



**Western Cape
Government**

Human Settlements



Annual Report 2011/2012
Department of Human Settlements

**Western Cape Government
Department of
Human Settlements**

Vote 8

Annual Report
2011/12

Minister of Human Settlements

I have the honour of submitting the Annual Report of the Department of Human Settlements for the period 1 April 2011 to 31 March 2012.

A handwritten signature in black ink, appearing to read 'S.M. Mshangana', written in a cursive style.

ACCOUNTING OFFICER

MR M TSHANGANA

DATE: 27.09.2012



Contents

PART 1 - GENERAL INFORMATION	1
1.1 Vision, Mission and Values	2
1.2 Organisational Structure	3
1.3 Legislative Mandate	4
1.4 Entities Reporting to the Minister	4
1.5 MEC's Statement	5
1.6 Accounting Officer's Statement	6
PART 2 - INFORMATION ON PREDETERMINED OBJECTIVES	9
2.1 Overall Performance	10
2.1.1 Voted Funds	10
2.1.2 Aim of the Vote	10
2.1.3 Strategic Outcome Oriented Goals	10
2.1.4 Overview of the service delivery environment for 2011/12	10
2.1.5 Overview of the organisational environment for 2011/12	11
2.1.6 Key policy developments and legislative changes	11
2.1.7 Departmental revenue, expenditure, and other specific topics	12
2.1.8 Departmental expenditure	12
2.1.9 Transfer payments	13
2.1.10 Public entities	13
2.1.11 Conditional grants and earmarked funds	13
2.1.12 Capital investment, maintenance and asset management plan	13
2.2 Programme Performance	14
2.2.1 Programme 1: Administration	14
2.2.2 Programme 2: Housing Needs, Research and Planning	18
2.2.3 Programme 3: Housing Development	20
2.2.4 Programme 4: Asset Management and Property	32



Contents

PART 3 - ANNUAL FINANCIAL STATEMENTS	35
Report of the Audit Committee	37
Report of the Accounting Officer	40
Report of the Auditor-General	48
Accounting Policies	55
Appropriation Statement	65
Notes to the Appropriation Statement	71
Statement of Financial Performance	73
Statement of Financial Position	74
Statement of Changes in Net Assets	75
Cash Flow Statement	76
Notes to the Annual Financial Statements	77
Disclosure notes to the Annual Financial Statements	88
Annexures (Unaudited supplementary schedules)	101
PART 4 - HUMAN RESOURCES MANAGEMENT	107
4.1 Service Delivery	108
4.2. Expenditure	112
4.3. Employment and Vacancies	115
4.4. Job Evaluation	117
4.5. Employment Changes	120
4.6. Employment Equity	125
4.7. Signing of Performance Agreements by SMS Members	131
4.8. Filling of SMS Posts	132
4.9. Performance Rewards	134
4.10 Foreign Workers	137
4.11. Leave Utilisation for the period 1 January 2011 to 31 December 2011	138
4.12. HIV and AIDS & Health Promotion Programmes	141
4.13. Labour Relations	144
4.14. Skills Development	146
4.15. Injury on Duty	148
4.16. Utilisation of Consultants	149
PART 5 - OTHER INFORMATION	151
Acronyms	151
List of contact details	154



Part 1: General Information



Part 1: General Information

1.1 Vision, Mission and Values

Vision

Developing integrated and sustainable human settlements, with access to social and economic opportunities for all the Province's citizens.

Mission

The mission of the Department of Human Settlements is:

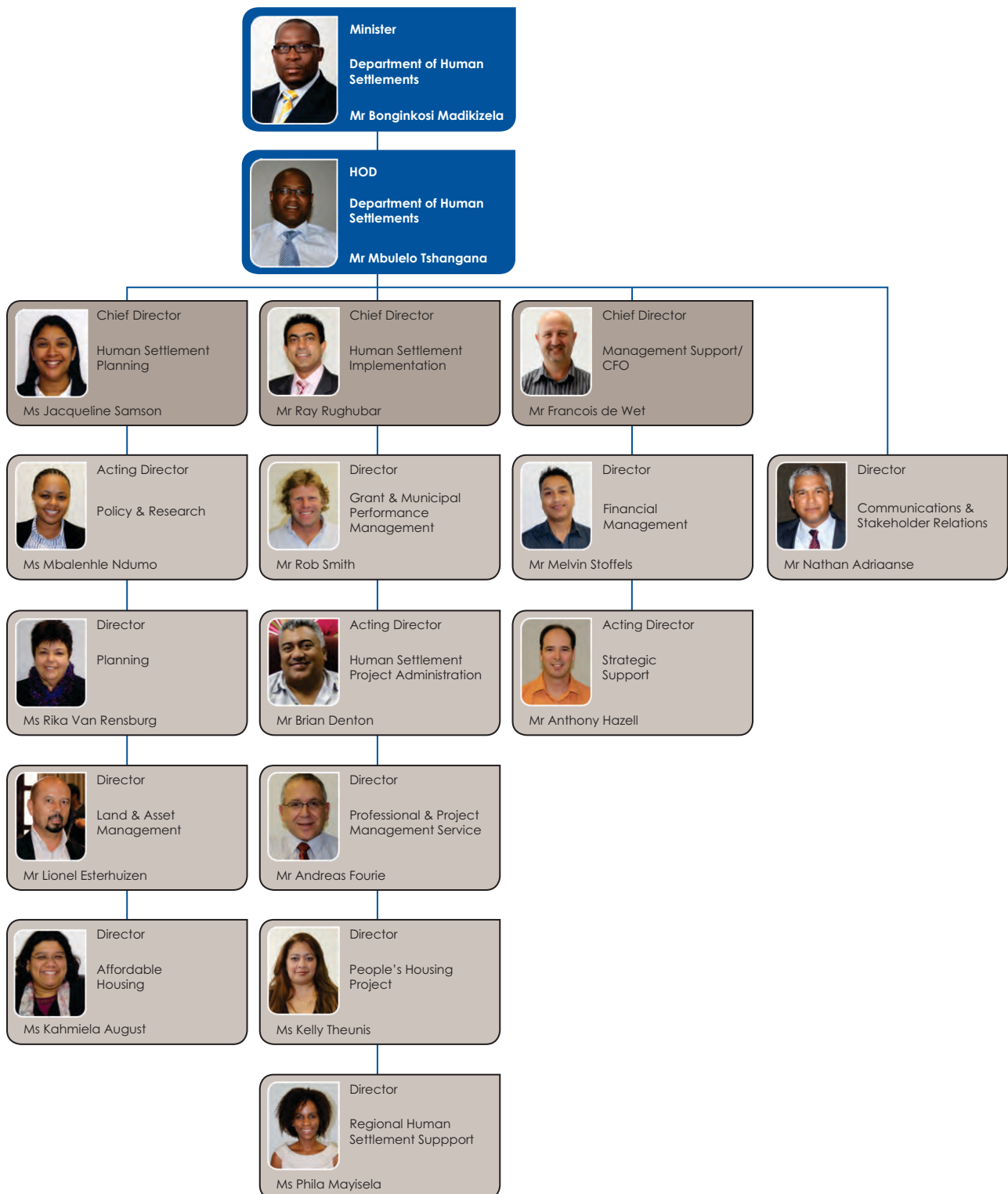
- To be effective agents of change in capacitating and supporting municipalities to optimally deliver housing opportunities;
- To promote, facilitate and develop integrated and sustainable human settlements; and
- To facilitate delivery through sound administration and the engagement of all spheres of government and social partners.

Values

The Department of Human Settlements' values are the same as that of the Batho Pele principles as well as values of the Provincial Government Western Cape, which is committed to living according to the following values:

- Competence;
- Accountability;
- Integrity;
- Responsiveness; and
- Caring.

1.2 Organisational Structure





Part 1: General Information

1.3 Legislative Mandate

Constitutional mandates

Chapter 2 (Bill of Rights) of The Constitution, Section 26 requires the state to:

- Take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of everyone's right of access to housing; and
- To ensure no-one is evicted from their home, or has their home demolished, without an order of the court, after considering all the relevant circumstances.

The Constitution¹ further provides that housing is a competency that is held concurrently by national and provincial governments.

Statutory Mandates

The following key pieces of legislation currently govern the housing environment:

- (i) Housing Act (Act 107 of 1997)
- (ii) Prevention of Illegal Eviction From and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998)
- (iii) Housing Consumers Protection Measures Act, 1998 (Act 95 of 1998)
- (iv) Rental Housing Act, 1999 (Act 50 of 1999)
- (v) Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000)
- (vi) Housing Development Agency Act [Act No. 23 of 2008]
- (vii) Sectional Titles Management Act [Act No. 8 of 2011]
- (viii) Community Scheme Ombud Service Act [Act No. 9 of 2011]
- (ix) Western Cape Housing Development Act, 1999 (Act 6 of 1999)
- (x) Social Housing Act No. 16 of 2008
- (xi) Other legislation
- (xii) Planned Policy Initiatives

1.4 Entities Reporting to the Minister

Name of Entity	Legislation	Nature of Business
Western Cape Housing Development Fund (WCHDF)	Western Cape Housing Development Act 1999 (Act 6 of 1999)	The WCHDF manages the Fund's primary property portfolio which is provided as a social service and which also generates cash inflows. The entity holds a large housing stock used to provide housing to low income families at below market value rental.

¹ Schedule 4

1.5 Minister's/ MEC's Statement

The Department of Human Settlements is pleased to present its annual report for the 2011/12 financial year. During the past year, the Department's operations continued to be guided by the priorities set out in Strategic Objective 6, 'Developing Integrated and Sustainable Human Settlements', as adopted by the Provincial Government of the Western Cape in 2011. It provides the Department with a highly aspirational mandate. It unequivocally states that 'housing opportunities encompass the full scope of housing assistance offered by the state and other providers, from the provision of serviced sites, to the offering of rental units, to housing finance assistance, to a fully developed state-financed house'.

The Department's approach to human settlements delivery is also crafted to respond to National Outcome 8 for Human Settlements, especially with regard to our focus to ensure that everyone living in informal settlements, backyards and overcrowded families in the Western Cape has access to basic services. The province faces a housing backlog of more than 500 000 households, and through the provision of basic services, the Department set itself the task of ensuring that the people of these households at least wait for their houses under more dignified conditions. We are also guided by the Breaking New Ground Policy, which outlines the need for new human settlement plans with a more appropriate housing and township and suburb design and typologies.

In my speech on the Department's Budget Vote to the Western Cape Legislature in March 2011, I suggested that the Department had faced a number of risks in its operational environment and indicated that measures will be put in place to address these. Furthermore, as this report will show, our grant allocation structure had changed, and which in turn had a significant impact on our delivery targets. During the past year, the Department's focus moved towards firstly; analyzing its internal systems with a view to determining whether it was appropriately structured to fulfill its mandate, secondly; strengthening the provincial policy environment and, lastly; creating an enabling environment for the implementation of policy by local municipalities. As you will read in the accounting officer's overview, a number of measures had been adopted, which include:

- An organisational restructuring process that represented a shift from a transactional, development financing approach, inherited from the erstwhile provincial housing development board, to a project management approach;
- Policy guidelines were developed for the implementation of an incremental housing development programme in an attempt to accelerate the provision of basic services;
- Supporting a fairer housing allocation policy through the development of a Western Cape Housing Demand Database; and
- The Development of a 'Draft Provincial Framework Policy for the Selection of Housing Beneficiaries in ownership-based subsidy projects' to assist municipalities in their housing allocation efforts.

I have learnt that the journey in turning the Department's vision into reality will not be an easy one, but I am privileged to be supported by a highly professional team of Departmental officials. I would therefore like to take this opportunity to extend my gratitude for their commitment and hard work during the year gone by.

BONGINKOSI MADIKIZELA
MINISTER FOR HUMAN SETTLEMENTS
WESTERN CAPE GOVERNMENT



Part 1: General Information

1.6 Accounting Officer's Overview

The 2011/12 financial year saw significant progress in some of the initiatives which started in the previous financial year to improve the Department's performance and help realise its vision of developing integrated and sustainable human settlements. These initiatives include inter alia:

The PRTs first priority in 2012/13 is to assist municipalities with the development of feasible project pipelines, and to ensure that projects are planned, packaged and approved in time, and to assist with the management of issues and risks during implementation.

- The Portfolio Management Office (PMO) was operationalised, with progress reports and expenditure captured monthly into a central project information system;
- Project applications and claims management processes were re-engineered, and new project approval processes were drafted for consultation with stakeholders;
- Professional Resource Teams (PRT) were appointed for the City of Cape Town, the Cape Winelands, the West Coast and Eden Districts, as well as one specifically for the "People's Housing Process" (PHP);
- The Department and the City of Cape Town did extensive work in developing an Implementation Protocol to define roles and responsibilities following the City's accreditation; and
- Beneficiary selection guidelines were refined and extensively workshopped with municipalities.

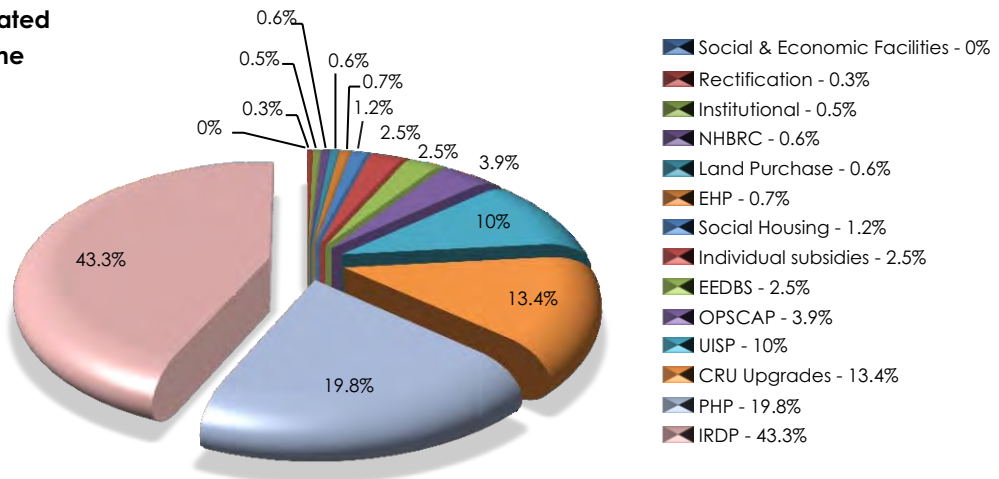
A number of the above-mentioned initiatives are aimed at improving forward planning and providing the Department with greater assurance of the implementation-readiness of municipal human settlement projects submitted for inclusion in the provincial business plan. In particular, the PRTs first priority in 2012/13 is to assist municipalities with the development of feasible project pipelines, and to ensure that projects are planned, packaged and approved in time, and to assist with the management of issues and risks during implementation. A number of issues impacting on delivery in this financial year, such as community conflicts, are very difficult to predict and plan for. However, a number of these issues can be mitigated by means of better planning. The Department has ensured that necessary planning takes place during the financial year to effectively manage these pertinent issues.

Some other performance highlights of the 2011/12 financial year contributing towards the Department's strategic goals included:

- A significant decrease in the vacancy rate in the finance component from 13% in 2010/11 to 3.7% by 31 March 2012;
- A total of 14 municipalities' housing demand databases were consolidated into the provincial housing demand database against a target of nine. In addition, staff members were given the necessary training and support in data management; and
- A total of 4 267 houses were built under the self-help PHP, against a target of 4 016, contributing towards inculcating a sense of ownership and personal responsibility among beneficiaries.

Ineffective planning processes i.e. historical lack of forward planning and insufficient project information resulted in inaccurate assessment of project readiness and incorrect target setting. Poor planning thus remains a significant challenge in the human settlements sector, and the Department fell short of some key targets. A total of 8 686 sites were serviced, against a target of 13 065 and a total of 11 065 housing units were completed against a target of 12 640. The reasons for under-performance include slow progress with relocation of families out of areas

Breakdown of Allocated Funds per Programme



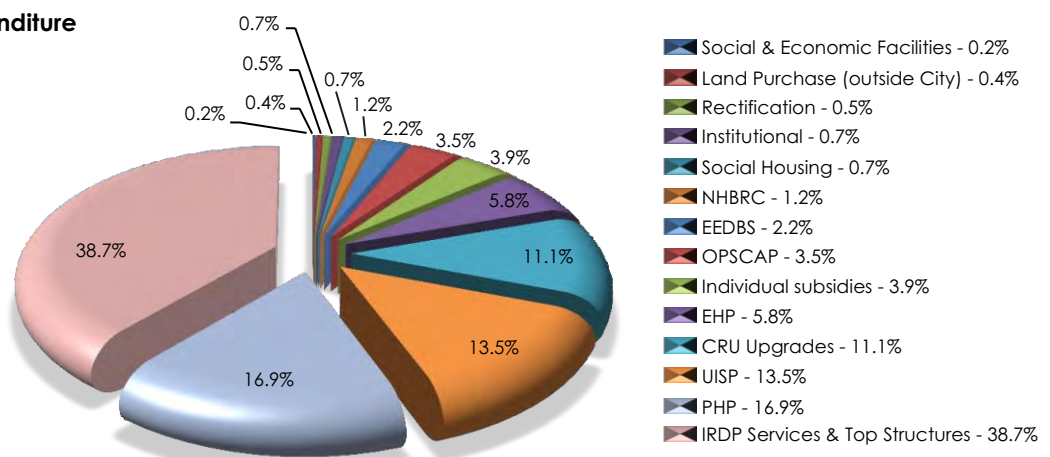
of development, community unrest, delays due to environmental requirements of EIA processes and planning delays. The following diagram illustrates the performance of the Department per programme.

In the previous financial year, grant funding for the provision of serviced sites was split between the Human Settlements Development Grant (HSDG) and the Urban Settlements Development Grant (USDG). Funds from the HSDG are channelled through the Province to B-municipalities whereas funds from the USDG were paid directly to the City of Cape Town. As a result, this has impacted on the Department's targets, as projects funded by the USDG have been excluded.

Despite the under-performance of the non-financial targets, it should be noted that expenditure against the grant was high. As indicated in the report on programme performance, approximately 2 000 further houses were at various stages of construction, with milestone payments having been made against that progress.

The Department spent approximately R277 million on the PHP programme, R182 million on the Community Residential Units (CRU) programme, and R221 million on Upgrading Informal Settlement Programmes (UISPs). The percentage breakdown of expenditure on the HSDG by all programmes is represented in the Figure below:

Breakdown of expenditure per Programme





Part 1: General Information

The Department received an unqualified audit outcome in respect of the 2010/2011 financial year as a whole, but with a qualified audit opinion on the reporting of the performance of predetermined objectives (PDO). The Department prioritised this negative opinion as a focus area and key challenge to improve on it by addressing the root causes of the previous year's audit findings during the period under review:

- The Department filled its vacant Deputy Director: Monitoring and Evaluation post with an experienced auditor.
- The Department implemented additional control measures to support and improve the presentation, accuracy, reliability and completeness in respect of reporting on PDO. This included the physical verification of the progress at various housing projects and serviced sites by the Monitoring and Evaluation (M&E) Unit.
- The method of reporting was also enhanced by the introduction of Standard Operating Procedures (SOP) to guide the process to comply with the required standard of consistency.
- Although the effect of these initiatives unfortunately did not change the audit opinion (2011/2012) on PDO in comparison with the previous year's qualified audit opinion, significant progress was made in the second half of the year in putting systems and processes in place.
- The control measures implemented and the valuable efforts put in should therefore also be recognised as a stepping stone in the right direction to ensure the achievement of the desired audit opinion in respect of the 2012/13 audit outcome.

The other matters of concern raised in the Audit Report are:

- Contrary to the requirements of the PFMA section 38(1) (j); the Department did not ensure that municipalities and accounts administrators implement effective, efficient and transparent financial management and internal control systems before they transfer funds to the entity.
- This matter was also raised in the prior year's management report but the implementation of corrective measures was only possible in November 2011, whereby the Municipal Manager (MM) certifies that their financial state of affairs are in order. The findings in respect of 2011/12 therefore related to the non-compliance for the period (April 2011 to October 2011).
- In order to comply with the PFMA section 38(1) (j), the Department implemented control measures in respect of 2012/13 to address the fact that municipalities, namely Oudtshoorn, Kannaland and Swellendam, did not submit financial statements in respect of 2011/12 by not making payments to these entities, but to the suppliers in respect of housing projects within these municipalities.

The other issue of concern was the finding that the accounting officer did not take effective steps to prevent irregular expenditure whereby goods and services of a transaction value above R500 000 were procured without inviting competitive bids, in respect of the procurement of travel. This matter was also raised in the prior year's Audit report but the implementation of corrective measures was only possible from August 2011, whereby three quotations were obtained. The findings in respect of 2011/12 were therefore the non-compliance for the period 1 April 2011 to 31 July 2011, which resulted in irregular expenditure of R103 187.

The Department will address all these findings to prevent a re-occurrence of it to improve on the unqualified audit outcome in respect of 2011/12 towards a clean audit in 2012/13.



Part 2: Information on Predetermined Objectives



Part 2: Information on Predetermined Objectives

2.1 Overall Performance

2.1.1 Voted Funds

Table: Voted funds of R1 836 506,000

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
1 836 506	1 836 506	1 834 400	2 106
Responsible Minister/MEC	Human Settlements		
Administering Department	Department of Human Settlements		
Accounting Officer	Head of Department of Human Settlements		

2.1.2 Aim of the Vote

The aim of this vote is to achieve the mission of the Department of Human Settlements, which is:

- To be effective agents of change in capacitating and supporting municipalities to optimally deliver housing opportunities;
- To promote, facilitate and develop integrated and sustainable human settlements; and
- To facilitate delivery through sound administration and the engagement of all spheres of government and social partners.

2.1.3 Strategic Outcome Oriented Goals

- Strategic Goal 1:** Accelerate the provision of housing opportunities including the prioritisation of serviced sites;
- Strategic Goal 2:** Inculcate a sense of ownership, rights and responsibility amongst housing beneficiaries, tenants and owners;
- Strategic Goal 3:** Provide a fairer allocation of housing;
- Strategic Goal 4:** Optimal use of resources and partnerships;
- Strategic Goal 5:** Introduce a co-ordinated approach to human settlements planning through effective Integrated Development Planning; and
- Strategic Goal 6:** Fully functional department capacitated to deliver services.

2.1.4 Overview of the service delivery environment for 2011/12

In the year under review, the Department only serviced 8 686 sites, against a target of 13 085 sites and built 11 065 housing units, against a target of 12 640 units. The under-performance is attributed to the slow progression and delays experienced on key projects. The implementation of the Urban Settlements Development Grant (USDG) within the reporting financial year, further hampered the Department's ability to accurately set targets. Targets needed to be revised to accommodate the implementation of the above.

Furthermore, the Department recently split from the Department of Local Government (DoLG), resulting in a vacancy rate of approximately 20%, while still rendering an agency service to the DoLG under Programme 1.

In the light of this Professional Resource Teams (PRTs) were appointed in four areas, namely:

- City of Cape Town (CoCT);
- Cape Winelands;
- Eden; and
- West Coast.

The objective of these teams are to assist municipalities with the following:

- formulation of pipelines;
- project development;
- project packaging and reviewing; and
- project monitoring and reporting.

In addition, a team for the People's Housing Process was appointed. Furthermore, the Portfolio Management Office (PMO) conducted a business process, re-engineering and mapping exercise, resulting in the development of an integrated system that captures all project information. This process will assist managers in tracking, monitoring and reporting on projects with long life spans.

2.1.5 Overview of the organisational environment for 2011/12

The Department reviewed its structure to ensure that it is properly aligned to achieving its strategic objectives. This review was motivated by two primary considerations:

- The shift from a transactional, development financing approach, inherited from the former Provincial Housing Development Board, to a project management approach. The Portfolio Management Office serves as a project information hub; and
- The Auditor-General's requirement to separate quality assurance and performance monitoring from the line function unit responsible for delivery.

2.1.6 Key policy developments and legislative changes

None for the year under review.



Part 2: Information on Predetermined Objectives

2.1.7 Departmental revenue, expenditure and other specific topics

Collection of departmental revenue

	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	Percentage deviation from target %
	R'000	R'000	R'000	R'000	R'000	
Non-tax revenue						
Commission on insurance	53	70	35	30	38	26.7
Other	390	9	1	300	278	(7.3)
Transfer received	4 560					
Interest, dividend & rent on land	2 995	5 977	681	1 200	338	(71.8)
Sales of capital						
Sales of capital assets		7				
Financial transactions (Recovery of loans and advances)						
Recovery of loans/sales of WCHDB properties	66 160	44 951	43 733	50 000	49 675	(0.65)
Previous years expenditure	6 687	46 315	16 880	8 470	132 853	1 468.5 ²
Total Departmental Receipts	80 845	97 329	61 330	60 000	183 182	205.3

² Included in this deviation is over R3m for rental on housing properties and over R36m realised through the Extended Enhanced Discount Benefit Scheme (EEDBS).

2.1.8 Departmental expenditure

All programmes and sub-programmes remained within their approved budgets.

The virements, as indicated in the appropriation statements, were approved and applied to utilise savings under one programme to cover over expenditure under another. This was done in terms of section 43 of the Public Finance Management Act (PFMA).

Programmes	Voted for 2011/12	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	73 306		2 480	75 786	75 764	22
2. Housing Needs, Research and Planning	14 350		(326)	14 024	12 579	1 445
3. Housing Development	1 699 255			1 699 255	1 698 616	639
4. Asset Management and Property	49 595		(2 154)	47 441	47 441	
Total	1 836 506			1 836 506	1 834 400	2 106

2.1.9 Transfer payments

This section provides for funds that have been transferred to other institutions, provinces, municipalities, public entities, business enterprises and individuals and, therefore, does not constitute final expenditure by the Department.

The details of all the transfers made by the Department are stipulated in Annexure 1A – E of the Annual Financial Statements.

2.1.10 Public Entities

None.

2.1.11 Conditional grants and earmarked funds

Grants were introduced in 1998/99 to support national priorities, particularly in the social services sector. They enable national priorities to be provided for in the budgets of other spheres of government. They are viewed as part of voted funds.

Name of Conditional Grant	Budget Receipts R000	Actual Receipts R000	Actual Expenditure R000	Deviation from (budgeted to receipts and actual spending) R000
Human Settlement Development Grant	1 638 845	1 638 845	1 638 845	
Total	1 638 845	1 638 845	1 638 845	

2.1.12 Capital investment, maintenance and asset management plan

2.1.12.1 Capital Investment

Not applicable.

2.1.12.2 Maintenance

The Department at this stage limits its maintenance to the day to day repairs of rental stock and cleaning of vacant erven, until the strategic decisions regarding the future management of the retainable stock have been finally implemented. Upgrading is only done in respect of saleable rental units and only to the extent of making them transferable.

2.1.12.3 Asset Management

The Supply Chain Management (SCM) unit within the Department issues its assets with unique asset numbers for verification, reconciliation and location purposes. The movement on the asset register is disclosed as notes 29 and 30 of the annual financial statements of the Department in Part 3. The fixed properties of the former Western Cape Housing Development Board are separately disclosed in the financial statements of the Western Cape Housing Development Fund.



Part 2: Information on Predetermined Objectives

2.2 Programme Performance

The activities of the Department of Human Settlements are organised in the following programmes:

Programme 1: Administration

Programme 2: Housing Needs, Research and Planning

Programme 3: Housing Development

Programme 4: Land and Asset Management

2.2.1 Programme 1: Administration

Purpose:

To provide overall management in the Department in accordance with all applicable acts and policies.

Strategic Objectives:

To facilitate delivery through sound administration.

Performance Indicators and Targets:

The Department will continue to implement more cost effective ways in performing its mandate, however, remaining cognisant of the impact on service delivery.

The Department implemented a structured programme to capacitate the finance staff on the latest changes in the financial environment applicable to the public sector. Gaps were identified in the 2010/11 external audit, internal audits and internal control inspections. The Provincial Treasury is our main partner in ensuring that the finance staff is on par with the latest changes in the financial environment. All vacancies are advertised, taking into account the minimum competencies and skills as determined by the National Treasury.

The vacancy rate in the finance component decreased from 13% in the previous financial year to 3,7% by 31 March 2012. An additional seven posts had to be filled in order to address the capacity issues that existed within the Western Cape Housing Development Fund and the Department of Local Government to implement the Generally Recognised Accounting Policies (GRAP).

The majority of the previous year's audit findings, 88,5%, were resolved. The unresolved findings have matters related to the Housing Subsidy System (HSS). This is a national system and the shortcomings can only be resolved by National Department of Human Settlements (NDoHS). The Department continues to put pressure on the NDoHS to resolve this.

The Department continues to implement cost saving measures and improve efficiencies. In the year under review, the Department focused on implementing strict control over private use of telephones and implementing more efficient printing solutions. The Department will continue to implement more cost effective ways in performing its mandate, however, remaining cognisant of the impact on service delivery.

Furthermore, the Department updated its supply chain management delegations to be more effective and close the gaps identified by the Auditor-General in the previous financial year. In addition, the policy was updated to address procurement issues that hamper service delivery and the new procurement prescripts issued by National and Provincial Treasury.

Programme 1: Administration				
Measure/Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/ Comment
		Target for 2011/12	Actual for 2011/12	
1. Implement a transversal capacitation framework for finance staff	Capacitation framework implemented and maintained.	Capacitation framework implemented by 31 March 2012.	Capacitation framework implemented by 31 March 2012.	
2. Average vacancy rate for funded finance staff	3% vacancy Rate.	Less than 5%.	3.7%	
3. The percentage of prior year negative audit findings successfully resolved	100% of prior year negative audit findings resolved.	100% of prior year negative audit findings resolved.	88.5%	The unresolved findings were for issues raised i.r.o. the Housing Subsidy System (HSS). This is a national system and can only be resolved by NDoHS as indicated in the presentation to the Standing Committee on Public Accounts (SCOPA) on 7 June 2012.
4. Refined implemented financial efficiency programme (cost savings programme)	Refined and maintained a financial efficiency plan.	Refined and maintained a financial efficiency plan for the Department.	Financial efficiency plan for the Department was refined and maintained.	
5. Refined/ Maintained a dynamic Supply Chain Management Policy and Supply Chain Management delegation	Accounting Officer's and Supply Chain Management delegation maintained.	Accounting Officer's and Supply Chain Management delegation refined/ maintained.	Accounting Officer's and Supply Chain Management delegation refined/ maintained.	



Part 2: Information on Predetermined Objectives

Programme 1: Administration				
Measure/Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/ Comment
		Target for 2011/12	Actual for 2011/12	
6. Develop and implement a Procurement Plan aligned to the budget and programme deliverables for the Department	Procurement Plan developed and implemented.	Developed and implemented Procurement Plan by 30 April 2012. The date of 30 April 2012 is in accordance with National procurement prescripts.	Procurement Plan was developed. The plan was submitted to Provincial Treasury on 30 April 2012 and implemented in the 2012/13 financial year.	The date of 30 April 2012 is in accordance with national procurement prescripts.
7. Number of performance information audits	N/A	2	3	The Department places a very high premium on performance. To address the shortcomings identified by the AGSA in the 2010/11 audit, the Department appointed additional staff to ensure that the performance information conforms to audit standards.

Programme 1: Administration

Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/ Comment
		Target for 2011/12	Actual for 2011/12	
8. Portfolio Management Unit (PMU)*	Portfolio Management Unit established	Operational PMU. Five-year Project Portfolio Plan, Portfolio Management System.	<ul style="list-style-type: none"> Operational PMU (service provider); Current projects captured and updated with non-financial and financial progress on PPM system; New Standard Operating Procedure (SOP) for Project applications and numbering drafted, approved and implemented; New SOP for claims processing drafted and approved; New SOP for project registration and reporting drafted and implemented; Pipeline projects captured as draft projects on PPM system. 	A service provider was retained to manage the PMU due to the Organisation Design Process to create the PMU on the Department's establishment being delayed and taking longer than anticipated. In addition, the business analysis finalised in April 2011 identified a greater than anticipated need for change management interventions to adopt the new project and portfolio management methodology in the Department.
9. IT Refresh	N/A	100% of all hardware software replaced/ upgraded.	79% of IT refresh was achieved.	An additional 55 computers were identified during the year for refreshment. Due to a shortage of computer components by the supplier, the technology refresh project fell short by 21%. This will be addressed in the 2012/2013 Financial Year.

* Subsequent to the reporting period the PMU has been reclassified as the Portfolio Management Office (PMO), and will subsequently be referred to as such throughout the document.



Part 2: Information on Predetermined Objectives

2.2.2 Programme 2: Housing Needs, Research and Planning

Purpose:

To facilitate and undertake housing delivery and planning. This programme consists of four sub-programmes, namely:

- *Administration:* To provide administrative and/ or transversal project management services.
- *Policy:* To provide a regulatory framework for housing delivery, develop policy guidelines, proclamation of Acts and Amendments.
- *Planning:* To develop provincial Multi-Year Housing Development Plans, properly plan provincial multi-year strategic housing plans.
- *Research:* To conduct research on demand for housing.

Strategic Objective:

Accelerate the provision of housing opportunities.

Performance Indicators and Targets:

The Department's strategic goal to achieve a fairer allocation of housing is supported by the Provincial Government Western Cape (PGWC) Housing Demand Data Improvement Programme (HDDIP) to ensure a fairer allocation of housing opportunities through improved housing demand data collection and management and the development of a Western Cape Housing Demand Database (WCHDDB).

This enabled the PGWC to address the widespread dissatisfaction among communities regarding the integrity of the housing waiting lists through the following measures:

- Limited user access with unique usernames and password to prevent unauthorised updating of data;
- Segregation of duties in the WCHDDB by means of different user profiles to ensure
 - quality control by housing managers
 - limited access to update critical fields i.e. Date of registration, ID number; and
- An audit trail on user activity for each record on the database.

Furthermore, the dissatisfaction regarding the integrity of the waiting list is reinforced as a result of the inconsistency of the beneficiary selection process implemented by various municipalities. The HDDIP is designed to assist municipalities with data cleaning which ensures that the housing demand data is accurate and up-to-date to promote a fairer beneficiary selection process

A total of 14 municipalities with an accurate up-to-date housing demand database, was synchronised with a central housing demand database, against a target of nine. In addition, the Department provided staff with the necessary training and support to manage the system.

In 2011/12, the Department developed a "Draft Provincial Framework Policy for the Selection of Housing Beneficiaries in ownership-based subsidy projects" and a "Municipal Selection Policy Template". The latter being

The Department's strategic goal to achieve a fairer allocation of housing is supported by the Provincial Government Western Cape (PGWC) Housing Demand Data Improvement Programme (HDDIP) to ensure a fairer allocation of housing opportunities through improved housing demand data collection and management and the development of a Western Cape Housing Demand Database (WCHDDB).

a set of model policy options for municipalities. Municipalities have been given the option to develop their own beneficiary selection policies or use the template as a starting point to develop their policies, provided that they adhere to a provincially defined set of selection elements. Two series of workshops were conducted at district level in the Province during the financial year. The second series focused on the content of the Draft Framework Policy, including a summation of the Policy Template and a number of practical policy approaches to achieving the elements and principles contained within the Framework. During the year, existing municipal selection policies were examined and analysed to ensure compliance with the Draft Provincial Framework Policy using ten key indicators. Out of the sample selected for review, the selection policies of four non-metropolitan municipalities complied with the framework, scoring positive for a minimum of seven out of ten indicators. The City of Cape Town's selection policy was also compliant.

Programme 2: Housing Needs, Research and Planning				
Measure/Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/ Comment
		Target for 2011/12	Actual for 2011/12	
10. Number of municipalities which comply with standardised selection criteria and process	-	5	5	
11. Number of municipalities with an accurate, up-to-date housing demand database that is synchronised with a central Housing Subsidy System	-	9	14	The process adopted allowed for more municipalities to be included. The database platform was reconfigured to accommodate the 24 non-metro municipalities. Additional enhancements will be made to accommodate the City of Cape Town (CoCT) as well.
12. Number of municipalities awarded with Level-1 accreditation per annum	1	-	-	
13. Number of municipalities Awarded with Level-2 accreditation per annum	1	1	1	The CoCT was awarded Level-2 accreditation on 05 March 2012 and the implementation protocol was signed on 4 June 2012.



Part 2: Information on Predetermined Objectives

Programme 2: Housing Needs, Research and Planning				
Measure/Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
14. Number of municipalities awarded with Level-3 accreditation per annum	-	-	-	
15. Number of BESP Round-3 Gap analyses (Phase-1)	N/A	8	8	
16. Number of BESP credible Human Settlement Plans in the development phase (Phase-2)	7	6	6	
17. Number of BESP credible Human Settlement Plans developed and approved.	7	-	-	

2.2.3 Programme 3: Housing Development

Purpose:

To provide individual subsidies and housing opportunities, including access to basic services to beneficiaries, in accordance with the housing code. This programme comprises of four sub programmes, namely:

- *Administration*: To provide administration support funded from the equitable share.
- *Financial Interventions*: To facilitate immediate access to Housing Goods and Services, creating enabling environments and providing implementation support.
- *Incremental Intervention*: To facilitate access to housing opportunities, through a phased process.
- *Social and Rental Intervention*: To facilitate access to rental housing opportunities, supporting the Urban Restructuring and Integration.

Strategic Objectives:

- Upscale the provision of serviced sites;
- Enhancing the supply of new rental housing opportunities; and
- Increase beneficiary involvement in the development of housing opportunities.

Performance Indicators and Targets:

Due to the establishment of the regional support system, a number of these municipalities performed above set targets and were able to utilise funding from non-performing projects.

During the year under review, the programme experienced a decrease in the serviced sites target due to the separation of grant funding into the Human Settlements Development Grant (HSDG) and the Urban Settlements Development Grant (USDG). The HSDG is channelled through the province to B-municipalities and the USDG is paid directly to the City of Cape Town. Sites serviced by the City of Cape Town are funded by the USDG.

However, the Province did not realise the set serviced sites targets due to delays on key projects that required in-depth community consultation or measures to address environmental concerns. These included the in-situ upgrade of Joe Slovo that required the relocation of families in order to commence construction work, the Boystown development where the contractor was forced off site due to community conflicts and Asazani in Mossel Bay where the relocation of plant species delayed construction.

The provision of 8 686 new serviced sites, although substantially short of the annual target, did nevertheless contribute toward the provincial strategy of providing serviced sites as a means of affording communities living under informal conditions access to services.

Due to the delays experienced and slow progression of key projects, the target for the number of housing units delivered was not met. A total of 11 065 units were delivered, against a target of 12 640.

It must be noted that even though the non-financial targets were not met, the expenditure against the grant was high. This can be explained by the fact that only fully complete structures are reported against the targets while some 2 000 top structures were at various levels of completion and paid for to the value of work done.

The increase in the subsidy quantum for Individual subsidies saw an increase in the number of applications received and paid out as this allowed applicants the opportunity to acquire better properties without having to make a substantial financial contribution.

The 2011/12 financial year has once again seen the value of working closely with B-municipalities. Due to the establishment of the regional support system, a number of these municipalities performed above set targets and were able to utilise funding from non-performing projects. Only eight of these municipalities were not able to achieve at least 90% expenditure.



Part 2: Information on Predetermined Objectives

Programme 3: Housing Development				
Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
18. Total number of serviced sites delivered from the Integrated Housing and Human Settlement Development Grant (IHSDG)	11 141	13 085	8 686	<p>Certain key projects were held up, most notably the following:</p> <p><i>Joe Slovo</i>: Slow progress with relocation of families out of areas of development;</p> <p><i>Boys Town</i>: Community unrest delayed the development, at times forcing the contractor off site;</p> <p><i>Mossel Bay - Asazani</i> - Delays due to environmental requirements of the Environmental Impact Assessment (EIA) process, and the relocation of certain endangered plants;</p> <p><i>George: Thembalethu</i> - Delays in planning approval due to stormwater concerns; and</p> <p><i>Saldanha Bay: George Kerridge</i> - this site is lying in a flood prone area and is being redesigned by the PRTs.</p>
19. Total number of Housing units delivered	N/A	12 640	11 065	<p>Once again delays and slow progress on key projects such as Drommedaris, Joe Slovo and Boystown led to serious delays in the delivery of houses. In the case of Joe Slovo, a conscious decision was taken by the project manager to develop the entire phase in parallel to ensure there could be no invasion of the open space.</p> <p>At the end of March 2012, there were a number of projects where substantial work was in progress on top structures (approximately 2 000 top structures) which could not be reported as complete, but for which substantial value had been created and paid for.</p>

Programme 3: Housing Development

Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
20. Total number of Emergency Housing opportunities and other	N/A	2 100	2 852	Target was over-achieved as there were opportunities for emergency housing and as a result of CRU upgrade progressing very well. (The Department compensated for the delays experienced in the previous financial year.)
Financial Interventions				
21. Number of beneficiaries approved (Individual Housing Subsidies (R0-3 500) Credit Linked	11	50	135	Significant increase in individual subsidy quantum has made these subsidies more attractive.
22. Number of sites delivered	N/A	50	23	The Department has under-achieved due to stringent bank lending criteria. The banks' criteria are beyond the control of the Department.
23. Number of new housing units completed and transferred	50	50	23	The Department has under-achieved due to stringent bank lending criteria. The banks' criteria are beyond the control of the Department.
24. Number of beneficiaries (Individual Housing Subsidies (R0-3 500) Non-Credit Linked approved	752	450	1 092	Significant increase in individual subsidy quantum has made these subsidies more attractive.
25. Number of properties transferred (R0-3 500) Non-Credit Linked approved	322	450	705	Target was over-achieved due to approvals made in 2010/11 financial year, with the transfers only effected in the 2011/12 financial year.



Part 2: Information on Predetermined Objectives

Programme 3: Housing Development				
Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
Financial Interventions				
26. Number of sites delivered (R0-3 500) Non-Credit Linked approved	N/A	450	705	Target was over-achieved, as a result of delivery of sites taking place on transfer of property (see indicator no. 25).
27. Number of housing units completed (R0-3 500) Non-Credit Linked approved	636	450	705	Target was over-achieved, as a result of delivery of sites taking place on transfer of property (see indicator no. 25).
28. Number of housing units rectified (Rectification of stock)	16	500	508	
29. Number of projects (Social & Economic Facilities)	2	4	7	As part of a drive to improve the state of implementation-readiness of projects, the Department started approving projects to be implemented in subsequent years. The Department is moving towards a situation where projects are not approved in the year of implementation, but prior thereto.
Incremental Housing Programme				
30. Number of projects approved (IRDP Phase-1: planning & services & PLS)	10	20	15	All statutory processes were not concluded in order to finalise project approvals as was anticipated prior to the start of the financial year, which required reprioritisation by municipalities and the Department.

Programme 3: Housing Development

Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
Incremental Housing Programme				
31. Number of planned sites (Residential) approved	2 877	4 381	7 174	Larger projects were approved to benefit from economies of scale. 7 174 approvals of which 4 539 serviced sites were delivered. The delivered serviced sites form part of the total serviced sites delivered for the year of 8 686.
32. Number of projects approved (IRDP Phase 2: Top structure construction)	6	10	24	The Department embarked on a process to eradicate the backlog on project applications received from municipalities. The Minister also met with all under-performing municipalities. Municipalities have adopted an incremental approach towards the provision of top structures in a phased approach. This resulted in more projects with fewer top structures per phase.
33. Number of beneficiaries approved (IRDP Phase-2: Top structure construction)	381	5 500	3 380	Under-performance is the result of beneficiaries not meeting the qualifying criteria for the IRDP subsidy programme. Therefore more applicants had to be processed.
34. Number of housing units completed (IRDP Phase-2: Top structure construction)	550	7 744	6 010	There were a number of projects where substantial work is in progress on top structures. Approximately 2 000 top structures could not be reported as completed, but they were at various stages of construction, with substantial value produced and paid for.



Part 2: Information on Predetermined Objectives

Programme 3: Housing Development				
Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
Incremental Housing Programme				
35. Number of projects approved (Informal Settlement Upgrading)	10	12	11	
36. Number of planned Sites (residential) approved (Informal Settlement Upgrading)	9 954	7 704	6 942	6 942 approvals were granted, of which 3 359 were serviced sites. Of the 6 942 approved sites, 3 359 serviced sites were delivered. The serviced sites form part of the 8 686 sites that were delivered for the year.
37. Number of projects approved for assistance to households needing temporary assistance (Emergency Housing Assistance – current commitments)	5	10	-	Target under-achieved, which could be ascribed to the fact that fewer emergency situations than anticipated were experienced.
38. Number of sites serviced for assistance to households needing temporary assistance (Emergency Housing Assistance – current commitments)	2 574	500	-	The planned number of sites in TRA5 were not required due to beneficiaries not being willing to move to Delft TRA5.
39. Number of housing units completed for assistance to households needing temporary assistance (Emergency Housing Assistance – current commitments)	844	500	527	

Programme 3: Housing Development

Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
Incremental Housing Programme				
40. Number of housing units (fire kits) provided for Emergency temporary Assistance to (Emergency Housing-planned projects: possible disaster area)	4 885	4 200	8 300	Fire kits are issued only when disasters (fire and floods) occur and the year under review experienced either extreme weather conditions. Fire kits were issued to the following municipalities: City of Cape Town - 8 031 Overstrand - 269
Social and Rental Housing				
41. Number of beneficiaries approved (Institutional subsidies)	309	180	26	Decrease in the number of applicants qualifying for institutional subsidies. These projects are developer driven. Amakhaya Ngoku Phase-2 was also delayed due to illegal occupation on project site and institutional challenges.
42. Number of projects approved (Institutional subsidies)	2	2	-	One of the applications anticipated for approval was for three foster care homes in Hermanus, but was placed on hold due to a policy review of support group accommodation for people with special needs, by NDoHS.
43. Number of sites delivered (Institutional subsidies)		180	60	Under-performance was as a result of shortage of donor funding required to supplement Institutional developments, as well as illegal occupants of project site refusing to vacate.
44. Number of housing units completed (Institutional subsidies)	271	180	60	Under-performance was as a result of shortage in donor funding required to supplement Institutional developments.



Part 2: Information on Predetermined Objectives

Programme 3: Housing Development				
Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
Social and Rental Housing				
45. Number of Social Housing Institutions approved for Provisional Accreditation Grant (Social Housing Operation Support)	0	3	3	Applications were evaluated and approved in terms of higher densities, however, the actuals could not be recorded due to insufficient evidence. The technical planning report did not specify that the applications met the criteria.
46. Number of projects approved (Social Housing: Capital Grants for rental housing funded by NDoHS)	0	2	2	
47. Number of sites delivered (Social Housing: Capital Grants for rental housing funded by NDoHS)	N/A	200	-	There was a delay in funding allocation from the NDoHS for the approval of the Capital Grant funding allocation, which resulted in project completion dates moving into the new financial year (2012/2013).
48. Number of housing units completed (Social Housing: Capital Grants for rental housing funded by NDoHS)	578	200	-	There was a delay in funding allocation from the NDoHS for the approval of the Capital Grant funding allocation, which resulted in project completion dates moving into the new financial year (2012/2013).
49. Number of sites delivered (CRU)	-	100	-	Two sites from Mossel Bay, namely Seesig and Bergsig were planned for delivery during the 2011/12 financial year. However, due to the delay in the approval of project plans, and as a result of the over commitment of the municipality's allocation, these projects could not deliver on their targets.

Programme 3: Housing Development

Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
50. Number of units constructed (CRU)	-	100	-	Two sites from Mossel Bay, namely Seesig and Bergsig were planned for delivery during the 2011/12 financial year. However, due to the delay in the approval of project plans and as a result of the over commitment of the municipality's allocation, these projects could not deliver on their targets.
51. Number of units upgraded (CRU)	957	1 100	1 865	The CRU refurbishment projects in the CoCT are progressing very well. The under performance of the previous financial year due to vandalism and other delays was compensated for in 2011/12.
Strategic Goal: Inculcate a sense of ownership, rights and responsibility amongst housing beneficiaries				
52. Percentage of houses built under self-help "People's Housing Process" programme (PHP)	25%	35%	38%	
53. Number of PHP projects approved	12	10	14	More PHP projects approved as the Department now has more capacity to support the communities with PHP projects.
54. Number of PHP beneficiaries approved	4 203	4 000	885	The under-performance is due to HSS cumbersome processes of uploading and waiting for approval from the central checking system. In addition, beneficiaries in PHP projects have often already been approved under an old UISP or PLS project after which they merely get moved to the relevant top structure project upon approval of the project. For example, Nonqubela Phase-1 beneficiaries were approved under the UISP.



Part 2: Information on Predetermined Objectives

Programme 3: Housing Development				
Measure/Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
Strategic Goal: Inculcate a sense of ownership, rights and responsibility amongst housing beneficiaries				
55. Number of PHP planned units approved	2 029	4 000	2 847	Under-performance on this indicator is as a result of a different approach to the approval of PHP Business Plans. PHP projects were approved in terms of a realistic assessment of what would be feasible to deliver during the financial year. Planned units were thus approved as a phase of the original number of units submitted for approval within a project, eg Phase-1: 100 units for delivery in 2012/13 with the balance of 200 units being delivered in 2013/14. The project in total was for 300 units.
56. Number of housing units completed (PHP)	3 311	4 016	4 267	More PHP projects approved as the Department now has more capacity to support communities with PHP projects.
57. Number of facilitation grants awarded (PHP)	12	10	14	More PHP projects approved as the Department now has more capacity to support communities with PHP projects.
58. Number of establishment grants awarded (PHP)	12	10	14	More PHP projects approved as the Department now has more capacity to support communities with PHP projects.
59. Housing beneficiary capacity building programme (PHP)	1	-	-	Achieved during the previous financial year and was under review during this year.
60. Number of awareness programmes/workshops to encourage self-help initiatives by beneficiaries (PHP)	30	10	19	More workshops conducted as the Department now has more capacity to support communities with PHP projects.

Programme 3: Housing Development

Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
Strategic Goal: Inculcate a sense of ownership, rights and responsibility amongst housing beneficiaries				
61. Average density of human settlement developments (in units per hectare)	0	40u/ha	-	Applications were evaluated and approved in terms of higher densities. However, the actuals could not be recorded due to insufficient evidence. The technical planning report did not specify that the applications met the criteria.
62. Number of Restructuring Zones identified and extended	6	-	-	
63. Percentage of Collection rate of departmental property	59.4%	17%	57.5%	A new baseline was set at the end of the 2010/11 financial year (after the finalisation of the APP), due to a significant reduction in the non-performing rental stock through the EEDBS programme. The Department collected rent from 236 households, out of a total of 1 145 units, totaling R6.794 million for the 2011/12 financial year.
64. Percentage of units built using energy efficient method/material	0%	15%	-	The Department put out a tender for the construction of 2 300 houses through Alternate Building Technologies at Delft. The bids received were deemed non-responsive. The bid specifications have been reviewed to attract improved bids.
65. Percentage of new projects that meets the Integration and sustainability criterion	5%	20%	-	The applications were evaluated and over 95% of the projects that were approved, met the sustainability criteria. However, the performance evidence was not sufficient as the Planning reports did not specify that the applications met the criteria. The actuals could therefore not be recorded.



Part 2: Information on Predetermined Objectives

2.2.4 Programme 4: Asset Management and Property

Purpose:

To plan, facilitate and develop integrated and sustainable human settlements. The sub-programmes for this programme are:

- *Administration*: To provide administration support funded from equitable share; and
- *Housing Properties Maintenance*: To provide for the maintenance of housing properties.

Strategic Objectives:

To promote security of tenure.

Performance Indicators and Targets:

In line with its strategic goal to inculcate a sense of ownership, rights and responsibility among housing beneficiaries, the Department set the strategic objective to promote security of tenure through effecting transfer to qualifying beneficiaries.

In line with its strategic goal to inculcate a sense of ownership, rights and responsibility among housing beneficiaries, the Department set the strategic objective to promote security of tenure through effecting transfer to qualifying beneficiaries. In this regard, it was planned to continue with the eradication of the backlog in the transfer of ownership. The Department was successful in raising awareness among municipalities of the increasing backlog of transfers, and the target of 2 000 was exceeded by 1 69 transfers. The Department initiated a study, to be completed by the end of August 2012, to determine the reasons for the delay in the registration of transfers for each of the 832 subsidy projects that were approved from 1994 until 2010. This will enable the Department and municipalities to make appropriate interventions to eradicate the backlog.

In addition to the focus on the backlog of transfers, the Department also focused on the transfer of title deeds within current projects. The target of 7 500 was set for this indicator but only 6 535 was achieved. This was due to delays in the opening of township registers as well as beneficiary dynamics such as non-payment of the R2 479 contribution. The transfer of the Department's own properties to beneficiaries was delayed by the bottleneck which was created by the introduction of a new system in the issuing of rates clearance certificates by the City of Cape Town. This led to only 570 of the target of 1 000 title deeds being issued in 2011/12.

The Department was successful and far exceeded its target for the release and devolution of land to municipalities for human settlement development. A conservative target of 20 hectares was set because the process of release and devolution was new and there was uncertainty regarding the process for land release. The process was managed and a total of 168 hectares of land was released.

Programme 4: Asset Management and Property

Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
66. Reduction of title deeds backlog	8% ³	2 000	2 169	The new focus on the transfer of ownership prompted municipalities to respond positively.
67. Number of title deeds issued	0	7 500	6 535	The transfer of ownership in various projects has been delayed by the requirement that beneficiaries earning above R1 500.00 per month had to contribute an amount of R2 479.00 as well as delays in opening of township registers.
68. Feasibility study to inform strategic management of the retained stock	N/A	100%	-	The process to appoint a service provider to do the feasibility study had to be redone. No responsive bids were received in response to the tender as advertised.
69. Number of properties transferred	N/A	1 000	570	Delays in issuing of rates clearance certificates by the City of Cape Town due to a new system caused the under-performance.
70. Number of grants allocated through the Enhanced Extended Discount Benefits Scheme (EEDBS)	N/A	1 000	1 012	
71. Number of rental stock units maintained	734	1 023	1 145	The target was based on estimated maintenance requests. The figures reported are the actual requests received and attended to.

³ Indicator was changed from a percentage to the absolute number of transfers effected in the 2011/12 financial year.



Part 2: Information on Predetermined Objectives

Programme 4: Asset Management and Property				
Measure/ Indicator	Baseline Actual Output 2010/2011	Actual Performance against target		Reason for Variance/Comment
		Target for 2011/12	Actual for 2011/12	
72. Hectares of land parcels procured (IHSD grant)	N/A	30	-	Approval was granted for the procurement of land parcels in Swartland and Theewaterskloof municipalities, but the transfer of these properties were not registered at the deeds office before 31 March 2012.
73. Hectares of land parcels procured (other funding)	N/A	100	-	The target was set in consultation with the HDA who was mandated by NDoHS to investigate the acquisition of properties for human settlement development. Publically-owned properties were investigated and feasibilities were conducted. Application was made to the National Minister of Public Works to make the property available for Human Settlement Development. The approval has not been granted to date.
74. Number of hectares of land released for human settlements	N/A	20	168	The target was over-achieved because processes to release land took less time than was expected.



Part 3: Annual Financial Statements



Part 3: Annual Financial Statements

WESTERN CAPE PROVINCE

DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

Contents

Report of the Audit Committee	37
Report of the Accounting Officer	40
Report of the Auditor-General	48
Accounting Policies	55
Appropriation Statement	65
Notes to the Appropriation Statement	71
Statement of Financial Performance	73
Statement of Financial Position	74
Statement of Changes in Net Assets	75
Cash Flow Statement	76
Notes to the Annual Financial Statements	77
Disclosure Notes to the Annual Financial Statements	88
Annexures to the Annual Financial Statements	101

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2012

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, The Department of Human Settlements is served by the Social Cluster Audit Committee. The Audit Committee consists of the members listed below and should meet at least four times per annum as per its approved terms of reference. During the current year seven meetings were held.

Name of Member	Number of Meetings Attended
Mr R Kingwill (Chairperson)	7
Mr Z Hoosain	7
Mr L van der Merwe	6
Adv M Mdludlu (Contract expired 31 December 2011)	6
Ms A Jones (Contract expired 31 December 2011)	5
Mr M Burton (Appointed 1 January 2012)	1

Apologies were tendered and accepted for meetings not attended. A quorum of members was present at all meetings.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **section 38(1)(a) of the PFMA** and **Treasury Regulation 3.1**.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective action.

We have reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa. Other than the matters reflected in the Auditor-General's Audit and Management Reports and the matters highlighted below, no material deficiencies in the system of internal control were noted:



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2012

• **Areas highlighted by Internal Audit for improvement**

During the year, key control deficiencies were noted by Internal Audit in the following areas:

- Strategic support
- Land and Asset Management
- Peoples Housing and Empowerment Process

Corrective actions have been agreed by management and are being monitored by the Audit Committee.

• **Effectiveness and efficiency of risk management**

During the year further progress has been made with the roll out of Enterprise Wide Risk management (ERM) and the alignment to the key risks of the Department. The Audit Committee will monitor further progress on a quarterly basis

The quality of In-Year Management and Quarterly Reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review. We note the Auditor-General's findings on predetermined objectives and will monitor corrective action.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's Management Report and Management's response thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report;
- reviewed and where appropriate, recommended changes to the interim financial statements as presented by the Department for the six months ending 30 September 2011; and
- reviewed adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's opinion regarding the Annual Financial Statements, and proposes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Internal Audit

The Audit Committee reports that the approved Internal Audit plan was completed in full as at 31 March 2012.

As reported in the previous year, the Committee is of the view that further audit coverage is required and that there is a need for additional capacity to support the increased coverage of further high risk areas.

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE AUDIT COMMITTEE

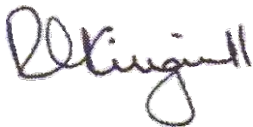
for the year ended 31 March 2012

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. We note that there are unresolved matters relating to operational and compliance controls, however they do not impact on the overall audit opinion. Corrective actions on the detailed findings emanating from the current regulatory audit will continue to be monitored by the Audit Committee on a quarterly basis.

Appreciation

The Audit Committee wishes to express its appreciation to the Officials of the Department, the Auditor-General South Africa and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



Mr R Kingwill
Chairperson of the Social Cluster Audit Committee
Date: 12 August 2012



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

Report by the Accounting Officer to the Executive Authorities and the Members of the Provincial Parliament of the Western Cape.

1. General review of the state of financial affairs

Through the formulation of Provincial Strategic Objective 6, the Department focused its efforts on promoting the provision of basic services, security of tenure and upscaling the People's Housing Process Programme. While this strategy aims to provide more opportunities to more people, capacity constraints in both the department and municipalities were experienced.

As a result, the Department commenced with the establishment of Professional Resource Teams (PRT), which will consist of professionals from the built environment working together in multi-disciplinary teams to support the planning packages and implementation of human settlements projects. The PRTs will provide municipalities with assistance in various areas, including the formulation of pipelines reflecting short, medium and long term human settlement developments plans, project development, project packaging and reviewing, assisting with processing of transfers and obtaining title deeds. Five (5) PRT's were appointed and the Department is in an advanced stage in appointing the final two. All Districts and the Metro, as well as People's Housing Process (PHP) will be serviced by the PRT's.

Also in the review year, a study was commissioned to determine the backlog of title deeds and to identify methods to reduce the backlog.

Furthermore, a review of the PHP programme was conducted and resulted in the identification of several shortcomings. In response, a revised PHP policy was adopted, and will be implemented in the 2012/13 financial year.

The Provincial Minister for Human Settlements approved a provincial policy to enhance a serviced site so that beneficiaries will have access to basic services (water and sanitation). This is in line with our strategy to upscale the provision of services.

In the 2012/13 financial year, the Department will put measures in place to support the outcomes stated in the Provincial Strategic Objective 6, as adopted by the Western Cape Government in 2011. These measures include the operationalisation of the PRTs, which will assist municipalities with project packaging, security of tenure and unblocking of PHP programmes. The Department further intends to expand the municipal project pipelines to ensure that there are enough new projects that are implementation ready so that serviced sites can be prioritised without putting expenditure at risk. The implementation of the enhanced serviced sites will also be fully implemented in all municipalities.

In addition, the Department will implement standardised policy guidelines with minimum criteria for the selection of beneficiaries, specifically designed for municipal use. This will ensure housing opportunities will be allocated in a fair and transparent fashion while also taking the demographic profile and housing needs of local communities into account.

It is expected that the Department's internal delivery environment will be significantly improved following the introduction of the Portfolio Management Office. An integrated system was developed in which all project

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

information is captured, and which will assist managers in tracking, monitoring and reporting on projects whose organisation life spans over a number of years.

The Department spent 99.9% of its approved budget. The underspending was due to challenges experienced in the filling of key management positions. This did not impact negatively on service delivery as alternative measures were put in place to mitigate the risk of non-performance. The Department is currently in the process of filling the remaining three vacancies.

The Department did not incur any fruitless and wasteful expenditure or unauthorised expenditure. The Accounting Officer condoned irregular expenditure to the value of R989 000, as highlighted by the Office of the Auditor-General, i.r.o. the 2010/11 financial year. R462 000 worth of irregular expenditure related to the above was condoned in the 2011/12 financial year by the Accounting Officer. This relates to expenditure for the period 1 April 2011 until 31 July 2011 where travel services were procured without competitive bidding processes. Corrective actions were put in place to prevent reoccurrence.

During the year, the Department allocated 1 012 subsidies in terms of the Extended Enhanced Discount Benefit Scheme (EEDBS). This resulted in full ownership to beneficiaries who had loans and rented properties from the Western Cape Housing Development Fund (WCHDF). The Department continued with its endeavour to clean up the WCHDF and to close it.

General view on spending for the financial year

	2011/12	2010/11
	R'000	R'000
Final appropriation		
Total	1 836 506	2 192 395
Administration	75 786	75 370
Housing needs, research and planning	14 024	9 222
Housing development	1 699 255	2 028 227
Housing asset/property management	47 441	79 576
Under-spending		R'000
Total	2 106	27 275
Administration	22	1 838
Housing needs, research and planning	1 445	405
Housing development	639	12 684
Housing asset/property management		12 348

All programmes and sub-programmes remained within their approved budgets. The reasons for the under spending are discussed under 'Notes to the appropriation statement'. The virements, as indicated in the appropriation statements, were approved by the delegated authority and applied to utilise savings under a main division to cover over expenditure on another main division.



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

2. Service rendered by the department

2.1 Free Services

No free services were rendered during the year under review. However, the finance and support service staff renders a free agency service to the Department of Local Government.

2.2 Inventory

Two types of inventory are generated by LOGIS. The one consists of an inventory of store items (RR026 LOGIS report), the other inventory of furniture and equipment (RR025 LOGIS report). The value of the inventory of store items as at 31 March 2012 amounted to R325 000 (31 March 2011: R302 000). The value of the inventories was valued at weighted average price. Inventories are issued on the first in first out (FIFO) basis. Excluded from the above is expenditure of R679 million iro infrastructure/housing projects on the N2 Gateway and R140 million on other Departmental projects not yet transferred to beneficiaries.

3. Capacity constraints

The Corporate Services Centre (CSC) started in April 2011 with a full work study investigation into the establishment of the Department to ensure that the Department is optimally staffed and capacitated to deliver on its mandate to create sustainable human settlements. It is anticipated that the new aligned establishment will be finalised by 1 April 2013.

The agency services agreement entered into between the Head of Department Human Settlements and the Head of Department Local Government was implemented successfully during 2010/2011, thus ensuring that Financial and Support Services are rendered effectively to both departments. This arrangement put a heavy burden on the support staff, but through hard (and smart) work, all deliverables were achieved. The Department of Local Government is in the process of filling the Supply Chain Management and Management Accounting posts that were funded during the year. Further transfer of functions will take place in the 2012/13 financial year, including the transfer of movable assets still on the asset register of the Department of Human Settlements. This agreement will stay in place for the 2012/13 financial year except for the functions already transferred.

4. Utilisation of donor funds

R13.954 million was received via the RDP fund from National Treasury. The funds were transferred some years ago by the donor and are held in the RDP Fund in National Treasury. This is in accord with the bilateral agreement signed between the governments of Denmark and South Africa and wherein it was agreed by the Danish that their funds would be dealt with in accordance with the laws of SA which requires that the unspent funds be surrendered at the end of the financial year. The Department will now reapply for the funds which are committed towards providing solar water heaters on the N2 Gateway projects.

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

5. Trading entities and public entities

The Western Cape Housing Development Board (WCHDB) was abolished in October 2005. The Western Cape Housing Development Fund (WCHDF) was dormant during the 2011/12 financial year. All expenditure relating to assets was expensed under Programme 4: Housing Asset/Property Management. The income derived from the ex WCHDB assets and debtors was accounted as departmental revenue and subsequently paid over to the Provincial Revenue Fund. All transactions in the WCHDF are regarded as related party transactions.

The financial statements of the Western Cape Housing Development Fund will be tabled in a separate report to the Provincial Parliament.

The Department entered into an agreement with the Housing Development Agency to act as project manager on the N2 Gateway housing projects as from the 2010/11 financial year.

6. Organisations to whom transfer payments have been made

All transfer payments and the purpose of the payments made is reported in Annexure 1A – 1E of the Notes to the Annual Financial Statements.

"Accountability arrangements in place over each transfer payment made" are stipulated in the individual agreements to the entities receiving the transfer payments.

7. Public private partnerships (PPP)

The Department did not enter into any PPP during the year under review.

8. Corporate governance arrangements

The Department places a very high emphasis on good governance and is striving towards a clean audit. The Department has a good partner relationship with Internal Audit and the Audit Committee to ensure that all the shortcomings identified by the Auditor-General South Africa (AGSA) are addressed and resolved. Regular financial, non-financial and governance reports are submitted to the MEC, Standing Committees, management and the Audit Committee. The quarterly meetings between the AGSA, management and the MEC also ensure that the Executive Authority is alerted to any key control shortcomings that might lead to audit risks.

The Department formally adopted an Anti-fraud and Corruption Strategy comprising the following:

- Fraud and Corruption Policy
- Fraud and Corruption Prevention Plan
- Fraud Response Plan
- Fraud Risk Register
- Code of Conduct

The above are currently being revised and updated in conjunction with the Forensic Investigating Unit (FIU) in the Office of the Premier.



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

A strategic risk assessment was done as a platform and foundation to be used by the Department in identifying and controlling the business risks of the Department. The updated risk register also informed the internal audit plan for 2012/13.

The establishment of a Fraud and Risk Management Committee assisted the Accounting Officer to create a strong culture in the Department to fight fraud and corruption, which undercuts service delivery and threatens our sense of justice.

Through excellent co-operation between the Department, the Special Investigating Unit (SIU) and the FIU of the Department of the Premier, we are also making great progress in the investigation of alleged corruption into low-cost housing and the recovery of losses, which occurred in the past. Government employees who fraudulently received housing subsidies are signing acknowledgments of debt and additional cases are to be brought before the court. The Accounting Officer is also a member of the National Audit Task Team that is chaired by the Director-General of the National Department of Human Settlements. These actions are vital for us to restore the integrity of our public service and human settlements programmes.

The Department had regular engagements with the Audit Committee and other governance structures throughout the year.

The Department has implemented a system to manage the conflicts of interest of employees by ensuring that all SMS members and all members of Bid committees are compelled to declare their conflict of interest annually. As from January 2012, all middle managers declare their interest.

9. Discontinued activities/activities to be discontinued

No activities were discontinued or are to be discontinued.

10. New/proposed activities

None

11. Asset management

The Supply Chain Management (SCM) unit within the Department of Human Settlements allocates the Department's assets with unique asset numbers for verification, reconciliation and location purposes. All assets have been captured in the asset register and monthly reconciliations were performed between LOGIS and BAS. The asset register module of LOGIS complies with the minimum requirements.

The assets of the Department of Local Government that are still on the asset register of the Department of Human Settlements, are in the process of being transferred. This process is being done in terms of Section 42 of the PFMA and the departments are assisted by the Provincial Treasury in the process.

The fixed properties of the ex Western Cape Housing Development Board are separately disclosed in the financial statements of the Western Cape Housing Development Fund.

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

12. Events after the reporting date

No events occurred between 31 March 2011 and the date of approval of the financial statements that necessitated adjusting the financial statements as on 31 March 2012.

13. Information on predetermined objectives

The Department and the Auditor-General identified shortcomings on reliable/verifiable performance information. The Standard Operating Procedures (SOP) that govern the process were signed off by the Accounting Officer on 18 January 2012. The Department utilised the guidelines from National Treasury in the absence of the SOP as from 1 April 2011.

The department enhanced its performance information collection, collation and analysis processes by ensuring vigorous data verification processes were built in post the submission of the Quarterly performance reports (QPR) as well. The performance data was analysed and inconsistencies identified. Managers were then interviewed in one-on-one meetings to clarify the inconsistencies and provide performance evidence. This is followed by chief directorate quarterly performance assessment discussions known as the round tables where managers have a final chance to address performance inconsistencies as well as submit outstanding performance evidence and provide reasons for variances.

The Internal Control unit assisted in the performance information verification processes whereby physical counts were done on the various projects to verify the information. There has been incremental improvement in the implementation of the new processes. The incremental change management processes ensured that, in the 2011/12 financial year, the components submitted performance evidence together with their performance information on a quarterly basis for all indicators.

14. Scopa resolutions

Auditor-General report on the 2010/11 annual financial statements

Background and SCOPA concerns	Recommendations	Action Plan
Issue was raised in paragraph 31 of the audit report. This matter relates to the N2 Gateway rectification programme which is investigated by the National Department of Human Settlements.	SCOPA resolution dated 17 May 2012: The Accounting Officer reports to the Committee on the process followed into the conducting of an investigation on the N2 Gateway.	The Department will reporter back to SCOPA on Wednesday, 13 June 2012. (Draft Parliamentary programme dated 25 May 2012).

15. Prior modifications to audit reports

None.



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

16. Exemptions and deviations received from the National Treasury

In terms of section 66 of the PFMA, read with National Treasury Practice Note 5 of 2006/07, the Minister of Finance, Economic Development and Tourism in the Western Cape has granted approval for all finance lease commitments in respect of GG vehicle expenditure that has been entered into or will be entered into that exceeds 60 months.

In terms of section 79 of the PFMA, the National Treasury approved a departure from the disclosure of amortisation tables for finance lease expenditure in respect of GG vehicles as required in terms of the Departmental Reporting Framework Guide. Steps are being implemented to ensure full disclosure of Government Garage (GG) vehicle expenditure as finance leases, including amortisation tables, for the 2012/13 financial year.

17. Interim Financial Statements

The submission and the compilation of interim financial statements contributed to the enhancement of the quality of the Annual Financial Statements. It does however put a lot of strain on the officials compiling them as the financial systems do not provide the statements automatically and they must be done manually. It is recommended that the interim statements replace the quarterly IYM reporting that is due at the same time, as it is a duplication of reporting.

18. Investigations

On 25 April 2007, the State President issued a proclamation that empowers the Special Investigating Unit (SIU) to conduct investigations into low cost housing for the purpose of recovery of any losses suffered by institutions for the period 1994 to 25 April 2007. The objectives of these investigations are, amongst others, to identify the corrupted areas, to bring the transgressors to book and recover the monies, as well as to enable the projects to continue to deliver housing to the public that they are intended for. In terms of the afore-mentioned Presidential Proclamation the Special Investigating Unit was requested to investigate:

- Findings of the Auditor-General Report for 2005/06 on the approval and allocation of housing subsidies at provincial departments in respect of government employees;
- Findings of the Auditor-General Report for May 2008 on the allocation of housing subsidies to municipal employees by provincial departments; and
- 28 Peoples Housing Process Projects and other referrals by the Department and the FIU.

As at 31 March 2011, Admissions of Debt (AOD's) to the value of R8 340 445 were entered into with beneficiaries who were not entitled to subsidies. The SIU recovered the debt on behalf of the Department and a total amount of R1 587 792 was received by the Department. The total amount outstanding as at 31 March 2012, including accumulated interest of R2 612 730, is R9 365 792.

It should further be noted that matters referred to the SIU for investigation in terms of Proclamation 7 of 2007 and the co-operative agreement between the Department and the SIU, were monitored through:

- A monthly Housing Proclamation Steering Committee;
- A monthly Departmental/SIU Steering Committee;

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

- Quarterly Progress Reports devised by the SIU; and
- The National Audit Task Team.

The Department entered into a Memorandum of Agreement with the Special Investigating Unit, which commenced on 1 May 2008 for a period of three years and terminated on 30 April 2011. The Department is extending the agreement for a further three years. All issues are being channeled through the Office of the Chief Financial Officer. The reasoning behind the decision to use one Directorate as a nodal point was to ensure that proper control and monitoring is exercised over matters referred to the SIU in terms of the agreement.

During the 2011/2012 financial year, the SIU dealt with fourteen PHP investigations and eight referrals from the FIU.

19. Approval

The Annual Financial Statements set out on pages 55 to 106 have been approved by the Accounting Officer.



MSTSHANGANA
(ACCOUNTING OFFICER)

DATE: 2012.05.31



**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT
ON VOTE 8: WESTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS
REPORT ON THE FINANCIAL STATEMENTS**

Introduction

1. I have audited the financial statements of the Western Cape Department of Human Settlements, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, statement of financial performance, statement of changes in net assets, and the cash flow statement for the year then ended and 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 of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (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 the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2012

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 Western Cape Department of Human Settlements as at 31 March 2012, and its financial performance and its cash flows for the year then ended, in accordance with the Departmental Financial Reporting Framework prescribed by National Treasury and in the manner required by the PFMA and DoRA.

Emphasis of matters

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

Significant uncertainties

7. With reference to note 19 to the financial statements, the department is a defendant in a land-claim lawsuit. The claim is being and the ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Payables

8. Payables which exceed the payment term of 30 days as required in Treasury Regulation 8.2.3 amount to R19 049 000. This amount, in turn, exceeds the voted funds to be surrendered of R2 106 000 as per the statement of financial performance by R16 943 000. The amount of R16 943 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

Additional matters

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 65 to 72 does not form part of the financial statements and is presented as additional information. I have not audited these annexures and accordingly I do not express an opinion thereon.



REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2012

Financial reporting framework

10. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they “present fairly”. Section 20(2) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the PAA and the General notice issued in terms thereof, I report following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 9 to 34 of the annual report.
12. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information..
13. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
14. The material findings are as follows:

REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2012

Usefulness of information

15. A total of 38% of major variances between planned and actual achievements were not explained in the annual performance report for the year under review as per the National Treasury annual report preparation guide. This was due to a lack of documented and approved internal policies and procedures to address reporting processes and events pertaining to performance management and reporting and limited review of the presentation of the annual performance report by management.

Reliability of reported performance

16. The National Treasury Framework for managing programme performance information (FMPPI) requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. A total of 25% of the actual reported indicators relevant to Programme 3: Housing development and Programme 4: Asset management and property were not accurate when compared to source information. This was due to a lack of monitoring, review and adequate credibility assessments of the information reported as actual performance was not performed by management as standard operating procedures implemented did not define this action to be performed.
17. The National Treasury (FMPPI) requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant to 42% of Programme 3: Housing development and Programme 4: Asset management and property. This was due to limitations placed on the scope of my work as the institution's records not permitting the application of alternative audit procedures.

Additional matter

I draw attention to the following matter below. This matter does not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

18. Of the total number of planned targets, only 39 targets were achieved during the year under review. This represents 47% of total planned targets that were not achieved during the year under review.



REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012

Compliance with laws and regulations

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

Transfer payments

20. The accounting officer transferred funds to entities without obtaining written assurance that the entity implements effective, efficient and transparent financial management and internal control systems, as required by section 38(1)(j) of the PFMA.

Expenditure management

21. The accounting officer did not take effective steps to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

Annual financial statements, performance and annual report

22. The financial statements submitted for the auditing were not prepared in accordance with the prescribed financial reporting framework and as required by section 40(1)(b) of the PFMA. Material misstatements of disclosure items identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

23. Quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury regulation 16A8.3.
24. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1.

Internal control

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2012

Leadership

26. The systems relating to reporting on predetermined objectives were not adequate. Control weaknesses are not analysed and appropriate follow-up actions are not taken that address inadequacies in validation of performance data as oversight that should be performed by senior management over data validation did not occur in all instances. Roles and responsibilities have not been adequately enforced by senior management to ensure that accountability is taken to guarantee that performance data is valid, accurate and complete. Although an action plan was formulated to address the internal control deficiencies, it was found to lack detail with regard to the implementation of the processes involved in the data collection and as a result the findings in this regard have recurred.
27. The accounting officer did not adequately evaluate whether management has implemented effective internal controls to ensure that senior management has met its responsibilities. This is evident by the non-compliance matters identified relating to supply chain management (SCM) regulations and the PFMA.

Financial and performance management

28. Management has not performed adequate monitoring and review over the compliance to procurement processes in line with applicable laws and regulations and regarding material corrections to the financial statements. Financial statements are not performed on a regular basis as encouraged by the AGSA and as a result the implementation of the action plan for year-end reporting (financial and the annual performance report) is performed at year end.
29. The material misstatements in the annual performance report were not detected by internal controls due to line managers not taking responsibility for the reported information as well as insufficient review by line managers to ensure that the information is valid, accurate and complete. Furthermore the validating process of the monitoring and evaluation section did not identify these misstatements.

Other reports

Investigations

30. The following cases are currently being investigated by the Western Cape Forensic Investigative Unit (FIU):
- Allegations regarding housing allocations and fraudulent beneficiaries
 - Verification exercise to identify whether PHP and sub contractors was carrying out work as required by the agreement.
 - Alleged theft regarding abuse of IT system



**WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8**

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012

31. The following matters are currently being investigated by the Special investigation unit SIU.
- Findings of the Auditor-General Report for 2005/06 on the approval and allocation of housing subsidies at provincial departments in respect of government employees;
 - Findings of the Auditor-General Report for May 2008 on the allocation of housing subsidies to municipal employees by provincial departments; and
 - 28 Peoples Housing Process Projects.

Auditor General

Cape Town
31 July 2012



**A U D I T O R - G E N E R A L
S O U T H A F R I C A**

Auditing to build public confidence

ACCOUNTING POLICIES

for the year ended 31 March 2012

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2011.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

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.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

ACCOUNTING POLICIES

for the year ended 31 March 2012

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 Aid assistance

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

ACCOUNTING POLICIES

for the year ended 31 March 2012

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All Criminal Asset Recovery Fund (CARA) funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments are effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at their face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

ACCOUNTING POLICIES

for the year ended 31 March 2012

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When confirmed, unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is de-recognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

ACCOUNTING POLICIES

for the year ended 31 March 2012

Where the amount is approved without funding, it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable, it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority, it is treated as an asset until it is recovered or written off as irrecoverable.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

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.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are de-recognised upon recovery or write-off.



ACCOUNTING POLICIES

for the year ended 31 March 2012

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost formula.

4.8 Capital assets

4.8.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the Department on completion of the project.

ACCOUNTING POLICIES

for the year ended 31 March 2012

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.8.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.



ACCOUNTING POLICIES

for the year ended 31 March 2012

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the Department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

ACCOUNTING POLICIES

for the year ended 31 March 2012

5.8 Impairment and provisions

The Department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows/service potential flowing from the instrument.

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 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 Provincial Revenue Fund when the underlying asset is disposed of and the related funds are received.

7.2 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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regard to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel, including their family members where relevant, is included in the disclosure notes.



**WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8**

ACCOUNTING POLICIES

for the year ended 31 March 2012

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

11. GG vehicle expenditure and commitments

The National Treasury approved a departure from the disclosure of apportioning finance lease expenditure and future financial commitments between capital and interest as prescribed by the accounting policy in paragraph 5.7 above, due to the late finalisation of the disagreement on the accounting treatment for GG vehicles. Future finance lease commitments have been disclosed using the CPIX rate as the basis for annual increments.

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Appropriation per programme									
Programmes	2011/12							2010/11	
	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
1. Administration									
Current payments	70 253	(3 963)	2 480	68 770	68 748	22	100.0	66 908	66 904
Transfers and subsidies	420	(45)	-	375	375	-	100.0	879	879
Payment for capital assets	2 520	3 877	-	6 397	6 397	-	100.0	7 091	5 257
Payment for financial assets	113	131	-	244	244	-	100.0	492	492
	73 306	-	2 480	75 786	75 764	22	-	75 370	73 532
2. Housing Needs, Research and Planning									
Current payments	14 199	1	(326)	13 874	12 429	1 445	89.6	9 219	8 814
Transfers and subsidies	151	(1)	-	150	150	-	100.0	3	3
	14 350	-	(326)	14 024	12 579	1 445	-	9 222	8 817
3. Housing Development									
Current payments	95 885	(5 726)	-	90 159	89 520	639	99.3	93 795	93 795
Transfers and subsidies	1 603 370	5 726	-	1 609 096	1 609 096	-	100.0	1 934 432	1 921 748
	1 699 255	-	-	1 699 255	1 698 616	639	-	2 028 227	2 015 543
4. Housing Asset Management Property Management									
Current payments	39 595	(4 995)	(2 154)	32 446	32 446	-	100.0	47 053	34 731
Transfers and subsidies	10 000	4 995	-	14 995	14 995	-	100.0	32 497	32 497
Payment for capital assets	-	-	-	-	-	-	-	26	-
	49 595	-	(2 154)	47 441	47 441	-	-	79 576	67 228
Total	1 836 506	-	-	1 836 506	1 834 400	2 106	99.9	2 192 395	2 165 120
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts				123 182				1 330	
Aid assistance				13 954				-	
Actual amounts per Statement of Financial Performance (Total Revenue)				1 973 642				2 193 725	
Actual amounts per Statement of Financial Performance Expenditure					1 834 400				2 165 120



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Appropriation per Economic classification									
Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	124 687	(243)	-	124 444	122 338	2 106	98.3	111 745	111 532
Goods and services	95 223	(14 431)	-	80 792	80 792	-	100.0	105 215	92 697
Interest and rent on land	22	(9)	-	13	13	-	100.0	15	15
Transfers & subsidies									
Provinces & municipalities	37 280	5 045	-	42 325	42 325	-	100.0	75 998	75 998
Departmental agencies & accounts	600	1	-	601	601	-	100.0	-	-
Universities & technikons	1 000	-	-	1 000	1 000	-	100.0	1 500	1 500
Non-profit institutions	-	11	-	11	11	-	100.0	-	-
Households	1 575 061	5 618	-	1 580 679	1 580 679	-	100.0	1 890 103	1 877 419
Gifts and donations	-	-	-	-	-	-	-	210	210
Payment for capital assets									
Machinery & equipment	2 520	3 839	-	6 359	6 359	-	100.0	7 117	5 257
Software & other intangible assets	-	38	-	38	38	-	100.0	-	-
Payment for financial assets									
	113	131	-	244	244	-	100.0	492	492
Total	1 836 506	-	-	1 836 506	1 834 400	2 106	99.9	2 192 395	2 165 120

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per Programme 1 - Administration
for the year ended 31 March 2012

Details per Sub-Programme	2011/12							2010/11	
	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
1.1 Office of the MEC									
Current payments	5 200	(280)	-	4 920	4 898	22	99.6	4 852	4 852
Payment for capital assets	23	(23)	-	-	-	-	-	-	-
1.2 Corporate Services									
Current payments	65 053	(3 683)	2 480	63 850	63 850	-	100.0	62 056	62 052
Transfers and subsidies	420	(45)	-	375	375	-	100.0	879	879
Payment for capital assets	2 497	3 900	-	6 397	6 397	-	100.0	7 091	5 257
Payment for financial assets	113	131	-	244	244	-	100.0	492	492
Total	73 306	-	2 480	75 786	75 764	22	100.0	75 370	73 532

Programme 1 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	46 504	(315)	-	46 189	46 167	22	100.0	44 180	44 180
Goods and services	23 733	(3 645)	2 480	22 568	22 568	-	100.0	22 713	22 709
Interest and rent on land	16	(3)	-	13	13	-	100.0	15	15
Transfers and subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	1	1
Departmental agencies & accounts	100	-	-	100	100	-	100.0	-	-
Non-profit institutions	-	11	-	11	11	-	100.0	-	-
Households	320	(56)	-	264	264	-	100.0	872	872
Gifts and donations	-	-	-	-	-	-	-	6	6
Payment for capital assets									
Machinery & equipment	2 520	3 839	-	6 359	6 359	-	100.0	7 091	5 257
Software & other intangible assets	-	38	-	38	38	-	100.0	-	-
Payment for financial assets	113	131	-	244	244	-	100.0	492	492
Total	73 306	-	2 480	75 786	75 764	22	100.0	75 370	73 532



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per Programme 2 – Housing Needs, Research and Planning
for the year ended 31 March 2012

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Administration									
Current payments	11 650	(1 499)	(326)	9 825	8 380	1 445	85.3	5 443	5 038
Transfers and subsidies	151	(1)	-	150	150	-	100.0	2	2
2.2 Planning									
Current payments	2 549	1 500	-	4 049	4 049	-	100.0	3 776	3 776
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Total	14 350	-	(326)	14 024	12 579	1 445	89.7	9 222	8 817

Programme 2 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	12 888	-	-	12 888	11 443	1 445	88.8	7 874	7 874
Goods and services	1 311	1	(326)	986	986	-	100.0	1 345	940
Transfers and subsidies									
Households	151	(1)	-	150	150	-	100.0	-	-
Gifts and donations	-	-	-	-	-	-	-	3	3
Total	14 350	-	(326)	14 024	12 579	1 445	89.7	9 222	8 817

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per Programme 3 – Housing Development
for the year ended 31 March 2012

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Administration									
Current payments	44 128	(1)	-	44 127	43 488	639	98.6	45 460	45 460
Transfers and subsidies	16 282	-	-	16 282	16 282	-	100.0	30 046	30 046
3.2 Financial Interventions									
Current payments	51 757	(5 725)	-	46 032	46 032	-	100.0	48 335	48 335
Transfers and subsidies	99 500	49 273	-	148 773	148 773	-	100.0	83 195	83 195
3.3 Incremental Interventions									
Transfers and subsidies	1 170 588	66 466	-	1 237 054	1 237 054	-	100.0	1 533 496	1 520 812
3.4 Social and Rental Intervention									
Transfers and subsidies	317 000	(110 013)	-	206 987	206 987	-	100.0	287 695	287 695
Total	1 699 255	-	-	1 699 255	1 698 616	639	100.0	2 028 227	2 015 543

Programme 3 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	50 407	-	-	50 407	49 768	639	98.7	45 502	45 502
Goods and services	45 472	(5 720)	-	39 752	39 752	-	100.0	48 293	48 293
Interest and rent on land	6	(6)	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces & municipalities	27 280	50	-	27 330	27 330	-	100.0	43 500	43 500
Departmental agencies & accounts	500	1	-	501	501	-	100.0	-	-
Universities & technikons	1 000	-	-	1 000	1 000	-	100.0	1 500	1 500
Households	1 574 590	5 675	-	1 580 265	1 580 265	-	100.0	1 889 231	1 876 547
Gifts and donations	-	-	-	-	-	-	-	201	201
Total	1 699 255	-	-	1 699 255	1 698 616	639	100.0	2 028 227	2 015 543



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per Programme 4 – Housing Asset Management Property Management
for the year ended 31 March 2012

Details per Sub-Programme	2011/12							2010/11	
	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
4.1 Administration									
Current payments	18 210	-	(1 016)	17 194	17 194	-	100.0	16 192	15 339
Payment for capital assets	-	-	-	-	-	-	-	26	-
4.2 Housing Properties Maintenance									
Current payments	21 385	(4 995)	(1 138)	15 252	15 252	-	100.0	30 861	19 392
Transfers and subsidies	10 000	4 995	-	14 995	14 995	-	100.0	32 497	32 497
Total	49 595	-	(2 154)	47 441	47 441	-	100.0	79 576	67 228

Programme 4 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	14 888	72	-	14 960	14 960	-	100.0	14 189	13 976
Goods and services	24 707	(5 067)	(2 154)	17 486	17 486	-	100.0	32 864	20 755
Transfers and subsidies									
Provinces & municipalities	10 000	4 995	-	14 995	14 995	-	100.0	32 497	32 497
Payment for capital assets									
Machinery & equipment	-	-	-	-	-	-	-	26	-
Total	49 595	-	(2 154)	47 441	47 441	-	100.0	79 576	67 228

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2012

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-E) 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 to Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme

Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Programme name				
Administration	75 786	75 764	22	0.03
Under-expenditure is due to over-budget of personnel costs				
Programme name				
Housing Needs, Research and Planning	14 024	12 579	1 445	10.3
Under-expenditure is due to challenges experienced with the filling of key management posts.				
Programme name				
Housing Development	1 699 255	1 698 616	639	0.04
Under-expenditure is due to challenges experienced with the filling of key management posts.				



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2012

4.2. Per economic classification

Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	124 444	122 338	2 106	1.69
Goods and services	80 792	80 792	-	0
Interest and rent on land	13	13	-	0
Transfers and subsidies				
Provinces and municipalities	42 325	42 325	-	0
Departmental agencies and accounts	601	601	-	0
Universities and technikons	1 000	1 000	-	0
Non-profit institutions	11	11	-	0
Households	1 580 679	1 580 679	-	0
Payments for capital assets				
Machinery and equipment	6 359	6 359	-	0
Software and other intangible assets	38	38	-	0
Payments for financial assets	244	244	-	0
	1 836 506	1 834 400	2 106	0

Under-expenditure is due to challenges experienced with the filling of key management posts.

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	1	1 836 506	2 192 395
Departmental revenue	2	123 182	1 330
Aid assistance	3	13 954	-
TOTAL REVENUE		1 973 642	2 193 725
EXPENDITURE			
Current expenditure			
Compensation of employees	4	122 338	111 532
Goods and services	5	80 792	92 697
Interest and rent on land	6	13	15
Total current expenditure		203 143	204 244
Transfers and subsidies			
Transfers and subsidies	8	1 624 616	1 955 127
Transfers and subsidies		1 624 616	1 955 127
Expenditure for capital assets			
Tangible capital assets	9	6 359	5 257
Software and other intangible assets	9	38	-
Total expenditure for capital assets		6 397	5 257
Payments for financial assets	7	244	492
TOTAL EXPENDITURE		1 834 400	2 165 120
SURPLUS FOR THE YEAR		139 242	28 605
Reconciliation of Net Surplus for the year			
Voted Funds		2 106	27 275
Annual appropriation		2 106	27 275
Departmental revenue and NRF Receipts	14	123 182	1 330
Aid assistance	3	13 954	-
SURPLUS FOR THE YEAR		139 242	28 605



**WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Current Assets		124 145	95 038
Cash and cash equivalents	10	60 005	73 000
Prepayments and advances	11	43	16
Receivables	12	78 051	22 022
Aid assistance prepayments	3	(13 954)	-
TOTAL ASSETS		124 145	95 038
LIABILITIES			
Current Liabilities		115 847	86 707
Voted funds to be surrendered to the Revenue Fund	13	2 106	27 275
Departmental revenue to be surrendered to the Revenue Fund	14	70 265	864
Bank overdraft	15	6 550	19 320
Payables	16	36 926	39 248
TOTAL LIABILITIES		115 847	86 707
NET ASSETS		8 298	8 331
Represented by:			
Recoverable revenue		8 298	8 331
TOTAL		8 298	8 331

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
Recoverable revenue			
Opening balance		8 331	226
Transfers		(33)	8 105
Irrecoverable amounts written off		(7)	-
Debts revised		(4 518)	(7)
Debts recovered (included in departmental receipts)		(4 771)	(379)
Debts raised		9 263	8 491
Closing balance		8 298	8 331
Total		8 298	8 331



**WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8**

CASH FLOW STATEMENT
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 033 642	2 253 725
Annual appropriated funds received	1.1	1 836 506	2 192 395
Departmental revenue received	2	183 182	61 330
Aid assistance received	3	13 954	-
Net increase in working capital		(58 378)	(18 021)
Surrendered to Revenue Fund		(141 056)	(184 406)
Current payments		(203 143)	(204 244)
Payments for financial assets		(244)	(492)
Transfers and subsidies paid		(1 624 616)	(1 955 127)
Net cash flow available from operating activities	17	6 205	(108 565)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(6 397)	(5 257)
Net cash flows from investing activities		(6 397)	(5 257)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		(33)	8 105
Net cash flows from financing activities		(33)	8 105
Net decrease in cash and cash equivalents		(225)	(105 717)
Cash and cash equivalents at beginning of period		53 680	159 397
Cash and cash equivalents at end of period	18	53 455	53 680

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

1. Annual Appropriation

1.1 Annual Appropriation

	2011/12			Appropriation Received 2010/11 R'000
	Final Appropriation 2011/12 R'000	Actual Funds Received 2011/12 R'000	Funds not requested/ not received 2011/12 R'000	
Programmes				
ADMINISTRATION	75 786	75 786	-	75 370
HOUSING NEEDS, RESEARCH AND PLANNING	14 024	14 024	-	9 222
HOUSING DEVELOPMENT	1 699 255	1 699 255	-	2 028 227
HOUSING ASSET MANAGEMENT PROPERTY MANAGEMENT	47 441	47 441	-	79 576
Total	1 836 506	1 836 506	-	2 192 395

1.2 Conditional grants

	Note	2011/12 R'000	2010/11 R'000
Total grants received	32	1 638 845	1 953 221

It should be noted that the Conditional grants are included in the amounts per the Final Appropriation in Note 1.1

	Note	2011/12 R'000	2010/11 R'000
2. Departmental Revenue			
Sales of goods and services other than capital assets	2.1	316	36
Interest, dividends and rent on land	2.2	338	681
Transactions in financial assets and liabilities	2.3	182 528	60 613
Total revenue collected		183 182	61 330
Less: Own revenue included in appropriation	13	60 000	60 000
Departmental revenue collected		123 182	1 330

Included in transactions in assets and liabilities are the following amounts which were disallowed and claimed:
 Bitou Municipality: R29.350m (Funds partly used for other purposes, ultra vires an agreement with the Department to purchase land).
 Thubelisha Homes: R27.402m (Services not rendered to the Department, N2 Gateway projects).
 Sebra: R645 636 (Refund of subsidies).
 SIU: R439 019 (Irregular subsidies recovered and paid to the Department).
 CoCT: R3.966m (PHP subsidies returned i.r.o. Wallacedene & Imbokotho Emnyam).
 CoCT: R68.938m (Refund of subsidies i.r.o. Happy Valley/Witsand). These projects are now funded from the USDG.
 Sales of goods and services include an amount of R245 000 i.r.o. servitude rights received.



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		306	36
Sales by market establishment		5	-
Administrative fees		283	35
Other sales		18	1
Sales of scrap, waste and other used current goods		10	-
Total		316	36
2.2 Interest, dividends and rent on land	2		
Interest		338	681
Total		338	681
2.3 Transactions in financial assets and liabilities	2		
Loans and advances		49 675	43 733
Other Receipts including Recoverable Revenue		132 853	16 880
Total		182 528	60 613

Included in the above are the following receipts in respect of the former WCHDF:
R3 096 000 for rental on housing properties and R36 836 000 realised through the EEDBS. (Note 2.3: Loans and advances).

	Note	2011/12 R'000	2010/11 R'000
3. Aid Assistance			
3.1 Aid assistance received in cash from RDP Fund			
Local			
Revenue	3	13 954	-
Closing Balance		13 954	-
3.2 Total			
Revenue	3	13 954	-
Closing Balance		13 954	-

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
3.3 Analysis of balance			
Aid assistance repayable	3	13 954	-
RDP Fund		13 954	-
Closing Balance		13 954	-

R13 954 000 was received from the Danish government via the RDP Fund for the provision of solar water heaters for N2 Gateway projects.

	Note	2011/12 R'000	2010/11 R'000
4. Compensation of employees			
4.1 Salaries and wages	4		
Basic salary		79 872	72 980
Performance award		2 893	1 670
Service Based		5 087	4 762
Compensative/circumstantial		5 578	4 467
Periodic payments		1 735	1 706
Other non-pensionable allowances		12 691	12 463
Total		107 856	98 048
4.2 Social Contributions	4		
Employer contributions			
Pension		9 044	8 288
Medical		5 416	5 174
Bargaining council		22	22
Total		14 482	13 484
Total compensation of employees		122 338	111 532
Average number of employees		407	392

Increase in Compensation of employee expenditure is due to normal salary increases, increase in the number of employees and overtime performed due to the agency arrangement with the Department of Local Government for support services. Additional overtime was performed to resolve issues raised by the Office of the A-G in the 2010/11 audit of the Western Cape Housing Development Fund (WCHDF).



**WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
5. Goods and services			
Administrative fees		104	172
Advertising		225	687
Assets less than R5,000	5.1	600	498
Bursaries (employees)		223	134
Catering		493	482
Communication		1 758	2 135
Computer services	5.2	1 063	1 371
Consultants, contractors and agency/outsourced services	5.3	36 839	45 824
Entertainment		57	48
Audit cost – external	5.4	8 510	7 425
Fleet services		5 348	5 483
Inventory	5.5	2 431	2 518
Operating leases		1 148	1 128
Property payments	5.6	15 648	20 397
Rental and hiring		2	-
Travel and subsistence	5.7	4 450	3 087
Venues and facilities		816	191
Training and staff development		499	965
Other operating expenditure	5.8	578	152
Total		80 792	92 697

Operating leases of R2 587 000 relating to the prior year have been re-stated as Finance leases in respect of GG vehicles.

	Note	2011/12 R'000	2010/11 R'000
5.1 Assets less than R5,000	5		
Tangible assets		562	498
Heritage assets		3	-
Machinery and equipment		559	498
Intangible assets		38	-
Total		600	498
5.2 Computer services	5		
SITA computer services		387	980
External computer service providers		676	391
Total		1 063	1 371

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
5.3 Consultants, contractors and agency/outsourced services	5		
Business and advisory services		30 743	39 445
Infrastructure and planning		1 609	1 084
Legal costs		2 798	3 377
Contractors		730	616
Agency and support/outsourced services		959	1 302
Total		36 839	45 824

Included in the above are project management fees of R18.85m paid to the Housing Development Agency (HDA) i.r.o. N2 Gateway projects. (2010/11: R15.05m)

	Note	2011/12 R'000	2010/11 R'000
5.4 Audit cost – external	5		
Regularity audits		6 965	5 785
Investigations		1 545	1 640
Total		8 510	7 425

The increase in audit fees (A-G) is due to the additional audit work i.r.o. the implementation of GRAP by the WCHDF. The expenditure i.r.o. investigations are for work performed by the SIU i.t.o. their agreement with the Department.

	Note	2011/12	2010/11
5.5 Inventory	5		
Fuel, oil and gas		5	7
Other consumables		142	42
Materials and supplies		37	10
Stationery and printing		2 247	2 459
Total		2 431	2 518

	Note	2011/12	2010/11
5.6 Property payments	5		
Municipal services		1 918	15 801
Property maintenance and repairs		12 876	3 600
Other		854	996
Total		15 648	20 397

A total amount of R8 862 000 is included in property maintenance and repairs above for the upgrade of houses in Belhar and Ravensmead, for which tenders were invited in 2010/11 and awarded in 2011/12.

The decrease in municipal services payments is due to the arrears that were paid to the CoCT in the previous financial year.

The above excludes an amount of R14.995m i.r.o. of municipal rates and taxes that is classified as transfers to municipalities.



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
5.7 Travel and subsistence	5		
Local		3 791	3 044
Foreign		659	43
Total		4 450	3 087

The increase in foreign travel and subsistence is mostly due to cost incurred for the return of the previous intake of the Cuban Technical Advisors (CTAs) and the recruitment of the current group of CTAs.

5.8 Other operating expenditure	5		
Learnerships		207	35
Resettlement costs		233	48
Gifts		29	-
Other		109	69
Total		578	152

The resettlement cost was incurred with the appointment of officials that had to relocate from other provinces.

6. Interest and Rent on Land			
Interest paid		13	15
Total		13	15

7. Payments for financial assets			
Other material losses written off	7.1	244	492
Total		244	492

7.1 Other material losses written off	7		
Nature of losses			
Vehicle and vehicle accessories damage		83	435
Ex-employees: Salary overpayment & T&S (Uneconomical to recover)		56	40
Ex-employees: State guarantee, bursary, income tax		-	6
Duplicate payment		58	-
Lost items		47	11
Total		244	492

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
8. Transfers and Subsidies			
Provinces and municipalities	ANNEXURE 1A	42 275	75 998
Universities and technikons	ANNEXURE 1B	1 000	1 500
Households	ANNEXURE 1C	1 580 679	1 877 419
Gifts, donations and sponsorships made	ANNEXURE 1E	662	210
Total		1 624 616	1 955 127

The amount transferred to the City of Cape Town, but not yet spent/paid to contractors amounts to R226 871 000 at 31 March 2012. R73 635 000 is for PHP and R153 236 000 is for other housing projects.

9. Expenditure for capital assets

Tangible assets	6 359	5 257
Machinery and equipment	6 359	5 257
Software and other intangible assets	38	-
Computer software	38	-
Total	6 397	5 257

GG vehicle daily tariff expenditure was reclassified from operating lease expenditure to finance lease expenditure in the 2011/12 AFS and hence restated for the 2010/11 comparatives.

9.1 Analysis of funds utilised to acquire capital assets - 2011/12

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	6 359	-	6 359
Machinery and equipment	6 359	-	6 359
Software and other intangible assets	38	-	38
Computer software	38	-	38
Total	6 397	-	6 397



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

9.2 Analysis of funds utilised to acquire capital assets - 2010/11

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	5 257	-	5 257
Machinery and equipment	5 257	-	5 257
Total	5 257	-	5 257

10. Cash and Cash Equivalents

	Note	2011/12 R'000	2010/11 R'000
Investments (Domestic)		60 005	73 000
Total		60 005	73 000

Investments (domestic) represents cash not required by the Department for immediate use and is invested by the Provincial Treasury at various commercial banks. Interest earned on these investments is reflected in the financial statements of the PGWC. Included in these investments is a total amount of R15 027 000 which was invested on behalf of the WCHDF.

11. Prepayments and Advances

Travel and subsistence	43	16
Total	43	16

12. Receivables

	Note	2011/12			Total R'000	2010/11 R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
Claims recoverable	12.1	58 266	15 891	2 659	76 816	20 742
Recoverable expenditure	12.2	79	335	69	483	501
Staff debt	12.3	46	358	132	536	563
Other debtors	12.4	2	214	-	216	216
Total		58 393	16 798	2 860	78 051	22 022

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
12.1 Claims recoverable	12		
Provincial departments	ANNEXURE 3	1 015	3 224
Private enterprises		45 946	17 518
Local governments		29 855	-
Total		76 816	20 742

The amount in respect of private enterprises relates to the fraudulent use of PHP subsidies which were held in trust by an Accounts Administrator (R6 651 000) and developers of housing projects (R39 272 000).

The amount in respect of Local Governments is recoverable from the Bitou Municipality (R29 350 000), and City of Cape Town (R500 000).

12.2 Recoverable expenditure (disallowance accounts)	12		
Disallowance account: Damages and losses		483	501
Total		483	501

12.3 Staff debt	12		
Breach of contract: Study bursaries		69	78
Salary related debt		138	155
Transport and subsistence		-	28
Private telephone		64	48
Irregular expenditure not condoned		227	221
Lost cameras		36	33
Car rental		2	-
Total		536	563

12.4 Other debtors	12		
Salary clearing account: SARS		2	2
Trust account: IDP learnerships		214	214
Total		216	216



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
13. Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		27 275	84 870
Transfer from Statement of Financial Performance		2 106	27 275
Paid during the year		(27 275)	(84 870)
Closing balance		2 106	27 275
14. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund			
Opening balance		864	39 070
Transfer from Statement of Financial Performance		123 182	1 330
Own revenue included in appropriation		60 000	60 000
Paid during the year		(113 781)	(99 536)
Closing balance		70 265	864
Included in the amount of R123.182m transferred from the Statement of Financial Performance are R56.752m disallowed and credited to revenue and R73.989m received in respect of returned subsidies.			
15. Bank Overdraft			
Consolidated Paymaster General Account		6 550	19 320
Total		6 550	19 320
16. Payables - current			
Clearing accounts	16.1	74	2
Other payables	16.2	36 852	39 246
Total		36 926	39 248
16.1 Clearing accounts			
PERSAL clearing accounts	16	74	2
Total		74	2
16.2 Other payables			
Western Cape Housing Development Fund	16	36 844	39 163
Over-payment of claims		-	7
Department of Local Government		8	76
Total		36 852	39 246

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
17. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		139 242	28 605
Add back non cash/cash movements not deemed operating activities		(133 037)	(137 170)
(Increase) in receivables – current		(56 029)	(14 985)
(Increase) in prepayments and advances		(27)	100
(Decrease) in payables – current		(2 322)	(3 136)
Expenditure on capital assets		6 397	5 257
Surrenders to Revenue Fund		(141 056)	(184 406)
Own revenue included in appropriation		60 000	60 000
Net cash flow generated by operating activities		6 205	(108 565)
18. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		(6 550)	(19 320)
Cash with commercial banks (Local)		60 005	73 000
Total		53 455	53 680



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	Note	2011/12 R'000	2010/11 R'000
19. Contingent liabilities and contingent assets			
19.1 Contingent liabilities			
Liable to	Nature		
	Claims against the department	Annex 2 3 064	2 113
	Other departments (interdepartmental unconfirmed balances)	Annex 4 1 315	2 016
	Other	Annex 2 87 258	151 992
	Total	91 637	156 121
20. Commitments			
Current expenditure			
	Approved and contracted	24 282	12 948
	Approved but not yet contracted	11 142	35
		35 424	12 983
Capital Expenditure (including transfers)			
	Approved and contracted	1 884 848	2 164 638
	Approved but not yet contracted	7 261	-
		1 892 109	2 164 638
	Total Commitments	1 927 533	2 177 621

The commitments for capital expenditure are basically all in respect of approved infrastructure/housing projects, which are approved subject to the availability of funds. The allocations are gazetted as transfers to municipalities. Funds available in the 2012/13 budget amounts to R1.484b and therefore approximately R400.746m of the capital commitments would be spent in 2013/14.

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	2011/12			2010/11
	R'000			R'000
21. Accruals				
Listed by economic classification	30 Days	30 + Days	Total	Total
Goods and services	5 849	4 720	10 569	1 882
Transfers and subsidies	7 434	14 284	21 718	39 927
Capital assets	136	45	181	54
Total	13 419	19 049	32 468	41 863

	2011/12	2010/11
	R'000	R'000
Listed by programme level		
Programme 1: Administration	1 319	833
Programme 2: Housing needs, research & planning	1 186	35
Programme 3: Housing development	17 517	32 989
Programme 4: Housing asset management, property management	12 446	8 006
Total	32 468	41 863

Accruals are based on the invoice date. Invoices are paid within 30 days of receipt; but with Housing subsidies, payment is affected within 30 days of certification of a claim by the Department's inspectors as per the agreements with the municipalities. Therefore, with subsidies, the 30 days starts running after certification of the claims.

The payment overdue period is calculated backwards from the date the payment reflects in the beneficiary's bank account and not the date of the payment on the Department's Financial System. Various payments falling into this category, were overdue for 31 to 35 days, as the first disbursement run on BAS was 16/04/2012, with release date 19/04/2012.

	Note	2011/12	2010/11
		R'000	R'000
Confirmed balances with departments	Annex 4	818	67
Total		818	67



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
22. Employee benefits			
Leave entitlement		2 965	1 836
Service bonus (Thirteenth cheque)		2 715	2 371
Performance awards		1 870	1 752
Capped leave commitments		4 686	4 825
Total		12 236	10 784

Included in the amount for leave entitlement are leave credit balances amounting to R520 000 in total.

Lease Commitments

23.1. Operating leases expenditure

	Specialised military assets	Land	Buildings & other fixed structures	Machinery and equipment	Total
2011/12	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	986	986
Later than 1 year and not later than 5 years	-	-	-	1 040	1 040
Total lease commitments	-	-	-	2 026	2 026

	Specialised military assets	Land	Buildings & other fixed structures	Machinery and equipment	Total
2010/11	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	508	508
Later than 1 year and not later than 5 years	-	-	-	250	250
Total lease commitments	-	-	-	758	758

A total amount of R16 427 000 shown as operating leases in 2010/11 has been re-stated as finance leases. (Not later than 1 year R3 418 000; Later than 1 year and not later than 5 years R10 633 000; Later than five years R2 376 000).

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

23.2. Finance leases expenditure

	Specialised military assets	Land	Buildings & other fixed structures	Machinery and equipment	Total
2011/12	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	80	80
Later than 1 year and not later than 5 years	-	-	-	16	16
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	96	96
LESS: finance costs	-	-	-	6	6
Total present value of lease liabilities	-	-	-	90	90

	Specialised military assets	Land	Buildings & other fixed structures	Machinery and equipment	Total
2010/11	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	116	116
Later than 1 year and not later than 5 years	-	-	-	45	45
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	161	161
ESS: finance costs	-	-	-	12	12
Total present value of lease liabilities	-	-	-	149	149

The Department has leased assets (datacard agreements) under finance leases amounting to R276 500 (2010/11: R311 100). The lease commitments for this amounts to R96 000. (2010/11: R161 000).



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

23.3. Finance lease commitments: Permanently allocated GG vehicles

The arrangement between the Department of Human Settlements and GMT constitutes finance leases. The obligation in respect of the finance leases are presented below:

	Within 1 year	2 - 5 years	Total
2011/12	R'000	R'000	R'000
Total lease payments	3 966	13 688	11 405
2010/11	R'000	R'000	R'000
Total lease payments	3 243	9 965	11 191

The Department of Human Settlements leased 106 vehicles from GMT during 2012 (2011: 103). Daily tariffs are payable on a monthly basis, covering the operational costs and capital costs toward replacement of vehicles.

GG vehicle daily tariff commitments were reclassified from operating lease commitments to finance lease commitments in the 2011/12 AFS and hence restated for the 2010/11 comparatives.

	Note	2011/12	2010/11
		R'000	R'000
24. Receivables for departmental revenue			
Transactions in financial assets and liabilities		22 647	19 885
Total		22 647	19 885

Included in the above are irregular subsidies allocated to non-qualifying beneficiaries which are being recovered by the Special Investigating Unit (SIU). A total amount of R8 340 444 was claimed by the SIU, of which R1 587 502 was received by the Department in total. (In 2008/09 an amount of R459 825 was paid into the National Revenue Fund by the SIU.) The total amount outstanding, including accumulated interest of R2 612 730 is R9 365 792. This is further discussed under paragraph 18 of the Accounting Officer's Report dealing with investigations.

	Note	2011/12	2010/11
		R'000	R'000
24.1 Analysis of receivables for departmental revenue	24		
Opening balance		19 855	15 795
Less: Amounts received		4 247	3 322
Add: Amounts recognised		7 039	7 382
Closing balance		22 647	19 855

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
25. Irregular expenditure			
25.1 Reconciliation of irregular expenditure	25		
Opening balance		989	-
Add: Irregular expenditure - relating to prior year		-	1 051
Add: Irregular expenditure - relating to current year		565	989
Less: Amounts condoned		(989)	(1 051)
Irregular expenditure awaiting condonation		565	989
Analysis of awaiting condonation per age classification			
Current year		565	989
Total		565	989

The irregular expenditure of R565 000 is in respect of travel expenses for the period 1 April 2011 to 31 July 2011 where the Department did not obtain three quotes as highlighted by the Office of the A-G in the 2010/11 Audit Report. Corrective actions were implemented w.e.f. 1 August 2011.

		2011/12 R'000
25.2 Details of irregular expenditure - current year		
Incident	Disciplinary steps taken/criminal proceedings	
Travel services procured without competitive bidding process	No disciplinary step to be taken	565
Total		565
25.3 Details of irregular expenditure condoned		
Incident	Condoned by (condoning authority)	
Deviation from Treasury Regulation 16A6.4: No competitive bidding	Accounting Officer	671
Minimum 3 quotes not obtained	Accounting Officer	190
Housing subsidies approved without valid ID numbers	Accounting Officer	128
Total		989
25.4 Details of irregular expenditure under investigation		
Incident		
Irregular procurement of Travel services		565
Total		565



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
26. Fruitless and wasteful expenditure			
26.1 Reconciliation of fruitless and wasteful expenditure	26		
Fruitless and wasteful expenditure – relating to prior year		-	11
Less: Amounts transferred to receivables for recovery		-	(11)
Fruitless and wasteful expenditure awaiting condonement		<u>-</u>	<u>-</u>
27. Related party transactions			
Payments made			
Goods and services		27 956	23 121
Total		<u>27 956</u>	<u>23 121</u>

The Department occupies a building (27 Wale Street) free of charge.

The building is the property of the WC: Department of Transport and Public Works.

All maintenance costs, municipal rates and taxes, municipal services as well as cleaning and security services in respect of the building are paid for by the WC: Department of Transport and Public Works.

The Department received corporate services from the Corporate Services Centre of the Department of the Premier: WC with effect from 1 April 2010 in respect of the following service areas: Information and Communication Technology, Organisation Development, Provincial Training (transversal), Human Resource Management, Enterprise Risk Management, Internal Audit, Forensic Investigations, Legal Services and Corporate Communication. The Department also received security advisory services and security operations from the WC: Department of Community Safety.

The Department rendered a free agency service i.r.o. financial and support functions to the Department of Local Government.

A related party relationship exists between the Department and Government Motor Transport (GMT) with regard to the management of the government vehicles of the Department. This relationship is based on an arms length transaction in terms of tariffs approved by the Provincial Treasury. The Departments makes use of 106 GG-vehicles. Furthermore, R18.850m was paid to the Housing Development Agency (HDA) for project management fees i.r.o. N2 Gateway projects. (2010/11: R15.051m).The Western Cape Housing Development Fund is a related party with the WC: Department of Human Settlements with whom significant transactions are concluded due to the fact that the Fund does not operate its own bank account. The employees of the Directorates: Asset and Property Management and Financial Management within the WC: Department of Human Settlements administer the Fund.

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	No. of Individuals	2011/12 R'000	2010/11 R'000
28. Key management personnel			
Political office bearers (provide detail below)	1	1 566	1 492
Level 15 to 16	1	1 141	1 082
Level 14 (incl CFO if at a lower level)	3	2 929	2 816
Total		5 636	5 390

Included in total remuneration for 2011/12 is performance bonuses of R74 923 paid to key management personnel.
 No related party transactions were concluded with key management personnel or family members of key management personnel.

	Note	2011/12 R'000	2010/11 R'000
29. Impairment of debt			
Households (Out of service staff debtors)		379	418
Private enterprises		18 537	5 234
Staff debtors		127	122
Other debtors (Disallowance: damages & losses)		483	501
Total		19 526	6 275

30. Moveable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	60	-	-	-	60
Heritage assets	60	-	-	-	60
MACHINERY AND EQUIPMENT	26 314	12 463	5 969	3 511	41 235
Transport assets	31	12 472	3 465	2 316	13 652
Computer equipment	21 701	(14)	2 113	1 195	22 605
Furniture and office equipment	2 753	10	194	-	2 957
Other machinery and equipment	1 829	(5)	197	-	2 021
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	26 374	12 463	5 969	3 511	41 295



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	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	6 359	3 477	(3 906)	39	5 969
Transport assets	3 758	3 465	(3 758)	-	3 465
Computer equipment	2 062	12	-	39	2 113
Furniture and office equipment	194	-	-	-	194
Other machinery and equipment	345	-	(148)	-	197
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	6 359	3 477	(3 906)	39	5 969

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Total
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	3 511	3 511	-
Transport assets	-	2 316	2 316	-
Computer equipment	-	1 195	1 195	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	-	3 511	3 511	-

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

Movement for 2010/11

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	60	-	-	60
Heritage assets	60	-	-	60
MACHINERY AND EQUIPMENT	24 806	2 515	1 007	26 314
Transport assets	31	636	636	31
Computer equipment	20 528	1 544	371	21 701
Furniture and office equipment	2 526	227	-	2 753
Other machinery and equipment	1 721	108	-	1 829
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	24 866	2 515	1 007	26 374

30.3 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1 321	86	10 913	-	12 320
Curr Year Adjustments to Prior Yr Balances	-	-	-	(40)	-	(40)
Additions	-	54	3	568	-	625
Disposals	-	1 045	-	111	-	1 156
TOTAL MINOR ASSETS	-	330	89	11 330	-	11 749

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	1	10	-	11
Number of minor assets at cost	-	107	98	8 770	-	8 975
TOTAL NUMBER OF MINOR ASSETS	-	107	99	8 780	-	8 986



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

30.4 Minor assets of the Department as at 31 March 2011

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1 321	86	10 464	-	11 871
Curr Year Adjustments to Prior Yr Balances	-	-	-	-	-	-
Additions	-	-	-	505	-	505
Disposals	-	-	-	56	-	56
TOTAL MINOR ASSETS	-	1 321	86	10 913	-	12 320

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of R1 minor assets	-	-	1	10	-	11
Number of minor assets at cost	-	523	87	8 951	-	9 561
TOTAL NUMBER OF MINOR ASSETS	-	523	88	8 961	-	9 572

30.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2012

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	1 071	-	1 226	-	2 297
TOTAL MOVABLE ASSETS WRITTEN OFF	-	1 071	-	1 226	-	2 297

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	410	-	410
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	410	-	410

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Curr year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	496	-	175	26	645
TOTAL INTANGIBLE CAPITAL ASSETS	496	-	175	26	645

31.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-cash	(Development work-in-progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	38	-	-	137	175
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	38	-	-	137	175

31.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	26	26	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	26	26	-

31.3 Movement for 2010/11

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	487	9	-	496
TOTAL INTANGIBLE CAPITAL ASSETS	487	9	-	496



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

32. Statement of Conditional Grants Received

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT		2010/11	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by dept	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Department of Human Settlements (Housing subsidies)	1 638 845	-	-	-	1 638 845	1 638 845	1 638 845	100	1 952 721	1 940 037
Expanded Public Works Incentive grant	-	-	-	-	-	-	-	-	500	500
	1 638 845				1 638 845	1 638 845	1 638 845		1 953 221	1 940 537

The Department certifies that, in terms of the DORA, that all transfers in terms of the Act (Human settlement development grant) were deposited into the primary bank account of the province.

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2010/11
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Settlement assistance:										
Mun: City of Cape Town	1 000	-	-	1 000	1 000	100	1 000	1 000	100	1 000
Bulk water and waste water infrastructure planning grant:										
Cape Winelands district municipality	-	-	-	-	-	-	-	-	-	1 000
Central Karoo district municipality	-	-	-	-	-	-	-	-	-	500
Overberg district municipality	-	-	-	-	-	-	-	-	-	500
West Coast district municipality	-	-	-	-	-	-	-	-	-	500
Accreditation assistance:										
Mun: City of Cape Town	10 000	-	-	10 000	10 000	100	10 000	10 000	100	10 000
Provincial housing acceleration grant:										
City of Cape Town	3 500	-	-	3 500	3 500	100	3 500	3 500	100	8 000
Mun: Beaufort West	770	-	-	770	770	100	770	770	100	-
Mun: George	-	-	-	-	-	-	-	-	-	5 000
Mun: Laingsburg	360	-	-	360	360	100	360	360	100	-
Mun: Prince Albert	870	-	-	870	870	100	870	870	100	-
Mun: Saldanha Bay	5 780	-	-	5 780	5 780	100	5 780	5 780	100	-
Mun: Stellenbosch	5 000	-	-	5 000	5 000	100	5 000	5 000	100	-
Mun: Swartland	-	-	-	-	-	-	-	-	-	17 000
Municipal rates and taxes:										
Mun: City of Cape Town	14 588	-	-	14 588	14 588	100	14 588	14 588	100	32 066
Mun: Bitou	2	-	-	2	2	100	2	2	100	-
Mun: Breede Valley	4	-	-	4	4	100	4	4	100	41
Mun: Cederberg	3	-	-	3	3	100	3	3	100	3
Mun: Stellenbosch	79	-	-	79	79	100	79	79	100	159
Mun: Hessequa	18	-	-	18	18	100	18	18	100	-
Mun: Langeberg	5	-	-	5	5	100	5	5	100	10
Mun: Matzikama	2	-	-	2	2	100	2	2	100	1
Mun: Overstrand	3	-	-	3	3	100	3	3	100	37
Mun: Saldanha bay	223	-	-	223	223	100	223	223	100	111
Mun: Stellebosch	18	-	-	18	18	100	18	18	100	47
Mun: Swartland	2	-	-	2	2	100	2	2	100	1
Mun: Swellendam	13	-	-	13	13	100	13	13	100	-
Mun: Witzenberg	35	-	-	35	35	100	35	35	100	21
Vehicle licences:										
City of Cape Town	-	-	-	-	-	-	-	-	-	1
	42 275	-	-	42 275	42 275	-	42 275	42 275	-	75 998



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/ TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2010/11
	Adjusted appropriation	Roll Overs	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
University of Cape Town	1 000	-	-	1 000	1 000	-		1 500
Total	1 000	-	-	1 000	1 000	-		1 500

ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE			2010/11
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers				-				
Bursaries (non-employees)	20	-	-	20	20	100		49
Employee soc. benefits - Injury on duty	2	-	-	2	2	100		42
Employee soc. benefits - Leave gratuity	237	-	-	237	237	100		532
Post retirement benefits	157	-	-	157	157	100		152
Claims against the State	-	-	-	-	-			142
	416	-	-	416	416			917
Subsidies								
Human Settlement Development Grant	1 580 263	-	-	1 580 263	1 580 263	100		1 876 502
	1 580 263	-	-	1 580 263	1 580 263			1 876 502
Total	1 580 679	-	-	1 580 679	1 580 679			1 877 419

For amounts transferred to municipalities, but not yet spent as per note 8, refer to transfers to municipalities from the Human Settlement Development Grant.

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1D
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDIURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Danish Government (via RDP Fund)	Solar water heaters on N2 Gateway projects	-	13 954	-	13 954
Total		-	13 954	-	13 954

ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
	R'000	R'000
Paid in cash		
SA Housing Foundation (Sponsorship for international conference)	200	100
FinMark Trust (Sponsorship for research into RDP housing assets - Performance of subsidised housing)	-	100
SA Housing Foundation (Western Cape: Human Settlements Academic Forum)	401	-
SANCO (Sponsorship for strategic planning workshop on housing)	11	-
Municipality Beaufort West (Donation for Human Settlements world aids day)	50	-
Subtotal	662	200
Made in kind		
Sympathy flowers & fruit baskets	-	7
Subtotal	-	7
Remissions, refunds and payments made as an act of grace		
Reimbursement of traveling costs for attendance of Rental Housing Tribunal hearing	-	3
Subtotal	-	3
Total	662	210



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 2
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of liability	Opening balance 1 April 2011	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Eureka Bricks and Blocks v. Department of Human Settlements	466	-	-	-	466
Mr. Rudolph Orton t/a Roma Construction & Civils v. The Department of Human Settlements	1 647	-	-	-	1 647
Macsand v. Department of Human Settlements	-	951	-	-	951
Sub-total	2 113	951	-	-	3 064
Other					
Hawston Seafarms Foundation v. Premier and the MEC for Dept. of Human Settlements	87 158	-	-	-	87 158
Dirkale Investments v. Thubelisha Homes & others	3 092	-	3 092	-	-
Sobambisana mediation (N2 Gateway)	61 742	-	61 742	-	-
H. Hoffmann v. Department of Human Settlements	-	100	-	-	100
Total	154 105	1 051	64 834	-	90 322

WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 3
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Dept of Health	-	1	-	-	-	1
Dept of Transport and Public Works	-	-	898	-	898	-
Dept of Local Government	-	3 192	101	18	101	3 210
Western Cape Nature Conservation Board	-	-	1	-	1	-
Eastern Cape Provincial Government: Local Government, Housing and Traditional Affairs	-	-	1	-	1	-
Province of the Eastern Cape: Education	13	-	-	13	13	13
Limpopo Provincial Government: Local Government and Housing	-	-	1	-	1	-
Total	13	3 193	1 002	31	1 015	3 224

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Amounts not included in Statement of Financial Position:						
Provincial Government Western Cape:						
Department of the Premier	-	-	12	314	12	314
Department of Transport & Public Works	-	-	-	357	-	357
Department of Transport & Public Works (GMT)	818	-	1 161	1 345	1 979	1 345
Department of Justice and Constitutional Development	-	67	142	-	142	67
Total	818	67	1 315	2 016	2 133	2 083



WESTERN CAPE PROVINCE
DEPARTMENT OF HUMAN SETTLEMENTS, VOTE 8

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 5
INVENTORY

	2011/12		2010/11	
	Quantity	R'000	Quantity	R'000
Inventory				
Opening balance	20 431	302	19 612	276
Add: Additions/Purchases - Cash	83 820	1 601	72 423	1 490
Add: Additions - Non-cash	465	8	9	2
(Less): Disposals	(49)	(2)	-	-
(Less): Issues	(79 557)	(1 581)	(71 613)	(1 466)
(Less): Adjustments	(145)	(3)	-	-
Closing balance	24 965	325	20 431	302

The inventory mainly consist of stationery and printing supplies. Excluded is expenditure of R624m (6245 sites) i.r.o. infrastructure/housing projects on the N2 Gateway, but not yet transferred to beneficiaries. This excludes work-in-progress to the value of R55m (750 sites). The number of sites developed by the Department other than the N2 Gateway but not yet transferred to beneficiaries, are 1 010 sites at an approximate value of R122m. The value of work-in-progress (373 top structures under construction) is approximately R12m. These projects are also excluded from the above.



Part 4: Human Resource Management



Part 4: Human Resource Management

4.1 Service Delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 4.1.1: Main services and service standards provided in terms of the Service Delivery Plan, 1 April 2011 to 31 March 2012

Main services	Actual service beneficiaries	Additional beneficiaries	Standard of service	Actual achievement against standards
Supporting municipalities to deliver credible Human Settlement Plans (HSPs)	Housing Planning units within municipalities		a) Providing assistance/ support to 14 municipalities in order to deliver credible HSPs.	Provided support to 14 municipalities in order to deliver credible HSP's.
Educate beneficiaries on their rights and responsibilities of home ownership and rental	Housing beneficiaries		b) Ten workshops to be provided to housing beneficiaries.	a) 200 Housing Consumer Education (HCE) information sessions took place; and 32 PHP meetings took place during the year under review.

Table 4.1.2: Consultation arrangements with service beneficiaries, 1 April 2011 to 31 March 2012

Type of arrangement	Actual achievements	Comments (possible deviation)
Supporting municipalities to deliver Credible Human Settlement Plans (HSPs)		
a) Built Environmental Support Programme (BESP) Steering Committees	a) Five BESP Steering Committees to meet monthly.	
b) Site visits/hands-on support	b) Ten inter-governmental Working Group meetings (June 2011-March 2012).	
c) BESP Project Committees per municipality	c) Round-3 Phase-1: Two Project Committees that met monthly (August 2011-March 2012). Round-2 Phase-2: Two Project Committees that met monthly (September 2011-March 2012).	c) Round-3 Phase-1 municipalities visited twice and Round-2 Phase-2 municipalities visited once.
d) Information sessions: District Forum meetings (one/quarter)	d) District Municipalities invited to BESP meetings.	
e) Provincial and local level visits	e) Each municipality visited once, i.e. 14 visits to local municipalities.	
f) Regional co-ordinators	f) RMs invited to all meetings.	

Type of arrangement	Actual achievements	Comments (possible deviation)
<p>Educate beneficiaries on their rights and responsibilities of home ownership and rental</p> <p>a) Telephone discussion b) E-mails c) Formal letters d) Workshops evaluation questionnaire e) Meetings</p>	<p>a) Ten telephone discussions b) Eight e-mails c) Five formal letters d) Workshop evaluation questionnaire utilised in one series of projects to date but no complaints registered. e) Eleven meetings</p> <p>Additional consultation arrangements: f) The Department has since established a Helpdesk which attends to beneficiary enquiries and is the reason why the Directorate received minimal enquiries. g) It must also be noted that Consumer Education is being implemented by municipalities within their communities.</p>	

Table 4.1.3: Service delivery access strategy, 1 April 2011 to 31 March 2012

Access Strategy	Actual achievements
<p>Supporting municipalities to deliver credible Human Settlement Plans (HSPs)</p> <p>a) 27 Wale Street, Cape Town. b) On-site at municipalities.</p>	<p>a) 27 Wale Street, Cape Town b) 20 on site visits to municipalities for BESP and Human Settlement Planning c) The Sub directorate Human Settlement Planning visited municipalities when requested to.</p>
<p>Educate beneficiaries on their rights and responsibilities of home ownership and rental</p> <p>a) 27 Wale Street, Cape Town. b) In municipal areas.</p>	<p>a) 27 Wale Street, Cape Town. b) 179 HCE sessions facilitated by municipalities.</p> <p>Additional access strategy: c) 21 HCE sessions facilitated by the Department.</p>



Part 4: Human Resource Management

Table 4.1.4: Service information tool, 1 April 2011 to 31 March 2012

Types of information tool	Actual achievements
<p>Supporting municipalities to deliver credible Human Settlement Plans (HSPs)</p> <p>a) Site visits/hands-on support</p> <p>b) Provincial and local level visits</p> <p>c) Information sessions</p> <p>d) One-on-one meetings</p> <p>e) Quarterly district municipal meetings</p> <p>f) Inter-governmental Relations (IGR) Forums</p> <p>g) Written communication (including e-mail)</p> <p>h) Workshops</p> <p>l) Quarterly District municipal meetings</p> <p>j) Newsletter</p> <p>k) Departmental website</p> <p>l) Information warehouse</p> <p>m) Annual Report</p> <p>n) Road shows</p>	<p>a) 20 on site visits to municipalities for BESP and Human Settlement Planning.</p> <p>b) 102 local level visits to municipalities for BESP and Human Settlement Planning.</p> <p>c) Eight Portfolio Management Office (PMO) information sessions.</p> <p>d) 86 one on one visits to municipalities for BESP and Human Settlement Planning.</p> <p>e) Two quarterly district meetings held in Eden and Drakenstein Municipalities for Human Settlement Planning.</p> <p>f) Ten IGR Forums held through BESP with the following departments present:</p> <ul style="list-style-type: none"> • Environmental Affairs and Development Planning; • Economic Development and Tourism; • Provincial Treasury; and • Transport and Public Works. <p>g) 120 written communications (including e-mails and letters).</p> <p>h) One workshop at Slanghoek with 4 municipalities.</p> <p>l) Quarterly District municipal meetings only two held – Eden and Cape Winelands District Municipalities.</p> <p>j) Newsletter</p> <p>k) Departmental website</p> <p>l) Information warehouse</p> <p>m) Annual report</p> <p>n) Road shows</p>
<p>Educate beneficiaries on their rights and responsibilities of home ownership and rental</p> <p>a) Telephone</p> <p>b) E-mails</p> <p>c) Formal letters</p> <p>d) Workshops evaluation questionnaire</p> <p>e) Meetings</p>	<p>All tools utilised and workshop evaluation questionnaire implemented at N2 Gateway HCE workshops.</p>

Table 4.1.5: Redress mechanism, 1 April 2011 to 31 March 2012

Redress Mechanism	Actual achievements
<p>Supporting municipalities to deliver credible Human Settlement Plans (HSPs)</p> <ul style="list-style-type: none"> a) Operational complaints help-desk. b) Toll-free service. c) Steering Committees. d) Site visits/hands-on support. e) Verbal and written communication via the Member of the Executive Council (MEC) and the Head of Department (HOD). f) Direct contact with supervisor/manager. g) Correspondence with supervisor/manager. 	<ul style="list-style-type: none"> a) Operational complaints helpdesk from 8-3 pm. b) Toll-free service. c) Steering Committees established. d) 14 municipalities visited as part of BESP. e) Verbal and written communication via MEC and HOD. f) Direct contact with supervisor/manager. g) Correspondence with supervisor/manager.
<p>Educate beneficiaries on their rights and responsibilities of home ownership and rental</p> <ul style="list-style-type: none"> a) Helpdesk is available for clients to lay their complaints. b) Clients are allowed to direct their complaints to the relevant manager for this project. c) The workshop evaluation questionnaire also allows the beneficiaries to lay complaints, and the Department to redress. 	<ul style="list-style-type: none"> a) Helpdesk established and fully operational. b) Clients contact the responsible manager directly via e-mail, telephone, fax and normal mail. c) Workshop evaluation questionnaire utilised in one series of projects to date, but no complaints were registered.



Part 4: Human Resource Management

4.2. Expenditure

Department's budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 4.2.1) and by salary band (Table 4.2.2). In particular, it provides an indication of the amount spent on personnel expenditure in terms of each of the programmes or salary bands within the department.

Table 4.2.1: Personnel expenditure by programme, 2011/12

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Goods & Services	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee	Number of Employees
	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	
Administration	75 757	46 165	413	26 407	60.9	226	204
Housing Needs Research and Planning	12 579	11 443	27	986	91	318	36
Housing Development	1 698 616	49 768	259	39 753	2.9	275	181
Housing Asset Mngmt and Property Mngmt	47 447	14 960	23	17 486	31.5	241	62
Total	1 834 399	122 336	722	84 632	6.7	253	**483

Note: The amounts reflected above include COE costs of the Minister.

Table 4.2.2: Personnel expenditure by salary band, 2011/12

Salary bands	Personnel Expenditure	% of total personnel expenditure	Average personnel expenditure per employee	Number of Employees
	(R'000)	%	(R'000)	
Lower skilled (Levels 1-2)	1 186	1	46	26
Skilled (Levels 3-5)	16 701	13.7	132	127
Highly skilled production (Levels 6-8)	36 332	29.9	226	161
Highly skilled supervision (Levels 9-12)	56 164	46.1	370	152
Senior management (Levels 13-15)	11 321	9.3	666	17
Total	* 121 704	100	252	**483

Note: *The figures in **table 4.2.1** are as per the Basic Accounting System and **table 4.2.2** are as per the PERSAL system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. Accordingly, there may be a difference in total expenditure reflected on these systems.

**This figure refers to all individuals remunerated during the reporting period, excluding the Minister.

The following tables provide a summary per programme (Table 4.2.3) and salary band (Table 4.2.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 4.2.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2011/12

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing Allowance as a % of personnel expenditure	Amount	Medical Assistance as a % of personnel expenditure
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%
Administration	27 601	22.7	1 626	1.3	1 093	0.9	2 195	1.8
Housing Needs Research and Planning	7 574	6.2	20	0.01	295	0.2	487	0.4
Housing Development	34 043	28	294	0.2	1 015	0.8	1 966	1.6
Housing Asset Mngmt and Property Mngmt	9 612	7.9	1 232	1	360	0.3	784	0.6
Total	78 830	64.8	3 172	2.6	2 763	2.3	5 432	4.5

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure mentioned in table 4.2.2.



Part 4: Human Resource Management

Table 4.2.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2011/12

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing Allowance as a % of personnel expenditure	Amount	Medical Assistance as a % of personnel expenditure
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%
Lower skilled (Levels 1-2)	642	0.5	26	0.02	86	0.1	66	0.1
Skilled (Levels 3-5)	10 731	8.8	676	0.6	750	0.6	1 302	1.1
Highly skilled production (Levels 6-8)	24 635	20.2	1 571	1.3	1 105	0.9	2 322	1.9
Highly skilled supervision (Levels 9-12)	36 443	29.9	899	0.7	731	0.6	1 581	1.3
Senior management (Levels 13-15)	6 379	5.2	-	-	91	0.1	161	0.1
Total	78 830	64.8	3 172	2.6	2 763	2.3	5 432	4.5

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure mentioned in **table 4.2.2**.

4.3. Employment and Vacancies

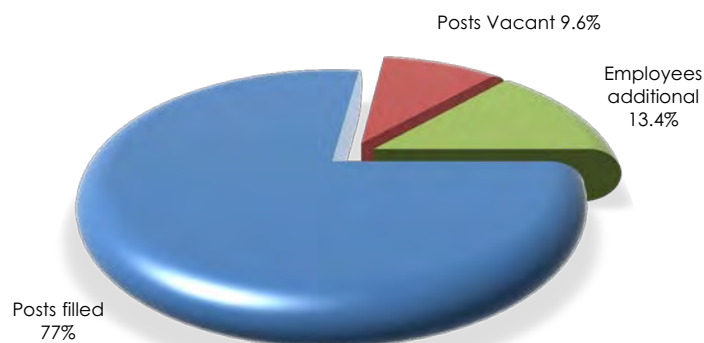
The following tables summarise the number of posts on the establishment, the number of employees, the percentage posts vacant, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme (Table 4.3.1), salary band (Table 4.3.2) and critical occupations (Table 4.3.3). The Department has identified critical occupations that need to be monitored. Table 4.3.3 provides establishment and vacancy information for the key critical occupations of the Department.

Table 4.3.1: Employment and vacancies by programme, as at 31 March 2012

Programme	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Administration	198	156	21.2	22	11.1
Housing Needs Research and Planning	41	30	26.8	1	2.4
Housing Development	177	134	24.3	31	17.5
Housing Asset Mngmt and Property Mngmt	62	48	22.6	10	16.1
Total	478	368	23	64	13.4

Note: Although the Department has a vacancy rate of 23%, it should be noted that 13.4% of these posts are being used for staff appointed on short- and medium term contracts, and special projects, additional to the approved establishment. This results in 9.6% of the posts being vacant.

Employment & Vacancies





Part 4: Human Resource Management

Table 4.3.2: Employment and vacancies by salary band, as at 31 March 2012

Salary Bands	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Lower skilled (Levels 1-2)	14	13	7.1	-	-
Skilled (Levels 3-5)	143	102	28.7	22	15.4
Highly skilled production (Levels 6-8)	179	150	16.2	9	5
Highly skilled supervision (Levels 9-12)	125	91	27.2	31	24.8
Senior management (Levels 13-15)	17	12	29.4	2	11.8
Total	478	368	23	64	13.4

Note: The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns for the year under review, please refer to **section 4.5** of this report.

Table 4.3.3: Employment and vacancies by critical occupation, as at 31 March 2012

Critical Occupations	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Engineer	7	6	14.3	2	28.6
Architect	2	1	50	4	200
Construction Project Manager	9	6	33.3	-	-
Total	18	13	27.8	6	33.3

4.4. Job Evaluation

The Public Service Regulations, 2001 as amended, introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. 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 levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister of Public Service and Administration that all Senior Management Service (SMS) jobs must be evaluated before 31 December 2002.

The following table (Table 4.4.1) summarises the number of posts that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 4.4.1: Job Evaluation, 1 April 2011 to 31 March 2012

Salary Band	Total number of posts	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	% of number of posts	Number	% of number of posts
Lower skilled (Levels 1-2)	14	-	-	-	-	-	-
Skilled (Levels 3-5)	143	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	179	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	125	-	-	-	-	-	-
Senior Management Service B and A (Level 13)	13	-	-	-	-	-	-
Senior Management Service B and B (Level 14)	3	-	-	-	-	-	-
Senior Management Service B and C (Level 15)	1	-	-	-	-	-	-
Total	478			None			

Note: Existing Public Service policy requires of departments to subject specifically identified posts (excluding Educator and OSD posts) to a formal job evaluation process. These include newly created posts, as well as posts where the job content has changed significantly (i.e. affected posts). This job evaluation process determines the grading and salary level of a post.

The posts on the approved establishment were evaluated during previous reporting years, and the job evaluation results are thus still applicable.



Part 4: Human Resource Management

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

Table 4.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2011 to 31 March 2012

Beneficiaries	African	Indian	Couloured	White	Total
Female	1	-	4	2	7
Male	1	-	1	-	2
Total	2	-	5	2	9
Employees with a disability					None

Note: Of the nine employees, whose salary positions were upgraded, seven employees formed part of a provincial co-ordinating process finalised in the previous financial year, but implemented during the current reporting period. In terms of this process all Personal Assistants had to complete a compulsory provincial training programme before the upgrades could be effected. The remaining two employees' upgrades were finalised and authorised in the previous 2010/11 reporting period, but implemented during the period under review.

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation (including higher notches awarded). Reasons for the deviation are provided in each case.

Table 4.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
Chief Director	1	14	14	4 th notch increment	Attraction
Director	1	13	13	10 th notch increment	Attraction
Assistant Director	1	9	11	3 rd notch increment	Attraction
Administrative Officer	1	7	8	-	Attraction
Administration Clerk	1	5	7	-	Attraction
Infrastructure Co-ordinators	2	9	10	-	Attraction
Total Number of Employees whose salaries exceeded the level determined by job evaluation (including awarding of higher notches) in 2011/2012					7
Percentage of total employment					1.9

Table 4.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Indian	Couloured	White	Total
Female	1	-	1	1	3
Male	-	-	1	3	4
Total	1	-	2	4	7
Employees with a disability					None



Part 4: Human Resource Management

4.5. Employment Changes

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 (Table 4.5.1) and by critical occupations (Table 4.5.2). (These "critical occupations" should be the same as those listed in Table 4.3.3).

Table 4.5.1: Annual turnover rates by salary band, 1 April 2011 to 31 March 2012

Salary Bands	Number of employees per band as at 31 March 2011	Turnover rate 2010/11 %	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2011/12 %
Lower skilled (Levels 1-2)	16	8.3	-	1	-	-	-
Skilled (Levels 3-5)	111	22.6	35	4	11	4	13.5
Highly skilled production (Levels 6-8)	148	16.8	9	6	8	-	5.4
Highly skilled supervision (Levels 9-12)	103	20.5	24	5	9	3	11.7
Senior Management Service Band A (Level 13)	10	23.1	3	1	-	1	10
Senior Management Service Band B (Level 14)	2	25	-	-	-	-	-
Senior Management Service Band C (Level 15)	1	-	-	-	-	-	-
Total	391	19.6	71	17	28	8	9.2
			88		36		

Note: A transfer is when a Public Service Official moves from one department to another, on the same salary level.

For an indication of the various termination categories for the 36 staff members who have left the employ of the Department, please refer to **table 4.5.3** of this report.

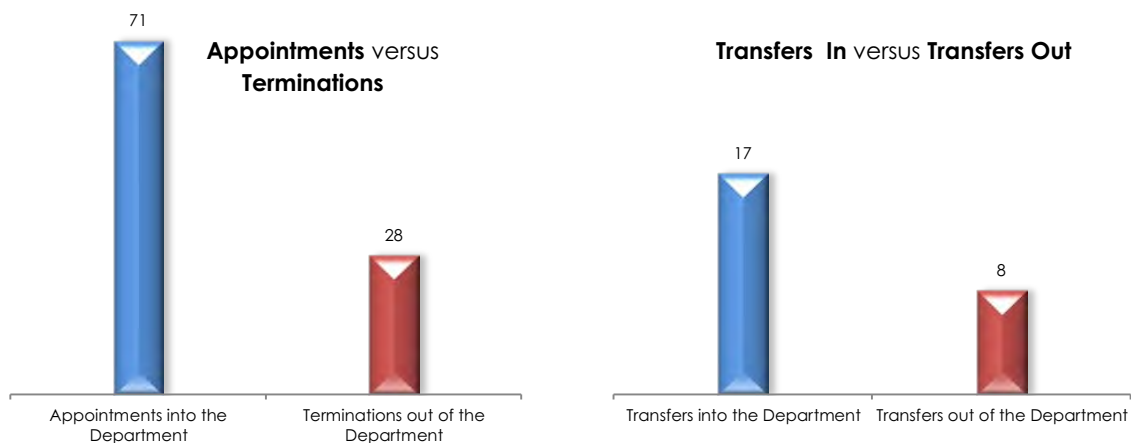


Table 4.5.2: Annual turnover rates by critical occupation, 1 April 2011 to 31 March 2012

Critical Occupation	Number of employees per critical occupation as at 31 March 2011	Turnover rate 2010/11	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2011/12
Engineer	14	50	-	-	3	-	21.4
Architect	4	75	-	-	2	-	50
Construction Project Manager	6	16.7	-	1	-	-	-
Total	24	45.5	-	1	5	-	20.8
			1		5		



Part 4: Human Resource Management

Table 4.5.3: Staff exiting the employ of the Department, 1 April 2011 to 31 March 2012

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2011
Death	1	2.8	0.3
Resignation *	10	27.8	2.6
Expiry of contract	12	33.3	3.1
Dismissal – operational changes	-	-	-
Dismissal – misconduct	1	2.8	0.3
Dismissal – inefficiency	-	-	-
Discharged due to ill-health	1	2.8	0.3
Retirement	3	8.3	0.8
Employee initiated severance package	-	-	-
Transfers to other Public Service Departments	8	22.2	2
Total	36	100	9.2

Note: Table 4.5.3 identifies the various termination categories for those staff members who have left the employ of the Department.

* Resignations are further discussed in tables 4.5.4 and 4.5.5.

Staff exiting the employ of the Department

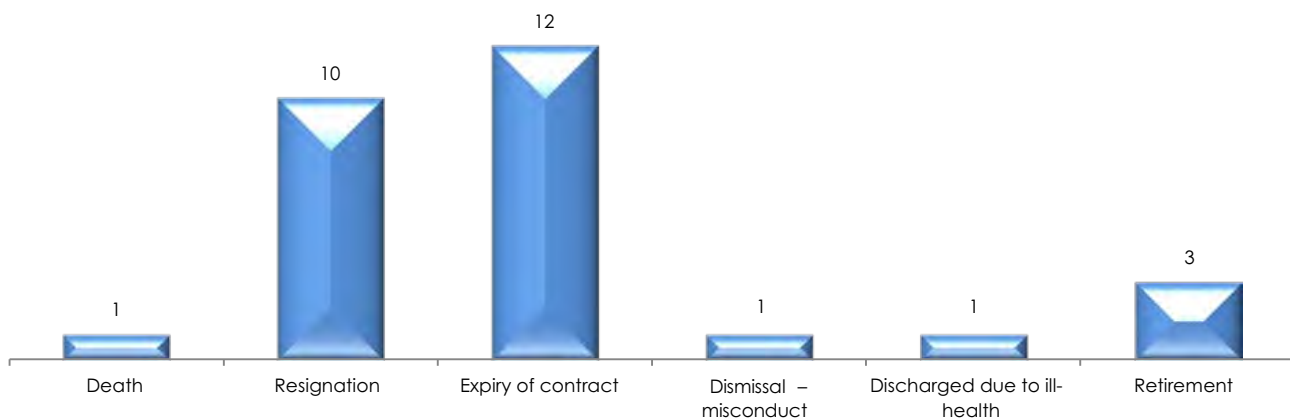


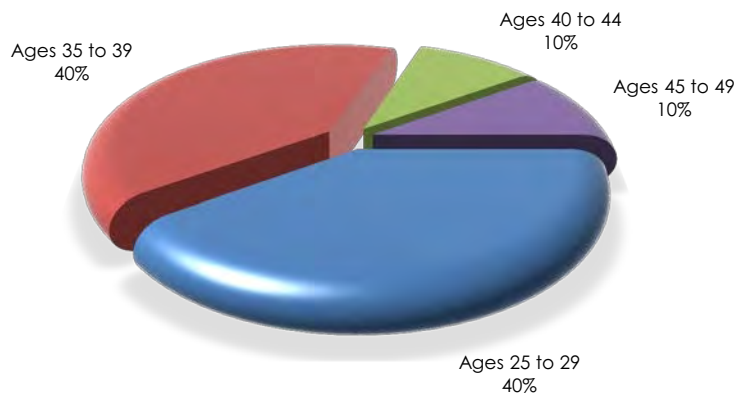
Table 4.5.4: Reasons why staff resigned, 1 April 2011 to 31 March 2012

Resignation Reasons	Number	% of total resignations
Better remuneration	8	80
Other occupation	1	10
Undisclosed	1	10
Total	10	100

Table 4.5.5: Different age groups of staff who resigned, 1 April 2011 to 31 March 2012

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	-	-
Ages 25 to 29	4	40
Ages 30 to 34	-	-
Ages 35 to 39	4	40
Ages 40 to 44	1	10
Ages 45 to 49	1	10
Ages 50 to 54	-	-
Ages 55 to 59	-	-
Ages 60 to 64	-	-
Ages 65 >	-	-
Total	10	100

Age distribution of staff who resigned





Part 4: Human Resource Management

Table 4.5.6: Granting of employee initiated severance packages by salary band, 1 April 2011 to 31 March 2012

Total Number of employee initiated severance packages in 2011/ 2012

None

Table 4.5.7: Promotions by salary band, 1 April 2011 to 31 March 2012

Salary Bands	Employees as at 31 March 2011	Promotions to another salary level	Promotions as a % of employees by salary band	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	16	-	-	8	50
Skilled (Levels 3-5)	111	3	2.7	77	69.4
Highly skilled production (Levels 6-8)	148	5	3.4	102	68.9
Highly skilled supervision (Levels 9-12)	103	6	5.8	74	71.8
Senior management (Levels 13-15)	13	1	7.7	-	-
Total	391	15	3.8	261	66.8

Table 4.5.8: Promotions by critical occupation, 1 April 2011 to 31 March 2012

Critical Occupations	Employees as at 31 March 2011	Promotions to another salary level	Promotions as a % of employees by salary band	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Engineer	14	-	-	6	42.9
Architect	4	-	-	2	50
Construction Project Manager	6	-	-	7	116.7
Total	24	-	-	15	62.5

Note: One of the Construction Project Managers was transferred into the Department on the same salary level and qualified to receive a notch increment after the transfer date. Therefore the % notch progressions by occupation for Construction Project Managers will reflect more than 100% of the group.

4.6. Employment Equity

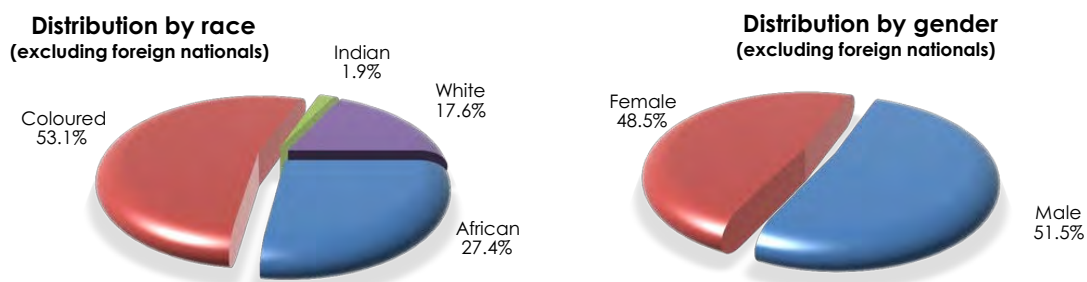
The following table provides a summary of the total workforce profile per occupational level. The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 4.6.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	1	-	1	1	-	1	-	-	-	-	4
Senior management (Level 13)	-	2	-	4	2	1	-	1	-	-	10
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	3	13	-	18	1	6	-	5	8	9	62
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	20	45	1	11	15	28	3	8	-	-	131
Semi-skilled and discretionary decision making (Levels 4-7)	28	44	1	10	39	71	2	15	-	-	210
Unskilled and defined decision making (Levels 1-3)	3	8	-	-	1	1	-	1	-	-	14
Total	55	112	3	44	58	108	5	30	8	9	431
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	55	112	3	44	58	108	5	30	8	9	431

Note: Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of 3 months or less.

The figures reflecting foreign nationals exclude non-citizens with permanent residency in the Republic of South Africa.



The current economically active demographic target for the Western Cape is; African - 29.7, Coloured - 51.2, Indian - 0.9 and White - 18.2 and male - 51.5, Female - 48.5



Part 4: Human Resource Management

Table 4.6.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	-	1	-	-	-	-	-	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	-	-	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making (Levels 4-7)	1	-	-	-	-	-	-	1	-	-	2
Unskilled and defined decision making (Levels 1-3)	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	-	-	-	-	-	1	-	-	3
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	1	1	-	-	-	-	-	1	-	-	3

Note: Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of 3 months or less.

The three disabled employees represent 0.72% of the Department's establishment. An action plan to meet the 2% target set by the Department of Public Service and Administration was signed-off shortly after the reporting period 2011/12. The Department is confident that this process will ensure an increase in the number of people with disabilities with the filling of advertised posts.

Table 4.6.3: Recruitment, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Level 13)	-	-	-	1	2	-	-	-	-	-	3
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	1	-	-	2	-	1	-	1	5	7	17
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	1	1	-	3	2	2	-	-	-	-	9
Semi-skilled and discretionary decision making (Levels 4-7)	2	12	-	1	9	15	1	2	-	-	42
Unskilled and defined decision making (Levels 1-3)	-	-	-	-	-	-	-	-	-	-	-
Total	4	13	-	7	13	18	1	3	5	7	71
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	4	13	-	7	13	18	1	3	5	7	71

Note: Recruitment refers to new employees, excluding transfers into the Department, mentioned in **table 4.5.1**.

The figures reflecting foreign nationals exclude non-citizens with permanent residency in the Republic of South Africa.



Part 4: Human Resource Management

Table 4.6.4: Promotions, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	-	-	-	1	-	-	-	-	-	-	1
Senior management (Level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid- management (Levels 11-12)	-	2	-	1	-	-	-	-	-	-	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	-	1	-	-	1	2	1	2	-	-	7
Semi-skilled and discretionary decision making (Levels 4-7)	1	1	-	-	1	-	-	1	-	-	4
Unskilled and defined decision making (Levels 1-3)	-	-	-	-	-	-	-	-	-	-	-
Total	1	4	-	2	2	2	1	3	-	-	15
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	1	4	-	2	2	2	1	3	-	-	15

Note: Promotions refer to the total number of employees promoted within the Department, mentioned in table 4.5.7.

Table 4.6.5: Terminations, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	1	-	-	-	-	-	-	-	3	2	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	-	1	-	1	1	1	-	-	-	-	4
Semi-skilled and discretionary decision making (Levels 4-7)	1	7	-	1	3	3	-	3	-	-	18
Unskilled and defined decision making (Levels 1-3)	-	-	-	-	-	-	-	-	-	-	-
Total	2	8	-	2	4	4	-	3	3	2	28
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	2	8	-	2	4	4	-	3	3	2	28

Note: Terminations refer to those employees who left the employ of the Department, excluding transfers to other departments, mentioned in **table 4.5.1**.

The figures reflecting foreign nationals exclude non-citizens with permanent residency in the Republic of South Africa.



Part 4: Human Resource Management

Table 4.6.6: Disciplinary actions, 1 April 2011 to 31 March 2012

Disciplinary Actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Total	1	-	-	-	-	-	-	-	-	-	1

Note: The disciplinary actions total refers to formal outcomes only. For further information on the outcomes of the disciplinary hearings and types of misconduct addressed at disciplinary hearings, please refer to **tables 4.13.2 and 4.13.3**.

Table 4.6.7: Skills development, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 14-15)	1	-	-	-	-	1	-	-	2
Senior management (Level 13)	-	2	-	3	-	1	-	-	6
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	3	3	-	6	-	3	-	1	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	7	10	-	1	10	10	1	5	44
Semi-skilled and discretionary decision making (Levels 4-7)	10	16	-	3	17	36	1	4	87
Unskilled and defined decision making (Levels 1-3)	1	1	-	-	-	-	-	-	2
Total	22	32	-	13	27	51	2	10	157
Temporary employees	-	-	-	-	-	-	-	-	-
Grand Total	22	32	-	13	27	51	2	10	157

Note: The above table refers to the total number of personnel who received training, and not the number of training courses attended by individuals. For further information on the actual training provided, please refer to **table 4.14.2**.

4.7. Signing of Performance Agreements by SMS Members

Table 4.7.1: Signing of Performance Agreements by SMS Members, as at 31 May 2011

SMS Level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100
Salary Level 14	3	2	2	100
Salary Level 13	13	9	9	100
Total	17	12	12	100

Note: The allocation of performance related rewards (cash bonus) for Senior Management Service is dealt with later in the report. Please refer to **table 4.9.3**.

Table 4.7.2: Reasons for not having concluded Performance Agreements with all SMS on 31 May 2011

Reasons for not concluding Performance Agreements with all SMS
All SMS Performance Agreements were signed by 31 May 2011.

Table 4.7.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2011

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
No disciplinary steps required, as all SMS Performance Agreements were signed by 31 May 2011.



Part 4: Human Resource Management

4.8. Filling of SMS Posts

Table 4.8.1: SMS posts information, as at 30 September 2011

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100	-	-
Salary Level 14	3	3	100	-	-
Salary Level 13	13	7	53.8	6	46.2
Total	17	11	64.7	6	35.3

Table 4.8.2: SMS posts information, as at 31 March 2012

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100	-	-
Salary Level 14	3	3	100	-	-
Salary Level 13	13	8	61.5	5	38.5
Total	17	12	70.6	5	29.4

Table 4.8.3: Advertising and Filling of SMS posts, as at 31 March 2012

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 after becoming Vacant	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
Head of Department	-	-	-
Salary Level 14	1	-	1
Salary Level 13	6	-	1
Total	7	-	2

Note: Of the seven SMS posts identified, two posts have been vacant for seven months and the Department is in the process of filling the vacancies. The interview process for one of the posts was concluded and the nominated candidate was approved by Cabinet during March 2012. The post was filled with effect from 01 April 2012. The remaining three posts not yet filled are discussed further in **table 4.8.4**.

Table 4.8.4: Reasons for not having complied with the filling of funded vacant SMS posts – Advertised within six months and filled within 12 months after becoming vacant

SMS Level	Reasons for non-compliance
Head of Department	Not applicable
Salary Level 14	
Salary Level 13	<p>Affordable Housing The post became vacant in the previous reporting period, and was advertised within six months of becoming vacant. However the department had to embark on a re-advertising process as the number of suitable candidates was limited. Wider media coverage was used to attract a wider range of potential candidates, but with no success as the number of candidates who applied was found unsuitable and the department could not proceed with the recruitment process. To address the challenge, approval was granted to utilise an external service provider and to follow a head-hunting process for a pool of highly-skilled professionals to be assessed and to make a suitable appointment to the post. (The department is confident that this process will ensure a successful appointment within the 2012/13 reporting period.)</p> <p>Policy and Research The post became vacant at the end of the previous reporting period, and was advertised within six months of becoming vacant. The department is currently in a process of compiling a short-list of suitable candidates and envisages filling the vacancy within the 2012/13 reporting period.</p> <p>Human Settlement Project Administration The post became vacant at the end of the previous reporting period, and was advertised within six months of becoming vacant. However, the candidates who applied were found unsuitable, and it was decided to re-advertise the post. The department is currently in a process of compiling a short-list of suitable candidates) and envisages filling the vacancy within the 2012/13 reporting period.</p>

Table 4.8.5: Disciplinary steps taken for not complying with the prescribed time-frames for filling SMS posts within 12 months

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months
No disciplinary steps were taken as all vacant SMS posts were advertised within the prescribed timeframes.



Part 4: Human Resource Management

4.9. Performance Rewards

To encourage good performance, the Department has granted the following performance rewards allocated to personnel for the performance period 2010/11, but paid in the 2011/12 financial year. The information is presented in terms of race, gender, and disability (Table 4.9.1), salary bands (table 4.9.2 and 4.9.3) and critical occupations (Table 4.9.4).

Table 4.9.1: Performance Rewards by race, gender, and disability, 1 April 2011 to 31 March 2012

Race and Gender	Advertising			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2011	% of total within group	Cost (R'000)	Average cost per beneficiary
African	36	103	35	251	R 6 963.57
Male	17	54	31.5	125	R 7 325.65
Female	19	49	38.8	126	R 6 639.60
Coloured	99	213	46.5	894	R 9 029.11
Male	43	113	38.1	423	R 9 832.00
Female	56	100	56	471	R 8 412.60
Indian	4	7	57.1	31	R 7 670.59
Male	-	3	-	-	-
Female	4	4	100	31	R 7 670.59
White	42	65	64.6	593	R 14 116.08
Male	21	36	58.3	377	R 17 954.52
Female	21	29	72.4	216	R 10 277.64
Employees with a disability	-	3	-	-	-
Total	181	391	46.3	1,768	R 9 768.66

Note: Special awards in terms of article 37(2)(C) are not included in the above figures. The table relates to performance rewards for the performance year 2010/11 and payments effected in the 2011/12 reporting period.

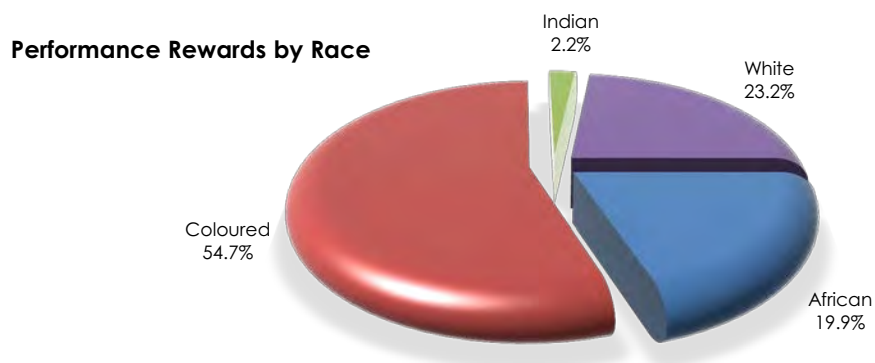


Table 4.9.2: Performance Rewards by salary band for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2011	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	3	16	18.8	9	R 3 071.55	0.01
Skilled (Levels 3-5)	50	111	45.0	234	R 4 684.38	0.2
Highly skilled production (Levels 6-8)	58	148	39.2	462	R 7 962.04	0.4
Highly skilled supervision (Levels 9-12)	66	103	64.1	867	R13 133.89	0.8
Total	177	378	46.8	1,572	R 8 881.74	1.4

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12, reflected in **table 4.2.2**.

Table 4.9.3: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 01 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2011	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	4	10	40	196	R 49 014.66	1.7
Senior Management Service Band B (Level 14)	-	2	-	-	-	-
Senior Management Service Band C (Level 15)	-	1	-	-	-	-
Total	4	13	30.8	196	R 49 014.66	1.7

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 13-16, reflected in **table 4.2.2**.

Please note that these performance awards were not linked to departmental performance, but allocated for specific projects.



Part 4: Human Resource Management

Table 4.9.4: Performance Rewards by critical occupations, 1 April 2011 to 31 March 2012

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2011	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Engineer	4	14	28.6	92	R 22 929.72	0.1
Architect	1	4	25	17	R 17 449.63	0.08
Construction Project Manager	1	6	16.7	14	R 13 813.06	0.01
Total	6	24	25	123	R 20 496.93	0.1

Note: The total cost as a percentage is calculated on the total personnel expenditure for salary levels 1-12, reflected in **table 4.2.2**.

4.10 Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary band and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 4.10.1: Foreign Workers by salary band, 1 April 2011 to 31 March 2012

Salary Band	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	10	100	17	100	7	41.2
Senior management (Levels 13-15)	-	-	-	-	-	-
Total	10	100	17	100	7	41.2

Note: The figures above exclude non-citizens with permanent residency in the Republic of South Africa.

Table 4.10.2: Foreign Workers by major occupation, 1 April 2011 to 31 March 2012

Major Occupation	1 April 2011		31 March 2012		Change	
	Number	% of total	Number	% of total	Number	% change
Architect	3	30	4	23.5	1	25
Engineer	7	70	1	5.9	-6	-85.7
Technical Advisor	-	-	12	70.6	12	100
Total	10	100	17	100	7	41.2

Note: The figures above exclude non-citizens with permanent residency in the Republic of South Africa.



Part 4: Human Resource Management

4.11. Leave Utilisation for the period 1 January 2011 to 31 December 2011

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 (Table 4.11.1) and incapacity leave (Table 4.11.2). In both cases, the estimated cost of the leave is also provided.

Table 4.11.1: Sick leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	74	90.5	9	10	90	8	18
Skilled (Levels 3-5)	904	75.2	106	127	83.5	9	353
Highly skilled production (Levels 6-8)	1 116	75.4	138	161	85.7	8	710
Highly skilled supervision (Levels 9-12)	663	77.7	90	147	61.2	7	747
Senior management (Levels 13-15)	35	68.6	10	17	58.8	4	101
Total	2 792	76.2	353	462	76.4	8	1,929

Note: The three year sick leave cycle started in 2010. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, please refer to **table 4.11.2**.

Table 4.11.2: Incapacity leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	10	-	-	-
Skilled (Levels 3-5)	9	100	2	127	1.6	5	4
Highly skilled production (Levels 6-8)	263	100	8	161	5	33	157
Highly skilled supervision (Levels 9-12)	-	-	-	147	-	-	-
Senior management (Levels 13-15)	63	100	1	17	5.9	63	99
Total	335	100	11	462	2.4	30	260

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his/her normal sick leave, the Employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA). Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the Employer's discretion, as provided for in the Leave Determination and PILIR.

With reference to the above table it should be noted that of the eleven employees who used incapacity leave, only two (2) employees left the service of the department as a result of ill-health. Although the figures reflected are for leave recorded during the 2011 calendar year, the SMS member indicated exited the department at the end of the previous reporting period 2010/11.

Table 4.11.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.11.3: Annual Leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days taken	Total number employees using annual leave	Total number employees using annual leave
Lower skilled (Levels 1-2)	208	10	21
Skilled (Levels 3-5)	1 960	117	17
Highly skilled production (Levels 6-8)	3 313	158	21
Highly skilled supervision (Levels 9-12)	2 576	120	21
Senior management (Levels 13-15)	264	14	19
Total	8 321	419	20



Part 4: Human Resource Management

Table 4.11.4: Capped leave, 1 January 2011 to 31 December 2011

Salary Bands	Total capped leave available as at 31 Dec 2010	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2011	Total capped leave available as at 31 Dec 2011
Lower skilled (Levels 1-2)	2	-	-	-	2	2
Skilled (Levels 3-5)	107	-	-	-	5	105
Highly skilled production (Levels 6-8)	2 817	29	9	3	56	2 196
Highly skilled supervision (Levels 9-12)	2 274	44	8	6	42	2 198
Senior management (Levels 13-15)	519	-	-	-	5	369
Total	5 719	73	17	9	110	4 840

Note: It is possible for the total amount of capped leave to increase/decrease as employees who were transferred into/out of the Department retain their capped leave credits, which form part of the departmental total.

The following table summarises payments made to employees as a result of leave that was not taken.

Table 4.11.5: Leave pay-outs, 1 April 2011 to 31 March 2012

Reason	Total Amount (R'000)	Average payment per incident	Number of incidents
Leave pay-outs for 2011/12 due to non-utilisation of leave for the previous cycle	80	R 19 909.96	4
Capped leave pay-outs on termination of service for 2011/12	167	R 55 629.99	3
Current leave pay-outs on termination of service 2011/12	105	R 15 029.56	7
Total	352	R 25 124.05	14
Total number of employees who received leave pay-outs			11

Note: Of the 11 individuals who received leave pay-outs, two employees exited the Department during the previous financial year 2010/11, but payments were effected in the current reporting period.

4.12. HIV and AIDS & Health Promotion Programmes

Table 4.12.1: Steps taken to reduce the risk of occupational exposure, 1 April 2011 to 31 March 2012

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p>The nature of the Department's work does not expose employees to increased risk of contracting HIV and AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.</p>	<p>HIV and AIDS Counselling and Testing (HCT), screenings and awareness campaigns were delivered in general. The outsourced Health and Wellness contract (Employee Assistance Programme [EAP]) provides employees, their children, partners, spouses or other household members with a range of services. These services include the following:</p> <ul style="list-style-type: none"> • 24/7/365 Telephone counselling • Face to face counselling (6 + 2 session model) • Trauma and critical incident counselling • Training and targeted interventions where these were required.

Table 4.12.2: Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information), 1 April 2011 to 31 March 2012

Question	Yes	No	Details, if yes
<p>1. Has the department designated a member of the SMS 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.</p>	✓		<p>Due to the corporatisation of the Employee Health and Wellness function, the Director: Organisational Behaviour, Pieter Kemp (Department of the Premier), fulfilled this role.</p>
<p>2. Does the department have a dedicated unit or has it designated specific staff members to promote the 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.</p>	✓		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven participating departments, including the Department of Human Settlements.</p> <p>A designated Employee Health and Wellness (EHW) unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and wellbeing of employees in the eleven departments.</p> <p>The unit consists of a Deputy Director, three Assistant Directors, three team members and one intern.</p> <p>Budget : R3,5m</p>



Part 4: Human Resource Management

Question	Yes	No	Details, if yes
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		<p>The Department conducted interventions namely, Understanding and Managing Stress, Understanding and Managing Life Transitions and Manager Wellness Referral Coaching for all employees. These interventions were planned based on the trends reported quarterly through the Employee Assistance Programme (EAP) reports provided by the service provider, ICAS, for the period 2011/12. The reports were based on the utilisation of the EAP services and management information in order to target appropriate interventions to address these trends.</p> <p>The targeted interventions were aimed at improving employee engagement through awareness and educational interventions that promote healthy lifestyles and coping skills. This involves presentations to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. The above-mentioned interventions were conducted for all employees, including managers and supervisors.</p> <p>The Department also provided information sessions, as requested by various departments in the Provincial Government Western Cape (PGWC) to inform PGWC employees of the EHW service and how to access the Employee Assistance Programme (EAP). Promotional material such as pamphlets, posters and brochures were distributed.</p>
4. Has the department established a committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>A new Health and Wellness Steering Committee has been established with members nominated by each department. Committee members are:</p> <ul style="list-style-type: none"> • Agriculture: M Ferreira and H Jordaan (DJ) • Community Safety: A Brink; Simon Sekwadi & C Coetzee • Cultural Affairs: S Julie • Economic Development & Tourism: C Julies & P Martin • Environmental Affairs & Development Planning: M Kroese & P Visser • Health: S Newman & N van der Walt • Human Settlements: J Roberts & S Moolman • Local Government: F Matthee & W Bingham • Premier: P Kemp & Z Norushe • Provincial Treasury: B Damons • Social Development: T Mtheku • Transport & Public Works: C Marx & K Love • Western Cape Education: R Oosthuizen & C Pierce
5. Has the department reviewed its employment policies and practices 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.	✓		<p>The Transversal Management Framework for Employee Assistance Programmes in the Western Cape Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p> <p>DPSA developed several national policy documents in 2007/8 that govern EHW in the Public Service and that coordinate the programmes and services in a uniform manner.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>During the period under review, the Department of the Premier developed a Transversal Employee Health and Wellness policy. The draft document is being consulted.</p> <p>Further to this, the Department of Health is currently reviewing the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments. The document is in the last stages of consultation to ensure alignment of all four pillars of the EHW Strategic Framework of 2008.</p>

Question	Yes	Details, if yes
<p>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.</p>	✓	<p>The Department implemented existing legislative and policy frameworks as well as Monitoring and Evaluation guidelines, which have been developed by DPSA. The overarching aim of these frameworks is to protect HIV-positive employees by advocating the implementation of the Three Zeros in line with the Joint United Nations Programme on HIV and AIDS (UNAIDS). These are Educational programmes and information sessions developed to eradicate stigma and discrimination and to raise awareness through:</p> <ul style="list-style-type: none"> • Zero new HIV, STI and TB infections • Zero deaths associated with HIV and TB • Zero discrimination <p>The Department has embarked on the HIV and AIDS counselling and Testing (HCT) campaign to intensify DPSA 'Know Your Epidemic and Know Your Response' campaign throughout the Western Cape.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> • Reduce HIV and TB discrimination in the workplace. This includes campaigns against unfair discrimination and empowerment of employees. • Reduce unfair discrimination in access to services. This includes ensuring that the Employee Relations Directorate addresses complaints or grievances and provides training to employees. <p>Other key elements that addressed anti HIV and AIDS discrimination issues were: Awareness Raising Programmes that were conducted, posters and pamphlets were distributed, HCT campaigns, condom distribution, and spot talks (speak out session by HIV and AIDS positive representatives).</p>
<p>7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.</p>	✓	<p>HCT SESSIONS</p> <p>The following screening sessions were conducted: Blood pressure, Glucose, Cholesterol, TB, Eye test, BMI (body mass index) and spot talks.</p> <ul style="list-style-type: none"> • The Departments of Human Settlements together with Local Government participated in 12 screening sessions. • 139 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's). • Six employees tested positive for TB and were referred for further clinical diagnosis. • Six employees were referred for STI screening. • Three employees tested positive for HIV.
<p>8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.</p>	✓	<p>The impact of health promotion programmes is indicated through information provided via the Employee Health and Wellness Contract (external EAP service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by the External Service Provider. The most recent annual health review period was 1 April 2011 – 31 March 2012. An Annual Health Report has been provided for six (ICAS) Departments and an overview of all the six Departments have been compiled in one presentation.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, no. of cases.</p> <p>The review further provides amongst others service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the work place.</p>



Part 4: Human Resource Management

4.13. Labour Relations

The following collective agreements were entered into with trade unions within the Department.

Table 4.13.1: Collective agreements, 1 April 2011 to 31 March 2012

Total collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 4.13.2: Misconduct and disciplinary hearings finalised, 1 April 2011 to 31 March 2012

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	-	-
Final written warning	-	-
Suspension without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal/ desertion	1	100
Not guilty	-	-
Case withdrawn	-	-
Total	1	100
Percentage of total employment		0.2

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 4.13.3: Types of misconduct addressed at disciplinary hearings, 1 April 2011 to 31 March 2012

Type of misconduct	Number	% of total
Absenteeism	1	100
Total	1	100

Table 4.13.4: Grievances lodged, 1 April 2011 to 31 March 2012

Grievances lodged	Number	% of total
Number of grievances resolved	3	37.5
Number of grievances not resolved	5	62.5
Total number of grievances lodged	8	100

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers to cases finalised, but where the outcome was not in favour of the aggrieved and found to be unsubstantiated.

Table 4.13.5: Disputes lodged with Councils, 1 April 2011 to 31 March 2012

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	-	-
Number of disputes dismissed	1	100
Total number of disputes lodged	1	100

Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC).

Table 4.13.6: Strike actions, 1 April 2011 to 31 March 2012

Strike actions	Number
Total number of person working days lost	0.5
Total cost (R'000) of working days lost	0.1
Amount (R'000) recovered as a result of no work no pay	-

Note: Strike actions include participation in organised marches. Accordingly absences could only reflect the number of hours of strike-related absences. The total cost for working days lost will be recovered during the 2012/13 reporting period.

Table 4.13.7: Precautionary suspensions, 1 April 2011 to 31 March 2012

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

Note: Precautionary suspensions refer to staff being suspended with pay while the case is being investigated.



Part 4: Human Resource Management

4.14. Skills Development

This section highlights the efforts of the Department with regard to skills development. The tables reflect the training needs as at the beginning of the period under review, and the actual training provided.

Table 4.14.1: Training needs identified, 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	3	-	1	-	1
	Male	8	-	1	-	1
Professionals	Female	12	-	12	-	12
	Male	37	-	15	-	15
Technicians and associate professionals	Female	70	-	25	-	25
	Male	57	-	15	-	15
Clerks	Female	86	-	27	-	27
	Male	47	-	17	-	17
Service and sales workers	Female	6	-	-	-	-
	Male	20	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	3	-	-	-	-
	Male	25	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	1	-	8	-	8
Elementary occupations	Female	4	-	-	-	-
	Male	12	-	-	-	-
Sub Total	Female	184	-	65	-	65
	Male	207	-	56	-	56
Total		391	-	121	-	121
Employees with disabilities	Female	-	-	-	-	-
	Male	-	-	-	-	-

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Work Place Skills Plan.

Table 4.14.2: Training provided, 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	-	8	-	8
	Male	9	-	6	-	6
Professionals	Female	25	-	7	-	7
	Male	48	-	16	-	16
Technicians and associate professionals	Female	75	-	20	-	20
	Male	52	-	26	-	26
Clerks	Female	91	-	97	-	97
	Male	50	-	22	-	22
Service and sales workers	Female	7	-	9	-	9
	Male	21	-	17	-	17
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	3	-	4	-	4
	Male	27	-	3	-	3
Plant and machine operators and assemblers	Female	1	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	12	-	2	-	2
Sub Total	Female	211	-	145	-	145
	Male	221	-	92	-	92
Total		432	-	237	-	237
Employees with disabilities	Female	1	-	-	-	-
	Male	2	-	-	-	-

Note: The above table identifies the number of training courses attended by individuals during the period under review.



Part 4: Human Resource Management

4.15. Injury On Duty

The following tables provide basic information on injury on duty.

Table 4.15.1: Injury on duty, 1 April 2011 to 31 March 2012

Nature of injury on duty	Number	% of total
Required basic medical attention only	-	-
Temporary Disablement	2	100
Permanent Disablement	-	-
Fatal	-	-
Total	2	100
Percentage of total employment		0.4

4.16. Utilisation Of Consultants

Table 4.16.1: Report on consultant appointments using appropriated funds, 1 April 2011 to 31 March 2012

Project Title	Total number of consultants that worked on the project	Duration: Work days/ weeks/ months	Contract value in Rand
PWC - Housing Demand Database	3	12 months	R2 196 000
BKS - Our Pride project, Eerste River	2	5 months	R375 000
ARIYA – Thembelihle Project, Pelican park	3	12 months	R89 000
ICAS - Employment Assistance Programme.	1	8 months	<ul style="list-style-type: none"> • R300 p/session (Telephonic counselling) • R300 p/session (Life Management Support) • R700 p/session (F2F Counselling-individual & group off-site) • R1000 p/hour on site (Group trauma debriefing) • R1500 p/case (Financial debt & Garnishee Management) • R400 p/session (Managerial Consultancy) • R300 p/report (Formal referral report) • R2000 (Monthly fee for toll-free)
Bertie van Zyl - Contextual mapping , Penhill Farms.	1	2 weeks	R 48 000
Biff Lewis Geomatics- re-subdivision of erven , Delft symphony precinct 3,4	1	3 months	R 200 000
SOREASO - Research - Steenberg Social Housing	1	2 weeks	R 52 000
ARCUS GIBB - Study on transfer of ownership & issuing of title deeds to subsidy housing beneficiaries in the Western Cape.	1	7 months	R 1 368 000
Total number of Projects	Total individual consultants	Total duration of work days	Total Contract value in Rand
8	13	48 months	R4 328 000



Part 4: Human Resource Management

Table 4.16.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2011 to 31 March 2012

Project Title	Name of service provider	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
PWC - Housing Demand Database	Price WaterHouse Coopers	18	10	0
BKS - Our Pride project, Eerste River	BKS (Pty) Ltd	22	10	2
ARIYA – Thembelihle Project, Pelican Park	Ariya Project Managers	100	100	3
Bertie van Zyl - Contextual mapping, Penhill Farms	Bertie van Zyl - Contextual mapping, Penhill Farms Bertie van Zyl	20	20	0
SOREASO - Research - Steenberg Social Housing	Soreaso	60	60	1
ARCUS GIBB - Study on transfer of ownership & issuing of title deeds to subsidy housing beneficiaries in the Western Cape.	Arcus Gibb	67	0	1

Table 4.16.3: Report on consultant appointments using Donor funds, 1 April 2011 to 31 March 2012

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None.			
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
None.			

Table 4.16.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2011 to 31 March 2012

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None.			



Part 5: Other Information



Part 5: Other Information

Abbreviations & Acronyms

AFS	Annual Financial Statement
AGSA	Auditor General of South Africa
AOD	Admission of Debt
BAS	Basic Accounting System
CARA	Criminal Asset Recovery Fund
CSC	Corporate Services Centre
CoCT	City of Cape Town
CRU	Community Residential Unit
CTA	Cuban Technical Advisors
CTHCH	Cape Town Community Housing Company
DoLG	Department of Local Government
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EAP	Employee Assistance Programme
EHWP	Employee Health and Wellness Programme
EEDBS	Extended Enhanced Discount Benefit Scheme
ERM	Enterprise wide Risk Management
EWH	Employee Health and Wellness
FIFO	First In First Out
FIU	Forensic Investigating Unit
GG	Government Garage
GMT	Government Motor Transport
GPSSBC	General Public Service Sector Bargaining Council
HCE	Housing Consumer Education
HCT	HIV Counselling and Testing
HDA	Housing Development Agency
HDDIP	Housing Demand Data Improvement Programme
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
HSDG	Human Settlements Development Grant
HSS	Housing Subsidy System
ICAS	Independent Counselling and Advisory Services
IDP	Integrated Development Plan
IGR	Inter-governmental Relations
IHSD	Integrated Housing and Human Settlement Development
IRDP	Integrated Rural Development Plan
i.r.o.	in respect of
IYM	In-year Monitoring
LRC	Legal Resource Centre
LOGIS	Logistical Information System
LRA	Labour Relations Act
LRC	Legal Resource Centre

MEC	Member of Executive Council
NDoHS	National Department Human Settlements
OSD	Occupational Specific Dispensation
PAA	Public Audit Act
PFMA	Public Finance Management Act
PGWC	Provincial Government Western Cape
PHP	People's Housing Process
PLS	Project Linked Subsidy
PMO	Portfolio Management Office
PMU	Project Management Unit
PPM	Portfolio Project Management
PPP	Public Private Partnerships
PRT	Professional Resource Teams
PSCBC	Public Service Co-ordinating Bargaining Council
QPR	Quarterly Performance Report
RoD	Record of Decision
RDP	Reconstruction and Development Property
RM	Regional Managers
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SIU	Special Investigation Unit
SMS	Senior Management Service
SOHCC	Social Housing Community Company
SOP	Standard Operating Procedure
UISP	Upgrading of Informal Settlements Programme
USDG	Urban Settlements Development Grant
WCHDB	Western Cape Housing Development Board
WCHddb	Western Cape Housing Demand Data Base
WCHDF	Western Cape Housing Development Fund
PGWC	Provincial Government Western Cape



Part 5: Other Information

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