DEPARTMENT OF HUMAN SETTLEMENTS

Vote 31, Annual Report for the year ended 31 March 2014
RP 152/2014
LN Sisulu (MP)
Minister of Human Settlements
I have the honour of submitting the Annual Report of the Department of Human Settlements for the period 1 April 2013 to 31 March 2014 for tabling in the National Assembly on 30 September 2014.

Mr T Zulu
Director-General
Date: 25 August 2014
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PART A
GENERAL INFORMATION
1. Department General Information

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Fax: +27 12 341 2998
Email: nokuthula.mbeje@dhs.gov.za

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Fax: +2712 341 8513

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Tel: +27 21 466 7600 / 7608
Fax: +2721 465 3610
Email: info@dhs.gov.za
Call Centre: (Toll free): 0800 1 (house) 46873 Weekdays 6a.m. - 10p.m.
Fraud & Corruption: (Toll free): 0800 701 7012.
## 2. List of Abbreviations / Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADEC</td>
<td>African Development Economic Consultants</td>
</tr>
<tr>
<td>AFS</td>
<td>Annual Financial Statements</td>
</tr>
<tr>
<td>AMCHUD</td>
<td>The African Ministerial Conference on Housing and Urban Development</td>
</tr>
<tr>
<td>APP</td>
<td>Annual Performance Plan</td>
</tr>
<tr>
<td>BAS</td>
<td>Basic Accounting System</td>
</tr>
<tr>
<td>BEP</td>
<td>Bucket Eradication Programme</td>
</tr>
<tr>
<td>BEPP</td>
<td>Built Environment Performance Plan</td>
</tr>
<tr>
<td>BER</td>
<td>Bureau of Economic Research</td>
</tr>
<tr>
<td>CEF</td>
<td>Central Energy Fund</td>
</tr>
<tr>
<td>CRU</td>
<td>Community Residential Units</td>
</tr>
<tr>
<td>CSIR</td>
<td>Council for Scientific and Industrial Research</td>
</tr>
<tr>
<td>DBSA</td>
<td>Development Bank of South Africa</td>
</tr>
<tr>
<td>DCOG</td>
<td>Department of Cooperative Governance</td>
</tr>
<tr>
<td>DHS</td>
<td>Department of Human Settlements</td>
</tr>
<tr>
<td>DOE</td>
<td>Department of Energy</td>
</tr>
<tr>
<td>DoRA</td>
<td>Division of Revenue Act</td>
</tr>
<tr>
<td>DPME</td>
<td>Department of Performance Monitoring and Evaluation</td>
</tr>
<tr>
<td>DPSA</td>
<td>Department of Public Service and Administration</td>
</tr>
<tr>
<td>DPW</td>
<td>Department of Public Works</td>
</tr>
<tr>
<td>DST</td>
<td>Department of Science and Technology</td>
</tr>
<tr>
<td>EAAB</td>
<td>Estate Agency Affairs Board</td>
</tr>
<tr>
<td>ENE</td>
<td>Estimate of National Expenditure</td>
</tr>
<tr>
<td>FEDUP</td>
<td>Federation of the Urban Poor</td>
</tr>
<tr>
<td>FLISP</td>
<td>Finance Linked Individual Subsidy Programme</td>
</tr>
<tr>
<td>FOSAD</td>
<td>Forum of South African Director-Generals</td>
</tr>
<tr>
<td>GEHS</td>
<td>Government Employees Housing Scheme</td>
</tr>
<tr>
<td>HDA</td>
<td>Housing Development Agency</td>
</tr>
<tr>
<td>HLMADA</td>
<td>Home Loans and Mortgage Disclosure Act</td>
</tr>
<tr>
<td>HSDG</td>
<td>Human Settlements Development Grant</td>
</tr>
<tr>
<td>HSS</td>
<td>Housing Subsidy System</td>
</tr>
<tr>
<td>IBSA</td>
<td>India, Brazil and South Africa Cooperation</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communications Technology</td>
</tr>
<tr>
<td>IDP</td>
<td>Integrated Development Plans</td>
</tr>
<tr>
<td>IRDP</td>
<td>Integrated Residential Development Programme</td>
</tr>
<tr>
<td>ISUP</td>
<td>Informal Settlements Upgrading Programme</td>
</tr>
<tr>
<td>IUDF</td>
<td>Integrated Urban Development Framework</td>
</tr>
<tr>
<td>JCC</td>
<td>Joint Coordination Committee</td>
</tr>
<tr>
<td>LOGIS</td>
<td>Logistical Information System</td>
</tr>
<tr>
<td>MDI</td>
<td>Mortgage Default Insurance</td>
</tr>
<tr>
<td>MEIA</td>
<td>Monitoring, Evaluation and Impact Assessment</td>
</tr>
<tr>
<td>MFMA</td>
<td>Municipal Finance Management Act</td>
</tr>
<tr>
<td>MHSCG</td>
<td>Municipal Human Settlements Capacity Grant</td>
</tr>
<tr>
<td>MIG</td>
<td>Municipal Infrastructure Grant</td>
</tr>
<tr>
<td>MinMEC</td>
<td>Minister and Members of Executive Council</td>
</tr>
<tr>
<td>MinTop</td>
<td>Minister and top management</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MTEC</td>
<td>Medium Term Expenditure Committee</td>
</tr>
<tr>
<td>MTEF</td>
<td>Medium Term Expenditure Framework</td>
</tr>
<tr>
<td>MTSF</td>
<td>Medium Term Strategic Framework</td>
</tr>
<tr>
<td>NARS</td>
<td>National Archive and Records Service</td>
</tr>
<tr>
<td>NCOP</td>
<td>National Council of Provinces</td>
</tr>
<tr>
<td>NDMC</td>
<td>National Disaster Management Centre</td>
</tr>
<tr>
<td>NEDLAC</td>
<td>National Economic Development and Labour Council</td>
</tr>
<tr>
<td>NHBRC</td>
<td>National Home Builders Registration Council</td>
</tr>
<tr>
<td>NHFC</td>
<td>National Housing Finance Corporation</td>
</tr>
<tr>
<td>NMMU</td>
<td>Nelson Mandela Metropolitan University</td>
</tr>
<tr>
<td>NSPU</td>
<td>National Sanitation Programme Unit</td>
</tr>
<tr>
<td>NURCHA</td>
<td>National Urban Reconstruction and Housing Agency</td>
</tr>
<tr>
<td>NUSP</td>
<td>National Upgrading Support Programme</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>OHS</td>
<td>Occupational Health and Safety</td>
</tr>
<tr>
<td>PFMA</td>
<td>Public Finance Management Act</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>---------</td>
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</tr>
<tr>
<td>PHP</td>
<td>People’s Housing Projects</td>
</tr>
<tr>
<td>PPMU</td>
<td>Programme and Project Management Unit</td>
</tr>
<tr>
<td>PPPFA</td>
<td>Preferential Procurement Policy Framework Act</td>
</tr>
<tr>
<td>PRT</td>
<td>Professional Resource Team</td>
</tr>
<tr>
<td>RCG</td>
<td>Restructuring Capital Grant</td>
</tr>
<tr>
<td>RHIG</td>
<td>Rural Households Infrastructure Grant</td>
</tr>
<tr>
<td>RHIP</td>
<td>Rural Housing Infrastructure Programme</td>
</tr>
<tr>
<td>RHLF</td>
<td>Rural Housing Loan Fund</td>
</tr>
<tr>
<td>SAAHI</td>
<td>South Africa Angola Housing Initiative</td>
</tr>
<tr>
<td>SALGA</td>
<td>South African Local Government Association</td>
</tr>
<tr>
<td>SAQA</td>
<td>South African Qualifications Authority</td>
</tr>
<tr>
<td>SHRA</td>
<td>Social Housing Regulatory Authority</td>
</tr>
<tr>
<td>SCM</td>
<td>Supply Chain Management</td>
</tr>
<tr>
<td>SIP</td>
<td>Strategic Integrated Projects</td>
</tr>
<tr>
<td>SIU</td>
<td>Special Investigations Unit</td>
</tr>
<tr>
<td>USDG</td>
<td>Urban Settlements Development Grant</td>
</tr>
<tr>
<td>WRC</td>
<td>Water Research Commission</td>
</tr>
<tr>
<td>WUF</td>
<td>World Urban Forum</td>
</tr>
</tbody>
</table>
3. Foreword by the Minister

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

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

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

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

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

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

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

Ms LN Sisulu, MP
Minister of Human Settlements
Report of the Accounting Officer

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

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

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

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

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

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

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

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

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

Mr T Zulu
Director-General
Date: 25 August 2014
Overview of the financial results of the Department:

Departmental receipts

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

Table 1: Summary of receipts

<table>
<thead>
<tr>
<th>Departmental receipts</th>
<th>2013/2014</th>
<th>2012/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimate</td>
<td>Actual amount collected</td>
</tr>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Sale of goods and services other than capital assets</td>
<td>188</td>
<td>192</td>
</tr>
<tr>
<td>Interest, dividends and rent on land</td>
<td>36</td>
<td>63</td>
</tr>
<tr>
<td>Sale of capital assets</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Financial transactions in assets and liabilities</td>
<td>6,360</td>
<td>6,440</td>
</tr>
<tr>
<td>Total</td>
<td>6,584</td>
<td>6,695</td>
</tr>
</tbody>
</table>

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

Programme expenditure

Table 2: Departmental expenditure by programme

<table>
<thead>
<tr>
<th>Programme name</th>
<th>2013/14</th>
<th>2012/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Final appropriation</td>
<td>Actual expenditure</td>
</tr>
<tr>
<td>---------------</td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>1. Administration</td>
<td>404,599</td>
<td>299,428</td>
</tr>
<tr>
<td>2. Human Settlements Policy, Strategy and Planning</td>
<td>86,245</td>
<td>73,328</td>
</tr>
<tr>
<td>3. Programme Delivery Support</td>
<td>193,202</td>
<td>90,794</td>
</tr>
<tr>
<td>Total</td>
<td>28,255,456</td>
<td>27,703,806</td>
</tr>
</tbody>
</table>
Administration
One of the major contributing factors to under spending in the Department, and in this programme, is under spending on compensa-
tion of employees, which can be attributed to the following:

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

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

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

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

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

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

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

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

Housing Development Finance
The under spending is as a result of:

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

Virements

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

<table>
<thead>
<tr>
<th>Originating programme</th>
<th>Receiving programme</th>
<th>Amount R'000</th>
<th>Reason</th>
<th>Approved by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme 3</td>
<td>Programme 4</td>
<td>1,220</td>
<td>Funds shifted from goods and services to fund the closure costs of Servcon.</td>
<td>Director-General</td>
</tr>
</tbody>
</table>

The following virements were approved after the adjustment estimate:
Table 4: Details of virements after adjustment estimate

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

Rollovers

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

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

Future plans

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

Private public partnerships

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

Discontinued activities

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

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

New or proposed activities

There were no new or proposed activities
Supply chain management

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

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

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

The following actions were taken to resolve the challenges:

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

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

List all unsolicited bid proposals concluded for the year under review

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

Gifts and donations received in kind from non-related parties

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

Exceptions and deviations received from National Treasury

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

Events after the reporting period

There were no events to report after the reporting date.

Mr T Zulu
Accounting Officer
Department Of Human Settlements
Date: 25 August 2014
4. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

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

Yours faithfully

[Signature]

Mr T Zulu  
Accounting Officer  
Department Of Human Settlements  
Date: 25 August 2014
5. Strategic Overview

5.1 Vision
A nation housed in sustainable human settlements

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

5.3 Values
The core values guiding and regulating the Department are based on the Constitution of the Republic of South Africa and supporting legislations and include:
- Accountability
- Fairness and equity
- Choice, quality and affordability
- Sustainability
- Innovation
- Batho Pele principles

6. Legislative and Other Mandates

In addition to the mandate derived from the Constitution, the Department of Human Settlements derives its responsibilities from Section 3 of the Housing Act (1997). According to the Act, the Department must, after consultation with provinces and municipalities, establish and facilitate a sustainable national housing development process by:
- determining national policy, including national norms and standards, in respect of housing and human settlements development;
- setting broad national housing delivery goals;
- monitoring performance of provinces and municipalities against housing budgetary and delivery goals;
- building the capacity of provinces and municipalities; and
- promoting consultation with all stakeholders in the housing delivery chain, including civil society and the private sector.

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

Following a Presidential Proclamation, the Department took over the administration of the Estate Agency Affairs Act (1976) from the Department of Trade and Industry during May 2012. The principal objects of the Act are to:
- Establish the Estate Agency Affairs Board to regulate the conduct of estate agents;
- Establish the Estate Agents Fidelity Fund;
- Monitor trends within the real estate industry; and
- Render education and training to estate agents.

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

MINISTER
Ms L Sisulu

DEPUTY MINISTER
Ms Z Kota-Fredericks

CD: INTERNAL AUDIT, RISK MANAGEMENT AND SPECIAL INVESTIGATION
Mr T Mashabane (Acting)

DIRECTOR-GENERAL
Mr T Zulu

CD: EXECUTIVE SUPPORT
Mr W Nkosi

DDG: HS STRATEGY & PLANNING
Mr W Jiyana (Acting)

DDG: HS DELIVERY FRAMEWORKS
Mr M Maphisa

DDG: PROJECT MANAGEMENT UNIT (PMU)
Mr N Tshangana

DDG: CORPORATE SERVICES
Ms N Letsholonyane

DDG: CHIEF OF OPERATIONS
Ms S Nngxonco (Acting)

DDG: CHIEF FINANCIAL OFFICER
Mr N Mbengo (Acting)

CD: HS STRATEGY
Dr Z Sokopo

CD: OPERATIONAL POLICY FRAMEWORKS
Ms N Buthelezi

CD: PROGRAMME & PROJECT PLANNING
Ms J Bayat

CD: CORPORATE SUPPORT
Mr E Sithole

CD: ENTERPRISE ARCHITECTURE
Mr M Moerane

CD: CHIEF INVESTMENT OFFICER
Ms L Masilo

CD: HS PLANNING
Mr A Arendse

CD: GOVERNANCE FRAMEWORKS
Mr T Nobatana

CD: PROGRAMME IMPLEMENTATION FACILITATION
Mr J Walls

CD: INFORMATION MANAGEMENT SYSTEMS & IT SYSTEMS
Mr M Xaba

CD: TECHNICAL CAPACITY DEVELOPMENT
Mr M Maclean

CD: STAKEHOLDER RELATIONS & INTERGOVERNMENTAL
Mr W Jiyana

CD: ADVISORY SERVICES
Mr L Jolobe

CD: PROGRAMME MONITORING & EVALUATION
Mr P Chauke

CD: HUMAN RESOURCES
Ms M Snyman

CD: REGULATORY COMPLIANCE SERVICES
Vacant

CD: SANITATION PROGRAMME
Mr P Chauke (Acting)

CD: LEGAL SERVICES
Mr K Ngwenya (Acting)

CD: COMMUNICATION SERVICES
Mr X Xundu
8. Entities Reporting to the Minister

<table>
<thead>
<tr>
<th>Name of public entity</th>
<th>Legislative mandate</th>
<th>Financial relationship</th>
<th>Nature of operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Housing Finance Corporation</td>
<td>Mobilise funding into human settlements space in partnership with a broad range of institutions.</td>
<td>Transfer payment</td>
<td>NHFC granted 22 approvals for projects and five for strategic investment. The value for projects was R669 million while the disbursements was R483 million for projects and R132 million for strategic investments.</td>
</tr>
<tr>
<td>National Home Builders Registration Council</td>
<td>Provide innovative quality products and services that will delight the customer.</td>
<td>Transfer payment</td>
<td>NHBRC recorded a total number of 3,175 for registered homebuilders and 12,447 for renewals of registration. The institution recorded 92% in reduction in the building of homes outside the agreed standards and norms. The total of 451,324 inspections were undertaken for both subsidy and non-subsidy.</td>
</tr>
<tr>
<td>Estate Agency Affairs Board</td>
<td>To improve compliance with the Estate Agency Affairs Act.</td>
<td>Transfer payment</td>
<td>EAAB recorded 312 NQF level candidates. Five candidates enrolled in and passed the Professional Designation Examination. 22 agent awareness campaigns were undertaken. An initiative of “1 learner 1 estate agent” was well received by the industry. 80% of the top estate agents committed to the initiative. This initiative seeks to address transformation issues in the next five years.</td>
</tr>
<tr>
<td>Housing Development Agency</td>
<td>Facilitate the release of land and landed properties for human settlements development.</td>
<td>Transfer payment</td>
<td>HDA acquired and released 3,945,0369 hectares of well-located land for human settlements development.</td>
</tr>
<tr>
<td>National Urban Reconstruction and Housing Agency</td>
<td>Ensure the availability of bridging finance to small, medium and established contractors building low- and moderate-income housing and related communities, facilities and infrastructure.</td>
<td>Transfer payment</td>
<td>NURCHA provided funding for 14 projects to the value of R873,072,445 for affordable housing (sites and services). This funding facilitated the delivery of 1,619 sites and services.</td>
</tr>
<tr>
<td>Name of public entity</td>
<td>Mandate</td>
<td>Financial relationship</td>
<td>Output</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Rural Housing Loan Fund</td>
<td>The RHLF is a development finance institution, established in August 1996 as an association not for gain. The company is mandated to empower low-income households in rural areas to access housing credit. It operates as a wholesale lender and thus attains its mandate by providing loans through retail intermediaries to its target market to be utilised for incremental housing purposes.</td>
<td>Transfer payment</td>
<td>RHLF provided R421,393 in loans to commercial lenders for rural housing development, R146,257 in disbursements was provided to intermediaries and R246,257 was disbursed to retail intermediaries.</td>
</tr>
<tr>
<td>Social Housing Regulatory Authority</td>
<td>SHRA was established in terms of the Social Housing Act (Act No. 16 of 2008). SHRA is intended to regulate all social housing institutions and projects obtaining public funds.</td>
<td>Transfer payment</td>
<td>SHRA reported 2,279 social housing units being approved. 100% of applications for accreditations were processed.</td>
</tr>
</tbody>
</table>