



**Western Cape  
Government**

Human Settlements



**Annual Report 2017/18**  
Department of Human Settlements



Department of  
Human Settlements

**Western Cape**

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**ANNUAL REPORT  
2017/18 FINANCIAL YEAR**

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## 1. DEPARTMENT'S GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS

<b>AFS</b>	Annual Financial Statements	<b>IRT</b>	Intergrated employee health and wellness Reporting Tool
<b>AGSA</b>	Auditor General of South Africa	<b>ISSP</b>	Informal Settlement Support Plan
<b>AO</b>	Accounting Officer	<b>KPA</b>	Key Performance Area
<b>APP</b>	Annual Performance Plan	<b>LCT</b>	Legal Compliance Tool
<b>BAC</b>	Bid Adjudication Committee	<b>LRA</b>	Labour Relations Act
<b>BCP</b>	Business Continuity Plan	<b>MEC</b>	Member of Executive Council
<b>BEC</b>	Bid Evaluation Committee	<b>MOA</b>	Memorandum of Agreement
<b>BNG</b>	Breaking New Ground	<b>MPAT</b>	Management Performance Assessment Tool
<b>CD</b>	Chief Director	<b>MTSF</b>	Medium Term Strategic Framework
<b>CETA</b>	Construction Education and Training Authority	<b>NDoHS</b>	National Department of Human Settlements
<b>CFO</b>	Chief Financial Officer	<b>NDP</b>	National Development Plan
<b>CoCT</b>	City of Cape Town	<b>NGO</b>	Non-Government Organisation
<b>CPC</b>	Construction Procurement Centre	<b>OHASA</b>	Occupational Health & Safety Act
<b>CRU</b>	Community Residential Units	<b>OHS</b>	Occupational Health & Safety
<b>CSC</b>	Corporate Services Centre	<b>PAJA</b>	Promotion of Administrative Justice Act
<b>D: ERM</b>	Directorate Enterprise Risk Management	<b>PDO</b>	Predetermined Objectives
<b>DHS</b>	Department Human Settlements	<b>PERMIS</b>	Performance Management Information System
<b>DORA</b>	Division of Revenue Act	<b>PERSAL</b>	Personnel Salary
<b>DoTP</b>	Department of the Premier	<b>PFMA</b>	Public Finance Management Act
<b>DPME</b>	Department of Planning, Monitoring and Evaluation	<b>PFS</b>	Provincial Forensic Services
<b>DPSA</b>	Department of Public Service and Administration	<b>PHP</b>	People's Housing Process
<b>DTPW</b>	Department of Transport and Public Works	<b>PILIR</b>	Policy on Incapacity Leave and Ill-Health Retirement
<b>EEDBS</b>	Enhanced Extended Discount Benefit Scheme	<b>PSCBC</b>	Public Service Coordinating Bargaining Council
<b>EHP</b>	Emergency Housing Programme	<b>PSRMF</b>	Public Sector Risk Management Framework
<b>EHW</b>	Employee Health and Wellness	<b>PT</b>	Provincial Treasury
<b>EHWP</b>	Employee Health and Wellness Programme	<b>SAWIC</b>	South African Women in Construction
<b>EPWP</b>	Expanded Public Works Programme	<b>SCM</b>	Supply Chain Management
<b>ERM</b>	Enterprise Risk Management	<b>SCOPA</b>	Standing Committee on Public Accounts
<b>ERMCO</b>	Enterprise Risk Management Committee	<b>SDIP</b>	Service Delivery Improvement Plan
<b>ESS</b>	Enhanced Service Site	<b>SHEQ</b>	Safety Health Environment and Quality
<b>FLISP</b>	Finance Linked Individual Subsidy Programme	<b>SHERQ</b>	Safety, Health, Environment, Risk, and Quality
<b>GAP</b>	Governance Action Plan	<b>SITS</b>	Supplier Invoice Tracking System
<b>GIS</b>	Geographic Information System	<b>SMS</b>	Senior Management Service
<b>GPSSBC</b>	General Public Service Sector Bargaining Council	<b>SMT</b>	Systems Monitoring Tool
<b>HCT</b>	HIV/AIDS Counselling and Testing	<b>SOP</b>	Standing Operating Procedure
<b>HDI</b>	Historically Disadvantaged Individuals	<b>TOR</b>	Terms of Reference
<b>HOD</b>	Head of Department	<b>UISP</b>	Upgrading of Informal Settlements Programme
<b>HSDG</b>	Human Settlement Development Grant	<b>UPS</b>	Unlimited Power Supply
<b>HSRC</b>	Human Sciences Research Council	<b>WCDHS</b>	Western Cape Department of Human Settlements
<b>HSS</b>	Housing Subsidy System	<b>WCG</b>	Western Cape Government
<b>ICT</b>	Information, Communication and Technology	<b>WCHDF</b>	Western Cape Housing Development Fund
<b>IDP</b>	Integrated Development Plans	<b>WCSD</b>	Western Cape Suppliers' Database
<b>IRDP</b>	Integrated Residential Development Programme		



### 3. FOREWORD BY THE PROVINCIAL MINISTER OF THE DEPARTMENT

The recent rise in housing protests have highlighted the demand for housing in the Province and the country, and the importance of getting our priorities right when allocating houses. We need to ensure that the principle of first come, first served is respected, and addresses the anomaly that we've seen when many people on the waiting list, mostly backyarders, are ignored, but the attention is given to many who are not even on the waiting list.

In light of this, I would like to reiterate our commitment to three strategic priorities, which aims to help more people to live in a dignified manner:

1. Upgrade informal settlements;
2. Increase affordable housing and provision of GAP housing market opportunities; and
3. Prioritise the most deserving for free subsidised housing.

Performance during the 2017/18 financial year on these priorities are listed below:

#### 1. Upgrade informal settlements

As part of our departmental strategy the Department continues to prioritise the upgrading of informal settlements and the delivery of serviced sites. This year saw the Department deliver 9 773 serviced sites against a target of 7 860, which is a 24% over-achievement. In light of our upgrading programmes, the Department can report that the Informal Settlements Support Plan (ISSP) is being implemented and the objectives of this plan are being realised.

#### 2. Increase affordable housing and provision of GAP housing market opportunities

Catalytic projects, which is a key focus for this Department, have all been actioned, and are at various stages of implementation. By 2022, approximately 100 504 housing opportunities, which includes affordable housing opportunities, will have been delivered to beneficiaries through this programme.

Apart from these projects the Department also worked tirelessly towards its land release projects as a measure to introduce, and stimulate, affordable housing opportunities to the GAP and FLISP income markets. With this goal in mind, the Department has enhanced its land release programme and made a number of land parcels, equating to 133.29 hectares, available for development (as outlined in a table later in this document). We have also fully implemented our Partnership Strategy, and have embarked on an initiative to register potential partners on our databases and developed a Standard Operating Procedure that will guide the work we will do in this regard. The next step will

be to enter into agreements with these partners so that collective efforts can be directed towards Affordable Housing.

### **3. Prioritise the most deserving for free subsidised housing**

Overall the Department delivered a total of 19 985 housing opportunities for the year under review, surpassing its' intended output by 5%. This achievement is largely due to our many engagements with municipalities and the service providers that support delivery. This past year saw the Department embarking on focused roadshows and capacity building workshops to ensure that all our stakeholders are on the same strategic trajectory as us. In this way bringing together collective efforts for a common goal.

Significantly, during the 2017/18 financial period an impressive 64% of the HSDG (R1 433 530 980) was allocated to HDI contractors. This is demonstrative of our determination to empower these contractors as a component pool of housing entrepreneurs that will for future generations create sustainable human settlements. We also recognise that a great part of empowerment starts with skills facilitation and job creation. In this regard, the Department trained 132 young people during this financial year, ensuring that our youth is equipped with the skills and competencies to become contributors to our growing economy and are self-sustainable. As we focus on sustainability and resilience of our communities we made a concerted effort to reduce poverty and unemployment in the Province and facilitated 1 735 job opportunities, far above our 400 target.

In conclusion, I would like to acknowledge the efforts made by the management team and staff of the Department, who work tirelessly to assist individuals and families with the provision of housing opportunities. To our partners, municipalities, contractors, sister departments, thank you for helping us provide a dignified life to our citizens.



**Bonginkosi Madikizela**  
**Provincial Minister of the Department of Human Settlements**  
**Western Cape Government**





## 4. REPORT OF THE ACCOUNTING OFFICER

### Introduction

During the 2017/18 financial year, the Department received an unqualified Financial Audit Report consecutively, since 2013/14. Furthermore, the year under review represents the fourth year of the five-year mandate of this provincial administration. In 2017/18, the Department expressed its commitment to the Provincial Strategic Goals and the National Outcomes by successfully implementing a number of programmes that support these strategies. While challenges have been experienced in terms of organisational restructuring and actual delivery, the Department has endeavored to put measures in place to ensure that it delivers on its mandate. The following is an account of some of the highlights and challenges experienced by the Department during the year under review, in terms of its strategic objectives.

### 1. Enhanced efficiency and effectiveness of the provincial Department of Human Settlements

The MPAT process requires that the senior management of the Department conduct a self-assessment against a range of standards. This results in improved management practices and ultimately service delivery. For the financial year under review, the Department achieved a level 3 MPAT rating. While this rating indicates that the Department is compliant with MPAT prescripts and standards, it is a regression from previous years. For this reason, the Department has implemented an improvement plan, to again achieve a level 4 MPAT rating and to mitigate some of the findings raised during the process. The Department is confident that it will regain its level 4 rating in the forthcoming cycle.

### 2. Improved functionality, efficiencies and resilience of human settlements municipal support

The Department supports local municipalities in planning for housing and human settlements. Support revolves around development of human settlement plans, development and reviews of human settlement pipelines; the actual town planning and project packaging work with the housing and spatial planning unit of the municipalities. Furthermore, the Department also provides input into the Integrated Development Plans of municipalities aimed at ensuring that projects feed into the Departmental Business Plan. Municipalities are further supported to enhance regional and transversal planning to improve sequencing of interventions by different departments. Importantly, support is also rendered to drive projects in order to ensure delivery and create better living conditions for all the communities in the Western Cape.

#### 2.1. Research Projects

In terms of the Department's research studies, a number of research papers were concluded in 2017/18, which will assist in the implementation of human settlement delivery. The Department overachieved on the target of two (2) and produced three (3) research papers. The following research papers were concluded:

- A review of the implementation of subsidized rent-to-buy units with a focus on the Institutional Housing Subsidy Programme (IHSP);
- An investigation of the inclusion of health related objectives and intended outcomes in human settlement policy in the Western Cape Province, with a focus on informal settlements; and

- A research report on how BNG top structure subsidies have been used to create viable sectional title developments in certain Integrated Residential Development Programme (IRDP) projects.

## **2.2. Policy and Policy Guidelines**

The Department revised the Enhanced Serviced Site Policy Guidelines to address concerns raised by contractors increasing the cost of inputs, such as building materials, infrastructure equipment and labour. The new guidelines also introduces efficient building technologies aimed at strengthening local material supply and skills development.

The Department developed the Water Crisis Response Policy Guideline for the Western Cape. The Policy provides guidance on the implementation of water demand and supply management measures in subsidy housing projects, and a funding channel is established to cover the extra costs of providing these measures.

## **2.3. Partnerships**

The Department has finalised the Departmental Partnership Strategy during the 2016/17 period, which aims to create, maintain and promote sustainable partnerships. Subsequently, the Department advertised an Expression of Interest during the 2017/18 financial year, inviting potential partners, including the private sector to submit and register details of potential Affordable Housing projects and initiatives. The inputs have resulted in a Framework Agreement, and the registered stakeholders will be approached on a needs basis during 2018/19, for possible partnership opportunities. During 2017/18, the Department also developed a Standard Operating Procedure (SOP) to support the efficient management of the intended partnership opportunities.

## **2.4. The Living Cape Framework**

Previously known as the Western Cape Human Settlement Framework, the 'Living Cape - A Human Settlement Framework' is aimed at transitioning from the current housing delivery model to an integrated approach to service delivery, ultimately strengthening the enabling role of government. The Framework proposes three key focus areas namely integration, delivery and governance guidance. A number of possible 'test beds' (pilot studies) are listed under each of these. Currently, three test beds have been selected i.e.

- Public Infra-structure activation;
- Area-based planning; and
- Brownfields development and portfolio approach (Kosovo).

These test beds will be implemented by identified key provincial departments, stakeholders and through partnerships.

Other core areas will be investigated for future test beds to be considered. The outcomes of the test beds will serve as a 'blue-print' for similar future projects, influence policy and identify possible levers to encourage partnerships with communities and the private sector. This framework emphasises the changing role of the state in the delivery of human settlements, from that of a provider to an enabler.



### 3. Improve living conditions of beneficiaries through the Upgrading of the Informal Settlements Programme (UISP)

The roll out of the Informal Settlement Support Plan (ISSP) received priority attention during this financial year. Municipalities were supported to integrate upgrading of informal settlements into their project pipelines. Assistance has been rendered with project packaging and to fast-track planning approvals by relevant departments. An Informal Settlement Support Forum has been established, which monitors progress, renders support and introduces municipalities to new innovations in informal settlement upgrading. Representatives of all provincial Departments also serve on a Champions Forum to clarify the roles, support and actions required to mainstream activities into their operations and budgets.

A call was made to non-governmental organisations to register on the Departmental database. Eight NGO's have been contracted to assist in conducting social facilitation and mobilisation, community surveys, data collection, skills development, conflict resolutions, networking and brokering. The NGO's will serve as intermediaries in communities and support the Department and municipalities to plan and action the in-situ upgrading of informal settlements based on the specific needs of each municipality and settlement.

### 4. Accelerated housing opportunities

The Department has delivered **19 985 human settlements opportunities** against a target of 18 954, for the 2017/18 financial year. A breakdown of the performance is provided in the table below:

Description	Target	Actual
Housing units	11 094	10 212
Serviced sites	7 860	9 773
<b>Total opportunities</b>	<b>18 954</b>	<b>19 985</b>

While the Department over exceeded its targets on sites, it did not meet its targets in terms of housing units. This was due to issues such as community unrest, protests, labour demands, gangsterism and vandalism, to name a few. Further reasons are elaborated in Part B pertaining to the Performance Information of Programme 3. The Department is committed to improving its performance and has developed several mitigation strategies to improve delivery.

### 5. Improved living conditions of beneficiaries by promoting ownership of property

Concerted efforts have been made to ensure that our beneficiaries receive full ownership title deeds to their houses. During the period under review, the Department ensured that **9 793** title deeds was transferred to beneficiaries against a target of 7 000. This achievement can be attributed to the allocation of a dedicated team tasked to expedite the transfer of title deeds through the title deed restoration program. Going forward, the Department hopes to maintain this momentum.

### 6. Promote innovation and the better living concept

#### 6.1. Innovative Technologies

The Department recognises that innovation in construction technologies will pave the way for improved human settlement sustainability. Considering alternative building methods will result in more energy efficient human settlements, culminating in environmental and economic benefits to

both the environment and the beneficiaries. In the past financial year, the Department demonstrated this commitment by building **2 288 units with innovative technologies** incorporated into the construction. This is a significant overachievement against the target of 600 and demonstrates concerted efforts to promote innovation and the better living concept.

## 6.2 Belhar CBD

Within the ambit of 'better living' the Belhar CBD is a mixed-use, mixed tenure, high density residential project. This phased development will consist of approximately 4 188 units that comprises various types of residential units and forms of tenure and is scheduled to be completed by 2021. To date, **629** social housing units have been developed and a further 230 social housing units are being planned for. This site also makes provision for a 550 bed regional hospital.

## 7. Facilitate job creation and empowerment opportunities

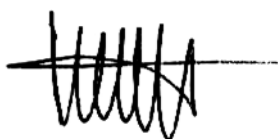
Our determination and drive to empower the historically disadvantaged resulted in **64%** of the Human Settlements Development Grant (HSDG) benefiting contractors with HDI representation. This implies that **R1 433 530 980** was awarded to black owned enterprises and is expressive of our efforts to achieve the objective of economic transformation, which ultimately seeks to benefit the majority of South Africans.

Our resolve to empower youth resulted in **132 young people trained** in various disciplines within the built environment. The target was exceeded due to the successful interventions of the Department that led to more funding being received from the Construction Education and Training Authority (CETA).

In addition, **1 735 job opportunities** were created against a target of 400. This is a significant over achievement and reflective of the Department's drive to ensure that the creation of job opportunities forms part of the human settlements delivery chain. Not only do we want to provide human settlements that are resilient, but also ensure that the communities become self-sustainable and enjoy a full quality of life through such job opportunities.

## Conclusion

As we move forward to the new financial year we are aware of the challenges of the past and the future and will continue to seek lasting solutions that will positively contribute towards the effective reduction of backlogs, providing communities with human settlements that are sustainable, integrated and resilient.



**Thando Mguli**  
**Accounting Officer**  
**Department of Human Settlements**  
**Western Cape Government**



## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING 31 MARCH 2018

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

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury.

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the annual financial statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the Department for the financial year ended 31 March 2018.

**Yours faithfully**

**Thando Mguli**  
**Accounting Officer**  
**Department of Human Settlements**  
**Western Cape Government**

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

Residents of the Western Cape have access to liveable, accessible, safe and multi-opportunity settlements.

### 6.2 Mission

The mission for the Department of Human Settlements is:

- To provide settlements that offer good basic and socio-economic services;
- To offer a range of rental and ownership options that respond to the varied needs and income of households; and
- To consistently improve settlements through joint citizen and government efforts supported by private sector contributions.

The Department is committed to accelerating delivery, while promoting social cohesion through the development of integrated and sustainable human settlements in an open society.

### 6.3 Values

The Department of Human Settlements' values are aligned to the Batho Pele principles, as well as those of the Western Cape Government. The Department has unpacked the values to make them more specific to the mandate of the Department:

**Competence** – focused on developing staff, systems and processes that are fit-for-purpose to ensure the Department functions optimally to deliver on its mandate and achieve its strategic goals and objectives.

**Accountability** – being open and transparent about what we want to achieve, and about our performance against our pre-determined objectives.

**Integrity** – acting honestly and in the best interests of the Department, the taxpayers and the public we serve, taking proactive steps to improve governance and prevent and act against corruption and maladministration.

**Responsiveness** – ensuring that the human settlements we promote, enable and facilitate, responds to the needs of our customers, and that we treat stakeholders with respect by consulting them in good faith, keeping them informed, and respond to applications, complaints, queries and requests timeously and appropriately.



**Caring** – treating people with empathy in responding to their needs, prioritising the needs of the most vulnerable in our society when we select projects to fund, and ensuring that municipalities do the same with the selection of beneficiaries.

**Innovation** – to be open to new ideas and develop creative solutions to challenges in a resourceful way.

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 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 realization 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 is made, after considering all the relevant circumstances.

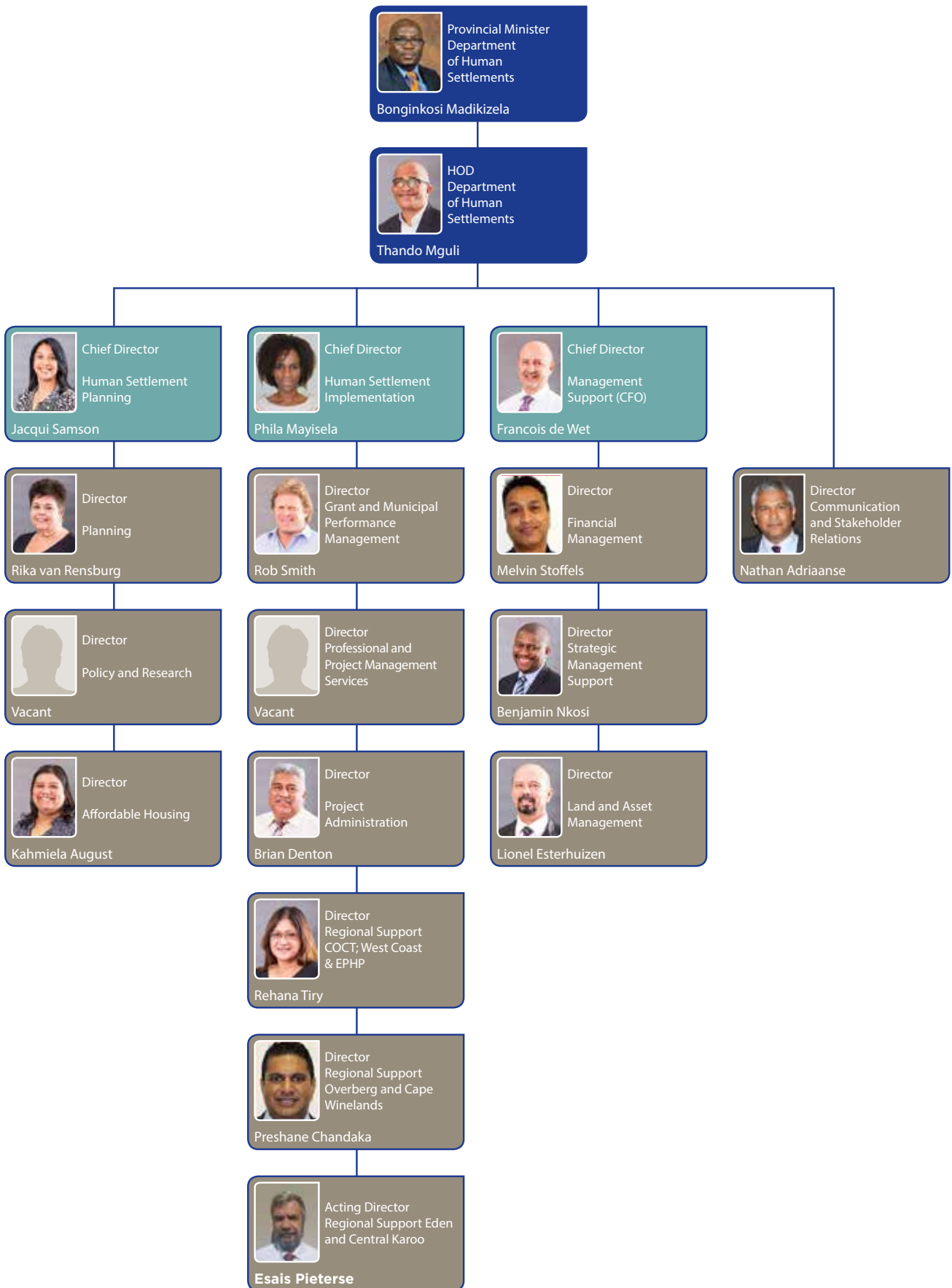
The Constitution further provides that housing is a competency that is held concurrently by national and provincial governments.

### 7.2 Statutory Mandates

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

- a) Housing Act (Act 107 of 1997);
- b) Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (Act 19 of 1998);
- c) Housing Consumers Protection Measures Act (Act 95 of 1998);
- d) Rental Housing Act (Act 50 of 1999);
- e) Home Loan and Mortgage Disclosure Act (Act 63 of 2000);
- f) Housing Development Agency Act (Act 23 of 2008);
- g) Social Housing Act (Act 16 of 2008);
- h) Sectional Titles Management Act (Act 8 of 2011);
- i) Community Scheme Ombud Service Act (Act 9 of 2011);
- j) Western Cape Housing Development Act (Act 6 of 1999); and
- k) Western Cape Land Use Planning Act (Act 3 of 2014).

## 8. ORGANISATIONAL STRUCTURE







## 9. ENTITIES REPORTING TO THE PROVINCIAL MINISTER

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Western Cape Housing Development Fund (WCHDF)	Western Cape Housing Development Act (Act 6 of 1999)	Dormant	The assets of the dormant WCHDF are being accounted for as inventory in the books of the Department.





## *Belhar Gardens*

# 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the report on other legal and regulatory requirements section of the Auditor's Report.

Refer to **page 138** of the Report of the Auditor General, published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 SERVICE DELIVERY ENVIRONMENT

There are several external factors that impact on the service delivery processes. These factors can be attributed to different variables, such as the slow economic growth, as well as a highly contested socio-political space. The following is an account of some of these factors:

#### 2.1.1 Municipal Capacity

The Department is mandated to monitor and support municipalities so that they can perform their functions properly. However, municipalities operate in a complex environment and this influences how they perform. While municipal capacity has improved, due to efforts made by the Department, the Department was still required to take over the implementation of certain projects, due to challenges in some municipalities.

#### 2.1.2 Community Instability

Land invasions and protests continue to be a real risk for the Department, creating delays in projects, and impacting negatively on service delivery. Furthermore, community instability also places strain on the budget, since it often implies that the Department should employ additional security, erect fencing to secure sites, and allocate funds for litigation, should it become necessary.

#### 2.1.3 Acquisition of Powers

The Department is in the process of developing a draft Bill to obtain powers to acquire and dispose of land for human settlement development, which includes affordable housing and catalytic projects. After obtaining the Provincial Cabinet's approval, the draft Bill was advertised for public scrutiny and comment during October and November 2016. The Department has now submitted the draft Bill, which was also certified by Legal Services, to be introduced to the Provincial Parliament for consideration.



### 2.1.4 Financial Environment

Since the tabling of the 2015 Budget and the 2016 – 2019 Medium Term Budget Policy Statement (MTBPS), economic growth forecasts for 2016 were revised downwards by both the International Monetary Fund and the National Treasury to below 1 per cent. This affects every sector and, to this end, the cost containment measures implemented over the past few years remain in force. During the 2017/18 financial year, the Department focused strongly on efficiency measures to ensure that limited operational resources were utilised.

## 2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Department has completed a Service Delivery Improvement Plan (SDIP) and the tables below highlight its achievements for the 2017/18 financial year.

### Main services and standards

Main service	Beneficiaries	Current/ Actual standard of service	Desired standard of service	Actual achievement
Provision of Affordable Housing	<ul style="list-style-type: none"> <li>Middle income groups</li> </ul>	<ul style="list-style-type: none"> <li>1 707 opportunities provided</li> <li>The Finance Linked Individual Subsidy Programme (FLISP) underperformed, as not all applications met the FLISP criteria.</li> </ul>	<ul style="list-style-type: none"> <li>2 580 opportunities provided.</li> </ul>	<ul style="list-style-type: none"> <li>862 subsidies disbursed.</li> <li>Applications did not meet the stringent criteria on affordability from banks.</li> </ul>
Provision of Serviced sites to beneficiaries	<ul style="list-style-type: none"> <li>Qualifying applicants on the Housing Demand Database</li> </ul>	<ul style="list-style-type: none"> <li>9 780 serviced sites provided.</li> </ul>	<ul style="list-style-type: none"> <li>12 114 serviced sites.</li> </ul>	<ul style="list-style-type: none"> <li>9 773 serviced sites delivered.</li> <li>Despite acceleration on the IRDP sites, challenges, such as community protests and project stoppages, were experienced with the construction of UISP sites, which led to the under achievement.</li> </ul>

## Batho Pele arrangements with beneficiaries (Consultation, access, etc.)

Main service	Beneficiaries	Current/ Actual standard of service
Provision of Affordable Housing		
Consultation		
a) Stakeholder workshops.	a) Stakeholder workshops.	a) Regional quarterly technical coordination meetings were held with municipalities. Furthermore, regular meetings were held with the public to address their concerns.
Courtesy		
a) Trained officials at the Walk in Centre at 27 Wale Street, Cape Town.	a) Trained officials at the Walk in Centre at 27 Wale Street, Cape Town.	b) Beneficiaries can obtain relevant information at the Walk in Centre at 27 Wale Street, Cape Town. Furthermore, officials are trained to address queries raised by applicants and or beneficiaries.
Access		
a) Via Walk in Centre at 27 Wale Street, Cape Town.	a) Via Walk in Centre at 27 Wale Street, Cape Town.	a) The service was accessible at the Walk in Centre at 27 Wale Street, Cape Town.
b) Via project managers.	b) Via project managers.	b) Via project managers.
Openness and Transparency		
a) Suggestion boxes at the Walk in Centre at 27 Wale Street, Cape Town.	a) Suggestion boxes at the Walk in Centre, at 27 Wale Street, Cape Town.	a) Suggestion boxes are placed at the Walk in Centre at 27 Wale Street, Cape Town for public use. The suggestions are reviewed and addressed.
Value for Money		
a) Cost of the subsidy.	a) Cost of the subsidy.	a) R67 371 has been spent on individual subsidies.
Provision of Serviced sites to beneficiaries		
Consultation		
a) Stakeholder workshops.	a) Stakeholder workshops.	a) Regional quarterly technical coordination meetings were held with municipalities. Furthermore, regular meetings were held with the public to address their concerns.
Courtesy		
a) Trained officials at the Walk in Centre at 27 Wale Street, Cape Town.	a) Trained officials at the Walk in Centre at 27 Wale Street, Cape Town.	a) Beneficiaries can obtain relevant information at the Walk in Centre at 27 Wale Street, Cape Town. Furthermore, officials are trained to address queries raised by applicants and beneficiaries.
Access		
a) Via Walk in Centre at 27 Wale Street, Cape Town.	a) Via Walk in Centre at 27 Wale Street, Cape Town.	a) The service was accessible at the Walk in Centre at 27 Wale Street, Cape Town.
b) Via project managers.	b) Via project managers.	b) Via project managers.
Openness and Transparency		
a) Suggestion boxes at the Walk in Centre at 27 Wale Street, Cape Town.	a) Suggestion boxes at the Walk in Centre at 27 Wale Street, Cape Town.	a) Suggestion boxes are placed at the Walk in Centre at 27 Wale Street, Cape Town for public use. The suggestions are reviewed and addressed.
Value for Money		
b) Cost of the subsidy.	b) Cost of the subsidy.	b) R981 130 has been spent on serviced sites.



### Service delivery information tool

Current /actual information tool	Desired information tools	Actual achievements
Provision of Affordable Housing		
a) Well informed officials at the Walk in Centre at 27 Wale Street, Cape Town.	a) Well informed officials at the Walk in Centre at 27 Wale Street, Cape Town.	a) Officials are trained to address queries by applicants and or beneficiaries.
b) Municipal offices.	b) Municipal offices.	b) Municipal officials have been trained to deal with concerns and enquiries relating to housing opportunities.
c) TV screens at the Walk in Centre at 27 Wale Street, Cape Town, displaying relevant human settlements information.	c) TV screens at the Walk in Centre at 27 Wale Street Cape Town, displaying relevant human settlements information.	c) TV screens were placed at the Walk in Centre at 27 Wale Street, Cape Town, displaying pertinent information relating to housing opportunities.
d) Departmental website.	d) Departmental website.	d) The Departmental website is regularly updated, which offers information on how to access housing opportunities.
Provision of Serviced sites to beneficiaries		
a) Well informed officials at the Walk in Centre at 27 Wale Street, Cape Town.	a) Well informed officials at the Walk in Centre at 27 Wale Street, Cape Town.	a) Officials are trained to address queries by applicants and or beneficiaries.
b) Municipal offices.	b) Municipal offices.	b) Municipal officials have been trained to deal with concerns and enquiries relating to housing opportunities.
c) TV screens at the Walk in Centre at 27 Wale Street, Cape Town, displaying relevant human settlements information.	c) TV screens at the Walk in Centre at 27 Wale Street, Cape Town, displaying relevant human settlements information.	c) TV screens were placed at the Walk in Centre at 27 Wale Street, Cape Town, displaying pertinent information relating to housing opportunities.
d) Departmental website.	d) Departmental website.	d) The Departmental website is regularly updated, which offers information on how to access housing opportunities.

### Complaints mechanism

Current /actual information tool	Desired information tools	Actual achievements
Provision of Affordable Housing		
a) Poor service or misconduct can be reported to a supervisor.	a) Poor service or misconduct can be reported to a supervisor.	a) Beneficiaries are able to express their concerns at the Walk in Centre.
Provision of Serviced Sites to Beneficiaries		
a) Poor service or misconduct can be reported to a supervisor.	a) Poor service or misconduct can be reported to a supervisor.	a) Beneficiaries are able to express their concerns at the Walk in Centre.

## **2.3 ORGANISATIONAL ENVIRONMENT**

The Department continued to face the ongoing challenge of executing its statutory mandates within an increasingly constrained fiscal environment, growing provincial population, challenging social ills and increasing demand for services. To this end, building an efficient Department is essential. Key elements in this drive are improvements to its organisational structure, stringent cost containment measures, effective departmental governance systems, business processes and strategies to improve the delivery of its services.

### **2.3.1 Restructuring**

The Department of the Premier (Organisational Development) investigated the Department's current organisational structure to re-align the Departmental structure with the new strategic direction adopted by the Department and the revised business model. A regional delivery model was proposed, whereby all functions have been mainstreamed per district. This will ensure accountability on delivery, as regional managers will be responsible for the planning and delivery of targets. This process is still being finalised.

### **2.3.2 Customer Care**

The Department aimed to strengthen consumer care capabilities. These capabilities allowed the Department to better contribute to creating an environment in which civil society can engage more effectively with the state. The communication and stakeholder relations unit was expanded to ensure that efficient communication and stakeholder relations take place.

### **2.3.3 Standard Operating Procedures (SOPs)**

The Department has strengthened its processes through the development of a number of Standard Operating Procedures, which are listed below:

- Application for the Enhanced Extended Discount Benefit Scheme (EEDBS);
- Inspections of subsidised housing projects and the maintenance work done on departmental rental stock;
- Plot and Plan for Individual Subsidy;
- Social Housing Project Approval;
- Finance Linked Individual Subsidy Programme; and
- Management of Partnerships.

### **2.3.4 Accreditation**

The accreditation of the City of Cape Town (CoCT) involves the delegation and, subsequently, assignment of certain clearly defined functions in respect of the administration of national housing





programmes. The full assignment of the CoCT is intended to produce coordinated development and accelerated delivery and the date for the finalisation of this process has been agreed to take effect during April 2018.

### 2.3.5 Green Procurement Guidelines

The Department approved a set of Green Procurement Guidelines called “Making better choices”. The guidelines aim to support municipalities to make more environmentally sustainable choices when procuring goods and services related to housing development.

## 2.4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

During the 2017/18 financial year, the Western Cape Department of Human Settlements (WCDHS) co-hosted a provincial consultative workshop in partnership with the National Department of Human Settlements (NDHS), to solicit inputs, which will be incorporated into the review of the National Human Settlements Code.

## 3. STRATEGIC OUTCOME ORIENTED GOALS

As guided by Chapter 8 of the National Development Plan (NDP) and the 2014–2019 MTSF, the focus of this Department is to work towards the realisation of the human settlements trajectory of transformed integrated human settlements by 2030.

The Department contributes to Provincial Strategic Goal 4, “to enable a resilient, sustainable quality and inclusive living environment” and to that end, the Department implemented several programmes that will support these strategies and strategic goals. The table below illustrates the Departments achievements in relation to the strategic outcome orientated goals:

No	Strategic Outcome Orientated Goals	Strategic Objective	Progress Made
1	Enhanced efficiency and effectiveness of the provincial Department of Human Settlements	Implementation of the Management Performance Assessment Tool (MPAT) imperatives	<p>The Department received a <b>Level 3</b> MPAT rating, due to a number of factors:</p> <ul style="list-style-type: none"> <li>• The Department did not have an Asset Management Plan in place;</li> <li>• Not all payments to service providers were processed within 30 days;</li> <li>• Operational plans were not available for all APP indicators;</li> <li>• The AGSA raised findings in Programme 3 during the 2016/17 audit, resulting in a qualification for that financial year;</li> <li>• No Customer Satisfaction Survey was undertaken on the SDIP;</li> <li>• The Department does not have its own policy outlining how the financial disclosures processes are implemented.</li> </ul>

No	Strategic Outcome Orientated Goals	Strategic Objective	Progress Made
2	Improved functionality, efficiencies and resilience of human settlements	Improve integrated development and spatial planning at municipal level by providing municipalities with the support with regards to human settlement development	<b>Twenty five (25)</b> municipalities were capacitated during the 2017/18 financial year.
		Establish effective mechanisms for target setting, spatial targeting and future delivery projections	The Multi Year Housing Development Plan (Part D of the APP) was developed and aligned to both the Annual Performance Plan (APP), as well as the Departmental Business Plan.
		Enhancing the policy regime in relation to human settlements	The Department overachieved on its target by finalising <b>three (3)</b> research papers. This includes: <ul style="list-style-type: none"> <li>1. Review of rent to buy with a particular focus on the Institutional Housing Subsidy Programme (IHSP).</li> <li>2. An investigation of Health in Human Settlements Policies in the Western Cape Province, with a focus on informal settlements.</li> <li>3. Research report on the construction of Sectional Title BNG units through the Integrated Residential Development Programme (IRDP).</li> </ul>
3	Accelerated housing opportunities	Implement an upscaled delivery programme	The Department delivered <b>10 212</b> units against a target of 11 094.
4	Improved living conditions of beneficiaries through the Upgrading of the Informal Settlements Programme	Implement structured upgrading of informal settlements to promote and secure living environments.	The Department has delivered <b>9 773</b> serviced sites against a target of 7 860.
5	Improved living conditions of beneficiaries by promoting ownership of property	Improve security of tenure by ensuring that title deeds are transferred to qualifying beneficiaries of housing subsidies funded by the Department.	The Department delivered <b>9 793</b> title deeds against a target of 7 000.
6	Facilitate job creation and empowerment opportunities	To create an enabling environment to stimulate job and empowerment opportunities for contractors with HDI, women, and youth representation	<b>64.04%</b> of the HSDG was awarded to contractors with HDI status. <b>10.49%</b> and <b>3.77%</b> were awarded to women and youth, respectively.
7	Promote innovation and the better living concept	To increase sustainable resource use, which includes exploring innovative technologies through construction, energy, water and sanitation	The Department over achieved on this target by building <b>2 288</b> houses with innovative technology, against a target of 600.



## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration

#### Purpose

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

#### Sub-Programmes

**Office of the MEC:** To provide for the functioning of the Office of the MEC.

**Corporate Services:** To provide corporate support to the Department and to make limited provision for maintenance and accommodation needs.

#### Strategic Objectives

- Implementation of the Management Performance Assessment Tool (MPAT) imperatives.

#### Performance overview

The Department achieved an overall Level 3 MPAT rating. This is a regression in the Department's MPAT scores, but indicates that we are compliant with all the requirements. The focus will now be to address the areas in which we have fallen short and implement the improvement strategies to regain our Level 4 score and demonstrate that we are indeed doing things smartly. In this regard, the Department has already developed and implemented a comprehensive improvement plan setting out focused strategies to improve, amongst others: operational plans attached to the Annual Performance Plan; integrating evaluation and strategic planning by means of a Customer Satisfaction Survey; risk integration in Departmental planning processes; development of an Asset Management Plan that meets MPAT standards; and developing an improved SOP with regards to processing payments within 30 days. The Department is confident that this focused improvement plan will adequately address the concerns raised in the MPAT moderation and result in a positive outcome going forward.

In relation to the ICT Operational Plan, the Department can report that this plan is reviewed on a bi-annual basis and that all progress is presented to an ITSteerCom, which meets regularly. This instrument of good governance assists the Department in identifying IT related risks and reviewing the Strategic ICT Plan, ensuring that the Department is compliant with regulatory prescripts in terms of ICT planning and initiatives. Furthermore, during the 2017/18 financial year, the Department also made enhancements to the BizProjects system, which included electronic templates for assessments, submissions and the online completion capabilities thereof. To this end, the Department completed the Terms of Reference for further enhancements to the BizProjects system that will include the upgrading of the system to MS Project online, third party access and mobile updating of projects. The Department also finalised the financial interfacing between HSS and the BizProjects System and has rolled out Office 365 to all DHS staff.

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The Department can also report that during the 2017/18 financial year it introduced the following new SOPs:

- Application for the Enhanced Extended Discount Benefit Scheme (EEDBS);
- Inspections of subsidized housing projects and the maintenance work done on departmental rental stock;
- Plot and Plan for Individual Subsidy;
- Social Housing Project Approval;
- Finance Linked Individual Subsidy Programme; and
- Management of Partnerships.

Amendments were also made to the Project Planning Committee Constitution and the Project Activation SOP's.

Lastly, the Department endeavoured to implement its Knowledge Management strategy through designing and establishing programmes that will enable Information Management (IM) officials to share and apply knowledge. These programmes that cover the entire employment lifecycle are:

- a department-specific induction;
- learning from leavers; mentoring and coaching; and
- an informal learning programme.

The combination of these programmes provides officials with the necessary tools and alternatives to grow a functional knowledge management culture within the Department and ultimately drive continuous improvement, learning and innovation. These programmes have been implemented on a small scale as pilot projects that will be expanded and eventually institutionalised as they mature.



**Strategic objectives, performance indicators planned targets and actual achievements**

**Strategic Objectives**

Programme 1: Administration									
Strategic Objectives	Strategic Objective Indicators	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
Implementation of the Management Performance Assessment Tool (MPAT) imperatives	Attainment of a <b>level 4 on the overall MPAT</b> assessment by 31 March 2019	-	Level 4	Level 4	Level 4	Level 3	-1	The Department did not meet certain MPAT standards in the following areas; financial management, strategic management and governance and accountability.	

**Performance Indicators**

Programme 1: Administration									
No.	Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
1.1	To achieve a level 4 for <b>financial management</b> as prescribed in the Management Performance Assessment Tool (MPAT) by 31 March 2018	-	Level 4	Level 4	Level 4	Level 3	-1	The Department did not have an Asset Management Plan in place, as per MPAT requirements; and not all payments to service providers were processed within 30 days.	

Programme 1: Administration									
No.	Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
1.2	To achieve a level 4 for <b>strategic management</b> as prescribed in the Management Performance Assessment Tool (MPAT) by 31 March 2018	-	Level 4	Level 4	Level 4	Level 3	-1	Operational plans were not available for all APP indicators as per MPAT requirements; and AGSA raised findings during the previous audit, resulting in a qualification.	
1.3	To achieve a level 4 for <b>governance and accountability</b> as prescribed in the Management Performance Assessment Tool (MPAT) by 31 March 2018	-	Level 4	Level 4	Level 4	Level 3	-1	No Customer Satisfaction Survey was undertaken on the SDIP, and the Department did not have its own policy outlining how the financial disclosures process is implemented.	
1.4	To achieve a level 4 for <b>human resource management</b> as prescribed in the Management Performance Assessment Tool by 31 March 2018	-	Level 4	Level 3	Level 4	Level 4	-		
1.5	Annual review of the <b>ICT Strategic Plan</b> by 31 March 2018	-	1	1	1	1	-		
1.6	Number of <b>Knowledge Management</b> projects implemented by 31 March 2018	-	-	-	4	4	-		

\* A level 4 MPAT score indicates that the Department is fully compliant with legal/regulatory requirements and is doing things smartly.



### Strategy to overcome areas of underperformance

The areas of underperformance identified relates primarily to MPAT, and in the way strategies to improve performance focusses on the MPAT standards that experienced a regression.

- Operational Plans - The Department has embarked on a focussed exercise to develop operational plans across all the Directorates in line with MPAT requirements. This includes incorporating current project and business plans into the intended operational plans as well as establishing and emphasising strategic linkages in the intended documents.
- 30 day payments (SCM) - An improved SOP has been developed to ensure that payments are completed within the 30 day time frame.
- Assets - The Asset Management Plan is currently being reviewed and aligned to meet the requirements as set out in MPAT.
- Customer focus - The Department has developed a Customer Satisfaction survey focussed on serviced sites. This is in line with the requirements as set out in MPAT, but the process also serves as a means to engage beneficiaries and improve the level of service that is provided.

### Changes to planned targets

None

### Linking performance with budgets

Sub-Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	5,859	5,843	16	6,270	6,270	
Corporate Services	95,818	93,217	2,601	84,256	84,255	1
<b>Total</b>	<b>101,677</b>	<b>99,060</b>	<b>2,617</b>	<b>90,526</b>	<b>90,525</b>	<b>1</b>

## 4.2 Programme 2: Housing Needs, Research and Planning

### Purpose

To facilitate and undertake planning for human settlements.

### Sub-Programmes

<b>Administration:</b>	To provide administrative and / or transversal services.
<b>Policy:</b>	To develop human settlements policies and policy guidelines.
<b>Planning:</b>	To develop the provincial Multi-Year Housing Development Plans and project pipelines in cooperation with municipalities.
<b>Research:</b>	To conduct research on sustainable human settlements.

### Strategic Objectives

- Improve integrated development and spatial planning at municipal level by providing municipalities with the support with regards to human settlement development;
- Establish effective mechanisms for target setting, spatial targeting and future delivery projections; and
- Enhancing the policy regime in relation to human settlements.

### Performance overview

The Department overachieved on its target of research and policy outputs. A total of three research papers against a target of two were produced, as well as two policy guidelines approved against a target of one. The additional outputs were in response to unpredictable changes in the project context. The emerging requirements for catalytic projects in the Southern Corridor in the Cape Town Metro area called for extra research on how existing subsidy instruments can be used to increase dwelling unit densities. The water crisis across the Western Cape, called for changes in the way water is supplied and consumed in subsidy housing projects. This performance assists the Department in being efficient and effective in the implementation of integrated and sustainable human settlements.

In 2017/18, the Department reviewed the Institutional Housing Subsidy programme, in partnership with the Human Sciences Research Council (HSRC). The research was aimed at assessing the viability of the programme in unlocking further home-ownership opportunities for the affordable housing market through the rent-to-buy model. A research paper was also produced on the degree to which human settlement policies on informal settlement upgrade in the Western Cape Province addresses health concerns, objectives and desired outcomes. Research was undertaken on how various BNG top structure subsidies have been used to create viable sectional title developments in certain Integrated Residential Development Programme (IRDP) projects.

In a bid to respond to the current housing challenge, the Department revised the Enhanced Serviced Site (ESS) Policy Guidelines, which was first approved in 2012. The ESS subsidy was initiated to respond to the rising backlog in basic municipal services in a cost-effective manner. The guidelines are aimed at providing enhanced connections to the services on serviced sites that allow beneficiaries occupying the site to use the services effectively. The measures allow the Department to separate service delivery from the supply of top structures and thus to reach more households without services. The revised policy guidelines of 2018 can account for the increases in the cost of inputs and





administration since 2012. The guidelines also introduce new building technologies for the service enhancements aimed at strengthening local building materials supply chains and skills development, and thus growing local economies.

The Department also approved the Water Crisis Response Policy Guidelines for the Western Cape, prompted by the water crisis experienced by the province. Guidance is provided on the implementation of water demand and supply management measures in all subsidy housing projects, and a funding channel to cover the extra cost is established. Measures include the installation of water efficient taps and shower heads, and water tanks to harvest rain water. Consumer education activities are also recommended. The funding channel requires that municipalities apply to the Department for the extra funding, which is provided by the National Government, to supply these measures.

### ***The Living Cape Framework***

Previously known as the Western Cape Human Settlement Framework, it is now called the 'Living Cape - A Human Settlement Framework'. This Framework aims to support a departure from the current housing delivery model to integrated service delivery, strengthening the enabling role of government. The Framework proposes three key focus areas namely integration, delivery and governance guidance. A number of possible 'test beds' are listed under each of these. Currently three test beds have been selected i.e.

- Public Infra-structure activation (Lukhanyo Hub, Khayelitsha);
- Area-based planning (Villiersdorp); and
- Brownfields development and portfolio approach (Kosovo) to be implemented with key provincial departments, stakeholders and through partnerships.

Other core areas will be investigated for future test beds to be considered. The outcomes of test beds will serve as a 'blue-print' for similar future projects and will influence policy and identify possible levers to encourage partnerships with communities and the private sector. It will have a specific focus on the changing role of the state in the delivery of human settlements.

### ***Informal Settlement Support Plan (ISSP)***

The roll out of the ISSP received priority attention during the financial year. Municipalities were supported to integrate upgrading of informal settlements into their project pipelines. Assistance has been rendered with project packaging and fast-tracking of planning approvals by relevant departments. An Informal Settlement Support Forum has been established to monitor progress, render support and introduce municipalities to new innovations in informal settlement upgrading. Representatives of all provincial departments also serve on a Champions Forum to clarify the roles, support and actions required to mainstream activities into their operations and budgets.

A call was made to non-governmental organisations to register on the departmental data base. Eight NGOs have been contracted to assist in conducting social facilitation and mobilisation, community surveys, data collection, skills development, conflict resolution, networking and brokering. They will serve as intermediaries in communities and support the Department and municipalities to plan and action the in-situ upgrading of informal settlements based on the specific needs of each municipality and settlement.

## Strategic objectives, performance indicators planned targets and actual achievements

### Strategic Objectives

Programme 2: Housing Needs, Research and Planning									
Strategic Objectives	Strategic Objective Indicators	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
Improve integrated development and spatial planning at municipal level by providing municipalities with the support with regards to human settlement development	Number of <b>planned human settlement projects aligned</b> to IDPs, and based on the objectives of Outcome 8 and representing national and provincial priorities by 31 March 2019	25	23	27	10	7	-3	The Department has shifted its focus to catalytic projects leading to a decline in projects in other areas to be developed. In cases where projects were identified, municipalities often submitted incomplete project applications, causing a delay in project approval.	
Establish effective mechanisms for target setting, spatial targeting and future delivery projections	<b>Part D of the Annual Performance Plan</b> populated according to the prescribed format of National Treasury by 31 March 2019	1	1	1	1	1	-		
Enhancing the policy regime in relation to human settlements	Number of <b>research papers</b> produced with content relating to the development of sustainable human settlements by 31 March 2019	2	2	4	2	3	1	A need to investigate the construction of sectional title BNG units on the Southern Corridor project was identified, in order to enhance the implementation of the catalytic projects.	



## Performance Indicators

Programme 2: Housing Needs, Research and Planning								
No.	Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation
<b>Planning</b>								
2.1	Number of planned human settlements aligned to IDPs and based on the objectives of Outcome 8 and representing national and provincial priorities by 31 March 2018	25	23	27	10	7	-3	The Department has shifted its focus to catalytic projects leading to a decline in projects in other areas to be developed. In cases where projects were identified, municipalities often submitted incomplete project applications, causing a delay in project approval.
2.2	Part D of the Annual Performance Plan populated according to the prescribed format of National Treasury by 31 March 2018	1	1	1	1	1	-	
2.3	Number of municipalities that the Department provides with technical support (including transfer of skills) to enable the municipality to produce development plans for human settlements projects by 31 March 2018	17	25	25	25	25	-	
<b>Research</b>								
2.4	Number of research papers produced with content relating to the development of sustainable human settlements by 31 March 2018	2	2	4	2	3	1	A need to investigate the construction of sectional title BNG units on the Southern Corridor project was identified, in order to enhance the implementation of the catalytic project.

Programme 2: Housing Needs, Research and Planning									
No.	Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
<b>Legislation and Policy</b>									
2.5	Number of policies and policies guidelines developed by 31 March 2018	-	-	2	1	2	1	A Water Crisis Response policy guideline was developed, in light of the water crisis in the Province.	

### Strategy to overcome areas of underperformance

Despite the focus on catalytic or mega projects, other projects that meet the Department's strategy are driven as mitigators, to ensure that targets are met.

### Changes to planned targets

None

### Linking performance with budgets

Sub-Programme Name	2017/2018				2016/2017	
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	15,793	15,724	69	13,857	13,857	
Planning	9,047	9,047	-	6,829	6,829	
<b>Total</b>	<b>24,840</b>	<b>24,771</b>	<b>69</b>	<b>20,686</b>	<b>20,686</b>	<b>-</b>



### 4.3 Programme 3: Housing Development

#### Purpose

To provide housing opportunities, including access to basic services, to beneficiaries in accordance with the Housing Code.

#### Sub-Programmes

<b>Administration:</b>	To provide administration support funded from equitable share.
<b>Financial Interventions:</b>	To facilitate immediate access to housing goods and services creating an enabling environment and providing implementation support.
<b>Incremental Interventions:</b>	To facilitate access to housing opportunities through a phased process.
<b>Social &amp; Rental Interventions:</b>	To facilitate access to rental housing opportunities, supporting Urban Restructuring and Integration.

#### Strategic Objectives

- Implement an up scaled delivery programme;
- Improve security of tenure by ensuring that title deeds are transferred;
- To create an enabling environment for the creation of job and empowerment opportunities; and
- To increase sustainable resource use, which includes exploring innovative technologies through construction, energy, water and sanitation.

#### Performance overview

During the financial year, the Department delivered a total of 19 985 housing opportunities against a target of 18 954. A breakdown of this cumulative amount is illustrated as follows;

- 10 212 housing units, against a target of 11 094; and
- 9 773 serviced sites, against a target of 7 860.

Whilst overachieving by 24% on the delivery of sites, the Department fell short on the number of units it produced. Many challenges can be highlighted, the most significant impact is that of community unrest that leads to violence and protests. During 2017/18, the Department adopted various strategies in an attempt to minimize the effect that these challenges have on delivery. One such strategy implemented is an agreement with the City of Cape Town Law Enforcement

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unit, in which they will assist with land invasions throughout the municipal areas. Furthermore, the Department appointed private security to ensure that project sites are safe from vandalism. Another strategy that has been key to mitigating the effects of these often violent protests has been active community engagement. The Department has made a concerted effort to ensure that we interact with the leadership structures in communities, engaging them on progress, concerns and sharing information on human settlements developments within the Province.

Due to the hard work and dedication applied to the Title Deeds Restoration Project, the Department was able to transfer a total of 9 793 title deeds, significantly above our 7 000 target. This project aims to put in place measures to expedite the transfer of title deeds and in so doing, improve security of tenure.

A lot of effort has gone into ensuring that our empowerment programmes yield lasting results. In this regard, the Department embarked on an awareness campaign to attract HDI contractors to the sector. This resulted in 64.04% of the HDI grant being awarded to HDI contractors. Through this awareness initiatives, there was an increased number of youth (132 young people trained against a target of 60), that participated in our training programmes within the built environment. Significantly, the Department also facilitated 1 735 job opportunities through the Expanded Public Works programme, well above the 400 target. These opportunities afford all its beneficiaries an opportunity to participate in the mainstream economy. In addition, the Department is also engaging with the South African Women in Construction (SAWIC) in an attempt to attract more women to the construction industry. The Department realises that building the skills and capacity of these women owned enterprises will enable them to participate meaningfully in the construction sector and will continue to support SAWIC in this way.

For the year under review, the Department delivered 2 288 housing units that incorporated sustainable building technologies such as construction, energy, water and sanitation. This is nearly four times more than the expected target and is illustrative of our commitment to drive process in construction that contributes to creating truly sustainable and “greener” homes.

During 2017/18 all the Catalytic projects were actioned. This implies that great strides are being made towards the realisation of the 100 504 housing opportunities that these projects promise. The table below outlines the progress and status of the Catalytic and Provincial Priority Projects:



Project	Municipality	Estimated Yield	Progress during 2017/18
<b>Catalytic Projects</b>			
Southern Corridor Integrated Human Settlement Programme	City of Cape Town	51 540	<p><b>N2 Gateway Phase 1</b> - During 2017/18, this project was under full construction and is scheduled to be completed in the 2019/20 financial year (Boys Town, Joe Slovo and Delft, with Delft completed).</p> <p><b>Ithemba Farms</b> - During 2017/18, the planning processes were completed and together with the environmental approvals, are anticipated in October 2018.</p> <p><b>Penhill Farms</b> - During 2017/18, the Department administered the detailed designs and tender documentation. It is anticipated that the contractor will be appointed in the last quarter of 2018/19.</p> <p><b>Airport Precinct Informal Settlement and infill site</b> - Currently awaiting planning approval from relevant authorities. Construction is expected to commence in the last quarter of 2018/19 financial year.</p> <p><b>Kosovo Informal Settlement and Infill</b> - Currently busy with detailed design and tender documentation for Phase 1. Tender is scheduled to be advertised in October 2018.</p> <p><b>Forest Village</b> - The project is in full construction for both services and top structures with three grade 9 contractors and eight SMME contractors appointed. 2 684 sites and 925 top structures have been delivered to date.</p> <p><b>Thabo Mbeki and Tsunami</b> - Planning phase to continue in the 2018/19 financial year.</p>
Belhar CBD	City of Cape Town	4 188	During 2017/18, 629 social housing units and 120 Military Veterans units have been completed. Furthermore, 600 low income rental units and a further 1 000 FLISP units are in construction, which will be completed by 2019.
Thembaletu	George	4 350	During 2017/18, the installation of services to 1 749 erven has been completed as part of Phase 1. Construction has now commenced for the construction of top structures on the serviced sites.
Transhex	Breede Valley	8 873	During the 2017/18 period, the Bulk and Internal Civils contractor was appointed to service 2 546 erven and is on site. Construction of bulk and internal services is underway. Tender documentation for the construction of the first Phase of 1 419 top structures, will be advertised in June 2018. The construction of the top structures for Phase 1 will be limited to alternative building technologies.
Syferfontein	George	5 814	Due to efforts made in 2017/18, contracts were issued to two grade 9 contractors in March 2018 for the development of 1 847 mixed use housing opportunities. The tenders for the appointment of additional SMME contractors will be awarded during the second quarter of 2018/19 financial year.

Project	Municipality	Estimated Yield	Progress during 2017/18
Vlakkeland	Drakenstein	2 653	Two SMME contractors are currently on site to construct bulk services, internal services and top structures for Phase 1 comprising of 972 housing opportunities. Completion of the civil sites is expected during August 2018. The first residential houses will be completed in the 3rd quarter of 2018.
Wilderness Heights	George	117	The design phase for this project is set to continue in the 2018/19 financial year.
<b>Provincial Priority Projects</b>			
Conradie Hospital site	City of Cape Town	3 605	The process to procure a developer is underway and it is anticipated that the bid will be awarded during the second quarter of the 2018/19 financial year with the site handover in December 2018.
Dal Josafat	Drakenstein	2 078	Construction of bulk and internal services are underway. Construction of top structures to commence during the current financial year (2018/19).
Vredebest	Ceres	3 417	500 sites have been completed and the next phase of 500 sites are in construction phase.
Bella Vista			307 top structures for Bella Vista have been completed.
Grabouw	Theewaterskloof	8 169	For the first phase, which consists of 1 169 units, the contractor is on site and construction is in progress. The remainder is in planning and design phase and securing development rights.
Louis Fourie	Mossel Bay	4 000	Planning phase will be completed during 2018/19.
Vredenburg Urban Regeneration	Saldanha Bay	1 400	Planning phase will be completed during 2018/19.
De Novo	Stellenbosch	300	Tender process underway for the refurbishment of existing structures. Development options agreed upon for the main site. Planning and design phase to commence in 2018 for the remainder of the site.
<b>GRAND TOTAL</b>		<b>100 504</b>	





**Strategic objectives, performance indicators planned targets and actual achievements**

**Strategic Objectives**

Programme 3: Housing Development									
Strategic Objectives	Strategic Objective Indicators	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
Implement an up scaled delivery programme	Total number of <b>housing units</b> delivered by 31 March 2019	10 746	11 604	11 283	11 094	10 212	-882	Applications for FLISP did not meet the stringent criteria on affordability from banks, as well as slow progress on IRDP projects due to community unrest and procurement delays.	
	Total number of <b>serviced sites</b> delivered by 31 March 2019	7 014	6 829	8 546	7 860	9 773	1 913	Despite the challenges with the UJSP sites, such as community protests and project stoppages, IRDP sites were accelerated, which led to an over achievement.	
Improve security of tenure by ensuring that title deeds are transferred	Number of <b>properties transferred</b> to beneficiaries that were developed post 1994 by 31 March 2019	-	7 680	9 767	7 000	9 793	2 793	The title deed restoration project brought in place mechanisms to expedite the transfer process.	

Programme 3: Housing Development									
Strategic Objectives	Strategic Objective Indicators	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
To create an enabling environment for the creation of job and empowerment opportunities	Number of <b>job opportunities facilitated</b> by 31 March 2019	-	355	345	400	1 735	1 335	Various projects were actioned, which resulted in more job opportunities being facilitated.	
	Percentage of Human Settlements Development Grant (HSDG) paid to contractors with <b>HDI representation</b> , within the housing sector by 31 March 2019	-	50%	50.21%	50%	64.04%	14.04%	Awareness initiatives embarked upon by the Department to entice participation by HDI contractors in the built environment, resulted in more HDI contractors tendering for work in the Department.	
	Number of <b>young people trained</b> in various disciplines of the built environment sector by 31 March 2019	-	60	150	120	132	12	Awareness initiatives embarked upon by the Department to entice participation by young people in the built environment resulted in more youth participating in the training programme.	



Programme 3: Housing Development									
Strategic Objectives	Strategic Objective Indicators	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
To increase sustainable resource use, which includes exploring innovative technologies through construction, energy, water and sanitation	Total number of houses built using <b>sustainable building technologies</b> such as construction, energy, water and sanitation, by March 2019	-	2 023	1 893	600	2 288	1 688	More projects with sustainable building technologies initiatives were actioned resulting in more units using sustainable building technologies built.	

### Aggregate Indicators

Programme 3: Housing Development									
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation		
Total number of housing units delivered that have reached a stage of practical completion by 31 March 2018	10 746	11 604	11 283	11 094	10 212	-882	Applications for FLISP did not meet the stringent criteria on affordability from banks, as well as slow progress on IRDP projects, due to community unrest and procurement delays.		
Total number of serviced sites delivered by 31 March 2018	7 014	6 829	8 546	7 860	9 773	1 913	Despite the challenges with the UISP sites, such as community protests and project stoppages, IRDP sites were accelerated which led to an over achievement.		

The aggregate indicator on housing units is constituted by indicators 3.1, 3.2, 3.4, 3.6, Enhanced Extended Discount Benefit Scheme and Social Housing  
The aggregate indicator on sites is constituted by 3.2, 3.3, 3.5 and Enhanced Extended Discount Benefit Scheme

## Performance Indicators

Programme 3: Housing Development							
No.	Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18
<b>Financial Interventions</b>							
<b>Individual Housing Subsidies (R0 – R3 500 Non Credit Linked)</b>							
3.1	Number of subsidies disbursed (R0 – R3 500 <b>non-credit linked</b> ) by 31 March 2018	552	198	275	140	273	133
There was a higher demand for non-credit linked subsidies that was anticipated.							
<b>Financed Linked Individual Subsidy (R3 501 – R15 000 FLISP)</b>							
3.2	Number of <b>FLISP</b> subsidies disbursed (R3 501 – R15 000) by 31 March 2018	-	426	745	926	589	-337
Applications received did not meet the stringent criteria on affordability from banks.							
<b>Incremental Housing Programme</b>							
3.3	Number of new sites connected to basic services as part of the <b>Integrated Residential Development Programme (IRDP)</b> within projects completed by 31 March 2018	1 872	4 460	6 412	5 638	6 461	823
Construction of IRDP serviced sites and handing over thereof to municipalities was accelerated.							
3.4	Number of housing units delivered that have reached the stage of practical completion as part of the <b>Integrated Residential Development Programme (IRDP Phase 4)</b> by 31 March 2018	5 094	4 401	4 073	7 110	4 577	-2 533
Slow progress was experienced due to community unrest and procurement delays.							



Programme 3: Housing Development							
No.	Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18
3.5	Number of sites delivered which are connected to basic services as part of the <b>Upgrading of Informal Settlements Programme (UISP)</b> within projects completed by 31 March 2018	5 142	1 829	2 134	2 222	705	-1 517
Peoples Housing Process (PHP)							
3.6	Number of housing units delivered that have reached the stage of practical completion as part of the <b>Peoples Housing Process (PHP)</b> by 31 March 2018	2 972	4 345	4 050	2 918	2 932	14
Transfer of Title Deeds							
3.7	Number of <b>properties transferred</b> to beneficiaries that were developed post 1994 by 31 March 2018	-	7 680	9 767	7 000	9 793	2 793
Empowerment Opportunities and Job Creation							
3.8	Number of <b>job opportunities</b> facilitated by 31 March 2018	-	355	345	400	1 735	1 335

Comments on deviation

Delays experienced as a result of community dynamics (i.e. community protests, project stoppages) resulted in targets not being met.

Processes to build PHP units were accelerated.

The title deed restoration project brought in place mechanisms to expedite the transfer process.

Various projects were actioned, which resulted in more job opportunities being facilitated.

Programme 3: Housing Development									
No.	Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
3.9	Percentage of Human Settlements Development Grant (HSDG) paid to contractors with <b>HDI representation</b> , within the housing sector by 31 March 2018	-	50%	50.21%	50%	64.04%	14.04%	Awareness initiatives embarked upon by the Department to entice participation by HDI contractors in the built environment, resulted in more HDI contractors in more HDI contractors tendering for work in the Department.	
3.10	Percentage of HDI amount paid to contractors with <b>women</b> representation, within the housing sector by 31 March 2018	-	18.16%	9.29%	30%	10.49%	-19.51%	Fewer contractors with women representation tendered for jobs in the construction arena.	
3.11	Percentage of HDI amount paid to contractors with <b>youth</b> representation, within the housing sector by 31 March 2018	-	2.43%	6.12%	10%	3.77%	-6.23%	Fewer contractors with youth representation tendered for jobs in the construction arena.	
3.12	Number of <b>young people trained</b> in various disciplines of the built environment sector by 31 March 2018	-	-	60	120	132	12	Awareness initiatives embarked upon by the Department to entice participation by young people in the built environment resulted in more youth participating in the training programme.	
Sustainable Resource Use									
3.13	Total number of houses built using <b>sustainable building technologies</b> such as construction, energy, water, and sanitation, by 31 March 2018	-	2 023	1 893	600	2 288	1 688	More projects with sustainable building technology initiatives were actioned, resulting in more units using sustainable building technologies built.	



Delivery per housing programme			
Municipality	Programme	Delivery	
		Serviced Sites	Housing Units
<b>Beaufort West</b>	Integrated Residential Development Programme (IRDP)	550	
<b>Breede Valley</b>	Integrated Residential Development Programme (IRDP)		113
<b>Cape Agulhas</b>	Integrated Residential Development Programme (IRDP)	841	
<b>City of Cape Town</b>	People's Housing Process (PHP)		2 383
	Upgrading of Human Settlements Programme (UISP)	59	
	Integrated Residential Development Programme (IRDP) (includes Provincial Projects)	3 231	2 809
	Social Housing Programme (SHP)		28
<b>Drakenstein</b>	People's Housing Process (PHP)		12
	Integrated Residential Development Programme (IRDP)	56	34
<b>George</b>	Integrated Residential Development Programme (IRDP)	165	
	Upgrading of Human Settlements Programme (UISP)	189	
	People's Housing Process (PHP)		199
<b>Hessequa</b>	Integrated Residential Development Programme (IRDP)		107
<b>Knysna</b>	Upgrading of Human Settlements Programme (UISP)	242	
	Integrated Residential Development Programme (IRDP)	260	
	People's Housing Process (PHP)		105
<b>Langeberg</b>	Integrated Residential Development Programme (IRDP)		358
<b>Matzikama</b>	Integrated Residential Development Programme (IRDP)		62
<b>Mossel Bay</b>	People's Housing Process (PHP)		24
	Integrated Residential Development Programme (IRDP)		160
<b>Oudtshoorn</b>	Integrated Residential Development Programme (IRDP)	112	290
<b>Overstrand</b>	Integrated Residential Development Programme (IRDP)	489	
<b>Prince Albert</b>	Integrated Residential Development Programme (IRDP)		150
<b>Saldanha Bay</b>	People's Housing Process (PHP)		44
	Integrated Residential Development Programme (IRDP)	62	100
<b>Stellenbosch</b>	Upgrading of Human Settlements Programme (UISP)	119	
<b>Swartland</b>	People's Housing Process (PHP)		8
	Integrated Residential Development Programme (IRDP)	252	
	Community Residential Units (CRU)		152
<b>Swellendam</b>	Integrated Residential Development Programme (IRDP)		35
<b>Theewaterskloof</b>	People's Housing Process (PHP)		133
	Upgrading of Human Settlements Programme (UISP)	103	
	Integrated Residential Development Programme (IRDP)		24
<b>Witzenberg</b>	Integrated Residential Development Programme (IRDP)		207
<b>Other Housing Programmes (Individual Housing Subsidy Programme), and Enhanced Extended Discount Benefits Scheme(EEDBS)</b>		3 043	2 675
<b>Total</b>		<b>9 773</b>	<b>10 212</b>

## Strategy to overcome areas of underperformance

- Strategy implemented to mitigate effects community unrest, illegal invasions and protests.
- On a quarterly basis, reports on performance against predetermined targets will be submitted. This will improve the level of reporting of performance information and its portfolio of evidence (POE) for verification and validation thereof.
- Systems that are already in place to verify data (and the associated evidence used to validate outputs) will be intensified.
- Regular technical meetings will be held with municipalities to ensure alignment of performance reporting as well as to mitigate areas of concern.
- As part of its Business Planning process, the Department will identify projects that can be brought forward or accelerated to mitigate any in-year issues arising on projects with delivery challenges.

## Changes to planned targets

There were no changes to any planned targets, however, during the audit of the draft Annual Report 2016/17, some challenges were raised with indicators in Programme 3. To address these issues, the Department requested minor amendments to two indicators in Programme 3, without changing the intentions of the indicator. The indicators are listed below as they appeared in the 2017/18 Annual Performance Plan:

3.10 Percentage of Human Settlements Development Grant (HSDG) paid to contractors with women representation, within the housing sector by 31 March 2018; and

3.11 Percentage of Human Settlements Development Grant (HSDG) paid to contractors with youth representation, within the housing sector by 31 March 2018.

The AGSA advised that these indicators refer to the percentage of the HSDG paid to contractors with HDI, women and youth representation and found that this could lead to double counting, as a contractor with HDI status could also have women representation etc. The indicator was therefore changed, with permission of the Department of the Premier, to read as follows:

3.10 *Percentage of HDI amount paid to contractors with women representation, within the housing sector by 31 March 2018; and*

3.11 *Percentage of HDI amount paid to contractors with youth representation, within the housing sector by 31 March 2018.*

## Linking performance with budgets

Sub-Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	201,040	193,214	7,826	89,491	89,491	
Financial Interventions	252,487	252,487	-	230,991	230,991	
Incremental Interventions	2,060,639	2,060,639	-	1,740,359	1,740,359	
Social Rental Interventions	13,632	13,632	-	29,461	29,461	
<b>Total</b>	<b>2,527,798</b>	<b>2,519,972</b>	<b>7,826</b>	<b>2,090,302</b>	<b>2,090,302</b>	<b>-</b>





#### 4.4 Programme 4: Housing Asset Management Property Management

##### Purpose

The purpose of this Programme is to provide for the strategic, effective and efficient management, devolution and transfer of housing assets.

##### Sub-Programmes

<b>Administration:</b>	To provide administration support funded from equitable share.
<b>Housing Properties Management:</b>	To provide for the maintenance of housing properties, the transfer of ownership and to identify and secure land.

##### Strategic Objectives

- Improve the living conditions of beneficiaries through the writing-off of debt, with the objective of transferring the ownership of properties.

##### Performance overview

During the 2017/18 financial year, the Belhar CBD project was officially awarded with catalytic status from the National Department of Human Settlements. This implies that the project is recognised for its conceptualisation and planning that gives due consideration to all the components required to make a complete better quality living environment. Against this backdrop the project makes provision for sectionalised BNG units and the construction of a 550 bed regional hospital that includes a community day care centre and emergency medical services at an estimated value of 1.2 billion rand. Furthermore, the Department can also report that the project yielded 102 military veteran units during this period.

A significant overachievement of 1 413 was realised in terms of the number of debtors whose outstanding balances have been reduced to nil. This achievement can be attributed to the fact that the Department has intensified its efforts to identify debtors that meet the qualifying criteria in terms of the Enhanced Extended Discount Benefit Scheme (EEDBS) and write offs in terms of the Debt Write Off policy. Going forward, the Department will continue with its endeavours, while, acknowledging that the qualifying criteria is very rigid and the identifying potential qualifiers could become challenging in the future.

As a result of the Title Deeds Restoration programme, activities relating to the tracking transfer of title deeds has been fast tracked. To this end, the Department can also report an overachievement in relation to the number of pre-1994 title deeds that was transferred to qualifying beneficiaries.

## Strategic objectives, performance indicators planned targets and actual achievements

### Strategic Objectives

Programme 4: Land and Asset Management									
Strategic Objectives	Strategic Objective Indicators	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation	
Improve the living conditions of beneficiaries through the writing off of debt with the objective of transferring ownership to the properties	Number of debtors whose <b>outstanding balances have been reduced to nil</b> ; in terms of legislative and regulatory prescripts by 31 March 2019	1 147	1 224	1 490	400	1 813	1 413	More debtors qualified for the Enhanced Extended Discount Benefit Scheme (EEDBS) and write offs in terms of the Debt Write Off policy.	
	Number of <b>title deeds</b> transferred to qualifying beneficiaries or pre-1994 housing units by 31 March 2019	141	250	504	340	344	4	The Title Deeds Restoration Programme assisted in fast tracking activities in relation to title deeds transfers.	



## Performance Indicators

Programme 4: Land and Asset Management								
No.	Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Performance 2017/18	Deviation from planned target to actual achievement for 2017/18	Comments on deviation
4.1	Number of debtors whose <b>outstanding balances have been reduced to nil</b> ; in terms of legislative and regulatory prescripts by 31 March 2018	1 147	1 224	1 490	400	1 813	1 413	More debtors qualified for the Enhanced Extended Discount Benefit Scheme (EEDBS) and write offs in terms of the Debt Write Off policy.
4.2	Number of <b>title deeds</b> transferred to qualifying beneficiaries of pre-1994 housing units by 31 March 2018	141	250	504	340	344	4	The Title Deeds Restoration Programme assisted in fast tracking activities in relation to title deeds transfers.

## Strategy to overcome areas of underperformance

Not applicable

## Changes to planned targets

None

## Linking performance with budgets

Sub-Programme Name	2017/2018			2016/2017		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	22,973	22,973	-	23,758	23,758	-
Housing Property	16,030	16,030	-	19,152	19,152	-
<b>Total</b>	<b>39,003</b>	<b>39,003</b>	<b>-</b>	<b>42,910</b>	<b>42,910</b>	<b>-</b>

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

None

### 5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 01 April 2017 to 31 March 2018;

Name of Transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with S38(1) (i) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Beaufort West	Municipality	Acceleration of housing delivery Grant	Yes	7 315	6 068	Appropriated in the municipal adjustments budget.
Breede Valley	Municipality	Acceleration of housing delivery Grant	Yes	20 000	0	Appropriated in the municipal adjustments budget.
		Municipal rates and taxes	N/A	164	164	N/A
Cederberg	Municipality	Acceleration of housing delivery Grant	Yes	3 030	0	Appropriated in the municipal adjustments budget.
City of Cape Town	Municipality	Accreditation assistance Grant	Yes	5 000	0	Appropriated in the municipal adjustments budget.
		Settlement assistance Grant	Yes	1 500	0	Appropriated in the municipal adjustments budget.
		Acceleration of housing delivery Grant	Yes	2 300	2 300	N/A
		Municipal rates and taxes	N/A	13 990	13 990	N/A
Drakenstein	Municipality	Acceleration of housing delivery Grant	Yes	27 500	10 000	Appropriated in the municipal adjustments budget.
		Municipal rates and taxes	N/A	89	89	N/A



Name of Transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with S38(1) (i) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
George	Municipality	Acceleration of housing delivery Grant	Yes	530	0	Appropriated in the municipal adjustments budget.
Langeberg	Municipality	Acceleration of housing delivery Grant	Yes	4 450	4 450	N/A
Matzikama	Municipality	Acceleration of housing delivery Grant	Yes	3 000	0	Appropriated in the municipal adjustments budget.
		Municipal rates and taxes	N/A	1	1	N/A
Mossel Bay	Municipality	Acceleration of housing delivery Grant	Yes	3 700	0	Appropriated in the municipal adjustments budget.
Overstrand	Municipality	Acceleration of housing delivery Grant	Yes	10 500	0	Appropriated in the municipal adjustments budget.
Saldanha Bay	Municipality	Municipal rates and taxes	N/A	100	100	N/A
Stellenbosch	Municipality	Municipal rates and taxes	N/A	167	167	N/A
Swartland	Municipality	Municipal rates and taxes	N/A	12	12	N/A
Swellendam	Municipality	Acceleration of housing delivery Grant	Yes	500	240	Appropriated in the municipal adjustments budget.
		Municipal rates and taxes	N/A	6	6	N/A
Witzenberg	Municipality	Acceleration of housing delivery Grant	Yes	3 000	0	Appropriated in the municipal adjustments budget.
University of Cape Town	Higher Education Institution		N/A	950	950	N/A
Cape Craft Design Institute	NPI	Support the Better Living Challenge	N/A	2 270	2 270	N/A
<b>Total</b>				<b>110 074</b>	<b>40 807</b>	

## 6. CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds paid

None

### 6.2 Conditional grant and earmarked funds received

The tables below detail the conditional grants and earmarked funds received for the period 01 April 2017 to 31 March 2018.

#### Conditional Grant 1: Human Settlements Development Grant (HSDG)

Department who transferred the Grant	National Department of Human Settlements
Purpose of the Grant	To finance the funding requirements of national housing programmes.  To facilitate the establishment and maintenance of integrated and sustainable human settlements promoting convenient and safe access to economic opportunities, health, educational and social amenities.
Expected outputs of the Grant	<ul style="list-style-type: none"> <li>• 7 860 sites</li> <li>• 11 094 units</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 9 773 sites</li> <li>• 10 212 units</li> </ul>
Amount per amended DORA (R'000)	R2 326 758
Amount transferred (R'000)	R2 326 758
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department (R'000)	R2 326 758
Reasons for the funds unspent by the Department	N/A
Monitoring mechanisms by the transferring Department	The Department submits quarterly reports to the National Department of Human Settlements during the financial year to track performance. At the end of the year an evaluation report is submitted to monitor performance.



### Conditional Grant 2: Expanded Public Works Programme (EPWP)

<b>Department who transferred the Grant</b>	National Department of Public Works
<b>Purpose of the Grant</b>	<p>To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guideline:</p> <ul style="list-style-type: none"> <li>• Provide precast block paving to courtyards of dwelling units;</li> <li>• Provide asphalt premix paving to road verges; and</li> <li>• Provide labour to construct prefabricated housing units.</li> </ul>
<b>Expected outputs of the Grant</b>	<ul style="list-style-type: none"> <li>• 1 020 job opportunities</li> <li>• 276 Full time equivalent</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>• 1 735 job opportunities delivered</li> <li>• 527.42 full time equivalent opportunities delivered</li> </ul>
<b>Amount per amended DORA (R'000)</b>	R3 374
<b>Amount transferred (R'000)</b>	R3 374
<b>Reasons if amount as per DORA not transferred</b>	N/A
<b>Amount spent by the Department (R'000)</b>	R 3 374
<b>Reasons for the funds unspent by the Department</b>	N/A
<b>Monitoring mechanisms by the transferring Department</b>	The Department submits quarterly reports to the National Department of Public Works during the financial year to track performance. At the end of the year an evaluation report is submitted to monitor performance.

## 7. DONOR FUNDS

### 7.1 Donor funds received

<b>Name of Donor</b>	DANIDA
<b>Full amount of funding (R'000)</b>	R19 588 504.24
<b>Period of commitment</b>	2012 - 2018
<b>Purpose of funding</b>	There is an opportunity to disseminate the benefit of different energy efficient interventions (solar water heaters) to a wider community of the Joe Slovo Phase 3 project.
<b>Expected outputs</b>	795 solar heaters
<b>Actual outputs achieved</b>	254 solar heaters were delivered
<b>Amount received in current period (R'000)</b>	R5 182 322
<b>Amount spent by the Department (R'000)</b>	R459 242
<b>Reasons for funds unspent</b>	Construction of top structures were delayed due to the unwillingness of informal occupants to relocate.
<b>Monitoring mechanisms by the Donor</b>	Monthly meetings held by the National Department of Human Settlements





## 8. CAPITAL INVESTMENT

### 8.1 Capital investment, maintenance and asset management plan

Infrastructure projects	2017/2018			2016/2017		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Maintenance and repairs	8 736	8 736	-	8 418	8 088	330
<b>Total</b>	<b>8 736</b>	<b>8 736</b>	<b>-</b>	<b>8 418</b>	<b>8 088</b>	<b>330</b>





## *Forest Village*

# 1. INTRODUCTION

The management team of the Department of Human Settlements is committed to maintain the highest standards of governance and therefore strives to conform to the governance principles highlighted in the King Code of Governance for South Africa. In terms of these principles, the following make up the Department's governance structures:

- An Executive Committee which determines the strategy and leads the Department towards realising its strategy and strategic goal;
- An Enterprise Risk Management Committee (which is dealt with in more detail in paragraph 2);
- An Audit Committee providing independent oversight over governance, risk management and control processes of the Department;
- An independent Internal Audit function providing independent assurance that controls are in place to manage and mitigate risks and that they are adequate and functioning effectively; and
- Other committees that assist the Accounting Officer and Executive Committee in governing the business of the Department in a fair, responsible, and transparent manner.

# 2. RISK MANAGEMENT

The Accounting Officer (AO) for the Department of Human Settlements takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF) and the Directorate Enterprise Risk Management (D:ERM) in the Department of the Premier (DotP) provides a centralised strategic support service to the Department.

In compliance with the National Treasury PSRMF and to further embed risk management within the Department, the Western Cape Government (WCG) has adopted an ERM Policy Statement which sets out the WCG's overall intention with regard to ERM. The Department adopted an ERM Policy 2016/17 - 2019/20, approved by the AO on 15 May 2016 and an ERM Strategy and Implementation Plan for 2017/18, approved by the AO on 20 April 2017. The ERM Implementation Plan gave effect to the departmental ERM Policy and Strategy and outlines the roles and responsibilities of management and staff in embedding risk management in the Department.

## **Enterprise Risk Management Committee**

The Department established an Enterprise Risk Management Committee (ERMCO) to assist the AO in executing his responsibilities relating to risk management. The Committee operated under a Terms of Reference approved by the AO on 27 March 2017. ERMCO evaluated the effectiveness of the mitigating strategies implemented to address the risks of the Department and recommended further action where relevant. The attendance of committee meetings is listed in the table below:



Member	Position	Scheduled Meetings	Attended
Mr. T Mguli	HOD	4	4
Mr. F De Wet	CFO	4	4
Ms P Mayisela	CD: Human Settlement Implementation	4	4
Ms J Samson	CD: Human Settlement Planning	4	3
Mr M Stoffels	Director: Financial Management	4	4
Mr B Nkosi	Director: Strategic Management Support	4	4
Mr A Hazell	Acting Director: Information Management (Resigned end of October 2017)	4	2

The Social Cluster Audit Committee provided the independent oversight of the Department's system of risk management. The Audit Committee was furnished with Quarterly ERM progress reports and departmental risk profiles and registers to execute their independent oversight role. The Audit Committee's evaluation of the risk management process was in relation to the progress of implementation of the ERM Implementation Plan and risks faced by the Department and their relevant risk response/treatment strategies.

### **Risk management process**

The Department assessed significant risks that could have an impact on the achievement of its goals and objectives, both strategically and on a programme level, on a quarterly basis. Risks were prioritised based on its likelihood and impact (inherently and residually) and additional mitigations were agreed upon to reduce risks to acceptable levels. New/emerging risks were identified during the quarterly review processes.

### **Impact on institutional performance**

The Department received the necessary guidance and assistance from Enterprise Risk Management (ERM) to be in line with the Audit Committee's compliance requirements on a quarterly basis. The Internal Control Unit provides a co-ordination/secretariat role between ERM, Audit Committee and the Department.

## **3. FRAUD AND CORRUPTION**

Fraud and corruption represents significant potential risks to the Department and can negatively impact on service delivery efficiency and the Department's reputation.

The Western Cape Government (WCG) adopted an Anti-Fraud and Corruption Strategy which confirms the Province's zero-tolerance stance towards fraud, theft and corruption. In line with this strategy the Department is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external, and vigorously pursues and prosecutes by all legal means available, any parties who engage in such practices or attempt to do so.

The Department has an approved Fraud and Corruption Prevention Plan and a Fraud Prevention Implementation Plan which gives effect to the Prevention Plan.

Various channels for reporting allegations of fraud, theft and corruption exist and these are described in detail in the Provincial Anti-Fraud and Corruption Strategy and the Departmental Fraud and Corruption Prevention Plan. Each case received by the Provincial Forensic Services (PFS) Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department and to generate statistics for the Province and Department.

For the year under review, PFS issued a Case Movement Certificate for the Department noting the following:

Open cases as at 1 April 2017	1
New cases (2017/18)	3
Closed cases (2017/18)	(2)
Open cases as at 31 March 2018	2

The following table further analyses the closed cases indicated above:

Outcome of cases closed			
No.	FIU Number	Only preliminary investigation	Outcome
1	PFS 17-18-0-000003	✓	Only preliminary investigation with no adverse findings
2	FIU 91-15/16	✓	Only preliminary investigation with no findings but with recommendations

## 4. CONFLICT OF INTEREST

During the year under review the Department received Persal reports on a quarterly basis, verified against the Western Cape Suppliers' Database (WCSD) aimed at identifying Western Cape Government (WCG) officials who have financial interest in companies on the approved suppliers' database. If any departmental officials have business interests with suppliers on the WCSD, the Department is obligated to investigate the matter. The Department also requires that all members of the Senior Management Services (SMS) complete a financial disclosure declaration. In this regard, the Department fully complied with all the legislative prescripts, for the 2017/18 financial year. The Department also ensured that all Supply Chain Management officials, all other officials at a deputy director level and also the staff under the Financial Management directorate that might have a financial interest in any business, to disclose it accordingly on an annual basis. The members of the Departmental Bid Evaluation Committee (BEC) and the Bid Adjudication Committee (BAC), as well as the Construction Procurement Committee (CPC) are required to sign a declaration of interest before each meeting to evaluate and adjudicate the bids received. Should a conflict of interest arise those members are expected to recuse themselves in this regard.



## 5. CODE OF CONDUCT

The Department distributed the Explanatory Manual on the Code of Conduct for the Public Service to all employees during 2012 as a basis of awareness. The manual is also dealt with and handed to all new appointees as part of the induction process. The dissemination of the Code of Conduct addresses employee behaviour in the workplace and contributes to the Department's drive to maintain the highest levels of ethics, the eradication of incidents of corruption and the promotion of good governance.

It is noted that the primary purpose of the Code of Conduct is a positive one, namely to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct and may be subjected to disciplinary action if he or she contravenes any provision of the Code of Conduct.

## 6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

During the year under review the Department achieved the following:

- The Department reported prior to the due date on the System Monitoring Tool (SMT), Integrated Reporting Tool (IRT) and Inspection Compliance Tool (ICT) to Employee Health and Wellness (EHW) (statutory reports - 4 EHW IRT reports, 4 EHW LCT reports and 1 SMT report for DHS approved by HoD and submitted to DOTP)
- Contingency plans for 27 Wale Street, Goodwood office and George office was consulted with OHAS Committee and DOCS. HoD approved all plans in April 2017.
- The SOP for first aid room was approved in May 2017 and implemented.
- The MOA was signed between HoD and NEOPAK for wastepaper recycling in July 2017.
- A ToR of OHS Committee was approved by HoD in July 2017.
- An OHS policy for the Department was approved by HoD in July 2017.
- A Smoking policy was approved in August 2017 and implemented.
- The OHS pamphlet was distributed to all staff members to ensure awareness.
- A SOP for cleaning staff and tea ladies was approved in November 2017 and implemented.
- The DHS integrated waste management plan was approved by HoD in December 2017 and implemented.
- The Business Continuity Plan (BCP) was reviewed and approved by HoD during January 2018 as well as the water BCP and Business Impact Assessment for DHS.
- The EHW SHERQ SOP was approved by HoD in February 2018 and submitted to DOTP.
- During the period under review, the prescribed evacuation exercises were conducted. Three (3) evacuations and two (2) dry runs were carried out and contingency plans updated accordingly. Reports were approved by HoD and contingency plans were updated accordingly.
- The quarterly OHS reports were submitted to HOD and to ERMCO.
- BCP training was provided to 196 staff members (including prescribed committees).
- The monthly water and electricity consumption was provided to staff indicating targets set.
- All DHS fire extinguishers (CO2 and hoses) were serviced.
- All DHS buildings were fumigated (nine [9] fumigations).
- All first aid bags of the Department were replenished.

- One (1) BCP dry run per directorate was done as well as a full Departmental BCP dry run in February 2018.
- During the period under review, four (4) prescribed OHS Committee meetings were held.
- Four (4) prescribed cleaner’s meetings were held.
- OHS awareness sessions were conducted with twenty-two (22) staff members.
- Furthermore, eight (8) staff members received first aid training.
- Fifteen (15) staff members received fire panel training.
- Ten (10) maintenance meetings held with DTPW to discuss outstanding DHS projects and complaints.
- For the 2017/18 financial year, twelve (12) reports relating to OHASA complaints and incidents were submitted to management with relevant recommendations to rectify shortcomings as well as four (4) quarterly reports to HoD.
- One hundred and forty (140) OHS maintenance complaints and incidents were submitted to DTPW to rectify shortcomings (one hundred and ten [110] completed and thirty [30] in process).
- The Urinal project was completed and lily domes fitted to save potable water.
- All taps in 27 Wale Street were retrofitted to save water.
- The parking garage sprinkler system project in 27 Wale Street was completed.
- Two (2) mains fail tests were conducted at 27 Wale Street and one (1) at Goodwood office.
- During the period under review thirty-three (33) condom dispensers were fitted in all DHS buildings and eight (8) additional air fresheners were installed.
- The process to install generator and UPS at Goodwood office for BCP implementation was completed.

## 7. PORTFOLIO COMMITTEES

The Department attended a total of ten (10) Standing Committee meetings during the financial year under review. Meetings are held per quarter or at the discretion of the Standing Committee.

The table below provides a breakdown of dates on which the meetings were held;

Standing Committee	Date
Standing Committee on Public Accounts	25 April 2017
Standing Committee on Human Settlements	6 June 2017
Standing Committee on Human Settlements	20 June 2017
Standing Committee on Human Settlements	23 August 2017
Standing Committee on Public Accounts	30 August 2017
Standing Committee on Human Settlements	29 September 2017
Standing Committee on Human Settlements	19 October 2017
Standing Committee on Human Settlements	8 March 2018
Standing Committee on Human Settlements	15 March 2018





The table below illustrates the requests emanating from those meetings and the Department's responses in this regard;

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> <li>1. 4<sup>th</sup> Quarter Report for 2017/18;</li> <li>2. R47 million allocated to the Title Deed Restoration Project; and</li> <li>3. The Community based NGO conducted surveys, enumeration and screening of potential beneficiaries for state housing.</li> </ol>	All information was submitted on 21 April 2017.	Yes
11/4/1/2/6	Oversight visit to the Military Veterans housing units in Eerste River and the Social Housing project in Belhar	<ol style="list-style-type: none"> <li>1. Military Veterans housing project;</li> <li>2. Gardens Rental Estate in Belhar;</li> <li>3. Departmental Informal Settlement Support Plan; and</li> <li>4. Departmental Prioritisation Tool.</li> </ol>	All information was submitted on 5 June 2017.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> <li>1. Military Veterans housing project;</li> <li>2. Phase one of the Gardens Rental Estate in Belhar; and</li> <li>3. Department's Informal Settlement Support Plan/Prioritisation Tool.</li> </ol>	All information was submitted on 15 June 2017.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> <li>1. Housing Development Amendment Bill.</li> </ol>	All information was submitted on 22 August 2017.	Yes
11/4/1/2/1	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> <li>1. Budget and expenditure for houses in Eerster River, for Military Veterans;</li> <li>2. Budget for phase one of the Social Housing Project in Belhar.</li> </ol>	All information was submitted on 22 August 2017.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> <li>1. Number of households still awaiting their title deeds;</li> <li>2. Municipalities in which they are located; and</li> <li>3. Reasons for their delay</li> <li>4. Estimated date of transfer.</li> </ol>	All information was submitted on 23 November 2017.	Yes
11/4/1/2/6	Consideration of the Western Cape Adjustment Appropriation Bill, 2017	<ol style="list-style-type: none"> <li>1. Western Cape Adjustments Appropriation Bill, 2017.</li> </ol>	All information was submitted on 23 November 2017.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> <li>1. Annexure B: Changes to the Strategic Plan as depicted on page 72 of the Department's Annual Performance Plan 2018/2019;</li> <li>2. Municipal business plans for the Title Deed Restoration Programme; and</li> <li>3. Number of historically disadvantaged individuals, woman and youth who qualified as contractors for the Department.</li> </ol>	All information was submitted on 17 April 2018.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> <li>1. Housing project at the airport precinct; and</li> <li>2. Survey conducted by the Department on informal settlement at the Airport Precinct.</li> </ol>	All information was submitted on 17 April 2018.	Yes

## 8. SCOPA RESOLUTIONS

The Committee noted the audit opinion of the AGSA regarding the annual financial statements of the Department for the 2016/17 financial year, having obtained an unqualified audit opinion, with findings on predetermined objectives. This audit opinion represents a regression from the 2015/16 financial year, when the Department obtained a clean audit outcome.

### **Audit Opinion:**

The AGSA raised findings with the Department on its predetermined objectives. The findings refer to the following programme:

### **Programme 3- Housing Development**

Percentage of Human Settlements Development Grant (HSDG) paid to contractors with women representation, within the housing sector by 31 March 2017.

The reported achievement of 9,29% for the target of *'Percentage of HSDG paid to contractors with women representation, within the housing sector by the end of the financial year'* was misstated as the evidence provided indicated that the HSDG schedule was not appropriately accumulated and the HSDG schedule did not agree with evidence provided.

The reported achievement of 6,12% for the target of *'Percentage of HSDG paid to contractors with youth representation, within the housing sector by the end of the financial year'*, was misstated as the evidence provided indicated that the HSDG schedule was not appropriately accumulated and the HSDG schedule did not agree with evidence provided.

### **Financial Management:**

The Department of Human Settlements spent R2, 2 billion (99,9%) of a budget of R2, 2 billion, resulting in an overall underspending of only R1 000 (0,01%).

As disclosed on page 107 of the Annual Report 2016/17 of the Department, the revenue budget of the Department of R60 million was exceeded by R112 million (32,1%), which resulted in an overall collection of R172 million collected by the Department for the 2016/17 financial year.

The Department spent 100% of its capital budget, which was appropriated for R6 663 million for the financial year under review.

### **Significant emphasis of matter:**

**Material losses/impairments:** With reference to Note 18.1 of the financial statement in the Annual Report 2016/17, the Department was a defendant in a land-claim lawsuit of R87, 2 million as at 31 March 2017, which the Department is disputing.

**Restatement of corresponding figures:** As disclosed in Note 31 of the financial statements in the Annual Report 2016/17, the corresponding figures have been restated as a result of errors discovered during the 2016/17 financial year, in the financial statement of the Western Cape Department of Human Settlements, as at, and for the year ended 31 March 2017.



## Resolutions

Resolution	Responsible Person	Response
<p><b>Pages: 4-12 of the Audit Committee briefing document to the Public Account Committee: “3.5: Internal Controls”</b>  <i>The Committee takes cognisance of the fact that the Audit Committee noted major areas for improvement</i></p> <p>The Department briefs the Committee on measures put in place to address internal audit areas for improvement during the 2016/17 financial year on:</p>		
<ul style="list-style-type: none"> <li>• Title Deed and Asset Management;</li> </ul>	Mr L Esterhuizen	<ul style="list-style-type: none"> <li>• <b>Title Deed and Asset Management</b> Consulting.</li> </ul>
<ul style="list-style-type: none"> <li>• Housing Subsidy Administration;</li> </ul>	Mr B Denton	<ul style="list-style-type: none"> <li>• <b>Housing Subsidy Administration;</b> All action plans have now been implemented and all recommendations by the Internal Audit have been taken into consideration.</li> </ul>
<ul style="list-style-type: none"> <li>• Stakeholder Management;</li> </ul>	Mr N Adriaanse	<ul style="list-style-type: none"> <li>• <b>Stakeholder Management;</b> The two (2) action plans are not yet implemented, as Internal Audit is assessing nine (9) action plans that were due for follow up in February 2018.</li> </ul>
<ul style="list-style-type: none"> <li>• Delegations Framework;</li> </ul>	Ms L Theron	<ul style="list-style-type: none"> <li>• <b>Delegations Framework;</b> All action plans were implemented by the Department and recommendations made by Internal Audit were taken into consideration to improve the delegation process.</li> </ul>
<ul style="list-style-type: none"> <li>• Human Settlement Implementation;</li> </ul>	Ms P Mayisela	<ul style="list-style-type: none"> <li>• <b>Human Settlement Implementation</b> The Department has implemented eight (8) action plans and has now put controls in place as recommended by Internal Audit to address all control deficiencies.</li> </ul>
<ul style="list-style-type: none"> <li>• Standing Operating Procedures: Contractors Framework.</li> </ul>	Mr M Stoffels	<ul style="list-style-type: none"> <li>• <b>Standing Operating Procedures: Contractors Framework</b> Consulting</li> </ul>
<p><b>Page: 105 of the Annual Report: “Municipal Support”</b>  <i>The Committee notes that the Department has capacitated twenty-five (25) municipalities within the Western Cape, in terms of human settlement development planning. The twenty-seven (27) human settlements projects were aligned to the Integrated Development Plans (IDPs) of the municipalities and to the objectives of Outcome 8 of the Department.</i></p>		
<p>SCOPA concerns</p> <p>The Department designs and implements a mechanism to assist municipalities in submitting the correct information that would enable the Department to meet its targets.</p>	Ms J Samson	<p>The Department has implemented mechanisms to assist municipalities, resulting in the Department’s over achievement on its target.</p>
<p>Background and SCOPA concerns</p>		

### List of information required:

The Department provided the Committee with the following information:

List of information required	Comment
The status of the referred cases and its SAPS and Provincial Forensic Services case numbers, as reflected by the Provincial Forensic Services' Case Movement Certificate, as indicated on page 59 of the Annual Report 2016/17.	Information was submitted to the Committee on 03 November 2017.
A report on the number of bursary holders in the Department, including the appointment/salary levels/bands of these bursary holders, as indicated on page 142 of the Annual Report 2016/17.	Information was submitted to the Committee on 19 February 2018.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

No matters have given rise to a qualification, disclaimer, adverse opinion, and matters of non-compliance for this Department. The Department received an unqualified clean Financial Audit Report consecutively for 2013/14, 2014/15, 2015/16 and an unqualified audit report with findings in respect of the 2016/17 financial year. This was followed by a financial clean audit in respect of the period under review (2017/18).

## 10. INTERNAL CONTROL UNIT

During the year under review, the sub directorate: Internal Control once again played a valuable role in respect of the linkage between the auditors (external and internal) and the Department during the audit processes. In respect of the external audit process all the requested documentation (i.e. Requests for Information, Communication of Audit Findings, departmental responses and related matters, etc.) were co-ordinated and quality assured by this unit in a timely manner. Within the sub directorate: Internal Control, a panel has been established headed by the Director: Financial Management, with the aim to address/review and discuss all audit related matters and risks during the audit process on a regular basis.

To enhance the process to improve on the audit outcome the focus shifted from just providing the AGSA with the required information requested (RFI's) to quality assure (iro completeness and accuracy) and to submit it timeously to prevent any limitation of scope. This in effect also reduced the number of comafs issued by the AGSA considerably. The AGSA issued 34 comafs in 2016/17 in comparison with only 13 comafs being issued in the 2017/18 financial year. These initiatives contributed that the department regained the achievement of a financial clean audit for the 2017/18 financial year.

In respect of the internal audit process, the unit provides assistance with the follow up of recommendations arising from the internal audits due to the fact that Internal Audit does not have the capacity to provide this coverage. Internal Control is also responsible for providing all relevant documentation requested by the Internal Auditors during the execution phase of their audits. Senior staff of the unit also serve on the Departmental Internal Audit Steering Committee that meets on a monthly basis to discuss the outcomes and progress as per the Internal Audit plan, which



includes the audit outcomes in respect of finalised audits and progress made in respect of previous recommendations/action plans.

The sub directorate also plays a valuable role in co-ordinating all the recommendations emanating from the investigations by the Provincial Forensic Services (PFS). All documentation that was required in respect of investigations was timeously provided to the PFS as and when requested. The unit is responsible to ensure the implementation of all recommendations made and the follow up of all outstanding responses in respect of recommendations of finalised investigations for reporting purposes. During the period under review all recommendations were implemented as at 31 March 2018.

On the compliance side, this unit performed a 100% post checking on all payments made by the Department to avoid non-compliance in relation to applicable legislation and to ensure correctness and value for money. Internal Control also ensures that all payments are paid within the prescribed 30 days by co-ordinating the flow of invoices received from suppliers to the Department (different directorates) up to the processing thereof monthly. To further enhance this process the Department developed and implemented a Standard Operating Procedure (SOP) on 01 November 2017, which specifically addresses the adherence to turnaround times at the different directorates, to ensure that invoices are paid within the prescribed 30 days.

During the previous financial year audit (2016/17) the Auditor-General of South Africa experienced difficulty in their request for information with regard to Bid files from Supply Chain Management (SCM). This led to a limitation of scope in this regard and therefore has been identified as an audit risk with possible negative audit outcomes for the Department in 2017/18. In order to mitigate this risk, the Director: Financial Management instructed that Internal Control should from now on perform a governance compliance check on all bid files and also take responsibility for the safekeeping of all bid files. In an audit steering committee meeting the AGSA commended the Department for the vast improvement in providing bid information in a timeous and effective manner during the current audit. It can also be mentioned that no serious concerns (limitation of scope) or any comafs were issued in this regard during the 2017/18 audit.

In terms of Section 38 (1) (j) of the Public Finance Management Act, 1 of 1999 (PFMA), the Internal Control unit visited twelve (12) local municipalities within the Western Cape to ascertain if the allocated funds were utilised for the intended purpose, which is the building of low cost houses. The inspections conducted by internal control revealed that no serious concerns were raised and that the funds were indeed spent for the intended purpose, which fully complies with the Department's mandate.

In order to ensure that all previous AG findings were addressed and reported on an annual basis and subsequently prevent the re-occurrence thereof a physical verification (walkthrough) was performed in line with the Governance Action Plan (GAP). The Audit Committee confirmed that the Department's GAP for audit issues raised in the previous year is appropriate, and that those issues have been adequately resolved. The AG's management report also partially supports this view.

Internal Control was once again responsible for co-ordinating the SCOPA resolutions and presentations to SCOPA during the year under review. Reporting on all the above issues was done timeously to the different stakeholders/role players (i.e. MEC, EXCO, SCOPA, Audit Committee, PT, PSC & PFS).

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Department. It should assist the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes. The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the Department's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process;
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

Internal Audit work completed during the year under review for the Department included four (4) assurance engagements and three (3) consulting engagements. Details of these engagements are included in the Audit Committee report.

The Audit Committee is established as an oversight body, providing independent oversight over governance, risk management and control processes in the Department, which include oversight and review of the following:

- Internal Audit function;
- External Audit function (Auditor General of South Africa - AGSA);
- Departmental Accounting and Reporting;
- Departmental Accounting Policies;
- AGSA management and audit report;
- Departmental In year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Pre-determined objectives;
- Ethics and Forensic Investigations.



The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date Resigned	No. of Meetings attended
Mr Ameen Amod	MBA, CIA, CGAP, CRMA; BCOM (HONS)	External	N/A	01 January 2016 (1st term)	N/A	7
Mr Mervyn Burton	CA(SA); CFP; B Compt (Hons); B Compt;	External	N/A	01 January 2015 (2nd term)	2nd term expired 31 December 2017	5
Ms Judy Gunther	CIA; AGA; CRMA; Masters in Cost Accounting; BCompt	External	N/A	01 January 2016 (2nd term)	N/A	7
Mr Francois Barnard	MComm (Tax); CA(SA); Postgrad Diploma in Auditing; CTA BCompt (Honours); BProc	External	N/A	01 January 2016 (2nd term)	N/A	8
Mr Kerry Larkin	B Compt; ND FIS; FIIASA CIA; CRMA; CCSA	External	N/A	01 January 2018 (1st term)	N/A	2

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2018.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act 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 Treasury Regulations, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following internal audit engagements were approved by the Audit Committee and completed by Internal Audit during the year under review:

### **Assurance Engagements:**

- Delegations Framework
- Govan Mbeki Awards
- Grant Expenditure Management
- Informal Settlements

### **Consulting Engagements:**

- Business Plan Monitoring
- Western Cape Housing Development Fund
- Housing Demand Database

The areas for improvement, as noted by Internal Audit during the performance of their work, were agreed to by Management. The Audit Committee monitors the implementation of the agreed actions on a quarterly basis.

### **In-Year Management and Monthly/Quarterly Report**

The Audit Committee is satisfied with the content and quality of the quarterly in-year management and performance reports issued during the year under review by the Accounting Officer of the Department in terms of the Treasury Regulations and the Division of Revenue Act.

### **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 South Africa (AGSA) and the Accounting Officer;
- Reviewed the AGSA's Management Report and Management's responses thereto;
- Reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- Reviewed material adjustments resulting from the audit of the Department.

### **Compliance**

The Audit Committee has reviewed the Department's processes for compliance with legal and regulatory provisions.

### **Provincial Forensics Services**

The Provincial Forensic Services (PFS) presented us with statistics. The Audit Committee monitors the progress of the PFS reports on a quarterly basis. There were no matters brought to our attention that required further reporting by the Audit Committee.





## Performance Information

The Audit Committee has reviewed the information on predetermined objectives as reported in the Annual Report.

## Report of the Auditor-General South Africa

The Audit Committee has, on a quarterly basis, reviewed the Department's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA are monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements, and proposes that these audited Annual Financial Statements be accepted and read together with their report.

The Audit Committee commends the Department for achieving a financially unqualified audit opinion with no material findings.

The Audit Committee wishes to express their appreciation to the Management of the Department, the AGSA and the WCG Corporate Assurance Branch for the co-operation and information they have provided to enable us to compile this report.

**Mr Ameen Amod**  
**Chairperson of the Social Cluster Audit Committee**  
**Western Cape Department of Human Settlements**  
**31 July 2018**





*Heideveld Housing Project CoCT*

# 1. INTRODUCTION

Our unique contribution to the work of the Western Cape Government is as a result of the persistent, and often selfless, efforts of the people within the Department of Human Settlements.

To consistently deliver improved services to the citizens of the Western Cape Province is not without its own challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between a range of competing variables.

Apart from the fact that these variables are inter-dependent and inter-related, they are also governed by stringent rules and regulations, which prove difficult when retention and attraction initiatives are explored.

These include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, workforce empowerment, career management, succession planning, employment equity and creating an enabling environment where employees are able to thrive. Further to this, the Department is required to function within an austere environment, which demands that managers consider the impact of “doing more with less”.

Despite the changing patterns and increased demands impacting on the modern workplace, the consistent hard work of our people, has resulted in remarkable achievements and service delivery improvement during the year under review.

## 2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

### 1.1 Departmental Workforce Planning

- The role of Workforce Planning is important to ensure that the Department has the required number of people with the requisite skills, knowledge and attitudes to perform the work. Through this process the Department annually assesses its workforce profile against current and future organisational needs.
- The aim of this assessment is to identify to what extent the current workforce profile addresses the key people management outcomes that would guarantee service continuity and value.
- The Workforce Plan 2016-2021 is aligned to the vision and mission of the Department and will assist in meeting its strategic objectives.
- The assumptions on which this Workforce Plan was developed are still valid and strategies chosen to achieve the outcomes are appropriate.
- The Workforce Plan is drafted in line with the departmental Strategic Plan and Workforce Planning priorities and strategies are identified to ensure that the Department will meet its strategic mandate with its people who deliver service with excellence. The prioritised outcomes are as follows:



- *Competent people in the right numbers at the right place at the right time with the right attitude;*
- *A performance conducive workplace;*
- *Leaders that are exemplars of the behaviours associated with the organisation's values;*
- *Highly engaged people;*
- A citizen-centric performance culture; and
- A diverse workforce with equal *opportunities* for all.

## 1.2 Employee Performance Management

The purpose of Performance Management is to increase performance by encouraging individual commitment, accountability and motivation.

All employees are required to complete a performance agreement before 31 May each year. The agreement is in essence a contract between the employer and the employee containing the projects, programmes, activities, expectations and standards for the required delivery. In order to facilitate a standardised administration process, the Western Cape Government has devised an electronic system, namely PERMIS (Performance Management Information System), that allows for the entire performance management process to be captured, monitored and managed.

The performance management process requires that a mid-year review and an annual assessment is conducted, but that the operational targets and achievements linked to the performance agreement be monitored and communicated on an ongoing basis. In instances where targets or performance expectations are not met, the gaps are addressed through the management of poor performance. In this context, a performance consulting unit has been established within the Corporate Services Centre (Chief Directorate: People Management Practices) to assist line managers (people managers) in dealing with poor performance. The process is developmental, however, in instances where individuals have been identified as poor performers in terms of the legislative framework, they are required to subject themselves to a developmental plan or alternatively to disciplinary action.

## 1.3 Employee Wellness

The WCG's transversal Employee Health and Wellness Programme (EHW) follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

The EHW Programme is monitored in the Department through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting) and secondary services (face-to-face counselling, trauma and critical incidents, training and targeted intervention, executive coaching, advocacy).

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A quarterly report is prepared by the Directorate: Organisational Behaviour within the Corporate Service Centre that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the Department of Public Service and Administration (DPSA) is a requirement and such reporting focuses on four areas namely, HIV/ AIDS, Health and Productivity, Wellness Management and SHEQ (Safety Health Environment and Quality).

#### **1.4 People Management Monitoring**

The Department, in collaboration with the CSC monitors the implementation of a range of people management compliance indicators. The monthly Barometer Fact File, that is developed by the Chief-Directorate: People Management Practices within the CSC, provides the Department with regular updates on the workforce profile and other relevant people management data to enable decision-making. The indicators include, inter alia, staff establishment information, headcount, people expenditure projections, sick leave patterns, the monetary value of annual leave credits, discipline cases, vacancy rates, staff movement, employment equity etcetera.

During the year under review, the Department furthermore participated in the implementation of the annual Management Performance Assessment Tool (MPAT 1.7) coordinated by the Department of Planning Monitoring and Evaluation (DPME). In this regard, an average score of 3.8 out of 4 was achieved for the people management key performance area (KPA3). This is amongst the highest scores achieved for this performance area nationally.



## 3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

### 3.1 Personnel related expenditure

The following tables summarise final audited expenditure by programme (Table 3.1.1) and by salary bands (Table 3.1.2).

The figures in Table 3.1.1 are drawn from the Basic Accounting System and the figures in Table 3.1.2 are drawn from the PERSAL [Personnel Salary] 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. This means there may be a difference in the total expenditure reflected on these systems.

The key in the table below is a description of the Programmes within the Department. Programmes will be referred to by their number from this point forward.

Programme	Programme Designation
Programme 1	Administration
Programme 2	Housing Needs, Research and Planning
Programme 3	Housing Development
Programme 4	Housing Asset Management Property Management

**Table 3.1.1: Personnel expenditure by programme, 2017/18**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of Employees remunerated
Programme 1	99 060	72 264	1 090	18 940	72.9%	354	204
Programme 2	24 771	23 384	81	1 336	94.4%	520	45
Programme 3	2 519 972	90 084	1 168	33 257	3.5%	399	226
Programme 4	39 003	21 511	-	11 583	55.1%	414	52
<b>Total</b>	<b>2 682 806</b>	<b>207 243</b>	<b>2 339</b>	<b>65 116</b>	<b>7.7%</b>	<b>393</b>	<b>527</b>

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number is accumulative and not a snapshot as at a specific date.

**Table 3.1.2: Personnel expenditure by salary band, 2017/18**

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Lower skilled (Levels 1-2)	2 133	1.0	52	41
Skilled (Levels 3-5)	24 507	11.8	193	127
Highly skilled production (Levels 6-8)	70 175	33.9	371	189
Highly skilled supervision (Levels 9-12)	90 091	43.5	593	152
Senior management (Levels 13-16)	20 337	9.8	1 130	18
<b>Total</b>	<b>207 243</b>	<b>100.0</b>	<b>393</b>	<b>527</b>

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number is accumulative and not a snapshot as at a specific date.

The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. These tables do not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. In each case, the table provides an indication of the percentage of the personnel expenditure that was used for these items.

**Table 3.1.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2017/18**

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	52 539	25.6	1 589	0.8	2 094	1.0	3 399	1.7
Programme 2	16 565	8.1	100	0.0	399	0.2	764	0.4
Programme 3	59 754	29.1	593	0.3	1 684	0.8	2 872	1.4
Programme 4	14 881	7.3	670	0.3	721	0.4	1 003	0.5
<b>Total</b>	<b>143 738</b>	<b>70.1</b>	<b>2 952</b>	<b>1.4</b>	<b>4 897</b>	<b>2.4</b>	<b>8 039</b>	<b>3.9</b>





**Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2017/18**

Salary Bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Lower skilled (Levels 1-2)	1 770	0.9	11	0.0	59	0.0	60	0.0
Skilled (Levels 3-5)	16 747	8.2	490	0.2	1 182	0.6	1 522	0.7
Highly skilled production (Levels 6-8)	49 057	23.9	1 625	0.8	2 182	1.1	3 984	1.9
Highly skilled supervision (Levels 9-12)	63 018	30.7	827	0.4	1 408	0.7	2 358	1.2
Senior management (Levels 13-16)	13 146	6.4	0	0.0	66	0.0	115	0.1
<b>Total</b>	<b>143 738</b>	<b>70.1</b>	<b>2 952</b>	<b>1.4</b>	<b>4 897</b>	<b>2.4</b>	<b>8 039</b>	<b>3.9</b>

### 3.2 EMPLOYMENT AND VACANCIES

The following tables summarise the number of active posts on the establishment, the number of employees (excluding interns and the Minister), and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three key variables, namely: Programme (Table 3.2.1), Salary Band (Table 3.2.2) and Critical Occupations (Table 3.2.3). All information in this section is provided as a snapshot as at the end of the financial year under review.

**Table 3.2.1: Employment and vacancies by programme, as at 31 March 2018**

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	181	178	1.7%
Programme 2	43	42	2.3%
Programme 3	201	197	2.0%
Programme 4	51	48	5.9%
<b>Total</b>	<b>476</b>	<b>465</b>	<b>2.3%</b>

**Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2018**

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1-2)	10	10	0%
Skilled (Levels 3-5)	125	124	0.8%
Highly skilled production (Levels 6-8)	195	191	2.1%
Highly skilled supervision (Levels 9-12)	129	124	3.9%
Senior management (Levels 13-16)	17	16	5.9%
<b>Total</b>	<b>476</b>	<b>465</b>	<b>2.3%</b>

**Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2018**

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Architect	7	7	0%
Engineer	9	8	11.1%
Financial Manager	9	9	0%
GIS Specialist	3	3	0%
Project manager	2	2	0%
Research and Statistical Analyst	7	7	0%
Urban Designer / Town and Regional Planner	8	8	0%
Works Inspector	27	27	0%
<b>Total</b>	<b>72</b>	<b>71</b>	<b>1.4%</b>

Note: Critical occupations - refer to occupations that are critical for service delivery. If these occupations are not present in the department, the function/services will collapse.

### 3.3 JOB EVALUATION

Job evaluation was introduced as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities are required to evaluate each new post in his or her organisation or re-evaluate any post where the post mandate or content has significantly changed. This job evaluation process determines the grading and salary level of a post. It should be understood that Job Evaluation and Staff Performance Management differ in the sense that Job Evaluation refers to the value/weighting of the activities that are associated with the post and Staff Performance Management refers to the review of an individual's performance.

**Table 3.3.1: Job evaluation, 1 April 2017 to 31 March 2018**

Salary Band	Number of active posts as at 31 March 2018	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1-2)	10	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	125	0	0.0	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	195	1	0.2	0	0.0	0	0.0
Highly skilled supervision (Levels 9-12)	129	2	0.4	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	13	0	0.0	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	3	0	0.0	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	0	0	0.0	0	0.0	0	0.0
Senior Management Service Band D (Level 16)	1	0	0.0	0	0.0	0	0.0
<b>Total</b>	<b>476</b>	<b>3</b>	<b>0.6</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>

Note: The “Number of posts evaluated” per Salary Band reflects the Final Approved Post Level after Job Evaluation.

**Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2017 to 31 March 2018**

Beneficiaries	African	Coloured	Indian	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability					0

Note: Table 3.3.2 is a breakdown of posts upgraded in table 3.3.1.

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation or where higher notches awarded to employees within a particular salary level. Each salary level consists of 12 notches. Reasons for the deviation are provided in each case.

**Table 3.3.3: Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2017 to 31 March 2018**

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
None					

**Table 3.3.4: Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2017 to 31 March 2018**

Beneficiaries	African	Coloured	Indian	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability					0

Note: Table 3.3.4 is a breakdown of table 3.3.3 by race and gender.



### 3.4. EMPLOYMENT CHANGES

Turnover rates provide an indication of trends in the employment profile of the Department during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupation (Table 3.4.2). This section does not include intern information.

**Table 3.4.1: Annual turnover rates by salary band, 1 April 2017 to 31 March 2018**

Salary Band	Number of employees as at 31 March 2017	Turnover rate 2016/17	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2017/18
Lower skilled (Levels 1-2)	10	10.0%	0	0	0	0	0.0
Skilled (Levels 3-5)	105	8.0%	28	2	11	2	12.4
Highly skilled production (Levels 6-8)	196	5.6%	9	1	14	1	7.7
Highly skilled supervision (Levels 9-12)	123	15.5%	13	0	12	1	10.6
Senior Management Service Band A (Level 13)	14	14.3%	0	0	2	0	14.3
Senior Management Service Band B (Level 14)	3	50.0%	0	0	0	0	0.0
Senior Management Service Band C (Level 15)	1	0.0%	0	0	0	0	0.0
<b>Total</b>	<b>452</b>	<b>9.6%</b>	<b>50</b>	<b>3</b>	<b>39</b>	<b>4</b>	<b>9.5%</b>
			<b>53</b>		<b>43</b>		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (Both Provincially & Nationally)

**Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2017 to 31 March 2018**

Critical Occupation	Number of employees as at 31 March 2017	Turnover rate 2016/17	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2017/18
Architect	5	0.0%	3	0	1	0	20.0
Engineer	8	12.5%	1	0	0	0	0.0
Financial Manager	9	12.5%	0	0	0	0	0.0
GIS Specialist	3	0.0%	0	0	0	0	0.0
Project manager	2	0.0%	0	0	0	0	0.0
Research and Statistical Analyst	7	25.0%	2	0	0	0	0.0
Urban Designer / Town and Regional Planner	7	20.0%	1	0	0	0	0.0
Works Inspector	27	0.0%	2	0	2	0	7.4
<b>Total</b>	<b>68</b>	<b>7.2%</b>	<b>9</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4.4</b>
			<b>9</b>		<b>3</b>		

**Table 3.4.3: Staff leaving the employ of the Department, 1 April 2017 to 31 March 2018**

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2017
Death	1	2.3	0.2
Resignation *	16	37.2	3.5
Expiry of contract	16	37.2	3.5
Dismissal - operational changes	0	0.0	0.0
Dismissal - misconduct	0	0.0	0.0
Dismissal - inefficiency	0	0.0	0.0
Discharged due to ill-health	0	0.0	0.0
Retirement	6	14.0	1.3
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory Body	0	0.0	0.0
Transfers to other Public Service departments	4	9.3	0.9
<b>Total</b>	<b>43</b>	<b>100.0</b>	<b>9.5</b>

Note: Table 3.4.3 identifies the various exit categories for those staff members who have left the employ of the Department.

\* Resignations are further discussed in tables 3.4.4 and 3.4.5.

**Table 3.4.4: Reasons why staff resigned, 1 April 2017 to 31 March 2018**

Resignation Reasons	Number	% of total resignations
Better Remuneration	1	6.3
Domestic Problems	1	6.3
No Reason Provided	7	43.8
Other Occupation	6	37.5
Starting Own Business	1	6.3
<b>Total</b>	<b>16</b>	<b>100.0</b>

**Table 3.4.5: Different age groups of staff who resigned, 1 April 2017 to 31 March 2018**

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	2	12.5
Ages 25 to 29	3	18.8
Ages 30 to 34	3	18.8
Ages 35 to 39	1	6.3
Ages 40 to 44	0	0.0
Ages 45 to 49	6	37.5
Ages 50 to 54	0	0.0
Ages 55 to 59	0	0.0
Ages 60 to 64	1	6.3
Ages 65 >	0	0.0
<b>Total</b>	<b>16</b>	<b>100.0</b>

**Table 3.4.6 Employee initiated severance packages.**

Total number of employee initiated severance packages offered in 2017/18	None
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**Table 3.4.7: Promotions by salary band, 1 April 2017 to 31 March 2018**

Salary Band	Number of Employees as at 31 March 2017	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1-2)	10	0	0.0	4	40.0
Skilled (Levels 3-5)	105	0	0.0	67	63.8
Highly skilled production (Levels 6-8)	196	3	1.5	115	58.7
Highly skilled supervision (Levels 9-12)	123	2	1.6	66	53.7
Senior management (Levels 13-16)	18	0	0.0	11	61.1
<b>TOTAL</b>	<b>452</b>	<b>5</b>	<b>1.1</b>	<b>263</b>	<b>58.2</b>

Note: Promotions reflect the salary level of an employee after he/she was promoted.

**Table 3.4.8: Promotions by critical occupation, 1 April 2017 to 31 March 2018**

Critical Occupation	Number of Employees as at 31 March 2017	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees in critical occupations
Architect	5	0	0.0	1	20.0
Engineer	8	0	0.0	1	12.5
Financial Manager	9	0	0.0	5	55.6
GIS Specialist	3	0	0.0	0	0.0
Project manager	2	0	0.0	0	0.0
Research and Statistical Analyst	7	0	0.0	3	42.9
Urban Designer / Town and Regional Planner	7	0	0.0	0	0.0
Works Inspector	27	0	0.0	7	25.9
<b>Total</b>	<b>68</b>	<b>0</b>	<b>0.0</b>	<b>17</b>	<b>25.0</b>

Note: Promotions reflect the salary level of an employee after he/she was promoted.





### 3.5. EMPLOYMENT EQUITY

**Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2018**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	1	0	0	0	0	0	0	0	0	0	1
Senior management (Levels 13-14)	1	5	1	2	1	3	1	1	0	0	15
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	20	44	1	26	16	29	2	4	0	0	142
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	24	40	1	6	30	67	2	12	0	0	182
Semi-skilled and discretionary decision making (Levels 3-5)	13	27	1	5	22	42	1	6	0	0	117
Unskilled and defined decision making (Levels 1-2)	1	4	0	0	2	1	0	0	0	0	8
<b>Total</b>	<b>60</b>	<b>120</b>	<b>4</b>	<b>39</b>	<b>71</b>	<b>142</b>	<b>6</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>465</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>60</b>	<b>120</b>	<b>4</b>	<b>39</b>	<b>71</b>	<b>142</b>	<b>6</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>465</b>

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level.

For the number of employees with disabilities, refer to Table 3.5.2.

**Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2018**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	1	0	1	0	1	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	1	0	1	0	0	0	2	0	0	6
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	0	1	1	0	0	2
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	0	0	0	0	0	0	1
<b>Total</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>12</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>12</b>

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational level include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level.

**Table 3.5.3: Recruitment, 1 April 2017 to 31 March 2018**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	2	0	1	6	3	0	0	0	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	4	2	0	0	2	1	0	1	0	0	10
Semi-skilled and discretionary decision making (Levels 3-5)	3	5	0	0	9	11	0	2	0	0	30
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>9</b>	<b>0</b>	<b>1</b>	<b>17</b>	<b>15</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>53</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>8</b>	<b>9</b>	<b>0</b>	<b>1</b>	<b>17</b>	<b>15</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>53</b>

A = African; C = Coloured; I = Indian; W = White.

Note: Recruitment refers to the appointment of new employees to the staff establishment of the Department, but exclude interns. The totals include transfers from other government departments and / or institutions, as per Table 3.4.1.

**Table 3.5.4: Promotions, 1 April 2017 to 31 March 2018**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	0	0	1	0	1	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	0	1	0	0	1	1	0	0	0	0	3
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

A = African; C = Coloured; I = Indian; W = White.

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department, as per Table 3.4.7.

**Table 3.5.5: Terminations, 1 April 2017 to 31 March 2018**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	1	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	1	0	2	3	2	0	2	2	0	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	3	5	0	0	2	4	0	1	0	0	15
Semi-skilled and discretionary decision making (Levels 3-5)	4	2	0	0	3	4	0	0	0	0	13
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>3</b>	<b>8</b>	<b>11</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>43</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>3</b>	<b>8</b>	<b>11</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>43</b>

A = African; C = Coloured; I = Indian; W = White.

Note: Terminations refer to those employees (excluding interns) who have left the employ of the Department, including transfers to other departments, as per Table 3.4.1.

**Table 3.5.6: Disciplinary actions, 1 April 2017 to 31 March 2018**

Disciplinary Actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Suspension without a salary and a FWW	0	0	0	0	1	0	0	0	0	0	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

A = African; C = Coloured; I = Indian; W = White.

Note: The disciplinary actions total refers to formal outcomes only and not headcount. For further information on the outcomes of the disciplinary hearings and the types of misconduct addressed at disciplinary hearings, refer to Tables 3.12.2 and Table 3.12.3.

**Table 3.5.7: Skills development, 1 April 2017 to 31 March 2018**

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	<b>0</b>
Senior management (Levels 13-14)	1	4	1	0	1	2	1	1	<b>11</b>
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	19	40	1	23	14	31	1	6	<b>135</b>
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	24	35	1	5	29	67	0	11	<b>172</b>
Semi-skilled and discretionary decision making (Levels 3-5)	11	26	1	4	18	38	2	3	<b>103</b>
Unskilled and defined decision making (Levels 1-2)	1	4	0	0	2	1	0	0	<b>8</b>
<b>Total</b>	<b>56</b>	<b>109</b>	<b>4</b>	<b>32</b>	<b>64</b>	<b>139</b>	<b>4</b>	<b>21</b>	<b>429</b>
Temporary employees	0	0	0	0	0	0	0	0	<b>0</b>
<b>Grand total</b>	<b>56</b>	<b>109</b>	<b>4</b>	<b>32</b>	<b>64</b>	<b>139</b>	<b>4</b>	<b>21</b>	<b>429</b>

A = African; C = Coloured; I = Indian; W = White.

Note: The above table refers to the total number of employees who have received training during the period under review, and not the number of training interventions attended by individuals. For further information on the actual training provided, refer to Table 3.13.2.



### 3.6. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

**Table 3.6.1: Signing of Performance Agreements by SMS Members, as at 31 May 2017**

SMS Post Level	Number of active 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
Director-General/ Head of Department	1	1	1	100.0
Salary Level 14	3	3	3	100.0
Salary Level 13	14	14	14	100.0
<b>Total</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>100.0</b>

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded. Furthermore, the table reflects post salary details and not the individual salary level of employees. The allocation of performance-related rewards (cash bonus) for SMS members is dealt with later in the report. Refer to Table 3.8.5 in this regard.

**Table 3.6.2: Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2017**

Reasons for not concluding Performance Agreements with all SMS
N/A

**Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2017**

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None Required

### 3.7. FILLING OF SMS POSTS

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information of advertising and the filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken in cases of non-compliance.

**Table 3.7.1: SMS posts information, as at 30 September 2017**

SMS Level	Number of active 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
Director-General/ Head of Department	1	1	100.0%	0	0.0%
Salary Level 14	3	3	100.0%	0	0.0%
Salary Level 13	14	14	100.0%	0	0.0%
<b>Total</b>	<b>18</b>	<b>18</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.

**Table 3.7.2: SMS posts information, as at 31 March 2018**

SMS Level	Number of active 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
Director-General/ Head of Department	1	1	100.0%	0	0.0%
Salary Level 14	3	3	100.0%	0	0.0%
Salary Level 13	13	12	92.3%	1	7.7%
<b>Total</b>	<b>17</b>	<b>16</b>	<b>94.1%</b>	<b>1</b>	<b>5.9%</b>

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.



**Table 3.7.3: Advertising and Filling of SMS posts, as at 31 March 2018**

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
Director-General/ Head of Department	0	0	0
Salary Level 14	0	0	0
Salary Level 13	1	0	1
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>

**Table 3.7.4: Reasons for not having complied with the filling of active vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant**

SMS Level	Reasons for non-compliance
Director-General/ Head of Department	N/A
Salary Level 14	N/A
Salary Level 13	N/A

**Table 3.7.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months**

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts
None

### 3.8. EMPLOYEE PERFORMANCE

The following tables note the number of staff by salary band (table 3.8.1) and staff within critical occupations (3.8.2) who received a notch progression as a result of performance management. (i.e. qualifying employees who scored between 3 - 5 in their performance ratings).

**Table 3.8.1: Notch progressions by salary band, 1 April 2017 to 31 March 2018**

Salary Band	Employees as at 31 March 2017	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	10	4	40.0
Skilled (Levels 3-5)	105	67	63.8
Highly skilled production (Levels 6-8)	196	115	58.7
Highly skilled supervision (Levels 9-12)	123	66	53.7
Senior management (Levels 13-16)	18	11	61.1
<b>Total</b>	<b>452</b>	<b>263</b>	<b>58.2</b>

**Table 3.8.2: Notch progressions by critical occupation, 1 April 2017 to 31 March 2018**

Critical Occupations	Employees as at 31 March 2017	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Architect	5	1	20.0
Engineer	8	1	12.5
Financial Manager	9	5	55.6
GIS Specialist	3	0	0.0
Project manager	2	0	0.0
Research and Statistical Analyst	7	3	42.9
Urban Designer / Town and Regional Planner	7	0	0.0
Works Inspector	27	7	25.9
<b>Total</b>	<b>68</b>	<b>17</b>	<b>25.0</b>

To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2016/17, but paid in the financial year 2017/18. The information is presented in terms of race, gender, and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) and critical occupations (Table 3.8.6).

**Table 3.8.3: Performance rewards by race, gender, and disability, 1 April 2017 to 31 March 2018**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	44	120	36.7	359	8 169
Male	24	59	40.7	250	10 416
Female	20	61	32.8	109	5 472
Coloured	144	253	56.9	1 083	7 519
Male	65	116	56.0	531	8 171
Female	79	137	57.7	552	6 983
Indian	7	9	77.8	51	7 226
Male	3	4	75.0	17	5 566
Female	4	5	80.0	34	8 472
White	36	61	59.0	440	12 215
Male	23	39	59.0	314	13 638
Female	13	22	59.1	126	9 697
Employees with a disability	2	9	22.2	17	8452
<b>Total</b>	<b>233</b>	<b>452</b>	<b>51.5</b>	<b>1 950</b>	<b>8 367</b>

**Table 3.8.4: Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2017 to 31 March 2018**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	3	10	30.0	6	2 081	0.0
Skilled (Levels 3-5)	42	105	40.0	157	3 729	0.1
Highly skilled production (Levels 6-8)	92	196	46.9	556	6 046	0.3
Highly skilled supervision (Levels 9-12)	84	123	68.3	913	10 873	0.5
<b>Total</b>	<b>221</b>	<b>434</b>	<b>50.9</b>	<b>1 632</b>	<b>7 386</b>	<b>0.9</b>

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12 employees, reflected in Table 3.1.2.

**Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 01 April 2017 to 31 March 2018**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	9	14	64.3	197	21 854	1.0
Senior Management Service Band B (Level 14)	2	3	66.7	53	26 687	0.3
Senior Management Service Band C (Level 15)	1	1	100.0	67	66 939	0.3
<b>Total</b>	<b>12</b>	<b>18</b>	<b>66.7</b>	<b>317</b>	<b>26 417</b>	<b>1.6</b>

Note: The cost is calculated as a percentage of the total personnel expenditure for those employees at salary levels 13-16, reflected in Table 3.1.2.

**Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2017 to 31 March 2018**

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Architect	1	5	20.0	4	4 476	0.0
Engineer	1	8	12.5	14	13 745	0.0
Financial Manager	6	9	66.7	83	13 775	0.0
GIS Specialist	0	3	0.0	0	0	0.0
Project manager	2	2	100.0	21	10 706	0.0
Research and Statistical Analyst	2	7	28.6	24	12 215	0.0
Urban Designer / Town and Regional Planner	0	7	0.0	0	0	0.0
Works Inspector	19	27	70.4	147	7 716	0.1
Architect	1	5	20.0	4	4 476	0.0
<b>Total</b>	<b>31</b>	<b>68</b>	<b>45.6</b>	<b>293</b>	<b>9 462</b>	<b>0.2</b>



### 3.9 FOREIGN WORKERS

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands (Table 3.9.1) and major occupation (Table 3.9.2). The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

**Table 3.9.1: Foreign Workers by salary band, 1 April 2017 to 31 March 2018**

Salary Band	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0.0	0	0.0	0	0
Skilled (Levels 3-5)	0	0.0	0	0.0	0	0
Highly skilled production (Levels 6-8)	0	0.0	0	0.0	0	0
Highly skilled supervision (Levels 9-12)	2	100.0	0	0.0	-2	100.0
Senior management (Levels 13-16)	0	0.0	0	0.0	0	0
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>-2</b>	<b>100.0</b>

Note: The table above excludes non- citizens with permanent residence in the Republic of South Africa.

**Table 3.9.2: Foreign Workers by major occupation, 1 April 2017 to 31 March 2018**

Major Occupation	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% change
Engineer	1	50.0	0	0.0	-1	100.0
Project Administrator	1	50.0	0	0.0	-1	100.0
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>-2</b>	<b>100</b>

Note: The table above excludes non- citizens with permanent residence in the Republic of South Africa.

### 3.10. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2017 TO 31 DECEMBER 2017

The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both instances, the estimated cost of the leave is also provided.

**Table 3.10.1: Sick leave, 1 January 2017 to 31 December 2017**

Salary Band	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)	199	71.9	35	41	85.4	6	54
Skilled (Levels 3-5)	1 000	75.2	108	127	85.0	9	615
Highly skilled production (Levels 6-8)	1 664	74.0	174	189	92.1	10	1 715
Highly skilled supervision (Levels 9-12)	1 059	76.4	138	152	90.8	8	1 728
Senior management (Levels 13-16)	87	66.7	15	18	83.3	6	236
<b>Total</b>	<b>4 009</b>	<b>74.7</b>	<b>470</b>	<b>527</b>	<b>89.2</b>	<b>9</b>	<b>4 348</b>

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. The three-year sick leave cycle started in January 2016 and ended in December 2018. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.

**Table 3.10.2: Incapacity leave, 1 January 2017 to 31 December 2017**

Salary Band	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)	0	0.0	0	41	0.0	0	0
Skilled (Levels 3-5)	56	100.0	4	127	3.1	14	38
Highly skilled production (Levels 6-8)	37	100.0	7	189	3.7	5	36
Highly skilled supervision (Levels 9-12)	35	100.0	3	152	2.0	12	65
Senior management (Levels 13-16)	0	0.0	0	18	0.0	0	0
<b>Total</b>	<b>128</b>	<b>100.0</b>	<b>14</b>	<b>527</b>	<b>2.7</b>	<b>9</b>	<b>139</b>

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 or 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 Policy on Incapacity Leave and Ill-Health Retirement (PILIR).

**Table 3.10.3: Annual Leave, 1 January 2017 to 31 December 2017**

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Lower skilled (Levels 1-2)	448	39	11
Skilled (Levels 3-5)	2 317	112	21
Highly skilled production (Levels 6-8)	4 535	185	25
Highly skilled supervision (Levels 9-12)	3 562	151	24
Senior management (Levels 13-16)	337	18	19
<b>Total</b>	<b>11 199</b>	<b>505</b>	<b>22</b>

**Table 3.10.4: Capped leave, 1 January 2017 to 31 December 2017**

Salary Band	Total capped leave available as at 31 Dec 2016	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 2017	Total capped leave available as at 31 Dec 2017
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	10	0	0	0	4	12
Highly skilled production (Levels 6-8)	1 608	14	6	2	41	1 465
Highly skilled supervision (Levels 9-12)	1 405	7	3	2	30	1 069
Senior management (Levels 13-16)	561	0	0	0	6	464
<b>Total</b>	<b>3 584</b>	<b>21</b>	<b>9</b>	<b>2</b>	<b>81</b>	<b>3 011</b>

Note: It is possible for the total number of capped leave days to increase as employees who were promoted or transferred into the Department, retain their capped leave credits, which form part of that specific salary band and ultimately the departmental total.

**Table 3.10.5: Leave pay-outs, 1 April 2017 to 31 March 2018**

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs during 2016/17 due to non-utilisation of leave for the previous cycle	270	8	33 786
Capped leave pay-outs on termination of service	502	2	250 981
Current leave pay-outs on termination of service	502	17	29 538
<b>Total</b>	<b>1 274</b>	<b>27</b>	<b>47 200</b>





### 3.11. HEALTH PROMOTION PROGRAMMES, INCLUDING HIV AND AIDS

**Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2017 to 31 March 2018**

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 &amp; AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.</p>	<p>HIV &amp; AIDS Counselling and Testing (HCT) and Wellness screenings were conducted in general. The outsourced Health and Wellness contract for the Employee Health and Wellness Programme (EHWP) provides employees and their immediate family members (it means the spouse or partner of an employee or children living with an employee) with a range of services. These services include the following:</p> <ul style="list-style-type: none"> <li>• 24/7/365 Telephone counselling;</li> <li>• Face to face counselling (4 session model);</li> <li>• Trauma and critical incident counselling;</li> <li>• Advocacy on HIV&amp;AIDS awareness, including online E-Care services, and</li> <li>• Training, coaching and targeted Interventions where these were required.</li> </ul>

Table 3.11.2: Details of Health Promotion including HIV & AIDS Programmes, 1 April 2017 to 31 March 2018

Question	Yes	No	Details, if yes
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, 2016? If so, provide her/his name and position.	✓		Ms Reygana Shade, Director: Organisational Behaviour, (Department of the Premier).
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>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to the eleven (11) departments, including the Department of Human Settlements.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the eleven (11) client departments.</p> <p>The unit consists of a Deputy Director (vacant from February 2018), three (3) Assistant Directors, and three (3) EHW Practitioners.</p> <p>Budget: R2.65 m</p>
3. Has the department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	✓		<p>The Department of the Premier has entered into a service level agreement with ICAS (external service provider) to render an Employee Health and Wellness Service to the eleven departments of the Corporate Services Centre (CSC).</p> <p>The following interventions were conducted: Financial Management, Child and Family Care, Healthy and Happy Living, Team Cohesion, Diversity Management, Financial Literacy and Alternative Dispute Resolutions, GRIT (Guts, Resilience, Influence and Tenacity, Stress and Resilience, Stress and Work-Life Balance, Trauma Management, Employee Information session desks, HCT and Wellness Screening and Coaching for managers.</p> <p>These interventions were planned based on the trends reported quarterly through the Employee Health and Wellness Programme (EHWP) reports provided by the service provider, ICAS, for the period 2017/18. The reports were based on the utilisation of the EHW 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 employees and managers.</p> <p>Information sessions were also provided to inform employees of the EHW service and how to access the Employee Health and Wellness Programme (EHWP). 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, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>The Department of Human Settlements is represented by R Roberts.</p>



Question	Yes	No	Details, if yes
<p>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>	<p>✓</p>		<p>The Transversal Management Framework for Employee Health and Wellness 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>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>Whilst the four (4) Provincial Employee Health and Wellness Policies were ratified and approved during the previous financial year, the workplace practices are constantly monitored to ensure policy compliance and fairness.</p> <p>One of the policies, HIV &amp; AIDS and TB Management, responds to the prevention of discrimination against employees affected and infected by HIV &amp; AIDS and TB in the workplace.</p> <p>Further to this, the Department of Health, that is the lead department for HIV &amp; AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Cape Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p>

Question	Yes	No	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 Provincial Strategic Plan on HIV &amp; AIDS, STIs and TB 2017-2022 has been implemented to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The overarching aim of the said Provincial Strategic Plan is to protect HIV-positive employees by advocating to reduce the number of new HIV infections and the number of TB cases. Through expanded treatment and care services, the province aims to meet the 90-90-90 targets for both HIV and TB, as well as to achieve a 75% treatment success rate for drug-resistant TB.</p> <p><b>HIV 90-90-90 target, as recommended by UNAIDS, provides that by 2020:</b></p> <ul style="list-style-type: none"> <li>• 90% of all people living with HIV will know their HIV status;</li> <li>• 90% of all people with an HIV diagnosis receive sustained antiretroviral therapy; and</li> <li>• 90% of all people receiving antiretroviral therapy achieve viral suppression.</li> </ul> <p><b>TB 90-90-90 target provides for:</b></p> <ul style="list-style-type: none"> <li>• 90% of vulnerable groups should have been screened for TB</li> <li>• 90% of people with TB should be diagnosed and started on treatment, and</li> <li>• 90% of those treated for TB should be cured</li> </ul> <p>The department participated in HCT and Wellness screenings to ensure that every employee is tested for HIV and screened for TB, at least annually.</p> <p>The aim was to:</p> <ul style="list-style-type: none"> <li>• Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees.</li> <li>• Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees.</li> </ul> <p>Other key elements that addressed anti HIV &amp; AIDS discrimination issues were:</p> <ul style="list-style-type: none"> <li>• Conducting Wellness and TB Screenings with specific requests from departments;</li> <li>• Distributing posters and pamphlets;</li> <li>• Providing HCT and TB Screenings, condom distribution and spot talks; and</li> <li>• Commemoration of World AIDS Day and Wellness events.</li> </ul>
<p>7. Does the department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have achieved.</p>	✓		<p><b>HCT SESSIONS:</b></p> <p>The following screening sessions were conducted: Blood pressure, Glucose, Cholesterol, TB, BMI [body mass index] and spot talks.</p> <p>The Department of Human Settlements participated in 3 HCT and Wellness screening sessions.</p> <p>71 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p> <p>There were 0 clinical referrals for TB, HIV, STIs or any other similar condition.</p>



Question	Yes	No	Details, if yes
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<p>The impact of health promotion programmes is indicated through information provided through the Employee Health and Wellness Contract (external service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by (ICAS). The most recent annual health review period was 1 April 2017- 31 March 2018.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, number of cases, etc.</p> <p>The review further provides, amongst others, details pertaining to service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the workplace.</p>

### 3.12. LABOUR RELATIONS

The following provincial collective agreements were entered into with trade unions for the period under review.

**Table 3.12.1: Collective agreements, 1 April 2017 to 31 March 2018**

Total collective agreements	None
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Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the Department for the period.

**Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2017 to 31 March 2018**

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Suspension without pay coupled with a Final Written Warning	1	100.0
<b>Total number of disciplinary Hearings</b>	<b>1</b>	<b>100.0</b>

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

**Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2017 to 31 March 2018**

Type of misconduct	Number	% of total
Falsifies records or any documents	1	100.0
<b>Total number of misconduct cases</b>	<b>1</b>	<b>100.0</b>

**Table 3.12.4: Grievances lodged, 1 April 2017 to 31 March 2018**

Grievances lodged	Number	% of total
Number of grievances resolved	31	50.0
Number of grievances not resolved	31	50.0
<b>Total number of grievances lodged</b>	<b>62</b>	<b>100.0</b>

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 3.12.5: Disputes lodged with Councils, 1 April 2017 to 31 March 2018**

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
<b>Total number of disputes lodged</b>	<b>0</b>	<b>0</b>

Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC). When a dispute is “upheld”, it means that the Council endorses the appeal as legitimate and credible in favour of the aggrieved. When a dispute is “dismissed”, it means that the Council is not ruling in favour of the aggrieved.

**Table 3.12.6: Strike actions, 1 April 2017 to 31 March 2018**

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

**Table 3.12.7: Precautionary suspensions, 1 April 2017 to 31 March 2018**

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

Note: Precautionary suspensions refer to staff who were suspended with full pay, whilst the case was being investigated.



### 3.13. SKILLS DEVELOPMENT

This section highlights the efforts of the Department with regard to skills development. Table 3.13.1 reflect the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

**Table 3.13.1: Training needs identified, 1 April 2017 to 31 March 2018**

Occupational Categories	Gender	Number of employees as at 1 April 2017	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	7	0	19	0	19
	Male	11	0	13	0	13
Professionals	Female	45	0	163	0	163
	Male	77	0	309	0	309
Technicians and associate professionals	Female	108	0	409	0	409
	Male	86	0	244	0	244
Clerks	Female	61	0	242	0	242
	Male	43	0	159	0	159
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	7	0	13	0	13
	Male	7	0	25	0	25
Sub Total	Female	228	0	846	0	846
	Male	224	0	750	0	750
<b>Total</b>		<b>452</b>	<b>0</b>	<b>1 596</b>	<b>0</b>	<b>1 596</b>
Employees with disabilities	Female	8	0	11	0	11
	Male	7	0	3	0	3

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

**Table 3.13.2: Training provided, 1 April 2017 to 31 March 2018**

Occupational Categories	Gender	Number of employees as at 1 April 2017	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	6	0	9	0	9
	Male	10	0	10	0	10
Professionals	Female	51	0	147	0	147
	Male	91	0	208	0	208
Technicians and associate professionals	Female	111	0	246	0	246
	Male	71	0	151	0	151
Clerks	Female	71	0	141	0	141
	Male	46	0	98	0	98
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	3	0	13	0	13
	Male	5	0	17	0	17
Sub Total	Female	242	0	556	0	556
	Male	223	0	484	0	484
<b>Total</b>		<b>465</b>	<b>0</b>	<b>1040</b>	<b>0</b>	<b>1040</b>
Employees with disabilities	Female	5	0	9	0	9
	Male	7	0	2	0	2

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

### 3.14. INJURY ON DUTY

This section provides basic information on injuries sustained whilst being on official duty.

**Table 3.14.1: Injury on duty, 1 April 2017 to 31 March 2018**

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0.0
Temporary disablement	3	75.0
Permanent disablement	0	0.0
Fatal	1	25.0
<b>Total</b>	<b>4</b>	<b>100.0</b>
Percentage of total employment		0.8





3.15. UTILISATION OF CONSULTANTS

Table 3.15.1: Consultant appointments using appropriated funds

No.	Consulting Firm	Project Title	Nature Of The Project	Total number of consultants	Duration: work days	Contract value: r'000	Amount paid in 2017/18 financial year	BBBEE level
1	MV Abayli	Airport Precinct	Architecture & Urban Design	16	36 Months	3 048 320.00	1 812 185.21	Level 4
2	Magqwaka Associates Architects		Architecture & Urban Design			4 572 480.00	2 365 696.14	Level 1
3	Aurecon SA		Professional Fees			18 982 580.44	6 227 045.49	Level 2
4	JG Afrika		Professional Fees			3 959 850.48	2 027 733.09	Level 1
5	Urban Dynamics		Professional Fees			3 675 297.00	1 096 011.76	Level 4
6	Bergstan SA (Geotech & Civil)		Geotechnical, Civil & Structural Engineering			50 597 634.37	7 406 203.05	Level 3
7	Miradi Architects		Architecture & Urban Design			31 741.74	31 741.74	Level 4
8	Iliso Consulting T/A Nako Iliso (Traffic & Civil)		Traffic & Civil Engineering			31 945 516.16	3 939 728.40	Level 2
9	Worley Parsons		Professional Fees			7 159 923.04	591 108.07	Level 2
10	Elite Consulting Holders		Development Facilitator			4 673 866.66	962 765.65	Level 1
11	FJC Consulting		Environmental Practitioner			3 711 490.00	916 966.28	Level 2
12	GJA Electrical Consulting		Electrical Engineer			4 446 457.92	144 277.97	Level 1
13	I Murison Legal		Professional Fees			308 176.00	-	Level 1
14	Jono Trust Town Planning		Town Planning			1 806 464.00	-	Level 3
15	Ngewu And Associates QS		Professional Fees			519 000.00	-	Level 1
16	Amps QS		Professional Fees			346 000.00	-	Level 1
17	Lukhozi Consulting Engineers	Ithemba	Professional Fees	1	36 Months	6 094 960.00	869 450.42	Level 2
18	Mzi Development Services	Blue Downs Military Veterans	Professional Fees	5	44 Months	429 010.19	199 821.16	Level 1
19	C2C Consulting Engineers					2 030 449.00	841 960.39	Level 1
20	FJC Consulting					176 708.00	-	Level 1
21	GJA Electrical Consulting					524 969.20	-	Level 1
22	Aurecon SA					695 630.00	187 087.50	Level 2
23	Lukhozi Consulting Engineers	Delft Symphony Precinct 3 & 5	Civil & Electrical Engineering	1	76 Months	22 599 220.57	818 286.78	Level 2

No.	Consulting Firm	Project Title	Nature Of The Project	Total number of consultants	Duration: work days	Contract value: r'000	Amount paid in 2017/18 financial year	BBBEE level
24	Lukhozi Consulting Engineers	Delft Symphony Precinct 7	Professional Services	1	78 Months	7 229 521.56	4 851 413.30	Level 2
25	Lukhozi Consulting Engineers	Forest Village	Professional Fees	1	96 Months	76 177 597.01	15 898 111.44	Level 2
26	Gibb Engineering & Architecture	Grabouw	Storm Water Masterplan	1	24 Months	5 971 890.00	436 848.16	Level 2
27	JG Afrika	Kosovo Informal Settlement	Professional Services	13	36 Months	259 838.00	163 614.90	Level 1
28	Malani Padayachee & Associates					3 592 370.00	160 400.00	Level 1
29	Gibb Engineering & Architecture					7 231 515.00	2 054 133.49	Level 2
30	Arg Design					2 747 039.00	1 102 855.19	Level 2
31	Miradi Architects					866 940.00	315 687.39	Level 4
32	Luyanda Mpahlwa Design Space					1 300 410.00	616 368.93	Level 1
33	Element Consulting Engineers					4 720 398.00	270 927.23	Level 4
34	Wsp Group Africa					5 388 556.00	289 225.60	Level 3
35	I Murison Legal					91 013.00	-	Level 1
36	Advantage QS					519 000.00	-	Level 4
37	Lakhanya Quantity Surveyors					346 000.00	-	Level 1
38	FJC Consulting					1 054 291.00	316 287.30	Level 2
39	Umtha Development Facilitator					1 125 000.00	-	Level 1



No.	Consulting Firm	Project Title	Nature Of The Project	Total number of consultants	Duration: work days	Contract value: r'000	Amount paid in 2017/18 financial year	BBBEE level
40	Gibb Engineering & Architecture	Kosovo: Farm 694	Professional Services	10	36 Months	7 231 515.00	-	Level 2
41	Arg Design					1 244 559.00	-	Level 2
42	Miradi Architects					866 940.00	-	Level 4
43	Luyanda Mpahlwa Design Space					1 300 410.00	-	Level 1
44	Element Consulting Engineers					1 499 989.00	-	Level 4
45	JG Afrika					259 838.00	-	Level 1
46	Malani Padayachee & Associates					1 216 800.00	-	Level 1
47	Wsp Group Africa					1 825 200.00	-	Level 3
48	I Murison Legal					91 013.00	-	Level 1
49	FJC Consulting					1 054 291.00	-	Level 2
50	Aurecon SA	Malibu & Conifers Infill	Professional Fees	5	34 Months	402 731.00	309 231.00	Level 2
51	Bosch Steremele					2 240 723.00	306 560.30	Level 2
52	FJC Consulting					267 300.00	-	Level 2
53	GJA Electrical Consulting					380 000.00	-	Level 1
54	Mzi Development Services					160 671.77	53 208.50	Level 1

No.	Consulting Firm	Project Title	Nature Of The Project	Total number of consultants	Duration: work days	Contract value: r'000	Amount paid in 2017/18 financial year	BBBEE level
55	BSP Consulting Engineers	Penhill Greenfields	Professional Services	16	36 Months	7 780 512.00	812 093.29	Level 1
56	Smec SA					11 681 280.00	1 333 840.20	Level 1
57	WSP Group Africa					784 400.00	289 225.60	Level 5
58	Motla Consulting Engineers					5 760 000.00	1 021 992.00	Level 7
59	Jakupa Architects & Urban Design					3 911 040.00	2 122 800.00	Level 1
60	Aurecon SA					3 799 263.00	1 291 041.76	Level 2
61	Mzi Development Services					1 050 600.00	81 600.00	Level 1
62	Planning Partners					3 823 353.00	122 600.00	Level 1
63	Worley Parsons					6 606 900.00	2 675 650.93	Level 2
64	Colab Architects					2 607 360.00	-	Level 3
65	I Murison Legal					276 040.00	-	Level 1
66	GJA Electrical Consulting Engineers					1 920 000.00	-	Level 1
67	AQS Consulting Gantity Surveyor					519 000.00	-	Level 1
68	DNA Consulting Quantity Surveyor					346 000.00	-	Level 2
69	FJC Consulting Land Surveyor					2 200 000.00	-	Level 2
70	Mott Mcdonald Africa					83 808.00	83 808.00	Level 3
71	Lukhozi Consulting Engineers	Thembelihle Dom Workers	Professional Services	2	72 Months	1 945 453.19	206 108.07	Level 2
72	SMEC SA					192 393.84	Level 1	



No.	Consulting Firm	Project Title	Nature Of The Project	Total number of consultants	Duration: work days	Contract value: r'000	Amount paid in 2017/18 financial year	BBBEE level
73	Neil Lyners & Associates	Transhex	Professional Fees	15	36 Moths	23 700 000.00	5 308 635.49	Level 1
74	Jubelie Projects					42 500 000.00	7 176 819.80	Level 2
75	BSP Consulting Engineers					3 800 000.00	1 006 007.98	Level 1
76	Mott Mcdonald Africa					15 900 000.00	2 853 967.68	Level 3
77	Mzi Development Services					900 000.00	96 625.00	Level 1
78	Joubert En Brink Opmetings					2 900 000.00	195 000.00	Level 4
79	African Town Planning Services					62 600.00	56 200.00	Level 4
80	Matlapa Construction Consulting					5 400 000.00	496 872.28	Level 1
81	Guillaume Nel					3 500 000.00	957 408.00	Level 4
82	Innovative Transport Solutions					6 700 000.00	2 339 539.50	Level 2
83	SVA International (Pty) Ltd					8 100 000.00	2 291 046.20	Level 4
84	ESI Attorneys					3 300 000.00	-	Level 1
85	Nandi Bulabula					3 300 000.00	-	Level 1
86	Ole Bogeng & Associates					3 400 000.00	195 647.20	Level 1
87	Amps					2 400 000.00	122 337.60	Level 1

No.	Consulting Firm	Project Title	Nature Of The Project	Total number of consultants	Duration: work days	Contract value: r'000	Amount paid in 2017/18 financial year	BBBEE level
88	Neil Lyners & Associates	Viakkeland	Professional Services	12	36 Months	17 500 000.00	4 266 414.43	Level 1
89	Jubelle Projects					14 300 000.00	5 940 194.57	Level 2
90	Cape Town Architecture Studios					3 500 000.00	1 434 414.58	Level 1
91	BSP Consulting Engineers					6 700 000.00	1 380 905.26	Level 1
92	AQS Consultants					1 600 000.00	153 600.00	Level 1
93	Guillaume Nel					1 500 000.00	564 838.02	Level 4
94	Lakhanya Quantity Surveyors					1 000 000.00	102 400.00	Level 1
95	Joubert Eh Brink Opmetings					543 680.00	-	Level 4
96	Innovative Transport Solutions					1 600 000.00	-	Level 2
97	African Town Planning Services					143 000.00	-	Level 4
98	Esi Attorneys					1 100 000.00	-	Level 1
99	DNA Land Use Consultants					512 228.00	-	Level 1
100	Planning Partners	Saldanha Bay	Title Deeds	1	N/A	N/A	58 482.00	Level 1
101	Simply Do	Diazville Housing Project	Project & Construction Management	2	12	1 805 046.01	1 805 046.01	Level 1
102	Nadeson					110 000.00	110 000.00	Level 2
103	Royal Haskoning DHV	Spieskamp	Advisory Consulting Services	1	30 Months	1 118 000.00	123 561.30	Level 1
104	Royal Haskoning DHV	Metro Grounds - George	Professional Fees	1	72 Months	2 500 000.00	5 709 712.25	Level 1
105	Royal Haskoning DHV	Eden Prt	Professional Fees	2	40 Months	9 200 000.00	596 114.46	Level 1
106	SSI Engineers						309 566.42	Level 1
107	Jubelle Projects	Witzenburg: Wolseley	Title Deeds Phase 2	1	N/A	N/A	51 327.65	Level 2
108	Jubelle Projects	Klapmuts	Waste Water Works	1	36 Months	N/A	99 230.84	Level 2
109	Aurecon SA	Overberg	Title Deeds	1	N/A	N/A	573 209.24	Level 2
110	Aurecon SA	Blue Downs Infill	Geotechnical Engineer	5	36 Months	134 085.00	32 705.00	Level 2



No.	Consulting Firm	Project Title	Nature Of The Project	Total number of consultants	Duration: work days	Contract value: r'000	Amount paid in 2017/18 financial year	BBBEE level
	Totals					556 822 752.31	114 223 924.28	

**Table 3.15.2: Consultant appointments using Donor funds**

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of consultant teams that worked on the project	Duration: Work days / hours	Contract Value in Rand	BBBEE Level
	None						







## *Paternoster Housing Project*

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

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

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

**REPORT OF THE AUDIT COMMITTEE  
for the year ended 31 March 2018**

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We are pleased to present our report for the financial year ended 31 March 2018.

**Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act 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 Treasury Regulations, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following internal audit engagements were approved by the Audit Committee and completed by Internal Audit during the year under review:

**Assurance Engagements:**

- Delegations Framework
- Govan Mbeki Awards
- Grant Expenditure Management
- Informal Settlements

**Consulting Engagements:**

- Business Plan Monitoring
- Western Cape Housing Development Fund
- Housing Demand Database

The areas for improvement, as noted by Internal Audit during the performance of their work, were agreed to by Management. The Audit Committee monitors the implementation of the agreed actions on a quarterly basis.

**In-Year Management and Monthly/Quarterly Report**

The Audit Committee is satisfied with the content and quality of the quarterly in-year management and performance reports issued during the year under review by the Accounting Officer of the Department in terms of the Treasury Regulations and the Division of Revenue Act.

**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 South Africa (AGSA) and the Accounting Officer;

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**REPORT OF THE AUDIT COMMITTEE  
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- Reviewed the AGSA's Management Report and Management's responses thereto;
- Reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- Reviewed material adjustments resulting from the audit of the Department.

**Compliance**

The Audit Committee has reviewed the Department's processes for compliance with legal and regulatory provisions.

**Provincial Forensics Services**

The Provincial Forensic Services (PFS) presented us with statistics. The Audit Committee monitors the progress of the PFS reports on a quarterly basis. There were no matters brought to our attention that required further reporting by the Audit Committee.

**Performance Information**

The Audit Committee has reviewed the information on predetermined objectives as reported in the Annual Report.

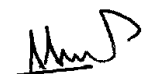
**Report of the Auditor-General South Africa**

The Audit Committee has, on a quarterly basis, reviewed the Department's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA are monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements, and proposes that these audited Annual Financial Statements be accepted and read together with their report.

The Audit Committee commends the Department for achieving a financially unqualified audit opinion with no material findings.

The Audit Committee wishes to express their appreciation to the Management of the Department, the AGSA and the WCG Corporate Assurance Branch for the co-operation and information they have provided to enable us to compile this report.



**Mr Ameen Amod**  
**Chairperson of the Social Cluster Audit Committee**  
**Western Cape Department of Human Settlements**  
**31 July 2018**



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REPORT OF THE ACCOUNTING OFFICER  
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**Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.**

**Introduction**

During the 2017/18 financial year, the Department received an unqualified Financial Audit Report consecutively, since 2013/14. Furthermore, the year under review represents the fourth year of the five-year mandate of this provincial administration. In 2017/18, the Department expressed its commitment to the Provincial Strategic Goals and the National Outcomes by successfully implementing a number of programmes that support these strategies. While challenges have been experienced in terms of organisational restructuring and actual delivery, the Department has endeavored to put measures in place to ensure that it delivers on its mandate. The following is an account of some of the highlights and challenges experienced by the Department during the year under review, in terms of its strategic objectives.

**1. Enhanced efficiency and effectiveness of the provincial Department of Human Settlements**

The MPAT process requires that the senior management of the Department conduct a self-assessment against a range of standards. This results in improved management practices and ultimately service delivery. For the financial year under review, the Department achieved a level 3 MPAT rating. While this rating indicates that the Department is compliant with MPAT prescripts and standards, it is a regression from previous years. For this reason, the Department has implemented an improvement plan, to again achieve a level 4 MPAT rating and to mitigate some of the findings raised during the process. The Department is confident that it will regain its level 4 rating in the forthcoming cycle.

**2. Improved functionality, efficiencies and resilience of human settlements municipal support**

Department supports local municipalities in planning for housing and human settlements. Support revolves around development of human settlement plans, development and reviews of human settlement pipelines; the actual town planning and project packaging work with the housing and spatial planning unit of the municipalities. Furthermore, the Department also provides input into the Integrated Development Plans of municipalities aimed at ensuring that projects feed into the Departmental Business Plan. Municipalities are further supported to enhance regional and transversal planning to improve sequencing of interventions by different departments. Importantly, support is also rendered to drive projects in order to ensure delivery and create better living conditions for all the communities in the Western Cape.

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### **2.1. Research Projects**

In terms of the Department's research studies, a number of research papers were concluded in 2017/18, which will assist in the implementation of human settlement delivery. The Department overachieved on the target of two (2) and produced three (3) research papers. The following research papers were concluded:

- A review of the implementation of subsidized rent-to-buy units with a focus on the Institutional Housing Subsidy Programme (IHSP);
- An investigation of the inclusion of health related objectives and intended outcomes in human settlement policy in the Western Cape Province, with a focus on informal settlements; and
- A research report on how BNG top structure subsidies have been used to create viable sectional title developments in certain Integrated Residential Development Programme (IRDP) projects.

### **2.2. Policy and Policy Guidelines**

The Department revised the Enhanced Serviced Site Policy Guidelines to address concerns raised by contractors increasing the cost of inputs, such as building materials, infrastructure equipment and labour. The new guidelines also introduces efficient building technologies aimed at strengthening local material supply and skills development.

The Department developed the Water Crisis Response Policy Guideline for the Western Cape. The Policy provides guidance on the implementation of water demand and supply management measures in subsidy housing projects, and a funding channel is established to cover the extra costs of providing these measures.

### **2.3. Partnerships**

The Department has finalised the Departmental Partnership Strategy during the 2016/17 period, which aims to create, maintain and promote sustainable partnerships. Subsequently, the Department advertised an Expression of Interest during the 2017/18 financial year, inviting potential partners, including the private sector to submit and register details of potential Affordable Housing projects and initiatives. The inputs have resulted in a Framework Agreement, and the registered stakeholders will be approached on a needs basis during 2018/19, for possible partnership opportunities. During 2017/18, the Department also developed a Standard Operating Procedure (SOP) to support the efficient management of the intended partnership opportunities.



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#### **2.4. The Living Cape Framework**

Previously known as the Western Cape Human Settlement Framework, the 'Living Cape - A Human Settlement Framework' is aimed at transitioning from the current housing delivery model to an integrated approach to service delivery, ultimately strengthening the enabling role of government. The Framework proposes three key focus areas namely integration, delivery and governance guidance. A number of possible 'test beds' (pilot studies) are listed under each of these. Currently, three test beds have been selected i.e.

- Public Infra-structure activation;
- Area-based planning; and
- Brownfields development and portfolio approach (Kosovo).

These test beds will be implemented by identified key provincial departments, stakeholders and through partnerships.

Other core areas will be investigated for future test beds to be considered. The outcomes of the test beds will serve as a 'blue-print' for similar future projects, influence policy and identify possible levers to encourage partnerships with communities and the private sector. This framework emphasises the changing role of the state in the delivery of human settlements, from that of a provider to an enabler.

#### **3. Improve living conditions of beneficiaries through the Upgrading of the Informal Settlements Programme (UISP)**

The roll out of the Informal Settlement Support Plan (ISSP) received priority attention during this financial year. Municipalities were supported to integrate upgrading of informal settlements into their project pipelines. Assistance has been rendered with project packaging and to fast-track planning approvals by relevant departments. An Informal Settlement Support Forum has been established, which monitors progress, renders support and introduces municipalities to new innovations in informal settlement upgrading. Representatives of all provincial Departments also serve on a Champions Forum to clarify the roles, support and actions required to mainstream activities into their operations and budgets.

A call was made to non-governmental organisations to register on the Departmental database. Eight NGO's have been contracted to assist in conducting social facilitation and mobilisation, community surveys, data collection, skills development, conflict resolutions, networking and brokering. The NGO's will serve as intermediaries in communities and support the Department and municipalities to plan and action the in-situ upgrading of informal settlements based on the specific needs of each municipality and settlement.

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#### 4. Accelerated housing opportunities

The Department has delivered **19 985 human settlements opportunities** against a target of 18 954, for the 2017/18 financial year. A breakdown of the performance is provided in the table below:

Description	Target	Actual
Housing units	11 094	10 212
Serviced sites	7 860	9 773
<b>Total opportunities</b>	<b>18 954</b>	<b>19 985</b>

While the Department over exceeded its targets on sites, it did not meet its targets in terms of housing units. This was due to issues such as community unrest, protests, labour demands, gangsterism and vandalism, to name a few. Further reasons are elaborated in Part B pertaining to the Performance Information of Programme 3. The Department is committed to improving its performance and has developed several mitigation strategies to improve delivery.

#### 5. Improved living conditions of beneficiaries by promoting ownership of property

Concerted efforts have been made to ensure that our beneficiaries receive full ownership title deeds to their houses. During the period under review, the Department ensured that **9 793** title deeds was transferred to beneficiaries against a target of 7 000. This achievement can be attributed to the allocation of a dedicated team tasked to expedite the transfer of title deeds through the title deed restoration program. Going forward, the Department hopes to maintain this momentum..

#### 6. Promote innovation and the better living concept

##### 6.1. Innovative Technologies

The Department recognises that innovation in construction technologies will pave the way for improved human settlement sustainability. Considering alternative building methods will result in more energy efficient human settlements, culminating in environmental and economic benefits to both the environment and the beneficiaries. In the past financial year, the Department demonstrated this commitment by building **2 288 units with innovative technologies** incorporated into the construction. This is a significant overachievement against the target of 600 and demonstrates concerted efforts to promote innovation and the better living concept.





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## **6.2 Belhar CBD**

Within the ambit of 'better living' the Belhar CBD is a mixed-use, mixed tenure, high density residential project. This phased development will consist of approximately 4 188 units that comprises various types of residential units and forms of tenure and is scheduled to be completed by 2021. To date, **629** social housing units have been developed and a further 230 social housing units are being planned for. This site also makes provision for a 550 bed regional hospital.

## **7. Facilitate job creation and empowerment opportunities**

Our determination and drive to empower the historically disadvantaged resulted in **64%** of the Human Settlements Development Grant (HSDG) benefiting contractors with HDI representation. This implies that **R1 433 530 980** was awarded to black owned enterprises and is expressive of our efforts to achieve the objective of economic transformation, which ultimately seeks to benefit the majority of South Africans.

Our resolve to empower youth resulted in **132 young people trained** in various disciplines within the built environment. The target was exceeded due to the successful interventions of the Department that led to more funding being received from the Construction Education and Training Authority (CETA).

In addition, **1 735 job opportunities** were created against a target of 400. This is a significant over achievement and reflective of the Department's drive to ensure that the creation of job opportunities forms part of the human settlements delivery chain. Not only do we want to provide human settlements that are resilient, but also ensure that the communities become self-sustainable and enjoy a full quality of life through such job opportunities

## **Conclusion**

As we move forward to the new financial year we are aware of the challenges of the past and the future and will continue to seek lasting solutions that will positively contribute towards the effective reduction of backlogs, providing communities with human settlements that are sustainable, integrated and resilient.

## **Departmental receipts**

The Department exceeded the amount targeted for collection in its revenue budget for the period under review. This is attributed to R34.146 million in respect of interest received of various PHP

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projects paid in advance to the City of Cape Town in the past, R17.106 million received in respect of loan, sale and rental debtors on behalf of the Ex-Western Cape Housing Development Board (the tariff for the rental of housing properties is in line with the provisions of the Housing Act, 107), as well as R40.370 million mostly in respect of returned subsidies from the City of Cape Town, Saldanha Bay and George municipalities, including R2.175 million for serviced sites in respect of the Nuwe Begin and Fountain Head FLISP projects.

Other sales include Commission on insurance and garnishee orders: R62 000, sale of tender documents: R37 000 as well as the sales of waste paper of R2 000 and the sale of redundant capital assets of R10 000.

The table below provides a breakdown of the revenue collected:

	2017/2018			2016/2017		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Departmental receipts</b>						
Sale of goods and services other than capital assets	104	101	3	99	108	(9)
Interest, dividends and rent on land	660	34 424	(33 764)	629	14 384	(13 755)
Sales of Capital Assets	-	10	(10)	-	-	-
Financial transactions in assets and liabilities	59 236	57 476	1 760	59 272	157 803	(98 531)
<b>Total</b>	<b>60 000</b>	<b>92 011</b>	<b>(32 011)</b>	<b>60 000</b>	<b>172 295</b>	<b>(112 295)</b>

The Department applied for revenue retention of R32 011 million for utilization on Human Settlements projects in the 2018/19 financial year.

### **Programme expenditure**

The table below illustrates the virements between the various programmes:



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All provisional over-expenditures were pre-approved and do not originate from unauthorised expenditure. These over-expenditures were also indicated in the monthly In-Year-Monitoring report of the Department, and that it would be off-set with the necessary virements.

Programme	Adjusted Appropriation	Virement	Final Appropriation
	R '000	R '000	R '000
Programme 1	101 531	146	101 677
Programme 2	24 092	748	24 840
Programme 3	2 528 443	(645)	2 527 798
Programme 4	39 252	(249)	39 003
<b>Total</b>	<b>2 693 318</b>	<b>-</b>	<b>2 693 318</b>

The over-and underspending that led to the virements between the programmes are due to:

**Programme 1: Administration -R146 000**

The total over-expenditure amounting to R146 000 on this programme consisting of the following:

Under expenditure on Compensation of employees (CoE) of R750 000, over-expenditure on Good and Services: (Computer Services) amounting to R866 000 and an over-expenditure on Transfer and Subsidies: Households amounting to R30 000. (R750 000 - R866 000 - R30 000 = -R146 000).

The excess funding on CoE will be shifted to programme 2 (CoE).

The over-expenditure of R866 000 and R30 000 on Goods and services and Households respectively will be funded from budget shifts from the following programmes and economic classifications:

Program 2: Transfer and Subsidies: Households -	R 2 000
Program 3: Transfer and Subsidies: Households -	R 28 000
	<u>R 30 000</u>
Program 3: Transfers and subsidies -	R 714 000
Program 4: Good and Services-	R 152 000
	<u><u>R 866 000</u></u>

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The total shift to this programme equals .14% of the amount appropriated under this main division in the Adjusted Estimates 2017.

**Programme 2: Housing Needs, Research and Planning - R748 000.00**

The total over-expenditure of R748 000 on this programme consist of the following:

Over-expenditure on Compensation of employees amounting to R750 000 and underspending of R2 000 on Transfer and Subsidies: Households (R750 000 - R2 000 = R748 000).

The over-expenditure on CoE of R750 000 will be funded from a budget shift from Programme 1 and the over-funding of R2 000 on Transfers and subsidies: Households is shifted to Programme 1.

The shift equals 3.1% of the amount appropriated under this main division in the Adjusted Estimates 2017.

**Programme 3: Housing Development - (R645 000)**

The total under-expenditure of R645 000 on this programme consist of the following:

Over expenditure of R97 000 on CoE and an under-expenditure on Transfers and subsidies: Households of R742 000 (R742 000 - R97 000 = R645 000)

The over-expenditure on CoE of R97 000 will be financed with a shift from CoE on Programme 4 and the over-funding of R742 000 on Transfers and subsidies: Households will be shifted to Programme 1 as follows:

Program 1: Good and Services -	R 714 000
Program 1: Transfer and Subsidies: Households -	R 28 000
	<u>R 742 000</u>

The shift equals .03% of the amount appropriated under this main division in the Adjusted Estimates 2017.



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**Programme 4: Housing Asset Management Property Management - (R249 000)**

The total under-expenditure of R249 000 on this programme consist of the following:

The under-expenditure of R97 000 and R152 000 on Compensation of Employee and Goods and Services: Legal Services respectively.

The excess budget will be shifted to the following programmes and economic classifications as follows:

Program 3: Compensation of Employees -	R 97 000
Program 1: Good and Services -	R 152 000
	<b>R 249 000</b>

The virement equals .63% of the amount appropriated for this main division in the Adjusted Appropriation.

All the above-mentioned virements are within the 8% limit in terms of Section 43(2) of the PMFA.

The table below illustrates the expenditure per programme:

Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	101 677	99 060	2 617	90 526	90 525	1
Housing needs, research and planning	24 840	24 771	69	20 686	20 686	
Housing development	2 527 798	2 519 972	7 826	2 090 302	2 090 302	
Housing asset/ property management	39 003	39 003		42 910	42 910	
<b>Total</b>	<b>2 693 318</b>	<b>2 682 806</b>	<b>10 512</b>	<b>2 244 424</b>	<b>2 244 423</b>	<b>1</b>

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Explanation of Variance	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 1: Administration	101 677	99 060	2 617	2.57
Under-expenditure on Compensation of Employees due to a decrease in the percentage for performance bonuses, the non-filling of vacant posts (R1 894 million) as well as an under-expenditure on machinery and equipment due to the non-materialisation of the modernization of the office accommodation (R693 000) and under-expenditure on Transfers to households: Post-retirement benefits (R30 000).				

Explanation of Variance	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 2: Housing need, Research and Planning	24 840	24 771	69	0.28
Savings on training and development and venues and facilities due to cost containment measures				

Explanation of Variance	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 3: Housing development	2 527 798	2 519 972	7 826	0.31
Under-expenditure on compensation of employees due to the resignation of certain senior managers and the non-filling of vacant senior management posts (R1 703 million), as well as an under-expenditure on the provincial grant for the integrated water response plan of R6 123 million, due to an uncertainty of funding in the outer years.				

The Department applied for the roll-over of unspent amounts which are committed as follows:

Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 1: Administration				
Payments for Capital Assets				
Machinery and Equipment	6 041	5 348	693	11.47
Unspent funds amounting to R693 000 to be rolled over to be utilised in the 2018/19 financial year for moveable assets due to the fact that the modernisation of the office accommodation of the Department of Human Settlements did not proceed as planned by the Department of Transport and Public Works. The modernisation will resume in the 2018/19 financial year.				



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	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
Per economic classification	R'000	R'000	R'000	%
Programme 3: Housing development				
Transfer and Subsidies: Households				
Integrated Provincial Water Response Plan	6 500	377	6 123	94.20
Unspent funds amounting to R6 123 000 to be rolled over to be utilised in the 2018/19 financial year due to the fact that only 6% of the provincial earmarked allocation for the Integrated Water Response Plan Relief could be spent during the 2017/18 financial year due thereto that the funds were only appropriated in the Adjustment Estimates and only became available in November 2017 resulting in the tender processes which could not be finalized timely and also due to the uncertainty of funding in the outer years.				

#### **Funds to be surrendered – R3 696 000**

The Department will surrender unspent amounts to the provincial revenue fund as follows: Under-expenditures on Compensation of Employees amounting to R3 597 million and Goods and Services amounting to R69 000, as well as Transfers to Households: Social Benefits amounting to R30 000.

#### **Unauthorised, fruitless and wasteful expenditure**

No unauthorised or fruitless and wasteful expenditure was incurred by the Department for the year under review.

#### **Public Private Partnerships (PPPs)**

The Department has not entered into any PPPs during the financial year.

#### **Discontinued activities/activities to be discontinued**

No activities are to be discontinued.

#### **New or proposed activities**

No new/proposed activities were noted during the year under review.

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**REPORT OF THE ACCOUNTING OFFICER  
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**Supply chain management**

There were no unsolicited bid proposals concluded for the year under review.

Irregular expenditure identified by the AGSA to the total amount of R82 834.00 (R81 716: Abacus Supply Chain Solutions and R1 118: Madge Computers CC) incurred in respect of the 2016/17 financial year was condoned by the Accounting Officer in the 2017/18 financial year; on 5 October 2017 and 2 November 2017 respectively.

During the 2017/18 financial year Internal Control identified the following cases of irregular expenditure which refer to a repeat finding in 2016/17:

- (i) In terms of Regulation 9(1) of the Preferential Procurement Regulations of 2011, an organ of state must, in the case of designated sectors, where in the award of tenders, local production and content is of critical importance, advertise such tenders with a specific tendering condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

Transactions to the value of R15 385.63 (5 173.45 + 3 462.18 + 6 750) were made on the purchasing of chairs for disabled officials in the department from MXT Trading CC and Furnall (PTY)(LTD) respectively.

The expenditure was identified as irregular in respect of the 2017/18 financial year due to the fact that the services were procured without the correct procurement procedures being followed, that resulted in an irregular expenditure in terms of section 7 of Preferential Procurement Regulation, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act No. 5 of 2000.

This irregular expenditure was caused due to the non-compliance or ignorance of the prescribed procedure in terms of the Regulation that the specific furniture items (under R10 000.00) was procured without taking Local Production and content into consideration.

The same irregular practice was also identified by the Auditor – General in respect of the 2016/17 financial year, where the Department of Human Settlements was non-compliant due to the fact that we only subjected procurement of this nature over R10 000.00 to the requirements of this Regulation.

The finding was however only brought under the attention of the department during July/August 2017 by AGSA emanating from the non-compliance or ignorance of the prescribed procedure in





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terms of the regulation that a specific furniture item (filing cabinets) was not procured taking local production and content into consideration.

The finding was identified by Internal Control through the oversight function performed to mitigate the re-occurrence of previous audit findings (2016/2017) drafted on the Governance Action Plan (GAP).

The finding was not included in the sample of AGSA (only until March 2017) and due to the fact that the non-compliance was only brought under the attention of the department during the end of the audit (July/August), it was unfortunately not covered/mitigated with the corrective action that only came into effect in September 2017. No further cases were identified for the rest of the 2017/18 financial year.

This resulted in non-compliance with Regulation 9(1) of the Preferential Procurement Regulations of 2011 and results in irregular expenditure being incurred. Both amounts were condoned by the Accounting Officer on 26 February 2018 thus within the 2017/18 financial year.

**In kind gifts and donations provided by the Department or received from non-related parties**

The following in kind gifts and donations were provided by the Department:	R'000
Govan Mbeki awards	31
Sympathy flowers and fruit baskets	11
Donation of redundant movable assets to municipalities, beneficiaries and schools at cost	110
Act of Grace for funeral of employee	72
<b>Total</b>	<b>224</b>

There were no in kind gifts and donations received from non-related parties.

**Exemptions and deviations received from the National Treasury**

No exemption from the PFMA or Treasury Regulations or deviation from the financial reporting requirements were applied for or received for the current and/or previous financial year.

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**REPORT OF THE ACCOUNTING OFFICER  
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**Events after the reporting date**

There were no adjusting events after the reporting date.

**Related parties**

See Note 25 of the Annual Financial Statements (AFS).

The Department occupies a building free of charge managed by the Department of Transport and Public Works.

Parking space is also provided to government officials at an approved fee that is not market related.

The Department received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 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
- Provincial Forensic investigations
- Legal Services
- Corporate Communication

The Department has one unlisted public entity under its control, i.e. Western Cape Housing Development Fund. There were no transactions between the Department and the Western Cape Housing Development Fund as all transactions relating to the Western Cape Housing Development Fund are accounted for in the books of the Department. The Fund is dormant.

The Department makes use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.



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The Department received Security Advisory Services and Security Operations, as well as access control data from the Department of Community Safety in the Western Cape.

**Agency-Principal Arrangements (Department acting as principal)**

See Note 29 of the Annual Financial Statements (AFS).

**Other**

There are no other material facts or circumstances, which may have an effect on the understanding of the financial state of affairs that is not addressed elsewhere in this report.

**Acknowledgement/s or Appreciation**

I would like to express our gratitude to the Provincial Minister of Human Settlements, departmental staff, staff of the Auditor General, the Audit Committee, Provincial Parliament, Corporate Service Centre (CSC), Provincial Treasury and municipalities for assisting the Department in achieving its targets for the year under review.

**Approval and sign off**

The Annual Financial Statements set out on pages 143 to 215 have been approved by the Accounting Officer.

Thando Mguli  
ACCOUNTING OFFICER  
DATE: 31 May 2018

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**REPORT OF THE AUDITOR-GENERAL  
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**Report of the auditor-general to the Western Cape Provincial Parliament on vote no. 8: Western Cape Department of Human Settlements**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

I have audited the financial statements of the Western Cape Department of Human Settlements set out on pages 143 to 205, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

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 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

**Basis for opinion**

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

**Emphasis of matters**

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



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**Uncertainty relating to the future outcome of litigation**

With reference to note 18.1 to the financial statements, the department was a defendant in a land-claim lawsuit of R87,2 million as at 31 March 2018, which the department was disputing. The ultimate outcome of this matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

**Restatement of corresponding figures**

As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2017 have been restated as a result of errors discovered during the 2017-18 financial year, in the financial statements of the Western Cape Department of Human Settlement as at, and for the year ended 31 March 2018.

**Other matter**

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

**Unaudited supplementary schedules**

The supplementary information set out on pages 206 to 215 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

**Responsibilities of accounting officer for the financial statements**

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA and 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.

In preparing the financial statements, the accounting officer is responsible for assessing the Western Cape Department of Human Settlements' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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**Auditor-general's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

**REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT**

**Introduction and scope**

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual report of the department for the year ended 31 March 2018:

<b>Programme</b>	<b>Pages in the annual report</b>
Programme 3 - housing development	35 - 46



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I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programme:

● **Programme 3 – housing development**

**Other matters**

I draw attention to the matters below.

**Achievement of planned targets**

Refer to the annual report on pages 25 to 49 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a significant number of targets.

**Adjustment of material misstatements**

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of housing development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

**REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION**

**Introduction and scope**

In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

I did not raise material findings on compliance with the specific matters in key legislation as set out in the general notice issued in terms of the PAA.

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**Other information**

The department's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

I have nothing to report in this regard.

**INTERNAL CONTROL DEFICIENCIES**

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

**Auditor-General  
Cape Town  
31 July 2018**







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**APPROPRIATION STATEMENTS  
for the year ended 31 March 2018**

Appropriation per programme									
	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Voted funds</b>									
<b>Programme</b>									
1. Administration	101 531	-	146	101 677	99 060	2 617	97.4	90 526	90 525
2. Housing Needs, Research and Planning	24 092	-	748	24 840	24 771	69	99.7	20 686	20 686
3. Housing Development	2 528 443	-	(645)	2 527 798	2 519 972	7 826	99.7	2 090 302	2 090 302
4. Housing Asset Management Property Management	39 252	-	(249)	39 003	39 003	-	100.0	42 910	42 910
<b>Total</b>	<b>2 693 318</b>	<b>-</b>	<b>-</b>	<b>2 693 318</b>	<b>2 682 806</b>	<b>10 512</b>	<b>99.6</b>	<b>2 244 424</b>	<b>2 244 423</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				32 011				112 295	
Aid assistance				7 182				6 307	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>2 732 511</b>				<b>2 363 026</b>	
<b>Add: Aid assistance</b>					466				1 177
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>2 683 272</b>				<b>2 245 600</b>

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**APPROPRIATION STATEMENTS**  
**for the year ended 31 March 2018**

Appropriation per economic classification									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	307 490	(30 201)	714	<b>278 003</b>	274 337	3 666	98.7	283 439	283 438
Compensation of employees	213 835	(1 017)	-	<b>212 818</b>	209 221	3 597	98.3	195 774	195 774
Salaries and wages	189 130	(900)	-	<b>188 230</b>	184 633	3 597	98.1	173 201	173 201
Social contributions	24 705	(117)	-	<b>24 588</b>	24 588	-	100.0	22 573	22 573
Goods and services	93 655	(29 184)	714	<b>65 185</b>	65 116	69	99.9	87 665	87 664
Administrative fees	260	118	-	<b>378</b>	378	-	100.0	232	231
Advertising	545	477	-	<b>1 022</b>	1 022	-	100.0	199	199
Minor assets	650	(190)	-	<b>460</b>	460	-	100.0	513	513
Audit costs: External	6 638	272	-	<b>6 910</b>	6 910	-	100.0	7 393	7 393
Bursaries: Employees	530	119	-	<b>649</b>	649	-	100.0	650	650
Catering: Departmental activities	360	(83)	-	<b>277</b>	277	-	100.0	216	216
Communication (G&S)	1 248	(106)	-	<b>1 142</b>	1 142	-	100.0	1 071	1 071
Computer services	1 090	278	866	<b>2 234</b>	2 234	-	100.0	1 206	1 206
Consultants: Business and advisory services	23 572	(23 013)	-	<b>559</b>	559	-	100.0	932	932
Infrastructure and planning services	9 280	3 568	-	<b>12 848</b>	12 848	-	100.0	30 621	30 621
Legal services	2 326	(857)	(152)	<b>1 317</b>	1 317	-	100.0	1 447	1 447
Contractors	3 297	(478)	-	<b>2 819</b>	2 819	-	100.0	3 755	3 755
Agency and support / outsourced services	2 430	(2 228)	-	<b>202</b>	202	-	100.0	477	477
Entertainment	100	(94)	-	<b>6</b>	6	-	100.0	8	8
Fleet services (including government motor transport)	2 820	(203)	-	<b>2 617</b>	2 617	-	100.0	2 372	2 372
Consumable supplies	600	(25)	-	<b>575</b>	575	-	100.0	424	424
Consumable: Stationery, printing and office supplies	1 461	(597)	-	<b>864</b>	864	-	100.0	1 348	1 348
Operating leases	1 624	(311)	-	<b>1 313</b>	1 313	-	100.0	1 269	1 269
Property payments	25 144	(4 808)	-	<b>20 336</b>	20 336	-	100.0	25 498	25 498
Travel and subsistence	6 220	(1 149)	-	<b>5 071</b>	5 071	-	100.0	5 295	5 295
Training and development	1 500	230	-	<b>1 730</b>	1 690	40	97.7	1 294	1 294
Operating payments	1 090	163	-	<b>1 253</b>	1 253	-	100.0	857	857
Venues and facilities	780	(369)	-	<b>411</b>	382	29	92.9	517	517
Rental and hiring	90	102	-	<b>192</b>	192	-	100.0	71	71
<b>Transfers and subsidies</b>	<b>2 369 760</b>	<b>30 232</b>	<b>(714)</b>	<b>2 399 278</b>	<b>2 393 125</b>	<b>6 153</b>	<b>99.7</b>	<b>1 953 957</b>	<b>1 953 957</b>
Provinces and municipalities	118 095	(11 249)	-	<b>106 846</b>	106 846	-	100.0	40 649	40 649
Municipalities	118 095	(11 249)	-	<b>106 846</b>	106 846	-	100.0	40 649	40 649
Municipal bank accounts	118 095	(11 249)	-	<b>106 846</b>	106 846	-	100.0	40 649	40 649
Departmental agencies and accounts	6	-	-	<b>6</b>	6	-	100.0	4	4
Departmental agencies (non-business entities)	6	-	-	<b>6</b>	6	-	100.0	4	4
Higher education institutions	950	-	-	<b>950</b>	950	-	100.0	750	750
Public corporations and private enterprises	-	-	-	<b>-</b>	-	-	-	100	100
Public corporations	-	-	-	<b>-</b>	-	-	-	100	100
Other transfers to public corporations	-	-	-	<b>-</b>	-	-	-	100	100
Non-profit institutions	2 270	-	-	<b>2 270</b>	2 270	-	100.0	3 100	3 100
Households	2 248 439	41 481	(714)	<b>2 289 206</b>	2 283 053	6 153	99.7	1 909 354	1 909 354
Social benefits	1 057	821	(649)	<b>1 229</b>	1 199	30	97.6	640	640
Other transfers to households	2 247 382	40 660	(65)	<b>2 287 977</b>	2 281 854	6 123	99.7	1 908 714	1 908 714
<b>Payments for capital assets</b>	<b>6 100</b>	<b>-</b>	<b>-</b>	<b>6 100</b>	<b>5 407</b>	<b>693</b>	<b>88.6</b>	<b>6 663</b>	<b>6 663</b>
Machinery and equipment	6 100	(59)	-	<b>6 041</b>	5 348	693	88.5	6 596	6 596
Transport equipment	3 900	4	-	<b>3 904</b>	3 888	16	99.6	3 709	3 709
Other machinery and equipment	2 200	(63)	-	<b>2 137</b>	1 460	677	68.3	2 887	2 887
Software and other intangible assets	-	59	-	<b>59</b>	59	-	100.0	67	67
<b>Payment for financial assets</b>	<b>9 968</b>	<b>(31)</b>	<b>-</b>	<b>9 937</b>	<b>9 937</b>	<b>-</b>	<b>100.0</b>	<b>365</b>	<b>365</b>
<b>Total</b>	<b>2 693 318</b>	<b>-</b>	<b>-</b>	<b>2 693 318</b>	<b>2 682 806</b>	<b>10 512</b>	<b>99.6</b>	<b>2 244 424</b>	<b>2 244 423</b>



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**APPROPRIATION STATEMENTS  
for the year ended 31 March 2018**

Programme 1: ADMINISTRATION										
		2017/18							2016/17	
		Ad-justed Appropriation R'000	Shifting of Funds R'000	Vire-ment R'000	Final Appropriation R'000	Actual Expendi-ture R'000	Variance R'000	Expend-iture as % of final appropriation %	Final Appropriation R'000	Actual Expendi-ture R'000
Sub programme										
1.	Office of the MEC	5 828	31	-	5 859	5 843	16	99.7	6 270	6 270
2.	Corporate Services	95 703	(31)	146	95 818	93 217	2 601	97.3	84 256	84 255
<b>Total</b>		<b>101 531</b>	<b>-</b>	<b>146</b>	<b>101 677</b>	<b>99 060</b>	<b>2 617</b>	<b>97.4</b>	<b>90 526</b>	<b>90 525</b>

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**APPROPRIATION STATEMENTS  
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Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	94 858	102	116	<b>95 076</b>	93 182	1 894	98.0	83 138	83 137
Compensation of employees	76 886	-	(750)	<b>76 136</b>	74 242	1 894	97.5	66 738	66 738
Salaries and wages	66 352	678	(750)	<b>66 280</b>	64 386	1 894	97.1	57 723	57 723
Social contributions	10 534	(678)	-	<b>9 856</b>	9 856	-	100.0	9 015	9 015
Goods and services	17 972	102	866	<b>18 940</b>	18 940	-	100.0	16 400	16 399
Administrative fees	180	92	-	<b>272</b>	272	-	100.0	119	118
Advertising	230	773	-	<b>1 003</b>	1 003	-	100.0	78	78
Minor assets	580	(120)	-	<b>460</b>	460	-	100.0	513	513
Audit costs: External	5 238	-	-	<b>5 238</b>	5 238	-	100.0	4 925	4 925
Bursaries: Employees	530	119	-	<b>649</b>	649	-	100.0	650	650
Catering: Departmental activities	115	(35)	-	<b>80</b>	80	-	100.0	85	85
Communication (G&S)	826	(63)	-	<b>763</b>	763	-	100.0	691	691
Computer services	1 080	102	866	<b>2 048</b>	2 048	-	100.0	1 012	1 012
Consultants: Business and advisory services	70	(15)	-	<b>55</b>	55	-	100.0	13	13
Legal services	20	(20)	-	<b>-</b>	-	-	-	2	2
Contractors	282	(81)	-	<b>201</b>	201	-	100.0	378	378
Agency and support / out-sourced services	530	(328)	-	<b>202</b>	202	-	100.0	477	477
Entertainment	50	(47)	-	<b>3</b>	3	-	100.0	2	2
Fleet services (including government motor transport)	2 820	(203)	-	<b>2 617</b>	2 617	-	100.0	2 372	2 372
Consumable supplies	360	126	-	<b>486</b>	486	-	100.0	328	328
Consumable: Stationery, printing and office supplies	1 320	(477)	-	<b>843</b>	843	-	100.0	1 285	1 285
Operating leases	1 010	(46)	-	<b>964</b>	964	-	100.0	934	934
Property payments	35	62	-	<b>97</b>	97	-	100.0	17	17
Travel and subsistence	1 586	(285)	-	<b>1 301</b>	1 301	-	100.0	1 722	1 722
Training and development	300	141	-	<b>441</b>	441	-	100.0	104	104
Operating payments	600	319	-	<b>919</b>	919	-	100.0	576	576
Venues and facilities	130	(14)	-	<b>116</b>	116	-	100.0	61	61
Rental and hiring	80	102	-	<b>182</b>	182	-	100.0	56	56
<b>Transfers and subsidies</b>	258	(71)	30	<b>217</b>	187	30	86.2	360	360
Departmental agencies and accounts	6	-	-	<b>6</b>	6	-	100.0	4	4
Departmental agencies (non-business entities)	6	-	-	<b>6</b>	6	-	100.0	4	4
Households	252	(71)	30	<b>211</b>	181	30	85.8	356	356
Social benefits	252	(71)	30	<b>211</b>	181	30	85.8	191	191
Other transfers to households	-	-	-	<b>-</b>	-	-	-	165	165
<b>Payments for capital assets</b>	6 100	-	-	<b>6 100</b>	5 407	693	88.6	6 663	6 663
Machinery and equipment	6 100	(59)	-	<b>6 041</b>	5 348	693	88.5	6 596	6 596
Transport equipment	3 900	4	-	<b>3 904</b>	3 888	16	99.6	3 709	3 709
Other machinery and equipment	2 200	(63)	-	<b>2 137</b>	1 460	677	68.3	2 887	2 887
Software and other intangible assets	-	59	-	<b>59</b>	59	-	100.0	67	67
<b>Payment for financial assets</b>	315	(31)	-	<b>284</b>	284	-	100.0	365	365
<b>Total</b>	<b>101 531</b>	<b>-</b>	<b>146</b>	<b>101 677</b>	<b>99 060</b>	<b>2 617</b>	<b>97.4</b>	<b>90 526</b>	<b>90 525</b>



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**APPROPRIATION STATEMENTS  
for the year ended 31 March 2018**

Subprogramme: 1.1: OFFICE OF THE MEC									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	5 392	31	-	<b>5 423</b>	5 423	-	100.0	5 920	5 920
Compensation of employees	4 473	71	-	<b>4 544</b>	4 544	-	100.0	5 075	5 075
Goods and services	919	(40)	-	<b>879</b>	879	-	100.0	845	845
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	14	14
Households	-	-	-	-	-	-	-	14	14
<b>Payments for capital assets</b>	436	-	-	<b>436</b>	420	16	96.3	336	336
Machinery and equipment	436	-	-	<b>436</b>	420	16	96.3	336	336
<b>Total</b>	<b>5 828</b>	<b>31</b>	<b>-</b>	<b>5 859</b>	<b>5 843</b>	<b>16</b>	<b>99.7</b>	<b>6 270</b>	<b>6 270</b>

Subprogramme: 1.2: CORPORATE SERVICES									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	89 466	71	116	<b>89 653</b>	87 759	1 894	97.9	77 218	77 217
Compensation of employees	72 413	(71)	(750)	<b>71 592</b>	69 698	1 894	97.4	61 663	61 663
Goods and services	17 053	142	866	<b>18 061</b>	18 061	-	100.0	15 555	15 554
<b>Transfers and subsidies</b>	258	(71)	30	<b>217</b>	187	30	86.2	346	346
Departmental agencies and accounts	6	-	-	<b>6</b>	6	-	100.0	4	4
Households	252	(71)	30	<b>211</b>	181	30	85.8	342	342
<b>Payments for capital assets</b>	5 664	-	-	<b>5 664</b>	4 987	677	88.0	6 327	6 327
Machinery and equipment	5 664	(59)	-	<b>5 605</b>	4 928	677	87.9	6 260	6 260
Software and other intangible assets	-	59	-	<b>59</b>	59	-	100.0	67	67
<b>Payment for financial assets</b>	315	(31)	-	<b>284</b>	284	-	100.0	365	365
<b>Total</b>	<b>95 703</b>	<b>(31)</b>	<b>146</b>	<b>95 818</b>	<b>93 217</b>	<b>2 601</b>	<b>97.3</b>	<b>84 256</b>	<b>84 255</b>

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Programme 2: HOUSING NEEDS, RESEARCH AND PLANNING									
Sub programme	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration	15 953	(158)	(2)	15 793	15 724	69	99.6	13 857	13 857
2. Planning	8 139	158	750	9 047	9 047	-	100.0	6 829	6 829
<b>Total</b>	<b>24 092</b>	<b>-</b>	<b>748</b>	<b>24 840</b>	<b>24 771</b>	<b>69</b>	<b>99.7</b>	<b>20 686</b>	<b>20 686</b>

Economic classification	2017/18						2016/17		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	24 089	(50)	750	24 789	24 720	69	99.7	20 677	20 677
Compensation of employees	22 684	(50)	750	23 384	23 384	-	100.0	19 623	19 623
Salaries and wages	20 142	(336)	750	20 556	20 556	-	100.0	17 144	17 144
Social contributions	2 542	286	-	2 828	2 828	-	100.0	2 479	2 479
Goods and services	1 405	-	-	1 405	1 336	69	95.1	1 054	1 054
Administrative fees	30	(15)	-	15	15	-	100.0	96	96
Advertising	45	(33)	-	12	12	-	100.0	29	29
Minor assets	30	(30)	-	-	-	-	-	-	-
Catering: Departmental activities	65	(35)	-	30	30	-	100.0	51	51
Communication (G&S)	85	(5)	-	80	80	-	100.0	65	65
Consultants: Business and advisory services	300	-	-	300	300	-	100.0	-	-
Legal services	-	-	-	-	-	-	-	75	75
Contractors	5	(5)	-	-	-	-	-	3	3
Entertainment	10	(8)	-	2	2	-	100.0	2	2
Consumable supplies	30	(19)	-	11	11	-	100.0	16	16
Consumable: Stationery, printing and office supplies	26	(25)	-	1	1	-	100.0	6	6
Operating leases	90	9	-	99	99	-	100.0	57	57
Travel and subsistence	569	31	-	600	600	-	100.0	609	609
Training and development	60	61	-	121	81	40	66.9	10	10
Operating payments	20	25	-	45	45	-	100.0	19	19
Venues and facilities	40	46	-	86	57	29	66.3	16	16
Rental and hiring	-	3	-	3	3	-	100.0	-	-
<b>Transfers and subsidies</b>	3	50	(2)	51	51	-	100.0	9	9
Households	3	50	(2)	51	51	-	100.0	9	9
Social benefits	3	50	(2)	51	51	-	100.0	9	9
<b>Total</b>	<b>24 092</b>	<b>-</b>	<b>748</b>	<b>24 840</b>	<b>24 771</b>	<b>69</b>	<b>99.7</b>	<b>20 686</b>	<b>20 686</b>



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Subprogramme: 2.1: ADMINISTRATION									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	15 951	(208)	-	<b>15 743</b>	15 674	69	99.6	13 848	13 848
Compensation of employees	14 850	(157)	-	<b>14 693</b>	14 693	-	100.0	13 055	13 055
Goods and services	1 101	(51)	-	<b>1 050</b>	981	69	93.4	793	793
<b>Transfers and subsidies</b>	2	50	(2)	<b>50</b>	50	-	100.0	9	9
Households	2	50	(2)	<b>50</b>	50	-	100.0	9	9
<b>Total</b>	<b>15 953</b>	<b>(158)</b>	<b>(2)</b>	<b>15 793</b>	<b>15 724</b>	<b>69</b>	<b>99.6</b>	<b>13 857</b>	<b>13 857</b>

Subprogramme: 2.2: PLANNING									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	8 138	158	750	<b>9 046</b>	9 046	-	100.0	6 829	6 829
Compensation of employees	7 834	107	750	<b>8 691</b>	8 691	-	100.0	6 568	6 568
Goods and services	304	51	-	<b>355</b>	355	-	100.0	261	261
<b>Transfers and subsidies</b>	1	-	-	<b>1</b>	1	-	100.0	-	-
Households	1	-	-	<b>1</b>	1	-	100.0	-	-
<b>Total</b>	<b>8 139</b>	<b>158</b>	<b>750</b>	<b>9 047</b>	<b>9 047</b>	<b>-</b>	<b>100.0</b>	<b>6 829</b>	<b>6 829</b>

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<b>Programme 3: HOUSING DEVELOPMENT</b>									
<b>Sub programme</b>	<b>2017/18</b>							<b>2016/17</b>	
	<b>Adjusted Appropriation R'000</b>	<b>Shifting of Funds R'000</b>	<b>Virement R'000</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Expenditure as % of final appropriation %</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>
1. Administration	201 685	-	(645)	<b>201 040</b>	193 214	7 826	96.1	89 491	89 491
2. Financial Interventions	331 108	(78 621)	-	<b>252 487</b>	252 487	-	100.0	230 991	230 991
3. Incremental Intervention	1 983 373	77 266	-	<b>2 060 639</b>	2 060 639	-	100.0	1 740 359	1 740 359
4. Social and Rental Intervention	12 277	1 355	-	<b>13 632</b>	13 632	-	100.0	29 461	29 461
<b>Total</b>	<b>2 528 443</b>	<b>-</b>	<b>(645)</b>	<b>2 527 798</b>	<b>2 519 972</b>	<b>7 826</b>	<b>99.7</b>	<b>2 090 302</b>	<b>2 090 302</b>





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Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	157 791	(32 844)	97	<b>125 044</b>	123 341	1 703	98.6	145 135	145 135
Compensation of employees	92 482	(792)	97	<b>91 787</b>	90 084	1 703	98.1	87 821	87 821
Salaries and wages	83 327	(617)	97	<b>82 807</b>	81 104	1 703	97.9	79 511	79 511
Social contributions	9 155	(175)	-	<b>8 980</b>	8 980	-	100.0	8 310	8 310
Goods and services	65 309	(32 052)	-	<b>33 257</b>	33 257	-	100.0	57 314	57 314
Administrative fees	50	(10)	-	<b>40</b>	40	-	100.0	15	15
Advertising	250	(243)	-	<b>7</b>	7	-	100.0	85	85
Minor assets	20	(20)	-	<b>-</b>	-	-	-	-	-
Audit costs: External	1 400	272	-	<b>1 672</b>	1 672	-	100.0	2 468	2 468
Catering: Departmental activities	170	(19)	-	<b>151</b>	151	-	100.0	80	80
Communication (G&S)	297	(27)	-	<b>270</b>	270	-	100.0	279	279
Computer services	10	176	-	<b>186</b>	186	-	100.0	194	194
Consultants: Business and advisory services	23 022	(22 926)	-	<b>96</b>	96	-	100.0	897	897
Infrastructure and planning services	8 810	4 036	-	<b>12 846</b>	12 846	-	100.0	30 424	30 424
Legal services	1 006	(140)	-	<b>866</b>	866	-	100.0	565	565
Contractors	230	-	-	<b>230</b>	230	-	100.0	442	442
Agency and support / outsourced services	1 900	(1 900)	-	<b>-</b>	-	-	-	-	-
Entertainment	30	(29)	-	<b>1</b>	1	-	100.0	-	-
Consumable supplies	80	(29)	-	<b>51</b>	51	-	100.0	42	42
Consumable: Stationery, printing and office supplies	65	(45)	-	<b>20</b>	20	-	100.0	57	57
Operating leases	324	(121)	-	<b>203</b>	203	-	100.0	195	195
Property payments	22 055	(9 942)	-	<b>12 113</b>	12 113	-	100.0	17 252	17 252
Travel and subsistence	3 530	(635)	-	<b>2 895</b>	2 895	-	100.0	2 518	2 518
Training and development	1 100	68	-	<b>1 168</b>	1 168	-	100.0	1 159	1 159
Operating payments	370	(143)	-	<b>227</b>	227	-	100.0	187	187
Venues and facilities	580	(371)	-	<b>209</b>	209	-	100.0	440	440
Rental and hiring	10	(4)	-	<b>6</b>	6	-	100.0	15	15
<b>Transfers and subsidies</b>	<b>2 360 999</b>	<b>32 844</b>	<b>(742)</b>	<b>2 393 101</b>	<b>2 386 978</b>	<b>6 123</b>	<b>99.7</b>	<b>1 945 167</b>	<b>1 945 167</b>
Provinces and municipalities	109 595	(8 483)	-	<b>101 112</b>	101 112	-	100.0	32 228	32 228
Municipalities	109 595	(8 483)	-	<b>101 112</b>	101 112	-	100.0	32 228	32 228
Municipal bank accounts	109 595	(8 483)	-	<b>101 112</b>	101 112	-	100.0	32 228	32 228
Higher education institutions	950	-	-	<b>950</b>	950	-	100.0	750	750
Public corporations and private enterprises	-	-	-	<b>-</b>	-	-	-	100	100
Public corporations	-	-	-	<b>-</b>	-	-	-	100	100
Other transfers to public corporations	-	-	-	<b>-</b>	-	-	-	100	100
Non-profit institutions	2 270	-	-	<b>2 270</b>	2 270	-	100.0	3 100	3 100
Households	2 248 184	41 327	(742)	<b>2 288 769</b>	2 282 646	6 123	99.7	1 908 989	1 908 989
Social benefits	802	667	(677)	<b>792</b>	792	-	100.0	440	440
Other transfers to households	2 247 382	40 660	(65)	<b>2 287 977</b>	2 281 854	6 123	99.7	1 908 549	1 908 549
<b>Payment for financial assets</b>	<b>9 653</b>	<b>-</b>	<b>-</b>	<b>9 653</b>	<b>9 653</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 528 443</b>	<b>-</b>	<b>(645)</b>	<b>2 527 798</b>	<b>2 519 972</b>	<b>7 826</b>	<b>99.7</b>	<b>2 090 302</b>	<b>2 090 302</b>

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Subprogramme: 3.1: ADMINISTRATION									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	71 324	(643)	97	<b>70 778</b>	69 075	1 703	97.6	65 521	65 521
Compensation of employees	67 277	(658)	97	<b>66 716</b>	65 013	1 703	97.4	61 980	61 980
Goods and services	4 047	15	-	<b>4 062</b>	4 062	-	100.0	3 541	3 541
<b>Transfers and subsidies</b>	130 361	643	(742)	<b>130 262</b>	124 139	6 123	95.3	23 970	23 970
Provinces and municipalities	85 825	-	-	<b>85 825</b>	85 825	-	100.0	17 631	17 631
Households	44 536	643	(742)	<b>44 437</b>	38 314	6 123	86.2	6 339	6 339
<b>Total</b>	<b>201 685</b>	<b>-</b>	<b>(645)</b>	<b>201 040</b>	<b>193 214</b>	<b>7 826</b>	<b>96.1</b>	<b>89 491</b>	<b>89 491</b>

Subprogramme: 3.2: FINANCIAL INTERVENTIONS									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	86 467	(32 201)	-	<b>54 266</b>	54 266	-	100.0	79 614	79 614
Compensation of employees	25 205	(134)	-	<b>25 071</b>	25 071	-	100.0	25 841	25 841
Goods and services	61 262	(32 067)	-	<b>29 195</b>	29 195	-	100.0	53 773	53 773
<b>Transfers and subsidies</b>	234 988	(46 420)	-	<b>188 568</b>	188 568	-	100.0	151 377	151 377
Provinces and municipalities	23 770	(8 483)	-	<b>15 287</b>	15 287	-	100.0	14 597	14 597
Higher education institutions	950	-	-	<b>950</b>	950	-	100.0	750	750
Public corporations and private enterprises	-	-	-	<b>-</b>	-	-	-	100	100
Non-profit institutions	2 270	-	-	<b>2 270</b>	2 270	-	100.0	3 100	3 100
Households	207 998	(37 937)	-	<b>170 061</b>	170 061	-	100.0	132 830	132 830
<b>Payment for financial assets</b>	9 653	-	-	<b>9 653</b>	9 653	-	100.0	-	-
<b>Total</b>	<b>331 108</b>	<b>(78 621)</b>	<b>-</b>	<b>252 487</b>	<b>252 487</b>	<b>-</b>	<b>100.0</b>	<b>230 991</b>	<b>230 991</b>



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Subprogramme: 3.3: INCREMENTAL INTERVENTION									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Transfers and subsidies</b>	1 983 373	77 266	-	2 060 639	2 060 639	-	100.0	1 740 359	1 740 359
Households	1 983 373	77 266	-	2 060 639	2 060 639	-	100.0	1 740 359	1 740 359
<b>Total</b>	<b>1 983 373</b>	<b>77 266</b>	<b>-</b>	<b>2 060 639</b>	<b>2 060 639</b>	<b>-</b>	<b>100.0</b>	<b>1 740 359</b>	<b>1 740 359</b>

Subprogramme: 3.4: SOCIAL AND RENTAL INTERVENTION									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Transfers and subsidies</b>	12 277	1 355	-	13 632	13 632	-	100.0	29 461	29 461
Households	12 277	1 355	-	13 632	13 632	-	100.0	29 461	29 461
<b>Total</b>	<b>12 277</b>	<b>1 355</b>	<b>-</b>	<b>13 632</b>	<b>13 632</b>	<b>-</b>	<b>100.0</b>	<b>29 461</b>	<b>29 461</b>

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<b>Programme 4: HOUSING ASSET MANAGEMENT PROPERTY MANAGEMENT</b>									
Sub programme	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration	24 948	(1 726)	(249)	22 973	22 973	-	100.0	23 758	23 758
2. Housing Properties Maintenance	14 304	1 726	-	16 030	16 030	-	100.0	19 152	19 152
<b>Total</b>	<b>39 252</b>	<b>-</b>	<b>(249)</b>	<b>39 003</b>	<b>39 003</b>	<b>-</b>	<b>100.0</b>	<b>42 910</b>	<b>42 910</b>

Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	30 752	2 591	(249)	33 094	33 094	-	100.0	34 489	34 489
Compensation of employees	21 783	(175)	(97)	21 511	21 511	-	100.0	21 592	21 592
Salaries and wages	19 309	(625)	(97)	18 587	18 587	-	100.0	18 823	18 823
Social contributions	2 474	450	-	2 924	2 924	-	100.0	2 769	2 769
Goods and services	8 969	2 766	(152)	11 583	11 583	-	100.0	12 897	12 897
Administrative fees	-	51	-	51	51	-	100.0	2	2
Advertising	20	(20)	-	-	-	-	-	7	7
Minor assets	20	(20)	-	-	-	-	-	-	-
Catering: Departmental activities	10	6	-	16	16	-	100.0	-	-
Communication (G&S)	40	(11)	-	29	29	-	100.0	36	36
Consultants: Business and advisory services	180	(72)	-	108	108	-	100.0	22	22
Infrastructure and planning services	470	(468)	-	2	2	-	100.0	197	197
Legal services	1 300	(697)	(152)	451	451	-	100.0	805	805
Contractors	2 780	(392)	-	2 388	2 388	-	100.0	2 932	2 932
Entertainment	10	(10)	-	-	-	-	-	4	4
Consumable supplies	130	(103)	-	27	27	-	100.0	38	38
Consumable: Stationery, printing and office supplies	50	(50)	-	-	-	-	-	-	-
Operating leases	200	(153)	-	47	47	-	100.0	83	83
Property payments	3 054	5 072	-	8 126	8 126	-	100.0	8 229	8 229
Travel and subsistence	535	(260)	-	275	275	-	100.0	446	446
Training and development	40	(40)	-	-	-	-	-	21	21
Operating payments	100	(38)	-	62	62	-	100.0	75	75
Venues and facilities	30	(30)	-	-	-	-	-	-	-
Rental and hiring	-	1	-	1	1	-	100.0	-	-
<b>Transfers and subsidies</b>	8 500	(2 591)	-	5 909	5 909	-	100.0	8 421	8 421
Provinces and municipalities	8 500	(2 766)	-	5 734	5 734	-	100.0	8 421	8 421
Municipalities	8 500	(2 766)	-	5 734	5 734	-	100.0	8 421	8 421
Municipal bank accounts	8 500	(2 766)	-	5 734	5 734	-	100.0	8 421	8 421
Households	-	175	-	175	175	-	100.0	-	-
Social benefits	-	175	-	175	175	-	100.0	-	-
<b>Total</b>	<b>39 252</b>	<b>-</b>	<b>(249)</b>	<b>39 003</b>	<b>39 003</b>	<b>-</b>	<b>100.0</b>	<b>42 910</b>	<b>42 910</b>



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Subprogramme: 4.1: ADMINISTRATION									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	24 948	(1 901)	(249)	<b>22 798</b>	22 798	-	100.0	23 758	23 758
Compensation of employees	21 783	(175)	(97)	<b>21 511</b>	21 511	-	100.0	21 592	21 592
Goods and services	3 165	(1 726)	(152)	<b>1 287</b>	1 287	-	100.0	2 166	2 166
<b>Transfers and subsidies</b>	-	175	-	<b>175</b>	175	-	100.0	-	-
Households	-	175	-	<b>175</b>	175	-	100.0	-	-
<b>Total</b>	<b>24 948</b>	<b>(1 726)</b>	<b>(249)</b>	<b>22 973</b>	<b>22 973</b>	-	<b>100.0</b>	<b>23 758</b>	<b>23 758</b>

Subprogramme: 4.2: HOUSING PROPERTIES MAINTENANCE									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>	5 804	4 492	-	<b>10 296</b>	10 296	-	100.0	10 731	10 731
Goods and services	5 804	4 492	-	<b>10 296</b>	10 296	-	100.0	10 731	10 731
<b>Transfers and subsidies</b>	8 500	(2 766)	-	<b>5 734</b>	5 734	-	100.0	8 421	8 421
Provinces and municipalities	8 500	(2 766)	-	<b>5 734</b>	5 734	-	100.0	8 421	8 421
<b>Total</b>	<b>14 304</b>	<b>1 726</b>	-	<b>16 030</b>	<b>16 030</b>	-	<b>100.0</b>	<b>19 152</b>	<b>19 152</b>

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**NOTES TO THE APPROPRIATION STATEMENTS  
for the year ended 31 March 2018**

**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-F) to the Annual Financial Statements.

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

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

**3. Detail on payments for financial assets**

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

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

**4.1 Per programme**

Per programme:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Programme 1: Administration	101 677	99 060	2 617	2.57
Under-expenditure on Compensation of Employees due to a decrease in the percentage for performance bonuses and the non-filling of vacant posts (R1.894 million), under-expenditure on Machinery and equipment due to the non-materialisation of the modernisation of offices (R693 000), as well as under- expenditure on Transfers and subsidies: social benefits due to a reduction in commitments for post- retirement benefits (R30 000).				
Programme 2: Housing needs, research and planning	24 840	24 771	69	0.28
Saving on training and development (R40 000) and venues and facilities (R29 000) due to cost containment measures.				
Programme 3: Housing development	2 527 798	2 519 972	7 826	0.31
Under-expenditure on Compensation of Employees due to the resignation of certain senior managers and the non-filling of vacant senior management posts (R1.703 million), as well as an under-expenditure on the Provincial Grant for drought relief (R6.123 million) due to uncertainty of funding in the outer years.				



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**NOTES TO THE APPROPRIATION STATEMENTS  
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**4.2 Per economic classification**

Per economic classification:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
<b>Current expenditure</b>				
Compensation of employees	212 818	209 221	3 597	1.69
Goods and services	65 185	65 116	69	0.11
<b>Transfers and subsidies</b>				
Households	2 289 206	2 283 053	6 153	0.27
<b>Payments for capital assets</b>				
Machinery and equipment	6 041	5 348	693	11.47

Under-expenditure on Compensation of Employees due to a decrease in the percentage allocation for performance bonuses, as well as the resignation of senior managers and the non-filling of vacant senior management posts. Saving on Goods and Services due to cost containment measures in respect of training and development and venues and facilities. The under-expenditure on Transfers and subsidies (households) includes an under-expenditure of R6.123 million on the Provincial contribution for drought relief which is due to an uncertainty of funding in the outer years, as well as an under-expenditure on Transfers and subsidies to households (social benefits) due to an over-budget of R30 000 for post retirement benefits. Under-expenditure on Machinery and equipment is due to the modernisation of office accommodation which did not materialise during the financial year.

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**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
<b>REVENUE</b>			
Annual appropriation	1	2 693 318	2 244 424
Departmental revenue	2	32 011	112 295
Aid assistance	3	7 182	6 307
<b>TOTAL REVENUE</b>		<b>2 732 511</b>	<b>2 363 026</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	209 221	195 774
Goods and services	5	65 116	87 664
Aid assistance	3	7	52
<b>Total current expenditure</b>		<b>274 344</b>	<b>283 490</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	2 393 125	1 953 957
Aid assistance	3	459	1 125
<b>Total transfers and subsidies</b>		<b>2 393 584</b>	<b>1 955 082</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	5 348	6 596
Intangible assets	8	59	67
<b>Total expenditure for capital assets</b>		<b>5 407</b>	<b>6 663</b>
<b>Payments for financial assets</b>	6	9 937	365
<b>TOTAL EXPENDITURE</b>		<b>2 683 272</b>	<b>2 245 600</b>
<b>SURPLUS FOR THE YEAR</b>		<b>49 239</b>	<b>117 426</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds		10 512	1
Annual appropriation		10 512	1
Departmental revenue and PRF Receipts	13	32 011	112 295
Aid assistance	3	6 716	5 130
<b>SURPLUS FOR THE YEAR</b>		<b>49 239</b>	<b>117 426</b>





**WESTERN CAPE PROVINCE  
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**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>116 141</b>	<b>110 100</b>
Cash and cash equivalents	9	94 928	108 704
Prepayments and advances	10	58	24
Receivables	11	21 155	1 372
<b>Non-Current Assets</b>		<b>33 930</b>	<b>43 094</b>
Receivables	11	33 930	43 094
<b>TOTAL ASSETS</b>		<b>150 071</b>	<b>153 194</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>90 569</b>	<b>94 635</b>
Voted funds to be surrendered to the Revenue Fund	12	10 512	1
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	13	783	7 518
Payables	14	77 281	87 116
Aid assistance unutilised	3	1 993	-
<b>Non-Current Liabilities</b>			
Payables	15	24 910	15 545
<b>TOTAL LIABILITIES</b>		<b>115 479</b>	<b>110 180</b>
<b>NET ASSETS</b>		<b>34 592</b>	<b>43 014</b>
<b>Represented by:</b>			
Recoverable revenue		34 592	43 014
<b>TOTAL</b>		<b>34 592</b>	<b>43 014</b>

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**STATEMENT OF CHANGES IN NET ASSETS  
as at 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
<b>NET ASSETS</b>			
<b>Recoverable revenue</b>			
Opening balance		43 014	43 093
Transfers		<b>(8 422)</b>	<b>(79)</b>
Irrecoverable amounts written off	6.2	(8 130)	-
Debts revised		(17)	(1 080)
Debts recovered (included in departmental receipts)		(519)	(897)
Debts raised		244	1 898
Closing balance		<b>34 592</b>	<b>43 014</b>
<b>TOTAL</b>		<b>34 592</b>	<b>43 014</b>

Included in the net asset amount are loans, sales and rental debtors. The net amount of this, after provision for impairment, amounts to R8.675 million (2016/17: R7.303 million).



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**CASH FLOW STATEMENT  
for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>2 792 501</b>	<b>2 423 026</b>
Annual appropriated funds received	1.1	2 693 318	2 244 424
Departmental revenue received	2	57 577	157 911
Interest received	2.2	34 424	14 384
Aid assistance received	3	7 182	6 307
Net increase in working capital		(20 488)	(84 752)
Surrendered to Revenue Fund		(98 747)	(167 630)
Surrendered to RDP Fund/Donor		(4 723)	(5 242)
Current payments		(274 344)	(283 490)
Payments for financial assets		(9 937)	(365)
Transfers and subsidies paid		(2 393 584)	(1 955 082)
<b>Net cash flow available from operating activities</b>	<b>16</b>	<b>(9 322)</b>	<b>(73 535)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(5 407)	(6 663)
Proceeds from sale of capital assets	2.3	10	-
<b>Net cash flows from investing activities</b>		<b>(5 397)</b>	<b>(6 663)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in net assets		(8 422)	(79)
Increase/ (decrease) in non-current payables		9 365	(4 281)
<b>Net cash flows from financing activities</b>		<b>943</b>	<b>(4 360)</b>
Decrease in cash and cash equivalents		(13 776)	(84 558)
Cash and cash equivalents at beginning of period		108 704	193 262
<b>Cash and cash equivalents at end of period</b>	<b>17</b>	<b>94 928</b>	<b>108 704</b>

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ACCOUNTING POLICIES  
for the year ended 31 March 2018

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**Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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

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

**1. Basis of preparation**

The financial statements have been prepared in accordance with the Modified Cash Standard.

**2. Going concern**

The financial statements have been prepared on a going concern basis.

**3. Presentation currency**

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

**4. Rounding**

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

**5. Foreign currency translation**

Cash flows arising from foreign currency transactions are translated into South African Rand using the spot exchange rates prevailing at the date of payment/receipt.

**6. Comparative information**

**6.1 Prior period comparative information**

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.



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**ACCOUNTING POLICIES  
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## **6.2 Current year comparison with budget**

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

## **7. Revenue**

### **7.1 Appropriated funds**

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

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

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.

### **7.2 Departmental revenue**

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

### **7.3 Accrued departmental revenue**

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and

the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

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**8. Expenditure**

**8.1 Compensation of employees**

**8.1.1 Salaries and wages**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

**8.1.2 Social contributions**

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

**8.2 Other expenditure**

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

**8.3 Accruals and payables not recognised**

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

**8.4 Leases**

**8.4.1 Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

**8.4.2 Finance leases**

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.



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Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

cost, being the fair value of the asset; or

the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

## 9. Aid Assistance

### 9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

### 9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

## 10. Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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.

## 11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

## 12. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

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**13. Investments**

Investments are recognised in the statement of financial position at cost.

**14. Financial assets**

**14.1 Financial assets (not covered elsewhere)**

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

**14.2 Impairment of financial assets**

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

**15. Payables**

Payables recognised in the statement of financial position are recognised at cost.

**16. Capital Assets**

**16.1 Immovable capital assets**

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

**16.2 Movable capital assets**

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.





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Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

### 16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

### 16.4 Project Costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

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**17. Provisions and Contingents**

**17.1 Provisions**

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

**17.2 Contingent liabilities**

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

**17.3 Contingent assets**

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

**17.4 Commitments**

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

**18. Unauthorised expenditure**

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

approved by Parliament or the Provincial Legislature with funding and the related funds are received; or

approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or

transferred to receivables for recovery.



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Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

**19. Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

**20. Irregular expenditure**

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

**21. Changes in accounting policies, accounting estimates and errors**

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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**ACCOUNTING POLICIES  
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**22. Events after the reporting date**

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

**23. Principal-Agent arrangements**

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

The department is party to a principal-agent arrangement with the SA Post Office for the collection of housing debt from beneficiaries. In terms of the arrangement the department is the principal and is responsible for agency fees payable to the SA Post Office for collecting such revenue on behalf of the Department. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies. Additional disclosures have been provided in the notes to the financial statements where appropriate.

There is also a principle-agent arrangement between the Department and municipalities whereby the municipalities act as agent for the Department in the development of human settlements. No fees are payable to the municipalities in this regard.

The Department is acting as agent for the City of Cape Town for the construction of bulk infrastructure funded from the Urban Settlement Development Grant (USDG).

**24. Departures from the MCS requirements**

Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.

**25. Capitalisation reserve**

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

**26. Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.



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**27. Related party transactions**

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

**28. Inventories (Effective from date determined in a Treasury Instruction)**

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

**29. Public-Private Partnerships**

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

**30. Employee benefits**

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

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**1. Appropriation**

**1.1 Annual Appropriation**

Programmes	2017/18			2016/17	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000
Administration	101 677	101 677	-	90 526	90 526
Housing Needs, Research and Planning	24 840	24 840	-	20 686	20 686
Housing Development	2 527 798	2 527 798	-	2 090 302	2 090 302
Housing Asset Management Property Management	39 003	39 003	-	42 910	42 910
<b>Total</b>	<b>2 693 318</b>	<b>2 693 318</b>	<b>-</b>	<b>2 244 424</b>	<b>2 244 424</b>

Included in total actual funds received are the following: **Conditional Grants:** Human Settlement Development Grant (R2.326 758 billion) and the Expanded Public Works Programme Integrated Grant for Provinces (R3.374 million), **Provincial Grants:** Provincial contribution towards the acceleration of housing delivery (R112.295 million); Provincial contribution towards addressing natural disasters (R7.5 million) and Provincial contribution towards drought relief as part of the Integrated Provincial Water Response Plan (R6.5 million) and Equitable share (R236.891 million). The total under-expenditure on appropriated funds received amounted to R10.512 million, consisting of following: Compensation of employees (R3.597 million); Goods and services (R69 000); Transfers and subsidies (R6.153 million) and Machinery and equipment (R693 000). The department applied for the roll-over of the unspent portion of R6.123 million in respect of the Provincial Water Response Plan, as well as the unspent funds on Machinery and equipment of R693 000, for utilisation in 2018/19.

**1.2 Conditional grants**

	Note	2017/18 R'000	2016/17 R'000
Total grants received	31	2 330 132	2 004 237
Provincial grants included in Total Grants re- ceived		-	-

The conditional grants received consist of the Human Settlements Development Grant (R2.326 758 billion) and the Expanded Public Works Programme Integrated Grant for Provinces (R3.374 million).



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**2. Departmental Revenue**

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services other than capital assets	2.1	101	108
Interest, dividends and rent on land	2.2	34 424	14 384
Sales of capital assets	2.3	10	-
Transactions in financial assets and liabilities	2.4	57 476	157 803
<b>Total revenue collected</b>		<b>92 011</b>	<b>172 295</b>
Less: Own revenue included in appropriation	13	60 000	60 000
<b>Departmental revenue collected</b>		<b>32 011</b>	<b>112 295</b>

The over-collection of departmental revenue is mainly due to interest of R34.146 million received on PHP subsidies paid to municipalities in advance.

**2.1 Sales of goods and services other than capital assets** 2

Sales of goods and services produced by the department	99	103
Administrative fees	-	1
Other sales	99	102
Sales of scrap, waste and other used current goods	2	5
<b>Total</b>	<b>101</b>	<b>108</b>

"Other sales" include Commission on insurance and garnishee orders administered via PERSAL (R62 000) and Sale of tender documents (R37 000).

**2.2 Interest, dividends and rent on land** 2

	Note	2017/18 R'000	2016/17 R'000
Interest		34 424	14 384
<b>Total</b>		<b>34 424</b>	<b>14 384</b>

Included in the amount for interest is R34.146 million received in respect of various PHP projects and R278 000 in respect of Departmental debt.

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	Note	2017/18 R'000	2016/17 R'000
<b>2.3 Sales of capital assets</b>	2		
<b>Tangible assets</b>		10	-
Machinery and equipment	27	10	-
<b>Total</b>		<b>10</b>	<b>-</b>

The amount received was for scrap computer equipment.

<b>2.4 Transactions in financial assets and liabilities</b>	2		
Loans and advances		17 106	11 494
Other Receipts including Recoverable Revenue		40 370	146 309
<b>Total</b>		<b>57 476</b>	<b>157 803</b>

Included in transactions in financial assets and liabilities are the following receipts in respect of the former Western Cape Housing Development Board: R5.406 million received for the letting of rental properties and R831 000 realised through the EEDBS (Note 2.4: Loans and advances). Other receipts including recoverable revenue is mainly in respect of the following receipts: R12.466 million received from the City of Cape Town (CoCT) in respect of closed PHP projects, R2.175 million for serviced sites in respect of Nuwe Begin and Fountain Head FLISP projects and R5.077 million returned subsidies from the Saldanha Bay municipality (R3.958 million) and George municipality (R1.119 million).





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**3. Aid Assistance**

	Note	2017/18 R'000	2016/17 R'000
Opening Balance		-	112
Transferred from statement of financial performance		6 716	5 130
Paid during the year		(4 723)	(5 242)
<b>Closing Balance</b>		<b>1 993</b>	<b>-</b>

R5.182 million was received from the Danish Government via the RDP Fund as a donation for the provision of solar water heaters in Joe Slovo, N2 Gateway. R459 000 was spent during 2017/18 and the balance, R4.723 million was paid back to the RDP Fund at the end of 2017/18. The department applied for the reallocation of the funds as the project is not yet completed. Furthermore, R2 million was received from the Department of Public Service and Administration (DPSA) for the Global Positioning System (GPS) (Enhancement of the Western Cape Housing Demand Database), of which R7 000 was spent during 2017/18. The balance of R1.993 million is to be spent in 2018/19.

**3.1 Analysis of balance by source**

3

Aid assistance from other sources (DPSA)	1 993	-
<b>Closing Balance</b>	<b>1 993</b>	<b>-</b>

**3.2 Analysis of balance**

3

Aid assistance unutilised	1 993	-
<b>Closing Balance</b>	<b>1 993</b>	<b>-</b>

**3.3 Aid assistance expenditure per economic classification**

3

Current	7	-
Transfers and subsidies	459	-
<b>Total aid assistance expenditure</b>	<b>466</b>	<b>-</b>

The current expenditure of R7 000 was spent in respect of the Global Positioning System from aid assistance received from the Department of Public Service and Administration and the amount of R459 000 spent on Transfers and subsidies was for solar water heaters for houses in Joe Slovo, N2 Gateway, financed from aid assistance from the Danish Government via the RDP fund.

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	Note	2017/18 R'000	2016/17 R'000
<b>4. Compensation of employees</b>			
<b>4.1 Salaries and wages</b>	4		
Basic salary		145 942	134 537
Performance award		1 986	2 867
Service Based		9 599	8 436
Compensative/circumstantial		4 133	5 126
Periodic payments		2 850	2 338
Other non-pensionable allowances		20 123	19 897
<b>Total</b>		<b>184 633</b>	<b>173 201</b>
<b>4.2 Social contributions</b>	4		
Pension		16 503	15 026
Medical		8 047	7 513
Bargaining council		38	34
<b>Total</b>		<b>24 588</b>	<b>22 573</b>
<b>Total compensation of employees</b>		<b>209 221</b>	<b>195 774</b>
Average number of employees		477	461

Compensation of employees (CoE) increased by 6.9% which is due to general salary increases. The average remuneration per employee increased by 3.3% to R438 618 (2016/17: 10.3% to R424 670). This low increase is due to senior management posts not filled and challenges to appoint Occupation Specific Dispensation (OSD) staff and senior managers due to the amendment of the Public Service Regulations in 2017/18 whereby all new appointments must be done on the first notch and not allowing salary negotiations.



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	Note	2017/18 R'000	2016/17 R'000
<b>5. Goods and services</b>			
Administrative fees		378	231
Advertising		1 022	199
Minor assets	5.1	460	513
Bursaries (employees)		649	650
Catering		277	216
Communication		1 142	1 071
Computer services	5.2	2 234	1 206
Consultants: Business and advisory services		559	932
Infrastructure and planning services		12 848	30 621
Legal services		1 317	1 447
Contractors		2 819	3 755
Agency and support / outsourced services		202	477
Entertainment		6	8
Audit cost - external	5.3	6 910	7 393
Fleet services		2 617	2 372
Consumables	5.4	1 439	1 772
Operating leases		1 313	1 269
Property payments	5.5	20 336	25 498
Rental and hiring		192	71
Travel and subsistence	5.6	5 071	5 295
Venues and facilities		382	517
Training and development		1 690	1 294
Other operating expenditure	5.7	1 253	857
<b>Total</b>		<b>65 116</b>	<b>87 664</b>

The increase in advertising is due to the following media placements: MEC's budget speech (R120 000); Thabo Mbeki awards (R105 000); Home Wise campaign (R263 000); Bid notices (R489 000) in respect of framework agreements for contractors and service providers, as well as tenders for catalytic projects. The amount of R12.848 million for Infrastructure and planning services consist of the following: Engineering civil services (R4.962 million); Geotechnical engineering services (R971 300); Geographical information services (R1 700); Land and quantity surveying services (R3.786 million); Town planning services (R1.421 million) and project management services (R1.706 million). The comparative figures for contractors and agency and support/outsourced services have been restated as R3 755 000 and R477 000 respectively, due to changes to the Standard Chart of Accounts (SCOA) by National Treasury.

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	Note	2017/18 R'000	2016/17 R'000
<b>5.1 Minor assets</b>	5		
<b>Tangible assets</b>		460	513
Machinery and equipment		460	513
<b>Total</b>		460	513

The amount of R460 000 was mostly spent on computer equipment and furniture and office equipment.

<b>5.2 Computer services</b>	5		
SITA computer services		1 722	684
External computer service providers		512	522
<b>Total</b>		2 234	1 206

The reason for the significant increase in SITA computer services is due to the Department now being responsible for the full accounts from SITA for the transversal financial systems, whereas during the previous financial years the Provincial Treasury paid a portion of the cost. The Department is also responsible for the National Debtors System accounts as from 1 April 2017.

<b>5.3 Audit cost – external</b>	5		
Regularity audits		6 910	7 393
<b>Total</b>		6 910	7 393

<b>5.4 Consumables</b>	5		
Consumable supplies		575	424
Uniform and clothing		218	16
Household supplies		74	85
Communication accessories		2	-
IT consumables		81	102
Other consumables		200	221
Stationery, printing and office supplies		864	1 348
<b>Total</b>		1 439	1 772

Included in Other consumables are gifts and awards (R42 000), materials and supplies (R85 000), bags and accessories (R45 000), notice boards and signs (R21 000), electrical spares (R3 000), fuel supplies (R3 000) and medical kit (R1 000).



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	Note	2017/18 R'000	2016/17 R'000
<b>5.5 Property payments</b>	5		
Municipal services		9 498	15 309
Property management fees		52	62
Property maintenance and repairs		8 736	7 976
Other		2 050	2 151
<b>Total</b>		<b>20 336</b>	<b>25 498</b>

The amounts paid for municipal services, property management fees and property maintenance and repairs are in respect of properties owned by the Department. (former Western Cape Housing Development Board properties). The decrease in the amount spent on Municipal services is due to the devolution of these properties to the municipalities and transfers to beneficiaries. The amount of R2.050 million for "Other" is for Deed searches.

<b>5.6 Travel and subsistence</b>	5		
Local		4 977	4 968
Foreign		94	327
<b>Total</b>		<b>5 071</b>	<b>5 295</b>

<b>5.7 Other operating expenditure</b>	5		
Professional bodies, membership and subscription fees		-	13
Resettlement costs		98	33
Other		1 155	811
<b>Total</b>		<b>1 253</b>	<b>857</b>

Included in "Other" is R1.080 million for printing and publication services, R74 000 for non-life insurance premiums in respect of subsidised vehicles and R1 000 for courier and delivery services.

<b>6. Payments for financial assets</b>			
Other material losses written off	6.1	268	270
Debts written off	6.2	9 669	95
<b>Total</b>		<b>9 937</b>	<b>365</b>

Included in the total amount for Debts written off is R9.653 million in respect of housing developers.

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	Note	2017/18 R'000	2016/17 R'000
<b>6.1 Other material losses written off</b>	6		
<b>Nature of losses</b>			
Loss of office equipment (Laptops, 3G cards, cellphone, camera, etc.)		89	270
Government Vehicle and vehicle accessories damage		179	-
<b>Total</b>		<b>268</b>	<b>270</b>
<b>6.2 Debts written off</b>	6		
<b>Nature of debts written off</b>			
<b>Irregular expenditure written off</b>			
Previous years' irregular expenditure (Tshawe Communication and Event Management)		-	8
<b>Total</b>		<b>-</b>	<b>8</b>
<b>Recoverable revenue written off</b>			
Private enterprise (Uneconomical to recover)		8 130	-
<b>Total</b>		<b>8 130</b>	<b>-</b>
<b>Other debt written off</b>			
<b>Nature of losses</b>			
Ex-employees: Salary and housing subsidy overpayments (Uneconomical to recover)		4	48
Ex-employees: Debt - lost laptop (Uneconomical to recover)		-	13
Overpayment of suppliers		10	24
Post Office claim (Debt collected by Post Office on behalf of the Department, but paid over to another institution by the Post Office)		-	2
Erroneous payment: South African Police Service (SAPS)		1	-
Erroneous payment: City of Cape Town		1	-
Private enterprises: Housing developers		1 523	-
<b>Total</b>		<b>1 539</b>	<b>87</b>
<b>Total debt written off</b>		<b>9 669</b>	<b>95</b>

The recoverable revenue of R8.130 million written off was owed by Ibuyile Consortium for construction of N2 Gateway projects. The debt arose due to an overpayment by Thubelisha Homes to Ibuyile who were liquidated before it could be recovered. Thubelisha Homes was a National Public entity who managed the N2 Gateway projects, but was liquidated by the National Department of Human Settlements. Included in the amount written off in respect of Private enterprises: Housing developers under Other debt written off is an amount of R1.523 million owed by Cape Utility Homes to build houses, but the said houses were not delivered. Cape Utility Homes was placed under liquidation and the claim instated against Cape Utility Homes prescribed. Both the afore-mentioned amounts were written off on advices from the State Attorney.



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	Note	2017/18 R'000	2016/17 R'000
<b>7. Transfers and Subsidies</b>			
Provinces and municipalities	32	106 846	40 649
Departmental agencies and accounts	Annex 1B	6	4
Higher education institutions	Annex 1C	950	750
Public corporations and private enterprises	Annex 1D	-	100
Non-profit institutions	Annex 1E	2 270	3 100
Households	Annex 1F	2 283 053	1 909 354
<b>Total</b>		<b>2 393 125</b>	<b>1 953 957</b>

Included in the amount of R106.846 million transferred to Provinces and municipalities is R85.825 million relating to the Provincial contribution towards the acceleration of housing delivery grant, as well as R5 million in respect of Accreditation assistance and R1.5 million for Settlement assistance relating to the Human Settlement Development Grant. Of the Provincial contribution towards housing delivery, R67.199 million was not spent by the municipalities as at 31/03/2018 (2016/17: R17.631 million). This was due to the fact that the funds were only appropriated and gazetted in November 2017 in the Adjusted Estimates. Accumulatively, of the transfers relating to the Human Settlement Development Grant, including Accreditation assistance and Settlement assistance, R791.251 million was unspent at municipalities as at 31/03/2018 (2016/17: R955.859 million).

**8. Expenditure for capital assets**

<b>Tangible assets</b>		<b>5 348</b>	<b>6 596</b>
Machinery and equipment	27	5 348	6 596
<b>Intangible assets</b>	28	<b>59</b>	<b>67</b>
Software		59	67
<b>Total</b>		<b>5 407</b>	<b>6 663</b>

**8.1 Analysis of funds utilised to acquire capital assets - 2017/18**

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible assets</b>	<b>5 348</b>	-	<b>5 348</b>
Machinery and equipment	5 348	-	5 348
	-	-	
<b>Intangible assets</b>	<b>59</b>	-	<b>59</b>
Software	59	-	59
<b>Total</b>	<b>5 407</b>	-	<b>5 407</b>

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**8.2 Analysis of funds utilised to acquire capital assets - 2016/17**

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible assets</b>	<b>6 596</b>	<b>-</b>	<b>6 596</b>
Machinery and equipment	6 596	-	6 596
<b>Intangible assets</b>	<b>67</b>	<b>-</b>	<b>67</b>
Software	67	-	67
<b>Total</b>	<b>6 663</b>	<b>-</b>	<b>6 663</b>
		<b>2017/18 R'000</b>	<b>2016/17 R'000</b>

**8.3 Finance lease expenditure included in Expenditure for capital assets**

<b>Tangible assets</b>		
Machinery and equipment	3 949	3 787
<b>Total</b>	<b>3 949</b>	<b>3 787</b>

The finance leases expenditure consists of daily tariffs paid in respect of GG-vehicles allocated to the Department by GMT (R3.889 million) (2016/17: R3.709 million) and finance leases for other machinery and equipment, ie. 3G cards and cellular phones (R60 000) (2016/17: R78 000).

**9. Cash and cash equivalents**

Consolidated Paymaster General Account	94 928	108 703
Cash on hand	-	1
<b>Total</b>	<b>94 928</b>	<b>108 704</b>

Included in the consolidated Paymaster General account are funds received from the City of Cape Town for bulk services funded from the Urban Settlement Development Grant (USDG). Also included is an amount of R15.027 million which was unspent prior to the implementation of the Human Settlements Development Grant in 2001 that was transferred via the National Housing Fund to the Western Cape Housing Development Fund (WCHDF). The monies are meant to augment provincial funds for liabilities that might exist in the WCHDF. The intention is to request the Provincial Treasury to transfer it to the Provincial Revenue Fund to be appropriated for human settlement purposes.





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	2017/18 R'000	2016/17 R'000
<b>10. Prepayments and advances</b>		
Travel and subsistence	58	24
<b>Total</b>	<b>58</b>	<b>24</b>

		2017/18			2016/17		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	11.1	20 766	33 845	54 611	1 159	42 875	44 034
Recoverable expenditure	11.2	373	79	452	122	176	298
Staff debt	11.3	16	6	22	84	43	127
Other debtors	11.4	-	-	-	7	-	7
<b>Total</b>		<b>21 155</b>	<b>33 930</b>	<b>55 085</b>	<b>1 372</b>	<b>43 094</b>	<b>44 466</b>

The increase in receivables is due to an amount of R20.466 million owing by the Department of Health for projects in the Belhar CBD.

<b>11.1 Claims recoverable</b>			11
Provincial departments		20 468	-
Public entities		24 017	24 091
Private enterprises		10 034	19 708
Households and non-profit institutions		87	235
Local governments		5	-
<b>Total</b>		<b>54 611</b>	<b>44 034</b>

The increase in claims recoverable (Provincial departments) is due to an amount of R20.466 million owing to the Department by the Department of Health for a hospital site in the Belhar CBD, as well as R2 000 in respect of a claim from the Department of Cultural Affairs and Sport. Included in the amount of R24.017 million for Public entities is R23.903 million owed by Thubelisha Homes, R110 000 owed by SARS and R4 000 owed by CapeNature. The amount in respect of Private enterprises mainly relates to the fraudulent use of PHP subsidies which were held in trust by Account Administrators and private developers of housing projects. The amount for Households and non-profit institutions relates to out of service staff debt.

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	Note	2017/18 R'000	2016/17 R'000
<b>11.2 Recoverable expenditure (disallowance accounts)</b>	<b>11</b>		
Disallowance damages and losses		352	298
Local government		100	-
<b>Total</b>		<b>452</b>	<b>298</b>

The disallowance damages and losses includes R13 000 in respect of GG-vehicle damages, as well as losses of computer and other equipment totaling R339 000, which are under investigation to determine responsibility. The R100 000 recoverable from the City of Cape Town is in respect of interest paid on outstanding rates and tax and municipal service accounts.

<b>11.3 Staff debt</b>	<b>11</b>		
Breach of contract: Study bursaries		8	14
Salary related debt (salaries overpaid)		14	113
<b>Total</b>		<b>22</b>	<b>127</b>

The above-mentioned debts is in-service staff debt as recognised in the staff debt account.

<b>11.4 Other debtors</b>	<b>11</b>		
Staff tax debt control account		-	7
<b>Total</b>		<b>-</b>	<b>7</b>

<b>11.5 Impairment of receivables</b>	<b>11</b>		
Estimate of impairment of receivables		34 196	43 059
<b>Total</b>		<b>34 196</b>	<b>43 059</b>

The impairment of receivables was assessed at balance sheet date. The test for impairment was done per individual debtor, as well as per the different classes of debtors. Further consideration was given to all outstanding accounts on which there were little or no movement for more than 1 year. Debtors who have never paid have also been provided for. The amount is mostly in respect of public entities (R24.015 million), private enterprises which mainly relates to the fraudulent use of PHP subsidies which were held in trust by Account Administrators and private developers of housing projects (R9.766 million), recoverable expenditure of R352 000 as per the disallowance: damages and losses account and out of service staff debt of R64 000.

<b>12. Voted Funds to be surrendered to the Revenue Fund</b>			
Opening balance		1	164
Transfer from statement of financial performance		10 512	1
Paid during the year		(1)	(164)
<b>Closing balance</b>		<b>10 512</b>	<b>1</b>



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	Note	2017/18 R'000	2016/17 R'000
<b>13. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		7 518	2 689
Transfer from Statement of Financial Performance		32 011	112 295
Own revenue included in appropriation		60 000	60 000
Paid during the year		(98 746)	(167 466)
<b>Closing balance</b>		<b>783</b>	<b>7 518</b>
<b>14. Payables - current</b>			
Advances received	14.1	77 267	87 014
Clearing accounts	14.2	14	25
Other payables	14.3	-	77
<b>Total</b>		<b>77 281</b>	<b>87 116</b>
Advances received are in respect of USDG funds received from the CoCT for the provision of bulk infrastructure by the Department.			
<b>14.1 Advances received</b>	14		
Local Government: CoCT	Annex 6	77 267	87 014
<b>Total</b>		<b>77 267</b>	<b>87 014</b>
The amount of R77.267 million was received from the CoCT for bulk services being constructed on their behalf.			
<b>14.2 Clearing accounts</b>	14		
Salary clearing accounts		14	25
<b>Total</b>		<b>14</b>	<b>25</b>
<b>14.3 Other payables</b>	14		
Department of Justice		-	66
WCG: Department of Education		-	10
WCG: Provincial Treasury		-	1
<b>Total</b>		<b>-</b>	<b>77</b>

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	Note	2017/18 R'000			2016/17 R'000
<b>15. Payables - non-current</b>					
		2017/18			2016/17
		One to two years	Two to three years	More than three years	Total
	Note	R'000	R'000	R'000	R'000
Advances received	15.1	21 074	3 111	725	24 910
<b>Total</b>		<b>21 074</b>	<b>3 111</b>	<b>725</b>	<b>24 910</b>
<b>15.1 Advances received</b>					
			15		
Local Government: CoCT			Annex 6	24 910	15 545
<b>Total</b>				<b>24 910</b>	<b>15 545</b>

The amount of R24.910 million was received from the CoCT for bulk services being constructed on their behalf.

	Note	2017/18 R'000		2016/17 R'000
<b>16. Net cash flow available from operating activities</b>				
Net surplus as per Statement of Financial Performance		49 239		117 426
Add back non cash/cash movements not deemed operating activities		<b>(58 561)</b>		<b>(190 961)</b>
(Increase)/decrease in receivables	9	(10 619)		2 830
(Increase)/decrease in prepayments and advances	10	(34)		7
Decrease in payables - current	14	(9 835)		(87 589)
Proceeds from sale of capital assets	2	(10)		-
Expenditure on capital assets	8	5 407		6 663
Surrenders to Revenue Fund	12 & 13	(98 747)		(167 630)
Surrenders to RDP Fund/Donor	3	(4 723)		(5 242)
Own revenue included in appropriation	2	60 000		60 000
<b>Net cash flow generated by operating activities</b>		<b>(9 322)</b>		<b>(73 535)</b>
<b>17. Reconciliation of cash and cash equivalents for cash flow purposes</b>				
Consolidated Paymaster General account	9	94 928		108 703
Cash on hand		-		1
<b>Total</b>		<b>94 928</b>		<b>108 704</b>



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	Note	2017/18 R'000	2016/17 R'000
<b>18. Contingent liabilities and contingent assets</b>			
<b>18.1 Contingent liabilities</b>			
<b>Liable to</b>	<b>Nature</b>		
Claims against the department	Recovery of levies	13	1 718
Other	Breach of contract	87 158	87 158
<b>Total</b>		<b>87 171</b>	<b>88 876</b>

The amount of R87.158 million for "Other" is in respect of the matter Hawston Sea Farms Foundation v. the Premier and MEC of the Department, which is currently in settlement negotiations. All matters as disclosed are currently in process and the timing and amounts of outflows are uncertain.

**18.2 Contingent assets**

**Nature of contingent asset**

PILIR cases	16	2
FIU investigation: Recovery of money paid to Trafalgar high school	120	120
Erf 6225, Delft - G&S Yon	47	47
<b>Total</b>	<b>183</b>	<b>169</b>

The amount of R16 000 for PILIR cases is in respect of 2 cases pending and 9 cases declined as at 31 March 2018. The Province is currently investigating several PILIR cases and therefore the Department is unable to reliably measure the value of the PILIR cases. The Department is also unable to reliably measure the contingent asset of the Government Employees Housing Scheme of the Individually Linked Savings Facility (ILSF), resulting from resignations and termination of service.

	2017/18 R'000	2016/17 R'000
<b>19. Commitments</b>		
<b>Current expenditure</b>		
Approved and contracted	359 873	231 441
Approved but not yet contracted	21 823	86
	<b>381 696</b>	<b>231 527</b>
<b>Capital Expenditure</b>		
Approved and contracted	5 079 789	4 744 753
Approved but not yet contracted	1 094 354	411 948
	<b>6 174 143</b>	<b>5 156 701</b>
<b>Total Commitments</b>	<b>6 555 839</b>	<b>5 388 228</b>

The majority of commitments for capital expenditure are in respect of infrastructure/housing projects, which are subject to the availability of funds. The projects are multi-year projects. The allocations for approved projects are annually gazetted as transfers to households.

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		2017/18 R'000		2016/17 R'000
<b>20. Accruals and payables not recognised</b>				
<b>20.1 Accruals</b>				
<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>	<b>Total</b>
Goods and services	2 235	8	2 243	3 625
Transfers and subsidies	10 484	1	10 485	43 933
<b>Total</b>	<b>12 719</b>	<b>9</b>	<b>12 728</b>	<b>47 558</b>

		2017/18 R'000		2016/17 R'000
<b>Listed by programme level</b>				
Programme 1: Administration		747		1 384
Programme 2: Housing needs, research and planning		6		2
Programme 3: Housing development		10 530		43 325
Programme 4: Housing asset management, Property management		1 445		2 847
<b>Total</b>		<b>12 728</b>		<b>47 558</b>

Accruals and payables are determined according to the invoice date. Invoices are paid within 30 days of receipt, but for housing subsidies, payment is effected within 30 days of certification of a claim by the Department's professional staff as per agreement with the municipalities. Therefore, in respect of subsidies, the 30 days commences after certification of a claim.

**20.2 Payables not recognised**

<b>Listed by economic classification</b>	<b>30 days</b>	<b>30+ days</b>	<b>Total</b>	<b>Total</b>
Goods and services	393	214	607	1 305
Transfers and subsidies	758	316	1 074	11 141
<b>Total</b>	<b>1 151</b>	<b>530</b>	<b>1 681</b>	<b>12 446</b>

		2017/18 R'000		2016/17 R'000
<b>Listed by programme level</b>				
Programme 1: Administration		26		20
Programme 2: Housing needs, research and planning		38		5
Programme 3: Housing development		1 617		12 008
Programme 4: Housing asset management, Property management		-		413
<b>Total</b>		<b>1 681</b>		<b>12 446</b>



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	2017/18 R'000	2016/17 R'000
<b>21. Employee benefits</b>		
Leave entitlement	4 874	4 302
Service bonus (Thirteenth cheque)	4 610	4 267
Performance awards	1 046	2 937
Capped leave commitments	4 974	5 223
Other	566	371
<b>Total</b>	<b>16 070</b>	<b>17 100</b>

Included in the amount of R4.874 million for leave entitlement are leave credit balances amounting to R768 000 and included in "Other" is R263 000 in respect of accrued compensation of employees and a provision of R303 000 for long service cash awards due in 2018/19. At this stage the department is unable to reliably measure the long term portion of the long service awards. Provision for performance bonuses was calculated at 0.5% of the actual amount spent on CoE in 2017/18, ie. R209.221 million.

**22. Lease commitments**

**22.1 Operating leases**

	Specialised military as- sets	Land	Buildings and other fixed struc- tures	Machinery and equip- ment	Total
	R'000	R'000	R'000	R'000	R'000
<b>2017/18</b>					
Not later than 1 year	-	-	-	776	776
Later than 1 year and not later than 5 years	-	-	-	813	813
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 589</b>	<b>1 589</b>
<b>2016/17</b>					
Not later than 1 year	-	-	-	880	880
Later than 1 year and not later than 5 years	-	-	-	715	715
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 595</b>	<b>1 595</b>

The operating leases relates to photocopy machines. No assets are sub-leased.

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**22.2 Finance leases**

	Specialised military as- sets	Land	Buildings and other fixed struc- tures	Machinery and equip- ment	Total
2017/18	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	4 164	4 164
Later than 1 year and not later than 5 years	-	-	-	9 217	9 217
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 381</b>	<b>13 381</b>
	Specialised military as- sets	Land	Buildings and other fixed struc- tures	Machinery and equip- ment	Total
2016/17	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 473	3 473
Later than 1 year and not later than 5 years	-	-	-	6 640	6 640
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 113</b>	<b>10 113</b>

The net present value of the leased assets (data card agreements and cellular phones) under finance leases is R141 000 (2016/17: R220 000). Included above are finance lease commitments for GG vehicles amounting to R13.311 million. The Department leased 64 vehicles from GMT during 2017/18 (63 vehicles: 2016/17). The net present value of the leased GG-vehicles is R11.385 million (2016/17: R10.109 million). No assets are sub-leased.





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	2017/18 R'000	2016/17 R'000
<b>23. Accrued departmental revenue</b>		
Transactions in financial assets and liabilities	21 168	19 791
<b>Total</b>	<b>21 168</b>	<b>19 791</b>
<b>23.1 Analysis of accrued departmental revenue</b>		
Opening balance	19 791	23 815
Less: Amounts received	(3 306)	(3 343)
Add: Amounts recognised	5 365	5 925
Less: Amounts written-off/reversed as irrecoverable	(682)	(6 606)
<b>Closing balance</b>	<b>21 168</b>	<b>19 791</b>

Included in the total amount of R21.168 million for Accrued departmental revenue are fraudulent subsidies previously allocated to non-qualifying beneficiaries which are being recovered by the Special Investigating Unit (SIU). To date a total amount of R8.878 million (excluding interest) was claimed by the SIU, of which R7.101 million was received by the Department. (In 2008/09 an amount of R459 825 was paid into the National Revenue Fund by the SIU.) The total amount outstanding is R7.310 million, i.e. capital: R439 072 and accumulated interest: R6.871 million as at 31 March 2018. Of this, R6.017 million is impaired. (Included in the total outstanding amount are credit balances to the value of R82 800). In order to mitigate the losses and fraud within the PHP regime, the Department is now contracting with contractors directly and not via support organisations as in the past. No more private Account Administrators are utilised as the municipalities now perform this function. Also included in the amount of R21.168 million is accrued Departmental revenue of R12.521 million in respect of rental debtors.

	2017/18 R'000	2016/17 R'000
<b>23.2 Accrued department revenue written off</b>		
<b>Nature of losses</b>		
Irrecoverable rental income written off	682	6 606
<b>Total</b>	<b>682</b>	<b>6 606</b>
<b>23.3 Impairment of accrued departmental revenue</b>		
Estimate of impairment of accrued departmental revenue	11 899	10 783
<b>Total</b>	<b>11 899</b>	<b>10 783</b>

The impairment of accrued Departmental Revenue was assessed at balance sheet date. The test for impairment was done per individual debtor, as well as per the different classes of debtors. Further consideration was given to all outstanding accounts on which there was little or no movement for more than 120 days. Debtors that have never paid have also been provided for. The impairment figure for 2017/18 include the impairment of the rental debtors (R5.882 million) and the impairment of the SIU debtors (R6.017 million). The 2016/17 figure for impairment has been restated to include the impairment of the SIU debtors, which amounted to R5.903 million.

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	2017/18 R'000	2016/17 R'000
<b>24. Irregular expenditure</b>		
<b>24.1 Reconciliation of irregular expenditure</b>		
Opening balance	83	775
Add: Irregular expenditure - relating to current year	15	519
Less: Prior year amounts condoned	(83)	(1 211)
Less: Current year amounts condoned	(8)	-
<b>Irregular expenditure awaiting condonation</b>	<b>7</b>	<b>83</b>
 <b>Analysis of awaiting condonation per age classification</b>		
Current year	7	83
<b>Total</b>	<b>7</b>	<b>83</b>

**24.2 Details of irregular expenditure - current year**

		2017/18 R'000
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
Non-compliance to regulation 9(1) and 9(5) of the Preferential Procurement Regulations of 2011. The request for quotation did not include the minimum threshold for local production and content as required.	No disciplinary steps taken. The incident was due to insufficient control measures.	5
Non-compliance to regulation 9(1) and 9(5) of the Preferential Procurement Regulations of 2011. The request for quotation did not include the minimum threshold for local production and content as required.	No disciplinary steps taken. The incident was due to insufficient control measures.	3
Non-compliance to regulation 9(1) and 9(5) of the Preferential Procurement Regulations of 2011. The request for quotation did not include the minimum threshold for local production and content as required.	Identified by the Auditor-General and will be investigated to determine condonation thereof and if any disciplinary steps and recovery will be required.	7
<b>Total</b>		<b>15</b>

The necessary control measures were implemented to avoid a recurrence in the future.



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**24.3 Details of irregular expenditure condoned**

		2017/18 R'000
<b>Incident</b>	<b>Condoned by (condoning authority)</b>	
Non-compliance to regulation 9(1) of the Preferential Procurement Regulations of 2011 (Order no. OR-026919 did not include the minimum threshold for local production and content)	Accounting Officer	82
Non-compliance to Section 38(1)(c)(ii) of the PFMA and Treasury Regulation 8.2.1 (Total payments amounting to R28 586 in respect of order number OR-027074 exceeded the purchase order amount of R27 468 resulting in an overpayment of R1 118)	Accounting Officer	1
Non-compliance with regulation 9(1) and 9(5) of the Preferential Procurement Regulations of 2011. The request for quotation did not include the minimum threshold for local production and content as required.	Accounting Officer	5
Non-compliance with regulation 9(1) and 9(5) of the Preferential Procurement Regulations of 2011. The request for quotation did not include the minimum threshold for local production and content as required.	Accounting Officer	3
<b>Total</b>		<b>91</b>

The amounts of R82 000 and R1 000 relate to the findings by the Auditor-General in 2016/17. The irregular expenditures of R5 000 and R3 000 were detected by the Department in 2017/18.

**25. Related party transactions**

Detail on related party transactions are contained in the Report of the Accounting Officer.

**26. Key management personnel**

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers	1	1 978	1 902
<b>Officials:</b>			
Level 15	1	1 681	1 874
Level 14	3	3 777	3 600
<b>Total</b>		<b>7 436</b>	<b>7 376</b>

The amount for political office bearers is for the MEC of the Department. Included in the total for key management personnel are performance bonuses of R120 300.

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**27. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>23 904</b>	<b>-</b>	<b>6 455</b>	<b>3 394</b>	<b>26 965</b>
Transport assets	10 082	-	4 810	2 793	12 099
Computer equipment	9 035	-	1 380	374	10 041
Furniture and office equipment	3 017	-	20	220	2 817
Other machinery and equipment	1 770	-	245	7	2 008
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>23 904</b>	<b>-</b>	<b>6 455</b>	<b>3 394</b>	<b>26 965</b>

The number of movable tangible assets on the Department's asset register, excluding GG-vehicles, is 1 210. Included in the Movement in movable tangible assets are GG-vehicles to the value of R12.067 million (64 vehicles), leased from Government Motor Transport (GMT).

**Movable Tangible Capital Assets under investigation**

	Number	Value
		R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	40	515

The assets were lost or stolen. The cases are being investigated to determine responsibility and enhancement of control measures. These assets mostly consist of computer equipment.

**Additions**

**27.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	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
<b>MACHINERY AND EQUIPMENT</b>	<b>5 348</b>	<b>5 056</b>	<b>(3 949)</b>	<b>-</b>	<b>6 455</b>
Transport assets	3 889	4 810	(3 889)	-	4 810
Computer equipment	1 255	125	-	-	1 380
Furniture and office equipment	13	7	-	-	20
Other machinery and equipment	191	114	(60)	-	245
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5 348</b>	<b>5 056</b>	<b>(3 949)</b>	<b>-</b>	<b>6 455</b>

The capital work-in-progress is in respect of finance leases only.



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**Disposals**

**27.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Sold for cash R'000	Non-cash disposal R'000	Total dispos- als R'000	Cash received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>484</b>	<b>2 910</b>	<b>3 394</b>	<b>10</b>
Transport assets	-	2 793	2 793	-
Computer equipment	306	68	374	6
Furniture and office equipment	178	42	220	4
Other machinery and equipment	-	7	7	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPI- TAL ASSETS</b>	<b>484</b>	<b>2 910</b>	<b>3 394</b>	<b>10</b>

The non-cash disposals of transport assets are in respect of GG-vehicles disposed of by GMT. No cash was received for these vehicles as the vehicles are leased from GMT. Included in the amount for disposals are assets to the value (cost) of R33 000 which were donated to municipalities, needy households and schools. The computer equipment and furniture and office equipment sold for cash (R10 000) were scrapped.

**27.3 Movement for 2016/17**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening bal- ance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing bal- ance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>22 812</b>	<b>(16)</b>	<b>2 828</b>	<b>1 720</b>	<b>23 904</b>
Transport assets	11 398	-	-	1 316	10 082
Computer equipment	8 091	(189)	1 430	297	9 035
Furniture and office equipment	2 835	(121)	385	82	3 017
Other machinery and equipment	488	294	1 013	25	1 770
<b>TOTAL MOVABLE TANGIBLE CAPI- TAL ASSETS</b>	<b>22 812</b>	<b>(16)</b>	<b>2 828</b>	<b>1 720</b>	<b>23 904</b>

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<b>Prior period error</b>	<b>Note</b>	<b>2016/17 R'000</b>
<b>Nature of prior period error</b>	27.3	
<b>Relating prior to 2016/17</b>		<b>(16)</b>
<b>Asset price correction:</b>		
Computer equipment (-R8 000) and Other machinery and equipment (-R8 000)		(16)
<b>Asset category corrections:</b>		
Computer equipment (-R179 000), Furniture and Office equipment (-R115 000)		(294)
Other machinery and equipment		294
<b>Relating to 2016/17</b>		<b>107</b>
<b>Asset price correction:</b>		
Other machinery and equipment		7
<b>Asset erroneously disclosed as disposals:</b>		
Computer equipment		100
<b>Asset category corrections:</b>		
Computer equipment		34
Other machinery and equipment		(34)
<b>Total</b>		<b>91</b>

The amount of R100 000 was erroneously disclosed as disposals in 2016/17. These assets were lost assets also taken up in the disallowance: damages and losses account for investigation. However, the policy is that these assets remain on the asset register until the said investigations are finalised and therefore should have been disclosed as assets under investigation.



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**27.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Specialised military as- sets R'000	Intangible assets R'000	Heritage as- sets R'000	Machinery and equip- ment R'000	Biological assets R'000	Total R'000
Opening balance	-	4	-	6 770	-	6 774
Additions	-	-	-	672	-	672
Disposals	-	-	-	(187)	-	(187)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>7 255</b>	<b>-</b>	<b>7 259</b>

	Specialised military as- sets	Intangible assets	Heritage assets	Machinery and equip- ment	Biological assets	Total
Number of minor assets at cost	-	1	-	4 140	-	4 141
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>4 140</b>	<b>-</b>	<b>4 141</b>

**Minor Capital Assets under investigation**

	Number	Value
Machinery and equipment	1	1

The item was stolen and an investigation is in process to determine responsibility.

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**Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Specialised military as- sets R'000	Intangible assets R'000	Heritage as- sets R'000	Machinery and equip- ment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	5 013	-	5 013
Prior period error	-	4	-	(14)	-	(10)
Additions	-	-	-	2 230	-	2 230
Disposals	-	-	-	(459)	-	(459)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>6 770</b>	<b>-</b>	<b>6 774</b>

	Specialised military as- sets	Intangible assets	Heritage assets	Machinery and equip- ment	Biological assets	Total
Number of minor assets at cost	-	1	-	3 945	-	3 946
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>3 945</b>	<b>-</b>	<b>3 946</b>

The number of minor assets as at 31 March 2017 was disclosed as 3 946 for machinery and equipment. It has been restated as above.

<b>Prior period error</b>	<b>Note</b>	<b>2016/17 R'000</b>
<b>Nature of prior period error</b>	27.4	
<b>Relating prior 2016/17</b>		<b>(10)</b>
Machinery and Equipment: Asset to consumables (-R25 000), Asset data correction (R11 000), Value adjustments (R4 000.00)		(10)
Machinery and Equipment: Asset category correction		(4)
Intangible asset: Asset category correction		4
<b>Total</b>		<b>(10)</b>





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**27.5 Movable assets written off**

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2018**

	Specialised military as- sets	Intangible assets	Heritage as- sets	Machinery and equip- ment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	3 581	-	3 581
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 581</b>	<b>-</b>	<b>3 581</b>

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017**

	Specialised military as- sets	Intangible assets	Heritage as- sets	Machinery and equip- ment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	2 179	-	2 179
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 179</b>	<b>-</b>	<b>2 179</b>

Included in the amount written off in 2017/18 are GG-vehicles disposed of amounting to R2.793 million, as well as redundant machinery and equipment amounting to R601 000 and redundant minor assets amounting to R187 000 were written off. Also included are assets at cost of R484 000 sold as scrap. The assets written off for the year ended March 2017 has been restated as R2.179 million to include the GG-vehicles disposed of in 2016/17 (R1.316 million) and to reduce the value of assets written off as it was erroneously disclosed as disposals/written off in 2016/17 (R100 000).

**28. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance	Value ad- justments	Additions	Disposals	Closing bal- ance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	800	-	59	373	486
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>800</b>	<b>-</b>	<b>59</b>	<b>373</b>	<b>486</b>

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**28.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Cash R'000	Non-cash R'000	(Development work-in-pro- gress current costs ) R'000	Received cur- rent, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	59	-	-	-	59
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59</b>

**Disposals**

**28.2 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Sold for cash R'000	Non-cash dis- posal R'000	Total disposals R'000	Cash received Actual R'000
SOFTWARE	-	373	373	-
<b>TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>373</b>	<b>373</b>	<b>-</b>

**Movement for 2016/17**

**28.3 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening bal- ance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing bal- ance R'000
SOFTWARE	733	-	67	-	800
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>733</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>800</b>



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	2017/18 R'000	2016/17 R'000
<b>29. Principal-agent arrangements</b>		
<b>29.1 Department acting as the principal</b>	<b>Fee paid</b>	
SA Post Office (Commission paid to SA Post Office for collecting housing debt on behalf of the Department)	49	58
<b>Total</b>	<b>49</b>	<b>58</b>

Although there is a principal/agent relationship between the Department and the Municipalities, no agency fees are paid to municipalities. There are no cost implications should the principal-agent arrangements be terminated and no resources are under the custodianship of the agents. The agents make use of their own resources .

**29.2 Department acting as the agent**

**Reconciliation of funds and disbursements - 2017/18**

Category of revenue/expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
<b>Payables: Advances received:</b>		
City of Cape Town	309 103	206 926
<b>Total</b>	<b>309 103</b>	<b>206 926</b>

The above amounts represent funds received from the City of Cape Town (principal) and expenses incurred on their behalf for the construction of bulk infrastructure for the 2017/18 financial year. The accumulative balance of funds received from the City of Cape Town as at 31 March 2018 is R102.177 million (2016/17: R102.559 million).

**Reconciliation of carrying amount of receivables and payables - 2017/18**

**Payables**

Name of entity	Opening bal- ance R'000	Funds received R'000	Cash paid on behalf of prin- cipal R'000	Closing balance R'000
City of Cape Town	102 559	206 544	206 926	102 177
<b>Total</b>	<b>102 559</b>	<b>206 544</b>	<b>206 926</b>	<b>102 177</b>

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**30. Prior period errors**

**30.1 Correction of prior period errors**

Expenditure:	Note	2016/17		Restated amount R'000
		Amount before error correction R'000	Prior period error R'000	
Appropriation statements: Goods and services: Consultants: Infrastructure & planning services		30 380	241	30 621
Appropriation statements: Goods and services: Consultants: Business & advisory services		1 173	(241)	932
Appropriation statements: Goods and services: Contractors		484	3 271	3 755
Appropriation statements: Goods and services: Agency and support/outsourced services		3 748	(3 271)	477
Primary notes: Goods and services: Contractors	5	484	3 271	3 755
Primary notes: Goods and services: Agency and support/outsourced services	5	3 748	(3 271)	477
Secondary notes: Accruals: Goods and services (Due to typing error)	20	3 525	100	3 625
<b>Net effect</b>		<b>43 542</b>	<b>100</b>	<b>43 642</b>

The prior period errors in respect of the appropriation statements and the primary notes are due to a change to the Standard Chart of Accounts (SCOA) with effect 1 April 2017.



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	Note	2016/17		Restated amount
		Amount before error correction	Prior period error	
Assets:		R'000	R'000	R'000
Impairment of accrued departmental revenue	23	4 880	5 903	10 783
<b>Movable Capital Assets:</b>	27.3			
Computer equipment		9 090	(55)	9 035
Furniture and office equipment		3 138	(121)	3 017
Other machinery and equipment		1 503	267	1 770
<b>Minor Assets:</b>	27.4			
Machinery and Equipment: Asset to consumables (-R25 000), Asset data correction (R11 000), Value adjustments (R4 000.00) and Asset category change to intangible (-R4 000).		6 784	(14)	6 770
Intangible minor assets: Asset category correction	27.4	-	4	4
Movable assets written off for the year ended 31 March 2017	27.5	963	1 216	2 179
Receivables: Claims recoverable: Provincial Departments	11.1	2	(2)	-
Receivables: Claims recoverable: Public entities	11.1	24 089	2	24 091
<b>Net effect</b>		<b>50 449</b>	<b>7 200</b>	<b>57 649</b>

The test for impairment of accrued departmental revenue was not previously done for the SIU debtors. The prior period errors in respect of assets are mostly due to asset category changes, price corrections and erroneous disposals, as well as the inclusion of the disposal of GG-vehicles as write-offs. The prior period error in respect of receivables is due to the incorrect classification of a public entity as a Provincial Department in 2016/17.

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**31. Statement of Conditional Grants received**

NAME OF GRANT	GRANT ALLOCATION					SPENT				2016/17	
	Division of Revenue Act/ Provincial Grants R'000	Roll Overs R'000	DORA Adjustments R'000	Other Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	Under / (over-spending) R'000	% of available funds spent by dept %	Division of Revenue Act R'000	Amount spent by department R'000
Human Settlement Development Grant	2 226 758	-	100 000	-	2 326 758	2 326 758	2 326 758	-	100%	2 000 811	2 000 811
Expanded Public Works Programme Integrated Grant for Provinces	3 374	-	-	-	3 374	3 374	3 374	-	100%	3 426	3 426
	<b>2 230 132</b>	<b>-</b>	<b>100 000</b>	<b>-</b>	<b>2 330 132</b>	<b>2 330 132</b>	<b>2 330 132</b>	<b>-</b>		<b>2 004 237</b>	<b>2 004 237</b>

It is certified that, in terms of DORA, that all transfers in terms of the Act were deposited into the primary bank account of the Western Cape Government.



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**32. Statement of Conditional Grants and other transfers to municipalities**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds With-held R'000	Re-allocations by National Treasury or National Department R'000
<b>Accreditation assistance grant:</b>							
Municipality: City of Cape Town	5 000	-	-	5 000	5 000	-	-
<b>Settlement assistance grant</b>							
Municipality: City of Cape Town	1 500	-	-	1 500	1 500	-	-
<b>Provincial contribution towards the acceleration of housing delivery:</b>							
Municipality: City of Cape Town	-	-	2 300	2 300	2 300	-	-
Municipality: Matzikama	-	-	3 000	3 000	3 000	-	-
Municipality: Cederberg	14 500	-	(11 470)	3 030	3 030	-	-
Municipality: Witzenberg	3 000	-	-	3 000	3 000	-	-
Municipality: Drakenstein	10 000	-	17 500	27 500	27 500	-	-
Municipality: Breede Valley	20 000	-	-	20 000	20 000	-	-
Municipality: Langeberg	-	-	4 450	4 450	4 450	-	-
Municipality: Overstrand	10 000	-	500	10 500	10 500	-	-
Municipality: Swellendam	500	-	-	500	500	-	-
Municipality: Mosselbay	-	-	3 700	3 700	3 700	-	-
Municipality: George	-	-	530	530	530	-	-
Municipality: Beaufort West	-	-	7 315	7 315	7 315	-	-
<b>Other transfers to municipalities:</b>							
<b>Municipal rates and taxes:</b>							
Municipality: City of Cape Town	25 336	-	(11 346)	13 990	13 990	-	-
Municipality: Matzikama	-	-	1	1	1	-	-
Municipality: Saldanha Bay	40	-	52	92	92	-	-
Municipality: Swartland	11	-	1	12	12	-	-
Municipality: Drakenstein	89	-	-	89	89	-	-
Municipality: Stellenbosch	132	-	35	167	167	-	-
Municipality: Breede Valley	162	-	2	164	164	-	-
Municipality: Swellendam	-	-	6	6	6	-	-
	<b>90 270</b>	<b>-</b>	<b>16 576</b>	<b>106 846</b>	<b>106 846</b>	<b>-</b>	<b>-</b>

The negative adjustments for the municipalities of Cederberg and City of Cape Town were due to shifts in the Adjustment Estimates 2017 and final shifts and virements as per the Appropriation Statements.

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**ANNEXURE 1A**

**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
<b>Departmental transfers to municipalities:</b>												
<b>Accreditation assistance grant:</b>												
Municipality: City of Cape Town	5 000	-	-	5 000	5 000	-	-	5 000	-	5 000	-	10 000
<b>Settlement assistance grant</b>												
Municipality: City of Cape Town	1 500	-	-	1 500	1 500	-	-	1 500	-	1 500	-	1 500
<b>Provincial contribution towards the acceleration of housing delivery grant:</b>												
Municipality: City of Cape Town	-	-	2 300	2 300	2 300	-	-	2 300	2 300	-	100%	-
Municipality: Matzikama	-	-	3 000	3 000	3 000	-	-	3 000	-	3 000	-	-
Municipality: Cederberg	14 500	-	(11 470)	3 030	3 030	-	-	3 030	-	3 030	-	13 315
Municipality: Witzenberg	3 000	-	-	3 000	3 000	-	-	3 000	-	3 000	-	-
Municipality: Drakenstein	10 000	-	17 500	27 500	27 500	-	-	27 500	10 000	17 500	36%	-
Municipality: Breede Valley	20 000	-	-	20 000	20 000	-	-	20 000	-	20 000	-	-
Municipality: Langeberg	-	-	4 450	4 450	4 450	-	-	4 450	-	4 450	-	-
Municipality: Overstrand	10 000	-	500	10 500	10 500	-	-	10 500	-	10 500	-	-
Municipality: Swellendam	500	-	-	500	500	-	-	500	240	260	48%	-
Municipality: Mosselbay	-	-	3 700	3 700	3 700	-	-	3 700	-	3 700	-	3 400
Municipality: George	-	-	530	530	530	-	-	530	-	530	-	-
Municipality: Beaufort West	-	-	7 315	7 315	7 315	-	-	7 315	6 086	1 229	83%	-
Municipality: Prince Albert	-	-	-	-	-	-	-	-	-	-	-	916
<b>Other transfers to municipalities:</b>												
<b>Municipal rates and taxes:</b>												
Municipality: City of Cape Town	25 336	-	(11 346)	13 990	13 990	-	-	13 990	13 990	-	100%	10 952
Municipality: Matzikama	-	-	1	1	1	-	-	1	1	-	100%	18
Municipality: Saldanha Bay	40	-	52	92	92	-	-	92	92	-	100%	142
Municipality: Swartland	11	-	1	12	12	-	-	12	12	-	100%	47
Municipality: Drakenstein	89	-	-	89	89	-	-	89	89	-	100%	122
Municipality: Stellenbosch	132	-	35	167	167	-	-	167	167	-	100%	1
Municipality: Breede Valley	162	-	2	164	164	-	-	164	164	-	100%	53
Municipality: Overstrand	-	-	-	-	-	-	-	-	-	-	-	37
Municipality: Swellendam	-	-	6	6	6	-	-	6	6	-	100%	37
Municipality: Kannaland	-	-	-	-	-	-	-	-	-	-	-	2
Municipality: George	-	-	-	-	-	-	-	-	-	-	-	4
Municipality: Bitou	-	-	-	-	-	-	-	-	-	-	-	103
<b>TOTAL</b>	<b>90 270</b>	<b>-</b>	<b>16 576</b>	<b>106 846</b>	<b>106 846</b>	<b>-</b>	<b>-</b>	<b>106 846</b>	<b>33 147</b>	<b>73 699</b>		<b>40 649</b>

The negative adjustments for the municipalities of Cederberg and City of Cape Town were due to shifts in the Adjustment Estimates 2017 and final shifts and virements as per the Appropriation Statements.  
It is certified that the transfers were paid into the primary banking accounts of the municipalities.





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**ANNEXURE 1B****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted appropriation R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Avail- able funds trans- ferred %	Appro- priation Act R'000
SABC (TV licences)	6	-	-	6	6	100%	4
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>6</b>		<b>4</b>

**ANNEXURE 1C****STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

INSTITUTION NAME	TRANSFER ALLOCATION				TRANSFER			2016/17
	Adjusted appropriation R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	Amount not trans- ferred R'000	% of Available funds trans- ferred %	Appro- priation Act R'000
University of Cape Town	950	-	-	950	950	-	100%	750
<b>Total</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>950</b>	<b>950</b>	<b>-</b>		<b>750</b>

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**ANNEXURE 1D**

**STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2016/17
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	Capital R'000	Current R'000	Appropriation Act R'000
<b>Private enterprises</b>									
<b>Transfers</b>									
Ikamva Holdings (Sponsorship)	-	-	-	-	-	-	-	-	100
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>100</b>

**ANNEXURE 1E**

**STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE			2016/17
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	Appropriation Act R'000	
<b>Transfers</b>								
Cape Craft and Design Institute	2 270	-	-	2 270	2 270	100%	3 000	
SA Woman in construction (Sponsorship)	-	-	-	-	-	-	100	
<b>Total</b>	<b>2 270</b>	<b>-</b>	<b>-</b>	<b>2 270</b>	<b>2 270</b>		<b>3 100</b>	



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**ANNEXURE 1F****STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	Appropriation Act R'000
<b>HOUSEHOLDS</b>							
<b>Transfers</b>							
Employee social benefits - leave gratuity	852	-	165	1 017	1 017	100%	477
Post retirement benefits	204	-	-	204	174	85%	162
Injury on duty	1	-	7	8	8	100%	1
T-shirts and peak caps for staff for the Provincial Sports Day	-	-	-	-	-	-	126
T-shirts and peak caps for staff for the Departmental Golf Day	-	-	-	-	-	-	39
Ex-Gratia payment to Mr JJ Kortje and Mrs ME Kortje	-	-	6	6	6	100%	-
Act of Grace Payment for funeral of employee	-	-	72	72	72	100%	-
<b>Subtotal</b>	<b>1 057</b>	<b>-</b>	<b>250</b>	<b>1 307</b>	<b>1 277</b>		<b>805</b>
<b>Subsidies</b>							
Human Settlement Development Grant	2 203 538	-	40 582	2 244 120	2 244 120	100%	1 902 581
Expanded Public Works Programme Integrated Grant for Provinces	3 374	-	(65)	3 309	3 309	100%	3 426
Provincial contribution towards the acceleration of housing delivery grant	26 470	-	-	26 470	26 470	100%	2 542
Provincial earmarked allocation: Drought relief	6 500	-	-	6 500	377	6%	-
Provincial funding: Disaster relief	7 500	-	-	7 500	7 500	100%	-
<b>Subtotal</b>	<b>2 247 382</b>	<b>-</b>	<b>40 517</b>	<b>2 287 899</b>	<b>2 281 776</b>		<b>1 908 549</b>
<b>Total</b>	<b>2 248 439</b>	<b>-</b>	<b>40 767</b>	<b>2 289 206</b>	<b>2 283 053</b>		<b>1 909 354</b>

The unspent balances at the municipalities relating to the Human Settlement Development Grant amount to R791.251 million (2016/17: R955.859 million). This is R474.172 million unspent at the City of Cape Town (2016/17: R612.520 million) and R317.079 million unspent at the non-metro municipalities (2016/17: R343.339 million). These transfers are classified as transfers to households in accordance with the Standard Chart of Accounts (SCOA). The Provincial earmarked allocation: Drought relief of R6.5 million was retained by the department and only R377 000 was spent. The balance of R6.123 million was surrendered to Provincial Revenue Fund and application for roll-over will be done in 2018/19. In respect of the Provincial funding for Disaster relief R2.5 million was transferred to the City of Cape Town, which was unspent as at 31/03/2018.

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**ANNEXURE 1G**

**STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	PAID BACK ON/BY 31 MARCH 2018 R'000	CLOSING BALANCE R'000
<b>Received in cash</b>						
Danish government (via the RDP Fund)	Solar water heaters for houses in Joe Slovo, N2 Gateway	-	5 182	459	4 723	-
The Department of Public Service and Administration (DPSA)	Global positioning system (GPS)	-	2 000	7	-	1 993
<b>TOTAL</b>		<b>-</b>	<b>7 182</b>	<b>466</b>	<b>4 723</b>	<b>1 993</b>

The amount of R4.723 million in respect of the solar water heaters for houses in Joe Slovo, N2 Gateway was paid back to the RDP Fund as the amount received could not be fully spent due to problems in the area hampering the construction of houses.



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**ANNEXURE 1H**

**STATEMENT OF GIFTS, DONATIONS AND PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18 R'000	2016/17 R'000
<b>Made in kind</b>		
Govan Mbeki awards (Trophies and picture posters in frame)	31	20
T-shirts and peak caps for staff for the Provincial Sports Day	-	126
T-shirts and peak caps for staff for the Departmental Golf Day	-	39
Sympathy flowers and fruit baskets	11	6
Tablet computer as prize for the winner of the Knowledge Management survey/audit competition	-	1
Donation of redundant movable assets to municipalities, beneficiaries and schools at cost	110	257
Act of Grace Payment for funeral of employee	72	-
<b>TOTAL</b>	<b>224</b>	<b>449</b>

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**ANNEXURE 2**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018**

NATURE OF LIABILITY	Opening balance 1 April 2017 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recov- erable (Provide details hereun- der) R'000	Closing balance 31 March 2018 R'000
<b>Claims against the department</b>					
Body Corporate of Zambezi Sectional Title Scheme	13	-	-	-	13
Anthony Fish v. MEC Department of Human Settlements	1 705	-	1 705	-	-
<b>Subtotal</b>	<b>1 718</b>	<b>-</b>	<b>1 705</b>	<b>-</b>	<b>13</b>
<b>Other</b>					
Hawston Seafarms Foundation v. Premier and the MEC for Department of Human Settlements	87 158	-	-	-	87 158
<b>Subtotal</b>	<b>87 158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87 158</b>
<b>TOTAL</b>	<b>88 876</b>	<b>-</b>	<b>1 705</b>	<b>-</b>	<b>87 171</b>

The matter Hawston Seafarms Foundation v. the Premier and the MEC of the Department is in settlement negotiations. In all the cases above the timing and amounts of outflows are uncertain.



**WESTERN CAPE PROVINCE  
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VOTE 8**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 3****CLAIMS RECOVERABLE**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	Receipt date up to six (6) working days after year end	Amount R'000
<b>GOVERNMENT ENTITY</b>								
<b>DEPARTMENTS</b>								
WCG: Department of Health	-	-	20 466	-	20 466	-	2018/04/03	20 466
WCG: Department of Cultural Affairs and Sport	-	-	2	-	2	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>20 468</b>	<b>-</b>	<b>20 468</b>	<b>-</b>		<b>20 466</b>
<b>OTHER GOVERNMENT ENTITIES</b>								
CapeNature	4	2	-	-	4	2	-	-
Thubelisha Homes	-	-	23 903	23 903	23 903	23 903	-	-
SARS	-	-	110	186	110	186	-	-
Municipality Drakenstein	-	-	5	-	5	-	-	-
<b>Subtotal</b>	<b>4</b>	<b>2</b>	<b>24 018</b>	<b>24 089</b>	<b>24 022</b>	<b>24 091</b>		<b>-</b>
<b>Total</b>	<b>4</b>	<b>2</b>	<b>44 486</b>	<b>24 089</b>	<b>44 490</b>	<b>24 091</b>		<b>20 466</b>

The comparative figures have been restated from a total amount of R2 000 to an amount of R24. 091 million as the figures for Thubelisha Homes and SARS were omitted due to a misunderstanding of the Annual Financial Statements template. The figures now agree to totals for Provincial Departments, Public entities and Local Governments in the note on Receivables: Claims recoverable.

**WESTERN CAPE PROVINCE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

**ANNEXURE 4**

**INTER-GOVERNMENT PAYABLES**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	Receipt date up to six (6) working days after year end	Amount R'000
<b>GOVERNMENT ENTITY</b>								
<b>DEPARTMENTS</b>								
<b>Current</b>								
Government Printing Works	-	-	2	-	2	-	-	-
WCG: Department of Transport and Public Works	-	-	433	-	433	-	-	-
WCG: Department of the Premier	-	-	535	-	535	-	-	-
WCG: Department of Cultural Affairs and Sport	-	-	1	-	1	-	-	-
South African Police Services	-	-	8	-	8	-	-	-
Department of Justice and Constitutional Development	-	-	406	-	406	-	-	-
<b>Total Departments</b>	-	-	<b>1 385</b>	-	<b>1 385</b>	-	-	-
<b>TOTAL INTERGOVERNMENTAL</b>	-	-	<b>1 385</b>	-	<b>1 385</b>	-	-	-





**WESTERN CAPE PROVINCE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

**ANNEXURE 5  
INVENTORIES**

	Note	2017/18		2016/17	
		Quantity	R'000	Quantity	R'000
<b>Inventory</b>					
Opening balance		3 696	1 776 979	4 159	1 977 544
Add/(Less): Adjustments to prior year balances		3	2 037	(58)	(86 942)
Add: Additions/Purchases - Cash					
Add: Additions - Non-cash					
(Less): Disposals		(444)	(167 700)	(405)	(139 834)
(Less): Issues					
Add/(Less): Adjustments			(12 106)		26 211
<b>Closing balance</b>		<b>3 255</b>	<b>1 599 210</b>	<b>3 696</b>	<b>1 776 979</b>

The above inventory consists of properties relating to the Western Cape Housing Development Fund. It excludes the Department's inventory for infrastructure/housing projects financed from the Human Settlement Development Grant. In this regard the Department is currently in the process to determine the exact number of houses built, but not transferred to beneficiaries. This is part of the title deed restoration programme which is a priority for National and Provincial government. This will assist the Department in reporting the opening balance for inventory in the ensuing financial year. The effective date for the disclosure of inventory will be determined by National Treasury.

**ANNEXURE 6  
INTER-ENTITY ADVANCES RECEIVED (Note 14 and Note 15)**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000
<b>ENTITY</b>						
<b>OTHER INSTITUTIONS</b>						
<b>Current</b>						
City of Cape Town (USDG funds for bulk services)	-	-	77 267	87 014	77 267	87 014
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>77 267</b>	<b>87 014</b>	<b>77 267</b>	<b>87 014</b>
<b>Non-Current</b>						
City of Cape Town (USDG funds for bulk services)	-	-	24 910	15 545	24 910	15 545
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>24 910</b>	<b>15 545</b>	<b>24 910</b>	<b>15 545</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>102 177</b>	<b>102 559</b>	<b>102 177</b>	<b>102 559</b>
<b>Current</b>	<b>-</b>	<b>-</b>	<b>77 267</b>	<b>87 014</b>	<b>77 267</b>	<b>87 014</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>	<b>24 910</b>	<b>15 545</b>	<b>24 910</b>	<b>15 545</b>

# ANNEXURE A - LIST OF CONTRACTORS

## City of Cape Town

Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
EHPp: Boystown Erf 160	Martin and East	Level 2	100.00%	503 674.87	503 674.87	6 799.61	-
IRDP: Morning Star	Valostar 159	Level 1	100.00%	54 762.57	54 762.57	-	-
PHP: Atlantis: Pella	Lawula Projects	Level 2	94.71%	3 504 284.00	3 318 907.38	829 726.84	-
PHP: Atlantis: Masiphumelele	Chapani Construction	Level 1	100.00%	2 705 624.08	2 705 624.08	2 705 624.08	-
PHP: Bardale: Makwakhwe	Lawula Projects	Level 2	94.71%	2 958 664.00	2 802 150.67	700 537.67	-
PHP: Bardale: Luncedo	Sbu-Leno Construction	Level 1	100.00%	2 481 760.00	2 481 760.00	-	-
PHP: Khaye: Odwa	Lawula Projects	Level 2	94.71%	7 728 284.70	7 319 458.44	1 829 864.61	-
PHP: Khaye: Masinyameke	Sbu-Leno Construction	Level 1	100.00%	2 270 748.00	2 270 748.00	-	-
PHP: Khaye: Mzomhle	Skyward Housing	Level 2	95.00%	118 536.00	112 609.20	-	-
PHP: Khaye: Masakhe	Chapani Construction	Level 1	100.00%	2 140 569.00	2 140 569.00	2 140 569.00	-
PHP: Khaye: Khululeka	TNT (Masiqhame Trading 224)	Level 1	100.00%	1 484 132.00	1 484 132.00	1 484 132.00	-
PHP: Khaye: Imvumelwano	TNT (Masiqhame Trading 224)	Level 1	100.00%	1 048 599.00	1 048 599.00	1 048 599.00	-
PHP: Khaye: Sizamele	TM Construction	Level 1	100.00%	126 096.00	126 096.00	-	-
PHP: Khaye: Vukuzenzele	VHP Holdings	Level 1	100.00%	962 152.00	962 152.00	-	-
PHP: Mfuleni: Siluncedo	Lawula Projects	Level 2	94.71%	5 967 300.00	5 651 629.83	1 412 907.46	-
PHP: Mfuleni: Silakhe	Vondo Holdings	level 1	100.00%	2 692 725.00	2 692 725.00	-	-
PHP: Mfuleni: Ilitha	Lawula Projects	Level 2	94.71%	5 566 604.00	5 272 130.65	1 318 032.66	-
PHP: Nyanga Ktc 3	Ncuthu Construction	Level 1	100.00%	2 390 682.00	2 390 682.00	-	-
PHP: Philippi: Ilitha Labantu	Nokhanya Services	Level 1	100.00%	1 639 417.00	1 639 417.00	836 102.67	-
PHP: Wallace: Sekunjalo	VHP Holdings	level 1	100.00%	4 019 845.00	4 019 845.00	-	-



Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
PHP: Wallace: Sizamile	TM Construction	Level 1	100.00%	904 320.00	904 320.00	-	-
PHP: Wallace: Nomzabalazo 5	Lawula Projects	Level 2	94.71%	10 015 178.00	9 485 375.08	2 371 343.77	-
PHP: Wallace: Sisonke 2	TNT (Masiqhame Trading 224)	Level 1	100.00%	2 383 540.00	2 383 540.00	2 383 540.00	-
PHP: Wallace: Masiphatisane	New Africa	Level 2	93%	8 947 438.00	8 301 432.98	8 301 432.98	-
PHP: Wallacedene Project 4	Mambamba Construction	Level 1	100.00%	2 395 240.00	2 395 240.00	2 395 240.00	-
CoCT: Matamela: Kanonkop	Matamela	Level 1	100.00%	1 579 070.49	1 579 070.49	-	1 579 070.49
CoCT: Sikhahlubo: Sinahko Ukusenzele	Sikhahlubo Trading	Level 1	100.00%	83 265.00	83 265.00	-	-
CoCT: Tnt: Phillippi: Nompumelelo	TNT (Masiqhame Trading 224)	Level 1	100.00%	33 371.70	33 371.70	33 371.70	-
CoCT: Ffc Trading: Khaye: Siyomelela	FFC General Trading	Level 1	100.00%	47 383.53	47 383.53	-	-
PHP: Siyahlala	Dunamis	Level 4	80.00%	53 361.99	42 689.59	-	-
CoCT: Ffc Trading: Mfelandawonye	FFC General Trading	Level 1	100.00%	1 638 100.85	1 638 100.85	-	-
CoCT: Masiqhame 626: Nyanga: Millers Camp	TNT (Masiqhame Trading 224)	Level 1	100.00%	269 629.42	269 629.42	269 629.42	-
CoCT: Mamzizi: Khaye: Sinethemba	Mamzizi Property Development	Level 1	100.00%	328 390.20	328 390.20	-	-
CoCT: Abaphansi: Khaye: Phakamani	Abaphansi Trading	Level 1	100.00%	1 339 798.00	1 339 798.00	-	-
CoCT: Csd. Dev: Strand: Mascindane	CSD Development	Level 1	100.00%	2 566 280.55	2 566 280.55	-	-
CoCT: Valostar: Morningstar	Valostar 159	Level 1	100.00%	528 333.75	528 333.75	-	-
PHP: Sikhahlubo: Khayelitsha: Kode Kubenini	Sikhahlubo Trading	Level 1	100.00%	1 913 669.50	1 913 669.50	-	-
PHP: Thodi: Khayelitsha: Mandela Park 2	Thodi Projects	Level 1	100.00%	300 326.00	300 326.00	-	-
PHP: Makhare: Khayelitsha: Mandela Park	Makhare Holdings	Level 1	100.00%	3 265 819.80	3 265 819.80	-	3 265 819.80
PHP: Xesibe: Khayelitsha: Mandela Park	Xesibe Properties	Level 1	100.00%	179 271.00	179 271.00	-	-
PHP: Kcbdc/C Smit: Mandela Park	Makhare Holdings	Level 1	100.00%	11 950 000.00	11 950 000.00	-	11 950 000.00
PHP: Khanyo: Nyanga: Masiphatisane	New Africa	Level 2	93%	219 201.00	203 374.69	203 374.69	-

## Departmental Projects

Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18				
				Expenditure	HDI	Women	Youth	
UISP & IRDP:PH2: Sobam: Joe Slovo: 2886 units	Power	Level 3	90%	66 464 424.60	59 817 982.14	1 429 649.77	-	
UISP/IRDP:PH2 3A Joint Venture: + Grp5Mot: Delft Symphony PR3&5	M-Cape	Level 2	95%	1 816 500.00	1 725 675.00	660 070.69	-	
IRDP:PH1: Delft Infilli: 389 sites (Various Contractors)	Marnol Projects	Level 2	95%	236 212.00	224 401.40	-	-	
IRDP:PH1& 2: Dept: Power: Thembelihle	Linamandla Business Enterprise	Level 1	100%	579 815.48	579 815.48	579 815.48	-	
IRDP:PH1& 2: Dept: Power: Thembelihle	Power	Level 3	90%	1 016 258.53	914 632.68	21 859.72	-	
IRDP:PH1& 2: Dept: Power: Thembelihle PROF FEES	Power	Level 3	90%	378 127.68	340 314.91	8 133.53	-	
IRDP:PH1: Dept: Highbury	Power	Level 3	90%	24 960.00	22 464.00	536.89	-	
UISP: Belhar CBD: Calgro	Calgro	Level 4	81%	31 004 432.71	25 256 210.89	204 575.31	-	
IRDP:PH1&PH2: COCT: Delft Symphony Pre 7 518 sites	Martin & East	Level 2	95%	56 551 648.82	53 724 066.38	725 274.90	-	
IRDP:PH1: DELFT SYMPHONY PRE3&5;PRE 7 PROF FEES LUKHOZI(GJ)	Lukhozi	Level 2	95%	5 174 546.85	4 915 819.51	116 013.34	220 425.35	
IRDP:PH1&Ph2: Blue Downs: Military Veterans 259 units	J R Sekwele	Level 1	100%	28 443 662.71	28 443 662.71	-	14 221 831.36	
IRDP:PH1: BLUE DONWS MILITARY VETS- PROF FEES LUKHOZI(GJ)	Lukhozi	Level 2	95%	1 256 168.83	1 193 360.39	28 163.31	53 510.28	
IRDP:PH1&Ph2: CALGRO: Belhar: Military Veterans 102 Units	Calgro	Level 4	81%	20 266 542.71	16 509 125.69	133 723.92	-	
UISP: CALGRO: Belhar CBD/ Nooiensfontein - Bulks	Calgro	Level 4	81%	25 440 501.08	20 723 832.18	167 863.04	-	



Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
PHP: Khayelitsha: Siyifumene	Gwaka Construction	Level 1	100.00%	506 264.00	506 264.00	405 011.20	-
	No & Mbali	Level 1	100.00%	525 000.00	525 000.00	525 000.00	-
PHP: Khayelitsha: Masikhanye	Hlumantombazana	Level 1	100.00%	703 867.50	703 867.50	703 867.50	-
PHP: Dodosi: Philippi Sophakama	Dodosi Building Construction	Level 1	100.00%	85 969.47	85 969.47	85 969.47	-
PHP: Applewood: Philippi: Vietnam	Applewood Trading	Level 1	100.00%	50 778.90	50 778.90	-	-
PHP: Lawula: Ithembalabantu	Lawula Projects	Level 2	94.71%	868 160.25	822 234.57	205 558.64	-
PHP: Lawula: Mfuleni: Someleze	Lawula Projects	Level 2	94.71%	11 094.70	10 507.79	2 626.95	-
PHP: Lawula: Mfuleni: Bantu Bonke (Ub)	Lawula Projects	Level 2	94.71%	16 642.05	15 761.69	3 940.42	-
PHP: Lawula: Nyanga: Masizakhe (Ub)	Lawula Projects	Level 2	94.71%	4 289.65	4 062.73	1 015.68	-
PHP: Inyameko 126: Inzame Zethu	Inyameko Trading 126	Level 1	100.00%	87 025.00	87 025.00	87 025.00	-
PHP: Inyameko 126: Khayelitsha Consolidation	Inyameko Trading 126	Level 1	100.00%	5 738.55	5 738.55	5 738.55	-
	Cawewo PTY Ltd	Level 1	100.00%	444 587.06	444 587.06	444 587.06	-
	Everis Business Enterprise	Level 1	100.00%	433 857.94	433 857.94	-	-
	Harcrow Group	Level 1	100.00%	605 562.11	605 562.11	-	605 562.11
PHP: Wallacedene: Sakhuxolo Various Contractors	Mamzizi Property Development	Level 1	100.00%	369 027.77	369 027.77	-	-
	Simoc Construction	Level 1	100.00%	341 745.68	341 745.68	-	-
	Sizisa Ukhanyo Pro. Man.	Level 1	100.00%	593 443.72	593 443.72	178 033.12	-
	Urban Lifestyle Group	Level 1	100.00%	660 004.92	660 004.92	224 401.67	-
	Xelor Group	Level 1	100.00%	184 972.29	184 972.29	-	-
PHP: Sibuleno: Wallacedene: Sakhuxolo (Ub)	Sbuleno Construction	Level 1	100.00%	355 790.10	355 790.10	-	-
PHP: Sibuleno: Wallacedene: Sakhuxolo 2 (Ub)	Sbuleno Construction	Level 1	100.00%	120 509.55	120 509.55	-	-
<b>Subtotal for City of Cape Town Contractors</b>				<b>442 751 572.04</b>	<b>105 663 066</b>	<b>33 143 603</b>	<b>17 400 452</b>

Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
IRDP:PH1: Various Contractors: FOREST VILLAGE	WK Construction	Level 4	86%	50 596 349.70	43 472 383.66	4 564 600.28	-
	Power Construction	Level 3	90%	107 241 606.80	96 517 446.12	2 306 766.96	-
	Exeo	Level 2	95%	18 521 042.01	17 665 369.87	1 960 856.06	-
	Leteketa Construction	Level 1	100%	56 030.29	56 030.29	-	28 015.15
	A & P Civils	Level 1	100%	6 657 912.40	6 657 912.40	3 328 956.20	3 328 956.20
	PHP Building Supplies	Level 1	100%	3 349 943.70	3 349 943.70	2 009 966.22	-
IRDP:PH1: FOREST VILLAGE PROF FEES LUKHOZI(GJ)	Lawula Projects	Level 2	95%	15 773 752.59	14 939 321.08	3 734 830.27	-
	Lukhozi	Level 2	95%	12 282 311.26	11 668 195.70	275 369.42	523 201.90
	Power	Level 3	90%	165 147.13	148 632.42	3 552.31	-
	Power	Level 3	90%	3 553 684.50	3 198 316.05	76 439.75	-
	Power	Level 3	90%	2 861 285.53	2 575 156.98	61 546.25	-
	Bosch Stemele	Level 2	89%	306 560.30	271 581.77	31 856.54	-
IRDP:PH1+PH2: Malibu Village Conifers	Mzi Development	Level 1	100%	25 908.72	25 908.72	-	-
	Minty Build	Level 1	100%	869 016.20	869 016.20	-	-
	Nokhanya Services	Level 1	100%	675 872.79	675 872.79	344 695.12	-
	Nozomi	Level 2	95%	1 582 861.16	1 503 718.10	150 371.81	-



Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
Various Contractors: Bardale Project 2	Blizzards	Level 1	100%	4 458 094.15	4 458 094.15	-	-
	Chapani	Level 1	100%	4 941 644.10	4 941 644.10	4 941 644.10	-
	Chiware	Level 4	80%	4 782 426.45	3 825 941.16	-	-
	CSD	Level 1	100%	6 050 270.75	6 050 270.75	-	-
	Dezzo	Level 1	100%	3 473 303.55	3 473 303.55	-	-
	Kalesego	Level 1	100%	5 973 610.35	5 973 610.35	-	-
	Khethwayo	Level 1	100%	6 275 633.45	6 275 633.45	-	-
	Lawula	Level 2	95%	4 823 705.10	4 582 519.85	1 145 629.96	-
	Nokhanya	Level 1	100%	7 819 355.70	7 819 355.70	3 987 871.41	-
	Siqu	Level 1	79%	6 128 724.90	4 855 788.74	-	-
	TWB	Level 1	100%	6 386 359.35	6 386 359.35	-	-
	VHP Holdings	Level 1	100%	4 831 285.20	4 831 285.20	-	-
	Vondo	Level 1	100%	17 690.85	17 690.85	-	-
	CSD Development	Level 1	100%	110 763.32	110 763.32	-	-
Coct: Various Contractors: Masilingane	VHP Holdings	Level 1	100%	2 902 000.62	2 902 000.62	-	-
	AT Builders	Level 1	100%	149 530.49	149 530.49	-	-
	MIS Maintenance (t/a NIM)	Level 1	100%	166 144.80	166 144.80	149 530.32	-
	Phuthuma Projects	Level 1	100%	670 120.43	670 120.43	670 120.43	-
	Abaphansi	Level 1	100%	61 576.19	61 576.19	-	-
	Gcinikhaya	Level 1	100%	33 228.96	33 228.96	33 228.96	-
	Vicmol	Level 1	100%	177 221.12	177 221.12	177 221.12	-
	Shumosky	Level 1	100%	276 908.50	276 908.50	276 908.50	276 908.50
	A & P Civils	level 1	100%	77 534.32	77 534.32	38 767.16	38 767.16
	Lebo Tebo	Level 1	100%	221 729.97	221 729.97	-	221 729.97
IRDP:PH2: Highbury Mil Vets							

Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
IRDP:PH2: Highbury BULKS POWER	Power	Level 3	90%	4 774 039.52	4 296 635.57	102 689.59	-
IRDP:PH1&PH2: Vula: Boystown	Martin & East	Level 2	95%	37 018 206.38	35 167 296.06	474 758.50	-
<b>Subtotal for Departmental Projects Contractors</b>				<b>1 209 500 046.89</b>	<b>525 788 356</b>	<b>34 923 857</b>	<b>18 913 345.85</b>

### Non-Metro

Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
Cape Winelands District Municipality							
Breede Valley Municipality							
PHP: Jubilee: Old Mandela Square	Jubilee	Level 2	95%	993 006.88	943 356.54	-	-
IRDP:PH2: Avian Park 708 units	Power Construction	Level 3	90%	1 035 353.90	931 818.51	22 270.46	-
IRDP:PH2: DD: Sunnyside Orchards 109 units	Power Construction	Level 3	90%	11 757 251.40	10 581 526.26	252 898.48	-
IRDP:PH1: De Doorns 1625 sites	ASLA Construction	Level 7	66%	18 481 763.15	12 321 791.49	395 529.51	-
IRDP:PH1: De Doorns 1400 sites	ASLA Construction	Level 7	66%	787 590.00	525 086.25	16 855.27	-
IRDP:PH1: Touwsrivier	Ukhana	Level 1	100%	1 626 978.85	1 626 978.85	1 626 978.85	-
IRDP:PH1: Transhex Bulks	Martin & East	Level 2	95%	9 500 000.00	9 035 450.00	121 978.58	-
IRDP:PH1: Transhex Martin&East	Martin & East	Level 2	95%	23 514 028.68	22 364 192.68	301 916.60	-
IRDP:PH1: Transhex Professional Fees(GJ)	Martin & East	Level 2	95%	25 762 238.12	24 502 464.68	330 783.27	-
<b>Subtotal</b>				<b>96 092 210.98</b>			





Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
<b>Drakenstein Municipality 95%</b>							
UISP: Vlakkeland - Bulks	JVZ	Level 4	85%	10 000 000.00	8 563 000.00	2 640 829.20	-
IRD:PHI: Vlakkeland Professional Fees(GJ)	Jubilee	Level 2	95%	14 100 907.86	13 395 862.47	-	-
IRD:PHI: Ukhana: Vlakkeland	Ukhana	Level 1	100%	2 004 366.05	2 004 366.05	2 004 366.05	-
IRD:PHI: Lantana	Ncuthu	Level 1	100%	1 821 488.00	1 821 488.00	-	-
PHP: Siyashala	Dunamis	Level 4	80%	79 200.00	63 360.00	-	-
Subtotal				29 201 376.80			
<b>Langeberg Municipality</b>							
IRD:PHI Montagu Mandela Square	ASLA Construction	Level 7	66%	293 353.00	195 578.45	6 278.07	-
IRD:PHI&PH2: Mcgregor	ASLA Construction	Level 7	66%	27 044 881.66	18 030 822.60	578 789.41	-
UISP: Robertson: Nkanini	ASLA Construction	Level 7	66%	586 773.00	391 201.56	12 557.57	-
Subtotal				30 281 007.66			
<b>Stellenbosch Municipality</b>							
IRD:PHI: Klamputs 298 sites	ASLA Construction	Level 7	66%	9 595 348.60	6 397 218.91	205 350.73	-
IRD:PHI: Idas Valley	ASLA Construction	Level 7	66%	7 609 127.00	5 073 004.97	162 843.46	-
IRD:PH2: Watergang	Realethamisa Trading	Level 1	100%	3 250 720.00	3 250 720.00	3 250 720.00	2 275 504.00
IRD:PH2: Watergang	Ncuthu	Level 1	100%	583 000.00	583 000.00	-	-
Subtotal				23 305 195.60			
<b>Witzenberg Municipality</b>							
IRD:PHI&PH2: Bella Vista 309 Units	ASLA Construction	Level 7	66%	17 768 298.38	11 846 124.53	380 260.60	-
IRD:PHI: Bella Vista 312 sites	ASLA Construction	Level 7	66%	1 537 422.88	1 024 999.83	32 902.49	-
IRD:PHI: Vredebes Bulks	ASLA Construction	Level 7	66%	5 000 000.00	3 333 500.00	107 005.35	-
IRD:PHI: Vredebes 635 sites	ASLA Construction	Level 7	66%	7 155 472.00	4 770 553.18	153 134.76	-
UISP: Ceres Nduli 188 sites	ASLA Construction	Level 7	66%	260 552.96	173 710.66	5 576.11	-
Subtotal				29 450 000			

Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
<b>Overberg District Municipality</b>							
Cape Agulhas Municipality							
IRDP:PH2 Struisbaai Erf3949	ASLA Construction	Level 7	66%	37 000.00	24 667.90	791.84	-
IRDP:PH1&PH2: ARNISTON	ASLA Construction	Level 7	66%	688 154.00	458 792.27	14 727.23	-
IRDP:PH1: Bredasdorp Site H	ASLA Construction	Level 7	66%	9 314 333.87	6 209 866.39	199 336.71	-
IRDP:PH1: Bredasdorp Site F	ASLA Construction	Level 7	66%	28 042 557.05	18 695 972.79	600 140.73	-
Subtotal				40 351 466.09			
<b>Overstrand Municipality</b>							
UISP: Hermanus: Zwelihle	M-Cape	Level 2	95%	405 279.00	385 015.05	147 268.26	-
IRDP:PH2: Zwelihle	M-Cape	Level 2	95%	2 574 524.56	2 445 798.33	935 517.86	-
IRDP:PH2: Mount Pleasant Ext 2	M-Cape	Level 2	95%	344 000.00	326 800.00	125 001.00	-
UISP: Beverley Hills 100 sites	M-Cape	Level 2	95%	3 006 192.00	2 855 882.40	1 092 375.02	-
IRDP:PH1: Hawston 489 sites	M-Cape	Level 2	95%	25 152 715.00	23 895 079.25	9 139 867.81	-
IRDP:PH1: Swartdam Rd C2 - 132 units	M-Cape	Level 2	95%	15 988 152.17	15 188 744.56	5 809 694.79	-
INST: Swartdam Rd 329 units	M-Cape	Level 2	95%	714 457.00	678 734.15	259 615.81	-
EHP: Zwelihle TRA	M-Cape	Level 2	95%	610 812.00	580 271.40	221 953.81	-
IRDP:PH1: Gansbaai: Blompark 544 sites	M-Cape	Level 2	95%	13 178 742.00	12 519 804.90	4 788 825.37	-
Subtotal				61 974 873.73			
<b>Swellendam Municipality</b>							
IRDP:PH2: Suurbraak	ASLA Construction	Level 7	66%	869 480.00	579 682.32	18 607.80	-
Subtotal				5 315 480.00			



Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
<b>Theewaterskloof Municipality</b>							
PHP: Asande: Hillside 321 UNITS	Asande Civils	Level 1	100%	3 612 074.69	3 612 074.69	2 347 848.55	-
PHP: Grabouw Rooidakke 1169 Units	Seven Sirs	Level 2	95%	12 021 464.00	11 420 390.80	-	-
PHP: Tesselaarsdal 89 units	Seven Sirs	Level 2	95%	90 165.00	85 656.75	-	-
UISP: Riviersonderend Joe Slovo	Seven Sirs	Level 2	95%	7 310 902.00	6 945 356.90	-	-
UISP: Grabouw Rooidakke 1169 sites	Seven Sirs	Level 2	95%	23 013 951.00	21 863 253.45	-	-
UISP: Caledon 249 sites/ Sidesaviwa	Power Construction	Level 3	90%	987 543.00	888 788.70	21 242.05	-
EHP: Villiersdorp 1 houses	ASLA Construction	Level 7	66%	74 250.00	49 502.48	1 589.03	-
Subtotal				59 813 307.37			
<b>Central Karoo District Municipality</b>							
<b>Beaufort West Municipality</b>							
IRDP:PH1: Beaufort West: 883 sites (355)	ASLA Construction	Level 7	66%	30 808 250.00	20 539 860.28	659 329.51	-
Subtotal				31 933 405.00			
<b>Prince Albert Municipality</b>							
IRDP:PH2 Prince Albert 243 units	ASLA Construction	Level 7	66%	18 514 010.10	12 343 290.53	396 219.63	-
Subtotal				18 766 010.10			
<b>Eden District Municipality</b>							
<b>Bitou Municipality</b>							
IRDP:PH2: Kwanokuthula 441 units	Meyer and Verster	Level 4	80%	35 242 965.10	28 194 372.08	-	-
Subtotal							

Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
<b>George Municipality</b>							
IRD:PH1 Golden Valley : 165 sites	A & P civils	Level 2	95%	3 117 016.05	3 117 016.05	1 558 508.03	1 558 508.03
IRD:PH1 Thembalethu 700 units	Lawula Projects	Level 1	100%	31 013 780.00	29 373 151.04	7 343 287.76	-
IRD:PH1 Thembalethu 1749 sites	A & P civils	Level 2	100%	21 299 503.04	21 299 503.04	10 649 751.52	10 649 751.52
IRD:PH1 Haarlem 50 sites	Zuk Sem Projects	Level 1	100%	5 388 761.07	5 388 761.07	-	2 694 380.54
Subtotal				84 291 253.75			
<b>Hessequa Municipality</b>							
UISP: Slangrivers Bokraal	ASLA Construction	Level 7	66%	194 028.80	129 359.00	4 152.42	-
UISP: Heidelberg Dollar Square	ASLA Construction	Level 7	66%	121 960.96	81 311.37	2 610.10	-
UISP: Kwanokuthula	ASLA Construction	Level 7	66%	103 944.00	69 299.46	2 224.51	-
Subtotal				4 006 796.16			
<b>Kannaland Municipality</b>							
EHP: Zoar	ASLA Construction	Level 7	66%	1 995 000.00	1 330 066.50	42 695.13	-
IRD:PH1: Calitzdorp 692 sites+250 units	ASLA Construction	Level 7	66%	4 327 945.00	2 885 440.93	92 622.65	-
IRD:PH2: Calitzdorp Project 2	ASLA Construction	Level 7	66%	1 844 680.17	1 229 848.27	39 478.13	-
Subtotal				9 197 625.17			
<b>Knysna Municipality</b>							
PHP: Knysna: Ethembeni	SC Housing	Level 4	80%	7 885 500.00	6 308 400.00	-	-
PHP: Knysna: Happy Valley	Mpikwa Construction	Level 1	100%	4 856 215.50	4 856 215.50	4 856 215.50	-
PHP: Knysna: Qolweni	Sikhulile Engineers (Sintech)	Level 4	80%	2 670 390.13	2 136 312.10	-	-
PHP: Knysna: Hlalani	Mpikwa Construction	Level 1	100%	4 519 898.60	4 519 898.60	4 519 898.60	-
IRD:PH1 Knysna Hornlee	B & V Contractors	Level 6	70%	16 137 130.50	11 295 991.35	-	-
IRD:PH1 Knysna Hornlee	Sikhulile Engineers (Sintech)	Level 4	80%	2 500 000.00	2 000 000.00	-	-
IRD:PH1: Knysna: Ethembeni	Sikhulile Engineers (Sintech)	Level 4	80%	440 681.00	352 544.80	-	-



Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
UIISP: Knysna: Qolweni	Sikhulile Engineers (Sintech)	Level 4	80%	4 850 221.20	3 880 176.96	-	-
UIISP: Knysna: Vision 2002 1393 sites	Sikhulile Engineers (Sintech)	Level 4	80%	1 826 496.03	1 461 196.82	-	-
	Sikhulile Engineers (Sintech)	Level 4	80%	5 590 488.90	4 472 391.12	-	-
	Ziniya Trading	Level 1	100%	257 913.82	257 913.82	257 913.82	-
	Limise Designers	Level 1	100%	232 311.93	232 311.93	-	-
	Ikakhalethu	Level 1	100%	181 951.26	181 951.26	181 951.26	-
PHP: Knysna Vision 459 Units	Malib Projects	Level 1	100%	190 087.36	190 087.36	-	190 087.36
	Singqomo Trading	Level 1	100%	225 557.22	225 557.22	-	-
	NR Hlangula	Level 1	100%	218 954.98	218 954.98	-	-
	Kamashaba	Level 1	100%	193 966.48	193 966.48	-	96 983.24
	Inyameko 618	Level 1	100%	227 583.06	227 583.06	227 583.06	-
EHP: White Location (Fire Damages)	B & V Contractors	Level 6	100%	8 390 659.37	5 873 461.56	-	-
Subtotal				68 019 140.97			
Mossel Bay Municipality							
IRDP:PH1 Sonskynvalley	Marnol	Level 2	95%	66 916.26	63 570.45	-	-
IRDP:PH2 Sonskynvalley	Marnol	Level 2	95%	9 153 694.99	8 696 010.24	-	-
UIISP: Asazani Inziyoka	RK Sauer	Level 1	100%	2 771 034.50	2 771 034.50	-	-
IRDP:PH1: Herbertsdale 154 Sites&Tops	Marnol	Level 2	95%	5 310 775.05	5 045 236.30	-	-
Subtotal				29 970 654.48			

Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
<b>Oudtshoorn Municipality</b>							
UISP: GG Kamp;Kanaal & Black Joint Tavern	ASLA Construction	Level 7	66%	831 552.00	554 395.72	17 796.10	-
IRDP:PHI&PH2 ROSEVALLEY 967 Sites&Units	ASLA Construction	Level 7	66%	43 823 479.87	29 217 114.03	937 869.36	-
UISP: Dysselsdorp Tr1.1	ASLA Construction	Level 7	66%	497 545.28	331 713.44	10 648.00	-
Subtotal				50 781 577.15			
<b>West Coast District Municipality</b>							
<b>Cederberg Municipality</b>							
IRDP:PHI: Lamberts Bay Erf 168	ASLA Construction	Level 7	66%	1 322 564.88	881 754.01	28 304.30	-
Subtotal				1 322 564.88			
<b>Matzikama Municipality</b>							
IRDP:PHI: Asla: Lutzville Erf 1288	ASLA Construction	Level 7	66%	436 212.00	290 822.54	9 335.40	-
IRDP:PH2: Asla: Klawer 278 units	ASLA Construction	Level 7	66%	4 850 483.04	3 233 817.04	103 805.53	-
Subtotal				5 567 695.04			
<b>Saldanha Bay Municipality</b>							
PHP: Middelpos: Bongweni	New Africa	Level 2	93%	1 381 139.00	1 281 420.76	1 281 420.76	-
IRDP:PHI+PH2: Hopefield 62 sites	T & T Trading	Level 1	100%	6 315 450.00	6 315 450.00	-	-
IRDP:PHI: Diazville: 563 sites - Transfers	Westland Civils	Level 1	100%	152 200.00	152 200.00	-	-
EHP: Branu: Diazville	Dunamis	Level 4	80%	236 568.50	189 254.80	-	-
PHP: Simply/Dunamis: Diazville 107 units	Dunamis	Level 4	80%	1 805 046.01	1 444 036.81	-	-
PHP: George Kerridge: Ikamvalethu:	Vicmol	Level 1	100%	3 962 750.00	3 962 750.00	3 962 750.00	-
IRDP:PHI: Parnoster: 202 sites	RJ Mullins Civils	Level 1	100%	818 475.00	818 475.00	401 052.75	-
IRDP:PH2: Ongegund Transfers	Vicmol	Level 1	100%	98 000.00	98 000.00	98 000.00	-
IRDP:PHI: Laingville	RJ Mullins Civils	Level 1	100%	8 000 000.00	8 000 000.00	3 920 000.00	-
Subtotal				34 731 628.51			



Project Description	Contractor	HDI Status Contractor Level	HDI Score	Actual Expenditure 2017/18			
				Expenditure	HDI	Women	Youth
Swartland Municipality							
IRDP:PH1 Phola Park 130 sites (ASLA)	ASLA Construction	Level 7	66%	7 438 270.00	4 959 094.61	159 186.94	-
CRU: Malmesbury Wesbank Flats	AR Projects	Level 1	100%	8 111 678.68	8 111 678.68	-	-
PHP: Phola Park 245 units (Fac Grant)	New Africa	Level 2	93%	1 070 535.00	993 242.37	993 242.37	-
IRDP:PH1+PH2: Riebeeck West	ASLA Construction	Level 7	66%	18 723 767.00	12 483 135.46	400 708.65	-
Subtotal				35 763 863.68			
<b>Total</b>				<b>952 354 477.97</b>			

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