in collaboration with relevant stakeholders, are in the process of identifying additional credible sources of this information for reporting purposes		
7	Consumers in the affordable and subsidy housing market exposed to consumer education programmes	To be determined	2 million consumers reached between 2014 and 2019 400 000 consumers reached by March 2015	The NDHS provided support and guidance in all nine provinces in respect of consumer education, while training of beneficiaries and consumers was carried out in the provinces. The total number of beneficiaries exposed to training in the provinces up to 31 March 2015 was 79 273 , and in the gap market, 6 819 were exposed to training		NDHS PHDSs
8	Effective housing consumer and neighbourhood education programmes targeting the affordable (subsidy and gap) housing market	To be determined	Annual report on trends in the affordable property market (sourced from EAAB Reports)	The consumer education programme of the NHFC, in conjunction with the local municipalities, is conducted continuously		EAAB
9	Transactional support requirements and programmes in the affordable housing market developed	To be determined	Requirements and programmes for transactional support developed by March 2016	Development of support requirements and programmes is receiving attention		
10	Distribution of sales transactions in the affordable housing market monitored	To be determined	Distribution of sales transactions in the affordable housing market monitored quarterly from 2015	The EAAB has signed a Service Level Agreement with a research company to assist with the collection of information on the key trends within the property market. Among others, the following information will be reported on: <ul style="list-style-type: none"> Number and location of transactions Value of these transactions Number of estate agents involved in these transactions 	EAAB	
11	Estate Agencies operating in the affordable housing market	To be determined	30% increase in Estate Agencies operating in the affordable housing market by 2019			
12	Transactions in the secondary housing subsidy submarket	To be determined	Quarterly reports on transactions in the secondary housing subsidy submarket			
13	Households in the affordable housing (particularly subsidy) market have access to biannual property valuation information	To be determined	Framework, implementation and reporting mechanism to inform households in the subsidy submarket on their property values Biannual property value information published	Framework being developed User specifications for Monitoring System are being developed		

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
14	Policy and administrative systems that support individual transactions in the affordable secondary housing market developed	To be determined	Policy and administrative systems that support individual transactions in the affordable secondary housing market developed by March 2015	The rights and obligations of homeowners, regardless of market segment, remain the same. In this regard, the legal prescripts already provided for will apply to the subsidised and affordable secondary market. The EAAB, in collaboration with NDHS, will be undertaking consumer awareness programmes placing specific emphasis on the "House as an Asset" as part of the EAAB's obligation to provide transactional support to the subsidised and affordable secondary housing markets		
15	Sales restriction for government housing subsidy submarket reviewed	Housing Act	Review on sales restriction for government subsidy completed by March 2015	Forms part of current revision of housing policies and legislation		NDHS
16	Title deeds issued to new homeowners in the subsidy submarket on occupation	To be determined, based on the current 50% of processing	560 000 title deeds issued to new homeowners in the subsidy submarket Mechanism for security of tenure record for informal settlement upgrading 900 000 title deeds backlog eradicated by 2019	As at 31 March 2015, 59 029 title deeds have been issued by provincial departments in the 2014/15 financial year, comprising 32 750 for new developments and 26 279 for pre- and post-1994 properties. The latter number contributed towards the eradication of the backlog on title deeds. The scoping exercise to determine the extent of the backlog in each province will be completed for the pre-1994 properties by the end of May 2015. It is expected that the eradication of the pre-1994 backlog will be completed by March 2017 In terms of the post-1994 housing stock the EAAB is busy with backlog analysis and gap identification in order to develop proposals by 30 June 2015 to address the challenges identified. The strategy will be tested by way of a pilot in two provinces after which the full roll-out is planned for March 2018		PHSDs
17	Backlog on title deeds eradicated	To be determine (estimated between 900 000 and 1 495m)	Plan of action to address title deeds backlog completed by March 2015: Number of outstanding transfers confirmed by March 2015			PHSDs EAAB
18	All new title deeds for subsidy submarket endorsed consistent with policy	Existing Policy and Housing Code	Policy on endorsement of title deeds for the subsidy submarket finalised by September 2014			PHSDs EAAB
19	Trends in the residential building plans passed by municipalities and completed housing units reported	To be determined	Quarterly reports on trends in the residential property market published	Evaluation to determine trends is currently in process		Municipal-ities
20	Trends in new NHBRC enrolments	To be determined	Quarterly reports on trends in new NHBRC enrolments	As at 31 March 2015, 178 projects were enrolled during the 2014/15 financial year with the NHBRC representing 66 241 houses		NHBRC PHSDs
21	Number of rateable properties in the subsidy housing submarket entering the rates roll of municipalities	To be determined	28 (metros and secondary cities) municipalities report annually on the number of households in the subsidy submarket entering the municipality rate roll by 2019	User specifications for a monitoring system are being developed		Municipal-ities

Sub-outcome 03: Enhanced institutional capability for effective coordination of spatial investment decisions

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
1	Municipalities accredited to perform the housing function	No baseline	20 municipalities accredited to Housing function by 2019 <ul style="list-style-type: none"> 8 metropolitan municipalities accredited to the Housing function by 2019 12 secondary cities and or towns/district municipalities accredited to level 3 	The approach to the Accreditation Programme has been revised and the process of consultation with various relevant stakeholders has been completed. Inputs and comments received have been included in the draft document and the revised document is in the process of being submitted to the management structures of the National Department for consideration		NDHS
2	Municipalities in secondary cities accreditation to level 2	14 municipalities	8 municipalities in secondary cities accredited to level 2 by 2019			NDHS
3	Municipalities accredited to level 1	49 municipalities	21 municipalities (balance of 49 priority municipalities) accredited to level 1			NDHS
4	Post-accreditation monitoring and support programme implemented	To be determined	Post-accreditation monitoring and support programme implemented in 8 metros and 12 secondary cities/district municipalities by 2019	<p>The post-accreditation monitoring and support programme is implemented on a continuous basis. The approach is multi-pronged, which involves quarterly progress reports from the municipalities and provinces</p> <p>It also makes provision for a National Accreditation Task Team which meets on a quarterly basis. A special National Accreditation Task Team meeting was hosted in January 2014 to discuss mechanisms to ensure spending by municipalities owing to the late release of the MHSCG by the National Department as a result of the changing of the conditions applicable to the grant</p> <p>Provinces and municipalities are also visited to capacitate them on the new approach towards accreditation. During the fourth quarter of 2015/16, accredited municipalities in Western Cape, Kwazulu-Natal and Gauteng were visited</p>		NDHS

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
5	Appropriate technical support programmes developed and implemented	None	Appropriate support programmes implemented by 2015	<p>Business planning processes, submission and approval of payment schedules and the release of the 2014/2015 allocation of the Municipal Human Settlements Capacity Grant were finalised by the end of February 2015</p> <p>In preparation of the 2015/16 MHSCG business planning process, a workshop was hosted for Buffalo City and Mangaung Metro as the new recipients of the MHSCG in February 2015. The total allocation for the 2015/16 financial year is R100 million as will be divided as follows:</p> <p>Buffalo City: R9.253 m Nelson Mandela: R9.847 m Mangaung: R9.2016 m Ekurhuleni: R14.313 m Johannesburg: R16.505 m Tshwane: R12.831 m eThekweni: R14.342 m Cape Town: R13.703 m</p>		NDHS
6	50 community-based organisations, civil society organisations, and other forms of non-governmental entities participating in human settlements development	To be determined	50 community-based organisations, civil society organisations, NGOs, etc. participating in human settlements development by 2019	As at 31 March 2015, 128 organisations were participating in human settlements developments		PHSDs
7	Mechanism and incentives to mobilise and increase private sector participation is developed	To be determined	Mechanisms to incentivise and mobilise private sector investment implemented by 2019	The concerns raised at the Minister's Developers Forum are receiving attention. An MoU has been concluded between the National Department and Transnet, and discussions with various mining companies have been arranged. The next quarterly Forum meeting will be held during February or March 2015. In addition, the private sector has been invited through the media to submit catalytic project proposals to the Department		NDHS

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
8	Develop mechanism to track employer-assisted housing, both in the public sector and in the private sector, including commitments in the SLPs as per the Mining Charter		Mechanisms to track employer-assisted housing developed by August 2015, including commitments in the SLPs as per the Mining Charter (December 2014)	<p>An Employer-Assisted Tracking Mechanism has been developed and inputs were also sourced from DPSA. The National Department is currently engaging with the private sector and parastatal organisations. Engagements were held during the fourth quarter of the 2014/15 financial year with:</p> <ul style="list-style-type: none"> • South African Fishing Industry Employers Organisation (SAFIEO) • Mercedes Benz South Africa (MBSA) • South African Weather Services • Rand Water <p>The purpose of the above engagements was to ascertain prevalence of EAH at these companies, to get buy-in for the performance matrix template and to promote the FLISP Programme</p> <p>In terms of the Mining Towns, a total amount of R1 039.7 m has been allocated in terms of the Human Settlements Development Grant:</p> <ul style="list-style-type: none"> • Free State: R75.337 m • Gauteng: R162.862 m • Limpopo: R155.176 • Mpumalanga: R114.604 m • Northern Cape: R50.040 m • North West: R482.681 m <p>The Mining Charter is currently being revised and is expected to be completed by the end of May 2015</p>		DPSA
9	Multi-year human settlements development plans are aligned with other sectorial spheres of government to increase coordination and collaboration in programme delivery (Refer to Sub-outcome 1)	To be determined	A consolidated Multi-year Human Settlements Development Plan by 2015 (Refer to Sub-outcome 1)	<p>The annual provincial business plans for 2015/16 were conditionally approved</p> <p>Discussions were held with individual provinces and the revised plans were submitted and are currently being assessed. Multi-year targets for provinces still have to be approved</p>		NDHS PHSDs

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
10	Inter-sectoral collaboration agreements signed and implemented	To be determined	Enhanced consultative mechanisms in different with spheres of government	Delivery Agreements were prepared between the Minister of Human Settlements and relevant sector departments, the MECs of the nine provinces and the CEOs of the various Human Settlements entities. It is anticipated that these will be signed not later than 31 May 2015		NDHS COGTA W and S
11	Set of overarching principles and norms for housing and human settlements spatial development completed	To be determined	Set of overarching principles and norms for human settlements spatial development completed by June 2015	The Spatial Planning Framework has been expanded into a Spatial Investment Framework to ensure the coordination of investments by human settlements departments and agencies in geographic areas in order to address spatial inequality more effectively		HDA
12	Housing Programme and related Human Settlements spatial investment framework to guide coordination of spatial investments developed	To be determined	Housing and related Human settlements spatial investment framework- to guide wider coordination of spatial investment - approved by 2015	The document will serve as a discussion document for a number of round tables to be held with various internal and external stakeholders during June and July 2015. It is anticipated that the final Framework will be submitted to Cabinet by 31 August 2015		HDA
13	Integrated Housing and related Human Settlements planning system developed incorporating environment, human settlements, transport, and related human settlement development functions, drawing on existing National Treasury and DCoG settlement investments	To be determined	Housing and related Human Settlements planning system developed and approved December 2015	A Land and Property Spatial Information System (LAPGIS) has been developed, which incorporates environment, human settlements, transport and related development functions		HDA
14	Housing and related Human Settlements component contributing to a national spatial mechanism to coordinate existing grants to produce definitively targeted spatial interventions developed	To be determined	Housing and Human Settlements Grant framework restructured by October 2015	The HSDG and USDG Grant frameworks have been finalised and gazetted as part of the 2015 Division of Revenue Bill. The DORA Bill has been approved and published by National Treasury		NDHS

	Impact indicator	Baseline	2019 target	Progress up to end March 2015	Progress rating	Data source
15	National Spatial Development Framework and mechanism to coordinate government-wide (spatial) investment decisions	To be determined	National Spatial Development Framework developed by 2017	The Spatial Planning Framework has been expanded into a Spatial Investment Framework to ensure the coordination of investments by human settlements departments and agencies in geographic areas in order to address spatial inequality more effectively. The document will serve as a discussion document for a number of round tables to be held with various internal and external stakeholders during June and July 2015. It is anticipated that the final Framework will be submitted to Cabinet by 31 August 2015		NDHS HDA
16	Monitoring and Evaluation (M&E) system to track and assess the effectiveness of spatial targeting in human settlements developed and implemented	To be determined	Track progress and assess the effectiveness of spatial targeting in human settlements between 2015 and 2019	A Land and Property Spatial Information System (LAPSIS) has been developed, which incorporates environment, human settlements, transport and related development functions		NDHS

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

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

List of subprogrammes:

- 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 the 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 in achieving 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 HS operations through effective enterprise architecture services in order to ensure improved service delivery and compliance
- To manage provision of corporate support services to the Department through the development and implementation of protective security functions; managing and coordinating maintenance of building facilities in compliance to Occupational Health and Safety; managing the safe custody, care and preservation of records in the Department; and managing library and access to information services
- To ensure that the public is informed of 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 that requires leadership, strategic thinking, coordination, facilitation, administration and monitoring. 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 technological advancement. This resulted in more internal efficiency, streamlining process flow, and inter-linkages in 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: Executive support as an aspect of strategic leadership brought to bear effective coordination of the respective departmental operational units. Efforts were made to reposition the Department to be project-based in focus and operations. Both provincial planning and business planning were strengthened in line with the Medium Term Strategic Framework to achieve set targets for the medium term. The Corporate secretariat provided leadership and decision support. 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 Settlements offerings. Fraud and corruption were topmost on

the departmental agenda, and 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.

Advisory Services: During the reporting period, the focus of the Chief Directorate: Advisory Services shifted to putting systems in place to enable the unit to advise the Department on quality assurance and project integration, now that the unit had a full staff complement. Furthermore, the unit continued to render advice to the Department on Parliamentary Oversight Committees services. The following achievements were reported:

- The unit met its target of producing a draft project integration management framework which is intended to promote the integrated provision of services, amenities and economic opportunities in human settlements developments; and to serve as the yardstick for assessing integration in human settlements projects.
- Field visits to human settlements projects were conducted every quarter, leading to four advisory reports on the inclusion of basic services such as water, sanitation and electricity and social amenities, for example, health facilities, schools and police stations, in human settlements developments being produced. Information gathered through these reports was also utilised to inform the draft Project Integration Management Framework.
- Four advisory reports on Parliamentary Oversight Committees services were submitted as

planned. The reports were based on analysis of key issues that emanated from the Ministerial Intervention in the Lwandle Evictions in Cape Town, Western Cape; 2014 Youth Build and Women's Build in Northern Cape and KwaZulu-Natal; the NCOP's Provincial Oversight Week which focused on Limpopo, North West and KwaZulu-Natal; and the National Human Settlements Portfolio Committee Oversight visits to Limpopo.

- Consultative engagements with key stakeholders, namely the National Home Builders Registration Council (NHBRC), provincial Human Settlements departments (PHSDs) and metropolitan municipalities regarding the development of the quality assurance framework continued during the reporting period. Information gathered during consultative engagements was analysed and synthesised on a quarterly basis, resulting in four advisory reports on quality assurance.
- Although the unit could not achieve its fourth quarter target of obtaining approval of the National Quality Assurance Framework (NQAF) due to delays in receiving written inputs from external stakeholders, the draft framework was finalised. To this end, the final draft framework is en route to Executive Management for approval.

Enterprise Architecture: During the financial year under review, the 2014/15 departmental Annual Report was tabled as per legislative requirements. The departmental quarterly performance reports

were presented to the Portfolio Committee and Senior Management meetings for decision-making, further guidance and planning. The departmental compliance reports were also presented at Senior Management meetings for corrective measures.

The Department continued to strengthen performance management systems and performance outcomes by validating Performance Agreements against annual performance plans, including verification of individual performance against programme and organisational performance as per the Performance Management Development System (PMDS). The 2014/15 mid-term verification statements and performance analysis for the Director-General and Deputy Director-Generals were concluded.

Further departmental reports on key management performance areas were produced in line with the Management Performance Assessment Tool (MPAT).

The Chief Directorate: Corporate Support provides corporate support in 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, ensuring a safe and secure working environment, proper management of corporate records and facilitating public and corporate access to library, knowledge and information services.

The Chief Directorate: Corporate Support achieved all its set targets for this reporting period, as planned, with the following notable achievements:

- Effective implementation and provision of prescribed protective security measures and processes in physical safeguarding of state assets, personnel and corporate information.
- Adequate assessment and addressing of all identified vulnerabilities and potential threats, for a safe, secure and conducive corporate environment to support realisation of core business.
- Investigation of reported incidents of burglary and theft security.
- Compliance with all safety and security pre-scripts and measures at all ministerial events; including the Presidential Housing launch and the annual Govan Mbeki Awards.
- Pre-interview screening of shortlisted candidates for advertised vacant posts in line with pre-scripts, including pre-employment vetting of personnel handling sensitive information, and conducting security checks on service providers prior to bid adjudication processes or authorised to render services to the Department.
- Effective implementation of prescribed communication security measures on all MinMEC meetings ensuring sterility of venues.
- Provision of reasonable office accommodation and adequate maintenance of facilities as per pre-scripts to ensure conducive housing of staff to perform their respective tasks.
- Management of office leases and parking fa-

cilities in line with DPW standards, including successful conclusion of the Metropark lease agreement, the 260 JMS building refurbishment project with provisional handover prior to its official handover, and coordination of sessional accommodation for appointed officials.

- Management of all outsourced maintenance services through Service Level Agreements, with queries and complaints timeously addressed and payments honoured for utility accounts.
- Monitored compliance to Occupational Health and Safety prescript requirements to ensure a safe habitable working environment.
- Effective management of corporate records as per prescribed, approved and implemented policies, procedures and classification systems and compliance inspections.
- Systematic disposal of ephemeral records as per approved National Archives and Records Service disposal authorities with 12 destruction certificates submitted to NARS.
- Arrangement, preservation and registration of closed and terminated records for future access, including those of closed institutions.
- Effective administration of postal and courier services despite national freight strikes.
- Facilitated public and corporate access to information, thus enhancing staff access to necessary knowledge to realise the departmental mandate, including approval and implementation of regulatory mechanisms.
- Facilitating public access to requested information under state custody, including dispatch of

compliance manuals and reports as prescribed in the Promotion of Access to Information Act (Act No. 2 of 2000).

- Submission of weeding and disposal of obsolete library material lists to the Disposal Board.
- Production of Knowledge Management Strategy and appointment of Champions to regulate the creation, storage, use and sharing of knowledge in the Department.
- Development and approval of regulatory mechanisms for library services and access to newspapers.

Most targets for the Chief Directorate: Human Resources were met during this reporting period. Areas of achievement are highlighted as follows:

- 99 posts were linked to the Sanitation function. These posts were identified for transfer to the Department of Water and Sanitation (DWA) in line with the NMOS project. The migration plan was drafted after all transitional and funding arrangements were finalised before 15 October 2014.
- The recruitment drive assisted in expediting the recruitment and selection processes, with a total of 95 posts advertised and 76 filled within 12 months, with the vacancy rate standing at 11.33% in October 2014.
- The reduction of the Personnel Budget by National Treasury resulted in a moratorium placed on filling all funded vacant posts and contract appointments in November 2014. This came with an EMT decision for Programme Managers to identify, present and motivate for filling

of all critical posts in respective branches, for approval to limit any disruptions to service delivery and fulfilling the departmental mandate. This had a negative effect on the vacancy percentage rate, the Employment Equity Plan and the Human Resource Plan reports to the Department of Public Service and Administration.

- Appointments were nevertheless facilitated for Offices of the Minister and the Deputy Minister, including a substantial number of additional contract workers over and above the approved establishment.
- 572 Performance Agreements were captured on both the PMDS and Persal databases. 380 finalised annual performance assessment reports were captured on both the PMDS and Persal databases after conclusion of moderating committee proceedings. All level 1-12 staff appeals for disputed assessment outcomes were finalised.
- Services were outsourced from two service providers to conduct job evaluation on 80 posts; and moderation of SMS Performance appeals for 2010/11 and 2011/12 cycles.
- The departmental Internship Programme was successfully implemented, and of the 44 appointed interns, 3 were transferred with the Sanitation unit of DWA, 2 were offered permanent posts outside the Department, while the balance of 39 successfully completed the internship programme in the Department.
- The Employee Wellness Programme was effectively administered through an external service provider, which included provision of counselling services to staff.

During the period under review, **the Chief Directorate: Legal Services** managed to achieve all of its performance targets.

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

- Provided legal advice to ensure compliance with legal prescripts and to minimise possibility of litigious matters against the Department;
- Managed litigious and non-litigious matters for and against the Department to avoid negative judgments and unreasonable settlements against the Department.
- Managed drafting, review and vetting of contracts to ensure compliance with legal prescripts.
- Managed all outsourced legal services through Service Level Agreements, with queries and complaints timeously addressed and payments honoured for utility accounts.
- Ensured that the Contract Register is timeously updated to ensure compliance with the National Treasury and the Auditor-General.
- Facilitated procurement of Contract Management Software in order to assist with effective management and monitoring of all departmental contracts.
- Ensured an effective National Human Settlements Legislative Framework by:
- Development and drafting of Housing Framework Legislation and Regulations which are in conformity with the Constitution and the style and format of drafting.

- Interpreting legislation and related policy and/or other issues.
- Dissemination of information to other departments and stakeholders.
- Effective performance of ad hoc tasks and functions.

The Chief Directorate: Communication Services is tasked with ensuring that the public is informed of departmental programmes and policies. In terms of the Chief Directorate: Communication Services, all of its targets were met during this reporting period.

Specific areas of achievement are:

- A multi-media campaign, “Celebrating 20 Years of Democracy”, was initiated and rolled out, showcasing the achievements of the Department in providing adequate shelter to those who benefited from the 3,7 million housing opportunities provided since the dawn of democracy.
- In celebration of the 20 Years of Democracy, the Chief Directorate also published a book entitled Celebrating 20 Years of Human Settlements: Bringing the Freedom Charter to Life. The book was well received by the sector.
- The Chief Directorate also conducted various surveys to measure the impact of its communication plans. The results of these are to be used to inform the Department’s Communication Strategy for the Medium Term Strategic Framework.
- Communication Services supported depart-

mental and ministerial programmes for project launch handovers and other related activities with targeted communication campaigns.

- The Chief Directorate continued to convene a Human Settlements Communicators' Forum, a meeting of national, provincial and human settlements institutions communicators. The meeting is used to share ideas and find synergies.
- The Chief Directorate disseminated accurate, fair and reliable information to internal stakeholders and managed the Department's Call Centre and help desk, facilitating responses to public inquiries. According to the Presidential Hotline Report, the Department's Call Centre is rated among the best in resolving public inquiries.
- The Chief Directorate made sure that correct branding, styling and proofreading of all publications and branded items were undertaken in accordance with the corporate identity and branding guidelines approved by Cabinet.
- Partnerships with provincial Human Settlements departments and human settlements institutions remained an area of focus.

- Successfully published a departmental quarterly-magazine, KwaGae.

Other notable achievements of the Chief Directorate of Communications are as follows:

- Planned and coordinated the Minister's Budget Speech.
- Planned and coordinated the hosting of the Human Settlements Indaba, launch of the Youth Brigade and Summit.
- Supported departmental activities during Youth Month and Women's Month.
- 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.
- Publishing generic beneficiary booklets.
- Continually reviewing and redesigning the website.
- Conducted face-to-face beneficiary campaigns.
- Showcased the Human Settlements brand on various platforms.

During the reporting period, **the Chief Directorate: IMS & IT** achieved all its planned targets. It provided Information Management Systems and Information Technology Systems as well as infrastructure support services to the Department, to support business in the execution of the departmental strategy

Financial Management: All the necessary budget cycle processes were followed to ensure that the 2015/16 budget is finalised and approved. The adjustment estimate process was successfully completed.

Monthly and quarterly interim financial statements as well as the annual financial statements were also successfully completed and approved. The departmental procurement plan was completed on time approved and submitted to the National Treasury in terms of applicable prescripts.

Programme 1: Administration

Subprogramme: Executive Support Services

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To provide executive support to the Office of the Director-General on parliamentary, cabinet liaison, secretariat support and management of inter-departmental structures					
Number of approved reports on administrative and logistic support provided	4 reports produced	4 quarterly approved reports on administrative and logistic support provided	4 reports produced	None	None
	No baseline	1 approved annual report on administrative and logistic support provided	Approved annual report on administrative and logistic support provided	None	None
Number of approved FOSAD reports	4 reports submitted	4 approved FOSAD reports	4 reports produced	None	None
Number of reports on parliamentary and cabinet liaison	4 reports submitted	4 reports on parliamentary and cabinet liaison	4 reports submitted	None	None
Number of approved reports on stakeholder liaison and engagements	4 reports produced	4 approved reports on stakeholder liaison and engagements	4 reports submitted	None	None
Number of reports on recording of proceedings in strategic forums	4 reports submitted	4 reports on record of proceedings in strategic forums	4 reports submitted	None	None

Subprogramme: Internal Audit, Risk Management and Special Investigations

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To provide integrated assurance and advice on governance practices to assist the Department achieve its objectives					
Approved internal audit coverage plan implemented	The internal audit plan reviewed, approved and implemented	Implementation of the approved internal audit coverage plan	The approved internal audit coverage plan has been implemented *22 out of 34 planned audits were completed	11 audits were in the reporting stage; 1 audit was in the execution stage	Internal Audit is in the process of finalising the remaining audits
Approved Risk Management Strategy implemented	Risk Management Strategy reviewed, approved and implemented	Implementation of the approved Risk Management Strategy	The approved Risk Management Strategy was not fully implemented	The approved Risk Management Strategy was not implemented as per the implementation plan	Sector-wide risk assessment, NDHS risk assessment and awareness campaign were not conducted as per the strategy
Approved Anti-fraud and Corruption Strategy implemented	Anti-fraud and Corruption Strategy not approved	Approved and implemented Anti-fraud and Corruption Strategy	The Anti-fraud and Corruption Policy, Whistle-blowing Policy and Fraud Prevention Plan were approved on 26 March 2015. These documents will inform the strategy of the Department that is yet to be developed	The draft Anti-fraud and Corruption Strategy is not yet approved	The delay in developing a strategy was due to the late adoption (06 March 2015) of the draft plan and policies by the DHS Bargaining Council (DBC) and approval by the DG

Subprogramme: Advisory Services

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: Provide advisory services to the Department on matters relating to Parliamentary Oversight Committees services, project quality assurance and integration					
Approved Quality Assurance Framework	No baseline	Approved Quality Assurance Framework	Final draft of National Quality Assurance Framework	Delays in receiving inputs from external stakeholders	The final draft of NQAF is en route to Executive Management for approval
Number of reports on quality assurance advisory services provided	No baseline	Four approved reports on quality assurance advisory services provided	4 reports on quality assurance	None	None
Human Settlements Project Integration Management Framework developed and implemented	Groundwork reports on the development of Project Integration Framework were compiled	Draft Project Integration Management Framework	Draft Project Integration Management Framework	None	None
Number of advisory reports on inclusion of basic services and amenities in human settlements developments	No baseline	4 advisory reports on inclusion of basic services and amenities in human settlements developments	4 advisory reports on inclusion of basic services and amenities in human settlement developments	None	None
Number of advisory reports to the Department on Parliamentary Oversight Committees services	No baseline	4 advisory reports to the Department on Parliamentary Oversight Committees services	4 advisory reports to the Department on Parliamentary Oversight Committees services	None	None

Subprogramme: Enterprise Architecture

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To oversee the enhancement of human settlements operations through effective enterprise architecture services in order to ensure improved service delivery and compliance					
Number of departmental performance reports approved	Approved departmental performance reports (quarterly and annual)	5 approved departmental performance reports	5 approved departmental performance reports	None	None
Number of compliance reports	No baseline	4 compliance reports	4 compliance reports	None	None

Subprogramme: Corporate Support Services

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To provide corporate support services to the Department					
Number of reports on security functions provided as per security standards submitted	4 reports on compliance to all security standards submitted	4 reports on security functions provided as per security standards submitted	4 reports on security functions provided as per security standards submitted	None	None
Number of reports on maintenance of office property, facilities & occupational health & safety submitted	4 reports on facilities and property management submitted	4 reports on maintenance of office property, facilities & occupational health & safety submitted	4 reports on maintenance of office property, facilities & occupational health & safety submitted	None	None
Number of reports on managed use, safe custody & preservation of records submitted	4 reports on records management submitted	4 reports on managed use, safe custody & preservation of records submitted	4 reports on managed use, safe custody & preservation of records submitted	None	None
Number of reports on managed knowledge, library & public access to information submitted	4 reports on library and information management services provided	4 reports on managed knowledge, library & public access to information submitted	4 reports on managed knowledge, library & public access to information submitted		

Subprogramme: Human Resources Management

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To provide human resource services to the Department					
Number of reports on human resource administration submitted	4 reports on coordinated human resource services submitted	4 reports on human resource administration submitted	4 reports on human resource administration submitted	None	None
Number of reports on human resource development submitted	One annual training report on coordinated human resource development initiatives submitted	4 reports on human resource development submitted	4 reports on human resource development submitted	None	None
Number of reports on labour relations submitted	4 reports on coordinated labour relations services submitted	4 reports on labour relations records submitted	4 reports on labour relations records submitted	None	None
Number of reports on the management of organisational transformation processes submitted	4 reports on organisational transformation programmes submitted	4 reports on the management of organisational transformation processes submitted	4 reports on the management of organisational transformation processes submitted	The fourth quarter target was not achieved	Employment Equity and Gender Equity & Disability Report to be submitted to DPSA by end of 1st quarter of new financial year
Approved Service Delivery Improvement Plan (SDIP)	No baseline	Approved Service Delivery Improvement Plan (SDIP)	Service Delivery Improvement Plan (SDIP) not approved	Target allocation was not correctly addressed	Ownership of the SDIP still to be established

Subprogramme: Legal Services

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To provide legal services to the Department					
Number of reports on litigation and advisory services	4 reports on litigation and legal advisory services	4 reports on litigation and legal advisory services	4 reports on litigation and legal advisory services	None	None
Number of reports on legislative framework developed	4 reports on legislative framework developed	4 reports on legislative framework	4 reports on legislative framework	None	None
	No baseline	Developed Legislative Programme	Developed Legislative Programme	None	None
Number of reports on contract management in the Department	4 reports on oversight contract in the Department developed	4 reports on contract management in the Department	4 reports on contract management in the Department	None	None
	No baseline	Developed standardised Terms of Reference	Developed standardised Terms of Reference	None	None

Subprogramme: Management Information Systems and Information Technology Systems

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To manage the Department's information communication technology (ICT) in line with the Department's Strategic Business Plan					
Number of reports on the approved implementation plan of the Information Management Systems IMS submitted	4 reports on the implementation plan of information management services submitted	4 reports (1 per quarter) submitted based on approved implementation plan of IMS	4 reports (1 per quarter) submitted based on approved implementation plan of IMS	None	None
Number of reports on the approved implementation plan of the Information Management Systems ITS submitted	4 reports on the implementation plan of information technology services submitted	4 reports (1 per quarter) submitted based on approved implementation plan of ITS	4 reports (1 per quarter) submitted based on approved implementation plan of ITS	None	None
Number of reports on the approved implementation plan of the Information Management Systems ICTI submitted	4 reports on the implementation plan of ICTI infrastructure submitted	4 reports (1 per quarter) submitted based on approved implementation plan of ICTI	4 reports (1 per quarter) submitted based on approved implementation plan of ICTI	None	None

Subprogramme: Communications

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To ensure internal and external stakeholders are informed of departmental programmes and policies					
Corporate communication plans implemented (as per APP)	4 reports on the implementation of approved corporate communication plans	4 reports on corporate communication plans implemented	4 reports on corporate communication plans implemented	None	None
	No baseline	1 report on impact assessment study conducted on the corporate communication plans for 2013–2014	1 report on impact assessment study conducted on the corporate communication plans for 2013–2014	None	None
	4 reports on the implementation of approved media services plans	4 reports on media services plans implemented	4 reports on media services plans implemented	None	None
	No baseline	1 report on impact assessment study conducted on the media services plans for 2013–2014	1 report on impact assessment study conducted on the media services plans for 2013–2014	None	None
	No baseline	1 report on media perception survey conducted	1 report on media perception survey conducted	None	None
	4 reports on the implementation of approved public information and marketing plans	4 reports on public information and marketing plans implemented	4 reports on public information and marketing plans implemented	None	None
	No baseline	1 report on impact assessment study conducted on the public information and marketing plans for 2013–2014	1 report on impact assessment study conducted on the public information and marketing plans for 2013–2014	None	None
	No baseline	4 reports on community outreach beneficiary campaign	4 reports on community outreach beneficiary campaign	None	None

Subprogramme: Financial Management

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To manage and provide financial support services					
Number of interim and annual financial statements approved	3 interim financial statements	3 interim financial statements approved and submitted	3 interim financial statements approved	None	None
	1 annual financial statement submitted	1 annual financial statement approved and submitted	1 annual financial statement approved and submitted	None	None
Departmental procurement plan approved	1 report on approved departmental procurement plan on goods/works/services which exceed R500,000 submitted	Approved departmental procurement plan for 2015/16	Approved departmental procurement plan for 2015/16	None	None
Departmental budget approved	Estimates of National Expenditure for 2014 was approved and published	Estimates of National Expenditure for 2014 approved	Estimates of National Expenditure was approved and published	None	None

Strategy to overcome areas of underperformance

None

Changes to planned targets

On 22 January 2014, the Department of Performance Monitoring and Evaluation (DPME) wrote a letter to the Accounting Officer, advising him to note that the submission of the 2014/15 APP remained February 2014; however, the 2014/15 APP should include key departmental targets and indicators from the draft MTSF 2014/19 to enable the Department to implement the NDP. The Department complied fully with said letter by including the targets and indicators from the draft MTSF 2014/19 in the draft APP.

A second letter from DPME dated 5 February 2014 was received. The letter advised that the tabling of the 2014/15 APP would be determined by the Leader of Government Business. At the time of the letter in question, the Leader of Government Business had already determined the date for tabling to be 12 March 2014. The letter further advised that the 2014/15 APP should be based

on the existing 2012/15 Strategic Plan and should also reflect the commitments in the draft MTSF. However, on 6 February 2014, the Speaker of the National Assembly sent a letter to the Deputy President and Leader of Government Business, informing him that, considering that 2014 was an election year, a date for tabling would not be set by the 4th Parliament. For the above reason, the Ministers were to be advised by the Leader of Government Business to table their Strategic Plans only after the revival of the Appropriation Bill in the 5th Parliament. A final date for tabling of Strategic Plans would be communicated by the Presiding Officer of the 5th Parliament (it is now common knowledge that the Department's Strategic and Annual Performance Plans were tabled on 26 June 2014).

During the first quarter, the Department used an Annual Performance Plan, which was approved by the Accounting Officer and submitted to DPME, National Treasury and the Auditor-General. The Strategic and Annual Performance Plans tabled on 26 June 2014 had been updated to align to the 2012/15 Strategic Plan as advised in the letter from DPME dated 5 February 2015, and the Department has used said plan to report for the second, third, fourth and annual report. The Department confirms that there was no other change since the tabling of the APP. This is applicable to all programmes.

Linking performance with budgets

Programme 1: Administration

Subprogramme name	2014/15			2013/2014		
	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	69 285	66 437	2 848	31 809	28 740	3 070
Departmental Management	102 427	101 857	570	88 867	53 506	35 360
Corporate Services	205 691	205 134	557	211 068	151 545	59 526
Property Management	35 153	32 153	3 000	29 403	24 699	4 704
Financial Management	42 405	42 099	306	40 526	39 309	1 214
Total	454 961	447 680	7 281	401 673	297 799	103 874

NB: Please refer to the Report of the Accounting Officer.

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.

Subprogrammes

Human Settlements Delivery 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 Delivery 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 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 Settlements macro policy which was developed in-house. The macro policy in the form of an Environmental Implementation Plan (EIP) was developed and has been referred to the Minister for approval. The Chief Directorate also conducted policy advocacy campaigns in the form of workshops with municipalities and provinces. New policies such as a policy for transformation of human settlements and serviced stands, and a comprehensive rental strategy were developed and approved by the task team. An investigation into the broader CRU policy revision was also initiated and is to be completed during the 2015/16 financial year.

The Chief Directorate consulted with stakeholders and drafted the revised approach or strategy and the revised assessment tool for accrediting municipalities. It also drafted and ensured approval of guidelines and templates for the municipal Human Settlements Capacity Grant. It further hosted task

team meetings to monitor progress and benchmark best practices. The Chief Directorate facilitated the alignment of plans and support by provinces, leading to the disbursement of the Municipal Capacity Grant which was later linked to the catalytic and megaprojects in line with MinMEC resolutions.

Governance Frameworks

In the period under review, the subprogramme effected the following notable achievements:

It developed a governance framework document and piloted the implementation of the policy compliance matrix. Working closely with the Monitoring and Evaluation unit, it was able to collect data through project visits, to determine the extent to which housing code provisions are adhered to in provinces and municipalities.

The subprogramme designed a youth brigade model and, in conjunction with intergovernmental and stakeholder relations, embarked on extensive consultation with provinces to identify projects for the roll-out of the youth brigade implementation. The mobilisation of youth and women volunteers to participate in housing delivery through builds was an important achievement in the period under review. Over 500 young volunteers were trained in brick-laying, plastering, construction management and life skills.

An evaluation research was undertaken on the effectiveness of existing empowerment frameworks

and the development of a high-level strategy for the empowerment of designated groups. Another significant research undertaken was the use of institutional subsidies for the provision of group housing accommodation for people with special needs. This formed the basis of interaction with the Department of Social Development to formulate policy on the subject matter.

Chief Directorate: Human Settlements Planning

- Develop and maintain programmatic planning frameworks that are in line with the National Treasury prescripts, DoRA and the Grant Frameworks.
 - These frameworks include the national and provincial Human Settlements Development Conditional Grant, the Multi-year Housing Development Plan (APP – Part D), Programme for Human Settlements Chapters of Integrated Development Plans (IDP), and Housing Disaster Relief.
- Support the implementation of Human Settlements development design and spatial planning at both provincial and municipal levels.
 - The Branch, through the Chief Directorate, renders support and guidance to the nine provincial Human Settlements departments in the compilation of their Conditional Grant Business Plans, and guides the alignment of provincial Multi-year Plans (APP) with the Business Plans and IDPs.
 - Participate and provide inputs to the annual IDP assessments and the Housing Sector Plans.

- Participate in various discussions in terms of institutional alignment with other sector departments.

The Branch, through the Chief Directorate, has endeavoured to honour the commitments set out for the reporting period. Where targets have not been met, these can to a large extent be ascribed to a lack of human resourcing to accomplish said commitments and tasks.

Regarding the first objective, it is noted that most of the frameworks for the Human Settlements Development Grant had been developed in the 2011/12 financial year; for 2014/15, minor additions and amendments were effected to reflect policy adjustment and enhancements. In addition, a Business Plan was developed for the Eradication of the Bucket Sanitation Grant.

In view of objective (b), the Chief Directorate at the start of each financial year embarks on a process of support to provinces in respect of their Human Settlement Development Conditional Grant Business Plans and the IDP assessments and the Housing Sector Plans. The BEPPs were analysed and comments on the assessed BEPPs were sent to National Treasury for consideration. The Chief Directorate provides said support from the aspects of both compliance and substantive matters.

The Chief Directorate: Stakeholder and Intergovernmental Relations Coordination is a sub-programme of the Branch: Strategy and Planning.

The CD manages the Department's intergovernmental and sector relations and cooperation for Human Settlements developments.

Key deliverable of the **Chief Directorate: Stakeholder and Intergovernmental Relations Coordination** are:

- To manage the coordination of the People's Housing Process in sustainable human settlements.
- To manage the coordination of stakeholder and intergovernmental engagements for the creation of sustainable human settlements.
- To manage the coordination of stakeholder and intergovernmental forums for the creation of sustainable human settlements.
- To manage the coordination of international relations for the creation of sustainable human settlements.

Recent outputs

National and Provincial Conditional Grant Business Plans for 2014/15

In terms of DoRA, both the national and provincial departments of Human Settlements are required to submit, before the start of the new financial year, a Business Plan indicating what the provinces intend doing with the funds allocated to them. The Branch, through the Chief Directorate, was able to submit the National Business Plan supported by nine Provincial Business Plans for approval by the Director-General before the start of the new financial year, as required by DoRA.

Mid-term Adjusted Provincial and National Conditional Grant Business Plans for 2014/15

The Branch, through the Chief Directorate, rendered support to the provinces with the compilation of the Mid-term adjustment of their Business Plans for 2014/15. A revised Mid-term National Plan, supported by nine provincial adjusted Business Plans, was approved.

Guidelines for the Development of a Multi-year Housing Development Plan (MYHDP)

With the development of the Medium Term Strategic Framework, the Planning unit developed the Guidelines for the Development of a Multi-year Housing Development Plan. This was presented to the provinces, and five approved Provincial Multi-year Housing Development Plans have been received thus far.

Revised Guidelines for Human Settlements Planning and Design (Red Book)

The Guidelines for Human Settlements Planning and Design (Red Book) will be updated over a period of three years. The CSIR was appointed to assist the Department with this significant piece of work, estimated at R19 million. A Service Level Agreement between the Department and the CSIR was concluded at the end of February 2015. Key stakeholders will include the sister departments and built-environment stakeholders, which will be represented in a larger reference group.

Support rendered to municipalities on the assessment and review of the Housing Chapters of IDPs (Housing Sector Plans)

Housing Sector Plans play a key role in the development of the Municipal Integrated Development Plans (IDPs). Support was rendered to nine municipalities in North West throughout the year during the review of their Housing Sector Plan. The supported was rendered to Lekwa-Teemane, Ventersdorp, Tswaing, Matlotwsana, Ditsobotla, Mahikeng, Moses Kotane, Maquassi Hills, and Ramotshere local municipalities.

Collaboration with relevant sector departments

The Branch, through the Chief Directorate, has made a significant contribution during various meetings and forums. It participated in the Quarterly Provincial and Metro Performance Reviews, attended monthly meetings at the Presidential Infrastructure Coordinators' Forum Coordinators (PICC) forum and submitted a report in the format required. It provided inputs for the development of the Green Paper where aspects such as legislation and the impact on human settlements development were looked at. Inputs into the Grant Frameworks and Division of Revenue Act were also provided. Additional tasks were performed throughout the Branch through the Chief Directorate over and above the targets reflected in the Strategic and Annual Performance Plans.

Catalytic projects: Requested provinces to submit catalytic projects to the National Department of

Human Settlements (NDoHS). These were viewed as the projects with the ability to impact and transform space so as to achieve sustainable human settlements. A report on these projects was compiled and submitted.

Strategic Infrastructure Projects (SIPs):

Participation was done in the Presidential Infrastructure Coordinators Forum Coordinators (PICC) forum. Meetings were attended and the role that the NDoHS would play was communicated. In doing this, business plan aspects were communicated to the coordinators. The contribution of the NDoHS to SIPs programme was done and a report was sent to the PICC for consideration.

Updating Part D of the APP: Work was done in updating the APP so as to make sure that it responds to the new priorities and targets of the NDoHS. Additional sections such as section 3 and section 4 were added.

Targeted district municipalities: Information on the targeted district municipalities was extracted from the 2014/15 Business Plans and a report in the form of a presentation was developed. The report shows targets in the municipalities.

Parliamentary questions: The Branch team was requested to attend to Parliamentary Question PQ 2509, which had to do with aspects of title deeds in Gauteng.

Question 1330, which was posed by Mr MGP Lekota of the Congress of the People (Cope), was also responded to by the team.

Provincial visits – HSDG Performance: The Branch team also participated and provided support during the DG's visits to the provinces. Presentations were made during such visits so as to inform the provinces on how they planned to spend the HSDG in relation to national priorities.

Provincial Quarterly Performance Reviews: The Branch team also participated in the provincial performance reviews. During these sessions, inputs were provided to provinces with regard to their performance in respect of the financials and non-financials.

HSDG Framework: The Branch team participated and provided inputs for the development of the Grant Framework for the 2015/16 financial year. The team looked into improving the content of the Framework so as to align it to the Medium Term Strategic Framework (MTSF), the processes regarding the development, submission and approval of the HSDG Business Plans for 2015/16 DoRA.

Impact of Cabinet decisions on Human Settlements: A research and report on the impact of Cabinet decisions on Human Settlements was prepared and submitted to the Office of the Director-General on his request.

Green Paper: The Branch team participated in the development of the Green Paper. Aspects such as legislation and its impact on human settlements development were looked at and papers in relation to strategic intent and thrust and legislative frame-

work, policies and programmes were developed and submitted to the Policy section. Aspects of institutional capacity, and coordination successes and failures were also part of the submitted papers.

Township establishment: The Branch, through the Municipal Planning Subdirector, provided comments on township establishment applications. Consultants and municipalities requested the Department to provide comments on Human Settlements policies and priorities in regard to proposed township establishments.

National Municipal Capacity Coordination and Monitoring Committee (NMCCMC) Workshop and Technical Meeting: The National Department of Cooperative Governance and Traditional Affairs (CoGTA) has established a National Municipal Capacity Coordination and Monitoring Committee (NMCCMC), comprising provincial departments of Cooperative Governance, metropolitan municipalities, national departments and government institutions. The Committee identifies skills and capacity challenges at provincial and local government levels and convenes quarterly with the goal of devising means of addressing identified capacity and skills issues.

In the NMCCMC workshop, sectors are invited to make presentations on capacity and skills related issues (training, systems, etc.) within their sectors that can also benefit other sectors, while in the Technical NMCCMC meeting, provincial departments of Cooperative Governance and metropol-

itan municipalities present on capacity and skills issues in their institutions and how they are addressing them.

The NMCCMC is coordinated by the Capacity Directorate in CoGTA. The sectors are mostly represented by Skills Development units, Performance & Monitoring units, Human Resource units and units aligned/similar to the previously mentioned units. The Municipal Planning Subdirector represented the Department in the last workshop and meeting held on 14 and 15 May 2014.

Support in evaluating the performance of the Urban Settlement Grant in metros: A team from participated in the 2014/2015 BEPP quarterly performance verification engagements conducted by the Chief Directorate: Monitoring and Evaluation. The quarterly performance verification is a requirement in terms of the Division of Revenue Act (DoRA) 2014. The verification process deals with spending versus deliverables.

USDG Framework: The Branch participated in the sessions that aimed at improving the USDG framework. This was done in terms of providing inputs regarding the content of the USDG to be part of the 2015/16 DoRA. Further, comments were inserted in the draft framework regarding the submission of the BEPPs to the NDHS so as to assist the Department to track how the USDG responds to human settlements development.

Spatial Planning and Land Use and Management Act (SPLUMA): Following the request from the National Department of Rural Development and Land Reform, the NDHS made comments on the SPLUMA Regulations. The team assessed the draft regulations and sent the inputs and feedback to Department of Rural Development.

Green Paper: The Branch team also participated in the development of the Green Paper. Issues such as infrastructure for human settlements and current settlement patterns were researched and papers were developed and they reflected infrastructure and services, current settlement patterns and spatial planning. Matters in terms of institutional capacity, and coordination successes and failures were also part of the submitted papers.

Title Deeds: A Cabinet Memorandum, SLA and TOR were developed for the Title Deeds Restoration Programme.

The Branch, through the Chief Directorate: Strategy, was entrusted with the development of the Human Settlements Medium Term Strategic Framework (MTSF) and the Evaluation of Human Settlements Strategic Thrusts to improve policy or programme performance, accountability and decision-making. The MTSF was developed in consultation with internal and external stakeholders, including the delivery partners (provinces, entities and municipalities). Several workshops regarding the MTSF targets were held and negotiations regarding the targets for the three (3) MTSF sub-out-

comes that contribute to the achievement of sustainable human settlements were concluded with all the relevant stakeholders/partners. The final document (MTSF) was presented and at MinMEC prior to submission to the Presidency. This resulted in Cabinet adoption and approval of the MTSF in July 2014.

As far as evaluations are concerned, three evaluations were commissioned in the 2014/2015 financial year, and they include the following:

- Design and implementation evaluation of the Urban Settlement Development Grant. The evaluation study has been concluded and the Department has developed an improvement plan based on the study recommendations. Administratively, the project has been closed and the final payment has been processed.
- Meta-analysis: Evaluating the extent to which the goal of creating housing as an asset for low and moderate-income households has been realised and the impact thereof for the beneficiaries and local government. The study has been concluded and the final draft report has been referred back to the evaluator (University of the Free State) for amendments as proposed by the Reference Group. It is expected that the study will be concluded by June 2015.
- Assessing the outcomes of the Integrated Residential Development Programme (IRDP): The study was commissioned by the Department, and African Development Economic Consultants was appointed to conduct the study. Due

to poor performance by the service provider, the contract for the study was officially cancelled in October 2014. The study has been re-commissioned through DPME and is financed fully by DPME through their supply chain processes; it is, however, co-managed between DHS and DPME. The expected completion date for the IRDP study is July 2015.

In terms of the targets set, the two evaluation reports were set as the target to be achieved have been submitted.

PHP Implementation Support & Capacity Development

Support the establishment of community-based housing cooperatives within PHP

- Supported the process towards finalisation of the Human Settlements Policy on community-based Human Settlements Cooperatives.
- Engaged SEDA to explore possible collaborations and funding mechanisms for Human Settlements Cooperatives.
- Participated in the DTI Inter-governmental Co-ordination Committee on Cooperatives to provide an update on Human Settlements activities to support Cooperatives.
- The PHP Directorate, together with the Department of Small Business Development, is providing support for the establishment of Cooperatives in Western Cape & Gauteng as follows:
 - Tembisa Homeless Peoples Cooperative (Ekurhuleni)

- Grassy Park Human Settlements Cooperative (Cape Town)

Advancement of the self-built methodology

Oversight visits were conducted in seven provinces, namely Western Cape, Eastern Cape, KwaZulu-Natal, North West, Limpopo, Gauteng and Mpumalanga to evaluate the implementation of the programme and deliver the required PHP capacity development workshops where necessary.

The following six provinces had planned to implement PHP projects in the 2014/2015 financial year with a target to deliver at least 8287 units. However, only five provinces were able to deliver on the programme. In total, 12 553 units were delivered on the ground and are captured hereunder as follows:

North West: The province completed 92 units, these are all FEDUP Projects made up as follows:

- Madibeng: 55
- Mafikeng: 37

Mpumalanga: A total number of 2 132 units were delivered across the province.

Western Cape: A total of 2 964 units delivered among four regions as follows:

- Cape Winelands: 400
- City of Cape Town: 2 160
- Eden: 214
- Overberg: 190

Eastern Cape: The province implemented two projects, namely the Needs Camp in BCM, which completed 109 units and the Govan Mbeki Project, which completed 37 units.

Limpopo: The province experienced challenges with the implementation of any PHP units, and confirmed an allocation for 100 units only. No units were produced for 2014/15. These 100 units will be implemented in the new financial year.

KwaZulu-Natal: The province completed a total number of 3 119 units for PHP, which were implemented as follows:

- Vulindlela: 3 099
- Ntuzuma unit H (Blocks 3, 4 & 5): 20

Support to provinces in the upgrading of informal settlements through PHP

- KwaZulu-Natal and Gauteng were visited to evaluate progress regarding the upgrading of informal settlements through PHP.
- The Directorate participated in a departmental task team meeting with the Monitoring & Evaluation Directorate to evaluate the effectiveness of the participatory model in the upgrading of informal settlements.
- Engaged CPUT to discuss the Human Settlements Summit with the focus on alternative building technology and the creation of partnerships within the sector of institutions of higher learning.
- eThekweni Municipality has implemented the

Programme for Informal Settlement Upgrading, and as at the end of March, a total of 4 100 units have been delivered.

The PHP Programme has thus delivered a total of 12 553 units for the 2014/2015 financial year.

Strategy to overcome areas of underperformance

- The PHP Directorate is planning to hold strategic engagements with various provincial departments of Human Settlements and relevant metros with a view to discuss the allocation of resources (subsidies and personnel) for the programme and to deliberate on ways to upscale effective implementation of the programme.
- Develop PHP Growth Strategy to upscale the Programme.
- The PHP Directorate will prioritise the approval of the PHP Implementation Guidelines.
- Streamline the consultation process with the Sector Support Agency.
- Develop capacity development initiatives to empower communities to be self-reliant.

Changes to planned targets

Finalisation of the Human Settlements Policy on Community-based Housing Cooperatives

- The PHP Directorate is not responsible for the development of the Human Settlements Policy on Community-based Housing Cooperatives.

This is now being coordinated by the policy unit; however, the Directorate will support the process and input into the policy for effective implementation of cooperatives in the PHP space.

Stakeholder and intergovernmental engagements

For the financial year of 2014/2015, stakeholder and IGR engagements in the Branch: Strategy and Planning undertook the following tasks:

- Govan Mbeki Awards coordination and sponsorships secured under the Subdirectorate: Stakeholder Programmes.
- Meetings with private and public stakeholders utilising the stakeholder engagement framework document.
- Stakeholder outreach and initiatives events facilitated utilising the events management framework.
- Stakeholder and Intergovernmental Relations facilitated and developed a terms of reference that led to a number of Memorandums of Understanding (MoUs) with other departments and private sector stakeholders utilising the Intergovernmental Relations Act.

Subdirectorate: Stakeholder Programmes

The functions of the Subdirectorate: Stakeholder Programmes are to recognise and acknowledge the Outcome 8 deliverables by the provincial departments and stakeholders through the Govan

Mbeki Awards. The Subdirectorate: Stakeholder Programmes developed a framework to guide the implementation of the Awards. Further, teams are established at provincial and national level. The unit supports the activities at provincial level and delivers the National Awards.

Further, the subdirectorate initiates contact with potential private sector sponsors and maintains relations with existing sponsors, and updates sponsor records through the Subdirectorate: Stakeholder Forum Support, and as such a database of sponsors is developed.

Govan Mbeki Awards

During the year under review, six Govan Mbeki Awards National Task Team meetings were convened (12 June, 13 August, 26 September, 27 November 2014 and 19 February and 31 March 2015). The purpose of the meetings was to review the Govan Mbeki Awards framework, discuss implementation plans, and progress made by the provincial departments on the implementation of the Govan Mbeki Awards.

National Assessment Team meetings were coordinated on 08 April, 10 June, 08 July, 30 July 2014 and on 30 March 2015. The purpose of the meetings was to discuss implementation plans and the assessment process. This team verified information submitted by provincial departments, assessed this information and finally submitted the assessment and internal audit reports to the adjudication team on 30 July 2014.

The Adjudication Team convened a meeting from 30 July to 01 August 2014, in order to commence with the adjudication process. Adjudication members conducted a desk-top analysis. The final report was submitted to the Director-General and Minister on 06 August 2014.

The internal task team convened meetings on 09 April, 04 June, 23 July, 05 and 13 August, 07 November 2014 and 13 February 2015. The purpose of these meetings was to ensure a successful Govan Mbeki Awards event. This team was responsible for events management, which involved sending out invitations, RSVPs, registration, programme, catering, branding, producing certificates, trophies, video production and marketing the Awards through electronic and print media. Further, the team commenced planning in November 2014 for the 2015 Awards.

An external auditor was appointed to ensure that the Awards process was credible.

The provincial ceremonies were successfully delivered in the months of April and May 2014, and all nine provincial departments hosted the Awards. The Subdirectorate supported all provincial ceremonies. Subsequently, the National Govan Mbeki Awards ceremony was delivered successfully on 14 August 2014.

“Each one settle one” sponsorships were secured for the 2014/15 financial year:

- Sponsorships secured for Youth Build – a total amount of R105 000 in cash, items such as 250

construction work suits, 50 protective shoes, blankets, a course for the youth volunteers on skills and enterprise development.

- Sponsorships secured for the National Govan Mbeki Awards – R100 000 and mini iPads for the winners.
- Mandela Day – refreshments for the volunteers.
- Woman's build – the Directorate secured wheelbarrows, and for the internal Woman's build event, secured 500 laptop sleeves for staff members.
- Military Veterans Build – Secured R174 000 in cash, ceilings for five houses, 80 bags of cement, 360 work suits, and two micro-ovens, amongst others.
- 16 Days of No Violence against Women and Children – secured sponsorship of furniture for two houses.
- Special cases:
 - Lwandle case – secured furniture for Ms Lulama Jacobs.
 - Mrs Africa – secured R90 000 in cash from PPC.
 - Pietermaritzburg handover – secured sponsorship of furniture for five houses.

Subdirectorates: Database Management and Forum Support

Meetings with private-public stakeholders utilising the stakeholder engagements framework document.

Consultation meeting with built environment sector (Developers' Forum)

The unit was responsible for the coordination of the Developers' Forum within the Built Environment aimed at sharing information about Human Settlements policies, direction and focus areas, activities, proposed projects and to assess where and how the commercial developers can assist government to meet the MTSF five-year target of 1.5 million housing opportunities. The outcomes of these consultation meetings were adopted and presented at the Indaba for adoption by all stakeholders as Sector Stakeholder Commitments that support the 1.5 million houses.

National Human Settlements Indaba

During the period under review, the unit was responsible for the coordination of the Social Contract Sector Stakeholders target audience and responsible for coordination of Sector Commitments. About 17 sector stakeholders comprising private, mining, and civil society, made commitments.

Unveiling of the Social Contract

As part of the Programme of the Social Contract, the unit was responsible for delegate management at the unveiling ceremony at Sandton Convention Centre for the TNA.

National Human Settlements Youth Summit

Following the signing of the social contract for the

Development of Human Settlements in October 2014 with various sector stakeholders, the Minister has further requested that a clear programme that seeks to involve young people in the implementation of the contract be initiated. Amongst other things, the Youth Social Contract should aim at promoting youth participation in the form of Youth Brigades in the delivery chain of about 1.5 million housing opportunities by 2019. In preparation for the National Human Settlements Youth Summit held on 1 and 2 December, the unit was responsible for sector consultation for the development of consolidating all government and stakeholder commitments that formed part of the National Youth accord signed on 1 December 2014 with government, the private sector and civil society. Around fifteen stakeholders committed and signed the Youth Accord. These stakeholders comprised youth formations, the private sector, construction, and human settlements institutions.

Budget Vote Speech event

The unit coordinated the inputs by sector stakeholders towards the Human Settlements 2015 Budget Vote for the Minister's consideration in her address.

Mining Sector Preparation Conference for the Development of Sustainable Human Settlements

The mining sector is one of the signatories committed to working with government to improve service delivery, mobilise resources, build capacity and continuously provide feedback on implementation impediments. Amongst others, the mining sector undertook the following commitment:

- Promote the sustainable development approach to the Mining Charter, including support for local entrepreneurs involved in housing.

During the period under review, the unit supported the programme on the Human Settlements Indaba towards the transformation of mining towns. The Indaba will be hosted in the next quarter upon finalisation of the stakeholder engagements. The stakeholder engagement with the Banking Association of South Africa with the fund will result in the approval of the Terms of Reference.

National Human Settlements Youth Brigade

Following the signing of the National Human Settlements Accord and the launch of the Youth Brigade on 2 December 2014, a decision was taken that the National Department would allocate funds to the four identified performing provinces. The aim of the reallocation was to pilot the implementation of the Youth Brigade Programme in job creation. The four provinces identified were Western Cape,

Mpumalanga, Eastern Cape and KwaZulu-Natal. These four provinces are expected to absorb an additional amount of young people through the Youth Brigade initiative.

An amount of R159.5 million was reallocated with the condition that the implementation of these funds will apply to existing projects that allow youth as active participants which include labourers, and subcontracting cooperatives.

Subdirectorate: Stakeholder Outreach and Initiative Support

During the reporting period, the Subdirectorate: Stakeholder Outreach and Initiative Support in the Branch: Strategy and Planning has coordinated the following departmental outreach programmes and initiatives, utilising the events management framework.

The following launches and outreach project were facilitated:

- Cornubia handover – 06 April 2014.
- Graskop – signing of handover certificate.
- N2 Gateway/Joe Slovo Housing Project, Western Cape – coordinated preparatory meetings on 20 August and 11, 18 and 23 September 2014.
- Govan Mbeki Awards – 14 August 2014.
- Ministerial handover of Ms Nokuku Manoni, Nelson Mandela Bay Municipality – 18 December 2014.
- Ministerial handover of Scottsdene Social Housing Project – March 2015.

The Branch coordinated engagement meetings with the following stakeholders:

Collaborative engagements between the NDHS and Department of Rural Development and Land Reform

The Subdirectorate coordinated and arranged meetings to follow through on plans to approve the implementation of a Comprehensive Rural Development Plan/Work Plan as agreed with the Department of Rural Development and Land Reform (DRDLR) with the intention of signing an MoU.

Presidential query – Ma Mqwhanazi

The unit received a query into the title deed for Ma Mkhwanazi. The unit has contacted various offices including the Chief Surveyor-General and awaits an outcome on the issue of registered owner and title deed.

Lwandle Ministerial Commission

The Subdirectorate: Stakeholder Outreach and Initiative Support has also assisted and supported the coordination of activities of the ministerial enquiry into the evicted community of Lwandle in the Western Cape. Evicted community member hearings, public hearings, statement taking, oral presentations and the Commission's meeting activities were supported.

BNG television series

During the reporting period, the Subdirectorate also liaised with the Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and Northern Cape provincial departments to verify projects to be profiled for the Breaking New Grounds television series.

Doornkop Communal Property Association submission to Minister of Human Settlements

The Subdirectorate has also coordinated a stakeholder's engagement meeting to resolve challenges related to the illegal occupation of land in Doornkop, Mpumalanga. This followed a submission to the office of the Minister: Human Settlements by the Communal Property Association (CPA) about the illegal occupation of land in Doornkop.

Minister's meeting with SAARDA in Durban

On 21 October 2014, the Subdirectorate supported and attended a meeting facilitated by the Housing Development Agency (HDA) aimed at affording members of the South African Affordable Residential Developers Association (SAARDA) an opportunity to interact with the Minister on challenges affecting their operations in the low-cost housing market. The meeting was attended by the Minister, the HDA, the Department, SAARDA and other independent developers.

Proposed Development in Roodepoort : (Erf 12 and Erf 22, Princess Park)

The Directorate has also convened a meeting on 17 November 2014 following requests by Mr Tommaso Ungaro on the proposed acquisition of portions 12 and 22 of Princess Park in Roodepoort by the Department of Human Settlements for development.

The meeting resolved that Mr Ungaro's case is to be referred to the departmental Legal unit for advice and consideration, as Mr Ungaro is also in the process of building a case against the Department following public service protests which resulted in Mr Ungaro's property being looted. Again, the office of the Director-General: Department of Human Settlements and the Housing Development Agency have visited the sites and wrote a report to Mr Ungaro that the land is not feasible for human settlements development.

Preparatory meeting of the National Human Settlements Youth Summit and Youth Brigade

In preparation for the departmental Youth Summit, the subdirectorate sent letters to different sector departments inviting them to a National Stakeholder Engagement Workshop to provide inputs to government's commitment on joint priority programmes and to prepare a draft Youth Accord Programme aimed at supporting the youth development interests in the built environment. The National Stakeholder Engagement Workshop took place on 20 November 2014.

Alternative Building Technology System Partnership project between the Department of Human Settlements and the Department of Science and Technology

The Subdirectorate convened another stakeholder meeting on 21 November 2014 with the Department of Science and Technology to discuss mechanisms aimed at expediting plans and processes related to the proposed Alternative Building Technology (ABT) System Partnership project between the Department of Human Settlements and the Department of Science and Technology.

Meeting between DHS and Emfuleni Municipality

The subdirectorate coordinated a meeting between the Gauteng Department of Human Settlements and Emfuleni Municipality on 13 November 2014, to discuss developments around the Barrage Informal Settlement. The meeting resolved, amongst others, that Emfuleni Municipality submit a report on progress made on developments around the Barrage Informal Settlement so as to resolve land disputes involving the area.

Proposal by Matlapeng Housing Company (Skyward Housing Company): North West

Another meeting was convened on 21 November 2014 with the Matlapeng Housing Company. The purpose of the meeting was to discuss the Matlapeng Housing Company's proposal aimed at upgrading informal settlements around mining oper-

ations in North West, and in particular operations around Theresa Mines.

Proposed Human Ventures Development: Centurion, Gauteng

The Subdirectorate convened a meeting with Human Ventures Development on 21 November 2014. The purpose of the meeting was to discuss the proposed partnership around the Finance Linked Individual Subsidy Projects (FLISP) development in Centurion in Gauteng.

The meeting identified the National Housing Finance Corporation (NHFC) as being most suited to assist Human Ventures Development with FLISP related inquiries. Again, the company will be assisted with a list of provincial coordinators for enquiries around a database of small contractors for prospective partnerships.

Engagements on reallocation of unspent funds from Limpopo province

On Wednesday, 3 December 2014, the office of the CFO requested Stakeholder and IGR Coordination to negotiate with four provinces for the reallocation of unspent funds from Limpopo province. Consequently, the stakeholder consultative process regarding the reallocation of funds for the Youth Brigade Programme is now complete. Further, formal commitments signed by HODs from four provinces (Eastern Cape, Mpumalanga, Western Cape and KwaZulu-Natal) have now been received.

LG Seta

The Subdirectorate engaged with LG Seta, Construction Seta and Services Seta during the reporting period to solicit funding for the Youth Brigade Programme of Learnerships, Apprenticeships and Scholarships at the Fort Hare University and the Nelson Mandela Metropolitan University.

Departmental and ministerial stakeholder initiatives/special cases

During the period under review, and following requests for collaboration and support by various stakeholders to the Department of Human Settlements through the office of the Minister, Deputy Minister and the Director-General, the Subdirectorate has facilitated various stakeholder engagements from January to March 2015. These engagements were aimed at fostering partnerships towards sustainable human settlements and honouring stakeholders' requests where possible. The following special cases or stakeholder initiatives were therefore attended to, engaged with and assisted during January to March 2015:

Illegal land occupation in the Barrage Informal Settlement

The Directorates: Stakeholder and IGR convened two meetings on 13 November 2014 and on 24 March 2015 with various stakeholders (including the Gauteng Provincial Department of Human Set-

tlements, Emfuleni Municipality, members of the community and Barrage land owners). The meetings were aimed at finding solutions regarding the illegal occupation of the private land in the Barrage Informal Settlement in Emfuleni.

Illegal land occupation in Doornkop

On 30 January, and 04 and 17 February 2015, the Directorate: Stakeholder and IGR engaged the Department of Rural Development and Land Reform (DRDLR) on alternative land procurement related to the Doornkop matter which was sent to the office of the Minister for intervention.

Case by Ms Salome Masetho Tsoeute, an elderly

The office of the Director-General received a complaint about the lack of assistance from the province and the municipality in Free State on a housing application made in 2006. The Subdirectorate engaged the HOD's office: Free State Provincial Department of Human Settlements on 12 January 2015 and investigations were started. The aim was to expedite solutions for Ms Tsoeute's matter. The HOD's office: Free State Provincial Department of Human Settlements was consulted on 22 and 30 January 2015 and on 26 and 27 February 2015 on progress made and it was reported that the investigation aimed at assisting Ms Tsoeute had been completed and a technical report had been compiled.

Case by Ms Keitumetse Tlhakwana, an elderly

Following request that the Department intervenes in the case of Ms Tlhakwana who was to be evicted from a house that she had been staying in for 10 years and which had allegedly been given to her by a friend, the unit consulted the City of Matlosana on 13 January 2015 to try and assist. Ms Tlhakwana has been allocated a temporary stand, and the Municipality recommended a permanent stand which will be allocated by the Municipality as soon as the township establishment processes is complete.

An ex-offender requesting the Department to assist in skilling up young ex-offenders: Mr Maponyane

The unit, in partnership with the departmental unit for Women and Youth, convened a meeting on 29 January 2015 with the Krugersdorp Community Corrections and a member of the community, Mr Maponyane following a request to skill young ex-offenders. The meeting identified a number of areas in which young offenders could be assisted, and the Youth Brigade Programme was also recommended.

Proposal of partnership around electric instant water heaters: Mr Carlos Ribeiro

The Subdirectorate convened a meeting on 02 February 2015 to discuss a proposed partnership after having received a request for such partnership from Mr Ribeiro. Mr Ribeiro was given all in-

formation requested. Again, an opportunity will be given during 2015 to participate and showcase Lorenzetti Products in the form of sponsorship kind of partnership during Human Settlements projects such as Women and Youth Build projects.

Municipal employee who is advocating for housing for municipal employees by the Department: Mr Tshepang Letsatsi

The Subdirectorate consulted NHFC, and comprehensive information on FLISP was provided to Mr Letsatsi following his request for such information. Mr Letsatsi was initially interested in FLISP. Following the unit's engagement, Mr Letsatsi is negotiating with the NHFC for a possible application and the identification of a development in his area.

Proposal of partnership around the development of Vusimusi Informal Settlements: Humane Humane: Mr Oded Dumah

The Directorates: Stakeholder and IGR and the People's Housing Projects (PHP) unit convened a meeting with the concerned parties to discuss the proposed partnership around the development of Vusimusi Informal Settlements. The meeting took place on 23 January 2015.

Case by Mrs Brown: Kanonkop, Atlantis (Western Cape)

The Directorates: Stakeholder and IGR consulted with the City of Cape Town during February and March 2015. The City indicated that Ms Brown had indeed applied in 2001 and that she was on the waiting list. She is neither a pensioner nor disabled and she is going to be assisted like any other beneficiary according to the City's waiting list.

Request for partnership on alternative energy systems: Solar Intermediaries PTY (Ltd)

The Subdirectorates convened a meeting on 11 February 2015 to discuss the proposal and to assist Solar Intermediaries. The process of assisting Solar Intermediaries is on-going. The recommendation is that Solar Intermediaries be given an opportunity during 2015 to participate in the showcasing event within the Human Settlements major exhibition functions.

Request for partnership on alternative building systems: Chloro Construction Group

The Subdirectorates convened a meeting at OR Tambo Airport on 19 February 2015 with the company to discuss the proposed partnership. The company expressed its interest in the departmental Youth Programme and was provided with the relevant information.

Intergovernmental Relations Forums Coordination

Participation at the FOSAD clusters

The FOSAD clusters were restructured in 2014 to align them with the Cabinet Committees, and for better coordination between FOSAD and the Cabinet Committees. The new FOSAD structure indicated that the Department of Human Settlements is a core member of the Social Protection, Community and Human Development Cluster (SPCHD) and the Economic Sectors, Employment and Infrastructure Cluster (ESEIC). This amendment necessitated a review of the Terms of Reference of the Strategy, Policy and Legislation Task Team.

In addition to the review of the Terms of Reference, the Directorate facilitated the process for the nomination of the Director-General's proxies to SPCHD and the ESEIC Clusters in the event that the Director-General is unable to attend the meetings.

The Directorate has ensured that the Department is represented at the Social Cluster Technical Working Group meeting of the FOSAD Cluster through the appointment of the Chief Directors for Human Settlements Delivery Frameworks and the Chief Director for Planning as permanent representatives at this Forum.

Through the IGR Directorate, the Department has submitted the country process towards the devel-

opment of the Habitat III report to the Social Cluster Technical Working Group and the FOSAD Social Cluster; Global Governance Committee and the International Cooperation Trade and Security Cluster (ICTS).

Human Settlements Sector Quarterly Performance Reviews

The Department of Human Settlements conducts a quarterly performance review of the Human Settlements sector as part of its oversight responsibility of the Human Settlements Development Grant (HSDG) and the Urban Settlements Development Grant (USDG). It is the Department's responsibility to ensure that both the financial and non-financial performance of the provinces and the municipalities are in line with the approved business plan targets at this forum. It is also the Department's responsibility to 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.

Through the IGR Directorate, the Department has to date conducted four performance reviews and has submitted four reports for approval by the Director-General. The reports contain an analysis of the performance of the provincial departments of Human Settlements, the metropolitan municipal-

ities and the Human Settlements entities against the targets contained in the approved business plans.

Disaster Management Plan for the Human Settlements sector

The Directorate, in conjunction with the Policy unit, has made improvements to the Draft Disaster Management Plan following the workshop held with the National Disaster Management Centre in November 2013. The Draft Disaster Management Plan is work in progress and still has to go through further consultations in the 2015/16 financial year. Parallel to this, the Directorate will be tabling a proposal through the Executive Management Team for approval by the Director-General, for the establishment of a Disaster Management nodal point.

The Directorate has also worked closely with the Department of Environmental Affairs on climate change issues and is in the process of incorporating climate change adaptation into the Disaster Management Plan.

Policy Consultative Workshop with the Human Settlements Portfolio Committee and Select Committee

The Medium Term Strategic Framework (MTSF) of the Department foresees the development of various policies, which includes the revision of the Housing Policy into a Human Settlements Policy. This process includes the development of a Green

Paper for Human Settlements, which requires thorough stakeholder consultation. The Department convened a two-day policy workshop with the Human Settlements Portfolio Committee and the Select Committee on Social Services to discuss some of the policies that feature prominently in the priorities of the Department over the next 5-year period. The purpose was to ensure robust engagement and consensus on the identified policies in order to ensure that implementation goes ahead efficiently.

The workshop was held on 04 and 05 September 2014 at Townhouse Hotel. The programme covered the following presentations:

- Reviewing of the Housing Act towards a Green Paper for Human Settlements
- National Spatial Master Plan
- National Performance Monitoring Framework
- The Housing Code
- Implementation of the Informal Settlements Upgrading Programme
- Division of Revenue Act
- Human Settlements Capacity Development Programmes

The Portfolio Committee and Select Committee were thankful for the opportunity to engage the Department on its priorities for the upcoming five years and committed to support the Department in any way it can.

Framework for the Coordination of Intergovernmental and Sector Stakeholder Forums

The Directorate has drafted a Framework for the Coordination of Intergovernmental and Sector Stakeholder Forums in the 2014/15 financial year. This framework seeks to augment the existing frameworks, IGR forums and the task teams to guide the development and conclusion of implementation protocols, participation in IGR, and stakeholder structures/forums to support the implementation of the MTSF.

Meetings held with stakeholders for Human Settlements Development

Anglo Platinum Mining: 14 August 2014

The purpose of the meeting was to have a discussion around a possible housing project in Rustenburg with Anglo Platinum Mining. Anglo Platinum Mining seeks to address the shortage of housing in Thabazimbi with a backlog of 6 000. As a result, the company has identified a portion of land available where they want to do a pilot project on rental stock. The company has title deeds that show ownership of land and have appointed an attorney to do a township establishment. The company has 10 144 employees who receive a housing allowance, but who mostly rent backyard rooms and 4 457 employees living in mines. The proposed project will result in the erection of 3 177 units, targeting the income group between R7,000 – R13,000 p.m.

Meeting resolutions

- The meeting resolved that HDA, NDoHS and Cogta have a discussion on how they can provide planning capacity to municipalities. The meeting also resolved that the Department will integrate the Anglo Platinum Mining presentation with work done by NUSP, for presentation to Mintop.
- Anglo-Platinum Mining to repackage their presentation. The presentation to cover the following:
 - Construction schedule
 - Value of the project (planning cost, bulk infrastructure cost and top structure cost)
 - Anglo Platinum Mining to quantify the project
 - Social amenities
 - Nature of the project
- The meeting also resolved that Anglo Platinum Mining provide a clear work schedule with designs and pictures demonstrating the project.
- Anglo Platinum Mining to create an artistic impression of what they want to achieve.
- Anglo Platinum Mining to ensure that all their plans are approved by DMR.
- Anglo Platinum Mining and DHS to ensure that the project is on Limpopo's business plans for the next financial period.

Lonmin Mining Group: 14 August 2014

The purpose of the meeting was to have a discussion around a possible housing project in Rusten-

burg with the Lonmin mining group and Anglo Platinum Mining.

The Lonmin mining group aims at accelerating the provision of housing opportunities in order to assist employees and to promote a sense of ownership, rights and responsibilities in their employees as owners and tenants. Lonmin has full-time employees who would require substantial financial assistance in the form of grants and/or subsidies to afford a house of minimum size and acceptable quality.

In terms of land availability, Lonmin has the following three sites:

- Marikana Ext 1 – the site has 1 149 existing homes
- Marikana Ext 2 – 2 658 units to be built in collaboration with NW DoHS
- Marikana Ext 5 – the site consists of 134 ha to be proclaimed for future development

Madibeng and Rustenburg municipalities provide services such as water and sewerage to Mooiooi and Marikana. Eskom provides electricity to these areas. However, further developments are hampered due to the inability of the service providers to supply the necessary bulk services and infrastructure.

The company has developed a sustainable integrated human settlements transformation strategy to expand their Social Labour Plans, and to comply with the licensing requirements of the Mining Charter. The strategy is developed from their cur-

rent housing strategy, which has the following three pillars:

- Hostel conversions
- Affordable housing
- Future housing

Lonmin has conceptualised the idea of infill apartments, which entails utilising the open space in and around the existing converted hostel blocks. Utilising the open spaces at their hostels allows the company to tap into existing services. The project will also include social amenities, landscaping, paving, security, and access control. An amount of R500 million distributed over five equal phases has been approved in order to contribute towards the completion of the project. Request for turnkey proposals have been issued nationally and proposals have been received.

The approximate target of 4,000 to 5,000 dwelling units spread over Lonmin's three main hostel areas is the subject of a feasibility study. The Lonmin Board has also approved the funding of this project over five years.

Meeting resolutions

- The meeting resolved that NDoHS and Lonmin will have to make a joint presentation to Mintop.
- Lonmin to be clear on what they want to partner with NDoHS, and give a full picture of what is happening
- Lonmin to repackage their presentation. The presentation should cover the following:

- Projects in pipeline
- Work undertaken
- Lonmin to quantify the project
- Profile of beneficiaries
- The meeting also resolved that the Department will integrate the Lonmin presentation with work done by NUSP, for presentation to Mintop.

Participation in the Government Advisory Committee on the Green Fund led by the Department of Environmental Affairs (DEA) through the Development Bank of South Africa (DBSA)

The Department is part of the Government Advisory Committee led by the Development Bank of South Africa. The purpose of the committee is to ensure alignment on all approved projects and their relevancy to government and outcome-driven initiatives. The fund seeks to improve and fund new technologies or to strengthen the usage of existing technologies that address South Africa's transition to a low-carbon, resource-efficient and climate-resilient development path delivering high-impact economic, environmental and social benefits.

In line with sustainable human settlements, the fund will assist new technologies or strengthen existing technologies that address the transition to low-carbon resources. Since the Department is in the process of developing the Green Paper on Human Settlements, this is a good opportunity for the Department to include in the policy newly tested and approved technologies that might be approved by the Green Fund.

The Directorate attended the GAP meeting on 18

February 2015 at DBSA. The purpose of the meeting was to provide a progress report and share lessons learnt with the committee. The Fund has also committed a total of R650.6 million, and disbursed R379.5 million by the end of January 2015 (excluding the RFP3 R400 million worth of projects awaiting approval). Successful projects will demonstrate to both public and private sector investors that green investments are bankable and that fiscal support can catalyse investment by the private sector.

Initiatives for international cooperation, knowledge exchange and benchmarking

Under the period in review, the International Relations unit in the Branch: Strategy and Planning coordinated the following:

Participation at the 7th session of the World Urban Forum in April 2014

South Africa participated at the 7th session of the WUF. All of the themes of WUF7 were significant for South Africa's urban development process; however, the Department of Human Settlements and COGTA agreed to focus on four priority sub-themes, namely:

- Equity in Urban Development Law
- Urban Planning and Design for Social Cohesion
- A Safe City as a Just and Equitable City
- Raising Standards of Urban Resilience

Prior to participation at WUF7, the two departments

convened a stakeholder workshop on 10 March 2014 to discuss and obtain inputs on the four priority thematic areas to shape the discussion paper for South Africa's participation at WUF7. A subsequent meeting took place on 28 March 2014 to present and finalise South Africa's discussion document and Team South Africa's approach at WUF7.

With inputs from participants at the two workshops, the Department of Human Settlements and COGTA developed a discussion paper on urbanisation in South Africa as well as information notes on the four priority subthemes, and a briefing note on gender and youth to guide the delegation in their discussions in the various sessions.

Preparations for the Third United Nations Conference on Housing and Sustainable Urban Development (Habitat III)

The Department of Human Settlements is the lead Department for matters falling under the auspices of UN-HABITAT, and therefore had the responsibility of coordinating the National Report for Habitat III which will take place in 2016. The National Report was submitted before the first Preparatory Conference for HABITAT III, which took place at the United Nations in New York on 17 and 18 September 2014. Cabinet approved South Africa's National Report for Habitat III in October 2014.

The South African Habitat III National Report was developed in consultation with key national departments, through an interdepartmental working

group. Inputs were drawn from South Africa's 20-year Review and South Africa's 2013 Millennium Development Goals Country Report, as well as information sources from the departments of Human Settlements, Cooperative Governance, Social Development, Transport, Environmental Affairs, Energy, Rural Development and Land Reform, National Treasury, the National Youth Development Agency, and Statistics South Africa. Prior to presentation in New York, the draft report was presented and further discussed with sector stakeholders in a national workshop on 26 June 2014.

Cooperation with the Netherlands

The Annual Review Meeting of the South Africa and Netherlands Cooperation for 2013 did not take place as scheduled, as the Director-General of the Department of Human Settlements had pressing matters to attend to at the end of the term of government. Instead, the South African Oversight Committee submitted its report on the implementation of the 2013 Annual Implementation Plan and the draft 2014 Annual Implementation Plan for consideration by the Dutch Oversight Committee. The Dutch Oversight Committee was pleased with the progress made and raised budgetary and other business matters which were attended to by the South African side.

Participation at the African Union Commission, 24–26 November 2014

South Africa participated at the first meeting of the African Union's Specialised Technical Committee on Public Service, Decentralisation, Local Government and Urban Development, which took place in Brazzaville in the Congo from 24 to 26 November 2014. This meeting was aimed at formally operationalising the new STC.

Participation at the Cities Alliance Consultative Group meeting, 05–09 November 2014

South Africa participated at the Consultative Group meeting held in Addis Ababa, Ethiopia from 05 to 09 November 2014, which discussed and decided on institutional, operational and strategic matters of the Cities Alliance.

India, Brazil and South Africa Cooperation

South Africa approved to fund the Research Proposal on developing an IBSA "Learning from the South" developed by the South African Cities Network, which was the anchor institution from the South African side. However, a challenge is being experienced within the work of the IBSA Working Group on Human Settlements, which delays progress towards the implementation of the WG programme. This is a result of uncertainty regarding Brazil's future as partner within the Working Group and the recent withdrawal of the South African Cities Network as an anchor institution from the South African side.

Workshop to develop a South African position on International Guidelines on Urban and Territorial Planning held on 27 March 2015

The Department of Human Settlements hosted a workshop on International Guidelines on Urban and Territorial Planning on 27 March 2015. The

purpose of this workshop was to discuss and develop a South African position on the International Guidelines on Urban and Territorial Planning. The Presidency, departments of Cooperative Governance, Transport, Rural Development and Land Reform, SALGA, SACN and HDA have been invited to deliberate on the above issue. The Deputy Minister of Human Settlements, Ms Zou Kota-Fredericks chaired this workshop whilst Ms Christine Platt, Deputy Chair of the HDA, who led a panel of international experts in the development of these draft guidelines, presented the process which was taken to complete the guidelines. This meeting indicated that all the South African frameworks (such as the Spatial Master Plan, IUDF, review of the Red Book and the Housing Code), which are in line with the International Guidelines on Urban and Territorial Planning, should be mentioned in a statement that will be delivered at the 25th session of the UN Habitat Governing Council. It further endorsed the adoption of the International Guidelines and welcomed additional inputs from other relevant departments that were not in attendance.

Programme 2: Human Settlements Policy Strategy and Planning

Subprogramme: Operational Frameworks

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To manage the development of Human Settlements policies					
National Human Settlements macropolicy submitted for approval	Densification policy submitted to EMT	One approved new National Human Settlements macropolicy approved: Environmental Implementation Plan	Environmental Implementation Plan submitted for approval	Environmental Implementation Plan was not submitted as per the target	Environmental Implementation Plan was not submitted
Number of provincial and municipal advocacy campaigns on National Human Settlements policy	Eight policy workshops conducted as follows: <ul style="list-style-type: none"> North West Mpumalanga Eastern Cape: Umtata and Port Elizabeth Limpopo Northern Cape: Kimberley and Upington 	Four approved reports on National Human Settlements policy advocacy campaigns conducted	Four approved reports on National Human Settlements policy advocacy campaigns submitted	None	None
Number of new National Human Settlements policies, guidelines and norms and standards approved	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	Two approved new National Human Settlements policies and guidelines (approved Special Housing Needs Policy Programme and approved Policy Guidelines on Transforming Human Settlements and Serviced Stands)	The National Housing Programme was drafted and considered by a combined National Task Team comprising all role players on 12 March 2015. Role players were given until 27 March to provide further written inputs. Inputs received have been utilised to adjust the draft Programme	Policy developed but has not been approved	The appointment of external capacity was undertaken by DSD as part of a joint collaborative project. The service providers were only appointed on 1 September 2015 through donor funding obtained from the DG Murray Trust. This delayed the project considerably
			The Guidelines were developed and submitted for approval	Guidelines developed but not yet approved	None

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Number of revised Human Settlements policies and guidelines approved	The CRU Policy was adjusted in 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	Two revised Human Settlements policies and guidelines approved (approved Comprehensive National Rental Housing Policy and approved policy guidelines for fast-tracking township establishment and transfer of properties	Guidelines for township establishment and transfer of properties were developed and submitted for approval	Guidelines not yet approved	None
			The Rental Policy was developed and submitted for approval	Policy not yet been approved	None
Number of municipalities assessed for accreditation	Assessments for the readiness to receive level 3 accreditation were completed for the 6 metro municipalities	Development of a capacity support programme for assignment and accreditation	A capacity support programme for assignment and accreditation was developed in the form of the Human Settlements Capacity Grant as per the guideline and the framework	None	Evidence was not submitted
Number of reports on Monitoring and Evaluation conducted on accredited municipalities	No baseline	Four approved Monitoring and Evaluation reports on accredited municipalities	Four Monitoring and Evaluation exercises were conducted and four reports were approved	None	None
Number of provinces offered post-accreditation support	No baseline	Four National Accreditation Task Team support campaigns held	Four national Accreditation Task Team meetings were held	None	None
Approved strategy and report on a number of municipalities assessed for accreditation and assignment	No baseline	1 strategy report and a report on a number of municipalities assessed for accreditation and assignment	The strategy is awaiting approval by the DG in April 2015 and the report on assessed municipalities for accreditation and assignment was approved	The strategy has not yet been approved	Approval awaited by April 2015

Subprogramme: Governance Frameworks

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To monitor, facilitate compliance with policies and transform HS sector					
Approved, implemented and reviewed HS sector policy compliance framework	Governance frameworks approved	Approved and implemented HS sector policy compliance framework	Approved and implemented HS sector policy compliance framework	Implementation of HS sector policy compliance framework	No proof of implementation submitted
Number of reports on the implementation of the reviewed HS sector policy compliance matrix	No baseline	Four quarterly reports on the implementation of the HS sector policy compliance matrix	Four quarterly reports on the implementation of the HS sector policy compliance matrix	None	None
Number of reports on verified HS projects that comply with policy directives	No baseline	Two reports on verified HS projects that comply with policy directives	Two reports on the verified HS projects that comply with policy directives Additional work: 1. Report on Lwandle eviction in Cape Town 2. Report on Limpopo oversight visit	Two additional reports	None
Number of research reports on the identified themes in the research agenda (sustainable human settlements, demand, supply, land and tenure)	Two research papers: "Asbestos use in South Africa: Related Health Risk 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	Two research reports on the identified themes in the research agenda	1. Report on international best practice on the transfer of function to municipalities 2. Research report towards the development of the empowerment strategy for designated groups 3. Empowerment strategy for designated groups 4. Opinion paper on the implementation of MDI 5. Position paper on increasing access to housing opportunities 6. Job creation strategy report	4 additional reports	Service provider was appointed to assist with one research

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Number of research requests completed	<p>Five requests received and completed. Report on the impact of economic crisis on human settlements. Provided environmental scan for the annual report</p> <p>Director-General's note on the world economic crisis as it relates to SA's ability to create jobs</p> <p>Report on the role of human settlements in economic development as per the request by the Director-General's office</p> <p>Provided inputs for the departmental response to the financial and fiscal commission review document</p>	Two research requests completed	<ol style="list-style-type: none"> 1. Report on Human Settlements environmental scanning and analysis for the 2013/14 annual report 2. Report on the lessons learned on the transfer of water services from the National Department of Water Affairs to municipalities for the Human Settlements accreditation exercise 3. Inputs of the service delivery environment for the departmental revised strategic plan 4. Report on the performance delivery environment for the APP Plan document 5. Report on the inputs made to the departmental hearing with the Human Rights Commission 6. TOR for the research to investigate Hlano requests 	4 additional reports	More requests were made
Number of reports on Human Settlements environment scanning and analysis (economic and social environment)	4 reports on Human Settlements environment scanning and analysis submitted	Four reports on Human Settlements environment scanning and analysis	Four reports on Human Settlements environment scanning and analysis	None	None

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Number of reports on annual build projects implemented	No baseline	A consolidated approved report on five build projects (Youth, Women, Mandela Day, Military Veterans and 16 Days of Activism Against Women & Child Abuse (as per APP)	A consolidated approved report on five build projects (Youth, Women, Mandela Day, Military Veterans and 16 Days of Activism Against Women & Child Abuse Builds: Youth Build implemented in Kimberley (NC) through handover of 76 housing units. It was attended by the DP of RSA on 16 June 2015 Women's Build project implemented in Kinsburgh (KZN) and Heidelberg through construction of 120 units. The project was supported by the Minister of DHS. Mandela Build held in Qunu (EC) through construction of five units and clean-up campaign in Cosmo City (GP) Milvetz Build implemented in Tigane (NW) through construction of six units for Milvetz 16 Days Build held in Durbanville through construction of two houses for the elderly	None	None
Number of reports on training and mentorship programmes implemented	Four approved reports on training and mentorship programmes implemented	Four approved reports on training and mentorship programmes implemented	Four approved reports on training and mentorship programmes implemented: GIBS/NHBRC Women Empowerment: training of 20 women implemented 600 youth trained on technical construction and life skills, FET programme	None	None
Number of approved reports on the implementation of the sector transformation programmes	Four reports on the implementation of the sector transformation programmes and special projects submitted	Four approved quarterly reports on the implementation of the sector transformation programmes	Four approved reports on training and mentorship programmes implemented: Special transformation projects implemented – profiling of families in housing distress Social facilitation in Lwandle International Women's Day project implemented in Midrand in partnership with GIBS/NHBRC Beneficiary profiling during the Media Build	None	None
Number of sector transformation strategies developed and reviewed	Disability Strategy is under development Terms of reference approved	Two approved strategies developed (disability and military veterans)	Draft Disability Strategy developed: Research report for designated groups compiled	Final research report from consultant was released	None
Number of reports on empowerment and mentorship programmes implemented	No baseline	Four reports on empowerment and mentorship programmes implemented	Four approved reports on training and mentorship programmes implemented: GIBS/NHBRC Women Empowerment: training of 20 women implemented 600 youth trained on technical construction and life skills, FET programme	None	

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Number of reports on special transformation projects implemented	No baseline	Four of reports on special transformation projects implemented	Four approved reports on training and mentorship programmes implemented: Special Transformation projects implemented – Profiling of families in housing distress Social facilitation in Lwandle International Women's Day project implemented in Midrand in partnership with GIBS/NHBRC Beneficiary profiling during the Media Build	None	None

Subprogramme: Human Settlements Strategy

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: Provide strategy for improved Human Settlements outcomes					
Concept note and the framework for the development of Human Settlements Strategy (Green Paper)	No baseline	Concept document and framework to guide development of Green Paper developed and approved	Research reports to guide the development of the Green Paper approved	Concept Document and Framework	Concept Document and Framework to guide development of green paper was not submitted therefore it was not achieved
Approved draft National Rental Housing Strategy	No baseline	Draft National Rental Housing Strategy approved	The draft Rental Housing Strategy Framework has not been discussed or approved	The draft of Rental Housing Strategy Framework has not been discussed or approved	As soon as the Rental Housing Strategy Framework has been approved and a budget has been allocated, the various working groups can be established and can start with their activities
Five-year strategy for Human Settlements	No baseline	2014–19 MTSF approved	2014-19 MTSF approved	None	None
	No baseline	2014–19 Strategic Plan approved	2014 – 19 Strategic Plan approved by minister	None	None
Evaluation of Human Settlements strategic areas completed	No baseline	2 evaluation reports on Human Settlements strategic areas completed	2 evaluation reports on Human Settlements strategic areas completed	None	None

Subprogramme: Stakeholder and IGR Engagement

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objectives: Coordinate intergovernmental and stakeholder relations and support community-driven initiatives to achieve improved Human Settlements outcomes					
Inter-sector and inter-sphere collaboration to increase programme delivery	No baseline	4 reports on inter-sectoral, inter-sphere collaboration agreements signed and implemented	4 reports on inter-sectoral, inter-sphere collaboration agreements signed and implemented (The evidence is also in line with the 1st quarter target)	None	None
	No baseline	4 reports on departmental outreach initiatives and projects coordinated	4 reports on departmental outreach initiatives and projects coordinated (The evidence is also in line with the 1st quarter target)	None	None
	No baseline	4 reports on inter-sphere projects collaborated on with private stakeholders implemented	4 reports on inter-sphere projects collaborated on with private stakeholders implemented (The evidence is also in line with the 1st quarter target)	None	None
Nine (9) Provinces supported in the utilisation of the self- built methodology (PHP) and the promotion of the Cooperatives models.	No baseline	Approved Cooperatives Policy	Cooperatives Policy not approved	Cooperatives Policy	Target not the Directorate's responsibility. Policy unit responsible for the development of the policy
	No baseline	Approved PHP guidelines	PHP guidelines not approved	PHP guidelines	Implementation guidelines referred back for inclusion of cooperatives chapter
Establishment and management of inter-governmental and sector stakeholder forums	No baseline	Approved framework for the coordination of inter-governmental and sector stakeholder forums	Framework for the coordination of inter-governmental and sector stakeholder forums partially achieved	Framework for the coordination of inter-governmental and sector stakeholder forums	Document still under discussion
	No baseline	4 reports on the support to the evaluation, review and improvement of policies and programmes through IGR and stakeholder forums	4 reports on the support to the evaluation, review and improvement of policies and programmes through IGR and stakeholder forums	None	None
Management of international co-operation and knowledge exchange/ benchmarking	No baseline	4 reports on initiatives for international cooperation and knowledge exchange/ benchmarking	4 reports on initiatives for international cooperation and knowledge exchange/ benchmarking	None	None

Subprogramme: Human Settlements Planning

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Strategic objective: To manage Human Settlements development planning processes and support the implementation of Human Settlements and housing development planning frameworks					
Approved template for provincial Multi-year Housing Development Plan (MHDP)/ Part D of APP	No baseline	Approved template for provincial Multi-year Housing Development Plan (MHDP)/ Part D of APP	Provincial Multi-year Housing Development Plan (MHDP)/Part D of APP was presented at the quarterly provincial performance reviews and no amendments were required	None	None
Approved template for provincial Human Settlements Development Grant (HSDG) Business Plan	No baseline	Approved template for provincial Human Settlements Development Grant (HSDG) Business Plan	Approved template for provincial Human Settlements Development Grant (HSDG) Business Plan	None	None
The revised Guidelines for Human Settlements Planning and Design (Red Book) approved	No baseline	Report on project scoping and framework developed for the revised Guidelines for Human Settlements Planning and Design (Red Book) approved	SLA between the National Department and CSIR was approved in February 2015. First transfer was done	Report on project scoping and framework developed for the revised Guidelines for Human Settlements Planning and Design (Red Book) approved	The project was delayed due to technical issues that hampered the finalisation of the SLA. The targets will be achieved in the 2015/16 financial year
9 provincially approved provincial Human Settlement Development Grant (HSDG) Business Plans received	No baseline	9 provincially approved provincial HSDG Business Plans received	9 provincially approved provincial (HSDG) Business Plans received	None	None
9 final approved provincial Multi-year Housing Development Plans (MHDP)/ Part D of APP submitted	No baseline	9 final approved provincial Multi-year Housing Development Plans (MHDP)/ Part D of APP submitted	6 Multi-year Housing Development Plans received from provinces	3 Multi-year Housing Development Plans outstanding from provinces	3 provinces still await the finalisation/ approval of their plans

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Report on the Urban Settlements Development Plans (USDG)	No baseline	Report on the Urban Settlements Development Plans (USDG) submitted.	Signed and dated report on the Urban Settlements Development Plans (USDG) was not submitted	Signed and dated evidence	The target was not achieved. The evidence submitted was not signed and dated for authenticity and credibility
Approved final 2015/16 & adjusted 2014/15 National Human Settlements Development Grant Business Plan	No baseline	Approved final 2015/16 & adjusted 2014/15 National Human Settlements Development Grant Business Plan	Approved final 2015/16 & adjusted 2014/15 National Human Settlements Development Grant Business Plan	None	None
Number of reports on project scoping and framework developed for the revised Guidelines for Human Settlements Planning and Design (Red Book) approved	No baseline	1 report on project scoping and framework developed for the revised Guidelines for Human Settlements Planning and Design (Red Book) approved	SLA between the National Department and CSIR was approved in February 2015. First transfer was done	1 report on project scoping and framework developed for the revised Guidelines for Human Settlements Planning and Design (Red Book) approved	The project was delayed due to technical issues that hampered the finalisation of the SLA. The targets will be achieved in the 2015/16 financial year
Number of research reports delivered on sector planning trends	No baseline	1 research report delivered on sector planning trends	1 research report was not delivered on sector planning trends	1 research report delivered on sector planning trends	Target could not be met due to no human resources in the Directorate: Research
Number of research reports delivered on national and international best practices in Human Settlements planning	No baseline	1 research report delivered on national and international best practices in Human Settlements Planning.	1 research report was not delivered on national and international best practices in Human Settlements Planning	1 research report delivered on national and international best practices in Human Settlements Planning	Target could not be met due to no human resources in the Directorate: Research

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation
Number of final provincially approved provincial business plans received and analysed	No baseline	9 final approved provincial APP – Part D received	5 final approved provincial APP – Part D received	4 final approved provincial APP – Part D received	Please note that the performance indicator speaks to Business Plans, and the actual target speaks to APP – Part D. Provinces still await the approval of their plans
Number of final approved provincial APP – Part D received	No baseline	9 final approved provincial APP – Part D received	5 final approved provincial APP – Part D received	4 final approved provincial APP – Part D received	Provinces await approval of their plans
9 final provincially approved provincial business plans received	No baseline	9 final provincially approved provincial business plans analysed	9 final provincially approved provincial business plans received and analysed	None	
Number of reports on the support rendered to municipalities on the assessment of the Housing Chapters of IDPs	No baseline	Report on the support rendered to municipalities on the assessment of the Housing Chapters of IDPs	Reports on the support rendered to 9 municipalities in North West on the assessment of the Housing Chapters of IDPs	Signed evidence	The target was not achieved. The evidence has not been signed for authenticity and credibility; however, the route form was submitted as indication that the report has been submitted for approval
Number of approved final National Human Settlements Development Grant Business Plans	No baseline	1 approved final National Human Settlements Development Grant Business Plan	1 approved final National Human Settlements Development Grant Business Plan	None	None

2014/15 Performance indicators as per Estimates of National Expenditure and departmental strategic and annual performance plans

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation	Evidence
Number of additional municipalities assessed for accreditation level 2 per year	1	5	0	5	MinMEC took a decision of keeping the Accreditation Programme in abeyance. Subsequent to that, another decision was taken regarding reviewing the Programme, and also ordered that a new approach towards accreditation be investigated and crafted	MinMEC decision Strategy towards a new approach to accreditation

Strategy to overcome areas of underperformance

- Set up a capacity panel to assist with assessments.
- Follow up with the DG to ensure approval of draft policies.
- Obtain a clear and precise indication on project details and needs from management and streamline the procurement process.
- Better project alignment with external stakeholders and a more compact project schedule.
- The PHP Directorate is planning to hold strategic engagements with various provincial departments of Human Settlements and relevant metros with a view to discuss the allocation of resources (subsidies and personnel) for the programme and to deliberate on ways to upscale effective implementation of the programme.
- Develop PHP Growth Strategy to upscale the programme.
- PHP Directorate will prioritise the approval of the PHP Implementation Guidelines.
- Streamline the consultation process with the Sector Support Agency.
- Develop capacity development initiatives to empower communities to be self-reliant.

Changes to planned targets

See narrative under Programme 1.

Linking performance with budgets

Subprogramme name	2014/15	2013/2014				
	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	4 134	3 902	232	5 552	3 569	1 983
Human Settlements Policy Frameworks	30 178	29 731	447	27 946	27 753	193
Human Settlements Strategy and Planning	45 767	45 070	697	52 747	42 004	10 743
Total	80 079	78 703	1 376	86 245	73 326	12 918

NB: Please refer to the Report of the Accounting Officer.

4.3 Programme 3: Programme Delivery Support

Purpose: To oversee and support the execution of Human Settlements programmes and projects.

Subprogrammes

- Programme and Project Planning Support
- Programme Implementation Facilitation
- Programme Monitoring and Evaluation
- Programme Regulatory Compliance
- Technical Capacity Development

Strategic objectives

- To manage the conceptualisation and planning of HS strategic programmes and projects.
- To oversee and facilitate the implementation and facilitation of HS projects.

- To manage the monitoring, evaluation and assessment of the impact of Human Settlements projects, policies and programmes.
- To manage the development of technical capacity in the Human Settlements sector.
- To manage regulatory compliance services within the HS sector and provide oversight management over the Department's entities.

Strategic objectives, performance indicators, planned targets and actual achievements

During the year under review, the Branch developed a Project Readiness Matrix (PRM) tool on the basis of being a requirement by the Division of Revenue Act (DoRA) and as part of the grant framework. It was aimed at:

- Enabling the National Department of Human

Settlements to assess which projects are feasible and deliverable within a specific timeline and budget in order to make informed strategic interventions;

- Assisting the development of credible annual provincial business plans and a credible and readily available construction pipeline of projects for implementation in a specific financial year;
- Streamlining project planning and packaging nationally;
- Identifying and assessing the levels of project risk (low, medium and high), and developing appropriate mitigation strategies; and
- Assessing project readiness measured against a set of criteria.

We successfully facilitated planning for 170 333 housing opportunities (41 044 sites and 129 289

units), indicating a positive variance of 20 333 housing opportunities over and above the set annual target. The positive outcomes were a result of constant support provided to the provinces and metros to comply in terms of projects that are planned. The facilitation process was highly effective in terms of ensuring alignment with the business plans, as it will assist in developing credible business plans and providing indicative trends of forward planning and underplanning.

The branch successfully achieved its annual target of planning 10 catalytic projects that address spatial, social and economic integration, namely:

1. Lufhereng: Gauteng (to yield 24 145 units)
2. Cornubia: KwaZulu-Natal (to yield 23 000 units)
3. Lephalale: Limpopo (to yield 5 112 units)
4. Savanna City: Gauteng (to yield 18 000 units)
Malibongwe Ridge – Extension of Cosmo City: Gauteng (to yield 5 514 units)
5. N2 Gateway Phase 1: Western Cape (to yield 668 units)
7. Hillside View: Free State (to yield 7 097 units)
Caleb Motshabi: Free State (to yield 7 500 units)
Thembalethu Phases 1–3: Western Cape (to yield 5 981 units)
8. Phagameng Extension 2: Limpopo (to yield 1 302 units).

Over and above achieving this annual target, we further facilitated planning processes for the following additional catalytic projects, for which project profiles have been received:

1. Inyoni: KwaZulu-Natal (to yield 3 020 units)
2. Vulindlela: KwaZulu-Natal (25 000 subsidies approved)
3. N2 Gateway Phase 2: Western Cape – Penhill Site (8 074)
4. N2 Gateway Phase 2: Western Cape - Forest Village (4 280 sites & 2 654 houses)
5. N2 Gateway Phase 2: Western Cape – Syferfontein East (1 881 housing opportunities)
6. N2 Gateway Phase 2: Western Cape – Syferfontein West (4 000 housing opportunities).

Collaboration with relevant sector departments

Human Settlements and mining towns

The Department continues to support initiatives of the Special Presidential Package (SPP) on the Revitalisation of Distressed Mining Communities, which are coordinated by the Department of Performance Monitoring and Evaluation (DPME) in the Presidency. The overall objective of the interventions of the Department of Human Settlements in the SPP provinces and municipalities is to achieve “transformation of mining towns through the creation of sustainable human settlements”.

During the period under review, provision was made over the MTEF period in the Human Settlements Development Grant (HSDG) for ring-fenced funding for an amount of R290 million for informal settlement upgrading in mining towns in five provinces and various municipalities, including

provinces and municipalities identified for the SPP on the Revitalisation of Distressed Communities. However, it is important to note that provinces adjusted their allocations mid-term, with a total Adjusted Allocation of R1.8 billion as at end January 2015. Total expenditure as at January 2015 was R301.9 million, with a total delivery performance of 13 sites and 3 034 units across all the provinces in the mining towns. The period under review involved extensive planning for services and bulk infrastructure.

The National Upgrading Support Programme (NUSP) was established to promote informal settlement upgrading and to provide technical support to municipalities to achieve the objectives of Outcome 8 and the National Development Plan. Considerable progress has been made in supporting 62 identified municipalities in developing informal settlement upgrading strategies and detail project plans for the informal settlements in their areas of jurisdiction through the NUSP. Political and technical buy-in has been negotiated with 61 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 the content material for a comprehensive Capacity Building Programme has also been initiated.

Continuous contact has been maintained with provinces and municipalities, as well as a number of individuals, regarding the implementation of housing programmes and projects. The majority of the queries were received from individuals complaining about housing products, blocked projects, slow-moving projects and informal settlement upgrading projects, and solutions to project matters were facilitated. A process has been initiated through which the viability and readiness of projects contained in annual provincial business plans are being measured in order to create more certainty regarding the implementability of projects.

The Department has finalised the Monitoring, Evaluation and Impact Assessment (MEIA) Policy and Implementation Framework (2014/19) for the Human Settlements sector, which sets the basis for monitoring and evaluation in the sector, establishes principles to guide the sector to monitor and evaluate National Human Settlements policies, programmes and projects, and provide monitoring and evaluation Human Settlements practitioners with the tools to undertake their tasks. The MEIA framework has incorporated the recently established grants such as the Urban Settlements Development Grant (USDG) and the Municipal Human Settlements Capacity Grant (MHSCG) performance measures. The MEIA framework is aligned to the 2014/19 Medium Term Strategic Framework (MTSF), and contains tools to measure performance throughout the MTSF period.

Physical monitoring and other verification methodologies 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 with access to basic services and secure tenure. All projects were visited, and contractors are enrolled with NHBRC. All projects have access to social amenities such as clinics, schools, police stations, playgrounds and public transport within reasonable proximity.

A number of projects visited have to some extent contributed to the local economy and job creation through the employment of local subcontractors for semi-skilled and unskilled jobs. Women and youth participate in the projects in various construction works. Consumer education is well conducted in all the projects, and could be strengthened. The issuing of title deeds has improved significantly and could be strengthened.

Observations were also made on the time and amount spent on rectification of housing units across provinces owing to poor workmanship and work done prior to the involvement of the NHBRC. There was also a general observation of the lack of sectorial integration and alignment with regard to the implementation of Human Settlements projects across provinces.

In respect of the USDG, four quarterly reports and one annual report 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 biannual 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 land shortages, high influx of people to metropolitan municipalities due to urbanisation, social instability (which affects the service delivery programme), shacks farming, illegal electricity connections, and slow procurement processes resulting in late designs and contractor procurement.

Measures have been put in place to ensure maximum expenditure by financial year-end, and include the construction of bulk infrastructure projects planned to commence in the non-rainy season to enhance the implementation rate; the procurement of contractors to be concluded before the beginning of the preceding financial year; gravel road 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 metropolitan municipalities have further developed processes to ensure that the management of the grant is done through the regular interrogation of the budget, conservative cash-flow projections and regular monitoring and evaluation of progress of projects.

The Branch successfully managed to submit progress reports on achieving the various targets and milestones of Outcome 8. These reports were submitted to the 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.

During the year, the Data Management unit gathered, compiled, analysed and integrated information sourced from the provinces and other institutions such as Stats SA to respond to various information requests.

Back-up data from the Housing Subsidy System (HSS) was gathered from provincial departments on a monthly basis and restored to the National Department's data warehouse where it was available to be extracted as required for reporting and responding to enquires. Additionally, non-financial delivery performance reports and statistics were gathered on a monthly basis from the relevant units within provincial departments of Human Settlements to verify performance data.

HSDG performance data was analysed and twelve monthly delivery performance reports were compiled and made available to senior management and the Ministry. Four additional data analysis reports were also made available to senior management on the following aspects:

- Age and gender analysis report on state subsidised housing beneficiaries;
- Delivery of RDP and other state-subsidised houses from 1994 until March 2014;
- Performance appraisal of progress made by August 2014 in relation to annual targets of the MTSF;
- Report on upgrading of informal settlements from 2009 to January 2015 (in response to a request from the South African Human Rights Commission).

Informal settlements information and data were analysed and progress with formalisation and upgrading was extracted and made available. The Human Settlements projects master spatial database was enhanced with geographical information for spatial analysis. Spatial information support was provided to stakeholders as required through map production and compilation of spatial datasets for provincial departments such as the Eastern Cape and North West.

The baseline study of the ISUP that was initiated in collaboration with the DPME in 2013/14 has reached the pilot of the data collection instruments stage. The baseline study forms part of the evaluations that are on the national evaluation plan submitted to Cabinet. The baseline study has collated existing maps to depict the estimated number of households in informal settlements targeted for upgrading. The baseline will further record household information, including demographics, health and safety, employment, consumption and productive activities, as well as the empowerment

of local communities in informal settlements targeted for upgrading. These exercises will collect baseline data that will be used to conduct future impact evaluations.

The Branch also finalised the Rapid Appraisal Study of Outcome 8: Output 1 (2010–2014), which responded 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 was to provide an appraisal that can be used to strengthen implementation and improve performance of Outcome 8: Output 1 (2010–2014) for the benefit of the future implementation and evaluation of outcomes.

The Rapid Appraisal Study has provided evidence that there were initially different interpretations and understandings of Outcome 8: Output 1, and that the manner in which it was introduced was less than ideal. Nevertheless, the accountability arrangements it established were helpful in terms of providing regular, focused and relatively concise strategic monitoring and reporting to political leadership, which in turn kept pressure to achieve the targets. The introduction of Outcome 8: Output 1 has clearly begun to give impetus to a broader devolution agenda for the housing function. This emphasis permeates the focus on informal

settlement upgrading, which is concentrated around the metros and big towns that qualify for accreditation and that are often targets for the benefit of the NUSP initiative. The result has been that the appraisal has raised questions about the way in which housing programmes are prioritised and applied in relation to the policy, and highlighted

the crucial role of more meaningfully involving local government in the process going forward. Going forward, the collected data 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.

Programme 3: Programme Delivery Support

Subprogramme: Programme and Project Planning

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Strategic objective: To manage the conceptualisation and planning of HS strategic programmes and projects					
Draft Guideline Framework for the testing of project readiness developed	No baseline	Draft Guideline Framework for the testing of project readiness developed	Draft Guideline Framework for the testing of project readiness developed	None	None
100% planned projects assessed for implementation	No baseline	150 000 housing opportunities planned	170 338 housing opportunities planned	20 338 housing opportunities planned	Proactive and extensive consultation processes carried out on forward planning and underplanning
100% planned catalytic projects that address spatial, social and economic integration	No baseline	10 planned catalytic projects that address spatial, social and economic integration	15 planned catalytic projects that address spatial, social and economic integration	5 planned catalytic projects that address spatial, social and economic integration	Constant support was provided to the provinces and metros to comply with project impact, integration and readiness criteria
Number of informal settlements upgrading plans for eight metros developed to Phase 2	No baseline	200 informal settlements planned to be upgraded to Phase 2	200 informal settlements planned to be upgraded to Phase 2	None	None

Subprogramme: Programme Implementation Facilitation

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Strategic objective: To manage the implementation and facilitation of Human Settlements projects					
% of projects in provincial business plans ready to be implemented	No baseline	100% of projects in provincial business plans ready to be implemented	100% of projects in pProvincial business plans assessed for implementation readiness	Some projects in provincial business plans were not ready for implementation	Provinces included projects in business plans which were not ready for implementation
	No baseline	Technical skills provided to 8 municipalities on the Housing Project Process Guide	Technical skills provided to 9 municipalities and 1 province on the Housing Project Process Guide	Technical skills additionally provided to 1 municipality and 1 province on the Housing Project Process Guide	Requests received from Steve Tshwete Local Municipality and Gauteng Department of Human Settlements to provide technical skills
100% of responses to public/private enquiries on Human Settlements projects provided	No baseline	100% of responses to public/private enquiries on Human Settlements projects provided	100% of responses to public/private enquiries on Human Settlements projects provided	None	None
Number of projects in provincial business plans assisted with technical assistance	No baseline	100% of projects requiring assistance provided with technical support	100% of projects requiring assistance provided with technical support	None	None
Number of municipalities provided with technical support for developing informal settlement upgrading strategies	No baseline	Municipal informal settlement upgrading strategies for 40 municipalities	31 municipal informal settlement upgrading strategies developed: Msunduzi, Ga-Segonyana, Gamagara, Khara Heis, Phokwane, Sol Plaatje, Tsantsabane, Mogale City, Ladysmith, Newcastle, City of CPT, Drakenstein, City of Jhb, Ekurhuleni, Emfuleni, Mossel Bay, Dihlabeng, Metsimaholo, Maluti A Phofung, Moqhaka, Buffalo City, Tshwane, Elias Motswaledi, Greater Tubatsi, Mangaung, Matjhabeng, Modimolle, Polokwane, Thabazimbi, Tshwane and Theewaterskloof	9 municipal informal settlement upgrading strategies not developed	Signing of Service Level Agreements in respect of Emalahleni, Lekwa, Steve Tshwete, Thembisile Hani, Kgetleng Rivier, Maquassie Hills, Tlokwe, Stellenbosch and Eastern Cape municipalities was delayed and SLAs were only signed in January 2015

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Number of informal settlement upgrading plans developed	No baseline	360 informal settlement upgrading plans	336 informal settlement upgrading plans developed: Drakenstein (32), Ekurhuleni (18), Mogale City (86), George (12), Tshwane (30), Elias Motswaledi (5), Greater Tshwane (7), Mangaung (29), Matjhabeng (20), Modimolle (11), Polokwane (6), Thabazimbi (4), Buffalo City (32), City of Jhb (21), Rustenburg (8) and Madibeng (15)	24 informal settlement upgrading plans not developed	Completion of 7 plans in Umhlathuzi was delayed as the traditional authorities did not allow the service provider access to the sites. Delays in the signing of Service Level Agreements for Emalahleni (8), Lekwa (20), Steve Tshwete (8), Thembisile Hani (10), Kgetleng Rivier (5), Maquassie Hills, Tlokwe and Stellenbosch (2) impacted on the non-completion of plans
Informal Settlement Capacity Building Programme developed	No baseline	Approved Capacity Building Programme	Development of content material completed by the service provider but documentation and report were only submitted in April 2015	Final content material and close-out reports were submitted in April 2015 although final content was approved by the Steering Committee before the end of the financial year	Delay in the completion of content materials due to delay in procurement process and appointment of service provider (delay in the approval of Terms of Reference)
Number of municipalities and provinces in which capacity building workshops are conducted	No baseline	Implementation of the Capacity Building Programme in 10 municipalities and provinces	Implementation of the Capacity Building Programme in 10 municipalities and provinces	Implementation of the Capacity Building Programme in 10 municipalities and provinces	Late completion of content material due to delayed procurement process and appointment of service provider

Subprogramme: Programme Monitoring and Evaluation

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Strategic objective: To monitor and evaluate the performance of provinces and metropolitan municipalities					
Revised M & E Framework	No baseline	Revised M & E Framework for 2014/15	Revised M & E Framework for 2014/15	None	None
Percentage of projects financed from the HSDG and USDG Conditional Grants verified in terms of performance and status	No baseline	50% of running projects monitored through physical site visits and other verification methodologies	57% of running projects monitored through physical site visits and other verification methodologies	7% of running projects monitored through physical site visits and other verification methodologies	The other verification methodologies covered more than the 50% targeted running projects
		4 quarterly reports on progress with the implementation of the Human Settlements POA Delivery Agreement	4 quarterly reports on progress with the implementation of the Human Settlements POA Delivery Agreement	None	None
Number of studies conducted on the impact of Human Settlements programmes on the quality of living and spatial environments	No baseline	2 impact assessment studies completed	1 impact assessment study completed: Rapid Appraisal of Outcome 8 1 impact assessment study at pilot stage: UISP Baseline Study	1 impact assessment study at pilot stage: UISP Baseline Study	The creation of the Theory of Change took longer than anticipated The study period has been extended. Approval for the extension was obtained from the Accounting Officer
Number of data and relevant analysis on the performance of Human Settlements programmes and projects	No baseline	4 data analysis reports (covering 12 data extracts) on Human Settlements project data	16 data analysis reports (covering 12 data extracts) on Human Settlements project data	In addition to 12 monthly reports, 4 additional reports were compiled: - Age and gender analysis report on beneficiaries (Pre-emptive analysis for attention of DDG); - Delivery of RDP and other state-subsidised houses from 1994 until March 2014 (response to a request from the Ministry) - Performance appraisal of progress made by August 2014 in relation to annual targets; implications for the MTSF (response to a request from CD: M & E) - Report on UISP for South African Human Rights Commission	Business processes require monthly data analysis for HSDG performance monitoring plus additional reports/ requests

Subprogramme: Private and Public Rental

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Strategic objective: To manage and support implementation of rental housing programmes					
Delivery of 43 200 affordable rental housing opportunities	No baseline	14 400 affordable rental housing opportunities delivered in well-located land	11 407 affordable rental housing opportunities delivered in well-located land (8 994 community residential units and 2 053 social housing units)	3 353 affordable rental housing opportunities delivered in well-located land	The deviation in units completed is due to the affordable private rental units that were not reported on in 2014/2015
Number of approved restructuring zones for development of social housing projects	No baseline	55 restructuring zones identified and demarcated	51 restructuring zones identified	4 restructuring zones not identified, and demarcation was not done	Final confirmation is still underway, as some municipalities were not specific about the area to be demarcated. Demarcation will follow in 2015/16

Subprogramme: Technical Capacity Development

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Strategic objective: To manage the development of the technical capacity of the Human Settlements sector					
Number of officials at all spheres of government trained on Human Settlements training and skills development programmes	328 officials, 2 672 beneficiaries and 740 councillors were trained	70 officials from municipalities	761 municipal officials trained	The planned target was exceeded by 691 for municipal officials	The demand for training from provinces and municipalities has increased
		30 officials from national and provincial departments of Human Settlements	135 officials from national and provincial departments trained	The planned target was exceeded by 105 for municipal officials	The demand for training from provinces and municipalities has increased
Number of subsidy and gap market beneficiaries trained	No baseline	2 400 beneficiaries trained	7 296 beneficiaries trained	The planned target was exceeded by 4 896	The reason for the overachievement is that provinces and municipalities are requesting assistance and support in conducting beneficiary training due to problems on the ground like illegal sales, but also due to increased demand from the beneficiaries for training

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Curriculum on homeownership and property market developed	No baseline	Conduct research on curriculum content in consultation with sector stakeholders	Research was conducted on curriculum content in consultation with sector stakeholders	None	None
Number of councillors trained	No baseline	600 councillors trained	994 councillors trained	The planned target was exceeded by 394	The partnership with provinces and SALGA has contributed to the smooth implementation of the programme
Sector Capacity Development Policy	No baseline	Sector Capacity Development Policy developed	A Sector Capacity Development Policy was developed	None	None
Number of provincial departments, municipalities and Human Settlements entities supported on the implementation of the Sector Knowledge Management Strategy	4 quarterly reports were compiled on 9 provincial departments work-shopped, monitored & evaluated on the implementation of the National Technical Capacity Development Strategy	9 provincial departments, accredited municipalities & 6 Human Settlements entities supported on the implementation of the Sector Knowledge Management Strategy	9 provincial departments, accredited municipalities & 6 Human Settlements entities were supported on the implementation of the Sector Knowledge Management Strategy	None	None
Model organisational structures for provincial departments and accredited municipalities developed	No baseline	Model organisational structures for provincial departments	A model organisational structure for provincial departments was developed	None	None
	No baseline	Model organisational structures for metropolitan municipalities	A model organisational structure for metropolitan municipalities was developed	None	None
Number of provincial departments, municipalities, and Human Settlements entities supported in the development and implementation of Capacity Development Business Plans	4 quarterly reports were compiled on 9 provincial departments work-shopped on the development & implementation of provincial Capacity Development Programmes and Business Plans	9 provincial departments, accredited municipalities and 6 Human Settlements entities supported in the development and implementation of Capacity Development Business Plans	9 provincial departments, accredited municipalities and 6 Human Settlements entities were supported in the development and implementation of Capacity Development Business Plans	None	None

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Number of provincial departments supported on the implementation of the South African Cuban Technical Support Programme	No baseline	Provinces participating in the South African Cuban Technical Support Programme supported in the implementation of the programme	All 4 provinces participating in the South African Cuban Technical Support Programme supported in the implementation of the programme	None	None
Number of provincial departments, municipalities, and Human Settlements entities supported in the development of Standard Operating Procedures	No baseline	9 provincial departments supported in the development of Standard Operating Procedures	9 provincial departments were supported in the development of Standard Operating Procedures	None	None
Establishment of the Human Settlements Professional Body	No baseline	Develop the Business Case for the Human Settlements Professional Body	A Business Case for the Human Settlements Professional Body developed	None	None
Scholarship Programme implemented	No baseline	Scholarship Programme implemented	Scholarship Programme implemented	None	None

Subprogramme: Regulatory Compliance Services

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Strategic objective: To manage regulatory compliance in order to ensure adherence to legislative and policy prescripts					
Number of Human Settlements entities' Annual Performance Plans submitted for approval	Final drafts of the APPs for 2014/2015	7 Human Settlements entities' Annual Performance Plans submitted for approval	7 Human Settlements entities' Annual Performance Plans submitted for approval	None	None
Number of performance monitoring reports on Housing Entities for 2013/14 (financial and non-financial) submitted	Performance monitoring reports (financial and non-financial) for the fourth quarter of 2012/2013, first, second and third quarters for 2013/2014 submitted to the Department	4 performance monitoring reports (financial and non-financial) submitted	4 performance monitoring reports (financial and non-financial) submitted	None	None

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Number of oversight reports on governance submitted	2 governance oversight reports	2 oversight reports on governance	3 oversight reports on governance	Produced 1 oversight report	We no longer produce two governance reports per year. Our report is now consolidated into the Finance and the Non-finance report which is produced on a quarterly basis
Number of reports on rationalisation of Human Settlements entities submitted	No baseline	2 reports on rationalisation of Human Settlements entities submitted	2 reports on rationalisation of Human Settlements entities submitted	None	None
Number of compliance reports on the implementation of Human Settlements legislation and regulations within the Department and public entities	2 reports on the implementation of Human Settlements legislation and regulations	2 compliance monitoring reports on the implementation of Human Settlements legislation and regulations within Human Resources and Finance produced	2 compliance monitoring reports on the implementation of Human Settlements legislation and regulations within Human Resources and Finance produced	None	None
Approved Legislative Compliance Policy Framework	No baseline	Developed Legislative Compliance Policy Framework	Developed Legislative Compliance Policy Framework	None	None
Number of reports on implementation of improvement plan with regard to the Auditor-General's Management Report (on laws and regulations)	No baseline	2 reports on the implementation of improvement plan on compliance matters raised by the Auditor-General on laws and regulations produced	2 reports on the implementation of improvement plan on compliance matters raised by the Auditor-General on laws and regulations produced	None	None

2014/15 Performance indicators as per Estimates of National Expenditure and departmental strategic and annual performance plans

Programme: Programme Delivery Support						
Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comments on deviation	Evidence
Total number of municipalities provided with technical assistance for informal settlement upgrading	45	53	62	9	Deviation due to the inclusion of mining towns	Service Level Agreements between the Department and service providers as well as agreements of the HDA with service providers and HDA activities
Number of informal settlements with settlement level upgrading plans per year	148	450 (360 in Operational Plan)	336	24	Delays in the conclusion of Service Level Agreements impacted on non-achievement of target	Evidence provided in quarterly and annual report evidence files
Number of informal settlements upgraded to Phase 3 per year	-	300				
Number of subsidies issued in the People's Housing Project per year	-	6 000	4 802			

Strategy to overcome areas of underperformance

Changes to planned targets

See narrative under Programme 1.

Linking performance with budgets

Subprogramme name	2014/15			2013/14		
	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	7 710	7 019	691	6 456	4 073	2 383
Programme Management Unit	101 986	54 998	46 988	189 415	77 445	111 970
Chief of Operations	59 278	57 095	2 183	51 259	44 194	7 065
Total	168 974	119 112	49 862	247 130	125 712	121 418

N.B: Please refer to the Report of the Accounting Officer.

4.4 Programme 4: Housing Development Finance

Purpose: To manage and support HS Grant Management services, mobilise sectoral resources and identify possible discriminating lending patterns by financial institutions.

Subprogrammes

- Chief Investment Officer

Strategic objectives

- To manage and mobilise sectoral resources and identify possible discriminating lending patterns by financial institutions.

Strategic objectives, performance indicators, planned targets and actual achievements

During the year under review, the Home Loans and Mortgage Disclosure Act (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 HLAMDA Amendment Bill has been submitted to the Office of the State Law Adviser and consul-

tation with key stakeholders has been concluded while awaiting gazetting for public comments to finalise the amendment in terms of legislative requirements.

The quarterly reporting format has been developed and implemented during the fourth quarter of the 2014/15 financial year in terms of the provisions of the Act.

The grant allocation processes for the 2014/15 financial year budget were finalised and approved. The Human Settlements Development Grant transferred to provinces for the 2014/15 financial year amounted to R17 billion, of which the provinces have spent a total of R16.9 billion, representing a spending rate of 98%.

The Urban Settlements Development Grant to metropolitan municipalities for the 2014/15 financial year amounted to R10.2 billion. Municipalities spent a total of R5.2 billion, which represents 48.3% of allocated funds. The financial year of municipalities ends in June 2015, and the performance indicated is for nine months.

The Municipal Human Settlements Capacity Grant that was transferred to six municipalities (Nelson Mandela, Ekurhuleni, City of Johannesburg, City of Tshwane, eThekweni and City of Cape Town) for the 2014/15 financial year amounted to R300 million. Municipalities spent a total of R25.5 million,

which represents 8.5% of allocated funds. Out of the six municipalities, only eThekweni and City of Cape Town spent their allocation (R10.9 million and R14.6 million respectively). The funds were withheld due to MinMEC resolutions, and were only released on 02 March 2015, which is the last month of the financial year. The municipal financial year ends only in June.

In relation to Employer Assisted Housing, engagements were held with different employers such as Mercedes Benz South Africa (MBSA) in East London, and the Department of Defence (DOD).

A survey was also conducted within the National Department of Human Settlements to ascertain the extent of access to housing finance of employees at salary levels 2–6. A draft strategy to track Employer Assisted Housing in both the public and private sectors, including commitments in the service level plan as per the Mining Charter was also developed.

With regard to tax incentives, a workshop by NT on fringe benefits on employer-provided low-cost housing to identify existing taxes for housing in South Africa was organised. These programmes are to ensure that affordable housing (houses below R300 000) is made available to the public at reasonable cost.

Programme 4: Housing Development Finance

Subprogramme: Chief Investment Officer

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Strategic objective: To manage and provide overall grants management services; administer the Home Loan and Mortgage Disclosure Act (HLAMDA) and promote investments for sustainable human settlements					
Number of approved financial reports on HSDG performance monitoring	4 quarterly reports 2 reports on financial evaluation	4 approved quarterly reports	4 approved quarterly reports on HSDG performance monitoring	None	None
	One annual report submitted	1 annual report on the monitoring of performance of the HSDG	Annual report on the monitoring of performance of the HSDG approved	None	None
	12 monthly reports	12 HSDG performance reports	12 HSDG performance reports submitted	None	None
	No baseline	4 MHSCG quarterly performance reports	No performance reports were produced for the period	No reports were produced as the transfer of the Grant to municipalities was only done on 02 March 2015 as per MinMEC decision	None
	No baseline	MHSCG annual performance report	No annual reports were produced	No reports were produced as the transfer of the Grant to municipalities was only done on 02 March 2015 as per MinMEC decision	None
Number of approved financial reports on the USDG performance monitoring	4 quarterly reports	4 approved quarterly reports	4 approved quarterly reports on the USDG performance monitoring	None	None
	Annual report submitted	1 annual report on the monitoring of performance of the USDG	1 annual report on the monitoring of performance of the USDG approved	None	None

Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation
Number of approved reports on Secretariat functions provided to Office of Disclosure in terms of the HLAMDA	4 reports were produced and submitted	4 approved reports on Secretariat functions provided to Office of Disclosure in terms of the HLAMDA	4 approved reports on Secretariat functions provided to Office of Disclosure in terms of the HLAMDA	None	None
Number of reports on home loans lending patterns and practices by financial institutions	3 reports on lending practices were produced and submitted	Two reports on home loans lending patterns and practices by financial institutions	2 reports on home loans lending patterns and practices by financial institutions submitted	None	None
Number of quarterly reports on HLAMDA amendment and implementation	No baseline	4 quarterly reports on amendments and implementation of HLAMDA	4 quarterly reports on amendments and implementation of HLAMDA approved	None	None
Approved annual report on the performance ratings of financial institutions	Annual report on the performance ratings of financial institutions prepared for the Minister and submitted	Approved annual report on the performance ratings of financial institutions	Approved annual report on the performance ratings of financial institutions	None	None
Number of reports on Official Development Assistance (ODA)	2 reports on Official Development Assistance (ODA) produced	2 reports on Official Development Assistance (ODA)	2 reports on Official Development Assistance (ODA) submitted	None	None
Annual report on Mortgage Default Insurance (MDI)	1 report on Mortgage Default Insurance (MDI) produced	Annual report on Mortgage Default Insurance (MDI)	Annual report on Mortgage Default Insurance (MDI) submitted	None	None
Number of quarterly reports on improved property market	4 reports on improved property market produced	4 quarterly reports on improved property market	4 quarterly reports on improved property market submitted	None	None

2014/15 Performance indicators as per Estimates of National Expenditure

Programme: Housing Development Finance						
Performance indicator	Baseline (actual achievement 2013/2014)	Planned target 2014/2015	Actual performance 2014/2015	Deviation from planned target for 2014/2015	Comment on deviation	Evidence
Number of additional residential units completed per year	70 362	66 655	94 566			
Number of additional sites serviced per year (greenfield)	214 024	75 275	49 345			
Number of additional households upgraded in informal settlements with access to secure tenure and basic services per year (brownfield)	13 631	28 898				
Number of houses per hectare of land in integrated residential development programme projects per year	-	60				

Strategy to overcome areas of underperformance

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 these enhancing 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 metro(s) to diagnose the problem in order to identify the intervention required to improve financial performance. One-on-one sessions were conducted with four metropolitan municipalities that were underspending, namely Mangaung, Ekurhuleni, City of Johannesburg and City of Cape Town. Quarterly reviews and oversight visits were conducted with all eight metropolitan municipalities.

Changes to planned targets

See narrative under Programme 1.

Linking performance with budgets

Subprogramme name	2014/15			2013/14		
	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	359	357	2	3 385	1 942	1 443
Chief Investment Officer	17 249	16 488	761	20 670	19 019	1 652
Human Settlements Development Grant	17 084 369	17 084 369	-	17 028 326	17 028 326	-
Urban Settlements Development Grant	10 284 684	10 284 684	-	9 076 906	9 076 906	-
Municipal Human Settlements Capacity Grant	300 000	300 000	-			-
Contributions	1 026 930	1 026 839	91	1 150 751	864 648	286 103
Rural Households Infrastructure Grant	0	0	0	240 370	215 310	25 060
Total	28 713 591	28 712 737	854	27 520 408	27 206 151	314 258

NB: Please refer to the Report of the Accounting Officer.

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
The Estate Agency Affairs Board (EAAB)	<ul style="list-style-type: none"> Regulates, maintains and promotes the standard of conduct of estate agents, having due regard for the public interest Issues fidelity fund certificates to qualifying applicants Prescribes the standard of education and training of estate agents Investigates complaints against estate agents and institutes disciplinary proceedings against offending estate agents where required Manages and controls the Estate Agents Fidelity Fund 	EAAB does not receive financial assistance from the NDHS	-	<ul style="list-style-type: none"> Implementation of CPD where over 10 000 estate agents enrolled for the first time in 2015 Leadership role in implementing the “one learner one estate agency internship programme” as a transformation initiative Appointed in the leadership role of the Association of Real Estate Law Officials (US)
Community Schemes Ombud Services (CSOS)	<ul style="list-style-type: none"> Provides a dispute resolution service for community schemes Keeps custody of the governance documentation for community schemes to facilitate good governance, as well as to provide client access to such documentation in order to improve awareness of community schemes as an alternative tenure option for citizens Educates the public about rights and responsibilities of living in community schemes Manages the Sectional Titles Management Act 	R40 million	R15,3 million	<ul style="list-style-type: none"> Appointed the Executive: CEO and CFO as per the CSOS Act Established Head Office in Johannesburg, with the appointment of the Executive: Corporate Services, the Board Secretary and the core staff Core function: Dispute resolution model developed and approved by the Board Secured operational facilities for Gauteng, KZN, and Western Cape

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
Housing Development Agency (HDA)	<ul style="list-style-type: none"> Land assembly and land acquisition/release Land holding and land holding support Land geospatial services Programme and project portfolio planning and management Informal settlement upgrading Support to national programmes (catalytic projects, mining towns and NUSP) Section 29 mandated projects, N2 Gateway and Zанемvula Project technical implementation support 	R121 million	R103 million	<ul style="list-style-type: none"> 3697.6538 ha of land released for human settlement development Master spatial plan developed and approved HDA support provided in all nine provinces with provincial offices in Eastern Cape, Western Cape, KwaZulu-Natal, Limpopo, Northern Cape, Free State, and head office in Gauteng 12 projects supported with HDA services
National Housing Finance Corporation (NHFC)	<ul style="list-style-type: none"> To broaden and deepen access to affordable housing finance for low and middle-income households To facilitate the increased and sustained lending by financial institutions to the affordable housing market and mobilise funding into the human settlement space, on a sustainable basis, in partnership with the broadest range of financial institutions Additionally, it was assigned by the Department in September 2011 to implement the Finance Linked Individual Subsidy Programme (FLISP) with provincial Human Settlements departments 	R230 million	R234 million in loans advanced for social housing/institutional housing projects	<ul style="list-style-type: none"> A total of 1 746 units were facilitated: 1 195 social housing and 551 institutional housing units 6 635 households have benefited Temporary and permanent jobs created are estimated at 2 574 Total contract/project value benefiting SMMEs = R635 million SHIs and projects funded: 1 First Metro KZN) Avoca Hills Project and Lakehaven 2 Projects (590 units) 2 Imizi - Fairview 368 units (Eastern Cape) 3 Sohco - Steenberg 100 units (Western Cape) 4 CTCHC (Institutional Product) 551 units 5 Freshco 137 units (Free State)

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 Home Builders Registration Council (NHBRC)	<ul style="list-style-type: none"> • Inspection of homes • Registration of homebuilders • Enrolment of homes • Training of homebuilders and youth 	NHBRC does not receive financial assistance from the NDHS	-	<ul style="list-style-type: none"> • Conducted a total of 304,261 inspection stages in the non-subsidy sector • Conducted a total of 223,176 inspection stages in the subsidy sector • Registered a total of 12,191 homebuilders • Renewed registration of 4,742 homebuilders • Enrolled a total of 51,149 homes in the non-subsidy sector • Enrolled a total of 168,753 home in the subsidy sector • Trained a total of 1,84 youths, military veterans and people with disabilities
The National Urban Reconstruction and Housing Agency (NURCHA)	<ul style="list-style-type: none"> • NURCHA is an innovative development finance company providing bridging and development finance to contractors and developers involved in the development of subsidy and affordable housing 	NURCHA did not receive financial assistance from NDHS in the period under review	-	<ul style="list-style-type: none"> • 16 contracts signed for affordable housing projects with a value of R246.6 million • 15 contracts signed for subsidy housing projects with a value of R81.8 million • 2 contracts signed for infrastructure and community facilities with a value of R15.1 million
Rural Housing Loan Fund (RHLF)	<ul style="list-style-type: none"> • To provide access to housing credit to low-income rural households in order to enable them to improve their housing and living conditions • Providing loans through retail intermediaries to its target market to be utilised for incremental housing purposes • Use loans for fixed improvements - new houses, extensions, utilities connections, fencing, and water harvesting and land purchases • To support the implementation of the Comprehensive Rural Development Programme 	RHLF did not receive financial assistance from NDHS in the period under review	-	40,149 loans granted

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
Social Housing Regulatory Authority (SHRA)	<ul style="list-style-type: none"> To regulate the social housing sector To support the restructuring of urban spaces through social housing investments To promote the development and awareness of social housing To ensure accreditation and compliance of social housing institutions To ensure sustainable and regulated disbursements of the Restructuring Capital Grants (RCG) to accredited social housing institutions (capital and investment grants) 	R631 million	R85.3 million	<ul style="list-style-type: none"> 5,398 social housing units approved to receive the RCG grant 61 social housing institutions accredited 21 institutional investment grants awarded

5.2 Transfer payments to all organisations other than public entities

Nelson Mandela Metropolitan University

The Department's relationship with the Nelson Mandela Metropolitan University (NMMU) reached its final year during the year under review. For three years, the Department had contributed towards the establishment of a Chair for Education in Human Settlements Development Management at the NMMU. This has seen the development and introduction in the institution of a curriculum for a Bachelor of Human Settlements Degree. During the year, an amount of R4 499 000 was transferred to the institution. The partnership with the NMMU has been of benefit in that it supports and enhances the professionalisation and capacity development endeavours of the Department.

Council for Scientific and Industrial Research (CSIR)

The CSIR was allocated R4 million to undertake an industrial research for review of guidelines for human settlement planning and design (Red Book).

Public Services Sector Education & Training Authority (PSETA)

PSETA was allocated R1.1 million for the transfer of a skills levies contribution in terms of the Skills Development Act.

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

Conditional Grant 1:

Human Settlements Development Grant (HSDG)

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	<ul style="list-style-type: none"> 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/upgraded services Number of properties transferred and/or title deeds issued Hectares of well-located land acquired and/or released for residential development Number of work opportunities created through related programmes 											
Actual outputs achieved	Province	Annual Delivery Targets			Delivery Performance as at 31 March 2015			Variance Delivery sites	Variance Delivery Top Structures	Total Variance Delivery	% Performance Sites	% Performance Sites
		Sites (units)	Top Structure	Total Delivery	Sites (units)	Top Structure	Total Delivery					
	Eastern Cape	10 039	13 609	23 648	12 581	13 469	26 050	-2 542	140	-2 402	125	99
	Free State	5 834	5 150	10 984	5 692	5 313	11 005	142	-163	-21	98	103
	Gauteng	7 728	17 678	25 406	5 397	14 984	20 381	2 331	2 694	5 025	70	85
	KwaZulu-Natal	4 305	31 153	35 458	4 013	29 312	33 325	292	1 841	2 133	93	94
	Limpopo	-	5 043	5 043	-	2 109	2 109	-	2 934	2 934	-	42
	Mpumalanga	4 944	8 114	13 058	7 075	8 250	15 325	-2 131	-136	-2 267	143	102
	Northern Cape	1 004	1 287	2 291	3 025	2 133	5 158	-2 021	-846	-2 867	301	166
	North West	1 627	8 737	10 364	4 564	9 206	13 770	-2 937	-469	-3 406	281	105
	Western Cape	7 833	12 725	20 558	7 073	10 434	17 507	760	2 291	3 051	90	82
	Total	43 314	103 496	146 810	49 420	95 210	144 630	-6 106	8 286	2 180	114	92

	Report as at March 2015					
	Annual Target			Deliver Performance		
	Deliver Variables / Milestones	Sites	Units	Sites	Units	
	FLISP	-	1,101	-	682	
	EEDBS	-	1,369	-	1,820	
	Rectification	-	7,440	-	7,884	
	OPSACP	-	-	-	-	
	Land Hectares	-	355	-	40	
	Mining Towns	-	1,614	-	4,385	
	Disaster Relief	-	1,744	-	694	
	Total	-	13,623	-	15,505	
Amount per amended DoRA (R'000)	R17 084 369					
Amount transferred (R'000)	R17 084 369					
Reasons if amount as per DoRA not transferred	N/A					
Amount spent by the Department/municipality (R'000)	R16 971 303					
Section 15(2)(a) Reasons for stopping an allocation	National Treasury approved a request by the National Department of Human Settlements to stop and reallocate a portion of the HSDG allocation to Limpopo province due to persistent underspending. An amount of R599.5 million was stopped from Limpopo province and reallocated to other provinces					
Section 15(2)(b) The extent of compliance with this Act	Compliance checks are performed on a monthly and quarterly basis. Regular visits are performed by the National Department to provinces					
Section 15(2)(c) The extent that the allocation achieved its objectives and outputs	On a monthly and quarterly basis, reports are analysed on the spending patterns of provinces and that the outputs are as per the Grant Framework. Quarterly performance reviews are being held whereby provinces have to do presentations on what the grant had been spent on. Provinces are also requested to submit non-financial information. This information is analysed to verify if the grant is achieving its objectives and outputs					
Section 15(2)(d) Any non-compliance with this Act, and the steps taken to address the non-compliance	The National Department on a monthly and quarterly basis performs compliance checks and in the case of non-compliance, compliance letters are sent to Accounting Officers of provinces and municipalities that do not comply with the requirements of DoRA					

Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> • Slow procurement processes • Cash flow management • Non-availability of land • Lack of proper beneficiary management systems/processes • Unavailability of project management systems • Shortage of skilled project management personnel • Late approval of project plans
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Analysing financial reports and provide feedback • Conducting quarterly reviews and CFO forums to discuss performance matters • The performance reported to executive authority and MinMEC for way forward • Provinces were monitored as outlined in DoRA and HSDG Framework • Provincial visits were conducted • One-on-one performance engagements with provinces

Conditional Grant 2:

Urban Settlements Development Grant (USDG)

Department/municipality to whom the grant has been transferred	Eight 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 socioeconomic infrastructure • 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 and 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	Actual outputs achieved	31 March 2015
	Indicator	
	Spatial development and the built environment:	
	Number of hectares of land procured for greenfields development	13,191
	Number of hectares of land proclaimed (township establishment completed)	700
	Number of informal settlements upgraded	34
	The number of households living in informal settlements upgraded	571,469
	The number of informal settlements upgraded (services provided): In situ	5
	Number of informal settlements targeted for formalisation (services provided): Relocated	1,208
	Number of sites serviced	8,164
	The number of title deeds transferred to eligible beneficiaries	9,118
	Roads and storm water:	
	KMs of new paved roads	3,593
	KMs of new gravelled roads	658
	KMs of roads resurfaced/rehabilitated/ resealed	1,650
	KMs of new storm water drainage installed	102

Actual outputs achieved	Transport:	
	KMs of pedestrian walkways constructed	155.5
	Number of bus terminals or taxi ranks constructed	3
	Number of bus/taxi stops constructed	138
	Water:	
	Number of water service points installed for informal settlement dwellers within a 200 m radius	5,461
	Number of additional households (RDP) provided with water connections	23,201
	Sewerage:	
	Number of sanitation service points (toilets) installed for informal settlement dwellers	7,127
	Number of additional households (RDP) provided with sewer connections	22,711
	Solid waste management	
	Number of additional households provided with access to weekly refuse removal	78,568
	Number of waste minimisation projects initiated/upgraded	8
	Number of households living in informal areas with solid waste removal services	729,305
	Electricity	
	Number of additional households living in formal areas provided with electricity connections	31,624
	Number of additional high mast lights installed	454
	Number of additional street lights installed	3,913
	Socioeconomic amenities	
	Number of parks and gardens developed	
	The number of community halls to be developed/upgraded	4
	The number of sports fields and stadia to be developed/upgraded	1
	The number of parks/leisure facilities to be developed/upgraded	3
	The number of clinics to be developed/upgraded	1
	The number of cemeteries to be developed/upgraded	14
	The number of markets to be developed/upgraded	17

	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	150,331
Amount per amended DoRA (R'000)	R10,284,684	
Amount transferred (R'000)	R10,284,684	
Reasons if amount as per DoRA not transferred	None	
Amount spent by the Department/municipality (R'000)	R5,247,363	
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> • Slow procurements processes • Lack of relevant skills to oversee projects • Contractual issues • Labour disputes in respect of wages • Funds utilised for non USDG purposes • Regular objections by losing to tenders awarded 	
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 with municipalities • Hold CFO forums • One-on-one engagement with metropolitan municipalities 	

Department/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 socioeconomic infrastructure • 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 and 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	Actual outputs achieved	31 March 2015
	Indicator	
	Spatial development and the built environment:	
	Number of dwelling units developed per hectare	559
	Number of sites serviced	1,194
	Number of informal settlements targeted for formalisation (services provided): Relocated	1,194
	Number of title deeds transferred to eligible beneficiaries	

Actual outputs achieved	Transport:	
	KMs of new paved roads	12
	KMs of new gravelled roads	47
	KMs surfaced roads resealed	
	KMs of roads surfaced/rehabilitated/resealed	370
	KMs of new storm water drainage installed in addition to current ones	3
	KMs of pedestrian walkways constructed	1
	Number of bus/taxi stops constructed	3
	Water:	
	Number of formal domestic customers receiving water services	
	Number of water service points installed for informal settlement dwellers within a 200 m radius	15
	Number of additional households provided with water connections	246
	Sewerage:	
	Number of sanitation service points (toilets) installed for informal settlement dwellers	2,520
	Number of additional households provided with sewer connections	4,086
	Backlog in the provision of basic sanitation services (above RDP standards)	
	Solid waste management:	
	Number of additional households provided with access to weekly refuse removal	317
	Number of waste minimisation projects initiated	5
	Number of households living in informal areas with access to solid waste removal services	458
	Electricity:	
	Number of formal households with access to basic electricity	
	Number of high mast lights installed in informal settlements	
	Number of additional households living in formal areas provided with electricity connections	377
	Number of additional street lights installed	200
	Socioeconomic amenities:	
	Number of parks and gardens developed	
	Number of community halls developed/upgraded	4
	Number of cemeteries developed	1

Actual outputs achieved	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	2,093
Amount per amended DoRA (R'000)	R673 289	
Amount transferred (R'000)	R673 289	
Reasons if amount as per DoRA not transferred	None	
Amount spent by the Department/municipality (R'000)	R407 592	
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> Lack of relevant skills to oversee projects Slow awarding of tender due to centralised supply chain management processes 	
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 with municipalities 	

Department/municipality to whom the grant has been transferred	Nelson Mandela Bay 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 socioeconomic infrastructure 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 and 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	Actual outputs achieved	31 March 2015
	Indicator	
	Spatial development and the built environment:	
	Number of sites serviced	2,587
	Number of informal settlements upgraded (services provided): In situ	3
	Number of informal settlements upgraded	3
	Number of households living in informal settlements upgraded	2,587
	The number of households living in informal settlements upgraded	3

Actual outputs achieved	Water:	
	Number of water service points installed for informal settlement dwellers within a 200 m radius	
	Number of additional households provided with water connections	605
	Sewerage	
	Number of additional households provided with sewer connections	605
	Electricity:	
	Number of formal households with access to basic electricity	
	Number of additional high mast lights installed	305
	Number of additional households living in formal areas provided with electricity connections	1,923
	Number of additional street lights installed	62
	Socioeconomic amenities:	11
	Number of cemeteries developed/upgraded	
	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	9,270
Amount per amended DoRA (R'000)	R828 863	
Amount transferred (R'000)	R828 863	
Reasons if amount as per DoRA not transferred	None	
Amount spent by the Department/ municipality (R'000)	R467 382	
Reasons for the funds unspent by the entity/municipality	<ul style="list-style-type: none"> Lack of resources for implementing infrastructure master plan Regular objection relating to supply chain management processes 	
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 with municipalities 	

Department/municipality to whom the grant has been transferred	Mangaung 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 socioeconomic infrastructure • 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 and 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	Actual outputs achieved	31 March 2015
	Indicator	
	Spatial development and the built environment:	
	Number of hectares of land proclaimed (township establishment completed)	700
	Number of informal settlements upgraded (services provided): In situ	2
	Number of households living in informal settlements targeted for upgrading	1,628
	Number of title deeds transferred to eligible beneficiaries	849
	Transport:	
	KMs of new paved roads	3
	KMs of roads surfaced/rehabilitated/resealed	12
	KMs of new storm water drainage installed in addition to current ones	2
	Water:	
	Number of additional households provided with water connections	1,649
	Backlog of consumer units provided with a basic level of potable water above RDP standards	
	Sewerage:	
	Number of additional households provided with sewer connections	1,783
	Solid waste management:	
	Number of households living in informal areas with access to solid waste removal services	26.688

Actual outputs achieved	Electricity:	
	Number of formal households with access to basic electricity	
	Number of additional high mast lights installed	11
	Number of additional households living in formal areas provided with electricity connections	2,731
	Backlog of electricity connections to consumer units	
	Number of households provided with access to free basic electricity	
	Number of additional street lights installed	127
	Socioeconomic amenities:	
	Number of parks/leisure facilities developed/upgraded	3
	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	622
Amount per amended DoRA (R'000)	R654,406	
Amount transferred (R'000)	R654,406	
Reasons if amount as per DoRA not transferred	None	
Amount spent by the Department/ municipality (R'000)	R343,473	
Reasons for the funds unspent by the entity/municipality	<ul style="list-style-type: none"> Lack of relevant skills to oversee projects Regular objections relating to supply chain management processes 	
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 with municipalities One-on-one engagement with the municipality 	

Department/municipality to whom the grant has been transferred	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 socioeconomic infrastructure 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 and 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	Actual outputs achieved	31 March 2015
	Indicator	
	Transport:	
	KMs of new gravelled roads	190
	KMs surfaced roads resealed	266
	KMs of roads surfaced/rehabilitated/resealed	232
	KMs of new stormwater drainage installed in addition to the current ones	73
	KMs of pedestrian walkways constructed	43
	Number of bus/taxi stops constructed	8
	Water:	
	Number of water service points installed for informal settlement dwellers within a 200 m radius	154
	Number of additional households provided with water connections	1,666
	Sewerage:	
	Number of sanitation service points (toilets) installed for informal settlement dwellers	1
	Number of additional households provided with sewer connections	1,666
	Solid waste management:	
	Number of households with provided with access to weekly refuse removal	55,575
	Number of waste minimisation projects initiated	3
	Number of households living in informal areas with access to solid waste removal services	149,322
Actual outputs achieved	Electricity:	
	Number of additional high mast lights installed	68
	Number of additional households living in formal areas provided with electricity connections	5,656
	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	9,601

Amount per amended DoRA (R'000)	R1,804,532
Amount transferred (R'000)	R1,804,532
Reasons if amount as per DoRA not transferred	None
Amount spent by the Department/ municipality (R'000)	R783,899
Reasons for the funds unspent by the entity/municipality	<ul style="list-style-type: none"> • Slow awarding of tender due to centralised supply chain management processes • Late approval of project plans
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 with municipalities • Hold CFO forums • One-on-one engagement with the municipality

Department/municipality to whom the grant has been transferred	City of Johannesburg 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
	<ul style="list-style-type: none"> • Number of households in informal settlements provided with basic household and socioeconomic infrastructure • 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 and 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	Actual outputs achieved	31 March 2015
	Indicator	
	Spatial development and the built environment:	
	The number of households living in informal settlements upgraded	2,959
	Number of sites serviced	2,959
	The number of title deeds transferred to eligible beneficiaries	1,758
	Number of informal settlements targeted for formalisation (services provided): Relocated	14
	Roads and storm water:	
	KMs of new paved roads	3,333
	KMs of new gravelled roads	345
	KMs of roads resurfaced/rehabilitated/ resealed	871
	KMs of new storm water drainage installed	9
	Transport:	
	KMs of pedestrian walkways constructed	5
	Number of bus terminals or taxi ranks constructed	0
	Number of bus/taxi stops constructed	60
	Water:	
	Number of water service points installed for informal settlement dwellers within a 200 m radius	3,988
	Number of additional households (RDP) provided with water connections	4,464
	Sewerage:	
	Number of sanitation service points (toilets) installed for informal settlement dwellers	2,557
	Number of additional households (RDP) provided with sewer connections	0
	Solid waste management:	
	Number of additional households provided with access to weekly refuse removal	13,320
	Number of waste minimisation projects initiated/upgraded	552,837
	Electricity:	
	Number of additional households living in formal areas provided with electricity connections	1,274
	Number of additional high mast lights installed	0
	Number of additional street lights installed	671

Actual outputs achieved	Socioeconomic amenities:	
	The number of clinics to be developed/upgraded	1
	The number of markets to be developed/upgraded	17
	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	60,249
	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	150,331
Amount per amended DoRA (R'000)	R1,695,189	
Amount transferred (R'000)	R1,695,189	
Reasons if amount as per DoRA not transferred	None	
Amount spent by the Department/municipality (R'000)	R678,500	
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> • Slow procurement processes • Labour disputes • Lack of financial management by contractors 	
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 with municipalities • Hold CFO forums • One-on-one engagement with the municipality 	

Department/municipality to whom the grant has been transferred	City of Tshwane 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 socioeconomic infrastructure • 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 and 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	Actual outputs achieved	31 March 2015
	Indicator	
	Spatial development and the built environment:	
	Number of hectares of land procured for greenfields development	29
	Number of informal settlements upgraded	34
	Number of households living in informal settlements upgraded	171,001
	Number of sites serviced	
	The number of title deeds transferred to eligible beneficiaries	3,297
	Roads and storm water:	
	KMs of new paved roads	34
	KMs of new storm water drainage installed	15
	Transport:	
	KMs of pedestrian walkways constructed	18
	Water:	
	Number of additional households (RDP) provided with water connections	3,077
	Sewerage:	
	Number of additional households (RDP) provided with sewer connections	3,077
	Electricity:	
	Number of additional households living in formal areas provided with electricity connections	8,196
	Number of additional high mast lights installed	70
	Number of additional street lights installed	2,853
	Socioeconomic amenities:	
	The number of sports fields and stadia to be developed/upgraded	1
	The number of cemeteries to be developed/upgraded	2
	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	15
Amount per amended DoRA (R'000)	R1 469,450	
Amount transferred (R'000)	R1,469,450	
Reasons if amount as per DoRA not transferred	None	
Amount spent by the Department/municipality (R'000)	R716,927	

Reasons for the funds unspent by the entity/municipality	<ul style="list-style-type: none"> • Construction of projects is still in process • Funds committed but not yet invoiced
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 with municipalities • Hold CFO forums

Department/municipality to whom the grant has been transferred	eThekweni 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 socioeconomic infrastructure • 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 and 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	Actual outputs achieved	31 March 2015
	Spatial development and the built environment:	
	Indicator	
	Number of hectares of land procured for greenfields development	13,162
	The number of households living in informal settlements upgraded	393,294
	Number of sites serviced	992
	The number of title deeds transferred to eligible beneficiaries	1,477
	Roads and storm water:	
	KMs of new paved roads	21
	Transport:	

Actual outputs achieved	KMs of pedestrian walkways constructed	88.5
	Water:	
	Number of water service points installed for informal settlement dwellers within a 200 m radius	355
	Number of additional households (RDP) provided with water connections	11,494
	Sewerage:	
	Number of sanitation service points (toilets) installed for informal settlement dwellers	355
	Number of additional households (RDP) provided with sewer connections	11,494
	Solid waste management:	
	Number of additional households provided with access to weekly refuse removal	9,356
	Electricity:	
	Number of additional households living in formal areas provided with electricity connections	11,494
	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	9,681
Amount per amended DoRA (R'000)	R1,800,076	
Amount transferred (R'000)	R1,800,076	
Reasons if amount as per DoRA not transferred	None	
Amount spent by the Department/municipality (R'000)	R1,200,198	
Reasons for the funds unspent by the entity/municipality	<ul style="list-style-type: none"> Centralised supply chain management problems (i.e. late tender approval) Regular problem of awarded tenders Ineffective project planning management 	
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 with municipalities Hold CFO forums 	

Department/municipality to whom the grant has been transferred	City of Cape Town 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 socioeconomic infrastructure • 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 and 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	Actual outputs achieved	31 March 2015
	Indicator	
	Spatial development and the built environment:	
	Number of sites serviced	4,325
	The number of title deeds transferred to eligible beneficiaries	1,737
	Roads and storm water:	
	KMs of roads resurfaced/rehabilitated/ resealed	165
	Transport:	
	Number of bus terminals or taxi ranks constructed	6
	Number of bus/taxi stops constructed	67
	Water:	
	Number of water service points installed for informal settlement dwellers within a 200 m radius	949
	Sewerage:	
	Number of sanitation service points (toilets) installed for informal settlement dwellers	1,694
	Local economic development and job creation:	
	Number of jobs created using the Expanded Public Works Programme guidelines and other municipal programmes	58,880

Amount per amended DoRA (R'000)	R1,358,879
Amount transferred (R'000)	R1,358,879
Reasons if amount as per DoRA not transferred	None
Amount spent by the Department/municipality (R'000)	R649,392
Reasons for the funds unspent by the entity/municipality	<ul style="list-style-type: none"> • Ineffective project planning management • Slow awarding of tender due to centralised supply chain management processes • Sourcing of employment equity beneficiaries in scarce skill discipline
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 with municipalities • Hold CFO forums • One-on-one engagement with the municipality

Conditional Grant 3:

Municipal Human Settlements Capacity Grant (MHSCG)

Department/municipality to whom the grant has been transferred	Purpose of the grant
Purpose of the grant	To build capacity in municipalities to deliver and subsidise the operational costs of administering human settlements programmes
Expected outputs of the grant	<ul style="list-style-type: none"> • Feasibility, design, planning, project management and monitoring capacity built in municipalities • Organogram approved • Capacity building plan in place
Actual outputs achieved	
Amount per amended DoRA (R'000)	R300 million
Amount transferred (R'000)	R300 million
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the Department/municipality (R'000)	R19 million
Reasons for the funds unspent by the entity	Late transfer of funds to the municipalities
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Undertake oversight visits in order to assess and address challenges with municipalities • One-on-one engagement with metropolitan municipalities

6.2 Conditional grants and earmarked funds received

None

7. DONOR FUNDS

7.1 Donor funds received

The table/s below details the donor funds received during for the period 1 April 2014 to 31 March 2015.

Name of donor	Danish International Development Agency (DANIDA)
Full amount of the funding	R1 239 689.00
Period of the commitment	2010 – December 2015
Purpose of the funding	For professional project management fees for the installation of energy efficiency measures on the N2 Gateway Project in Cape Town
Expected outputs	Advice on the urban and architectural roof design for the implementation of energy efficiency measures, the installation of solar water heaters, the documentation of Lessons Learnt and dissemination of Lessons Learnt to provincial and municipal governments
Actual outputs achieved	1 011 housing units fitted with solar water heaters, Lessons Learnt documented, Lessons Learnt document published and disseminated by way of a pilot in the Western Cape
Amount received in current period (R'000)	R600 000.00
Amount spent by the Department (R'000)	R493 000
Reasons for the funds unspent	The unspent funds are to be utilised in project management fees in the forthcoming year until the completion of the Agreement between the Danish Embassy and the NDHS
Monitoring mechanism by the donor	Site visits by Danida Staff, progress meetings by Danida with the NDHS, and written quarterly reports and NDHS Annual Reports

8. CAPITAL INVESTMENT

8.1 Capital Investment, Maintenance and Asset Management Plan

The Department is not directly involved in infrastructure projects, but implemented the following as part of its Capital Investment, Maintenance and Asset Management Plan:

- The Department has an Asset Acquisition Plan in terms of which assets are procured.
- An Asset Management unit is in place.
- A Disposal Board is functional to handle the disposal of assets.
- The Department has an Asset Register, which is updated regularly with additions and disposals.
- Physical asset verifications and spot-checks are conducted.



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 through the core values guiding and regulating the Department to ensure effective, efficient and economic utilisation of its resources. These structures are continually reviewed to ensure its effectiveness.

2. RISK MANAGEMENT

The Department has an approved Risk Management Policy and Strategy in place that drives the implementation and monitoring of risk management processes. The Department also conducts risk assessments on a regular basis to determine the effectiveness of its Risk Management Strategy and to identify new and emerging risks. For the period under review, the Department has conducted risk assessments at branch level and operational level and updated the following risk registers:

- Branch Risk Registers
- Fraud Risk Register
- ITC Risk Register
- SCM Risk Register
- OHS Risk Register
- Security Risk Register

A Risk Management Committee (RMC) is in place, and is chaired by a non-executive member, while the branch heads are the members of the RMC. The Committee has not been effective for the current year under review as it was established only on 9 April 2014. However, a status report on the implementation of the Risk Management Plan has been tabled with the Audit Committee which advises the Department on risk management and independently monitors the effectiveness of the system of risk management. The Chairperson of the Risk Management Committee also presents the RMC report to the Audit Committee.

In order to ensure improvements in the Department's performance, the following measures have been put in place:

- Risk Management has been embedded as part of the performance agreement of all Senior Management.
- The Department has also established a risk management forum.
- Risk management is a standing agenda item at branch meetings.
- RMC resolutions has recently been recommended to be a standing agenda item at Executive Management Meetings for execution and monitoring of progress.

3. FRAUD AND CORRUPTION

Fraud Prevention Plan

The objective of the Fraud Prevention Plan of the Department of Human Settlements is to improve the Department's anti-fraud and corruption systems to respond to threats and/or challenges posed by fraud and corruption in an effective and efficient manner. The Plan also seeks to strengthen the Department's ability/preparedness to prevent, detect and resolve fraud and corruption practices. This will be achieved through:

- Allocation of responsibilities for the implementation (and reporting) of the Plan to specific business units.
- Promotion of accountability to employees/managers allocated responsibilities in terms of the Plan.
- Inclusion of timeframes/lines and frequency of performing functions allocated in terms of the Plan.
- Putting more emphasis on the awareness programme and surprise audits as effective tools of preventing fraud and corruption.
- Emphasising the importance of a regular review of access rights for the Department's LOGIS, PERSAL and related systems as a means of strengthening controls/security.

During the period under review, the Department participated in the Induction Programme for Local Government employees/officials, including Members of the Mayoral Committee and Councillors. This programme seeks to train and/or inform local government employees of Human Settlements policies and programmes for respective municipalities, and most importantly, to raise awareness on issues of fraud and corruption as it is a requirement in terms of the National Anti-Corruption Strategy.

Twenty-one sessions were held (attended) during the period under review. These sessions were attended by approximately 472 municipal officials, 331 provincial officials and 994 Councillors. The Department made presentations and promoted awareness on the negative impact of fraud/corruption into the government's service delivery programme, particularly the provision of access to adequate housing and sustainable human settlements.

Whistle-blowing

The Department of Human Settlements has an approved Whistle-blowing Policy. The objective of this policy is to promote/encourage employees to report potential criminal and/or unethical behaviour. The policy goes further and identifies various reporting mechanisms, including the use of the Presidential Hotline and the Department Contact Centre. More emphasis is placed on every employee's responsibility to disclose/report criminal and/or irregular conduct in the workplace that they may become aware of.

The Department also ensures that the identity of all employees/parties reporting criminal and unethical conduct will be protected against disclosure, which includes the protection of employees from any form of reprisal as a result of such reporting. The Director-General has signed and circulated a notice warning managers and/or supervisors against intimidation and any form of reprisal that could be directed against whistle-blowers.

The Department has, through the Director-General, committed itself to establishing a culture of accountability and transparency aimed at achieving the highest ethical behaviour amongst its employees in line with the Fraud Prevention Policy statement (signed by the Director-General).

The Department resolved to extend the application of the policy to include/cover external stakeholders, particularly the Department's service providers/suppliers. A section was also included to deal with the "Rights and Responsibilities" of employees accused/suspected of fraud and corruption, whilst highlighting the "Responsibilities of Managers/Supervisors" in the handling of tip-offs on fraudulent and corrupt practices.

Complaints investigation and resolution

During the 2014/14 financial year, 30 cases were investigated and finalised by the Department's Special Investigations Directorate. Those cases dealt with the alleged illegal sale and misallocation of low-income houses, serviced sites and Human Settlements tender irregularities.

The Department also monitored Human Settlements investigations that were conducted with the assistance of its strategic partner/service provider. The Department, through this partnership, achieved the following:

- Approximately 200 criminal cases were registered with the South African Police Service;
- 30 criminal investigations are at an advanced stage and arrests are eminent;
- 8 suspects have been arrested to date;
- 17 illegal occupants vacated the houses. Those houses were reallocated to the rightful beneficiaries; and
- 383 low-income houses were sold through open media (Gumtree, Junk Mail, OLX, etc.) by criminal syndicates, which included public servants, councillors and bogus estate agents.

The Department, with the assistance of its strategic partners, will be providing support and will cooperate with government law enforcement agencies to ensure that implicated parties are brought to book through criminal prosecution. We are also planning to institute civil proceedings to recover monies/some of the monies lost through criminal practices.

Processes have already been implemented to institute progressive corrective measures against public servants who were found to have contributed towards the loss of government monies.

4. MINIMISING CONFLICT OF INTEREST

To minimise conflict within the Department, the Directorate: Supply Chain Management introduced the following:

- All Supply Chain Practitioners are made to sign a Code of Conduct and are security vetted.
- The SCM Checklist has been enhanced to include Declaration of Interest by officials dealing with quotations procurement.
- All bidders or their representatives (i.e. open bids and quotations) are required to declare (on SBD4 forms) their positions in relation to any person employed by the Department.
- Members of the SMS declare their financial interests on an annual basis.
- Members of the Bid Specification, Bid Evaluation and Bid Adjudication committees as well as all officials rendering administrative support to these committees are required to declare and sign a declaration form at every meeting. Any member with an interest on the matter at hand, must recuse him/herself.

Furthermore, the Chief Directorate: Human Resources maintained the following mechanisms to minimise conflicts of interest:

- Declaration forms issued to and completed by members of selection panels during recruitment processes, where they indicate any possible conflicts of interest in the form of relationships with candidates;
- Engagements with and provision of advice to staff on possible conflicts of interest with official duties when applications for approval of remunerative work outside the Public Service are processed;

- Coordinated quarterly staff training sessions on labour relations, which include addressing issues of conflict of interest;
- Management of financial disclosures; and
- Maintenance of a gifts register.

5. CODE OF CONDUCT

Labour Relations conducts quarterly awareness sessions, where employees are informed on the Code of Conduct and related breaches thereof, with Code of Conduct handbooks distributed to departmental employees.

There were no breaches of the Code of Conduct reported to Labour Relations/ Human Resources in this reporting cycle, as monitored in the Register.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Department complied with requirements of the Occupational, Health and Safety (OHS) Act (Act No. 85 of 1993) to provide and maintain, as far as reasonably practicable, a habitable safe working environment that is without risk to the health of employees.

OHS inspections were conducted monthly to identify, address and monitor compliance risks and challenges for a conducive and safe workplace.

Several energy saving initiatives were implemented in support of addressing the national energy crisis.

7. PORTFOLIO COMMITTEES

Commentary on interaction with the Portfolio Committee on Human Settlements during 2014/2015

Subject	Issues raised by Committee	Date	Department's response
Briefing by Department on progress report on complaints regarding non-payment of contractors at Nelson Mandela Bay Municipality	<p>After having been briefed by the three spheres of government, the Committee resolved:</p> <ul style="list-style-type: none"> (a) Report submitted by contractors to the Provincial Department of Human Settlements on 25 July 2014 be availed to the Committee (b) Three spheres of government to respond to the aforementioned report and such response to be availed to the Committee, including responses to the resolutions and recommendations of meetings of previous Portfolio Committee on Human Settlements held on 5 & 12 March 2014 (c) Preparation of a detailed report by the three spheres of government in order to assist the Committee to arrive at an informed determination. The report to be furnished not later than 19 August 2014 (d) Copy of original specifications and revised specifications be availed to the Committee <p>The Committee also expressed the need for a forensic audit and the involvement of the Special Investigating Unit</p>	29 July 2014	<p>An undertaking was made to submit all the required documents to the Committee. The Committee was also going to be kept informed of any further developments on the matter</p> <p>The Department also concurred with the contractors that the report that had been prepared by the Quantity Surveyor that was appointed by the Eastern Cape Provincial Department of Human Settlements, was problematic, as it had, among others, ignored recommendations made by the contractors. It was resolved that the report would be reviewed and that a reviewed report would be submitted on 25 June 2014</p>

Subject	Issues raised by Committee	Date	Department's response
Briefing by Minister of Human Settlements on plans to achieve 100-day target	<p>Comments and Clarity sought on the following:</p> <ul style="list-style-type: none"> (a) The Department's responsibility following the delineation of responsibilities on sanitation (b) Department's description/definition of what the bucket system is (c) List of mining towns targeted for revitalisation (d) Need to encourage mining companies to undertake projects aimed at converting hostels into family units (e) Request to elaborate on progress made on accreditation of municipalities (f) Clarity sought on the number of projects and/or houses requiring rectification and in which provinces 	19 August 2014	<p>The Committee was informed that, following the transfer of the Sanitation function to the Department of Water and Sanitation, the issue of internal reticulation was still the responsibility of the Department of Human Settlements. However, the provision of bulk services and water supply was the responsibility of the Department of Water and Sanitation. On the issue of accreditation of municipalities, it was reported that meetings had been held with SALGA and that the issue had been tabled at MinMEC.</p> <p>In relation to the title deeds backlog, the Committee was informed that the newly formed Estate Agency Affairs Board was seized with the matter and that the Department of Rural Development and Land Reform would also be of assistance in addressing the matter.</p> <p>With regard to the bucket system, it was reported that it still remained a major challenge, particularly in the Free State due to unfavourable topography/terrain.</p> <p>On the issue of incomplete houses, there were a number of contributing factors due to lack of coordination as some of the houses did not have water connection, no electrical connection, etc. As part of an effort to establish integrated and sustainable human settlements, the Committee was informed of the need to have a Master Plan on Spatial Planning aimed at undoing the apartheid spatial legacy. An undertaking was also made to present a breakdown of mining towns to be revitalised. A call was made to assist in consumer education for hostel dwellers who continue to refuse to take up occupancy of hostels that had since been converted to family units.</p> <p>It was also stressed that there was need for employers to contribute towards housing of their employees.</p>

Subject	Issues raised by Committee	Date	Department's response
Workshop by Office of the Auditor-General on use of annual reports & quarterly performance reports as an oversight tool	(a) Clarity sought on difference between what is meant by unqualified report with no findings vis-à-vis a clean audit (b) Difference between adverse and disclaimer (c) Unqualified audit with opinion of an entity whether it would affect the overall audit outcomes of the Department (d) Concern raised in regard to use of inexperienced or junior staff to compile reports	09 September 2014	The Department attended the workshop as observers
Briefing on amendments proposed by NCOP on Rental Housing Amendment Bill [B56D-2013]	The Committee, having considered the Rental Housing Amendment Bill [Bill 56D-2013] (National Assembly – sec 76), amended by the NCOP and revived by the National Assembly from the stage it had reached on last sitting day of 6th Session of the 4th Parliament (National Assembly Minutes, 27 August 2014, p 1072, agreed to the Bill. Members of the Democratic Alliance and Economic Freedom Fighters abstained from voting on the Bill. They both requested the Committee to record that they reserved their right to vote in favour of the Bill as they needed to consult further	09 September 2014	The Department noted the Committee's resolution on the Bill
Briefing on progress made in the implementation of special integrated projects National Department of Human Settlements; North West Provincial Department of Human Settlements; Bojanala & Rustenburg municipalities	The Committee enquired into: (a) Progress in converting single-sex hostels into family units (b) Plans of the three spheres of government in the provision of basic services such as bulk infrastructure & electricity in the North West province (c) Limited use of the Finance-linked Individual Subsidy Programme towards assisting only 100 people (d) Reasons for assisting only 10 military veterans in the province	16 September 2014	The National Department undertook to provide the following: (a) Report on role played by mining companies to house mine-workers (b) Inter-Ministerial Committee Report presented to the Presidency (c) Breakdown of verified number of military veterans in the country (d) Report on the Municipal Infrastructure Grant allocation for the North West province and the expenditure for Bojanala District disaster from the Department of Cooperative Governance & Traditional Affairs

Subject	Issues raised by Committee	Date	Department's response
Briefing on 2013/2014 Annual Report & Financial Statements in preparation for Budgetary Review & Recommendations Report (BRRR)	<p>The Committee raised the following concerns:</p> <ul style="list-style-type: none"> (a) Material underspending of the budget as reported by the Auditor-General (b) Predetermined objectives related to the usefulness & reliability of information presented in the annual report (c) Changes to objectives, indicators and targets without being approved by the executive authority in accordance with Treasury Regulations approval requirements (d) Consistency of indicators and targets (e) Measurability of indicators & targets (f) Reliability of reported performance information (g) Funded vacant posts not being filled within 12 months as required by Public Service Regulations and no human resource plan in place as required by Public Service Regulations 	14 October 2014	The Department welcomed the Committee's observation that there had been a significant improvement in the overall performance of the Department. However, a more concerted effort to focus on key areas indicated in the report was required and that in addressing these critical areas, the Department would be in a better position to realise improved results in its future performance
Briefing on annual and closure reports of Thubelisha, Servcon Housing Solutions & National Housing Fund	<p>The Committee sought clarity on:</p> <ul style="list-style-type: none"> (a) Whether claims & liabilities related to the entities had been settled (b) Whether Servcon had fulfilled its mandate as well as the reason for the decision to close Servcon <p>The Committee urged the Department to fast-track the amendments to legislation related to the closure of some of the entities. Further, the Department was requested to attend to issues related to contractors that were contracted to Thubelisha as there were a lot of subcontracting arrangements</p>	14 October 2014	The Department was in the process of winding down all matters related to the closure of these entities

Subject	Issues raised by Committee	Date	Department's response
Briefing by Financial & Fiscal Commission	<p>The FFC reported that the Department's overall performance had improved over the last four years at an average spending which was above 98% of allocated funds. It also pointed out that some targets set for 2013/2014 had been achieved. However, of concern was Programme 3 where under-spending was at 36% in 2012/2013 and increased to 55% during 2013/2014. The FFC indicated that it was difficult to fully assess whether targets were met in some instances as targets were not clearly determined where the Department had underperformed, and reasons were not always provided, while some of the reasons for underperformance for 2013/2014 were similar to those for 2012/2013</p> <p>The FFC recommended that:</p> <ul style="list-style-type: none"> (a) Municipalities, especially metros, should invest in forward-looking processes & systems that will enable them to better understand and disaggregate the housing demand (b) Metropolitan municipalities should focus on planning for social housing (rental accommodation) and creation of new (or transform existing) neighbourhoods in intermediate suburbs, which have lower densities than the inner city (c) Government's housing subsidy policy should prioritise the most vulnerable groups 	14 October 2014	The Department noted the issues raised
Briefing by Public Service Commission	<p>The PSC reported that the Department had maintained its record of unqualified audits over the past two years. Effective spending of the Rural Household Infrastructure Grant remained a challenge. Spending trends as at August 2014 point to inadequate financial management and a need to put mitigating strategies in place to ensure spending in line with predetermined objectives and targets. Similar to the previous financial year, the Auditor-General made findings in respect of the usefulness and reliability of performance information reflected in the Annual Report. In addition, not all required information in respect of human resources was reported. There was therefore a need for the Department to improve accountability</p>	14 October 2014	<p>The Department undertook, among others,:</p> <ul style="list-style-type: none"> (a) Attend to mandatory disclosure by Senior Managers to submit Financial Disclosure Forms timeously in order to allow for effective monitoring as well as deal with potential and actual conflicts of interests (b) Put in place measures to deal with professional ethics (c) Put in place a human resource plan (d) Fill vacancies as well as address employment equity issues (e) Improve response level to allegations of corruption

Subject	Issues raised by Committee	Date	Department's response
Briefing by Human Settlements entities on their annual reports for 2013/2014	<p>The Committee expressed the following:</p> <ul style="list-style-type: none"> (a) Commended National Home Builders Registration Council for its improvement from qualified to an unqualified audit report. However, it expressed concern over the recurrence of matters of emphasis (b) Requested Estate Agency Affairs Board to fast-track the transformation of the entity (c) Concern about National Urban Reconstruction & Housing Agency's non-compliance with procurement policy as reported by the Auditor-General. As a result, the entity was requested to report on a quarterly basis on the findings of the A-G (d) With regard to the Rural Housing Loan Fund, a concern was raised that rural residents were generally not aware of this Fund due to a lack of requisite information and information not being communicated in locally spoken languages (e) With regard to the Housing Development Agency, concern was expressed to transformation of the entity as well as composition of its management (f) The Social Housing Regulatory Authority did not take effective steps to prevent irregular expenditure in accordance with the Public Finance Management Act 	15 October 2014	<p>The Department and entities undertook to ensure:</p> <ul style="list-style-type: none"> (a) Periodic review of annual performance plans (b) Alignment between annual performance plans and annual votes (c) Integration between financial and performance systems (d) Review of performance information reports (e) Adherence and compliance with Treasury Regulations with regard to procurement issues

Subject	Issues raised by Committee	Date	Department's response
Report-back by Minister of Human Settlements on progress made on 100-day commitments	<p>The Committee resolved that the Department should present:</p> <ul style="list-style-type: none"> (a) Accreditation criteria of municipalities (b) A full breakdown of rectification programme (c) Progress report on Inter-Ministerial Committee on the issue of mining towns (d) Plans to eradicate the bucket system (e) Plans to eradicate informal settlements 	28 October 2014	<p>In her response, the Minister stated that the issue of accreditation of municipalities was not part of the 100-day pronouncements but obliged to assist the Committee</p> <p>On other issues, it was reported that megaprojects were largely earmarked for urban areas. The Committee was also informed that a Service Level Agreement had been signed with SITA on the issue related to database enhancement</p> <p>In relation to SHRA's mandate, it was pointed out that the entity's mandate would remain that of a regulatory entity and through the completion of amalgamating DFIs its investment responsibility would move away</p> <p>Following the passing of the Policy on Military Veterans in 2008, the Department has been working with a list provided by the Department of Defence and Military Veterans</p> <p>Mention was also made of catalytic projects which were said to be mixed-type developments and were not developed using the traditional tender approach but entailed public/private partnerships</p> <p>On the issue of housing assistance for mineworkers, reference was made to a study that the majority of mineworkers prefer rental stock as they do not qualify for Breaking New Ground housing. Mention was also made of the practice or policy of mining companies to issue a so-called "live-out" allowance which has been found to contribute to the proliferation of informal settlements</p> <p>The Department has since presented to the Committee the following:</p> <ul style="list-style-type: none"> (a) Inter-Ministerial Committee Interventions on Mining Towns as well as Plans to Eradicate Informal Settlements (b) Joint briefing with Portfolio Committee on Water & Sanitation on progress to date in respect of bucket eradication

Subject	Issues raised by Committee	Date	Department's response
Briefing on report of ministerial enquiry into eviction of residents of Nomzamo (Lwandle) Informal Settlement	The Committee proposed that the Prevention of Illegal Eviction & Unlawful Occupation of Land Act (Pie Act) should be amended. It further suggested that there should be a public apology to the affected communities as it was reported that the court order had been misapplied. The Committee also expressed its support for the recommendations in the report suggesting that a plan of action be expedited	4 November 2014	The Department informed the Committee that the Housing Development Agency was tasked to manage the situation at Lwandle. It was further reported that members of the Enquiry on the basis of their understanding of the human settlements sector as some of them were former members of previous Portfolio Committees on Human Settlements and Police and that some had legal and policing background. The Department assured the Committee that it would engage with the government entities involved to ensure that there would not be a repeat in the future
Progress report on Green Paper on Human Settlements	<p>The Committee raised the following:</p> <ul style="list-style-type: none"> (a) Concern on the slow process in developing the legislation; consequently it was sought whether the Department had the capacity and the requisite skills to develop the Green Paper (b) Clarity was also sought on whether the processing and development of the Green Paper would not impact negatively on other Human Settlements policies (c) Clarity was sought on whether the Green Paper would include housing opportunities in order for those who could afford to build for themselves could benefit from serviced sites (d) Clarity sought on progress made in the review process of the Housing Code 	4 November 2014	The Department admitted to and acknowledged the slow process in the preparation of the Green Paper. It stated that it was undertaking a holistic approach to ensure coordination of relevant and affected departments was strengthened. It also confirmed that there was adequate capacity to drive the Green Paper process

Subject	Issues raised by Committee	Date	Department's response
Briefing by Department on its second & third quarter reports (Section 32 reports)	<p>(a) The Committee expressed concern with regard to the notable sliding in the departmental performance from 79% during the first quarter, to 74% in the second quarter and 66% in the third quarter</p> <p>(b) Request to present provincial expenditure and performance report since a large portion of the Department's budget was transferred to provinces</p> <p>(c) Concern expressed with regard to absence of a performance report on Urban Settlements Development Grant</p> <p>(d) No reporting on Municipal Capacity Grant as it was critical for planning at municipal level</p> <p>(e) Concern also expressed with regard to no reporting on accreditation of municipalities, issuing of title deeds/title deeds backlog, rectification programme; update on the process of upgrading informal settlements</p> <p>(f) The Committee stressed the need for the National Department to assist both the Limpopo and Gauteng provinces to improve their delivery performance</p>	24 February 2015	<p>The Committee was informed that the Department had identified areas where it had not performed well and these were to be prioritised in the next financial year going forward</p> <p>In relation to poor spending at provincial departments, the Committee was informed that interventions were designed to respond to poor spending as well as improve performance and delivery</p> <p>With regard to the process of informal settlements upgrading, the Department indicated that assessment of an informal settlement was the first step towards upgrading of informal settlements in accordance with the Housing Code</p> <p>The Committee was also informed that protocol agreements had been signed with the two provinces that had been identified as performing poorly, namely Gauteng and Limpopo</p> <p>An undertaking was made to present on the Rectification Programme at a later date. It was also indicated that the Department would brief the Committee on provincial performance and budget expenditure on 3 March 2015</p> <p>An undertaking was also made to brief the Committee at a future date on progress made on issuing of title deeds</p>

Subject	Issues raised by Committee	Date	Department's response
Briefing by Department on the following: Provincial expenditure & performance report on Human Settlements issues; Update report on the backlog in the issuing of title deeds; Progress to amalgamate development finance institutions	<p>The Committee made a number of observations on the grant performance:</p> <ul style="list-style-type: none"> (a) That the Urban Settlements Development Grant was not being used for its intended purpose (b) The Finance-Linked Individual Subsidy Programme was not performing optimally (c) That Limpopo & Gauteng provinces had been underperforming on the Human Settlements Development Grant (d) Delay in the disburse or transfer of the Municipal Capacity Grant to municipalities (e) Disaster Management Grant not being used optimally by the benefiting provinces (f) Expressed concern about inconsistencies with regard to rectification of government-provided subsidy houses as in some cases, particularly in the Eastern Cape, rectification was costing more than the normal subsidy quantum. As far as the Committee was concerned, this was not value for money (g) Lack of social and rental housing programmes in Limpopo, yet there was an increasing demand for such housing in urban areas <p>On the issue of title deeds restoration, the Committee noted and welcomed the title deeds framework as presented, but expressed the urgency of dealing with the issue of the backlog in the issuing of title deeds</p> <p>In relation to the Amalgamation of DFIs, the Committee urged the Department to stick to its timeframes to ensure speedy amalgamation of DFIs</p>	03 March 2015	<p>It was agreed that there has to be a policy framework detailing how the USDG should be utilised, a policy framework that should consider bulk infrastructure; land acquisition, provision of basic services. It was also resolved to invite both Limpopo and Gauteng provincial departments of Human Settlements to appear before the Committee and afford them the opportunity to present their challenges with regard to their performance (both provinces have since appeared before the Committee)</p> <p>The National Department was to present a detailed report on the rectification programme as well as a progress report on the IMC on distressed mining towns (this has since been done)</p> <p>In relation to FLISP budget (operational & capital), it was resolved that this ought to be managed by National Housing Finance Corporation in order to ensure optimal performance of the programme</p>

Subject	Issues raised by Committee	Date	Department's response
Briefing by Department on Inter-Ministerial Committee interventions on mining towns & plans to eradicate informal settlements	<p>The Committee sought clarity on the following:</p> <ul style="list-style-type: none"> (a) Why the presentation excluded mining towns in the Northern Cape & KwaZulu-Natal (b) Guidelines provided for contribution by mining houses (c) Presentation not reflecting on housing solutions for hostel dwellers and was also silent on the possible conversion of single-sex hostels into family units (d) Participation of affected communities and trade unions in formulating housing solutions (e) Revitalisation appears to be biased towards functioning mines at the expense of distressed mining areas (f) Capacity of municipalities to ensure smooth implementation of the revitalisation programme 	10 March 2015	<p>Regarding upgrading of hostels or conversion of single-sex units into family units, it was indicated that conversion was a requirement contained in the Mining Charter. It was reported that the conversion process was underway and that timelines were set for implementation. It was also reported that only active mines were contributing towards the programme</p> <p>It was reported that a study on migrant labour which was underway, which was jointly being overseen by government, labour and business. The purpose of the study was to find ways to rekindle economic development of labour-sending areas</p> <p>In relation to the so-called living-out allowance, it was stated that the Department could not determine nor prescribe how the allowance should be utilised, since the conditions of the allowance were as a result of an agreement between mineworkers and their employers. It was also acknowledged that there was a housing shortage around most mining towns in the country, resulting in the mushrooming of informal settlements in surrounding areas</p> <p>In relation to municipal capacity, it was acknowledged that there was inadequate capacity in some municipalities. The Committee was informed that there were ongoing discussions with South African Local Government Association (SALGA) to find strategies to capacitate municipalities and that experts were deployed to some municipalities to provide technical assistance</p> <p>With regard to social and economic development, it was reported that, following the inception of the Special Presidential Package, there has been demonstrable improvement in coordinated planning among government, organised labour and business as well as integrated implementation of projects. The Committee was also informed of socioeconomic diagnostic research commissioned by National Treasury and the Presidency whose object is to gain a better understanding of socioeconomic dynamics in these areas</p>

Subject	Issues raised by Committee	Date	Department's response
<p>Joint briefing with Portfolio Committee on Water & Sanitation on progress to date in respect of the bucket eradication system in the country</p>	<p>Comments & concerns raised included the following:</p> <ul style="list-style-type: none"> (a) The extent to which the transitional period impacted adversely on employees (b) The need for integrated housing development which seeks to not only provide sanitation but houses and amenities (c) Enquired on the working ratio of ventilated improved pit toilets & chemical toilets per household and whether that was a move away from communal toilets (d) Dependency of government departments on contractors responsible for substandard work that may have an impact on job creation initiatives for the country's unemployed (e) Role of the Department in respect of sanitation facilities at schools (f) Target date for eradication of the bucket system, given the ever-moving targets attributed to rapidly expanding informal settlements and whether the target was achievable (g) Whether plans were in place to address underspending of the budget for the eradication of the bucket system, as only 45% of the budget had been spent (h) Measures to address those settlements built on land that was not compatible for the development of housing, sanitation and bulk infrastructure (i) Plans to align budgets of departments with those of municipalities that were key service delivery agents in respect of sanitation (j) Measures to mitigate politically motivated service delivery protests and land invasions as well as interdepartmental collaboration on the matter 	<p>11 March 2015</p>	<p>The Department of Water and Sanitation reported that during the month of October 2014, meetings were scheduled with the inducted employees around the change management strategy, and the implications of transfer between the two departments, together with labour representation. Issues related to tools of trade, salary packages, subsidised motor vehicles and pensions</p> <p>It was established that conditions of service between the departments of Water and Sanitation and Human Settlements were not that different and the transfer was effected on 1 November 2014</p> <p>The Department reported that through the years, there has been a change in the provision of housing and a move towards the creation of viable communities. The Department is in collaboration with other departments and entities so as to ensure that houses being built have the necessary infrastructure</p> <p>The Department reported that they would submit this response in writing to the Portfolio Committee</p> <p>The Department acknowledged that oversight over contractors has in the past not been as effective as it should have been. However, norms and standards are being set to ensure a standard level of service delivery across government departments and implementing agents</p> <p>It was reported that the provision of sanitation in schools was the responsibility of the Department of Education. An Inter-Ministerial Task Team is in place to address these issues further, particularly as they relate to financial resources</p> <p>The Department of Water and Sanitation indicated that former President Mbeki raised the issue of bucket eradication years ago with a target of 88 000 being set. This target related to formal settlements and the Department was of the view that despite the challenges this target was still attainable. The Committee was also informed that Minister of Water and Sanitation has committed R1 billion per annum to this project for the next three years</p>

Subject	Issues raised by Committee	Date	Department's response
			<p>It was stated that Troika decisions stipulate that the mandate of the bucket eradication be a fully-blown water-borne system and this further increases the resources (financial and non-financial) needed to implement this project. A top slice of 5% of the housing grant has been set aside for the bucket eradication programme, although no specific funding for bulk infrastructure has been allocated. In respect of bulk infrastructure, it was noted that the provinces of Northern Cape and Eastern Cape have challenges</p> <p>The Department acknowledged that there was underspending in the committed funds and that a request for rollover has been made in this regard. The Department further noted that part of the reason for the underspending was the non-submission of business plans as they relate to the Rural Household Infrastructure Grants. Funds cannot be transferred until business plans are submitted. It was noted that the first transfer of R32 million has been made, which will alleviate the underspending, with a second tranche taking place on 20 March 2015. A request has been made for the rollover of the balance of the funds</p> <p>The Department noted that this was a particular challenge not easy to resolve as many communities are resistant to moving even whilst these topographical challenges exist</p> <p>It was reported that plans are not cast in stone and mid-year adjustment to appropriations can be made to align with the consulted Integrated Development Plans of Municipalities. There does however, exist an urgent need for integrated planning</p> <p>The Deputy Minister (Water and Sanitation) reported that she was part of an Inter-Ministerial task team which looks at some of the hotspots, particularly where there are service delivery protests</p>

Subject	Issues raised by Committee	Date	Department's response
Briefing by Gauteng's Department of Human Settlements & its metropolitan municipalities	<p>Clarity-seeking questions and concerns included:</p> <ul style="list-style-type: none"> (a) Explanation for the R1,1 bn expenditure on rectifying houses damaged by hailstorm (b) Number of houses built vis-à-vis the amount of expenditure (c) Lack of capacity to plan and spend grants at both provincial and municipal levels (d) USDG not being used for its intended purpose (e) Nothing reported on the improvement of Community Residential Units (f) Not much involvement of the Housing Development Agency in land acquisition (g) Completed houses that continue to remain vacant for prolonged periods of time and thus becoming targets of vandalism and illegal occupation 	17 March 2015	<p>The province and its metropolitan municipalities were working towards better coordination as reported by the MEC hence the decision to conclude a Memorandum of Understanding which was to be signed on 7 April 2015 (as was reported). Further, a plan for a turnaround would be presented to the Committee during its planned oversight visit to the province. The province would also furnish a full report on the hailstorm disaster and expenditure incurred in rectifying houses damaged. In relation to the hostels that had been converted into family units but remain unoccupied, a preliminary report was available following an investigation into the matter. Further, it was reported that some of the completed houses that had remained vacant were due to a lack of bulk infrastructure. On the issue of the USDG, the Head of Department intimated that there were engagements with metro mayors in an endeavour to formulate and adopt a strategy on how to utilise the grant</p>

Subject	Issues raised by Committee	Date	Department's response
Briefing by Department on Human Settlements issues raised during State of the Nation Address	<p>Comments and issues of concern:</p> <ul style="list-style-type: none"> (a) Reduction in budgetary allocation as it may impact negatively on delivery to communities (b) Performance of Gauteng & Limpopo provinces' Departments of Human Settlements and the need to monitor them closely as well as render necessary support in terms of capacity (c) Need to develop Human Settlements legislation in line with the changed mandate (d) Plans to deal with uncompleted projects (e) Information of number of jobs created through Human Settlements projects (f) Need to provide serviced sites to allow for self-built houses (g) Not supportive of the idea of issuing interim title deeds for those still in informal settlements (h) Request to furnish the Committee with provincial business plans for scrutiny (i) Type and number of houses to be built for military veterans (j) Performance of the FLISP not satisfactory (k) Department to present a draft backyard rental strategy (l) Department to furnish list of catalytic projects and an indication of where these are taking place 	24 March 2015	<p>The Department admitted to a need for enhanced monitoring capacity within the Department and reported that the Department was in the process of strengthening the Project Management unit. It also reported that the Department was intervening to assist provinces in which performance and delivery were a challenge. All provincial business plans were to be submitted to the Committee as requested</p> <p>The issue of housing assistance for military veterans was compounded by the total number that kept on increasing instead of decreasing. The Department also undertook to furnish list of catalytic projects with all the required detail</p>

Subject	Issues raised by Committee	Date	Department's response
Presentation by Department on Strategic Plan for the next MTEF period & Annual Performance Plans 2015/2016	<p>The Committee commented as follows;</p> <ul style="list-style-type: none"> (a) The Department needed to embark on an aggressive drive of recruitment in order to deal with the issue of vacancies (b) The issue of abandoned housing projects was a matter of concern (c) The presentation was silent on the issue of strategy for backyard dwellers (d) Progress on accreditation of municipalities (e) Plan to assist in capacitating Limpopo province Department of Human Settlements, particularly on the issue of planning skills (f) Distinction between rectification versus re-rectification (g) The Department ought to play a prominent role in devising a long-term plan to assist military veterans, as most were destitute. For the Committee, the issue of their active participation was critical (h) Measures to prevent invasion of land earmarked for housing development (i) Always important to reflect on the number of jobs created from housing projects (j) Expressed concern on the reduction of the Department's budget as it may have negative impact (k) Issue of the title deeds backlog remains a concern (l) Measures to assist Gauteng's Department of Human Settlements with better planning and improved performance (m) Allocation of budget to municipalities in mining areas that had no units planned for construction was a matter of concern. For the Committee, capacity to spend at municipal level remain a concern (n) Need to set achievable targets (o) Need to ensure that acquired land is serviced and prepared for human settlements development 	24 March 2015	<p>Engagements with all the provinces in order to ensure that business plans talk to tangible targets and the national Department was reported to be conducting analysis of provincial business plans</p> <p>Establishment of a Monitoring and Evaluation unit as part of a restructuring process but still has capacity constraints. Once this is up and running it would allow for meaningful intervention, especially in provinces that are struggling with technical capacity</p> <p>In relation to the issue of budgetary reduction, this requires proper pipeline planning that is informed by a principle of doing more with less. It is a call for efficient use of resources that is based on effective planning</p> <p>An undertaking was made to submit a list of catalytic projects; mainstreaming of the programme for Military Veterans within the National Department; increasing use of the NHBRC data as well as present on the Rectification Programme; continue to budget for sanitation (internal reticulation), present to the Committee the Social Accounting Matrix (SAM) on job creation</p> <p>FLISP was being re-conceptualised to deal not only with the demand-side of human settlements but the supply-side as well</p>

Subject	Issues raised by Committee	Date	Department's response
Briefing by NHBRC, RHLF, NHFC & NURCHA on Strategic Plans, Annual Performance Plans & Budgets	<p>Comments and concerns of the Committee included:</p> <ul style="list-style-type: none"> (a) Role NHBRC plays in the rectification of substandard government-provided houses (b) Need for consumer education before houses are allocated to beneficiaries (c) Contractors who undertake construction projects, yet not registered with the NHBRC (d) Need to ensure that experienced inspectors undertake inspection of government-subsidised houses (e) Relationship between NHFC and Department of Public Works with regard to involvement in inner city regeneration (f) Concern with regard to slow delivery of Finance-Linked Subsidy Programme (FLISP) (g) Role of NURCHA in providing affordable student accommodation (h) Extent to which women participate in housing construction through NURCHA 	25 March 2015	<p>Entities were an important support system to the National Department of Human Settlements; there was a need to ensure collaboration in service delivery as well as ensuring effective and efficient use of government resources in the development of sustainable human settlements</p> <p>NHBRC pointed out that senior and more experienced inspectors were generally deployed to houses with designs that were more complex; however, a deployment strategy was in place for both rural and urban houses, a strategy that also encourages senior inspectors to share their experience with junior inspectors</p> <p>The entity was in the process of strengthening its monitoring of housing construction to ensure compliance with its norms and standards. In addition, the entity was in the process of reviewing its punitive measures for non-registered contractors</p> <p>The entity was working closely with National Department of Human Settlements in the implementation of a Rectification Programme and it had provided criteria for houses that require rectification</p> <p>NHBRC undertook to strengthen its consumer education programme prior to housing allocation in order to ensure that housing beneficiaries understand their roles and responsibilities</p> <p>In relation to RHLF, the entity indicated that it was assisting the Gauteng province by targeting income categories between 0 to R1 500 per month and this category was said to include those within the so-called gap market who were assisted through FLISP</p> <p>In relation to the verification process, RHLF indicated that qualification criteria were in use to filter loan applicants</p>

Subject	Issues raised by Committee	Date	Department's response
			<p>NHFC admitted to the existence of a close collaborative relationship with the Department of Public Works in the implementation of the Inner City Regeneration Programme</p> <p>With regard to FLISP, challenges were experienced in getting banks to participate in the programme partly due to the pre-emptive clause</p> <p>NURCHA reported that the entity was currently working on strategies to ensure accommodation for students in the country In relation to women involvement, the entity indicated that women were encouraged and invited to participate and the entity offered to furnish a report on women participation if required to do so</p>

Subject	Issues raised by Committee	Date	Department's response
Briefing by EAAB, HDA, SHRA & CSOS on Strategic Plans, Annual Performance Plans & Budgets	<p>Comments & concerns raised included the following:</p> <ul style="list-style-type: none"> (a) Involvement of the Housing Development Agency in the implementation of fifty catalytic projects that seek to ensure sustainable human settlements (b) Need for the HDA to increase its target of land acquisition to ensure implementation of catalytic projects (c) HDA should not only target publicly owned land but also privately owned land that is well located (d) Whether the entity has a strategy to acquire land where informal settlements are located as the rationale was that this often well-located land (e) Whether there was any employment created during the process of land acquisition (f) The entity relationship with state-owned entities (SOEs) that own land parcels (g) In regard to the EAAB, concern expressed with regard to the informal sale of government-provided houses (h) If there was any legislation to inform the operations of the entity notwithstanding the fact that the entity was relatively new (i) Presence of a title deeds database (j) Vacancy rate on administrative positions was not acceptable (k) Progress with regard to the development of the Property Practitioners Bill (l) The committee indicated that Community Scheme Ombud Services was not well known and not frequently used 	26 March 2015	<p>In relation to land, the Housing Development Agency indicated that it subscribes to the Informal Settlements Upgrading Programme of the Housing Code that suggests that relocation of housing beneficiaries should be seen as a last resort. By implication, the entity acquires land where informal settlements are located</p> <p>In relation to relationship with state-owned entities (SOEs) , the entity indicated that it has a good relationship with SOEs such as Transnet and Telkom. That being said, SOEs cannot donate their land, as it constitutes part of their assets recorded in their balance sheets. As a result, the HDA has to buy these land parcels. However, it was pointed out that the Housing Development Agency was pinning its hopes on Cabinet that it would push state-owned entities to offer them parcels of land for housing development</p> <p>The committee was also informed that SOEs were selling land to the entity at inflated prices to recoup the profits they would have made in the private sale of pieces of land. The entity made a plea for SOEs to release more land to be able to meet the target of building 1,5 million units by 2019</p> <p>However, the HDA informed the Committee that it was unable to get land from SOEs for free as they wanted compensation. The entity's CEO argued that land was sitting on the SOEs' balance sheets and they needed to raise cash to keep the entities afloat. It was pointed out that discussions were currently underway in government to address this problem and thereafter the matter would go to Cabinet for decision. This would determine whether one department or entity can pass a piece of land to another department or entity for profit</p>

Subject	Issues raised by Committee	Date	Department's response
			<p>The Committee was informed that the agency needs to acquire 10 000 hectares of land to build 1,5 million houses by 2019</p> <p>Other than vacant land, some of the SOEs own buildings and hostels</p> <p>The other issue for the HDA was that it did not have capital funds to buy land</p> <p>In relation to the catalytic projects, the entity indicated that land is assessed for integration and sustainability considerations before acquisition</p> <p>In relation to the catalytic projects, the entity recognised that these projects require extra capacity (internal and external). With regard to the internal capacity, the entity is planning to increase its current human resource capacity from 112 to 185 employees. With regard to external capacity, the entity is in the process of consolidating a database of service providers that can assist with land identification and acquisition</p> <p>The EAAB indicated that it was relatively new and was in the process of conceptualising its role in the human settlements sector, and the entity will report before the end of 2015. The entity noted all the questions and recommendations by the Committee</p> <p>That being said, the entity has inspectors who inspect government provided houses</p> <p>The entity indicated that it receives on average 800 queries per month</p> <p>CSOS are in the process of recruiting a marketing manager to ensure awareness and communication. The CEO has been using mass media to promote the entity, and a communication strategy was in the process of being developed</p>

The Department of Human Settlements also interacted with the Select Committee on Social Services during the period under review.

The Department appeared before the Select Committee on Social Services on three different occasions:

- On **15 July 2014**: Department was invited to present the Department's Budget Vote and Strategic Plan 2014/2015.
- On **18 November 2014**: Department was invited to brief the Select Committee on the Department's Annual Report.
- On **24 February 2015**: Department was invited to brief the Select Committee on the National Housing Needs Register & Allocation Guidelines as well as on the Title Deeds Restoration Project.

It should also be noted that during this period the Department of Human Settlements was not invited to appear before the Standing Committee on Public Accounts (SCOPA).

The Department accompanied and supported the Portfolio Committee on an Oversight Visit to Limpopo province during the period under review.

8. SCOPA RESOLUTIONS

There were no resolutions taken by SCOPA in respect of the Department during the year under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department developed an action plan to address all issues raised on the audit report and on the management letter.

The action plan was managed by the Internal Control unit and updated monthly by the responsible managers. Internal auditors verified progress reported by the managers and tabled a report at the meetings of executive management on the outcomes of their verification work.

Matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
Material underspending on the vote in relation to the National Informal Settlements Upgrading Programme	2012/13	The Department appointed a panel of service providers as Professional Response Teams to assist the Department in expediting the work to be done under the National Informal Settlements Upgrading Programme Material underspending on the vote in relation to the Rural Household Infrastructure Grant
Management and control of assets built using this grant	2009/10	This programme has been transferred to the Department of Water and Sanitation
Restatement of corresponding figures	2013/14	Verification of information has been enhanced
Pre-determined objectives not complying to prescripts	2009/10	As part of its value-add, the Office of the Auditor-General reviews the Department's plans before being tabled in Parliament. The Department's Annual Performance Plan is now aligned to the Medium Term Strategic Framework
Annual Financial Statements not prepared in accordance with the reporting framework	2013/14	Monthly financial statements are prepared so as to ensure that preparation of the Annual Financial Statement is made easy
Material misstatement of disclosure items	2013/14	Responsible staff were given a guideline to ensure that accruals are complete
Funded vacant posts not filled within twelve months	2013/14	Filling of vacancies was placed as a standing item on the agenda of all management meetings
Human Resource Plan not in place as required	2013/14	The Human Resource Plan was developed and approved during the financial year
Proper record-keeping not always implemented in a timely manner	2013/14	The missing payment was investigated and it was established that it had been fraudulently captured
Regular, accurate and complete financial and performance reports supported and evidenced by reliable information were not prepared throughout the period	2013/14	A system was put in place according to which quarterly reports are submitted by all subprogrammes, properly referenced to a portfolio of evidence
Reviewing and monitoring of compliance with applicable laws and regulations were ineffective	2013/14	The Department introduced pre-checking of payment batches to ensure that material payments captured are compliant to prescripts The Department has established a compliance unit

10. INTERNAL CONTROL UNIT

Pre- and post-compliance testing of financial transactions with internal policies, laws and regulations was conducted to ensure the effectiveness, efficiency and transparency of internal controls. Discrepancies were noted and brought to the attention of management with recommendations to enhance the controls and ensure compliance prior to payments being processed.

Awareness on internal financial policies was raised by way of conducting quarterly workshops in an effort to ensure that compliance is met and all staff members are aware of the internal policies and procedures. The process of amending some of the financial policies commenced in the third quarter of the financial year, and inputs were obtained from the staff members to ensure transparency of the policies and procedures. All financial batches were properly recorded and were subjected to safekeeping to ensure a proper paper trail.

The Loss Control Committee held four meetings (one per quarter) to discuss losses reported and to ensure that losses are minimised. In some instances, losses were referred to the State Attorney for advice and opinions to ensure informed decisions.

An Auditor-General's action plan to address the audit findings has been developed and updated on a monthly basis. The plan was presented to various stakeholders such as the Audit Committee, Executive Management Team (EMT) and internal

audit (EMT) for review and recommendations. Irregular, fruitless and wasteful expenditure was identified and reported as required by the Treasury Regulations to the Accounting Officer and the National Treasury. Said expenditure was properly disclosed in the Annual Financial Statements. During the year under review, this unit achieved the following:

- Conducted pre- and post-compliance testing of financial transactions during the financial year.
- Quarterly workshops were conducted in an effort to ensure compliance and that all staff members are aware of the internal policies and procedures.
- Monitoring the effectiveness of internal controls and amending some of the financial policies.
- Proper recording, safekeeping and administration of all financial batches.
- Management of losses and serving as a secretariat to the Loss Control Committee of the Department.
- Development and monthly updating of the action plan to address issues raised by the Auditor-General. The plan was presented to various stakeholders such as the Audit Committee and Executive Management Team for review and recommendations.
- Management of the irregular, fruitless and wasteful expenditure register.

11. INTERNAL AUDIT AND AUDIT COMMITTEE

Internal Audit

The Department has an Internal Audit unit, 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 that need improvement. The unit, as per requirements of Institute of Internal Auditors' 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 in certain areas control weaknesses pertaining to the effectiveness of those controls were identified. Recommendations were made on weaknesses identified and management committed itself to implement agreed actions plans.

The following audits we executed during the period under review:

- Records management
- Security management
- Cash management
- Quarterly review of interim financial statements
- IT Governance Framework
- Third party management
- HSS review (RACM)
- Follow-up on budget management
- Bucket Eradication Grant (Schedule 6A) (Phase 1)
- Rural Households Infrastructure Grant (RHIP) Schedule 5B
- Rural Households Infrastructure Grant (RHIP)

Schedule 6B

- Monitoring of Human Settlements Development Grant (HSDG) at the National Department (Financial and Non-financial) Schedule 5A
- Monitoring of Urban Settlements Development Grant (USDG) at the National Department Schedule 4B
- Performance audit – DHS Scholarship Programme, Sector Transformation, People's Housing Projects
- Performance audit – Enterprise Architecture (Establishment and Enablement)
- Quarterly performance information reviews (predetermined objectives)
- Risk Management and Fraud Review (follow-up)

Audit Committee

The Department has an Audit Committee that 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 was reviewed and approved in the period under review. For the period under review, the Committee had three members whose terms ended on 31 March 2015. A new Audit Committee has been appointed with effect from 01 May 2015.

During the period under review, the Committee met six times, and the Accounting Officer and executive management were always represented at these meetings. The Office of the Auditor-General 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 table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Mr K Buthelezi	B Comm degree Diploma in Accountancy Further Diploma in Accountancy (ACCA)	External	Not applicable	1 January 2011*	Not applicable	6
Ms T Moja	B Comm degree B Compt degree Advanced Treasury Management Master's in Business Leadership	External	Not applicable	1 January 2012*	Not applicable	6
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	6
Mr S Faku	Senior Teachers Diploma B Education Hons MSc Graduate Diploma Co. Direction	External	Not applicable	01 May 2015	Not applicable	-
Ms R Kalidass	BCom Hons Certificate in the Theory of Accountancy (CTA) Bachelor of Accounting Sciences Qualification as a Chartered Accountant	External	Not applicable	01 May 2015	Not applicable	-
Ms W Dukuza	BProc degree Admission Exams as an Attorney Diploma in Tax Practice Certificate in Labour Relations Management	External	Not applicable	01 May 2015	Not applicable	-

* Contract lapsed with effect from 31 March 2015

**Re-appointed with effect from 01 May 2015

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2015.

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 (TOR). During the period under review the department went through the process of appointing a new committee as the term of the previous committee came to an end on 31 March 2015.

Name of member	Number of meetings scheduled	Attended
Mr. K Buthelezi (Chairperson)*	6	6
Ms. T Moja*	6	6
Mr. N Monakedi**	6	6
Mr S Faku (Chairperson)***	-	-
Ms W Dukuza***	-	-
Ms R Kalidass***	-	-

* Contract lapsed with effect from 31 March 2015

**Re-appointed with effect from 01 May 2015

***Appointed from 01 May 2015

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 (TOR) and met its responsibilities as stipulated in the Charter.

The Effectiveness of Internal Control

The Committee reviewed the findings of the work conducted by the Internal Audit, which was based on the risk assessments conducted in the department. Its work revealed certain weaknesses in the effectiveness of the system of

controls in the department, which were then raised with the Department. The internal audit work executed was in the area of assurance reviews, performance information (predetermine objectives), performance audit and intergovernmental (conditional grants: Human Settlements Development Grant, Urban Settlements Development Grant and Municipal Settlements Capacity Grant) and the Information Technology Reviews).

The Committee has noted that the department has made a stride in enhancing the management of performance information (predetermine objectives) with regard to usefulness of information, while there is a need for improvement in the area of reliability of information to substantiate the reported level of performance.

The committee has noted recurring system deficiencies raised by both Internal

and External Auditors from the previous years and management have not addressed them adequately. The areas noted are the following; accruals, human resource planning and organisation, commitments and fixed asset register.

Information Technology Governance Framework

The department has not yet fully complied with the Corporate Governance of ICT Policy Framework to institutionalise Corporate Governance of and Governance of ICT as an integral part of corporate governance. The committee will require management to put processes in place to address the weaknesses identified.

In-Year Management and Monthly/Quarterly Report

The Audit Committee has noted the quality of management and quarterly reports submitted to the National Treasury as required by the PFMA and the DoRA and was satisfied with the quality thereof.

Internal Audit

The Audit Committee received reports based on the annual work programme from the Internal Audit Unit, and is satisfied that the Internal Audit Unit is independent, objective and operating effectively and also strives to address the risks pertinent to the department in its audits.

Risk Management

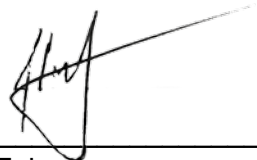
The department has established a Risk Management Function which reports to the Audit Committee on a quarterly basis. However, the Committee is concerned about the functionality of the Risk Management Committee and also the effectiveness of risk management process in the Department. Management has committed to address all the weaknesses which have been identified by both internal audit and external auditors.

Management Report of the Auditor General

As the committee we have noted the department's action plan for addressing the audit issues raised in the previous year. There has been recurring issues noted on the reports which reflect that there is significant work needed to address these issues. Comprehensive action plan will be developed to effectively deal with all the issues in the report and this report will be presented to the committee for monitoring.

Evaluation of Financial Statements

The Audit Committee has evaluated the annual financial statements of the Department for the year ended 31 March 2015 and, based on the information provided to the Audit Committee by management, internal audit and external auditors; the Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the audited annual financial statements and adjustment made be accepted and read together with the report of the Auditor-General.



Mr. S Faku
Chairperson of the Audit Committee
Department of Human Settlements
31 July 2015



PART D | HUMAN RESOURCE MANAGEMENT

LEGISLATION THAT GOVERNS HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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
- DPSA directives
- DPSA frameworks
- DPSA guidelines

2. OVERVIEW OF HUMAN RESOURCES

The development and approval of the submitted Human Resource Plan as prescribed by the DPSA, had a significant impact on Human Resource Management in this reporting period.

A major effort was made on reviewing the departmental Performance Management System and practices, as well as aligning organisational performance management and individual performance management. Several employee wellness related programmes and activities were

conducted, which included the development and review of comprehensive wellness strategies and concomitant policies.

Several initiatives were also launched to create and improve alignments between Human Resource development programmes and departmental strategic needs, including increasingly focusing resources on critical skills required in the Department.

The Human Resource Management priorities in support of continued alignment of Human Resource development activities with critical competencies included:

- Establishment of comprehensive integrated employee wellness strategies, policies and programmes
- Review of the departmental Performance Management System for completion in the first quarter of the 2015/16 cycle.

3. HUMAN RESOURCE OVERSIGHT STATISTICS APRIL 2014 TO MARCH 2015

3.1 Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary band. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid

Table 3.1.1 – Personnel related expenditure by programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
DHS: Housing Development Finance	28,712,738	13,695			0.0	21
DHS: HSP, Strategy and Planning	78,640	45,311			57.6	70
DHS: Administration	426,241	178,850			42.0	278
DHS: Human Settlements Delivery Support	113,252	53,000			46.8	82
Total as on Financial Systems (BAS)	29,361,637	290,855			1	452

Table 3.1.2 – 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)	3,078	1.0	133,826	309,337	23
Skilled (levels 3–5)	15,854	5.1	168,660	309,337	94
Highly skilled production (levels 6–8)	50,681	16.4	329,097	309,337	154
Highly skilled supervision (levels 9–12)	128,573	41.6	559,013	309,337	230
Senior management (levels 13–16)	82,078	26.5	1,000,951	309,337	82
Contract (levels 1–2)	2,326	0.8	290,750	309,337	8
Contract (levels 3–5)	377	0.1	94,250	309,337	4
Contract (levels 6–8)	5,151	1.7	198,115	309,337	26
Contract (levels 9–12)	5,889	1.9	453,000	309,337	13
Contract (levels 13–16)	11,832	3.8	1,183,200	309,337	10
Total	305,839	98.9	474,905	309,337	644

Table 3.1.3 – Salaries, overtime, homeowner's allowance and medical aid by programme

Programme	Salaries		Overtime		Home owner's allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Programme 1: Administration	138,870	78.0	1,727	1.0	3,947	2.2	5,098	2.9
Programme 2: Human Settlements Policy, Strategy and Plan	29,464	78.2	119	0.3	815	2.2	886	2.4
Programme 3: Programme Delivery Support	50,534	76.6	39	0.1	1,366	2.1	1,603	2.4
Programme 4: Housing Development Finance	21,517	77.9	23	0.1	460	1.7	643	2.3
Programme 5: Strategic Relations and Governance	68	78.2	0	0.0	3	3.4	8	9.2
Total	240,453	77.7	1,908	0.6	6,591	2.1	8,238	2.7

Table 3.1.4 – Salaries, overtime, homeowner's allowance and medical aid by salary band

Programme	Salaries		Overtime		Home owner's allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (levels 1–2)	1924	62.5	63	2	216	7	372	12.1
Skilled (levels 3–5)	10799	67.6	327	2	859	5.4	1293	8.1
Highly skilled production (levels 6–8)	36273	71.3	777	1.5	1734	3.4	2934	5.8
Highly skilled supervision (levels 9–12)	100245	76.9	636	0.5	1728	1.3	2998	2.3
Senior management (levels 13–16)	66397	79.8	0	0	2053	2.5	633	0.8
Contract (levels 1–2)	2296	97.2	31	1.3	0	0	0	0
Contract (levels 3–5)	373	98.9	0	0	0	0	0	0
Contract (levels 6–8)	5012	97.1	60	1.2	0	0	0	0
Contract (levels 9–12)	5646	95.2	14	0.2	0	0	9	0.2
Contract (levels 13–16)	11488	96.3	0	0	0	0	0	0
Total	240453	77.7	1908	0.6	6590	2.1	8239	2.7

3.2 Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts in the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupation (see definition in notes below)

Table 3.2.1 – 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)	468	431	7.9	32
Programme 2: Human Settlements Policy Strategy and Plan (Permanent)	86	74	14	5
Programme 3: Programme Delivery Support (Permanent)	127	81	36.2	0
Programme 4: Housing Development Finance (Permanent)	72	58	19.4	2
Total	753	644	14.5	39

Table 3.2.2 – 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)	24	23	4.2	0
Skilled (levels 3–5) (Permanent)	111	94	15.3	0
Highly skilled production (levels 6–8) (Permanent)	179	154	14	0
Highly skilled supervision (levels 9–12) (Permanent)	282	230	18.4	0
Senior management (levels 13–16) (Permanent)	96	82	14.6	1
Contract (levels 1–2) (Permanent)	8	8	0	6
Contract (levels 3–5) (Permanent)	4	4	0	3
Contract (levels 6–8) (Permanent)	26	26	0	15
Contract (levels 9–12) (Permanent)	13	13	0	8
Contract (levels 13–16) (Permanent)	10	10	0	6
Total	753	644	14.5	39

Table 3.2.3 – Employment and vacancies by critical occupation at end of period

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related (Permanent)	154	122	20.8	3
Agriculture related (Permanent)	1	1	0.0	0
Cleaners in offices, workshops, hospitals, etc. (Permanent)	26	26	0.0	1
Client information clerks (switchboard/reception/information clerks) (Permanent)	11	9	18.2	0

3.3 Filling of SMS posts

The tables in this section provide information on employment and vacancies related to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes, and disciplinary steps taken.

Table 3.3.1 – SMS post information as on 31 March 2015

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/Head of Department	1	1	100.0%	0	0.0%
Salary level 15	6	4	66.6%	2	33.0%
Salary level 14	21	18	86.0%	3	14.0%
Salary level 13	63	48	76.0%	15	24.0%
Total	91	71	78.0%	20	22.0%

Table 3.3.2 – SMS post information as on 30 September 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/Head of Department	1	1	100.0%	0	0.0%
Salary level 15	6	4	67.0%	2	33.0%
Salary level 14	21	18	86.0%	3	14.0%
Salary level 13	63	48	76.0%	15	24.0%
Total	91	71	78.0%	20	22.0%

Table 3.3.3 – Advertising and filling of SMS posts for the period 1 April 2014 to 31 March 2015

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/Head of Department	0	0	0
Salary level 15	1	0	0
Salary level 14	0	0	0
Salary level 13	6	1	0
Total	7	1	0

Table 3.3.4 – Reasons for not having complied with the filling of funded vacant SMS (advertised within 6 months and filled within 12 months after becoming vacant) for the period 1 April 2014 to 31 March 2015

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 twelve months
Unavailability of the Selection Committee members. Approval of appointments not granted while the process is in the advanced stage

Table 3.3.5 – Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2014 to 31 March 2015

Reasons for vacancies not advertised within six months
There were no disciplinary steps taken for not complying, but the matter was discussed weekly at the EMT meetings

Reasons for vacancies not filled within six months
Unavailability of the Selection Committee
Verification of qualifications taking long to be finalised
Delays in approving the submission and appointments

3.4 Job evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations, all vacancies on salary level 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

HR Oversight – April 2014 to March 2015 – Human Settlements

Table 3.4.1 – Job evaluation by salary band

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary band	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1–2)	24	0	0	0	0	0	0
Contract (levels 1–2)	8	0	0	0	0	0	0
Contract (levels 3–5)	4	0	0	0	0	0	0
Contract (levels 6–8)	26	0	0	0	0	0	0
Contract (levels 9–12)	13	0	0	0	0	0	0
Contract (Band A)	3	0	0	0	0	0	0
Contract (Band B)	3	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Contract (Band D)	3	0	0	0	0	0	0
Skilled (levels 3–5)	111	0	0	0	0	0	0
Highly skilled production (levels 6–8)	179	0	0	0	0	0	0
Highly skilled supervision (levels 9–12)	282	0	0	0	0	0	0
Senior Management Service (Band A)	58	0	0	0	0	0	0
Senior Management Service (Band B)	30	0	0	0	0	0	0
Senior Management Service (Band C)	6	0	0	0	0	0	0
Senior Management Service (Band D)	2	0	0	0	0	0	0
Total	753	0	0	0	0	0	0

Table 3.4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded

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

Table 3.4.3 – Employees whose salary level is higher than those determined by job evaluation [i.t.o. PSR 1.V.C.3]

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	Number 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 3.4.4 – 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

3.5 Employment changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupation (see definition in notes below).

Table 3.5.1 – Annual turnover rates by salary band

Salary band	Employment at beginning of period (April 2015)	Appointments	Terminations	Turnover rate
Lower skilled (levels 1–2) (Permanent)	24	0	0	0
Skilled (levels 3–5) (Permanent)	90	16	1	1.1
Highly skilled production (levels 6–8) (Permanent)	185	7	7	3.8
Highly skilled supervision (levels 9–12) (Permanent)	253	7	8	3.2
Senior Management Service (Band A) (Permanent)	49	5	3	6.1
Senior Management Service (Band B) (Permanent)	24	0	1	4.2
Senior Management Service (Band C) (Permanent)	4	0	0	0
Senior Management Service (Band D) (Permanent)	2	0	1	50
Contract (levels 1–2) (Permanent)	45	0	33	73.3
Contract (levels 3–5) (Permanent)	3	2	1	33.3
Contract (levels 6–8) (Permanent)	25	2	13	52
Contract (levels 9–12) (Permanent)	9	7	4	44.4
Contract (Band A) (Permanent)	2	0	3	150
Contract (Band B) (Permanent)	4	5	7	175
Contract (Band C) (Permanent)	1	1	1	100
Contract (Band D) (Permanent)	2	1	1	50
Total	722	53	84	11.6

Table 3.5.2 – Annual turnover rates by critical occupation

Occupation	Employment at beginning of period (April 2015)	Appointments	Terminations	Turnover rate
Administrative related (Permanent)	121	9	7	5.8
Agriculture related (Permanent)	1	0	0	0
Civil engineering technicians (Permanent)	2	0	1	50
Cleaners in offices, workshops, hospitals, etc. (Permanent)	25	1	0	0
Client inform clerks(switchboard/reception/information clerks) (Permanent)	10	0	0	0
Communication and information related (Permanent)	6	0	0	0
Community development workers (Permanent)	3	0	0	0
Custodian personnel (Permanent)	1	0	0	0
Economists (Permanent)	22	2	2	9.1
Engineering sciences related (Permanent)	3	0	0	0
Engineers and related professionals (Permanent)	11	0	0	0
Finance and economics related (Permanent)	37	1	0	0
Financial and related professionals (Permanent)	12	2	1	8.3
Financial clerks and credit controllers (Permanent)	42	0	2	4.8
Food services aids and waiters (Permanent)	6	0	0	0
General legal administration & related professionals (Permanent)	6	2	1	16.7
Geologists geophysicists hydrologists & related professionals (Permanent)	1	0	0	0
Head of Department/Chief Executive Officer (Permanent)	1	0	0	0
Household, food and laundry services related (Permanent)	4	0	1	25
Housekeepers, laundry and related workers (Permanent)	1	0	0	0
Human resources & organisational development & related professionals (Permanent)	24	1	0	0
Human resources clerks (Permanent)	63	0	38	60.3
Human resources related (Permanent)	7	0	1	14.3
Language practitioners, interpreters & other communications (Permanent)	1	0	0	0
Librarians and related professionals (Permanent)	1	0	0	0
Library, mail and related clerks (Permanent)	30	1	1	3.3

Light vehicle drivers (Permanent)	1	0	0	0
Occupation	Employment at beginning of period (April 2015)	Appointments	Terminations	Turnover rate
Logistical support personnel (Permanent)	52	2	0	0
Material-recording and transport clerks (Permanent)	18	1	6	33.3
Medical research and related professionals (Permanent)	1	0	0	0
Messengers, porters and deliverers (Permanent)	8	1		
Natural sciences related (Permanent)	2	0	0	0
Other administrative & related clerks and organisers (Permanent)	31	0	2	6.5
Other administrative policy and related officers (Permanent)	2	0	0	0
Other information technology personnel. (Permanent)	10	0	0	0
Other occupations (Permanent)	6	0	1	16.7
Risk management and security services (Permanent)	2	1	0	0
Secretaries & other keyboard operating clerks (Permanent)	68	12	6	8.8
Security guards (Permanent)	3	0	0	0
Security officers (Permanent)	17	5	0	0
Senior managers (Permanent)	54	12	14	25.9
Social sciences related (Permanent)	4	0	0	0
Trade/industry advisers & other related professionals (Permanent)	2	0	0	0
Total	722	53	84	11.6

Termination type	Number	Percentage of total resignations	Percentage of total employment	Total	Total employment
Death (Permanent)	2	2.4	0.3	84	722
Resignation (Permanent)	25	29.8	3.5	84	722
Expiry of contract (Permanent)	56	66.7	7.8	84	722
Dismissal – misconduct (Permanent)	1	1.2	0.1	84	722

Total	84	100	11.6	84	722
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Table 3.5.3 – Reasons why staff are leaving the Department

Resignations as % of employment
11.6

Table 3.5.4 – Promotions by critical occupation

Occupation	Employment at beginning of period (April 2014)	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	121	7	5.8	52	43
Agriculture related	1	0	0	1	100
Cartographic surveying and related technicians	0	1	0	0	0
Civil engineering technicians	2	0	0	1	50
Cleaners in offices, workshops, hospitals, etc.	25	0	0	18	72
Client inform clerks (switchboard/reception/information clerks)	10	0	0	7	70
Communication and information related	6	0	0	4	66.7
Community development workers	3	0	0	0	0
Custodian personnel	1	0	0	1	100
Economists	22	2	9.1	10	45.5
Engineering sciences related	3	0	0	2	66.7
Engineers and related professionals	11	0	0	2	18.2
Finance and economics related	37	4	10.8	14	37.8
Financial and related professionals	12	2	16.7	7	58.3
Financial clerks and credit controllers	42	0	0	23	54.8
Food services, aids and waiters	6	0	0	2	33.3
General, legal, administration & related professionals	6	1	16.7	5	83.3
Geologists, geophysicists, hydrologists & related professionals	1	0	0	0	0
Head of Department/Chief Executive Officer	1	0	0	0	0

Occupation	Employment at beginning of period (April 2014)	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
Household, food, and laundry services related	4	0	0	1	25
Housekeepers, laundry and related workers	1	0	0	0	0
Human resources & organisational development & related professionals	24	1	4.2	13	54.2
Human resources clerks	63	1	1.6	11	17.5
Human resources related	7	1	14.3	3	42.9
Language practitioners, interpreters & other communications	1	0	0	1	100
Librarians and related professionals	1	0	0	0	0
Library, mail and related clerks	30	0	0	9	30
Light vehicle drivers	1	0	0	1	100
Logistical support personnel	52	1	1.9	33	63.5
Material-recording and transport clerks	18	0	0	13	72.2
Medical research and related professionals	1	0	0	1	100
Messengers, porters and deliverers	8	0	0	5	62.5
Natural sciences related	2	0	0	0	0
Other administrative & related clerks and organisers	31	1	3.2	16	51.6
Other administrative, policy and related officers	2	0	0	1	50
Other information technology personnel	10	0	0	6	60
Other occupations	6	0	0	1	16.7
Risk management and security services	2	0	0	0	0
Secretaries & other keyboard operating clerks	68	2	2.9	31	45.6
Security guards	3	1	33.3	1	33.3
Security officers	17	0	0	10	58.8
Senior managers	54	1	1.9	5	9.3
Social sciences related	4	0	0	2	50
Trade/industry advisers & other related professionals	2	0	0	0	0
Total	722	26	3.6	313	43.4

Table 3.5.5 – Promotions by salary band

Salary band	Employment at beginning of period (April 2014)	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)	24	0	0	13	54.2
Skilled (levels 3–5) (Permanent)	90	1	1.1	48	53.3
Highly skilled production (levels 6–8) (Permanent)	185	7	3.8	119	64.3
Highly skilled supervision (levels 9–12) (Permanent)	253	17	6.7	126	49.8
Senior management (levels 13–16) (Permanent)	79	1	1.3	5	6.3
Contract (Levels 1–2) (Permanent)	45	0	0	0	0
Contract (Levels 3–5) (Permanent)	3	0	0	0	0
Contract (Levels 6–8) (Permanent)	25	0	0	0	0
Contract (Levels 9–12) (Permanent)	9	0	0	0	0
Contract (Levels 13–16) (Permanent)	9	0	0	2	22.2
Total	722	26	3.6	313	43.4

3.6 Employment equity

Table 3.6.1 – Total number of employees (incl. employees with disabilities) per occupational category (SASCO)

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)	32	1	0	33	3	24	2	1	27	3	66
Professionals (Permanent)	56	1	1	58	4	65	4	1	70	7	139
Technicians and associate professionals (Permanent)	78	1	1	80	3	63	3	4	70	5	158
Clerks (Permanent)	60	2	0	62	3	123	9	4	136	11	212
Service and sales workers (Permanent)	12	0	0	12	0	14	0	1	15	0	27
Plant and machine operators and assemblers (Permanent)	1	0	0	1	0	0	0	0	0	0	1
Elementary occupations (Permanent)	12	0	0	12	1	26	1	0	27	1	41
Total	251	5	2	258	14	315	19	11	345	27	644

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	1	0	0	1

Table 3.6.2 – 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	1	3	0	1	4	0	7
Senior Management (Permanent)	36	1	1	38	4	26	3	0	29	4	75
Professionally qualified and experienced specialists and mid-management (Permanent)	99	2	1	102	5	102	5	4	111	12	230
Skilled technical and academically qualified workers, junior management, supervisors, foremen (Permanent)	43	1	0	44	3	89	4	5	98	9	154
Semi-skilled and discretionary decision making (Permanent)	33	0	0	33	1	58	1	1	60	0	94
Unskilled and defined decision making (Permanent)	6	0	0	6	0	16	1	0	17	0	23
Contract (Top Management) (Permanent)	4	0	0	4	0	0	0	0	0	0	4
Contract (Senior Management) (Permanent)	4	0	0	4	0	1	0	0	1	1	6
Contract (Professionally qualified) (Permanent)	6	0	0	6	0	5	1	0	6	1	13
Contract (Skilled technical) (Permanent)	11	1	0	12	0	11	3	0	14	0	26
Contract (Semi-skilled) (Permanent)	2	0	0	2	0	1	1	0	2	0	4
Contract (Unskilled) (Permanent)	5	0	0	5	0	3	0	0	3	0	8
Total	251	5	2	258	14	315	19	11	345	27	644

Table 3.6.3 – Recruitment for the period

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)	3	1	0	4	0	1	0	0	1	0	5
Professionally qualified and experienced specialists and mid-management (Permanent)	3	0	0	3	0	2	1	1	4	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen (Permanent)	2	0	0	2	0	5	0	0	5	0	7
Semi-skilled and discretionary decision-making (Permanent)	4	0	0	4	0	12	0	0	12	0	16
Contract (Top Management) (Permanent)	2	0	0	2	0	0	0	0	0	0	2
Contract (Senior Management) (Permanent)	2	0	0	2	0	2	0	0	2	1	5
Contract (Professionally qualified) (Permanent)	4	0	0	4	0	2	1	0	3	0	7
Contract (Skilled technical) (Permanent)	0	0	0	0	0	2	0	0	2	0	2
Contract (Semi-skilled) (Permanent)	1	0	0	1	0	1	0	0	1	0	2
Total	21	1	0	22	0	27	2	1	30	1	53

Table 3.6.4 – 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)	1	0	0	1	0	4	1	0	5	0	6
Professionally qualified and experienced specialists and mid-management (Permanent)	62	1	1	64	4	66	1	0	67	8	143
Skilled technical and academically qualified workers, junior management, supervisors, foremen (Permanent)	33	2	0	35	1	77	3	4	84	6	126
Semi-skilled and discretionary decision-making (Permanent)	17	0	0	17	0	30	1	1	32	0	49
Unskilled and defined decision-making (Permanent)	3	0	0	3	0	9	1	0	10	0	13
Contract (Top Management) (Permanent)	2	0	2	0	0	0	0	0	0	0	2
Total	118	3	1	122	5	186	7	5	198	14	339

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	1	1	0	1

Table 3.6.5 – Terminations for the period

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)	0	0	0	0	0	0	1	0	1	0	1
Senior Management (Permanent)	1	1	1	3	0	1	0	0	1	0	4
Professionally qualified and experienced specialists and mid-management (Permanent)	2	0	0	2	0	4	0	2	6	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen (Permanent)	3	0	0	3	0	4	0	0	4	0	7
Semi-skilled and discretionary decision-making (Permanent)	0	0	0	0	0	1	0	0	1	0	1
Contract (Top Management) (Permanent)	1	0	0	1	0	0	0	1	1	0	2
Contract (Senior Management) (Permanent)	3	0	1	4	0	2	2	1	5	1	10
Contract (Professionally qualified) (Permanent)	1	0	0	1	0	3	0	0	3	0	4
Contract (Skilled technical) (Permanent)	8	0	0	8	0	4	1	0	5	0	13
Contract (Semi-skilled) (Permanent)	1	0	0	1	0	0	0	0	0	0	1
Contract (Unskilled) (Permanent)	15	0	0	15	0	18	0	0	18	0	33
Total	35	1	2	38	0	37	4	4	45	1	84

Table 3.6.6 – Disciplinary action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Total	0	0	0	0	0	0	0	0	0	0	0

Table 3.6.7 – Skills development

Occupational category	Male,					Female					Total
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	
Legislators, Senior Officials and Managers	34	3	1	38	4	31	5	1	37	7	86
Professionals	43	0	3	37	1	56	1	1	58	0	105
Technicians and Associate Professionals	42	0	0	42	0	39	0	0	39	0	81
Clerks	60	0	0	60	0	101	0	0	0	0	161
Elementary Occupations	1	0	0	1	0	0	0	0	0	0	1
Total	180	3	4	178	5	227	6	2	134	7	434
Employees with disabilities	2	0	0	2	0	0	0	0	0	0	2

3.7 Signing of Performance Agreements by SMS members

All members of the SMS must conclude and sign Performance Agreements within specific timeframes. Information regarding the signing of Performance Agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 – Signing of Performance Agreements by SMS members as on 31 May 2015

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed Performance Agreements	Signed Performance Agreements as % of total number of SMS members
Director-General/Head of Department	1	1	1	100%
Salary level 15	6	4	2	50%
Salary level 14	21	18	17	94%
Salary level 13	68	48	46	96%
Total	91	71	66	93%

Table 3.7.2 – Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2015

Reasons
Supervisors fail to finalise the performance agreements on time
Acting appointments of some of the SMS

Table 3.7.3 – Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2015

Reasons
The matter was reported to EMT
Members who did not comply did not qualify for any performance incentives, including pay progression for that performance cycle

3.8 Performance rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary band and critical occupation (see definition in notes below).

Table 3.8.1 – Performance rewards by race, gender and disability

Demographics	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
African, Female	169	315	53.7	2,142	12,673
African, Male	102	251	40.6	1,440	14,114
Asian, Female	9	10	90	159	17,629
Asian, Male	1	2	50	27	27,200
Coloured, Female	5	19	26.3	59	11,853
Coloured, Male	2	5	40	28	13,930
Total Blacks, Female	183	344	53.2	2,360	12,894
Total Blacks, Male	105	258	40.7	1,495	14,236
White, Female	17	27	63	357	20,993
White, Male	6	14	42.9	118	19,588
Employees with a disability	1	1	100	11	10,995
Total	312	644	48.4	4,340	13,910

Table 3.8.2 – 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)	19	23	82.6	91	4,789
Skilled (levels 3–5)	47	94	50	247	5,255
Highly skilled production (levels 6–8)	105	154	68.2	1,013	9,648
Highly skilled supervision (levels 9–12)	126	230	54.8	2,349	18,643
Contract (levels 1–2)	0	8	0	0	0
Contract (levels 3–5)	0	4	0	0	0
Contract (levels 6–8)	0	26	0	0	0
Contract (levels 9–12)	0	13	0	0	0
Total	297	552	53.8	3,700	12,458

Table 3.8.3 – 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	50	122	41	949	18,980
Agriculture related	1	1	100	29	29,000
Cleaners in offices, workshops, hospitals, etc.	21	26	80.8	101	4,810
Client inform clerks (switchboard/reception/information clerks)	6	9	66.7	38	6,333
Communication and information related	4	4	100	73	18,250
Community development workers	0	1	0	0	0
Custodian personnel	1	1	100	26	26,000
Economists	9	18	50	209	23,222
Engineering sciences related	0	1	0	0	0
Engineers and related professionals	5	8	62.5	112	22,400
Finance and economics related	18	38	47.4	290	16,111
Financial and related professionals	10	15	66.7	166	16,600
Financial clerks and credit controllers	20	29	69	201	10,050

Critical occupation	Number of beneficiaries	Total employment	Percentage of total employment	Cost (R'000)	Average cost per beneficiary (R)
Food services, aids and waiters	5	6	83.3	26	5,200
General legal administration & related professionals	3	5	60	51	17,000
Head of Department/Chief Executive Officer	0	1	0	0	0
Household, food and laundry services related	1	2	50	11	11,000
Housekeepers, laundry and related workers	1	1 1 1	100	4	4,000
Human resources & organisational development & related professionals	15	23	65.2	237	15,800
Human resources clerks	11	30	36.7	99	9,000
Human resources related	5	10	50	78	15,600
Language practitioners, interpreters & other communications	1	2	50	11	11,000
Librarians and related professionals	0	1	0	0	0
Library, mail and related clerks	7	30	23.3	83	11,857
Light vehicle drivers	1	1	100	5	5,000
Logistical support personnel	25	34	73.5	213	8,520
Material-recording and transport clerks	11	15	73.3	90	8,182
Messengers, porters and deliverers	5	7	71.4	34	6,800
Natural sciences related	0	1	0	0	0
Other administrative & related clerks and organisers	13	29	44.8	159	12,231
Other administrative, policy and related officers	1	1	100	14	14,000
Other information technology personnel	7	10	70	97	13,857
Other occupations	1	4	25	11	11,000
Risk management and security services	0	3	0	0	0
Secretaries & other keyboard operating clerks	31	69	44.9	340	10,968
Security guards	2	3	66.7	12	6,000
Security officers	8	18	44.4	32	4,000
Senior managers	12	63	19	529	44,083
Social sciences related	1	0	0	11	11,000
Trade/industry advisers & other related professionals	0	2	0	0	0
Total	312	644	48.4	4,341	13,913

Table 3.8.4 – 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)	% of SMS Wage Bill	Personnel cost SMS (R'000)
Band A	7	54	13	268	38,286	0.5	49,151
Band B	7	27	25.9	286	40,857	0.9	30,409
Band C	1	6	16.7	86	86,000	1.2	7,211
Band D	0	5	0	0	0	0	0
Total	15	92	16.3	640	42,666.7	0.7	86,771

3.9 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and major occupation.

Table 3.9.1 – Foreign workers by salary band

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

Table 3.9.2 – Foreign workers by major occupation

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

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the Public Service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of leave is also provided.

Table 3.10.1 – Sick leave for January 2014 to December 2014

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)	Total number of employees using sick leave	Total number of days with medical certification
Lower skilled (levels 1–2)	220	96.8	21	4.1	10	93	517	213
Skilled (levels 3–5)	535	87.5	73	14.1	7	321	517	468
Highly skilled production (levels 6–8)	1099	82.3	140	27.1	8	1,102	517	905
Highly skilled supervision (levels 9–12)	1480	81.4	193	37.3	8	2,748	517	1205
Senior management (levels 13–16)	271	78.2	46	8.9	6	948	517	212
Contract (levels 1–2)	69	56.5	19	3.7	4	22	517	39
Contract (levels 6–8)	96	66.7	19	3.7	5	90	517	64
Contract (levels 9–12)	15	73.3	4	0.8	4	28	517	11
Contract (levels 13–16)	16	100	2	0.4	8	57	517	16
Total	3801	82.4	517	100	7	5409	517	3133

Table 3.10.2 – Disability leave (temporary and permanent) for January 2014 to December 2014

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)	Total number of days with medical certification	Total number of employees using disability leave
Lower skilled (levels 1–2)	34	100	21	9.1	17	14	34	22
Skilled (levels 3–5)	13	100	3	13.6	4	7	13	22
Highly skilled production (levels 6–8)	135	100	6	27.3	23	145	135	22
Highly skilled supervision (levels 9–12)	502	100	10	45.5	50	844	502	22
Senior management (levels 13–16)	52	100	1	4.5	52	161	52	22
Total	736	100	22	100	33	1171	736	22

Table 3.10.3 – Annual leave for January 2014 to December 2014

Salary band	Total days taken	Average days per employee	Number of employees who took leave
Lower skilled (levels 1–2)	469	20	23
Skilled (levels 3–5)	1808	18	101
Highly skilled production (levels 6–8)	3898	19	202
Highly skilled supervision (levels 9–12)	5688	21	269
Senior Management (levels 13–16)	1707	19	88
Contract (levels 1–2)	308	9	34
Contract (levels 3–5)	19	6	3
Contract (levels 6–8)	481	14	34
Contract (levels 9–12)	66	7	9
Contract (levels 13–16)	60	7	9
Total	14504	19	772

Table 3.10.4 – Capped leave for January 2014 to December 2014

Salary band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2014	Number of employees who took capped leave	Total number of capped leave available at 31 December 2014	Number of employees as at 31 December 2014
Highly skilled supervision (levels 9–12)	19	3	32	7	1600	50
Senior Management (levels 13–16)	1	1	64	1	1599	25
Total	20	3	43	8	3199	75

Table 3.10.5 – Leave payouts

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Leave payout for 2014/15 due to non-utilisation of leave for the previous cycle	467	10	46700
Capped leave payouts on termination of service for 2014/15	891	26	34269
Current leave payout on termination of service for 2014/15	425	16	26563
Total	1783	52	34288

3.11 HIV/AIDS & health promotion programmes

Table 3.11.1 – Steps taken to reduce the risk of occupational exposure

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

Table 3.11.2 – HIV/AIDS & health promotion 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 (EHW) unit at the level of a Sub-directorate, with two staff members. That is, the EHW Coordinator at the Deputy Director level and the EHW Practitioner at the level of an Assistant Director who is a Social Worker by profession registered with the South African Council for Social Service Professions (SACSSP)
3. Has the Department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/service of the programme	Yes	Provision of: <ul style="list-style-type: none"> Onsite and offsite counselling to employees and their dependents on various psychosocial problems Training services on health promotion, including Wellness Days and Health Calendar events Trauma debriefing services, including bereavement support
4. Has the Department established (a) committee (s) as contemplated in Part VIE.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.	Yes	Membership to the Committee is currently being expanded, the following officials are serving in the committee: <ul style="list-style-type: none"> Ms Mokalapa (Directorate: Organisational Transformation) Ms Werner (Branch: Human Settlements Delivery Frameworks) Mr Sithagu (Branch: Programme and Project Management Unit) Ms Mlakalaka (Directorate: Labour Relations) Ms Venter (PSA) Mr Hlongwane (NEHAWU) Ms Qokola (Directorate: Human Resources Development) Ms De Koker (Sub-directorate: EHW) Ms Muthubi (Sub-directorate: EHW)
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.	Yes	Discrimination against HIV-positive employees is dealt with according to the Department's disciplinary code and procedures
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	Yes	On average, 15 % of employees attended HIV Counselling and Testing (HCT), to know their HIV status, during quarterly Wellness Days
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	

3.12 Labour relations

Table 3.12.1 – Collective agreements for the period 1 April 2014 to 31 March 2015

Subject matter	Date
xxx	xxx
xxx	xxx
Total	xxx

Table 3.12.2 – Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	Percentage of total	Total
Total	0	0	0

Table 3.12.3 – Types of misconduct addressed and disciplinary hearings

Type of misconduct	Number	Percentage of total	Total
Total	0	0	0

Table 3.12.4 – Grievances lodged

Number of grievances addressed	Number	Percentage of total	Total
Not resolved	3	100	3
Total	3	100	3

Table 3.12.5 – Disputes lodged

Number of disputes addressed	Number	Percentage of total
Upheld	0	0
Dismissed	0	0
Total	0	0

Table 3.12.6 – 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 3.12.7 – Precautionary suspensions

Precautionary suspensions	–
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

3.13 Skills development

This section highlights the efforts of the Department with regard to skills development.

Table 3.13.1 – Training needs identified

Occupational category	Gender	Employment	Internships	Skills programmes & other short courses	Other forms of training bursaries	Total
Legislators, senior officials and managers	Female	0	0	24	1	25
	Male	0	0	33	3	36
Professionals	Female	0	0	193	17	210
	Male	0	0	125	10	135
Technicians and associate professionals	Female	0	0	31	2	33
	Male	0	0	29	2	31
Clerks	Female	0	22	14	6	42
	Male	0	16	1	1	18
Elementary occupations	Female	0	0	0	3	3
	Male	0	0	0	1	1
Gender subtotals	Female	0	22	262	29	313
	Male	0	16	188	17	221
Total		0	38	450	46	534

Table 3.13.2 – Training provided

Occupational category	Gender	Employment	Internships	Skills programmes & other short courses	Other forms of training bursaries	Total
Legislators, senior officials and managers	Female	0	0	44	0	44
	Male	0	0	42	0	42
Professionals	Female	0	0	44	15	59
	Male	0	0	34	12	46
Technicians and associate professionals	Female	0	0	33	6	39
	Male	0	0	36	6	42
Clerks	Female	0	23	44	17	84
	Male	0	20	17	3	40
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	1	0	1
Gender subtotals	Female	0	23	165	38	226
	Male	0	20	130	21	171
Total		0	43	209	59	311

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 – 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	

3.15 Utilisation of consultants

The following tables relate information on the utilisation of consultants in the Department. In terms of the Public Service Regulations, 'consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 – Report on consultant appointments using appropriated funds for the period 1 April 2014 to 31 March 2015

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Bid VA49/426: A service provider to render integrated marketing and communication solutions to DHS	2	120 days	R5 428 416,00
Bid VA50/170: Appointment of service provider to conduct a rapid appraisal of Outcome 8 performance	6	90 days	R499 346,79
Bid VA50/173: Appoint a service provider for maintenance of National Housing Needs Register	2	90 days	R212 850,00
VA49/406: Security guarding services in DHS – Govan Mbeki House, Metro Park and Struktura Building – 24 months	12	365 days	R1 070 496,00
Cleaning services for Struktura and Provisus Building – 1 supervisor and 6 cleaners	7	90 days	R302 137,00
Bid VA49/377: Internal Audit prof services: To assist the Internal Audit unit with the Performance Audit and Information Systems Audits from 2013 to 2015	20	365 days	R11 729 025,00
Bid VA49/428: Appointment of a service provider to conduct baseline study for future impact evaluation for informal settlements targeted and upgrading	6	730 days	R4 986 777,03
Training: Compliance Awareness in Public Sector – 4X – 1-day sessions with 25 officials per workshop Total of 100 trainees	2	4 days	R197 220,00
Audit services/fees for DHS for 2014/15	Auditor General SA	120 days	R1 803 202,60
120 days for consulting fee for the Novell consultant	SITA	120 days	R1 332 021,60
Appointment of service provider for the supply and installation of electronic security systems for DHS at 260 Justice Mohamed Street	4	30 days	R330 988,77
Appointment of service provider to provide sound system, video and photography for the Ministerial enquiry into the eviction of Lwandle community	12	30 days	R1 995 456,00
Appointment of a service provider for the Appeals Committee for SMS members for period 2010/11 and 2011/12	4	35 days	R204 652,00
Job evaluation: Conduct a job evaluation of various posts within the Department	4	60 days	R420 000,00

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Bid VA49/466: Urgent Ministerial communication programme development to educate all stakeholders on the urgent priorities of DHS	10	180 days	R11 393 638,80
Novell consulting fee for 130 users	SITA	300 days	R1 332 021,60
Bid VA49/440: TOR for the appointment of a service provider to assist the Department with the development of a Comprehensive Policy, Proclamation and Legislative Regulatory Framework for Basic Sanitation Services	6	365 days	R9 743 775,00
VA50/168: TOR: Appointment of service provider to develop an informal settlements upgrading programme: Emfuleni Municipality	11	150 days	R418 287,00
VA50/169: TOR: Appointment of service provider to develop an informal settlements upgrading programme: Mossel Bay Municipality	8	150 days	R399 844,00
VA49/439: Short training in capacitating government officials in informal settlements upgrading with NUSP	10	200 days	R2 387 641,08
Bid VA49/401: TOR: Appointment of service provider to develop an informal settlements upgrading programme: Northern Cape	15	170 days	R1 338 352,80
Training: Housing Policy Development and Management for 15 officials for a period of 6 months with 4 modules	3	180 days	R427 500,00
Advert Marketing: Media Monitoring and Analysis Proposal – Media clippings for 2 months	4	60 days	R155 022,90
Deep cleaning of carpets for Govan Mbeki House, Struktura Building and Metro Park and Provisus Building – for 3 quarters	6	6 days	R172 888,32
Extension of current order: Ms D Hartung as Chairperson in two disciplinary hearings of 2 SMS members	1	120 days	R490 000,00
DVD for the Lwandle Ministerial Enquiry Task Team for an additional time frame of 10 days	4	10 days	R295 944,00
Training of officials of DHS: Advanced Management Development Programme for 20 Officials @ R8 400,00 per official	School of Government	1 day	R168 000,00
Cleaning and hygiene services – 6 cleaners and 1 supervisor for 260 Justice Mohamed Street, Sunnyside	7	180 days	R380 400,00
Bid VA49/438: TOR: Appointment of service provider to develop an informal settlements upgrading programme:	5	182 days	R394 440,00
Enhancement and maintenance of Minister's portal	1	60 days	R480 000,00
Training for Basic Project Management in the Public Service for 40 delegates at R2 955,00 per delegate	2	2 days	R118 200,00
Bid VA49/420: TOR: Appointment of service provider to develop an informal settlements upgrading programme: Umhlathuze Municipality	10	200 days	R3 131 249,00
Bid VA49/421: TOR: Appointment of service provider to develop an informal settlements upgrading programme: Madibeng Municipality	5	175 days	R2 569 538,00
VA50/188: Analysis and enhancement of agreement concluded by the Department for Contract Management Services	2	120 days	R397 860,00
Bid VA50/187: Support the DHS Sanitation Technical Programme Subunit for assessment of Technical Report of MIG Sanitation Projects	2	365 days	R499 999,44

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Media monitoring daily, weekly and monthly to formulate and provide the functions for DHS for 3 months	4	90 days	R321 829,98
EAP [health and wellness] services for 616 employees for DHS for a period of one year	10	365 days	R287 188,07
Revise the Business Case for the consolidation of development finance institutions	4	30 days	R227 430,00
Bid VA49/470: Development of informal settlements upgrading plans in Emalahleni Local Municipality [ELM]	21	196 days	R1 373 766,43
Appointment of service provider to analyse and enhance contract agreements by DHS	1	60 days	R238 716,00
Bid VA49/469: Development of informal settlements upgrading plans in Ethekwini Municipality	5	336 days	R2 280 570,00
Bid VA49/471: Development of informal settlements upgrading plans in Stellenbosch Local Municipality	9	238 days	R777 252,00
Security guarding for a period of 4 months – 260 Justice Mohamed Street, Sunnyside – 1 February 2015 – 12 May 2015	9	120 days	R234 182,17
Bid VA49/441: Development of informal settlements upgrading programmes in Eastern Cape	5	273 days	R2 286 270,00
Bid VA49/448: Development of informal settlements upgrading programmes in Lekwa Local Municipality	5	238 days	R720 000,00
Marquee for 1 000 pax on 9 February 2015 at Dunoon – Cape Town	5	1 day	R171 500,00
Appointment of consultant for a legal opinion and suitable settlement agreement between the Department of Human Settlements and Ms Nelly Letsholonyane	1	30 days	R215 460,00
Bid VA49/446: TOR: Appointment of service provider to develop an informal settlements upgrading programme: Municipality	6	266 days	R810 198,00
Bid VA49/451: TOR: Appointment of service provider to develop an informal settlements upgrading programme: North West Province Municipality	6	189 days	R1 016 000,00
Bid VA49/447: TOR: Appointment of service provider to develop an informal settlements upgrading programme: Steve Tshwete Municipality	5	154 days	R906 597,70
Training & development on Emotional Intelligence for SMS members	School of Government	2 days	R132 034,00
Project Charter for the Migration Project – Migrate an estimated of 1 025 users from the current NGW environment to the MWE environment	SITA	300 days	R6 424 250,00

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
52	289	7 948	R85 630 435,08

Table 3.15.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 to 31 March 2015

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

Table 3.15.3 – Report on consultant appointments using donor funds for the period 1 April 2014 to 31 March 2015

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
N/A			

Total number of projects	Total individual consultants	Total contract value in Rand	Total duration (work days)
N/A			

Table 3.15.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 to 31 March 2015

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 | FINANCIAL INFORMATION

Report of the Auditor-General to Parliament on vote no. 31: National Department of Human Settlements

Report on the financial statements

Introduction

1. I have audited the financial statements of the National Department of Human Settlements set out on pages 211 to 356, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, 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 officer is 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, 2014 (Act No 10 of 2014) (DORA), and for such internal control as the 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 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 2015 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard prescribed by the National Treasury and the requirements of the PFMA and DORA.

Report of the Auditor-General to Parliament on vote no. 31: National Department of Human Settlements

Emphasis of matter

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

Material underspending of the vote by the department

8. The department has materially underspent its allocated budget as per the Appropriation Statement for Programme 3: Programme Delivery Support. The allocated budget for Programme 3 was R168 974 000 and only 70.6% of it was spent during the year. This impact on the department achieving its objectives.

Additional matter

9. 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 343 to 356 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 Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof. I have a responsibility to report findings on the reported performance information

against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and 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 2015.
- Programme 2: Human Settlements Policy, Strategy and Planning on pages 77 to 87
 - Programme 3: Programme Delivery Support on pages 92 to 100
 - Programme 4: Housing Development Finance on pages 103 to 105
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).

Report of the Auditor-General to Parliament on vote no. 31: National Department of Human Settlements

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:

Programme 3: Programme delivery support

Reliability of reported performance information

17. 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 the lack of standard operating procedures for the accurate recording of actual achievements and inadequate review to verify the validity of reported achievements against source documentation.

Programme 2: Human Settlements Policy, Strategy and Planning and Programme 4: Housing Development Finance

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 2 and Programme 4.

Additional matter

19. I draw attention to the following matter:

Achievement of planned targets

20. Refer to the annual performance report on pages 77 to 105 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programmes reported in paragraph 17 of this report.

Compliance with legislation

21. 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:

Financial statements, performance and annual reports

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

Report of the Auditor-General to Parliament on vote no. 31: National Department of Human Settlements

Strategic planning and performance management

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

Human resource planning

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

Internal control

- 25.** I considered internal control relevant to my audit of the financial statements, annual report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual report and the findings on non-compliance with legislation included in this report.

Leadership

- 26.** The leadership did not exercise adequate oversight and monitoring with regard to financial and performance reporting and compliance with laws and regulations.

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

Financial and performance management

- 28.** Regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information were not prepared throughout the period.
- 29.** The reviewing and monitoring of compliance with applicable laws and regulations were ineffective.

Other reports

Performance audits

Rural Housing Infrastructure Grant (RHIG) Performance Audit - completed

- 30.** The Auditor General of South Africa (AGSA) was requested on 29 November 2012 by previous minister to conduct a special audit into the procurement, implementation and performance of the Rural Housing Infrastructure Grant (RHIG).

31. The report has been finalised and concerns raised with regard to overall management of the programme, monthly processes, oversight over service providers and quality of structures have been communicated to management, accounting officer, chairperson of the portfolio committee as well as the current minister. The report is due to be tabled in Parliament in August 2015.

Auditor General

Pretoria

31 July 2015



Auditing to build public confidence

AUDITED ANNUAL FINANCIAL STATEMENTS FOR DEPARTMENT OF HUMAN SETTLEMENTS

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DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Appropriation per programme									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
PROGRAMME	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	433,250	-	21,711	454,961	447,680	7,281	98.4%	401,673	297,799
2. Human Settlements Policy, Strategy and Planning	86,987	-	(6,908)	80,079	78,703	1,376	98.3%	86,245	73,326
3. Programme Delivery Support	183,503	-	(14,529)	168,974	119,112	49,862	70.5%	247,130	125,712
4. Housing Development Finance	28,693,864	-	(274)	28,713,591	28,712,737	854	100.0%	27,520,408	27,206,151
Total	29,397,604	-	-	29,417,605	29,358,232	59,373	99.8%	28,255,456	27,702,988

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

	2014/15				2013/14	
	Final appropriation	Actual expenditure			Final appropriation	Actual expenditure
Total (brought forward)	29,417,605	29,358,232			28,255,456	27,702,988
Reconciliation with statement of financial performance						
Add						
Departmental receipts	1,014				763	
NRF receipts	-				-	
Aid assistance	600				-	
Actual amounts per statement of financial performance (total revenue)	29,419,219				28,256,219	
Add						
Aid assistance		493				
Prior year unauthorised expenditure approved without funding						
Actual amounts per statement of financial performance (total expenditure)		29,358,725				27,702,988

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Appropriation per economic classification									
2014/15								2013/14	
	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
Economic classification									
Current payments	696,553	(17,032)	(21,086)	658,435	605,798	52,637	92.0%	732,214	498,382
Compensation of employees	326,810	(12,574)	(22,777)	291,459	290,856	603	99.8%	306,118	267,622
<i>Salaries and wages</i>	268,478	4,996	(13,377)	260,097	259,594	503	99.8%	259,882	237,029
<i>Social contributions</i>	58,332	(17,570)	(9,400)	31,362	31,262	100	99.7%	46,236	30,593
Goods and services	369,738	(4,482)	1,692	366,948	314,918	52,030	85.8%	426,096	230,724
<i>Administrative fees</i>	554	122	(298)	378	375	3	99.2%	1,347	583
<i>Advertising</i>	24,907	3,824	1,002	29,733	29,607	126	99.6%	36,678	23,263
<i>Minor assets</i>	4,436	(2,472)	(1,192)	772	605	167	78.4%	3,552	691
<i>Audit costs: External</i>	8,160	(1,768)	-	6,392	6,392	-	100.0%	8,760	8,689
<i>Bursaries: Employees</i>	1,417	(190)	(4)	1,223	1,222	1	99.9%	946	935
<i>Catering: Departmental activities</i>	4,726	841	(330)	5,237	5,016	221	95.8%	7,760	6,226
<i>Communication</i>	12,460	146	(1,631)	10,975	10,887	88	99.2%	12,796	8,245
<i>Computer services</i>	52,961	(20,092)	(1,797)	31,072	31,044	28	99.9%	57,411	26,811
<i>Consultants: Business and advisory services</i>	125,396	(5,129)	(2,429)	117,838	72,082	45,756	61.2%	151,277	38,315
<i>Infrastructure and planning services</i>	-	-	-	-	-	-	-	-	-
<i>Laboratory services</i>	-	-	-	-	-	-	-	-	-
<i>Scientific and technological services</i>	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Appropriation per economic classification									
2014/15								2013/14	
	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
<i>Legal services</i>	4,840	1,047	5,329	11,216	11,161	55	99.5%	2,944	2,210
<i>Contractors</i>	4,992	(1,290)	(745)	2,957	2,864	93	96.9%	2,434	1,036
<i>Agency and support/outsourced services</i>	3,445	(1,283)	(271)	1,891	1,873	18	99.0%	2,556	1,310
<i>Entertainment</i>	674	(356)	(75)	243	178	65	73.3%	828	168
<i>Fleet services</i>	1,604	(187)	120	1,537	1,524	13	99.2%	2,031	1,243
<i>Housing</i>	-	-	-	-	-	-	-	-	-
<i>Inventory: Clothing material and supplies</i>	-	-	-	-	-	-	-	-	-
<i>Inventory: Farming supplies</i>	-	-	-	-	-	-	-	-	-
<i>Inventory: Food and food supplies</i>	156	(104)	(34)	18	-	18	-	119	-
<i>Inventory: Fuel, oil and gas</i>	-	-	-	-	-	-	-	51	-
<i>Inventory: Learner and teacher support material</i>	42	(42)	-	-	-	-	-	8	-
<i>Inventory: Materials and supplies</i>	62	176	(56)	182	156	26	85.7%	303	234
<i>Inventory: Medical supplies</i>	-	-	-	-	-	-	-	-	-
<i>Inventory: Medicine</i>	-	-	-	-	-	-	-	-	-
<i>Medsas Inventory Interface</i>	-	-	-	-	-	-	-	-	-
<i>Inventory: Other supplies</i>	-	-	-	-	-	-	-	-	-
<i>Consumable supplies</i>	4,073	(1,769)	(1,001)	1,303	1,240	63	95.2%	12,815	10,967
<i>Consumable: Stationery, printing and office supplies</i>	9,536	(3,867)	(1,865)	3,804	3,560	244	93.6%	8,538	4,386
<i>Operating leases</i>	24,656	1,654	(38)	26,272	25,369	903	96.6%	28,044	21,405

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Appropriation per economic classification									
2014/15								2013/14	
	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
<i>Property payments</i>	12,642	(3,585)	(147)	8,910	6,803	2,107	76.4%	3,614	3,424
<i>Transport provided: Departmental activity</i>	-	-	-	-	-	-	-	-	-
<i>Travel and subsistence</i>	44,920	21,555	1,806	68,281	66,654	1,627	97.6%	52,500	49,104
<i>Training and development</i>	3,047	(938)	6,264	8,373	8,367	6	99.9%	3,026	1,855
<i>Operating payments</i>	8,653	544	(845)	8,352	8,170	182	97.8%	9,816	6,667
<i>Venues and facilities</i>	11,379	8,681	(71)	19,989	19,769	220	98.9%	15,412	12,949
Rental and hiring	-	-	-	-	-	-	-	530	8
Interest and rent on land	5	24	(1)	28	24	4	85.7%	-	36
Interest	5	24	(1)	28	24	4	85.7%	-	36
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	28,690,890	823	26,018	28,737,732	28,737,594	138	100.0%	27,372,365	27,086,467
<i>Provinces and municipalities</i>	27,669,053	-	-	27,669,053	27,669,053	-	100.0%	26,211,953	26,211,953
<i>Provinces</i>	17,084,369	-	-	17,084,369	17,084,369	-	100.0%	17,028,326	17,028,326
<i>Provincial Revenue Funds</i>	-	-	-	-	-	-	-	-	-
<i>Provincial agencies and funds</i>	17,084,369	-	-	17,084,369	17,084,369	-	100.0%	17,028,326	17,028,326
<i>Municipalities</i>	10,584,684	-	-	10,584,684	10,584,684	-	100.0%	9,183,627	9,183,627
<i>Municipal bank accounts</i>	10,584,684	-	-	10,584,684	10,584,684	-	100.0%	9,183,627	9,183,627
<i>Municipal agencies and funds</i>	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	1,003,240	-	4,859	1,028,100	1,028,100	91	100.0%	1,150,751	864,648
<i>Social security funds</i>	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	1,003,240	-	4,859	1,028,100	1,028,009	91	100.0%	1,150,751	864,648

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Appropriation per economic classification									
2014/15								2013/14	
	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
<i>Higher education institutions</i>	4,499	-	-	4,499	4,499	-	100.0%	3,949	3,949
<i>Foreign governments and international organisations</i>	1,113	275	(110)	1,278	1,269	9	99.3%	1,100	1,075
<i>Public corporations and private enterprises</i>	4,000	-	-	4,000	4,000	-	100.0%	-	-
<i>Public corporations</i>	4,000	-	-	4,000	4,000	-	100.0%	-	-
<i>Subsidies on products and production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers to public corporations</i>	4,000	-	-	4,000	4,000	-	100.0%	-	-
<i>Private enterprises</i>	-	-	-	-	-	-	-	-	-
<i>Subsidies on products and production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers to private enterprises</i>	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	8,985	548	21,269	30,802	30,764	38	99.9%	4,612	4,842
<i>Social benefits</i>	-	531	469	1,000	973	27	97.3%	-	-
<i>Other transfers to households</i>	8,985	17	20,800	29,802	29,791	11	100.0%	4,612	4,842
Payments for capital assets	10,156	16,079	(4,926)	(21,309)	14,717	6,592	69.1%	150,642	117,919
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	133,649	108,589
<i>Buildings</i>	-	-	-	-	-	-	-	-	-
<i>Other fixed structures</i>	-	-	-	-	-	-	-	133,649	108,589
<i>Machinery and equipment</i>	9,911	14,897	(4,909)	19,899	13,310	6,589	66.9%	15,867	8,633

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Appropriation per economic classification									
2014/15								2013/14	
	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
<i>Transport equipment</i>	-	1,602	1,103	2,705	14	2,691	0.5%	-	-
<i>Other machinery and equipment</i>	9,911	13,295	(6,012)	17,194	13,296	3,898	77.3%	15,867	8,633
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	245	1,182	(17)	1,410	1,407	3	99.8%	1,126	697
Payments for financial assets	5	130	(6)	129	123	6	95.3%	235	220

DEPARTMENT OF HUMAN SETTLEMENTS
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for the year ended 31 March 2015

Statutory appropriation per economic classification									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees									
Goods and services									
Interest and rent on land									
Transfers and subsidies									
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
Payments for capital Assets									
Buildings and other fixed structures									
Machinery and equipment									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets									

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 1: Administration									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Ministry	44,398	23,876	1,011	69,285	66,437	2,848	95.9%	31,809	28,740
2. Departmental Management	102,462	(3,981)	3,946	102,427	101,857	570	99.4%	88,867	53,506
3. Corporate Services	203,187	(15,560)	18,064	205,691	205,134	557	99.7%	211,068	151,545
4. Property Management	36,020	(867)	-	35,153	32,153	3,000	91.5%	29,403	24,699
5. Financial Management	47,183	(3,468)	(1,310)	42,405	42,099	306	99.3%	40,526	39,309
Total for sub programmes	433,250	-	21,711	454,961	447,680	7,281	98.4%	401,673	297,799
Economic classification									
Current payments	426,343	(14,843)	4,637	416,137	412,440	3,697	99.1%	389,558	290,309
Compensation of employees	183,654	(4,866)	88	178,876	178,849	27	100.0%	153,498	140,578
Salaries and wages	149,191	8,642	2,049	159,882	159,862	20	100.0%	132,375	124,627
Social contributions	34,463	(13,508)	(1,961)	18,994	18,987	7	100.0%	21,123	15,951
Goods and services	242,684	(9,995)	4,550	237,239	233,570	3,669	98.5%	236,060	149,695
Administrative fees	355	140	(117)	378	375	3	99.2%	785	332
Advertising	23,509	4,880	1,105	29,494	29,479	15	99.9%	30,486	19,878
Minor assets	2,892	(1,549)	(1,043)	300	252	48	84.0%	1,810	430
Audit costs: External	8,160	(1,768)	-	6,392	6,392	-	100.0%	8,552	8,550
Bursaries: Employees	1,417	(190)	(4)	1,223	1,222	1	99.9%	946	935
Catering: Departmental activities	1,879	350	(117)	2,112	2,105	7	99.7%	2,827	2,217
Communication	8,318	865	(1,542)	7,641	7,620	21	99.7%	7,105	4,934

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 1: Administration									
2014/15								2013/14	
	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
Computer services	51,839	(19,963)	(1,166)	30,710	30,690	20	99.9%	55,677	26,811
Consultants: Business and advisory services	44,624	(3,034)	2,618	44,208	44,144	64	99.9%	41,774	16,058
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	4,840	1,047	5,329	11,216	11,161	55	99.5%	2,944	2,210
Contractors	4,503	(980)	(643)	2,880	2,856	24	99.2%	1,991	987
Agency and support / outsourced services	2,950	(806)	(256)	1,888	1,873	15	99.2%	1,897	1,305
Entertainment	429	(243)	(40)	146	133	13	91.1%	345	122
Fleet services	1,603	(187)	120	1,536	1,524	12	99.2%	1,579	876
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	80	(45)	(34)	1	-	1	-	68	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	30	-
Inventory: Learner and teacher support material	30	(30)	-	-	-	-	-	-	-
Inventory: Materials and supplies	30	178	(53)	155	150	5	96.8%	272	232
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-

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APPROPRIATION STATEMENT
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Programme 1: Administration									
2014/15								2013/14	
	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
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2,945	(1,500)	(287)	1,158	1,159	(1)	100.1%	1,791	844
Consumable: Stationery, printing and office supplies	5,529	(2,117)	(763)	2,649	2,570	79	97.0%	3,555	1,825
Operating leases	24,364	1,922	(15)	26,271	25,369	902	96.6%	27,336	21,392
Property payments	12,616	(3,561)	(145)	8,910	6,803	2,107	76.4%	3,589	3,419
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	24,091	13,767	2,824	40,682	40,458	109	99.7%	24,451	23,933
Training and development	2,653	(744)	(633)	1,276	1,274	2	99.8%	2,845	1,855
Operating payments	6,218	1,160	(635)	6,743	6,719	24	99.6%	4,624	3,109
Venues and facilities	6,810	2,413	47	9,270	9,242	28	99.7%	8,751	7,433
Rental and hiring	-	-	-	-	-	-	-	30	8
Interest and rent on land	5	18	(1)	22	21	1	95.5%	-	36
Interest	5	18	(1)	22	21	1	95.5%	-	36
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,170	268	21,269	22,707	22,706	1	100.0%	227	175
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 1: Administration									
2014/15								2013/14	
	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
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1,170	-	-	1,170	1,170	-	100.0%	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	1,170	-	-	1,170	1,170	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	268	21,269	21,537	21,536	1	100.0%	227	175
Social benefits	-	251	469	720	719	1	99.9%	-	-
Other transfers to households	-	17	20,800	20,817	20,817	-	100.0%	227	175

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 1: Administration									
2014/15								2013/14	
	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
Payments for capital assets	5,732	14,475	(4,198)	16,009	12,426	3,583	77.6%	11,765	7,198
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5,487	13,293	(4,181)	14,599	11,019	3,580	75.5%	10,804	6,617
Transport equipment	-	1,602	1,103	2,705	14	2,691	0.5%	-	-
Other machinery and equipment	5,487	11,691	(5,284)	11,894	11,005	889	92.5%	10,804	6,617
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	245	1,182	(17)	1,410	1,407	3	99.8%	961	581
Payments for financial assets	5	100	3	108	108	-	100.0%	123	117
Total	433,250	-	21,711	454,961	447,680	7,281	98.4%	401,673	297,799

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VOTE 31
APPROPRIATION STATEMENT
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1.1 Ministry									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	43,698	22,281	1	65,980	65,920	60	99.9%	29,743	27,228
Compensation of employees	18,610	9,306	-	27,916	27,914	2	100.0%	16,929	16,042
Goods and services	25,088	12,975	1	38,064	38,006	58	99.8%	12,814	11,186
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	31	-	31	31	-	100.0%	39	39
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	31	-	-	31	-	-	39	39
Payments for capital assets	695	1,505	1,010	3,210	422	2,788	13.1%	1,951	1,401
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	695	1,500	1,010	3,205	417	2,788	13.0%	1,951	1,401
Heritage assets	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

1.1 Ministry									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	5	-	5	5	-	100.0%	-	-
Payments for financial assets	5	59	-	64	64	-	100.0%	76	72

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

1.2 Departmental Management									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	101,499	(4,718)	4,235	101,016	100,853	163	99.8%	87,542	52,737
Compensation of employees	42,031	(631)	426	41,826	41,810	16	100.0%	35,345	30,796
Goods and services	59,468	(4,087)	3,809	59,190	59,043	147	99.8%	52,197	21,941
Interest and rent on land									
Transfers and subsidies	-	20	(2)	18	18	-	100.0%	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	20	(2)	18	18	-	100.0%	-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

1.2 Departmental Management									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Payments for capital assets	963	715	(290)	1,388	981	407	70.7%	1,319	764
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	963	715	(290)	1,388	981	407	70.4%	1,319	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	2	3	5	5	-	100.0%	6	5

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1.3 Corporate Services									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	198,482	26,445	176	172,213	171,810	403	99.8%	203,030	146,760
Compensation of employees	92,264	(10,709)	(750)	80,805	80,796	9	100.0%	77,168	70,059
Goods and services	106,213	(15,754)	927	91,386	90,993	393	99.6%	125,862	76,677
Interest and rent on land	5	18	(1)	22	21	1	95.5%	-	24
Transfers and subsidies	1,170	215	21,271	22,656	22,656	-	100.0%	164	112
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1,170	-	-	1,170	1,170	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	21,271	21,486	21,486	-	100.0%	164	112

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

1.3 Corporate Services									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	3,535	10,631	(3,383)	10,783	10,629	154	98.6%	7,853	4,653
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,290	9,464	(3,366)	9,388	9,237	151	98.4%	6,892	4,072
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	245	1,167	(17)	1,395	1,392	3	99.8%	961	581
Payments for financial assets	-	39	-	39	39	-	100.0%	21	20

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

1.4 Property Management									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	36,020	(867)	-	35,153	32,153	3,000	91.5%	29,403	24,699
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Operating leases	24,271	2,000	-	26,271	25,369	902	96.6%	27,283	21,380
Property Payments	11,749	(2,867)	-	8,882	6,784	2,098	76.4%	2,120	3,319
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

1.4 Property Management									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

1.5 Financial Management									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	46,644	(5,094)	225	41,775	41,704	71	99.8%	39,840	38,885
Compensation of employees	30,749	(2,832)	412	28,329	28,329	-	100.0%	24,056	23,681
Goods and services	15,895	(2,262)	(187)	13,446	13,375	71	99.5%	15,784	15,192
Interest and rent on land	-	-	-	-	-	-	-	-	12
Transfers and subsidies	-	2	-	2	1	1	50.0%	24	24
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	2	-	2	1	1	50.0%	24	24

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for the year ended 31 March 2015

1.5 Financial Management									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	539	1,624	(1,535)	628	394	234	62.7%	642	380
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	539	1,614	(1,535)	618	384	234	62.1%	642	380
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	10	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	10	10	-	100.0%	20	20

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for the year ended 31 March 2015

Programme 2: Human Settlements Policy, Strategy and Planning									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Subprogramme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Management for Policy ,Strategy and Planning	5,392	(1,257)	(1)	4,134	3,902	232	94.4%	5,552	3,569
2. Human Settlements Policy Frameworks	28,855	1,320	3	30,178	29,731	447	98.5%	27,946	27,753
3. Human Settlements Strategy and Planning	52,740	(63)	(6,910)	45,767	45,070	697	98.5%	52,747	42,004
Total for subprogrammes	86,987	-	(6,908)	80,079	78,703	1,376	98.3%	86,245	73,326
Economic classification									
Current payments	80,000	(614)	(6,226)	73,160	72,128	1,032	98.6%	83,373	71,571
Compensation of employees	56,754	(6831)	(4,239)	45,684	45,311	373	99.2%	43,778	38,322
Salaries and wages	47,818	(4372)	(2,589)	40,857	40,545	312	99.2%	37,893	34,265
Social contributions	8,936	(2459)	(1,650)	4,827	4,766	61	98.7%	5,885	4,057
Goods and services	23 246	6 217	-1 987	27 476	26 817	659	97.6%	39 595	33 249
Administrative fees	7	-7	-	-	-	-	-	5	-
Advertising	390	-386	-3	1	-	1	-	2 979	2 735
Minor assets	716	-469	-46	201	176	25	87.6%	469	60
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 331	351	-11	1 671	1 662	9	99.5%	2 036	1 985
Communication (G&S)	1 649	-13	-10	1 626	1 623	3	99.8%	1 742	1 173

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 2: Human Settlements Policy, Strategy and Planning									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	43	-23	-20	-	-	-	-	21	-
Consultants: Business and advisory services	5 296	-872	-955	3 469	3 201	268	92.3%	7 763	4 548
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	64	-57	-7	-	-	-	-	63	8
Agency and support/outsourced services	53	-47	-6	-	-	-	-	305	5
Entertainment	49	-16	-	33	20	13	60.6%	39	16
Fleet services (including government motor transport)	-	-	-	-	-	-	-	1	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	16	-16	-	-	-	-	-	8	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	12	-12	-	-	-	-	-	8	-
Inventory: Materials and supplies	14	-5	-	9	1	8	11.1%	8	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 2: Human Settlements Policy, Strategy and Planning									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	877	-151	-687	39	28	11	71.8%	10 204	10 087
Consumable: Stationery, printing and office supplies	879	-272	-47	560	496	64	88.6%	454	225
Operating leases	-	-	-	-	-	-	-	20	13
Property payments	18	-16	-2	-	-	-	-	17	5
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	7 887	4 910	-143	12 654	12 437	217	98.3%	9 786	9 495
Training and development	122	-122	-	-	-	-	-	19	-
Operating payments	713	-338	-32	343	327	16	95.3%	1 260	850
Venues and facilities	3 110	3 778	-18	6 870	6 846	24	99.7%	2 388	2 044
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	R5,113	400	(110)	5,403	5,394	9	99.8%	1,175	1,148
Provinces and municipalities	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 2: Human Settlements Policy, Strategy and Planning									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1,113	275	(110)	1,278	1,269	9	99.3%	1,100	1,075
Public corporations and private enterprises	4,000	-	-	4,000	4,000	-	100.0%	-	-
Public corporations	4,000	-	-	4,000	4,000	-	100.0%	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	4,000	-	-	4,000	4,000	-	100.0%	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
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Programme 2: Human Settlements Policy, Strategy and Planning									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	125	-	125	125	-	100.0%	75	73
Social benefits	-	125	-	125	125	-	100.0%	75	73
Payments for capital assets	1,874	202	(572)	1,504	1,170	334	77.8%	1,658	575
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,874	202	(572)	1,504	1,170	334	77.8%	1,658	575
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1,874	202	(572)	1,504	1,170	334	77.8%	1,658	575
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	12	-	12	11	1	91.7%	39	32
Total	86,987	-	(6,908)	80,079	78,703	1,376	98.3%	86,245	73,326

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
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2.1 Management for Policy, Strategy and Planning									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,256	(1,315)	4	3,945	3,757	188	95.2%	5,265	3,476
Compensation of employees	3,153	(597)	10	2,566	2,443	123	95.2%	3,518	2,595
Goods and services	2,103	(718)	(6)	1,379	1,314	65	95.3%	1,747	881
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	62	61
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	62	61

DEPARTMENT OF HUMAN SETTLEMENTS
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for the year ended 31 March 2015

2.1 Management for Policy, Strategy and Planning									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	136	58	(5)	189	145	44	76.7%	225	32
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	136	58	(5)	189	145	44	76.7%	225	32
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

2.2 Human Settlements Policy Frameworks									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	28,181	1,302	3	29,486	29,275	211	99.3%	27,446	27,444
Compensation of employees	21,741	(2,572)	-	19,169	19,059	110	99.4%	15,718	15,537
Goods and services	6,440	3,874	3	10,317	10,216	101	99.0%	11,728	11,907
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

2.2 Human Settlements Policy Frameworks									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	674	11	-	685	450	235	65.7%	482	297
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	674	11	-	685	450	235	65.7%	482	297
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets	-	7	-	7	6	1	85.7%	5	-

DEPARTMENT OF HUMAN SETTLEMENTS
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for the year ended 31 March 2015

2.3 Human Settlements Strategy and Planning									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	46,563	(601)	(6,233)	39,729	39,096	633	98.4%	50,662	40,651
Compensation of employees	31,860	(3,662)	(4,249)	23,949	23,809	140	99.4%	24,542	20,190
Goods and services	14,703	3,061	(1,984)	15,780	15,287	493	96.9%	26,120	20,461
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5,113	400	(110)	5,403	5,394	9	99.8%	1,100	1,075
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1,113	275	(110)	1,278	1,269	9	99.3%	1,100	1,075
Public corporations and private enterprises	4,000	-	-	4,000	4,000	-	100.0%	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	125	-	125	125	-	100.0%	-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

2.3 Human Settlements Strategy and Planning									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	1,064	133	(567)	630	575	55	91.3%	951	246
Buildings and other fixed structures									
Machinery and equipment	1,064	133	(567)	630	575	55	91.3%	951	246
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets	-	5	-	5	5	-	100.0%	34	32

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APPROPRIATION STATEMENT
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Programme 3: Programme Delivery Support

2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Subprogramme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Management for programme Delivery Support	6,665	1,075	(30)	7,710	7,019	691	91.0%	6,456	4,073
2. Programme Management Unit	122,183	(4,251)	(15,946)	101,986	54,998	46,988	53.9%	189,415	77,445
3. Chief of Operations	54,655	3,176	1,447	59,278	57,095	2,183	96.3%	51,259	44,194
Total for subprogrammes	183,503	-	(14,529)	168,974	119,112	49,862	70.5%	247,130	125,712
Economic classification									
Current payments	167,691	(749)	(14,523)	152,374	104,496	47,878	68.6%	235,553	115,716
Compensation of employees	70,129	(52)	(16,894)	53,183	53,001	182	99.7%	93,212	74,640
Salaries and wages	58,059	487	(11,323)	47,223	47,073	150	99.7%	76,084	65,660
Social contributions	12,070	(539)	(5,571)	5,960	5,928	32	99.5%	17,128	8,980
Goods and services	97,562	(748)	2,371	99,185	51,492	47,693	51.9%	142,341	41,076
Administrative fees	11	(11)	-	-	-	-	-	146	50
Advertising	974	(636)	(100)	238	128	110	53.8%	2,892	374
Minor assets	728	(467)	(6)	255	161	94	63.1%	1,193	186
Audit costs: External	-	-	-	-	-	-	-	208	139
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1,295	140	(21)	1,414	1,209	205	85.5%	2,732	1,878
Communication	2,044	(628)	21	1,437	1,374	63	95.6%	3,583	1,936
Computer services	1,079	(106)	(611)	362	354	8	97.8%	1,710	-
Consultants: Business and advisory services	74,753	(1,204)	(3,579)	69,970	24,546	45,424	35.1%	100,917	16,888
Infrastructure and planning services	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 3: Programme Delivery Support									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services Contractors	-	-	-	-	-	-	-	-	-
Contractors	407	(256)	(82)	69	-	69	-	378	41
Agency and support/outsourced services	417	(410)	(4)	3	-	3	-	350	-
Entertainment	155	(95)	(3)	57	19	38	33.3%	430	24
Fleet services	1	-	-	1	-	1	-	451	367
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	60	(43)	-	17	-	17	-	43	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	21	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	18	(1)	-	17	4	13	23.5%	21	1
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	219	(108)	(10)	101	49	52	48.5%	797	30
Consumable: Stationery, printing and office supplies	1,927	(1,445)	(2)	480	381	99	79.4%	2,582	530

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 3: Programme Delivery Support									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	269	(268)	-	1	-	1	-	668	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	10,712	2,775	(23)	13,464	12,281	1,183	91.2%	16,593	14,566
Training and development	272	(72)	6,897	7,097	7,093	4	99.9%	162	-
Operating payments	917	(407)	(6)	504	363	141	72.0%	1,916	743
Venues and facilities	1,304	2,494	(100)	3,698	3,530	168	95.5%	4,048	3,323
Rental and hiring	-	-	-	-	-	-	-	500	-
Interest and rent on land	-	6	-	6	3	3	50.0%	-	-
Interest	-	6	-	6	3	3	50.0%	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	13,484	155	-	13,639	13,602	37	99.7%	8,259	8,543
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 3: Programme Delivery Support									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Higher education institutions	4,499	-	-	4,499	4,499	-	100.0%	3,949	3,949
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8,985	155	-	9,140	9,103	37	99.6%	4,310	4,594
Social benefits	-	155	-	155	129	26	83.2%	-	-
Other transfers to households	8,985	-	-	8,985	8,974	11	99.9%	4,310	4,594
Payments for capital assets	2,328	631	(6)	2,953	1,011	1,942	34.2%	3,245	1,382
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2,328	631	(6)	2,953	1,011	1,942	34.2%	3,080	1,266
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2,328	631	(6)	2,953	1,011	1,942	34.2%	3,080	1,266

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 3: Programme Delivery Support									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets								165	116
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	8	-	8	3	5	37.5%	73	71
Total	183,503	-	(14,529)	168,974	119,112	49,862	70.5%	247,130	125,712

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

3.1 Management for Programme Delivery Support									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6,239	1,070	(30)	7,279	6,757	522	92.8%	5,770	4,005
Compensation of employees	3,701	115	(10)	3,806	3,753	53	98.6%	3,476	3,024
Goods and services	2,538	955	(20)	3,473	3,004	469	86.5%	2,294	981
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

3.1 Management for Programme Delivery Support									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	426	2	-	428	260	168	60.7%	686	68
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	426	2	-	428	260	168	60.7%	686	68
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	3	-	3	2	1	66.7%	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

3.2 Programme Management Unit									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	121,573	(4,501)	(15,940)	101,132	54,413	46,619	53.9%	187,660	76,419
Compensation of employees	37,680	(587)	(12,734)	24,359	24,270	89	99.6%	66,218	50,507
Goods and services	83,893	(3,914)	(3,206)	76,773	30,243	46,530	39.4%	121,442	25,912
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	125	-	125	117	8	93.6%	50	41
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	125	-	125	117	8	93.6%	50	41

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

3.2 Programme Management Unit									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	610	120	(6)	724	367	357	50.7%	1,634	915
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	610	120	(6)	724	367	357	50.7%	1,469	799
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	165	116
	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	5	-	5	1	4	20.0%	71	70

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

3.3 Chief of Operations									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	39,879	2,637	1,447	43,963	43,226	737	98.4%	42,123	35,292
Compensation of employees	28,748	420	(4,150)	25,018	24,978	40	99.8%	23,518	21,109
Goods and services	11,131	2,211	5,597	18,939	18,245	694	96.3%	18,605	14,183
Interest and rent on land	-	6	-	6	3	3	50.0%	-	-
Transfers and subsidies	13,484	30	-	13,514	13,485	29	99.8%	8,209	8,502
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	4,499	-	-	4,499	4,499	-	100.0%	3,949	3,949
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8,985	30	-	9,015	8,986	29	99.7%	4,260	4,553

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

3.3 Chief of Operations									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	1,292	509	-	1,801	384	1,417	21.3%	925	399
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,292	509	-	1,801	384	1,417	21.3%	925	399
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	2	1

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 4: Housing Development Finance									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Subprogramme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Management for Housing Development Finance	2,576	(657)	(1,560)	359	357	2	99.4%	3,385	1,942
2. Chief Investment Officer	20,165	657	(3,573)	17,249	16,488	761	95.6%	20,670	19,019
3. Human Settlements Development Grant	17,084,369	-	-	17,084,369	17,084,369	-	100.0%	17,028,326	17,028,326
4. Contributions	1,002,070	-	24,860	1,026,930	1,026,839	91	100.0%	1,150,751	864,648
5. Rural Households Infrastructure Grant	-	-	-	-	-	-	-	240,370	215,310
6. Urban Settlements Development Grant	10,284,684	-	-	10,284,684	10,284,684	-	100.0%	9,076,906	9,076,906
7. Municipal Human Settlements Capacity Grant	300,000	-	-	300,000	300,000	-	100.0%	-	-
Total for subprogrammes	28,693,864	-	19,727	28,713,591	28,712,737	854	100.0%	27,250,408	27,206,151
Economic classification									
Current payments	22,519	(781)	(4,974)	16,764	16,734	30	99.8%	23,730	20,786
Compensation of employees	16,273	(825)	(1,732)	13,716	13,695	21	99.8%	15,630	14,082
Salaries and wages	13,410	239	(1,514)	12,135	12,114	21	99.8%	13,530	12,477
Social contributions	2,863	(1,064)	(218)	1,581	1,581	-	100.0%	2,100	1,605
Goods and services	6,246	44	(3,242)	3,048	3,039	9	99.7%	8,100	6,704
Administrative fees	181	-	(181)	-	-	-	-	411	201
Advertising	34	(34)	-	-	-	-	-	321	276
Minor assets	100	13	(97)	16	16	-	100.0%	80	15

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 4: Housing Development Finance

2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	221	-	(181)	40	40	-	100.0%	165	146
Communication	449	(78)	(100)	271	270	1	99.6%	366	202
Computer services	-	-	-	-	-	-	-	3	-
Consultants: Business and advisory services	723	(19)	(513)	191	191	-	100.0%	823	821
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	18	3	(13)	8	8	-	100.0%	2	-
Agency and support/outsourced services	25	(20)	(5)	-	-	-	-	4	-
Entertainment	41	(2)	(32)	7	6	1	85.7%	14	6
Fleet services	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 4: Housing Development Finance

2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Materials and supplies	-	4	(3)	1	1	-	100.0%	2	1
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	32	(10)	(17)	5	4	1	80.0%	23	6
Consumable: Stationery, printing and office supplies	1,201	(33)	(1,053)	115	113	2	98.3%	1,947	1,806
Operating leases	23	-	(23)	-	-	-	-	20	-
Property payments	8	(8)	-	-	-	-	-	8	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	2,230	103	(852)	1,481	1,478	3	99.8%	1,670	1,110
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	805	129	(172)	762	761	1	99.9%	2,016	1,965
Venues and facilities	155	(4)	-	151	151	-	100.0%	225	149
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	28,671,123	-	24,860	28,695,983	28,695,892	91	100.0%	27,362,704	27,076,601
Provinces and municipalities	27,669,053	-	-	27,669,053	27,669,053	-	100.0%	26,211,953	26,211,953
Provinces	17,084,369	-	-	17,084,369	17,084,369	-	100.0%	17,028,326	17,028,326

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 4: Housing Development Finance									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	17,084,369	-	-	17,084,369	17,084,369	-	100.0%	17,028,326	17,028,326
Municipalities	10,584,684	-	-	10,584,684	10,584,684	-	100.0%	9,183,627	9,183,627
Municipal bank accounts	10,584,684	-	-	10,584,684	10,584,684	-	100.0%	9,183,627	9,183,627
Municipal agencies and funds									
Departmental agencies and accounts	1,002,070	-	24,860	1,026,930	1,026,839	91	100.0%	1,150,751	864,648
Social security funds									
Departmental agencies	1,002,070	-	24,860	1,026,930	1,026,839	91	100.0%	1,150,751	864,648
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 4: Housing Development Finance									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	222	771	(150)	843	110	733	13.0%	133,974	108,764
Buildings and other fixed structures	-	-	-	-	-	-	-	133,649	108,589
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	133,649	108,589
Machinery and equipment	222	771	(150)	843	110	733	13.0%	325	175
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	222	771	(150)	843	110	733	13.0%	325	175
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	10	(9)	1	1	-	100.0%	-	-
Total	28,693,864	-	19,727	28,713,591	28,712,737	854	100.0%	27,250,408	27,206,151

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.1 Management for Housing Development Finance									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2,497	(578)	(1,560)	359	357	2	99.40%	3,310	1,930
Compensation of employees	996	-100	-896	-	-	-	-	1,811	1,377
Goods and services	1,501	(478)	(664)	359	357	2	99.40%	1,499	553
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.1 Management for Housing Development Finance									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	79	(79)	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	79	(79)	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.2 Chief Investment Officer									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	20,022	(203)	(3,414)	16,405	16,377	28	99.80%	20,420	18,856
Compensation of employees	15,277	(725)	(836)	13,716	13,695	21	99.80%	13,819	12,705
Goods and services	4,745	522	(2,578)	2,689	2,682	7	99.70%	6,601	6,151
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.2 Chief Investment Officer									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	143	850	(150)	843	110	733	13.00%	250	163
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	143	850	(150)	843	110	733	13.00%	250	163
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	10	(9)	1	1	-	100.00%	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.3 Human Settlements Development Grant									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	17,084,369	-	-	17,084,369	17,084,369	-	100.00%	17,028,326	17,028,326
Provinces and municipalities	17,084,369	-	-	17,084,369	17,084,369	91	100.00%	17,028,326	17,028,326
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.3 Human Settlements Development Grant									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.4 Contributions									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,002,070	-	24,860	1,026,930	1,026,839	91	100.00%	1,150,751	864,648
Provinces and municipalities									
Departmental agencies and accounts	1,002,070	-	24,860	1,026,930	1,026,839	91	100.00%	1,150,751	864,648
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.4 Contributions									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.5 Rural Households Infrastructure Grant									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	106,721	106,721
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	106,721	106,721

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.5 Rural Households Infrastructure Grant									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	-	-	-	-	-	-	-	133,649	108,589
Buildings and other fixed structures	-	-	-	-	-	-	-	133,649	108,589
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.6 Urban Settlements Development Grant									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10,284,684	-	-	10,284,684	10,284,684	-	100.00%	9,076,906	9,076,906
Provinces and municipalities	10,284,684	-	-	10,284,684	10,284,684	-	100.00%	9,076,906	9,076,906
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.6 Urban Settlements Development Grant									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.7 Municipal Human Settlements Capacity Grant									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	300,000	-	-	300,000	300,000	-	100.00%	-	-
Provinces and municipalities	300,000	-	-	300,000	300,000	-	100.00%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.7 Municipal Human Settlements Capacity Grant									
2014/15								2013/14	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

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

Programme 1: Administration	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	%
Expenditure for capital assets	16 009	12 426	3 583	22%

Underspending on Programme 1: Administration can be attributed to the following:

- Delay in delivery of furniture for additional office accommodation;
- Department of Public Works under billed the Department on one of its office buildings; and
- Delay in receiving invoices for leased office accommodation.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 2: Human Settlements Policy, Strategy and Planning	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	%
Expenditure for capital assets	1 504	1 170	334	22%
Financial assets	12	11	1	8%

Underspending can be attributed to delay in delivery of furniture for additional office accommodation.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 3: Programme Delivery Support	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	%
Current payment	152 374	104 496	47 878	31%
Expenditure for capital assets	2 953	1 011	1 942	66%
Financial assets	8	3	5	63%

Underspending can be attributed to the following:

- Non-filling of vacancies due to funding reduction in the next financial year; and
- Underspending on the National Upgrading Support Programme as a result of the following:
 - Delays in the signing of several SLAs;
 - Delays in the completion of some projects because some municipalities failed to start their projects on time;
 - The development of the Capacity Building Programme content was delayed due to the extension of the pilot by Ekurhuleni Metro;
 - Lack of sufficient human resources to manage the NUSP effectively.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 4: Housing Development Finance	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	%
Expenditure for capital assets	843	110	733	87%

Underspending can be attributed to delay in delivery of furniture for additional office accommodation.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.2 Per economic classification

	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	R'000
Current payments				
Goods and services	366,948	314,918	52,030	14%
Interest and rent on land	28	24	4	14%
Payments for capital assets				
Machinery and equipment	19,899	13,310	6,589	33%
Payments for financial assets	129	123	6	5%

Underspending can be attributed to the following:

- Department of Public Works under billed the Department on one of its office buildings;
- Delay in receiving invoices for leased office accommodation;
- Underspending on the National Upgrading Support Programme as a result of the following:
 - Delays in the signing of several SLAs;
 - Delays in the completion of some projects because some municipalities failed to start their projects on time;
 - The development of the Capacity Building Programme content was delayed due to the extension of the pilot by Ekurhuleni Metro;
 - Lack of sufficient human resources to manage the NUSP effectively. and
- Delay in delivery of furniture for additional office accommodation.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015

4.3 Per conditional grant

	Final appropriation	Actual expenditure	Variance	Variance as % of final appropriation
	R'000	R'000	R'000	R'000
Human Settlements				
Human Settlements Development Grants	17,084,369	17,084,369	0	0%
Urban Settlements Development Grants	10,284,684	10,284,684	0	0%
Municipal Human Settlements Capacity Grants	300,000	300,000	0	0%

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF PERFORMANCE
for the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
REVENUE			
Annual appropriation	1	29,417,605	28,255,456
Departmental revenue	2	1,014	763
Aid assistance	3	600	-
TOTAL REVENUE		29,419,219	28,256,219
EXPENDITURE			
Current expenditure			
Compensation of employees	4	290,856	267,622
Goods and services	5	314,918	230,724
Interest and rent on land	6	29	36
Aid assistance	3	493	-
Total current expenditure		606,296	498,382
Transfers and subsidies			
Transfers and subsidies	8	28,737,594	27,086,467
Aid assistance	3	-	-
Total transfers and subsidies		28,737,594	27,086,467

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF PERFORMANCE
for the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
Expenditure for capital assets			
Tangible assets	9	13,310	117,222
Intangible assets	9	1,407	697
Total expenditure for capital assets		14,717	117,919
Payments for financial assets	7	118	220
TOTAL EXPENDITURE		29,358,725	27,702,988
SURPLUS/(DEFICIT) FOR THE YEAR		60,494	553,231
Reconciliation of net surplus/(deficit) for the year			
Voted funds		59,373	552,468
Departmental revenue and NRF receipts	15	1,014	763
Aid assistance	3	107	-
SURPLUS/(DEFICIT) FOR THE YEAR		60,494	553,231

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
ASSETS			
Current assets		113,255	1,418,218
Cash and cash equivalents	10	125	1,406,317
Prepayments and advances	11	4,072	8,940
Receivables	12	109,058	2,961
Non-current assets		881,760	880,604
Investments	13	880,604	880,604
Receivables	12	1,156	-
TOTAL ASSETS		995,015	2,298,822
LIABILITIES			
Current liabilities		114,145	1,417,897
Voted funds to be surrendered to the Revenue Fund	14	59,373	552,468
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	29	37
Bank overdraft	16	52,284	-
Payables	17	2,352	865,392
Aid assistance unutilised	3	107	-
Non-current liabilities			
TOTAL LIABILITIES		114,145	1,417,897

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
NET ASSETS		880,870	880,925
	Note	2014/15	2013/14
		R'000	R'000
Represented by:			
Capitalisation reserve		880,604	880,604
Recoverable revenue		266	321
TOTAL		880,870	880,925

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
Capitalisation reserves			
Opening balance		880,604	880,604
Closing balance		880,604	880,604
Recoverable revenue			
Opening balance		321	197
Transfers:		(55)	124
Debts recovered (included in departmental receipts)		(55)	124
Debts raised			
Closing balance		266	321
TOTAL		880,870	880,925

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
CASH FLOW STATEMENT
for the year ended 31 March 2015

	Note	2014/15	2013/14
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		29,419,219	28,256,219
Annual appropriated funds received	1.1	29,417,605	28,255,456
Departmental revenue received	2	728	700
Interest received	2.2	286	63
Aid assistance received	3	600	-
Net (increase)/decrease in working capital		(965,425)	904,825
Surrendered to Revenue Fund		(553,490)	(675,425)
Current payments		(606,267)	(498,346)
Interest paid	6	(29)	(36)
Payments for financial assets		(118)	(220)
Transfers and subsidies paid		(28,737,594)	(27,086,467)
Net cash flow available from operating activities	18	(1,443,704)	900,550
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(14,717)	(117,919)

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
CASH FLOW STATEMENT
for the year ended 31 March 2015

Net cash flows from investing activities	(14,717)	(117,919)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in net assets	(55)	124
Increase/(decrease) in non-current payables		
Net cash flows from financing activities	(55)	124
Net increase/(decrease) in cash and cash equivalents	(1,458,476)	782,755
Cash and cash equivalents at beginning of period	1,406,317	623,562
Cash and cash equivalents at end of period	19 (52,159)	1,406,317

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2015

<p>Summary of significant accounting policies</p> <p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.</p> <p>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.</p> <p>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 No. 1 of 1999 (as amended by Act No. 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going-concern basis.</p>
3	<p>Presentation currency</p> <p>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</p> <p>Unless otherwise stated, financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>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>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary, figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2015

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.

Revenue

Appropriated funds

Appropriated funds comprise 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.

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.

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.

Expenditure

Compensation of employees

Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2015

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.

Leases

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.

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.

Aid assistance

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.

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.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2015

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.

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.

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.

Investments

Investments are recognised in the statement of financial position at cost.

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.

Payables

Loans and payables are recognised in the statement of financial position at cost.

Capital assets

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2015

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) may be 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.

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) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value.

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.

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) may be 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.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2015

Provisions and contingents

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.

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.

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.

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.

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.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2015

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.

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.

Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances, the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases, the Department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

Agent-principal arrangements

Departures from the MCS requirements

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ACCOUNTING POLICIES
for the year ended 31 March 2015

Capitalisation reserve

The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written off.

Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.

Inventories (Effective from 1 April 2016)

At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements.
Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.
Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and replacement value.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

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:

	2014/15		2013/14	
	Final appropriation	Actual funds received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	454,961	433,250	21,711	404,599
Human Settlements Policy, Strategy and Planning	80,079	86,988	(6,909)	86,245
Programme Delivery Support	168,974	183,502	(14,528)	193,202
Housing Development Finance	28,713,591	28,713,865	(274)	27,571,410
Total	29,417,605	29,417,605	0	28,255,456

Virement was approved after all the funds were received.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

2. Departmental revenue	Notes	2014/15 R'000	2013/14 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	204	193
Interest, dividends and rent on land	2.2	286	63
Transactions in financial assets and liabilities	2.3	524	507
Total revenue collected		<u>1,014</u>	<u>763</u>
Departmental revenue collected		<u>1,014</u>	<u>763</u>

2.1 Sales of goods and services other than capital assets	Notes	2014/15 R'000	2013/14 R'000
Sales of goods and services produced by the Department		200	190
Sales by market establishment		57	52
Administrative fees		-	1
Other sales		143	137
Sales of scrap, waste and other used current goods		4	3
Total		<u>204</u>	<u>193</u>

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

2.2 Interest, dividends and rent on land	Notes	2014/15 R'000	2013/14 R'000
Interest		286	63
Dividends		-	-
Rent on land		-	-
Total		286	63

2.3 Transactions in financial assets and liabilities	Notes	2014/15 R'000	2013/14 R'000
Other receipts including recoverable revenue		524	507
Gains on GFECRA		-	-
Total		524	507

AN ESTIMATED AMOUNT OF 2,7 MILLION IS EXPECTED FROM THE TRAVEL AGENT DUE TO CREDIT NOTES NOT YET RECEIVED.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

3. Aid assistance	Notes	2014/15 R'000	2013/14 R'000
Opening balance		-	-
Prior period error			
As restated		-	-
Transferred from statement of financial performance		107	-
Transfers to or from retained funds			
Paid during the year			
Closing balance		<u>107</u>	<u>-</u>

3.1 Analysis of balance by source	Notes	2014/15 R'000	2013/14 R'000
Aid assistance from RDP			
Aid assistance from other sources		107	-
CARA			
Closing balance		<u>107</u>	<u>-</u>

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

3.2 Analysis of balance	Notes	2014/15 R'000	2013/14 R'000
Aid assistance receivable			
Aid assistance prepayments			
Aid assistance unutilised		107	-
Aid assistance repayable			
		107	-

Donor funds received from Danida for implementation of an energy efficiency pilot project on the N2 gateway housing project.

4. Compensation of employees

4.1 Salaries and wages	Notes	2014/15 R'000	2013/14 R'000
Basic salary		200,659	184,321
Performance award		4,424	3,985
Service-based		14,787	13,253
Compensative/circumstantial		11,427	10,402
Periodic payments		-	-
Other non-pensionable allowances		28,297	25,068
Total		259,594	237,029

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

4.2 Social contributions	Notes	2014/15 R'000	2013/14 R'000
Employer contributions			
Pension		23,673	22,040
Medical		7,545	8,515
UIF		-	-
Bargaining Council		44	38
Total		31,262	30,593
 Total compensation of employees		290,856	267,622
 Average number of employees		644	712

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

5. Goods and services	Notes	2014/15 R'000	2013/14 R'000
Administrative fees		375	583
Advertising		29,607	23,263
Minor assets	5.1	605	691
Bursaries (employees)		1,222	935
Catering		5,016	6,226
Communication		10,887	8,245
Computer services	5.2	31,045	26,811
Consultants: Business and advisory services		72,081	38,315
Legal services		11,161	2,210
Contractors		2,864	1,036
Agency and support/outsourced services		1,873	1,310
Entertainment		178	168
Audit cost – external	5.3	6,392	8,689
Fleet services		1,524	1,243
Inventory	5.4	156	234
Consumables	5.5	4,800	15,353
Operating leases		25,369	21,405

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

	Notes	2014/15 R'000	2013/14 R'000
Property payments	5.6	6,803	3,424
Rental and hiring		-	8
Travel and subsistence	5.7	66,654	49,104
Venues and facilities		19,769	12,949
Training and development		8,367	1,855
Other operating expenditure	5.8	8,170	6,667
Total		314,918	230,724

There was an increase in the bursary amount paid on behalf of students in technical capacity. Budget for 2015 was also used for unpaid invoices in 2014 due to budget constraints.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

5.1 Minor assets	Notes	2014/15 R'000	2013/14 R'000
Tangible assets		601	691
Machinery and equipment		600	691
Intangible assets		5	-
Software		5	-
Total		605	691

5.2 Computer services	Notes	2013/14 R'000	2013/14 R'000
SITA computer services		27,199	23,192
External computer service providers		3,846	3,619
Total		31,045	26,811

System development linked to migration from Novel to Microsoft.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

5.3 Audit cost – external	Notes	2014/15 R'000	2013/14 R'000
Regularity audits		6,392	8,689
Total		<u>6,392</u>	<u>8,689</u>

5.4 Inventory	Notes	2014/15 R'000	2013/14 R'000
Clothing material and accessories		-	128
Materials and supplies		156	106
Total		<u>156</u>	<u>234</u>

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

5.5 Consumables	Notes	2014/15 R'000	2013/14 R'000
Consumable supplies		1,239	10,967
Uniform and clothing		117	383
Household supplies		514	252
Communication accessories		-	37
IT consumables		92	55
Other consumables		516	10,240
Stationery, printing and office supplies		3,561	4,386
Total		4,800	15,353

In the 2013/14 financial year, 'Other Consumables' included an amount awarded during the Govan Mbeki Housing awards; in the current financial year it was decided that awards awarded must not be of monetary value.

5.6 Property payments	Notes	2014/15 R'000	2013/14 R'000
Municipal services		5,003	2,212
Other		1,800	1,212
Total		6,803	3,424

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

5.7 Travel and subsistence	Notes	2014/15 R'000	2013/14 R'000
Local		62,076	45,954
Foreign		4,860	3,150
Total		66,936	49,104

5.8 Other operating expenditure	Notes	2014/15 R'000	2013/14 R'000
Professional bodies, membership and subscription fees		108	76
Resettlement costs		3,470	936
Other		4,592	5,655
Total		8,170	6,667

Many officials joined the Department from other provinces, including Senior Managers before the moratorium on vacant posts.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

6. Interest on rent and land	Notes	2014/15 R'000	2013/14 R'000
Interest paid		29	36
Total		<u>29</u>	<u>36</u>

7. Payments for financial assets	Notes	2014/15 R'000	2013/14 R'000
Other material losses written off	7.1	99	215
Debts written off	7.2	19	5
Total		<u>118</u>	<u>220</u>

7.1 Other material losses written off	Notes	2014/15 R'000	2013/14 R'000
Nature of losses			
No shows		36	20
Damage vehicles		63	195
Total		<u>99</u>	<u>215</u>

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

7.2 Debts written off	Notes	2014/15 R'000	2013/14 R'000
Other debt written off			
Bad debt		19	5
Total		19	5

Old debts deemed uneconomically to recover were written off after all efforts were made to recover including after the appointment of a tracing agent.

8. Transfers and subsidies	Notes	2014/15 R'000	2013/14 R'000
Provinces and municipalities	34, 35, Annex 1A	27,369,053	26,211,953
Departmental agencies and accounts	Annex 1B	1,028,009	864,648
Higher education institutions	Annex 1C	4,499	3,949
Foreign governments and international organisations	Annex 1E	1,269	1,075
Public corporations and private enterprises	Annex 1D	4,000	-
Households	Annex 1G	30,764	4,842
Total		28,737,594	27,086,467

Unspent funds transferred to the above beneficiaries

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

9. Expenditure for capital assets	Notes	2014/15 R'000	2013/14 R'000
Tangible assets		13,310	117,222
Buildings and other fixed structures		-	108,589
Machinery and equipment	39	13,310	8,633
Intangible assets		1,407	697
Software	32	1,407	697
Total		14,717	117,919

9.1. Analysis of funds utilised to acquire capital assets – 2014/15	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	13,310	-	13,310
Machinery and equipment	13,310	-	13,310
Intangible assets	1,407	-	1,407
Software	1,407	-	1,407
Total	14,717	-	14,717

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

9.1. Analysis of funds utilised to acquire capital assets – 2014/15	Voted funds R'000	Aid assistance R'000	Total 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

10. Cash and cash equivalents	Notes	2014/15 R'000	2013/14 R'000
Consolidated Paymaster-General Account		-	1,406,202
Cash on hand		125	115
Investments (Domestic)		-	-
Total		125	1,406,317

A budget amount of R1.1 billion was transferred to the Department of Water Affairs after national and provincial elections. An amount of R112 million which has not been refunded was already spent from the budget transferred to the Department of Water Affairs by the Department of Human Settlements in November 2014 before the Sanitation function was transferred to the Department of Water Affairs.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

11. Prepayments and advances	Notes	2014/15 R'000	2013/14 R'000
Travel and subsistence		30	2
Advances paid	11.1	4,042	8,938
Total		4,072	8,940

11.1 Advances paid	Notes	2014/15 R'000	2013/14 R'000
National departments	11	4,042	8,938
Total		4,042	8,938

Officials were given subsistence & travel advances in March to be claimed or recovered in April 2015 if the claims are not submitted.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

12. Receivables	Note	2014/15				2013/14
		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	12.1 Annex 4	107,184	-	1	107,185	144
Recoverable expenditure	12.2	859	498	241	1,598	1,085
Staff debt	12.3	198	107	46	351	440
Fruitless and wasteful expenditure		-	-	-	-	-
Other debtors	12.4	816	26	238	1,080	1,292
Total		109,057	631	526	110,214	2,961

Expenditure incurred for the Sanitation function payments was claimed and received in April 2015.

12.1 Claims recoverable	Notes	2013/14 R'000	2013/14 R'000
	12		
National departments		107,185	144
Total		107,185	144

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12.2 Recoverable expenditure (disallowance accounts)	Notes	2014/15 R'000	2013/14 R'000
Disallowance (miscellaneous)		34	303
Damaged vehicles		1,295	1,051
Total		1,598	1,085

The amount of R282 000 for travel and subsistence on the Disallowance (Miscellaneous) account was a duplicate payment to be recovered from the service provider.

12.3 Staff debt	Notes	2014/15 R'000	2013/14 R'000
	12		
Study		140	197
Vehicles		33	44
No show		2	1
Salaries		176	198
Total		351	440

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12.4 Other debtors	Notes	2014/15 R'000	2013/14 R'000
	12		
Suppliers		1,040	1,055
VAT vendors		40	237
Total		1,080	1,292

13. Investments	Notes	2014/15 R'000	2013/14 R'000
Non-current			
Shares and other equity			
NHFC		880,000	880,000
SERVCON		604	604
Total		880,604	880,604
Total non-current		880,604	880,604

	2014/15 R'000	2013/14 R'000
Analysis of non-current investments		
Opening balance	880,604	880,604
Closing balance	880,604	880,604

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14. Voted funds to be surrendered to the Revenue Fund	Notes	2014/15 R'000	2013/14 R'000
Opening balance		552,468	674,535
As restated		552,468	674,535
Transfer from statement of financial performance (as restated)		59,373	552,468
Paid during the year		(552,468)	(674,535)
Closing balance		59,373	552,468

15. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	Notes	2014/15 R'000	2013/14 R'000
Opening balance		37	164
As restated		37	164
Transfer from Statement of Financial Performance (as restated)		1,014	763
Paid during the year		(1,023)	(890)
Closing balance		28	37

16. Bank overdraft	Notes	2014/15 R'000	2013/14 R'000
Consolidated Paymaster-General Account		52,284	-
Total		52,284	-

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17. Payables – current	Notes	2014/15 R'000	2013/14 R'000
Clearing accounts	17.1	323	214
Other payables	17.2	2,029	865,178
Total		2,352	865,392

17.1 Clearing accounts	Notes	2014/15 R'000	2013/14 R'000
	17		
Description			
Salary income tax: CL		302	199
Salary Bargaining Council: CL		1	-
Pension Fund		20	15
Total		323	214

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18. Net cash flow available from operating activities	Notes	2014/15 R'000	2013/14 R'000
Net surplus/(deficit) as per Statement of Financial Performance		60,212	553,231
Add back non-cash/cash movements not deemed operating activities		(1,503,916)	347,319
(Increase)/decrease in receivables – current		(106,971)	513
(Increase)/decrease in prepayments and advances		4,868	39,209
Increase/(decrease) in payables – current		(863,040)	865,103
Expenditure on capital assets		14,717	117,919
Surrenders to Revenue Fund		(553,490)	(675,425)
Net cash flow generated by operating activities		(1,443,704)	900,550

19. Reconciliation of cash and cash equivalents for cash flow purposes	Notes	2014/15 R'000	2014/15 R'000
Consolidated Paymaster-General Account		(52,284)	1,406,202
Cash on hand		125	115
Total		(52,159)	1,406,317

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20. Contingent liabilities and contingent assets

20.1 Contingent liabilities	Notes	2014/15 R'000	2013/14 R'000
Liable to nature			
Housing loan guarantees employees	Annex 3A	28	65
Claims against the Department	Annex 3B	309,566	990
Intergovernmental payables (unconfirmed balances)	Annex 5	106	-
Total		309,700	1,055

The Plaintiff is claiming the amount of R327 586 348.00 (Three hundred and twenty-seven million, five hundred and eighty-six thousand, three hundred and forty-eight rands) plus interest from the Minister of Human Settlements and the NHBRC, which amount is alleged to be the total damages suffered by him, or alternatively, his company as a result of the suspension of the Plaintiff's registration as a home builder by the NHBRC. The representative of the Department has filed an exception on our behalf. At this stage we cannot say whether the Department will succeed or not. The decision rests with the Court. The Exception is set down for 3 September 2015.

Granny Seape v Human Settlements Minister matter was settled.

Matter settled – Mrs T Mpotulo was reinstated by the Department of Water and Sanitation.

No possibility of reimbursement.

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21. Commitments	Notes	2014/15 R'000	2013/14 R'000
Current expenditure		56,229	61,334
Approved and contracted		-	18,531
Approved but not yet contracted		56,229	79,865
Capital expenditure			
Approved and contracted		7,152	12,521
Approved but not yet contracted		106	-
		<u>7,258</u>	<u>12,521</u>
Total commitments		<u>63,487</u>	<u>92,386</u>

Programme 1: R25,212,982.96
Programme 2: R250,742.32
Programme 3: R22,380,992.30

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22. Accruals and payables not recognised				2014/15	2013/14
				R'000	R'000
Listed by economic classification					
	30 days	30+ days	Total	Total	
Goods and services	18,952	144	19,096	26,285	
Capital assets	3	-	3	-	
Total	30,704	144	19,099	26,285	

	Note	2014/15	2013/14
		R'000	R'000
Listed by programme level			
Administration		13,122	13,770
Human Settlements Policy Strategy and Planning		785	1,790
Programme and Delivery Support		5,059	10,302
Housing Development Finance		133	423
Total		19,099	26,285

Bushbell banking details had to be verified with National Treasury. An order was created for Special Investigations Unit but no reports and invoices were received from them due to changes in their operations. Inadequate funds on the scholarship programme meant that claims from institutions could be paid in the following year.

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23. Employee benefits	Notes	2014/15 R'000	2013/14 R'000
Leave entitlement		7,763	12,911
Service bonus (thirteenth cheque)		7,307	6,962
Performance awards		5,850	5,490
Capped leave commitments		6,532	7,662
Total		27,452	33,025

Officials from the Sanitation function were transferred to the Department of Water Affairs.

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24. Lease commitments

24.1. Operating leases expenditure

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	36,479	-	36,479
Later than 1 year and not later than 5 years	-	-	109,178	-	109,178
Total lease commitments	-	-	145,657	-	145,657

2014/15	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

Operating leases consist of the leasing of office accommodation for the Department as well as leasing of accommodation for sessional officials who cannot be housed in official accommodation. The lease agreements are for a fixed term and escalate on an a

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24.2 Finance leases expenditure**

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	1,468	1,468
Later than 1 year and not later than 5 years	-	-	-	71	71
Total lease commitments	-	-	-	1,539	1,539

2014/15	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

**This note excludes leases relating to public private partnership as they are separately disclosed to note no.35.

Financial leases consist of leasing of office equipment and cellphone contracts which are in the Department's name. The leasing of office equipment is for a fix term of 36 months with no escalation, while the cellphone contract terms are for 24 month

Contracts for finance leases are renewed at the end of the contract period; purchase option is not used.

No restriction imposed on the Department ,maintenance are done by service provider

The financial leases relate to the leasing of photocopier machines and are done in terms of an RT3 contract. The lease period and the amount are fixed and the equipment is returned to the service provider after the lease expires.

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25. Irregular expenditure

25.1 Reconciliation of irregular expenditure	Notes	2014/15 R'000	2013/14 R'000
Opening balance		7,769	6,566
As restated		7,769	6,566
Add: Irregular expenditure – relating to current year		-	1,203
Closing balance		7,769	7,769
Analysis of awaiting condonation per age classification			
Current year		-	1,203
Prior years		-	6,566
Total		-	7,769

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure	Notes	2013/14 R'000	2013/14 R'000
Opening balance		36	-
As restated		36	-
Fruitless and wasteful expenditure – relating to current year		-	36
Fruitless and wasteful expenditure awaiting resolution		36	36

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26.2 Analysis of awaiting resolution per economic classification	Notes	2014/15 R'000	2013/14 R'000
Current		-	36
Total		-	36

27. 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 Schemes Ombuds Service

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28. Key management personnel	No. of individuals	2014/15 R'000	2013/14 R'000
Political office bearers (provide detail below)	3	3,765	3,816
Officials:			
Levels 15 and 16	12	13,107	11,791
Level 14 (incl. CFO if at a lower level)	33	26,060	19,092
Family members of key management personnel	1	-	112
Total		42,932	34,811

Any guarantees issued by the Department are disclosed in Note 25.1.

29. Impairment: other	Note	2014/15 R'000	2013/14 R'000
Debtors		698	491
Total		698	491

30. Provisions	Note	2014/15 R'000	2013/14 R'000
VAT vendors		41	53
Sbutumi Trading in all aspects		815	815
Total		856	868

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30.1 Reconciliation of movement in provisions – 2014/15

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	868	-	-	868
Provisions raised	-	-	(12)	(12)
Closing balance	868	-	(12)	856

Reconciliation of movement in provisions – 2013/14

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	815	-	-	59
Provisions raised	-	-	-	815
Change in provision due to change is estimation inputs	-	-	-	(6)
Closing balance	815	-	-	868

R41 thousand is a result of suppliers charging VAT on services rendered but the suppliers are not registered as VAT vendors.

R815 thousand is a possible fraudulent payment which is still under investigation.

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31. Movable tangible capital assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	59,602	12,976	1,867	70,711
Transport assets	2,156	1,270	-	3,426
Computer equipment	30,620	10,638	1,510	39,748
Furniture and office equipment	15,090	436	167	15,359
Other machinery and equipment	11,736	632	190	12,178
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	59,602	12,976	1,867	70,711

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31.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	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	11,153	1,848	-	(25)	12,976
Transport assets	-	1,270	-	-	1,270
Computer equipment	10,186	477	-	(25)	10,638
Furniture and office equipment	426	10	-	-	436
Other machinery and equipment	541	91	-	-	632
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	11,153	1,848	-	(25)	12,976

There is a total figure of R2,000,198.66 under Major assets that is still in the process of being transferred to Water and Sanitation. An inventory list was compiled and joint verification was completed with the Department of Water and Sanitation; the inventory file has been sent to the Department of Water and Sanitation for sign-off by the Accounting Officer before the actual transfer proceeds on the Logis system.

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31.2. Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	1,867	1,867	-
Transport assets	-	-	-	-
Computer equipment	-	1,510	1,510	-
Furniture and office equipment	-	167	167	-
Other machinery and equipment	-	190	190	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	1,867	1,867	-

A total of R410,013.32 assets were disposed of under the Financial year 2015/2016, but were supposed to be part of the disposal done under 2014/2015.

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31.3. Movement for 2013/14

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	55,820	(3,960)	8,634	892	59,602
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	(4,072)	2,236	83	11,736
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	55,820	(3,960)	8,634	892	59,602

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31.3.1 Prior period error

	Note	2013/14
	31.3	R'000
Nature of prior period error		
Relating to 2012/13		(2,086)
Finance lease		(2,086)
Relating to 2013/14		(1,986)
Finance lease		(1,986)
Total		<u>(4,072)</u>

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31.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1,109	-	15,879	-	16,988
Additions	-	3	-	939	-	942
Disposals	-	-	-	962	-	962
TOTAL MINOR ASSETS	-	1,112	-	15,856	-	16,968

Minor capital assets under investigation

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Specialised military assets

Intangible assets

Heritage assets

Machinery and equipment

Biological assets

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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets		5		482		487
Number of minor assets at cost		1,031		13,004		14,035
TOTAL NUMBER OF MINOR ASSETS		1,036		13,486		14,522

A total figure of R365 243.65 under Minor assets is still in the process of being transferred to Water and Sanitation. An inventory list was compiled and joint verification was completed with the Department of Water and Sanitation; the inventory file has been sent to the Department of Water and Sanitation for sign-off by the Accounting General before the actual transfer proceeds on the Logis system.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1,105	-	15,528	-	16,633
Prior period error	-	-	-	32	-	32
Additions	-	4	-	652	-	656
Disposals	-	-	-	333	-	333
TOTAL MINOR ASSETS	-	1,109	-	15,879	-	16,988

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2014

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	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	333	-	333
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	333	-	333

32. Intangible capital assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	4,308	1,407	-	5,715
TOTAL INTANGIBLE CAPITAL ASSETS	4,308	1,407	-	5,715

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32.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED

31-Mar-15

	Cash	Non-cash	(Development 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	1,407				1,407
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	1,407	-	-	-	1,407

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32.2 Movement for 2013/14

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	3,611	-	697	-	4,308
TOTAL INTANGIBLE CAPITAL ASSETS	3,611	-	697	-	4,308

32.3 Movement for 2013/14

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	137,524	(137,524)	-
Other fixed structures	-	-	137,524	(137,524)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	137,524	(137,524)	-

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33. Transfer of functions

Major and minor assets amounting to R2.4 million are still to be transferred to the Department of Water and Sanitation (DWS). An inventory of all assets and a joint verification of assets were done with DWS. The inventory file with supporting documentation and the signed transferring certificate, signed by our Accounting Officer was sent to DWS for sign-off by their Accounting Officer. We are still waiting for the acceptance of the assets and signed-off transferring certificate by DWS's Accounting Officer before the actual transfer is effected on the Logis system. During the 2014/15 financial year, the Department received assets from DPSA with the transfer of Minister Sisulu to the Department of Human Settlements. These assets are worth R1,7 million (both major and minor assets).

34. Prior period errors

34.1 Correction of prior period errors

	Note	2013/14 R'000
Assets:		
Computer equipment		101
Furniture and equipment		11
Other machinery and equipment (finance leases)		(4,072)
Net effect		(3,960)

a) The amounts of R101 thousand and R11 thousand that appear on prior period errors are the amounts that are fixing the previous opening balances for computer equipment and furniture and equipment. b) The amount R4,072 million which is made up of the R2,086 million from the 2012/13 financial year and R1,986 million from the 2013/14 financial year that appear on the prior period errors are the amounts for finance lease which were added but not deducted from previous financial years.

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35. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION Division of Revenue Act R'000	TRANSFER Rollovers R'000	SPENT Adjustments R'000	2014/15							
				Total available R'000	Actual transfer R'000	Funds withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by Department R'000	Amount spent by Department R'000	% of available funds spent by Department %	Division of Revenue Act R'000
Eastern Cape	2,392,718	-	-	2,392,718	2,392,718	-	233,500	2,392,718	2,392,718	100%	2,523,803
Free State	1,061,756	-	-	1,061,756	1,061,756	-	-	1,061,756	1,061,933	100%	1,350,936
Gauteng	4,417,641	12,954	-	4,430,595	4,417,641	-	-	4,417,641	4,404,618	100%	4,108,399
KwaZulu-Natal	3,509,045	-	-	3,509,045	3,509,045	-	236,000	3,509,045	3,510,523	100%	3,332,584
Limpopo	659,615	165,428	-	825,043	659,615	559,500	-	659,615	517,032	78%	682,110
Mpumalanga	1,216,690	111,270	-	1,327,960	1,216,690	-	70,000	1,216,690	1,257,579	103%	1,126,096
Northern Cape	374,832	-	-	374,832	374,832	-	-	374,832	374,832	100%	603,624
North West	1,517,136	-	-	1,517,136	1,517,136	-	-	1,517,136	1,517,132	100%	1,341,537
Western Cape	1,934,936	-	-	1,934,936	1,934,936	-	20,000	1,934,936	1,934,936	100%	1,959,237
Total	17,084,369	289,652	-	17,374,021	17,084,369	559,500	559,500	17,084,369	16,971,303	99%	17,028,326

15(1)(a) The total amount of R17,084,369 000 allocated to provinces. (b) R559 500 000 was withheld from Limpopo province. (c) R559 500 000 was reallocated to Eastern Cape, KwaZulu-Natal, Mpumalanga 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 utilise a certain percentage maximum of 5% of the voted allocation (grant) to support the approved national and provincial housing programmes.

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NOTES TO THE FINANCIAL STATEMENTS
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36. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Rollovers	Adjustments	Total available	Actual transfer	Funds with-held	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
Nelson Mandela Bay	37,707	-	-	37,707	37,707	-	-
Ekurhuleni	52,374	-	-	52,374	52,374	-	-
City of Johannesburg	59,573	-	-	59,573	59,573	-	-
City of Tshwane	47,506	-	-	47,506	47,506	-	-
eThekweni	52,469	-	-	52,469	52,469	-	-
City of Cape Town	50,371	-	-	50,371	50,371	-	-
Total	300,000	-	-	300,000	300,000	-	-

15(1) (a) The total amount of R300 000 has been allocated to the six metropolitan municipalities. (b) No transfers have been withheld or stopped. (c) There were no reallocations by National Treasury. (d) The transfers were made.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

GRANT ALLOCATION					TRANSFER			SPENT			2013/14
NAME OF MUNICIPALITY	Division of Revenue Act	TRANSFER Rollovers	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	R'000	R'000
Buffalo City	673,289	652	-	673,941	673,289	-	-	673,289	407,592	61%	613,305
Nelson Mandela Bay	828,863	-	-	828,863	828,863	-	-	828,863	467,382	56%	727,986
Mangaung	654,406	72,717	-	727,123	654,406	-	-	654,406	343,473	52%	596,719
Ekurhuleni	1,804,532	180,598	-	1,985,130	1,804,532	-	-	1,804,532	783,899	43%	1,584,912
City of Johannesburg	1,695,189	-	-	1,695,189	1,695,189	-	-	1,695,189	678,500	37%	1,488,877
City of Tshwane	1,469,450	44,830	-	1,514,280	1,469,450	-	-	1,469,450	716,927	49%	1,290,611
eThekweni	1,800,076	-	-	1,800,076	1,800,076	-	-	1,800,076	1,200,198	67%	1,580,999
City of Cape Town	1,358,879	286,547	-	1,645,426	1,358,879	-	-	1,358,879	649,392	48%	1,193,497
Total	10,284,684	585,344	-	10,870,028	10,284,684	-	-	10,284,684	5,247,363		9,076,906

15(1)(a) The total amount of R10,284,684 was allocated to municipalities. (b) No transfer was withheld or stopped. (c) There were no reallocations by National Treasury. (d) The transfers were made into the eight metropolitan municipalities' primary bank accounts. (e) No funds were used for administration of the allocation by the receiving officer.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	TRANSFER ALLOCATION			TRANSFER			2013/14
DEPARTMENT/ AGENCY/ ACCOUNT	Adjusted appro-riation	Rollovers	Adjustments	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	121,047	-	-	121,047	120,966	100%	97,497
National Housing Finance Cooperation	230,000	-	-	230,000	230,000	100%	-
Social Housing Regulatory Authority	631,023	-	-	631,023	631,023	100%	650,151
Servcon	-	-	860	860	860	100%	-
Community Schemes Ombuds Service	40,000	-	-	40,000	40,000	100%	17,000
Public Sector SETA	1,170	-	-	1,170	1,170	100%	-
NHBRC	-	-	4,000	4,000	3,990	100%	-
Total	1,023,240		4,860	1,028,100	1,028,009		764,648

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	Adjusted appropriation	Rollovers	Adjustments	Total available	Actual transfer	Amount not transferred	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Nelson Mandela Metropolitan University	4,499	-	-	4,499	4,499	-	0%	3,949
Total	4,499	-	-	4,499	4,499	-		3,949

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE			2013/14
	Adjusted Appropriation Act	Rollovers	Adjustments	Total available	Actual transfer	% of Available funds transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public corporations									
Transfers									
CSIR	4,000	-	-	4,000	4,000	100.00%	-	-	-
TOTAL	4,000	-	-	4,000	4,000	100.00%	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION			EXPENDITURE			2013/14
	Adjusted appropriation	Rollovers	Adjustments	Total available	Actual transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000

Transfers							
United Nations membership fees	1,278	-	-	1,278	1,269	99%	1,100
Total	1,278	-	-	1,278	1,269	99%	1,100

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION			EXPENDITURE			2013/14
	Adjusted appropriation	Rollovers	Adjustments	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	1,000	-	-	1,000	973	97%	393
Bursaries (Non-employees)	8,985	-	-	8,985	8,974	100%	4,220
Claims against the State (cash)	20,800	-	-	20,800	20,800	100%	-
Act of Grace	17	-	-	17	17	100%	-
Total	30,802	-	-	30,802	30,764		4,613

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 1I

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Danish International Development Agency (Danida)			600	493	107
TOTAL		-	600	493	107

DEPARTMENT OF HUMAN SETTLEMENTS
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State entity's PFMA Schedule type (state year-end if not 31 March)	% Held 13/14	Number of shares held		Cost of investment		Net asset value of investment		Profit/(loss) for the year		Losses guaranteed
			2014/15	2013/14	R'000 2014/15	R'000 2013/14	R'000 2014/15	R'000 2013/14	R'000 2014/15	R'000 2013/14	Yes/No
National/provincial public entity											
National Housing Finance Corporation	100	100	84,187,332	84,187,332	880,000	880,000	-	2,417,782	-	16,071	
Servcon Housing Solutions	100	100	100	100	604	604					
TOTAL			84,187,432	84,187,432	880,604	880,604	-	2,417,782	-	16,071	

DEPARTMENT OF HUMAN SETTLEMENTS
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1-Apr-14	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ re-leased during the year	Revaluations	Closing balance 31-Mar-15	Guaranteed interest for year ended 31 March 2015	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
Standard Bank	Housing	32	32	-	21	-	11	-	-
Nedbank	Housing	11	11	-	-	-	11	-	-
Old Mutual	Housing	6	6	-	-	-	6	-	-
Mpumalanga	Housing	16	16	-	16	-	-	-	-
TOTAL		65	65	-	37	-	28	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of liability	Opening balance 1-Apr-14 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/reduced during the year R'000	Liabilities recoverable R'000	Closing balance 31-Mar-15 R'000
Claims against the Department	990	-	-	-	990
T Mpotulo v Minister of Human Settlements	-	1,000	-	-	1,000
Sunjith Singh v Minister of Human Settlements & NHBRC	-	327,586	-	-	327,586
Granny Seape v Minister of Human Settlements	-	-	20,000	-	-20,000
Mafotha v Minister of Human Settlements	-	-	10	-	10
TOTAL	990	328,586	20,010	-	309,566

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 4

CLAIMES RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15 *	
	3/31/2015	3/31/2014	3/31/2015	3/31/2014	3/31/2015	3/31/2014	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Department								
South African Police Service	-	-	10	9	10	9		
National Department of Transport	-	-	53	-	53	-		
Gauteng Department of Health	-	-	-	60	-	60		
Gauteng Office of the Premier	414	-	10	-	424	-		
Gauteng Housing	-	-	1	-	1	-		
Department of Water & Sanitation	-	-	106,518	-	106,518	-		
Department of Justice	-	-	15	11	15	11		
Department of Communication	-	-	26	-	26	-		
Department of Correctional Services	-	-	15	-	15	-		
Department of Social Development	-	-	33	-	33	-		
Department of Tourism	-	-	15	-	15	-		
Department of Trade and Industry	-	-	18	-	18	-		
Department of Public Service & Administration	-	-	10	-	10	-		
Department of Public Works	-	-	-	26	-	26		
Gauteng Social Development	-	-	22	-	22	-		
Limpopo Province Health	-	-	25	-	25	-		
Department of Basic Education	-	-	-	49	-	49		
Total	414	-	106,771	144	107,185	144		

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15 *	
	3/31/2015	3/31/2014	3/31/2015	3/31/2014	3/31/2015	3/31/2014	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS								
Current								
South African Police Service	-		-		106	-	106	-
Subtotal	-		-		106	-	106	-
Non-current								
OTHER GOVERNMENT ENTITY								
Current								
Government Printing Works	-		-		31	-	31	-
Subtotal	-		-		31	-	31	-
Total	-		-		137	-	137	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 6

INVENTORIES

Inventory	Note	Quantity	2014/15	Quantity	2013/14
			R'000		R'000
Opening balance		115,422	7,597	35,236	168
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/Purchases – Cash		80,790	16,526	140,525	10,607
Add: Additions – Non-cash		85,324	-	39,345	-
(Less): Disposals		-45	-	-	-
(Less): Issues		-132,827	-21,957	-99,684	-5,283
Add/(Less): Adjustments		-	8,868	-	2,105
Closing balance		148,664	11,034	115,422	7,597

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior period error	Current year capital WIP	Completed assets	Closing balance
	R'000	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

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 31
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2015

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	3/31/2015	3/31/2014	3/31/2015	3/31/2014	3/31/2015	3/31/2014
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
GCIS	-	8884	4,005	-	4,005	761
DIRCO		54	37	-	37	8,177
Total	-	8,938	4,042	-	4,042	8,938

SA HOUSING FUND

NOTES TO THE FINANCIAL STATEMENT
for the year ending 31 March 2015

		Mar-15	Mar-14
	Notes	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

SA HOUSING FUND
STATEMENT OF FINANCIAL POSITION
for the year ending 31 March 2015

	Note	Mar-15 R'000	Mar-14 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

SA HOUSING FUND
ACCOUNTING POLICIES
for the year ending 31 March 2015

SOUTH AFRICAN HOUSING FUND

ACCOUNTING POLICIES

For the year ended 31 MARCH 2015

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. A draft Bill has been submitted to the Minister for consideration. The delisting of the South African Housing Fund was approved with effect from 18 November 2003.

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 the 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 financial statements for the South African Housing Fund were approved by the accounting officer.

SA HOUSING FUND
ACCOUNTING POLICIES
for the year ending 31 March 2015

SOUTH AFRICAN HOUSING FUND

ACCOUNTING POLICIES

For the year ended 31 MARCH 2015

The principle accounting policies adopted in the preparation of these financial statements are set out below.

1. BASIS OF PREPARATION

The financial statements are prepared on the liquidation basis as set out below since the entity no longer conducts its function in terms of the National Housing Act and is waiting to be disestablished and the Housing Act to be amended accordingly.

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.

SA HOUSING FUND

NOTES TO THE FINANCIAL STATEMENT for the year ending 31 March 2015

SOUTH AFRICAN HOUSING FUND

NOTES TO THE INTERIM STATEMENT OF FINANCIAL POSITION

For the year ended 31 MARCH 2015

	Jun-15 R'000	Mar-15 R'000
2. TRADE AND OTHER RECEIVABLES		
Debtors	421	421
Less: Provision for bad debt	(421)	(421)
3. TRADE AND OTHER PAYABLES	-	-
Post office account	627	627
4. DISESTABLISHMENT OF THE SA HOUSING FUND	627	627

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 Bill has been submitted to the Minister for consideration. The delisting of the South African Housing Fund was approved with effect from 18 November 2003.

SA HOUSING FUND

NOTES TO THE FINANCIAL STATEMENT for the year ending 31 March 2015

	Jun-15	Mar-15
	R'000	R'000

NOTES TO THE CASH FLOW STATEMENT

5. CASH AND CASH EQUIVALENTS

Cash with CPD	32,585	32,585
	32,585	32,585

According to an enquiry to National Treasury, the SAHF does not earn any interest on its CPD deposit. National Treasury indicated that funds (to the credit of the SAHF) should not have been paid to the SAHF. It was furthermore indicated that National Treasury borrows funds in all CPD accounts at 0% interest and utilises such funds to fund its daily cash flows, hence interest earned on the deposit at CPD is not disclosed as income earned.

Department of Human Settlements

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