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Department:
Housing
MPUMALANGA PROVINCIAL GOVERNMENT

ANNUAL REPORT 2008/09 FINANCIAL YEAR

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PART I

GENERAL INFORMATION

1.1 FOREWORD BY THE EXECUTIVE AUTHORITY



MEC Madala Masuku (MPL)

The Department of Housing came into effect following a successful split from the then Department of Local Government and Housing. The separation of the department into two votes was to create an enabling environment for the department to have a dedicated and focused machinery to deliver on quality houses to needy communities. During the 2008/09 financial year, we have seen remarkable progress in enhancing our capabilities for overall strategic coordination, monitoring and evaluation of housing delivery mechanism. The decentralization of services to the three districts added much desirable impulsion on service delivery. Communities now have direct access to our offices to acquire services we render.

A significant progress has been made in housing delivery through various programmes and instruments during the 2008/09 Financial Year. 15 181 families were housed, out of 15 181 housing units that were delivered against the target of 14 821 set out in our plans. However, these achievements were not recorded without challenges. We were faced with a prevalence of untraceable beneficiaries, slow pace by contractors and abandoning of projects amongst others. The year under review with its achievements and challenges sharpened the planning and sequencing of our systems for better service delivery in the coming years.

Ours is about making sure that services are delivered to the maximum benefit which the resources allowed. Our achievements fulfill part of our mandate and other areas which are still of a challenge and those that need urgent attention going forward. Once again, let me commend the public for raising issues of concerns to them and applauding the Department where commendable work has been delivered. The interactions with the public enabled the department to tighten its approach towards better service delivery.

The fundamental impel of the department in the coming years will be to deliver services in a comprehensive manner that is in line with our integrated housing delivery initiative commonly known as the Breaking New Ground (BNG).

Once again, let me commend the leadership shown by the Acting HOD, Mr C.T Dlamini, management and his staff for ensuring that the department delivers on its mandate.

TOGETHER, WORKING WITH THE
PEOPLE, WE CAN DELIVER MORE AND
EVEN BETTER.

A handwritten signature in black ink, appearing to be 'M. Masuku', written over a horizontal line.

Madala Masuku (MPL)
MEC: Department of Housing

1.2 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE COUNCIL



Mr C.T Dlamini

I have the honour of submitting the 2008/09 Annual Report for the Department of Housing in terms of the Public Finance Management Act, 1999.

Information on the Department

The beginning of the 2008 / 09 financial year marked the beginning of an era where the Department of Housing was officially separated from the Department of Local Government. This new era was not without its challenges as we sought to create new asset registers, fill in critical posts, separate the accounts of the two Departments and create new independent systems.

We are glad that we have achieved our goals and today we have a fully functional Department of Housing. Our key focus for 2008/09 was the completion of the incomplete housing units, which we exceeded our target and the introduction of the National Housing Demand database.

We appreciate the positive political leaders shown by our Member of the Executive Council, Honourable Madala Masuku and the commitment and dedication shown by the staff.

The overall performance of the department has been good and some of the achievements made are as follows:

We have deregistered 932 untraceable beneficiaries and registered new beneficiaries.

We have conducted 2 surveys and researches in an effort to bolster our housing delivery.--

The department has completed 15181 incomplete housing units exceeding its target 14 821 incomplete units.

We have drafted and developed housing chapters for 17 Municipalities.

We have started the process of completing 440 rental stocks and these are at varying stages.

We have built 82 houses for farm worker, who had previously not been able to access these services.

We will move with speed to address the challenges that have affected our programmes, such as late identification of beneficiaries at Municipal level, delays in construction of farm worker housing due to lengthy Environmental Impact Assessment (EIA) processes and project management and quality assurance.

Mr CT Dlamini
Acting Head of Department

1.3 MISSION STATEMENT

MISSION

Provisioning of provincially integrated support and monitoring framework for sustainable Human Settlements towards a better life for all.

VISION

Sustainable human settlements and better Housing for all.

VALUES

- **Consultative** / participation / partnering / teamwork / facilitating
- **Proactive** / innovative / creativity / initiative / taking ownership / assertiveness
- **Commitment** / energetic / motivation / dedication / enthusiastic / inspirational /
- **Client need driven** / supportive / responsiveness / caring
- **Development orientation** / capacitating / mentoring / coaching / enabling / empowering
- **Results oriented / productive** / cost efficient / outcome based / effective / efficient / economical / value adding
- **Integrity** / honesty / respectful / transparent / accountability / disciplined / responsible / non corruptible

1.4 LEGISLATIVE MANDATES

The legislative frameworks from which the Department derives its mandate are listed as follows:

- The Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996);
- The Housing Act, 1997 (Act No. 107 of 1997);
- The Rental Housing Act;
- Housing Consumer Protection Measures Act;
- The Public Service Act, 1994 (Proclamation No. 103 of 1994);
- The Public Finance Management Act, 1999 (Act No. 1 of 1999);
- The Promotion of Access to Information Act, 2000 (Act No. 2 of 2000);
- The Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000);
- The Promotion of Equity and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000);
- The Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- The Labour Relations Act, 1995 (Act No. 3 of 2000);
- The Skills Development Act, 1998 (Act No. 97 of 1998);
- The Employment Equity Act, 1998 (Act No. 55 of 1998);
- Affirmative Action in the Public Service White Paper;
- Trading and/or Public Entities controlled by the Department;
- Abolishment of Cross Boundary Municipalities Act 2005
- Breaking New Ground policy



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PART 2

PROGRAMME PERFORMANCE

PART 2. PROGRAMME PERFORMANCE

2.1 VOTED FUNDS

Appropriation	Main appropriation	Adjusted Appropriation	Actual Amount spent	Outcome as % Budget	Over/Under expenditure
R Thousands	736,820	918,879	912,325	99.3%	6,554
Responsible member of Executive Council	Mr Madala Masuku (MPL)				
Administering Department	Department of Housing				
Accounting Officer	MR. C. T. Dlamini (Acting)				

2.2 AIM OF THE VOTE

Provision of sustainable Human Settlement and strengthening of Municipalities to enable them to fulfill their constitutional and other legislative mandates.

2.3 SUMMARY OF PROGRAMMES

PROGRAMME	SUB-PROGRAMME
1. Administration	1.1 Corporate services
2. Housing Needs, Research and Planning	SUB-PROGRAMME
	2.1 Policy
	2.2 Planning
	2.3 Research
3. Housing Development, Implementation, Planning and Targets	SUB-PROGRAMME
	3.1. Individual subsidies
	3.2. Housing Finance- Linked Individual Subsidy
	3.3. Rectification of RDP stock 1994-2002 Current
	3.4. Rectification of RDP stock built pre- 1994
	3.5. Social and Economic Facilities
	3.6. Accreditation and Support of Municipalities
	3.7. Operational Capital Budget
	3.8. NHBRC Enrolment fees
	3.9. Housing Chapters of IDP

	SUB-PROGRAMME
4. Incremental Interventions	4.1 Project linked Projects 4.2 Intergrated Residential Development Programme: Phase 1 Planning and Services 4.3 Intergrated Residential Development Programme: Phase 2 Top Structure 4.4 People Housing Process 4.5 Informal Settlements Upgrading 4.6 Consolidation Subsidies 4.7 Emergency Housing Assistance Current projects 4.8 Emergency Housing Assistance (As per demand)
5. Social and Rental Interventions	5.1 Social Housing 5.2 Community Residential Units (CRU)
6. Rural Interventions	6.1 Rural Housing 6.2 Farm Dweller Housing Assistance
7. Housing Asset Management	7.1 Enhanced Extended Discount Benefit Scheme 7.2 Deregistration of untraceable beneficiaries 7.3 Resolution of Landlord/Tenant
8. Technical Services	8.1 Engineering Services 8.2. Quality Assurance 8.3 Project Management

2.4 OVERVIEW OF SERVICE DELIVERY ENVIRONMENT FOR 2008/09

External factors impacting on service delivery	<p>It is sometimes difficult for NHBRC to conduct geotechnical studies because some of the areas in the province are rural and scattered and at the most a project will have more than one area.</p> <p>Contractors, who are on the ITC, sometimes take long to complete their project due to shortage of funds since they cannot access loans from any of the four major financial institutions.</p>
Policy Changes and trends	<p>Community Residential Unit programme aims to facilitate the provision of secure, stable rental tenure for lower income persons. The programme provides a coherent framework for dealing with many different forms of existing public sector residential accommodation.</p>

<p>Environmental factors and emerging challenges</p>	<p>Some of the areas are sandy and rocky which makes it difficult for contractors to execute their duties.</p> <p>There is acute water shortage in some areas of the province where settlements depend on borehole water or portable water provided by the local servicer provider.</p> <p>Contractors are also forced to fetch water supply from available sources, which are sometimes kilometers away in order for them to complete houses (scarcity of water).</p> <p>Furthermore the place in which the contractors must build is not suitable for the delivery of material due to the mountainous areas (difficult terrain).</p>
<p>Demographic profile of the province</p>	<p>The province is predominantly rural in nature and that poses serious challenges in respect of service delivery. Example, in some areas around the province building material is scarce and has to be purchased in areas far from the site of the project and that impact negatively in terms of housing delivery. The nature of settlements are also a challenge. There are a number of housing projects in one but separate settlements and that on its own poses serious challenges in respect of the security of material.</p>

2.5. OVERVIEW OF THE ORGANIZATIONAL ENVIRONMENT FOR 2008/09

The focus for 2008/09 financial year was the completion of the incomplete housing units. The department also introduced the creation of the National Housing Demand Database (NHDDDB) database for potential housing beneficiaries. The NHDDDB intends to deal with the housing backlog of the province. The Breaking New Ground policy was eventually elevated to implementation so as to promote intergrated human settlements.

The key deliverables of the Department are outlined as follows:

- Provision of Integrated Human Settlements
- Upgrading and formalization of informal settlements
- Promotion of social and rental housing
- Upgrading of community residential units
- Promotion of social and economic facilities

2.6. STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENT FOR THE 2008/09 FINANCIAL YEAR

The Department drafted legislations of which the following successes can be reported:

- Mpumalanga Elimination and Prevention of Re-Emergence of Informal Settlement Bill of 2009
- Mpumalanga Housing Matters Bill

2.7 DEPARTMENTAL RECEIPTS: 2008/09

Departmental Revenue	Actual Collection 2007/08 R'000	Budgeted Collection 2008/09 R'000	Actual Collection 2008/09 R'000	%Deviation from target R'000
Departmental Revenue	7,101	1,115	3,133	181%

2.8 DEPARTMENTAL PAYMENTS

Programmes	Voted for 2008/09 R'000	Roll-overs and adjustments R'000	Virements R'000	Total Voted R'000	Actual Expenditure R'000	% Deviation
Administration	41,463	6,305	(1,169)	46,599	45,843	2%
Housing Needs, Research and Planning	23,600	-	(1,508)	22,092	15,057	32%
Housing Development, Implementation, Planning and targets	672,338	175,173	2,677	850,188	851,426	-
Total	737,401	181,478	-	918,879	912,326	1%

2.9 PROGRAMME PERFORMANCE: 2008/09

2.9.1. PROGRAMME1: Administration

Strategic Goal: To give administrative and management support to the Department.

Strategic Objective

- Provide Administrative support to Departmental Directorates, SMS leadership and development;
- To provide Legal Services to the Department
- Coordinate and implement Departmental transversal issues
- Render security management services to the Department.
- Render human resources and support services to the Department
- Render sound financial management to the Department
- To provide researched and verifiable information for the Department
- Improving the image and promoting the activities of the Department
- Rendering information management services

SUB-Programmes	Output	Output Performance Measure/ service delivery indicators	Actual Performance against target	
			Target	Actual
DDG and Support staff	Provision of administrative support and sms leadership development	Number of Monthly Senior Management meetings	12	8
		Number of Executive Management meetings attended	26	26
		Number of MUNIMAN meetings attended	4	3
		Number of MUNIMEC attended	4	3
		Number of MinMecs attended	6	8

		Number of PMC meetings attended	12	16
		Number of PCF meetings attended	4	5
		Number of Governance and Criminal Justice Cluster attended	28	30
		Number of Provincial Makgotla attended	3	3
		Number of One on One meetings attended	4	0
Legal Services	Drafting of Legal opinions	Number of legal opinions drafted	As per demand	25
	Drafting of contracts relating to the appointment of service providers	Number of contracts drafted as requested by Directorates	As per demand	210
	Drafting of legislation	Number of legislation drafted	2	0
	Handling of litigious cases	Number of litigious cases handled	As per demand	13
	Anti-corruption and fraud	Number of fraud and corruption cases investigated	As per demand	67
	Deregistration and registration of housing beneficiaries	Number of properties to be deregistered with the Deeds Registrar	As per demand	932
		Conveyancing	As per demand	650
Risk Management	Develop, implement and monitor the implementation of Risk Management Strategy within the Department	Number of Risk Awareness workshops	5	5
		Number of Departmental Risk Strategies reviewed	1	1
		Facilitation for the risk assessment review	1	1
		Number of fraud prevention awareness workshops	3	3

Communication	Promote and publicize Departmental activities	Number of media briefs	4	3
		Number of Newspapers scanned	896	896
		Number of media releases, and response to queries	As per demand	37 Proactive media releases 20 Response to media queries
		Number of jingles developed	12	5
		Number of airtime for radio talks media	30	36
		Number of advertorial space purchased	4	4
		Number of Departmental Events coordinated to inter act with stakeholders	4	4
		Number of Izimbizo and community meetings	2	2
		Number of budget speech compiled	1	1
		Number of Cabinet outreach programme coordinated	7	7
		Number of copies of internal news letter produced	1000	500
		Number of external news letter produced	200	200
		Number of internal publications produced(photo gallery	Christmas Cards 750 Calendars	750
		Number of Departmental folders procured	400	400
		Number of promotional material paraphernalia (Banners)	As per demand	30
		Number of Departmental videos produced	1	0
		Number of exhibitions for departmental events held	4	3
Budget	Ensure effective budget control within the department	Number of IYM reports submitted to Treasury	12	12
		Number of debtor statements reconciled and distributed	12	12

Revenue and Bookkeeping	To render departmental bookkeeping and revenue	Number of quarterly reports on revenue compiled	4	4
		Number of PMG accounts reconciled	12	12
		Number annual financial statements compiled	1	1
		Number of DORA reports compiled	12	12
Expenditure	Ensure proper expenditure control within the department for the housing conditional grant & Equitable share	Number of quarterly reports on creditors compiled	4	4
		Number of creditor's reconciliations compiled	12	12
Salary Administration	Ensure proper control over salary related expenditure	Number of physical verifications/ head counts conducted	4	4
		Number of payroll certificates certified	12	12
Demand and acquisition	Ensure effective demand management	Number of Bid specification committees prepared	As per demand	25
		Number of suppliers' applications forms captured on departmental database	As per demand	2510
		Number of bid adjudication committees held	23	26
Logistics Management	Render monitor logistical support to directorates	Number of stationery and cleaning material provided	As per demand	530
Transport and Fleet Management	Ensure effective acquisition and management of Government own vehicles	Number of new vehicles purchased	10	10
		Number of accident, fraud and evaluation committee meetings managed	As per demand	3
Asset and liabilities	Ensure effective management of departmental assets	Number of officials provided with office furniture	As per demand	79
Supply Chain Performance	Monitoring of implementation of proper procurement processes and achievements of desired SCM objectives	Number of quarterly reports compiled	4	4
		Number of asset verifications managed	4	4
		Number of payment of leased buildings made	12	12

Human Resource and Support Services	To render Human Resource Management	Number of vacant and funded posts filled	65	74
		Number of applications screened and interviews held	65	74
		Number of Training needs determined and consolidated	1	1
		Number of internal courses designed and developed	1	3
		Number of service providers verified for accreditation	As per demand	11
		Number of competency assessments for MMS conducted	As per demand	10
		Number of learners enrolled in ABET	16	15
		Number of bursaries approved	19	19
		Number of learners attending 18.1 learnership	-	-
		Number of learners attending 18.2 learnership	-	-
	Drafting training programme on new legislation, resolution and prescripts	Number of training conducted	11	11
	To facilitate for Human Resource Planning	Number of HR plans drafted and implemented	1	1
		Number of Employment Equity plan reviewed	1	1
		Number of PMDS assessments received	201	193
		Number of SMS member signed performance agreements	10	10
		Number of 1-12 officials signed performance agreements	240	240
	Ensure sound labour relations	Number of grievances handled as per demand	12	12
		Number disciplinary cases handled as per demand	26	26

	Commemoration of National calendar Days	Number of National events coordinated(Calendar days celebrated)	4	4
	Mainstreaming Transversal services	Number of Departmental plans to mainstream transversal program in the Department	2	2
Planning and Programme Management	Conduct surveys and research for the Department	Number of surveys and research conducted	2	2
	Conduct Strategic Planning workshops Directorates on Annual Performance Plans (APP's)	Number of workshops conducted	2	2
	Facilitate for the formulation of policies	Number of policies formulated	12	12
	Conduct Strategic Planning workshops Directorates on Detailed Implementation Plan(APP)	Number of workshops conducted	1	1
	Conduct Strategic Planning workshops Directorates on Detailed Implementation Plan(DIP)	Number of workshops conducted	4	4
	Conduct performance reviews for the Department	Number of performance reviews conducted	4	4
	Monitor the Departmental projects	Number of Departmental projects monitored	As per demand	4
Management Information System (MIS)	Manage the provision of Network and Desktop support	Number of call-outs attended	As per demand	1192
		Number of support on GIS, MIG/PMIS, BAS, PERSAL, LOGIS, EDM and DIGICOR	As per demand	720
		Number of policies reviewed	4	4
		Number of Disaster Recovery Plan Developed	1	1
		Number of Desktops, Notebook computers, Printers, Digital & video cameras purchased	As per demand	<ul style="list-style-type: none"> • 24 PC's • 48 Laptops • 11 Printers • 1 Camera

2.9.2. PROGRAMME: 2: Housing Needs, Research and Planning

Strategic Goals: The provision of administration needs, through policies and verifiable researched information

Strategic objectives:

- To provide policies for housing
- To provide planning and research

SUB-Programmes	Output	Output Performance Measure/ service delivery indicators	Actual Performance against target	
			Target	Actual
Planning	Approval of housing business plan by National Housing	Approved a business plan 09/10 and submitted to national housing and Treasury	1	1
Research	Housing needs database	Collection of data for NHDDDB in progress for all 3 Districts	3	3

2.9.3. PROGRAMME 3: Housing Development, Implementation, Planning and Targets

Strategic Goals: The provision of quality houses to all qualifying beneficiaries and to ensure the development of sustainable human settlements.

Strategic objectives:

- To provide a regulatory framework for housing delivery
- To develop provincial multi-year housing delivery framework
- To provide capacity and support to municipalities with regard to human settlement development in line with the legislative prescripts and breaking new ground.

Programme	Output	Output Performance Measure/service delivery indicators	Actual Performance against target	
			Target	Actual
Individual Subsidy	Provision of houses	Number of houses built	3245	3088
Housing Finance-Linked Individual Subsidy	Provision of houses	Number of houses built	As per demand	0
Rectification of RDP stock 1994-2002 (Current)	Planning for the Rectification of houses	Number of houses planned for rectification	225	25
Rectification of RDP stock pre-1994	Assessments of houses to be rectified	Number of houses assessed	1600	0
Social and Economic Facilities	Construction of community halls and child care facilities	Number of community halls and child care facilities built	6	3 at 30% Construction 3 Planning phase
Accreditation and support of Municipalities	Accreditation and support of Municipalities	Number of municipalities accredited	1	1

Housing Chapters of IDP	Development of housing chapters of IDP's for all municipalities	Number of draft housing chapters developed	17	17
Project Linked Projects Current Commitments	Provision of houses	Number of houses built	4115	4836
Intergrated Residential DevelopmentPhase 1 Planning and Services	Servicing of sites	Number of sites serviced	1931	1115
Intergrated Residential Development: Phase 2 Top Structure Construction	Provision of houses	Number of houses built	677	677
People Housing Process	Provision of houses	Number of houses built	1683	1523
Informal Settlements Upgrading	Provision of houses	Number of houses built	2961	2887
Consolidation Subsidies	Provision of houses	Number of houses built	100	69
Emergency Housing Assistance Current Projects (On Going)	Provision of houses	Number of houses built	506	460
Emergency Housing Assistance (As per Demand)	Provision of houses	Number of houses built	979	939
Community Residential Unit (CRU)	Provision of Rental stock	Number of rental stock completed	440	<ul style="list-style-type: none"> • 150 units at 15% construction • 140 units at 50% construction • 36 units at 95% construction • 114 at planning stage
Rural Interventions	Provision of houses	Number of houses built	465	620
Farm Dweller Housing Assistance	Provision of houses	Number of houses built	90	82

2.9.4. PROGRAMME 4: Housing Asset Management

Enhanced Extended Discount Benefit Scheme	To transfer properties to qualifying beneficiaries	Number of properties transferred	100	58
Deregistration of untraceable beneficiaries	To deregister untraceable beneficiaries	Number of beneficiaries deregistered	As per demand	932
Resolution of Landlord/Tenant	To resolve cases of rental disputes	Number of cases resolved	200	167

2.9.5. PROGRAMME 5: Technical Services

- Engineering Management Services
- Quality Assurance and Inspections
- Project Management

Programme	Measurable objective	Performance Measure	Target Output 2008/09	Actual Output 2008/09
Engineering Services	Partial completion of the installation of new pipe line for bulk water infrastructure at Delmas	Number of bulk water infrastructural completed	1	1
	To complete the sewer outfall line, civil construction	Number of sewer outfall line, civil construction completed	1	1
	Installation of mechanical and electrical equipments at new sewer pump station at Delmas	Number of mechanical and electrical equipments installed	1	1
Quality Assurance and Inspections	Conduct soil testing as per demand	Number of soil tests conducted	As per demand	13
	Conduct concrete/mortar testing as per demand	Number of concrete/mortar tests conducted	As per demand	917
	Conduct brick testing as per demand	Number of bricks tested	As per demand	306
	Conduct 2000 site inspections	Number of site inspections conducted	2000	16,160

2.9.6. Reasons for major variances

CHALLENGE 1

- Late Identification of beneficiaries at the Municipal level

RESPONSE TO CHALLENGE 1

- The development of Housing chapters in the IDP's will assist Municipalities to respond to housing needs that will inform housing delivery.
- Implementation of the National Housing Demand Data Base will ensure that qualifying beneficiaries are provided with housing in time

CHALLENGE 2

- Delays in the construction of Farm worker housing due to lengthy Environmental Impact Assessment (EIA) processes

RESPONSE TO CHALLENGE 2

- Collaborate with the Department of Agriculture and Land Administration to fastrack the process

CHALLENGE 3

- Project management and quality assurance

RESPONSE TO CHALLENGE 3

- The Department has signed an MOU with NHBRC to assist with inspection of projects that have enrolled with them





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PART 3

REPORT OF THE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2009.

Audit Committee members and attendance

During the current financial year 5 audit committee meetings were held. Interactive meeting are held between the Chairperson and the Internal Audit Unit as the need arises. The meeting attendance details during the 2008/09 financial year were as follows:

Name of Member	Number of meetings attended
Mr R Kalidass	5
Mr E Mushanganyisi	4
Mr V Nondabula	4
Mr S Dube	3

Audit Committee responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of Section 38(1)(a) of the Public Finance Management Act, No. 1 of 1999 and Treasury Regulation 3.1. We further report that we conducted our affairs in compliance with this charter.

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

The system of internal controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. The system of internal control applied by the department over financial and risk management is effective, efficient and transparent.

In accordance with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective.

This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the management letter of the Auditor-General, it was noted that no significant or material non compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the system of internal control for the period under review was effective and efficient.

A number of internal control deficiencies were highlighted by the Auditor-General's Management Letter. Management will be required to compile an "action plan" to ensure that these issues are not reported in forthcoming financial years, of which the Audit Committee will actively monitor the progress being made in this regard.

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review.

It was however noted that the information systems were not appropriate to facilitate the preparation of a performance report that is accurate and complete. Furthermore there are inadequate control processes and procedures designed and implemented to ensure the accuracy and completeness of reported performance information. This has thus resulted in the Department having a lack of effective, efficient and transparent systems and internal controls regarding performance management.

The Audit Committee will monitor the processes and procedures designed and implemented to ensure that there is improvement in the quality of performance information for the forthcoming financial year.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer.
- Reviewed the Auditor-General's management report and management's response thereto;
- Reviewed the department's compliance with legal and regulatory provisions
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General.

Internal Audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the department in its audits.

Auditor-General South Africa

We have met with the Auditor-General to ensure that there are no unresolved issues.



RACHEL KALIDASS CA(SA)
AUDIT COMMITTEE CHAIRPERSON
31 JULY 2009



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PART 4

REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO. 14: DEPARTMENT OF HOUSING FOR THE YEAR ENDED 31 MARCH 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Housing which comprise the statement of financial position as at 31 March 2009, and the appropriation statement, statement of financial performance and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 81.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2008 (Act No. 2 of 2008) (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.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Housing as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA and DoRA.

Emphasis of matters

Without qualifying my opinion, I draw attention to the following matters:

Basis of accounting

- 8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1.

Material underspending of the budget

- 9. As disclosed in the appropriation statement, the department materially underspent the budget on programme 2: housing needs, research and planning to the amount of R6 660 000, which represents 30,67% of the budgeted amount. As a consequence, the department did not achieve its objectives of developing planning for housing delivery.

Restatement of corresponding figures

- 10. As disclosed in note 25 to the financial statements, the corresponding figures for the former Department of Local Government and Housing have been restated as a result of the split of the department into two departments, namely the Department of Local Government and the Department of Housing.

Other matters

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Public Finance Management Act

- 11. Payments due to creditors were not always made within 30 days from receipt of an invoice, as required in terms of section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

Governance framework

- 12. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

- 13. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		N
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		N
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	Y	

No.	Matter	Y	N
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines (section 40 of the PFMA).	Y	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	Y	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	• The department had an audit committee in operation throughout the financial year.	Y	
	• The audit committee operates in accordance with approved, written terms of reference.	Y	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	Y	
7.	Internal audit		
	• The department had an internal audit function in operation throughout the financial year.	Y	
	• The internal audit function operates in terms of an approved internal audit plan.	Y	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	Y	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	Y	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	Y	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	Y	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.	Y	
12.	Powers and duties have been assigned, as set out in section 44 of the PFMA.	Y	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	Y	
14.	SCOPA resolutions have been substantially implemented.	Y	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		N
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		N
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the department against its mandate, predetermined objectives, outputs, indicators and targets (Treasury Regulations 5.1, 5.2 and 6.1).	Y	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	Y	

14. There is a need to improve the systems and review processes relating to performance information to ensure compliance with the *Framework for managing programme performance information* as well as to increase the reliability of the information reported.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

15. I have reviewed the performance information as set out on pages 6 to 19.

The accounting officer's responsibility for the performance information

16. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

The Auditor-General's responsibility

17. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
18. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
19. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

Findings on performance information

Lack of effective, efficient and transparent systems and internal controls regarding performance management

20. The accounting officer did not ensure that the department had and maintained an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the institution's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 38(1)(a)(i) and (b) of the PFMA.

APPRECIATION

21. The assistance rendered by the staff of the Department of Housing during the audit is sincerely appreciated.

Auditor-General

Nelspruit

27 August 2009



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence





housing

Department:
Housing
MPUMALANGA PROVINCIAL GOVERNMENT

PART 5

ANNUAL FINANCIAL STATEMENTS VOTE 14

DEPARTMENT OF HOUSING
VOTE 14
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

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DEPARTMENT OF HOUSING
VOTE 14
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009

Report by the Accounting Officer to the Executive Authority and the Provincial Legislature of the Mpumalanga Government.

1. General review of the state of financial affairs

The department of Housing has completed another eventful and challenging year. The key delivery areas were amongst the following:

- The department of Housing officially separated from the department of Local government and Housing and became a vote on its own on the 01st April 2008 as per Executive council resolution. The department started working independently from its own transversal systems on the 01st September 2008.
- The department has successfully launched of the BNG(Breaking New Grounds) strategy at Thaba - Chweu municipality
- The department spent 99,3% of the adjusted appropriation. The unspent funds on compensation of employees relate to the delay in filling of vacant funded posts and savings realised by filling posts through promotions on internal staff.
- Virements were effected from Administration and Housing Needs, Research and Planning to Housing development, Implementation and Planning to defray excess expenditure on the latter programme. The virements were done in terms of the Public Finance Management Act chapter 5 section(43) and approved by the Acting Head of department.
- The table below indicates the spending trend of the departmental programme:

R Thousands	Main appropriation	Adjusted budget	Shifting of funds	Virement	Final Appropriation	Expenditure as at 31st March 2009	Outcome as % Budget	(over)/under spending as at 31 March 09
Programmes								
Administration	41,463	47,768	-	(1,972)	45,796	45,843	100%	(47)
Housing Planning and Research	43,128	21,178	-	539	21,717	15,057	69%	6,660
Housing Development and Planning	629,210	849,933	-	1,433	851,366	851,426	100%	(60)
Technical Services	23,019	-	-	-	-	-	-	-
Total expenditure	736,820	918,879	-	-	918,879	912,326	99.3%	6,553
Economic classification								
R Thousands	Main appropriation	Adjusted budget	Shifting of funds	Virement	Final Appropriation	Expenditure as at 31 March 2009	Outcome as % Budget	(over)/under spending as at 31 March 09
Compensation of employees	53,266	62,866	(1,778)	(77)	61,011	56,582	93%	4,429
Goods & Services	25,705	25,704	1,717	77	27,498	25,267	92%	2,231
Transfer & Subsidies	646,210	818,669	-	-	818,669	818,729	100%	(60)
Capital payments	11,639	11,640	61	-	11,701	11,748	100%	(47)
Total	736,820	918,879	-	-	918,879	912,326	99.3%	6,553

DEPARTMENT OF HOUSING
VOTE 14
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009

2. Service rendered by the department

1.1 The department's mandate is to provide provincial human settlements and a better life for all.

1.2 Tariff policy

The department does not have any tariff policy due to the fact that no goods and services are offered.

1.3 Free Services

There are no free services rendered in the department

1.4 Inventories

Inventories on hand at year end	Costing method used	R'000
	Weighted Average	375
The value of inventory on hand disclosed is for all stores		375

3. Capacity constraints

The Department's main capacity constraints is on technical and project management skills. This has a negative impact on all our infrastructure delivery programmes. The Department has recruited Cuban Professionals and appointed a service provider to assist in the development of capacity within this area. The Provincial Treasury has also appointed a service provider to assist the Department on these scarce skills.

The Department has provided capacity building programmes to all the Districts. A project management Units (PMU) capacity building programme was rolled out to all the Districts. The capacity building initiatives include among others: the appointment of engineers to assist Municipalities with technical support, the establishment of a joint programme with the Department of Water Affairs and Forestry (DWAF) to support Municipalities for sustainable service delivery, the guidance given to develop rates policies and by-laws to Municipalities to roll out the property Rates Act.

4. Utilisation of donor funds

There were no donor funds received for the department.

5. Trading entities and public entities

Mpumalanga Housing Finance Company (MHFCo) was established by the provincial Government to act as a Government agent responsible for enabling Mpumalanga communities to have access to finance for housing in the form of home loans and government housing subsidies. The Public entity was established in response to the need to create access to home finance for all citizens of the Province who are not served by commercial institutions.

6. Organisations to whom transfer payments have been made

The department made transfers to Mpumalanga Housing Finance (MHFCo) to the value of R22,000 million. This entity focuses on financing low- income earners to acquire their own houses and also deals with the development of the Social Housing Institution within the Province.

**DEPARTMENT OF HOUSING
VOTE 14
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009**

7. Public private partnerships (PPP)

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

8. Corporate governance arrangements

8.1 Risk Management Approach

The department has been utilising the services of shared internal audit in the Premier's office to conduct risk assessment on annual basis. This exercise is intended to assess any possible high- risk areas within the department. A risk management plan is then developed to reduce the identified risks within the department. The department has also established Risk management committees including the regions responsible for facilitating the implementation of the risk management strategy. The department has developed the Whistle blowing policy that will assist in risk management. The department has appointed the risk manager as from the 01st March 2009 who is coordinating risk management within the department.

8.2 Fraud Prevention Policy

A fraud prevention plan was developed and is reviewed on an annual basis after the risk assessment process has been finalised by the Internal Audit Unit. The plan contains policies, practices, procedures, reports and other mechanisms to monitor and safeguard the assets of the Department. The Internal Audit unit monitors from time to time the compliance to these policies and procedures. Reports on findings are directed to the Accounting Officer.

8.3 Internal Audit and Audit Committees

The shared Internal Audit has been facilitating the risk assessment exercise and all the audits to the department were conducted as per their audit plan. The shared Audit committee sits once a quarter and analyses the financial and non- financial data of the department.

8.4 Other Governance Structures (including management processes to minimise conflict of interest)

The Department has set up the following structures to ensure compliance to legislative requirements, policies and procedures:

- The Departmental five-year strategic plan. This document provides the overarching objectives that are to be achieved over the strategic plan period;
- The annual performance plan (MTEF Period). This planning document details the Departments priorities for the three years MTEF period;
- The annual performance plan (1 year). This documents details the outputs to be achieved during the current financial year and the budgeted funds to achieve each Out-put. This document forms the basis for performance agreements with officials at all levels.

The Department has the following Team Committees to ensure participatory management and sound governance:

- The bid specification and evaluation committees;
- The bid adjudication committee;
- The risk management committee;
- The Bursary Committee, that recommends the allocation of bursaries;
- The Transport Committee, effects controls on the approval of subsidised vehicles and the usage of Government vehicles;
- Regular audits by the internal audit unit;
- Performance monitoring by managers.

8.5 Code of Conduct

The department has Supply Chain Management Code of conduct displayed in all departmental offices. The department is also guided by the Code of Conduct as contained in the Public Service Act.

8.6 Health and Safety and Environmental issues

The department has an emergency disaster recovery Plan and its primary focus is an emergency response to the disaster that could destroy or severely cripples the department central computer system, building and personnel.

9. Discontinued activities/activities to be discontinued

No services were discontinued.

10. New/proposed activities

None

11. Asset management

The department has complied with the minimum requirements of the asset management reforms (AMR). The asset management unit and asset team has been established, physical asset counts were completed and reconciliation of capital assets are prepared on a monthly basis.

12. Events after the reporting date

The Executive Council made a resolution that Mpumalanga Housing Finance Company (MHFCo), Mpumalanga Economic Growth Agency (MEGA) and Mpumalanga Agricultural Development Corporation (MADC) should be merged. This means that merged public entities will be reporting to the Department of Economic Development & Planning.

13. Performance information

- 74 Officials were appointed and promoted to ensure efficient and effective service delivery.
- Promoted and marketed the departmental services to the public through radio and newspapers.

14. SCOPA resolutions

None

15. Prior modifications to audit reports

None

16. Exemptions and deviations received from the National Treasury

There were no exemptions and deviations received from the National Treasury

17. Approval

The Annual Financial Statements set out on pages 31 to 81 have been approved by the Accounting Officer.



MR C.T Dlamini
ACTING HEAD OF DEPARTMENT
Date: 29 May 2009

DEPARTMENT OF HOUSING
VOTE 14
APPROPRIATION STATEMENT
for the year ended 31 March 2009

Appropriation per programme									
APPROPRIATION STATEMENT	2008/09						2007/08		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	44,161		(1,972)	42,189	42,128	61	99%	38,058	34,815
Transfers and subsidies									
Payment for capital assets	3,607			3,607	3,715	(108)	103%		3,200
2. Housing Needs, Research and Planning									
Current payment	13,145		539	13,684	7,024	6,660	51%	8,022	6,362
Transfers and subsidies									
Payment for capital assets	8,033			8,033	8,033		100%	7,601	7,600
3. Housing Development, Implementation and Planning									
Current payment	31,264		1,433	32,697	32,697		100%	23,953	22,082
Transfers and subsidies	818,669			818,669	818,729	(60)	100%	725,628	669,999
Payment for capital assets									
Subtotal	918,879	-	-	918,879	912,326	6,553	99%	803,262	744,058

DEPARTMENT OF HOUSING
VOTE 14
APPROPRIATION STATEMENT
for the year ended 31 March 2009

	2008/09		2007/08	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward) Reconciliation with statement of financial performance				
Add:				
Departmental receipts	3,183		3,349	
Direct Exchequer receipts				
Aid assistance	922,062		806,611	
Actual amounts per statement of financial performance (total revenue)				
Actual amounts per statement of financial performance (total expenditure)		912,326		744,058

DEPARTMENT OF HOUSING
VOTE 14
APPROPRIATION STATEMENT
for the year ended 31 March 2009

Appropriation per economic classification									
	2008/09					2007/08			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	62,866	(1,778)	(77)	61,011	56,582	4,429	93%	51,001	47,362
Goods and services	25,704	1,717	77	27,498	25,267	2,231	95%	15,789	15,897
Transfers and subsidies									
Provinces and municipalities									
Public corporations and private enterprises	17,000	5,000		22,000	22,000	(60)	100%	17,733	117
Households	801,669	(5,000)		796,669	796,729		100%	707,895	652,266
Payments for capital assets									
Buildings and other fixed structures	8,033			8,033	8,033		100%	7,977	7,976
Machinery and equipment	3,607			3,607	3,662	(55)	79%	2,750	2,750
Software and other intangible assets		61		61	53	8	87%		
Total	918,879	-	-	918,879	912,326	6,553	99%	803,262	744,101

DEPARTMENT OF HOUSING
VOTE 14
DETAIL PER PROGRAMME
for the year ended 31 March 2009

2008/09										2007/08	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
1. Corporate Services											
Current payment	44,161		(1,972)	42,189	42,128	61	100%	38,058	34,815		
Transfers and subsidies											
Payment for capital assets	3,607			3,607	3,715	(108)	103%		3,200		
Total	47,768	-	(1,972)	45,796	45,843	(47)	100%	38,058	38,015		

DEPARTMENT OF HOUSING
VOTE 14
DETAIL PER PROGRAMME
for the year ended 31 March 2009

Administration										
Economic Classification	2008/09					2007/08				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments										
Compensation of employees	27,025	(1,778)	(1,972)	23,275	23,297	(22)	100%	19,026	18,918	
Goods and services	17,136	1,717		18,853	18,831	(22)	104%	15,789	15,897	
Transfers and subsidies										
Households								117	117	
Payments for capital assets										
Buildings and other fixed structures								376	376	
Machinery and equipment	3,607			3,607	3,662	(55)	101,5%	2,750	2,750	
Software and other intangible assets		61		61	53	8	86,9%			
Total	47,768	-	(1,972)	45,796	45,843	(47)	100%	38,058	38,058	38,058

**DEPARTMENT OF HOUSING
VOTE 14
DETAIL PER PROGRAMME
for the year ended 31 March 2009**

2007/08										2007/08	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
2. Housing Needs, Research & Planning											
Current payment	13,145		(539)	13,684	7,024	6,660	51%	8,022	6,362		
Payment for capital assets	8,033			8,033	8,033		100%	7,601	7,600		
Total	21,178	-	(539)	21,717	15,057	6,660	69%	15,623	13,962		



DEPARTMENT OF HOUSING
VOTE 14
DETAIL PER PROGRAMME
for the year ended 31 March 2009

Housing Needs, Research & Planning									
2008/09								2007/08	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	9,687		(539)	10,226	5,775	4,451	57%	8,022	6,362
Goods and services	3,458			3,458	1,249	2,209	36%		
Payments for capital assets									
Buildings and other fixed structures	8,033			8,033	8,033		100%	7,601	7,600
Total	21,178	-	(539)	21,717	15,057	6,660	69%	15,623	13,962

DEPARTMENT OF HOUSING
VOTE 14
DETAIL PER PROGRAMME
for the year ended 31 March 2009

Sub-programme 3-Housing Development, Implementation, Planning and Targets									
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	2008/09			2007/08		
				Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
3.1 Administration	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payment	31,264		1,433	32,697	32,697		100%	23,953	22,082
Transfers and subsidies	17,000	5,000	-	22,000	22,526	(526)	102%	112,000	134,970
3.2 Financial Interventions									
Transfers and subsidies	173,219	(5,000)		168,219	71,177	97,042	42%		
3.3 Incremental Interventions									
Transfers and subsidies	544,326			544,326	557,352	(13,026)	102%	613,628	535,029
3.4 Social and Rental Intervention									
Transfers and subsidies	34,046			34,046	31,625	2,421	93%		
3.5 Rural Intervention									
Transfers and subsidies	50,078			50,078	136,049	(85,971)	272%		
Total	849,933	-	1,433	851,366	851,426	(60)	100%	749,581	692,081

DEPARTMENT OF HOUSING
VOTE 14
DETAIL PER PROGRAMME
for the year ended 31 March 2009

Housing Development, Implementation, Planning and Targets									
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2007/08	
								Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	26,154		1,356	27,510	27,510		100%	23,953	22,082
Goods and services	5,110		77	5,187	5,187		100%		
Interest and rent on land									
Financial transactions in assets and liabilities									
Transfers and subsidies									
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises	17,000	5,000		22,000	22,000		100%	17,733	17,733
Non-profit institutions									
Households	801,669	(5,000)		796,669	796,729	(60)	100%	707,895	652,266
Gifts and donations									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment									
Biological assets									
Software and other intangible assets									
Land and subsoil assets									
Total	849,933	-	1,433	851,366	851,426	(60)	100%	749,581	692,081

DEPARTMENT OF HOUSING
VOTE 14
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2009

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (A-L) 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 financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 5 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Corporate Services	45,796	45,843	(47)	100%
Housing Needs, Research & Planning	21,717	15,057	6,660	69%
Housing Development, Implementation, Planning & Target	851,366	851,426	(60)	100%
4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments:				
Compensation of employees	61,011	56,582	4,429	93%
Goods and services	27,498	25,267	2,231	92%
Transfers and subsidies:				
Public corporations and private enterprises	22,000	22,000	-	100%
Households	796,669	796,729	(60)	100%
Payments for capital assets:				
Buildings and other fixed structures	8,033	8,033	-	100%
Machinery and equipment	3,606	3,662	(56)	102%
Software and other intangible assets	62	53	9	85%

DEPARTMENT OF HOUSING
VOTE 14
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2009

PERFORMANCE	Note	2008/09 R'000	2007/08 R'000
REVENUE			
Annual appropriation	1	918,879	803,262
Departmental revenue	2	3,183	3,349
TOTAL REVENUE		922,062	806,611
EXPENDITURE			
Current expenditure			
Compensation of employees	3	56,583	42,748
Goods and services	4	26,082	20,423
Financial transactions in assets and liabilities	5	-	58
Total current expenditure		82,665	63,229
Transfers and subsidies		818,729	670,077
Transfers and subsidies	6	818,729	670,077
Expenditure for capital assets			
Tangible capital assets	7	10,879	10,752
Software and other intangible assets	7	53	
Total expenditure for capital assets		10,932	10,752
TOTAL EXPENDITURE		912,326	744,058
SURPLUS FOR THE YEAR		9,736	62,553
Reconciliation of Net Surplus for the year			
Voted funds		6,553	59,204
Departmental revenue	11	3,183	3,349
SURPLUS FOR THE YEAR		9,736	62,553

DEPARTMENT OF HOUSING
VOTE 14
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2009

<i>POSITION</i>	<i>Note</i>	2008/09	2007/08
		R'000	R'000
ASSETS			
Current assets		6,576	3,442
Cash and cash equivalents	<u>8</u>	6,173	3,189
Receivables	<u>9</u>	403	253
TOTAL ASSETS		6,576	3,442
LIABILITIES			
Current liabilities		6,576	3,442
Voted funds to be surrendered to the Revenue Fund	<u>10</u>	6,553	
Departmental revenue to be surrendered to the Revenue Fund	<u>11</u>	17	
Payables	<u>12</u>	6	3,442
TOTAL LIABILITIES		6,576	3,442

DEPARTMENT OF HOUSING
VOTE 14
CASH FLOW STATEMENT
for the year ended 31 March 2009

CASH FLOW	<i>Note</i>	2008/09 R'000	2007/08 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		922,062	747,407
Annual appropriated funds received	<u>1.1</u>	918,879	744,058
Departmental revenue received	<u>2</u>	3,183	3,349
Net (increase)/decrease in working capital		(3,586)	-
Surrendered to Revenue Fund		(3,166)	(3,349)
Current payments		(82,665)	(63,229)
Transfers and subsidies paid		(818,729)	(670,077)
Net cash flow available from operating activities	<u>13</u>	13,916	10,752
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>7</u>	(10,932)	(10,752)
Net cash flows from investing activities		(10,932)	(10,752)
Net increase/(decrease) in cash and cash equivalents		2,984	-
Cash and cash equivalents at the beginning of the period		3,189	3,189
Cash and cash equivalents at end of period	<u>14</u>	6,173	3,189

DEPARTMENT OF HOUSING
VOTE 14
ACCOUNTING POLICIES
for the year ended 31 March 2009

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

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

DEPARTMENT OF HOUSING
VOTE 14
ACCOUNTING POLICIES
for the year ended 31 March 2009

2. Revenue

2.1 Appropriated funds

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

Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2 Statutory Appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective.

Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the Statement of Financial Performance.

Unexpended statutory appropriations are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.3 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the Statement of Financial Performance when received.

2.3.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.3.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.3.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

DEPARTMENT OF HOUSING
VOTE 14
ACCOUNTING POLICIES
for the year ended 31 March 2009

2.3.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.3.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.3.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

2.4 Direct Exchequer receipts

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received.

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

2.5 Aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the Statement of Financial Performance.

Inappropriately expensed amounts using CARA funds and any unutilised amounts are recognised as payables in the Statement of Financial Position.

DEPARTMENT OF HOUSING
VOTE 14
ACCOUNTING POLICIES
for the year ended 31 March 2009

3. Expenditure

3.1 Compensation of employees

3.2.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance¹.

All other payments are classified as current expense.

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

3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

¹This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved in capital projects

DEPARTMENT OF HOUSING
VOTE 14
ACCOUNTING POLICIES
for the year ended 31 March 2009

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

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

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable in the Statement of Financial Performance.

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

DEPARTMENT OF HOUSING
VOTE 14
ACCOUNTING POLICIES
for the year ended 31 March 2009

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest.

4.5 Investments

Capitalised investments are shown at cost in the Statement of Financial Position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the Statement of Financial Performance when the cash is received.

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

4.6 Loans

Loans are recognised in the Statement of Financial Position at the nominal amount when cash is paid to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

DEPARTMENT OF HOUSING
VOTE 14
ACCOUNTING POLICIES
for the year ended 31 March 2009

4.8 Capital assets

4.8.1 Movable assets

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

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

4.8.2 Immovable assets

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

Work-in-progress of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.

5.3 Direct Exchequer receipts to be surrendered to the Revenue Fund

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

Amounts received must be surrendered to the relevant revenue fund on receipt thereof. Any amount not surrendered at year end is reflected as a current payable in the Statement of Financial Position.

5.4 Bank overdraft

The bank overdraft is carried in the Statement of Financial Position at cost.

5.5 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

DEPARTMENT OF HOUSING
VOTE 14
ACCOUNTING POLICIES
for the year ended 31 March 2009

5.6 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements.

5.7 Commitments

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.8 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.9 Employee benefits

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

5.10 Lease commitments

Finance leases

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

Operating leases

Operating lease payments are recognised as an expense in the statement of financial performance.

The operating lease commitments are disclosed in the disclosure notes to the financial statements

6. Receivables for departmental revenue

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

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises 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 transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

8. Related party transactions

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

DEPARTMENT OF HOUSING
VOTE 14
ACCOUNTING POLICIES
for the year ended 31 March 2009

9. Key management personnel

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

10. Public private partnerships

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

DEPARTMENT OF HOUSING
VOTE 14
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2007/08
	R'000	R'000	R'000	R'000
Corporate Services	45,796	45,796	-	38,058
Housing Needs, Research & Planning	21,717	21,717	-	15,623
Housing Development, Implementation, Planning & Target	851,366	851,366	-	690,377
Total	918,879	918,879	-	744,058

1.2 Conditional grants

	Note	2008/09 R'000	2007/08 R'000
Total grants received	Annex 1A	796,669	617,217
Provincial grants included in Total Grants received		100,000	-

DEPARTMENT OF HOUSING
VOTE 14
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

2. Departmental revenue

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Sales of goods and services other than capital assets	2.1	41	75
Interest, dividends and rent on land	2.2	3,133	3,274
Financial transactions in assets and liabilities	2.3	9	-
Total revenue collected		3,183	3,349
Departmental revenue collected		3,183	3,349

2.1 Sales of goods and services other than capital assets

	<i>Note</i>	2008/09	2007/08
	2	R'000	R'000
Sales of goods and services produced by the department		41	75
Sales by market establishment		13	-
Other sales		28	75
Sales of scrap, waste and other used current goods		-	-
Total		41	75

DEPARTMENT OF HOUSING
VOTE 14
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

2.2 Interest, dividends and rent on land

	<i>Note</i>	2008/09	2007/08
	<u>2</u>	R'000	R'000
Interest		3,133	3,274
Total		3,133	3,274

2.3 Financial transactions in assets and liabilities

	<i>Note</i>	2008/09	2007/08
	<u>2</u>	R'000	R'000
Other receipts including recoverable revenue		9	-
Total		9	-

3 Compensation of employees

3.1 Salaries and Wages

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Basic salary		37,188	26,891
Performance award		1,015	351
Service Based		150	56
Compensative/circumstantial		2,708	632
Periodic payments		-	249
Other non-pensionable allowances		7,819	8,750
Total		48,880	36,929

DEPARTMENT OF HOUSING
VOTE 14
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

3.2 Social contributions

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Employer contributions			
Pension		4,879	3,621
Medical		2,807	2,190
Bargaining council		17	8
Total		7,703	5,819
 Total compensation of employees		 56,583	 42,748
 Average number of employees		 267	 180

4 Goods and services

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Administrative fees		17	-
Advertising		1,652	1,236
Assets less than R5,000	<u>4.1</u>	825	11
Bursaries (employees)		228	106
Catering		507	422
Communication		1,518	1,262
Computer services	<u>4.2</u>	118	284
Consultants, contractors and agency/outsourced services	<u>4.3</u>	2,853	6,712
Audit cost – external	<u>4.4</u>	1,530	465
Government motor transport		1,661	799
Inventory	<u>4.5</u>	1,641	778
Maintenance, repairs and running costs		-	2,334
Operating leases		1,300	273
Owned and leasehold property expenditure	<u>4.6</u>	2,927	980
Travel and subsistence	<u>4.7</u>	6,268	3,375
Venues and facilities		1,891	826
 Training and staff development		 792	 432
Other operating expenditure	<u>4.8</u>	354	128
Total		26,082	20,423

DEPARTMENT OF HOUSING
VOTE 14
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

4.1 Assets less than R5,000

	<i>Note</i> <u>4</u>	2008/09 R'000	2007/08 R'000
Tangible assets			
Machinery and equipment		825	11
Total		825	11

4.2 Computer services

	<i>Note</i> <u>4</u>	2008/09 R'000	2007/08 R'000
SITA computer services		-	67
External computer service providers		118	217
Total		118	284

4.3 Consultants, contractors and agency/outsourced services

	<i>Note</i> <u>4</u>	2008/09 R'000	2007/08 R'000
Business and advisory services		1,104	6,032
Infrastructure and planning		-	76
Legal costs		1,479	595
Contractors		270	9
Total		2,853	6,712

4.4 Audit cost – External

	<i>Note</i> <u>4</u>	2008/09 R'000	2007/08 R'000
Regularity audits		1,530	465
Total		1,530	465

DEPARTMENT OF HOUSING
VOTE 14
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

4.5 Inventory

	<i>Note</i>	2008/09	2007/08
	<u>4</u>	R'000	R'000
Food and food supplies		25	36
Other consumable materials		166	40
Stationery and printing		1,450	702
Total		1,641	778

4.6 Owned and leasehold property expenditure

	<i>Note</i>	2008/09	2007/08
	<u>4</u>	R'000	R'000
Municipal services		1,193	300
Other		1,734	680
Total		2,927	980

4.7 Travel and subsistence

	<i>Note</i>	2008/09	2007/08
	<u>4</u>		
Local		6,264	3,355
Foreign		4	20
Total		6,268	3,375

4.8 Other operating expenditure

	<i>Note</i>	2008/09	2007/08
	<u>4</u>	R'000	R'000
Learnerships		-	16
Professional bodies, membership and subscription fees		-	7
Resettlement costs		51	53
Other		303	52
Total		354	128

5 Financial transactions in assets and liabilities

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Debts written off	5.1	-	58
Total		-	58

DEPARTMENT OF HOUSING
VOTE 14
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

5.1 Debts written off

	<i>Note</i>	2008/09	2007/08
	5	R'000	R'000
Nature of debts written off		-	
Transfer to debts written off		-	58
Total		-	58

6 Transfers and subsidies

		2008/09	2007/08
		R'000	R'000
	<i>Note</i>		
Public corporations and private enterprises	<i>Annex 1I</i>	22,000	17,733
Households	<i>Annex 1L</i>	796,729	652,344
Total		818,729	670,077

7 Expenditure for capital assets

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Tangible assets		11,695	10,752
Buildings and other fixed structures	7.1	8,033	9,125
Machinery and equipment	7.1	2,846	1,627
Software and other intangible assets		53	
Other intangibles	7.1	53	-
Total		10,932	10,752

7.1 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	11,695		11,695
Buildings and other fixed structures	8,033	-	8,033
Heritage assets	2,846	-	2,846
Software and other intangible assets	53		53
Other intangibles	53	-	53
Total	10,932	-	10,932

DEPARTMENT OF HOUSING
VOTE 14
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

7.2 Analysis of funds utilised to acquire capital assets – 2007/08

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Total assets acquired	10,752	-	10,752

8 Cash and cash equivalents

	Note	2008/09	2007/08
		R'000	R'000
Consolidated Paymaster General Account		6,173	3,179
Disbursements		-	10
Total		6,173	3,189

9 Receivables

				2008/09	2007/08
	Note	R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total
Staff debt	9.1	288	-	-	46
Other debtors	9.2	115	-	-	207
Total		403	-	-	253

9.1 Staff debt

		2008/09	2007/08
	Note	R'000	R'000
Ex-employees	9	288	46
Total		288	46

9.2 Other debtors

		2008/09	2007/08
	Note	R'000	R'000
Suppliers	9	115	207
Total		115	207

DEPARTMENT OF HOUSING
VOTE 14
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10. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Opening balance			
Transfer from statement of financial performance		6,553	59,204
Voted funds not requested/not received	<u>1.1</u>		(59,204)
Closing balance		<u>6,553</u>	<u>-</u>

11. Departmental revenue to be surrendered to the Revenue Fund

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Opening balance			
Transfer from Statement of Financial Performance		3,183	3,349
Paid during the year		(3,166)	(3,349)
Closing balance		<u>17</u>	<u>-</u>

12 Payables – current

Description

	<i>Note</i>	30 Days	30+ Days	2008/09 Total	2007/08 Total
Clearing accounts	<u>12.1</u>	6	-	6	77
Other payables	<u>12.2</u>	-	-	-	3,365
Total		<u>6</u>		<u>6</u>	<u>3,442</u>

12.1 Clearing accounts

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Sal:Income Tax	12	6	-
Pension Fund & Bargaining Council		-	62
Unclaimed Salaries		-	15
Total		<u>6</u>	<u>77</u>

12.2 Other payables

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Amount owing to other Department		-	3,365
Total		<u>-</u>	<u>3,365</u>

DEPARTMENT OF HOUSING
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13 Net cash flow available from operating activities

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		9,736	62,553
Add back non cash/cash movements not deemed operating activities		4,996	(51,801)
(Increase)/decrease in receivables – current		(150)	
Increase/(decrease) in payables – current		(3,436)	
Expenditure on capital assets		11,748	10,752
Surrenders to Revenue Fund		(3,166)	(3,349)
Voted funds not requested/not received			(59,204)
Net cash flow generated by operating activities		14,732	10,752

14 Reconciliation of cash and cash equivalents for cash flow purposes

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Consolidated Paymaster General account		6,173	3,179
Disbursements		-	10
Total		6,173	3,189

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

15 Contingent liabilities

		<i>Note</i>	2008/09	2007/08
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 3A</i>	979	
Claims against the department		<i>Annex 3B</i>	7,237	
Total			8,216	-

16 Commitments

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Current expenditure			
Approved and contracted		116	
		116	-
Capital expenditure			
Approved and contracted		1,071,315	
Retention amounts		34,200	
		1,105,515	-
Total Commitments		1,105,631	-

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17 Accruals

			2008/09 R'000	2007/08 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1,155	238	1,393	
Transfers & Subsidies	32,162		32,162	
Total	33,317	238	33,555	

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Listed by programme level			
Administration		1,305	
Housing Needs, Research and Planning		5	
Housing Dev, Implementation, Planning & Targets		32,245	
Total		33,555	-

18 Employee benefits

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Leave entitlement		3,315	
Thirteenth cheque		1,629	
Performance awards		1,470	
Capped leave commitments		5,077	
Total		11,491	-

19 Lease commitments

19.1 Operating leases expenditure

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2008/09				
Not later than 1 year		4,409	641	5,050
Later than 1 year and not later than 5 years		849	590	1,439
Total lease commitments		5,258	1,231	6,489

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2007/08				
Not later than 1 year		702	311	1,013
Later than 1 year and not later than 5 years			279	279
Total lease commitments		702	590	1,292

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20 Receivables for departmental revenue

	<i>Note</i>	2008/09	2007/08
			R'000
Other		4,117	
Total		<u>4,117</u>	<u>-</u>

21 Key management personnel

	No. of Individuals	2008/09	2007/08
		R'000	R'000
Officials:			
Level 15 to 16			
Level 14 (incl. CFO if at a lower level)	2	1,504	
Total		<u>1,504</u>	<u>-</u>

The department had not yet appointed the Head of department in the year under review and the MEC's budget and expenditure was accounted at the Department of Local Government hence the department had no officials on levels 15 to 16.

22 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT			9,883		9,883
Transport assets	-	-	5,913	-	5,913
Computer equipment	-	-	2,272	-	2,272
Furniture and office equipment	-	-	1,685	-	1,685
Other machinery and equipment	-	-	13	-	13
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	<u>-</u>	<u>-</u>	<u>9,883</u>	<u>-</u>	<u>9,883</u>

DEPARTMENT OF HOUSING
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22.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,841	7,042			9,883
Transport assets	1,145	4,768	-	-	5,913
Computer equipment	1,185	1,087	-	-	2,272
Furniture and office equipment	498	1,187	-	-	1,685
Other machinery and equipment	13	-	-	-	13
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2,841	7,042	-	-	9,883

22.2 Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2009

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	-	-	4,969	-	4,969
TOTAL	-	-	4,969	-	4,969

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	-	-	3167	-	3167
TOTAL	-	-	3167	-	3167

DEPARTMENT OF HOUSING
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23 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	113				113
OTHER INTANGIBLES	-	-	53	-	53
	-	-		-	-
TOTAL INTANGIBLE CAPITAL ASSETS	113	-	53	-	166

23.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
OTHER INTANGIBLES	53	-	-	-	53
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	53	-	-	-	53

23.2 Movement for 2007/08

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	113	-	-	113
TOTAL TO INTANGIBLE CAPITAL ASSETS	113	-	-	113

DEPARTMENT OF HOUSING
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24 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	8,033	8,033	-
Other fixed structures	-	-	8,033	8,033	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	8,033	8,033	-

24.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	8,033	-	-	-	8,033
Other fixed structures	8,033	-	-	-	8,033
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	8,033	-	-	-	8,033

DEPARTMENT OF HOUSING
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24.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES		8,033	8,033	
Other fixed structures		8,033	8,033	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS		8,033	8,033	-

25 Corresponding figures

The Department of Local Government and Housing was split into two votes namely Department of Housing and the Department of Local Government. The corresponding figures which were included in the 2007/2008 financial year were split and disclosed in the respective departments. The corresponding figures for the financial statement of financial performance was split according to the objective of the programmes. The corresponding figures in the statements of financial position and the disclosure notes were taken over by the Department of Local Government except for cases where they were directly linked to the Department of Housing.

* The amount which is out with less than R2 is because of rounding off in the financial statements format.

** The amount of R7,601 was previously allocated as transfer and subsidies, due to the change in the financial statements format this year it is corrected to be under expenditure for capital assists.

DEPARTMENT OF HOUSING
VOTE 14
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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The following figures were disclosed as corresponding figures in the two departments:

	Department of Local Government and Housing R'000	Department of Housing R'000	Department of Local Government R'000	Total R'000
STATEMENT OF FINANCIAL PERFORMANCE				
Annual appropriation	1,005,063	803,262	201,801	1,005,063
Statutory appropriation	960		960	960
*Departmental revenue	7,101	3,349	3,751	7,100
*Compensation of employees	139,642	42,748	96,893	139,641
*Goods and services	81,718	20,423	61,296	81,719
Financial transactions in assets and liabilities	200	58	142	200
**Transfer and subsidies	684,001	670,077	6,323	676,400
**Expenditure for capital assets	15,310	10,752	12,159	22,911
*SURPLUS FOR THE YEAR	92,253	62,553	29,699	92,252
STATEMENT OF FINANCIAL POSITION				
Un-authorized expenditure	23,877		23,877	23,877
*Cash and cash equivalents	44,677	3,189	41,486	44,675
Receivables	1,523	253	1,270	1,523
*	70,077	3,442	66,663	70,075
Voted funds to be surrendered to the revenue fund	25,946		25,946	25,946
Departmental revenue to be surrendered to the revenue fund	104		104	104
*Payables	44,027	3,442	40,583	44,025
*	70,077	3,442	66,663	70,075
DISCLOSURE NOTES				
Contingent liabilities	2,711	100	2,611	2,711
Commitments	3,870		3,870	3,870
Accruals	735		735	735
Employee benefits	26,421		26,421	26,421
Lease commitments	3,587		3,587	3,587
Irregular expenditure				
Key management personal	2,496		2,496	2,496
Immovable assets	7,448		7,448	7,448
Movable assets	64,454		64,454	64,454

**DEPARTMENT OF HOUSING
VOTE 14
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2007/08	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Housing	629,210		17,459	50,000	696,669	696,669	696,669	100%	676,286	652,190
Provincial Treasury				100,00	100,000	100,000	100,000	100%		
	629,210		17,459	150,000	796,669	796,669	796,669		676,286	652,190

DEPARTMENT OF HOUSING
VOTE 14
ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 11
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2007/08				
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital					
									R'000	R'000	R'000	R'000
Public Corporations												
Transfers MHFCo	17,000		5,000	22,000	22,000	100%		17,733				
Total	17,000		5,000	22,000	22,000	100%		17,733				

DEPARTMENT OF HOUSING
VOTE 14
ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 1L
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2007/08
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Appro-riation Act
	R'000	R'000	R'000	R'000	R'000	R'000
Transfers						
Integrated Housing and HSD	796,669			796,669	796,669	652,190
H/H Empl Social Benefit	112			112	60	154
Total	796,781			796,781	796,729	652,344

Annual Report 2008/09

Grant Type	Apr 2008 R'000	May 2008 R'000	Jun 2008 R'000	Jul 2008 R'000	Aug 2008 R'000	Sept 2008 R'000	Oct 2008 R'000	Nov 2008 R'000	Dec 2008 R'000	Jan 2009 R'000	Feb 2009 R'000	Mar 2009 R'000	Total R'000
Housing Grant	41,216	63,549	77,024	56,353	61,045	88,332	84,872	80,710	107,495	48,297	55,218	32,557	796,668
	41,216	63,549	77,024	56,353	61,045	88,332	84,872	80,710	107,495	48,297	55,218	32,557	796,668

DEPARTMENT OF HOUSING
VOTE 14
ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank			116				116		
Nedbank Ltd			24				24		
First Rand Bank Ltd			109				109		
ABSA			214				214		
Peoples Bank Ltd			126				126		
First National Bank Ltd			51				51		
Mpumalanga Housing Finance Company			193				193		
Old Mutual			129				129		
Nedcor			17				17		
Total			979				979		

DEPARTMENT OF HOUSING
VOTE 14
ANNEXTURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2009

Nature of Liability	Opening Balance 01/04/2008 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable(Provide details hereunder) R'000	Closing Balance 31/03/2009 R'000
Claims against the department					
Bahlangene Integrated	5,849				5,849
Amakotheni Business Enterprise	500				500
DSM Trading	544				544
Siyabuswa Treatment Plant	344				344
Subtotal	7,237	-	-	-	7,237
Total	7,237	-	-	-	7,237



housing

Department:
Housing
MPUMALANGA PROVINCIAL GOVERNMENT

PART 6

HUMAN RESOURCE MANAGEMENT

HR OVERSIGHT - APRIL 2008 to MARCH 2009 - Mpumalanga - Housing

TABLE 1.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Mhs:administration	45,843	23,297	0	0	50.8	84	278
Mhs:housing dev,impl,plan&target	851,426	27,510	0	0	3.2	99	278
Mhs:housing needs,research & plan	15,057	5,775	0	0	38.4	21	278
Mhs:technical services	0	0	0	0	0	0	278
Z=Total as on Financial Systems (BAS)	912,326	56,583	0	0	6.2	204	278

TABLE 1.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	90	0.2	45,000	39,446	2
Skilled (Levels 3-5)	3,299	8.4	55,915	39,446	59
Highly skilled production (Levels 6-8)	11,663	29.6	116,630	39,446	100
Highly skilled supervision (Levels 9-12)	18,083	45.8	180,830	39,446	100
Senior management (Levels 13-16)	1,887	4.8	188,700	39,446	10
Contract (Levels 9-12)	1,869	4.7	267,000	39,446	7
TOTAL	36891	93.5	132701	39446	278

TABLE 1.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)
Pr1: administration	13148	66.5	301	1.5	403	2	861
Pr2: housing needs research & plan	5792	63.2	3	0	151	1.6	369
Pr3: housing develop implementation & target	4664	65.3	15	0.2	155	2.2	378
Pr4: technical services	2504	74.6	5	0.1	16	0.5	64
TOTAL	26108	66.2	324	0.8	725	1.8	1672

TABLE 1.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)
Lower skilled (Levels 1-2)	55	61.1	0	0	7	7.8	13
Skilled (Levels 3-5)	2192	64.7	16	0.5	175	5.2	293
Highly skilled production (Levels 6-8)	7838	64.5	209	1.7	310	2.6	741
Highly skilled supervision (Levels 9-12)	12617	63.9	98	0.5	227	1.1	591
Senior management (Levels 13-16)	1537	72	0	0	5	0.2	36
Contract (Levels 9-12)	1869	96.7	0	0	0	0	0
TOTAL	26108	66.2	323	0.8	724	1.8	1674

HR OVERSIGHT - APRIL 2008 to MARCH 2009 - Mpumalanga - Housing
TABLE 2.1 - Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Pr1: administration, Permanent	212	107	49.5	0
Pr2: housing needs research & plan, Permanent	177	53	70.1	0
Pr3: housing develop implementation & target, Permanent	257	118	54.1	0
TOTAL	646	278	57	0

TABLE 2.2 - Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	5	5	0	0
Skilled (Levels 3-5), Permanent	100	59	41	0
Highly skilled production (Levels 6-8), Permanent	219	99	54.8	0
Highly skilled supervision (Levels 9-12), Permanent	304	98	67.8	0
Senior management (Levels 13-16), Permanent	11	10	9.1	0
Contract (Levels 9-12), Permanent	7	7	0	0
TOTAL	646	278	57	0

TABLE 2.3 - Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	14	3	78.6	0
Engineering sciences related, Permanent	1	0	100	0
Engineers and related professionals, Permanent	23	5	78.3	0
Other occupations, Permanent	605	269	55.5	0
Secretaries & other keyboard operating clerks, Permanent	3	1	66.7	0
TOTAL	646	278	57	0

HR OVERSIGHT - APRIL 2008 to MARCH 2009 - Mpumalanga - Housing

TABLE 3.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated
Lower skilled (Levels 1-2)	5	0	0
Contract (Levels 9-12)	7	0	0
Skilled (Levels 3-5)	100	0	0
Highly skilled production (Levels 6-8)	219	0	0
Highly skilled supervision (Levels 9-12)	304	0	0
Senior Management Service Band A	9	0	0
Senior Management Service Band B	2	0	0
TOTAL	646	0	0

TABLE 3.2 - Signing of Performance Agreements by SMS members

SMS level	Number of Posts	Filled Posts	Total Number of signed Performance Agreements
Salary Level 15	1	0	0
Salary Level 14	5	2	2
Salary Level 13	15	6	6
TOTAL	21	8	8

TABLE 3.3 - Employees with Disabilities

POST LEVELS	AFRICAN		TOTAL
	Female	Male	
1			
2			
3	1		1
4		1	1
5			
6			
7	3		3
8	2		2
9			
10			
11	1		1
12			
13		1	1
14			
15			
16			
TOTAL	7	2	9

HR OVERSIGHT - APRIL 2008 to MARCH 2009 - Mpumalanga - Housing
TABLE 4.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2008)	Appointments	Terminations	Turnover Rate	
Skilled (Levels 3-5), Permanent	0	5	3	0	
Highly skilled production (Levels 6-8), Permanent	0	3	4	0	
Highly skilled supervision (Levels 9-12), Permanent	0	9	1	0	
Contract (Levels 9-12), Permanent	0	11	6	0	
TOTAL	0	28	14	0	

TABLE 4.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2008)	Appointments	Terminations	Turnover Rate	
Cleaners in offices workshops hospitals etc., Permanent	0	0	1	0	
Other administrat & related clerks and organisers, Permanent	0	0	1	0	
Other occupations, Permanent	0	28	11	0	
Trade labourers, Permanent	0	0	1	0	
TOTAL	0	28	14	0	

TABLE 4.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	2	14.3	0	14	0
Resignation, Permanent	5	35.7	0	14	0
Expiry of contract, Permanent	2	14.3	0	14	0
Dismissal-misconduct, Permanent	4	28.6	0	14	0
Retirement, Permanent	1	7.1	0	14	0
TOTAL	14	100	0	14	0

TABLE 4.4 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2008)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	0	1	0	0	0
Civil engineering technicians	0	1	0	0	0
Other administrat & related clerks and organisers	0	2	0	0	0
Other occupations	0	30	0	0	0
Senior managers	0	1	0	0	0
Trade related	0	1	0	0	0
TOTAL	0	36	0	0	0

TABLE 4.5 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2008)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Highly skilled production (Levels 6-8), Permanent	0	8	0	0	0
Highly skilled supervision (Levels 9-12), Permanent	0	27	0	0	0
Senior management (Levels 13-16), Permanent	0	1	0	0	0
TOTAL	0	36	0	0	0

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TABLE 5.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Coloured
Legislators, senior officials and managers, Permanent	2	0
Professionals, Permanent	13	0
Clerks, Permanent	10	0
Craft and related trades workers, Permanent	0	0
Plant and machine operators and assemblers, Permanent	2	0
Elementary occupations, Permanent	96	0
Other, Permanent	1	0
TOTAL	124	0

TABLE 5.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Bands	Male, African	Male, Coloured
Senior Management, Permanent	6	0
Professionally qualified and experienced specialists and mid-management, Permanent	60	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	38	0
Semi-skilled and discretionary decision making, Permanent	18	0
Unskilled and defined decision making, Permanent	2	0
Contract (Professionally qualified), Permanent	0	0
TOTAL	124	0

TABLE 5.3 - Recruitment

Occupational Bands	Male, African	Male, Coloured
Professionally qualified and experienced specialists and mid-management, Permanent	5	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0
Semi-skilled and discretionary decision making, Permanent	0	0
Contract (Professionally qualified), Permanent	0	0
TOTAL	7	0

TABLE 5.4 - Promotions		
Occupational Bands	Male, African	Male, Coloured
Senior Management, Permanent	1	0
Professionally qualified and experienced specialists and mid-management, Permanent	16	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0
TOTAL	19	0

TABLE 5.5 - Terminations		
Occupational Bands	Male, African	Male, Coloured
Professionally qualified and experienced specialists and mid-management, Permanent	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	1	0
Semi-skilled and discretionary decision making, Permanent	1	0
Contract (Professionally qualified), Permanent	0	0
TOTAL	2	0

TABLE 5.6 - Disciplinary Action and Misconduct		
Disciplinary action	Male, African	Female, African
Written Warning	1	0
Final Written Warning	6	
Counselling	1	
TOTAL	8	
Misconduct		
Abcondment	1	
Misuse of State Vehicle	1	
Social Grant Fraud	1	
Misuse of Position		1
TOTAL	4	1

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TABLE 6.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	73	126	57.9	374	5,129
African, Male	75	124	60.5	517	6,899
Asian, Male	2	2	100	23	11,286
Coloured, Female	2	2	100	11	5,302
Total Blacks, Female	75	128	58.6	385	5,134
Total Blacks, Male	77	126	61.1	540	7,013
White, Female	9	13	69.2	45	4,964
White, Male	2	7	28.6	24	12,076
Employees with a disability	2	4	50	6	3,130
TOTAL	165	278	59.4	1,000	6,061

TABLE 6.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	0	2	0	0	0
Skilled (Levels 3-5)	32	59	54.2	73	2,281
Highly skilled production (Levels 6-8)	78	100	78	341	4,372
Highly skilled supervision (Levels 9-12)	49	100	49	383	7,816
Contract (Levels 9-12)	0	7	0	0	0
TOTAL	159	268	59.3	797	5013

TABLE 6.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	6	9	66.7	63	10,500
Bus and heavy vehicle drivers	1	1	100	3	3,000
Civil engineering technicians	1	1	100	4	4,000
Cleaners in offices workshops hospitals etc.	0	5	0	0	0
Client inform clerks (switchboard receipt inform clerks)	3	3	100	12	4,000
Communication and information related	1	2	50	12	12,000
Finance and economics related	1	1	100	26	26,000
Financial clerks and credit controllers	4	7	57.1	25	6,250
Human resources & organisational development & related professions	1	2	50	4	4,000
Human resources clerks	2	3	66.7	9	4,500
Human resources related	1	1	100	54	54,000
Motor vehicle drivers	1	1	100	2	2,000
Other administrative & related clerks and organisers	5	6	83.3	19	3,800

Other administrative policy and related officers	4	5	80	20	5,000
Other occupations	124	211	58.8	663	5,347
Rank: Unknown	0	3	0	0	0
Secretaries & other keyboard operating clerks	7	11	63.6	38	5,429
Security guards	1	0	0	6	6,000
Senior managers	2	4	50	40	20,000
Social work and related professionals	0	1	0	0	0
Trade related	0	1	0	0	0
TOTAL	165	278	59.4	1000	6061

TABLE 6.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Band A	6	0	0	203	3,383
Band B	0	8	0	0	0
Band C	0	2	0	0	0
TOTAL	6	10	60	203	3383.3

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TABLE 7.1 - Foreign Workers by Salary Band									
Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Contract (Levels 9-12)	0	0	6	100	6	100	0	6	6
TOTAL	0	0	6	100	6	100	0	6	6
TABLE 7.2 - Foreign Workers by Major Occupation									
Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Other occupations	0	0	6	100	6	100	0	6	6
TOTAL	0	0	6	100	6	100	0	6	6

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TABLE 8.1 - Sick Leave for Jan 2008 to Dec 2008

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	2	100	1	2.1	2	0
Skilled (Levels 3-5)	114	99.1	15	31.3	8	27
Highly skilled production (Levels 6-8)	107	97.2	23	47.9	5	51
Highly skilled supervision (Levels 9-12)	38	92.1	9	18.8	4	39
TOTAL	261	97.3	48	100	5	117

TABLE 8.2 - Disability Leave (Temporary and Permanent) for Jan 2008 to Dec 2008

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)
Skilled (Levels 3-5)	8	100	1	33.3	8	2
Highly skilled production (Levels 6-8)	14	100	2	66.7	7	7
TOTAL	22	100	3	100	7	9

TABLE 8.3 - Annual Leave for Jan 2008 to Dec 2008

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	12	6	2
Skilled (Levels 3-5)	261	7	38
Highly skilled production (Levels 6-8)	592	8	77
Highly skilled supervision (Levels 9-12)	530	8	64
Senior management (Levels 13-16)	52	7	8
TOTAL	1447	8	189

TABLE 8.4 - Capped Leave for Jan 2008 to Dec 2008

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008	Number of employees who took Capped leave	Total number of capped leave available at 31 December 2008	Number of Employees as at 31 December 2008
Skilled (Levels 3-5)	11	4	65	3	1765	27
Highly skilled production (Levels 6-8)	8	3	60	3	2296	38
Highly skilled supervision (Levels 9-12)	3	3	65	1	2814	43
TOTAL	22	3	64	7	6875	108

TABLE 8.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2008/09	78	7	11143
Current leave payout on termination of service for 2008/09	46	3	15333
TOTAL	124	10	12400

TABLE 9.1 TRAINING PROVIDED

SKILLS PROGRAMME	MALE	FEMALE	TOTAL
SALARY BAND			
Lower Skilled (ABET)	04	10	14
Skilled (level 3-5)	05	17	22
Highly Productive (level 6-8)	07	09	16
Highly supervision (level 9-12)	12	08	20
Senior management (level 13-16)	01	0	01
Unemployed Youth	0	0	0

TABLE 9.2. TRAINING PROVIDED

BURSARY	MALE	FEMALE	TOTAL
SALARY BAND			
Lower Skilled (ABET)	3	12	15
Skilled (level 3-5)	02	01	03
Highly Productive (level 6-8)	06	03	09
Highly supervision (level 9-12)	06	03	09
Senior management (level 13-16)	0	0	0
Unemployed Youth	02	0	02

TABLE 9.3. TRAINING PROVIDED

ANNUAL TRAINING EXPENDITURE

Total amount spent for training	609,802.93
Amount spent for Abet	42,955.00
Amount spent for bursaries	228,358.00
Amount spent for Skills programme	252,160.07
Project Khaedu and EDP	0
Amount spent for Competency assessment	86,329.86

