

## DEPARTMENT OF HOUSING, LOCAL GOVERNMENT & TRADITIONAL AFFAIRS

### Part A : Strategic Overview

#### 1.1 Statement of policy and commitment by the MEC

Let me, from the onset, quote from the State of The Nation Address of the President, His Excellency, President Thabo Mbeki, when he opened Parliament on the 14th February 2003.-

With regard both to changing the lives of South Africans for the better, and building relations of human solidarity with peoples of the world, the tide has turned. Our task is to take this tide at the flood, further to progress towards the achievements of the goals for which so many of our people sacrificed. This is the perspective that will inform our work as we strive to meet our obligations to our people, and the peoples of Africa and the world ... In this regard, we must pay the closest attention to issues of implementation and as practical an approach as possible to the work we all face as South Africans.

When delivering his State of The Province Address to the Provincial Legislature, on the 21 8t February 2003, the Premier tabled five priority areas of work for Province of Eastern Cape, during the Financial Year 2003/04 :

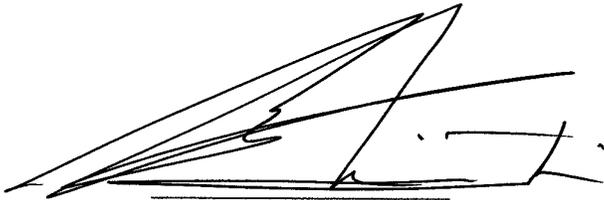
1. a systematic eradication of poverty and the creation of a fiscally sustainable social security system;
2. agrarian transformation and food security;
3. consolidation, development and diversification of the strength of our existing manufacturing capacity;
4. infrastructure provisioning; and,
5. doing battle on the scourge of HIV/AIDS, TB and other menacing diseases.

Both the President and the Premier have laid the line of march for government. This vertical synergy is critical for achieving results coherently. In the context of both statements, the Department of Housing, Local Government and Traditional Affairs will intensify its work in facilitating the provision of houses, municipal infrastructure, and the building of viable municipalities.

As the Minister for Finance, the Hon. Trevor Manuel, interspersed his Budget Speech 2003

*Kufanele kube njalo! Because it is the right thing to do!*

The government has made money available for all of us who are privileged to lead departments, at this critical moment in time in the evolution of our social and economic democracy, to transform the lives of our people for the better.



G. E. Nkwinti

Member of the Executive Council

### 1.1 Overview by the accounting officer

The Government's commitment to a better life for all is reiterated by this plan. The department's contribution to the realization of Government's vision is

- (i) by providing quality houses to our deserving and qualifying citizens and at the same time creating employment opportunities.
- (ii) By establishing viable and sustainable local government.

For the years 2003/4 there's no major policy shift except for the establishment of the Eastern Cape Municipal Development Corporation (ECMDC) that seeks to address the dynamic and complex challenges that we have encountered in the local government arena.

All our programmes are aligned and addressing our national priorities. During this period the department will mainly focus on the following aspects:

- Systematic elimination of housing backlog through demand driven housing delivery process
- Improved quality of house delivered and Housing Subsidy Management
- Stabilization of new municipalities
- Facilitate and monitor the implementation of ISRDP and URP
- Monitor, review and evaluate the performance of municipalities
- Fostering sound relations between government and traditional institutions
- Effective and efficient financial management
- Render prompt, efficient, professional and quality services to all stakeholders.

This plan echoes our commitment to service delivery and is underpinned by the Integrated Development Plans.

As a learning organisation we will review our objectives and strategies regularly and constructive criticism is welcome.



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S. Maye  
Head of Department

## 1.2 Vision

An efficiently and effectively managed department, in partnership with viable municipalities wherein all communities enjoy equal access to basic social and economic services through integrated and sustainable development programmes.

## 1.3 Mission and strategic goals

### Mission

To facilitate and promote the establishment, development and maintenance of sustainable municipalities and delivery of housing through effective community participation and co-ordinated planning and capacity building

### Strategic Goals

- Rendering political and strategic direction to the department.
- To promote integrated housing development that emphasises job creation, skills development, comprehensive tenure, sound supportive infrastructure and quality product through maximum participation by all role players.
- To promote developmental local government, and stabilisation of sustainable municipalities through effective community participation, co-ordinated planning and capacity building.
- Fostering Sound relations between government and traditional institutions through enhancing the institutional capacity of Traditional and Regional Authorities
- Rendering financial management, accounting services and procurement and provisioning services to the department

## 1.4 Values

Our values are people orientated and are based on Batho Pele Principles.

- We shall always consult our customers on the level, quality and choices of the services we offer.
- We shall set high standards geared toward effective and efficient service delivery.
- We shall give equal access to our services to all, including special programmes aimed at Youth, HIV/AIDS and physically challenged persons.
- We believe that our customers are entitled to be treated courteously and with the highest level of professionalism

## 1.5 Legislative and other mandates

### 1.5.1 Constitutional Mandate

The Department of Housing Local Government and Traditional Affairs conducts its activities in relation to the general responsibilities assigned to the provincial government in respect of the Constitution of 1996 (Act 108 of 1996). The following sections are applicable to this department:

Section 26, Schedule 4 (Housing)

“Every one has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources to achieve the progressive realisation of this right.”

Section 154 (Local Government)

“The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and perform their function.”

Section 155(6)

Provide for the monitoring and support of local government in the province;

Promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs.”

Section 155(7)

“Provincial government has the legislative and executive authority to see to the effective performance by municipalities of their function in respect of matters listed in Schedule 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in Section 156(1)”

### 1.6.2 Other

WHITE PAPERS	LEGISLATION
Housing White Paper	Housing Act 107 of 1997
Local Government White Paper	Local Government Transitional Act 1993
RDP Document	Municipal Structures Act as amended
Disaster Management White Paper	Municipal Systems Act
Water and Land Affairs	Township Ordinance Act 33 of 1934
Human Resource White Paper	Public Finance Management Act as amended
Affirmative Action White Paper	Public Service Act 1994
Urban Development Framework	Labour Relations act 66 of 1995
Rural Development Framework	Treasury Regulation 2002.
	Public Service Regulations
	Land Use laws
	Valuation Laws
	Land Survey Act
	Division of Revenue Act

## 1.6 Description of status quo

### 1.6.1 Summary of service delivery environment and challenges

There are pockets of excellence but generally the province is characterised by municipalities some of which exhibit the following shortcomings:

- Weak administration
- Lack of political leadership
- Poor financial management
- Infrastructure backlogs
- High unemployment levels
- Poverty
- Unplanned human settlements that impact negatively on the environment
- Institutional debts
- Patches of fraud and corruption
- Skewed development with the former homeland areas requiring greater developmental focus
- Constant challenges of managing the marriage between traditional institutions and democracy
- The scourge of HIV/AIDS

### 1.7.2 Summary of organisational environment and challenges

#### 1. De-regionalisation

- The phasing out of regional offices has the following consequences
- Insufficient office space - limited accommodation
- Low staff morale in regional offices

#### 2. Generic managerial skills levels

- Average to above average

#### 3. Critical Skills and systems

- Serious shortages of critical skills e.g. engineering skills
- Inflexible systems e.g. financial controls

#### 4. Strategic leadership

- Poor planning and co-ordination
- Low staff morale and poor motivation

### 1.7 Description of strategic planning process

The Executing Authority of the Department announces the key strategic priorities of the department.

Top Management translates these strategic priorities into strategic goals and objectives that are then assigned to each programme of the department

Each programme manager, together with all his managers and senior staff from the level of senior admin officer upwards then draw operational plans for their programme.

On August 28, 2002 the department had a scheduled budget meeting of all programmes that amongst others adopted a programme for revisiting the strategic priorities and drawing operational plans for 2003/2004.

A strategic review work-session was held at Fort Hare on 3 December 2002 where a decision was taken to reposition the department to tackle under-spending and other challenges.

Top and senior management held a strategic reviewal workshop on 11 to 13 December 2002 to address these problems. The factors or problems were encompassed and linked to six identified focus areas and solutions were developed.

The multi disciplinary technical team consisting of officials from middle management gave the necessary secretariat support to the process.

A Technical work-session was held on 7 to 9 January 2003 to supplement the information developed by top and senior management. Based on the draft Strategic Reviewal Report, the Technical Team defined the six focus areas, completed a SWOT analysis, tested the proposed solutions by the application of a Feasibility Test Matrix and lastly identified areas where the Department needed to realign their objectives with National and other Provincial programmes.

## Part B: Programme and sub-programme plans

### 1.8 Strategic Objectives

<p><b>STRATEGIC GOAL 1: GIVING POLITICAL AND STRATEGIC DIRECTION TO THE DEPARTMENT</b></p> <p><b>STRATEGIC OBJECTIVES:</b></p> <ol style="list-style-type: none"> <li>1. Overseeing and co-ordinating implementation of national and provincial policies and strategies</li> <li>2. The generation and co-ordination of broad departments policies and strategies</li> <li>3. Overall supervision of the implementation of policies and strategies</li> <li>4. Special programmes and communications; and</li> <li>5. Accountability (politically and financially) for the overall performance of the department</li> </ol>
<p><b>STRATEGIC GOAL 2: RENDERING FINANCIAL MANAGEMENT AND PROCUREMENT SERVICES TO THE DEPARTMENT IN EFFICIENT, EFFECTIVE AND TRANSPARENT MANNER</b></p> <p><b>STRATEGIC OBJECTIVES:</b></p> <ol style="list-style-type: none"> <li>1. Attaining a clean Audit Report through the elimination of control weaknesses as identified by the Auditor General</li> <li>2. Implementation and/or consolidation of risk management and fraud prevention</li> <li>3. Consolidation of management reporting</li> <li>4. Social impact assessment of expenditures of the department</li> <li>5. Development, implementation and maintenance of systems and procedures for the prompt payment of obligations</li> <li>6. Full implementation of the requirements of the Public Finance Management Act</li> <li>7. To inculcate a service culture in the directorate through appropriate training and development</li> <li>8. To develop Accounting and other appropriate Financial Management skills in the Directorate</li> </ol>
<p><b>STRATEGIC GOAL 3: PROMOTION OF INTEGRATED HOUSING DEVELOPMENT</b></p> <p><b>STRATEGIC OBJECTIVES</b></p> <ol style="list-style-type: none"> <li>1. Giving strategic direction and management of all housing development functions</li> <li>2. Systematic elimination of the housing backlog through a demand driven housing delivery process</li> <li>3. Successful transfer of state rented houses</li> <li>4. Encourage private bond holders to respond positively to the government's initiatives in assisting them</li> <li>5. Facilitating the provision of sustainable municipal infrastructure and related capacity building</li> <li>6. Improve the quality of houses delivered</li> <li>7. Improve housing subsidy management</li> <li>8. Resequencing of housing delivery protocol and the promotion of public-private partnerships</li> <li>9. Rural housing development</li> </ol>
<p><b>STRATEGIC GOAL 4: TO PROMOTE DEVELOPMENTAL LOCAL GOVERNMENT</b></p> <p><b>STRATEGIC OBJECTIVES</b></p> <ol style="list-style-type: none"> <li>1. Giving strategic direction and co-ordination of functions of the developmental local government branch</li> <li>2. Stabilisation of new municipalities</li> <li>3. Strengthening the capacity of local and district municipalities</li> <li>4. Promotion of effective disaster management system</li> <li>5. Promotion of youth developmental programme</li> <li>6. Promotion of local economic development programme</li> <li>7. Monitor, review and evaluate performance of municipalities</li> <li>8. Facilitate and monitor implementation of the Integrated Sustainable Rural Development Programme (Rural Development)</li> <li>9. Facilitate and monitor implementation of Urban Renewal Programme (Urban Development)</li> </ol>
<p><b>STRATEGIC GOAL 5: FOSTERING SOUND RELATIONS BETWEEN GOVERNMENT AND THE TRADITIONAL INSTITUTIONS THROUGH ENHANCING INSTITUTIONAL CAPACITY OF TRADITIONAL AND REGIONAL AUTHORITIES</b></p> <p><b>STRATEGIC OBJECTIVES</b></p> <ol style="list-style-type: none"> <li>1. Strengthening communication between traditional authorities and government</li> <li>2. Rendering administrative support to the House of Traditional Leaders and traditional institutions</li> <li>3. Conduct research and policy development on traditional matters</li> </ol>
<p><b>STRATEGIC GOALS: 6 RENDER PROMPT, EFFICIENT, PROFESSIONAL AND QUALITY SERVICE TO ALL STAKEHOLDERS.</b></p> <p><b>STRATEGIC OBJECTIVES:</b></p> <ol style="list-style-type: none"> <li>1. Coordination, overseeing and giving direction on functions of Corporate Services &amp; Traditional Affairs branch</li> <li>2. Provisioning of human resources and maintenance of conditions of service.</li> <li>3. Facilitate and co-ordinate skills development in terms of Skills Development Act.</li> <li>4. Promotion of Human Resource best practices and enhance good working environment</li> <li>5. Consolidation of staff establishment and Job analysis</li> <li>6. Provision of office services, registry and fleet management.</li> <li>7. Improvement of departmental operations in line with technological advancement.</li> <li>8. Measuring and maintenance of organisational and individual performance including SMS.</li> <li>9. Establishment and maintenance of a departmental Resource Centre.</li> </ol>



## 1.9 Measurable objectives, performance measures and performance targets

**Table 1: Reporting objectives, strategies, outputs, measures**

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
<b>1 Executive Programme</b>	Programme Aim: Giving political and strategic direction to the department				
<b>1.2.Head of Department</b>	<i>The overall aim of the sub-programme strategic direction to the department</i>				
1.2.1 <i>Overseeing and coordinating implementation of National and Provincial policies and strategies</i>	<i>Strategic plan developed and implemented</i>	R10000	Number of quality houses	Better life for all	Ongoing
1.2.2 <i>Generation and coordination of broad departmental policies and strategies</i>	<i>Policies developed and implemented</i>	R40000	Reduction in policy gaps	Effective policies	Ongoing- quarterly
1.2.3 Overall supervision of the implementation of policies and strategies	Implementation of policies and strategies	R50000		Positive feedback from stakeholders	Ongoing- quarterly
1.2.4 Accountability(political and financial) for the overall performance of the department	Financial and social impact reports	R150000	Reduction of variance	Improved service delivery	Ongoing- quarterly
<b>1.5 Financial Management</b>	<b>To render financial management and procurement services to the department</b>				
Development of financial management skills	Skilled personnel	R753 400 budget	70 staff members	Improved performance per trainee	31 March 2004
PFMA Implementation	Compliance with the PFMA and other pertinent legislation	R200 000 budget	Reduction or elimination of audit queries	Well documented an fully operational Internal Controls and Procedure	30 Sept 2003

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Procurement	<ol style="list-style-type: none"> <li>1. Compliance with Prescripts governing procurement</li> <li>2. Well provisioned department with minimal or no stock-outs</li> <li>3. Empowerment of Previously Disadvantaged Individuals or Affirmative Business Enterprises</li> </ol>		<p>No stock-outs</p> <p>60% of all purchases from PDI's or ABE's</p>	<p>Regularly updated database of suppliers</p>	30 April 2003
<b>2 Programme 2: Housing</b>	<b>Aim of the programme: Promotion of Integrated Housing Development</b>				
<b>1. Strategic Objective: Systematic Elimination of the Housing Backlog through a demand driven housing development process</b>					
Quantify housing backlog through a proper funding strategy	Developed provincial Database identifying qualifying Beneficiaries	R300000 (verification)	Municipalities, especially those within the ISRDP and URS nodes to develop a database of potential beneficiaries (Backlog estimated at 700 000 beneficiaries in the Province)	Accurate, reliable and verified housing backlog in Province	March 2004

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Apportioning of conditional grant according to demand	Proper utilization of allocated resources	R641m Allocation (to be replaced by a demand driven budget allocation)	30 000 (housing products) 1 <sup>st</sup> Quarter- 4 500 2 <sup>nd</sup> Quarter- 6000 3 <sup>rd</sup> Quarter- 7 500 4 <sup>th</sup> Quarter- 12 000	Prioritise conditional allocation according to demand - Performance based Allocation - prioritise ISRDP and URS nodes	March 2004
Updating database and maintaining records on level of services at municipal level throughout the Province	Database populated with up to date information.	R120 000 (Part of Personnel and Admin expenditure)	45 Municipalities	Reliable information regarding infrastructure	31/03/04

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Housing delivery throughout the Province with comprehensive ownership granted to beneficiaries within stipulated project timeframes	Identified blockages in respect of land related matters in housing projects	R100 000 (Aktex searches)  R1 367 000 (DFA Tribunal)  R110 000 (Appeal Tribunal)  R70 000 (Tribunal Secretariat)  R45 000 (Mediators)  R130 600 (Planning Boards)  R211 100 (Upgrading of Tenure Rights)  R140 000 (State Attorney)	Monthly meetings of the Land Use Planning Board, Township Board, Planning Advisory Board; Hearings of the Development Tribunal and Appeal Tribunal within statutory timeframes	Appropriate land for housing development released and comprehensive home-ownership ensured	Ongoing/ needs driven programme - monthly sittings of statutory bodies; Monthly submissions of land release applications received from municipalities to PSLDC

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Establish Database on available land for housing development	Identified land for housing development to address housing backlog	R65 000 (Deeds Searches)	Information available i.r.o. all six district municipal areas	Information verified against approved IDP's of six District Municipalities	Ongoing activity with regular six monthly updates of information

2. Strategic Objective: Improved quality of house delivered					
Facilitate the establishment of housing units in municipalities	Functional housing units within municipalities with suitably trained housing personnel	R1.225M (capacity building grant and Land Admin Capacitation Grant)	Training of 100 housing practitioners. 1 <sup>st</sup> qtr. -10 2 <sup>nd</sup> qtr. -30 3 <sup>rd</sup> qtr. -30 4 <sup>th</sup> qtr. -30	Ensure adherence to norms and standards by service providers	Quarterly reports
Enforced norms and standards	Improved quality of houses and infrastructure	Part of Personnel and Admin expenditure	30 000 quality housing products delivered	Adherence to norms and standards	Monthly reporting
3. Strategic Objective: Improve housing subsidy management					
Enhancement of capacity at municipal sphere through the Municipal Mentoring Project.	Projects implemented in accordance with IDP's	R16 000 000 (CMIP funded capacity building programme)	40 Municipalities	Improvement in the quality of business plans, implementation and project management of projects	31/03/04
Compliance with service delivery targets	Improved service delivery in terms of time and quality	R4 200 000 (for the outsourcing of the project management function)	Relocation of an additional 10 000 families in flood plains (R204M)	10 000 families successfully relocated to a safe environment	During MTEF period

<b>4. Strategic Objective: Resequencing of the housing delivery protocol</b>					
Improved local economic development and social stability	Job creation and skills development within designated groups	R150M	An amount of up to 25% of annual allocation to be utilised by designated groups	Adhering to National, Provincial and Departmental policies on equity	During MTEF period
<b>5. Strategic Objective: Successful Transfer of State rented houses</b>					
Phasing out of rental stock in terms of the State Discount Benefit Scheme	Successful transfer of rental stock to qualifying occupiers/municipalities	R13.2M (Potential cost measure)	Successful transfer of 40 000 houses into the names of qualifying occupants	Phasing out of old subsidies in accordance with NDOH timeframes	During MTEF period
<b>6. Strategic Objective: Getting people who earn regular income to pay for services rendered to them by their municipalities</b>					
Assisting Municipalities to implement and maintain a management information system	Improved monitoring of services provided and revenue collected	R250 000	40 Municipalities	Implementation of the free water policy in municipalities	31/03/04
Implementation of projects specifying utilization of labour base methods, linking local economic development with infrastructure development	Utilization of SMME's, emerging contractors, ABE's and Joint Ventures.	R75 000 000 (Included CMIP allocation)	700 000 job opportunities created (person days)	Accreditation of emerging contractors	31/03/04
Facilitate the prioritization of projects, approval of business plans and implementation of CMIP projects	Improved operation and maintenance of infrastructure through the implementation of new, upgraded or rehabilitated infrastructure	R569 000 000 (CMIP)	125 000 households	Access to at least a basic level of service to low income households	31/03/04
<b>7. Strategic Objective: Rural Housing Development</b>					
Ensure housing development in rural areas	Proper utilisation of proportionate rural housing subsidy	R64m (10% of Housing Allocation)	Delivery of 3 200 housing products	Sound and performance based allocation	During MTEF period

3. Programme 3	Programme Aim: To promote developmental local government				
1 Objective: Giving strategic direction & co-ordination of functions of the developmental local government branch					
2 Objective: Stabilisation of new municipalities					

Assist municipalities in designing organograms based on powers and functions of municipalities	Approved organograms based on powers and function.	R1 900 000	27 municipalities with approved organograms	Organogram, IT and Financial Policies and by-law that enable municipalities to execute their obligations.	01/04/2003 to 31/03/2004
Facilitate consolidation of constituent administrative units	Unified municipal organisational structure and personnel.		Municipalities that perform as unified entities	Personnel and administration records available in proper filling index	01/04/2003 to 31/03/2004
Assist municipalities in updating of human resource records	Updated HR records located at the central database of municipalities.	R1 949 010	Municipalities with update human records	Same as above.	01/04/2003 to 31/03/2004
Assist in formulation and implementation of uniform policies and by-laws	Adopted by-laws and policies in place	R1 900 000	Uniform by-laws and policies for municipalities	Rationalised by-laws that are not in conflict with the constitution and are legitimately accepted by communities	01/04/2003 to 31/03/2004
Assist municipalities with the establishment of ward committees			34 municipalities	Functional ward committees that are effectively carry out their functions.	01/04/2003 to 31/03/2004
Assist in adoption of rules and orders			45 municipalities	Reduction of litigation to have facilitation committees that respond to authorised powers and functions appropriately.	01/04/2003 to 31/03/2004
The compilation of documents spells out roles and responsibilities of councillors and officials ( each official/councillor to understand roles and responsibilities.	Improved capacity for proper governance and management of municipal affairs	R1 900 000	45 municipalities 5 workshops per District Municipality	Capacitated councillors and officials for effective and efficient service delivery.	01/04/2003 to 31/03/2004
Facilitate performance of authorised powers and functions.		1 900 000	All municipalities together with departmental officials who will effectively and efficiently carry out their functions	Reduction of litigation to have facilitation committees that respond to authorised powers and functions appropriately.	01/04/2003 to 31/03/2004
Evaluation of reports on mal-administration and embezzlement of goods/produce and corruption in projects.	Implementation of rules and orders	R250 000	6 District municipalities, 38 local municipalities metro and other stake holders	Lower rate of corruption and embezzlement of funds	01/04/2003 to 31/03/2004
Build capacity within the department at local level.	Enhanced participatory local governance.	R10 000 000		Improvement of service delivery at municipal level	01/04/2003 to 31/03/2004
Assist the department to monitor, strategically review, evaluate, supervise, support, and strengthen municipalities. with their IDPs.	Powers and functions that are operational.	R26 000 000 for transfer: Amathole DM R4m, O.R. Tambo DM R4m, Alfred Nzo DM R3m, Cacadu DM R2m, Chris Hani DM 3m, Ukhahlamba DM R2m, Nelson Mandela R4M, Buffalo City R2m and KSD R2m		Implementation of disaster management policy in the affected areas	01/04/2003 to 31/03/2004
Coordinate capacity building and training initiatives .	Sustainable service delivery for communities.				
Mentor and ensure the transfer on skills.	Effective and efficient department in partnership with competent municipal officials				
Facilitate development of Provincial Disaster Management policy	Uniform disaster management				
DEPARTMENT OF HOUSING, LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS STRATEGIC PLAN					
			2003/06		

<b>3 Objective: Promotion of an effective disaster management system</b>					
Facilitate the development of Disaster management plans as per the act.  Establishment of disaster management satellite centres.  Organise service providers for certified courses in disaster management, first aid and fire fighting for municipal officials and volunteers. Address the plight of homeless and destitute families (repair houses).	Integrated disaster management plans.  Strengthened disaster management centres.  Trained officials and volunteers.  Restoration of normal life in communities (homeless and destitute).		Provincial government departments and municipalities. 6 District municipality  Conduct of training by service providers on various disciplines at local level. Depending on the nature of damage	Operational disaster management plans. Established disaster management satellite centres in each district municipality. Trainees awarded with credited certificates.  Resistant structure to disaster	01/04/2003 to 31/03/2004  01/04/2003 to 31/03/2004  01/04/2003 to 31/03/2004
Establish fire and emergency services in the local municipalities and purchase of fire fighting equipment.	Provision of effective fire brigade service by municipalities.	R5m for transfers to purchase 3 fire engines for Amatole, Chris Hani and Cacadu DM	Local municipalities	Ability to respond within reasonable time	01/04/2003 to 31/03/2004
<b>4 Objective: Promotion of youth development programmes</b>					
Facilitate establishment of youth development programmes	Job creation skill development high level of HIV /AID awareness	R500 000 for Cacadu DM and R500 000 for Chris Hani DM	Number established youth development projects	Empowered youth through skill development programmes	01/04/2003 to 31/03/2004
<b>5 Objective: Promotion of local economic development programme</b>					

Assist with the establishment of six District economic development forums.	Enhance community participation in development of six strategies.	R600 000	Six integrated strategy for the promotion of the economic growth and development for each district	Focused strategy on increased on economic activities and investment for each district.	01/06/2003 to 31/03/2004
Establishment of LED units at district municipality level.	Effective and efficient operation of the LED unit in all District Municipalities.	R1 500 000	Six LED Units for the promotion of economic growth and development for each district.  One viable an economically sustainable number of projects in Alfred Nzo.		01/06/2003 to 31/03/2004
Establish disabled peoples project in Alfred Nzo	Income generating projects aimed for disabled people.	R200 000	Gamtoos Valley R300 000, Dikidikana and Mbombo villaged of ward 9 Buffalo City R300 000, Qunu Lots in Mhlontlo municipality R100 000, Maluthi Adventure Trails R400 000, Vusibuntu Cultural Centrein Nxuba Yethema municipality R300 000, Lady Frere Cultural Centre in Emalahleni mun R200 000, Bawa Falls Amathole DM R300 000, Walmer Enterprize village in Nelson Mandela Metro R400 000, Gcina Community Garden in Engcobo R100 000, Brick making project Bathurst R200 000 and Baviaans mun for toilet roll and paper towel manufacturing project R550 000	Improved economic conditions for a disabled group.  Revived abandoned arable land for agricultural production. Reduction in poverty rate increased job opportunities increased revenue generation	01/06/2003 to 31/03/2004
Transfer of LED funds to District and Local Municipalities. Submission of reports on inspection site visits and progress on KPI'S contained in initial business plan.	Established viable and economically sustainable development projects.	R2 950 000			01/06/2003 to 31/03/2004
<b>6 Objective: Facilitate and monitor implementation of ISRDP</b>					
Transfer of funds to projects Rural Economic Development Zones (REDZ)	Sustainable and economically viable community development projects identified through Exco outridge visits	R650 000	Fort Brown R100 000, Mafube Village R200 000, Kieskammahoek R100 000, Ngcabasa Village R250 000	Sustainable and viable development projects in all the identified nodes	01/06/2003 to 31/03/2004
Transfer of funds to municipalities to establish sustainable and economically viable rural development projects (ISRDP)	Establish viable rural projects	R5 000 000	Visible projects in all the nodes identified DM's which are nodal areas and one(Elliotdale)	Sustainable and viable rural development projects in all identified rural nodes	01/06/2003 to 31/03/2004
<b>7 Objective: Facilitate and monitor implementation of URP</b>					
Transfer of Urban Renewal funds to establish sustainable projects of infrastructure and SMME's	Revival of decaying urban centers . Improved infrastructure and business investments identified urban nodes	R13 000 000	Visible sustainable economic development, SMME's and infrastructural projects for Mdantsane:R5m, Motherwell: R5m, Ngangelizwe: R3m	Improved infrastructurefor better industrial recruitment and business attraction, and increased SMMEs establishment.	01/06/2003 to 30/06/2004
<b>8 Objective: Strengthen the capacity of Local and District Municipalities</b>					

Support through financial aid and putting systems in place	Prevention and inquiry into corruption and mal-administration, reduction in number of request for financial management	R30 271 000	21 municipalities and 2 District municipalities (DHL&TA)	A number of unqualified Audit Reports and Commission of enquiry	01/04/2003 to 31/03/2004
Support through management support (conditional grants)	Sound and effective financial management system Reduction of statutory debts e.g. P.A.Y.E, SARS, Pension etc	R29 350 000	12 municipalities 4 District municipalities and project managers (DPLG)		
Conduct internal audits and special investigations	Elimination of mismanagement and corruption	R3 000 000	4 municipalities	Reduced audit queries	01/04/2003 to 31/03/2004
Assist municipalities with audit fees	Audited annual financial statements	R1 000 000	Depending on needy municipalities	Unqualified audit report and financial statements	01/04/2003 to 31/03/2004
Facilitation of preparation of municipal Integrated Development Plans.	Sustainable and viable municipalities operating within the guide lines of IDP's	R1 715 000	45 municipalities	Adopted, assessed /or amended Integrated Development plans in compliance with Municipal Systems Act. Compliance with the requirements in terms of the Land Use Act	01/04/2003 to 31/03/2004
Municipal Spatial development frame work plans.	Appropriate spatial development framework for the implementation of land use management system	R2 250 000			01/04/2003 to 31/03/2004
Settlement Planning and Land Use Management	Well planned and developed settlements	R 5 500 000	20 000 planned sites within municipalities	Compliance with the requirements in terms of the Land Use Act	01/04/2003 to 31/03/2004
Cadastral Surveys and Mapping	Well defined property boundaries	R7 543 000	20 000 surveyed sites within municipalities	Compliance with set standards	01/04/2003 to 31/03/2004
Land information system	Establish and maintain cadastral information on land	R200 000			
Municipal valuation Rental Expropriation and capital valuation	To compile municipal valuation rolls	R3 800 000	Preparation of valuation rolls in 10 municipalities	Number of rate payers accepting or rejecting valuation rolls	01/04/2003 to 31/03/2004

<b>9 Objective: Monitor, review and evaluate performance of municipalities</b>					
3.5.1 Assist municipalities in developing Performance Management System	Availability of sustainable performance management system	R2 000 000	37 Municipalities	Further improvements of performance of municipalities on service delivery	01 April 2003 - 31 March 2004
Assess performance of Municipalities and reward for best performance	Identification of best performing Municipalities	R1 126 020	45 Municipalities	Best performing Municipalities	01 April 2003 - 31 October 2003
3.5.2 Monitor Municipal compliance and adherence to Legislation and procedures	Continuous and consistent adherence to legislation, policies and procedures	R200 000	43 Municipalities	Implementation of policies and procedures by Municipalities	01 April 2003 - 31 March 2004
3.5.3 Promote Intergovernmental Relations among Municipalities	Implementation of the Intergovernmental Framework / Policy	R300 000	45 Municipalities	Significant improvement in cooperate governance	01 April 2003 - 31 March 2004

4.1 Chief Director COSTA					
Co-ordination of Corporate and Traditional Affairs					
Co-ordinate and give leadership to the three Directorates.	Professional and effective support services aligned to the departmental strategic plan	R103 000		Operations in line with Batho Pele principles	01/04/2003 to 31/03/2004
Performance appraisal.	Efficient and effective service delivery.	Same as above	Performance Plans in place and evaluated quarterly.	Audit queries reduced by 50%	01/04/2003 to 31/03/2004
Coordinate Systems Development Process in the Branch.	Synchronised and complementary activities	Same as above	HRM & Office services Systems established and workshopped	Progressive achievement of strategic goal	01/04/2003 to 31/03/2004
Coordinate cross-functionalism processes within the branch.	Cross-functional operations within the branch.	Same as above	Employment Equity, Safe and Healthy environment.	Validation report on all branch plans. Systems in line with Regulations Timeous completion of all projects	01/04/2003 to 31/03/2004
Manage Employment Equity.	Employment Equity Plan operational.		Quarterly reports and annual report prepared and submitted to Department of Labour	Report meets criteria set by department of Labour.	01/04/2003 to 31/03/2004

4.2 Human Resource Management					
Provisioning of human resources and maintenance of conditions of service					
Implementation of the PSBC resolution No 7 of 2002	Excess personnel transferred to other departments services of personnel additional to the establishment to be transferred	R5 269 000	Report on Phase 1 of person to post matching by May 2002. 36 (Tuba camp) 400 (Education)	Accurate Personnel expenditure	31-Mar-04
			952		"
Formal admission to Pension fund	All employees admitted to pension fund.		Departmental Staff	Accurate data-base	"
Maintenance of records	National Minimum Information Requirement met		All critical vacant post filled		31 -March - 2004
Advertising and filling of vacant posts considering merit.	Skills matched with relevant posts		30% of staff	Skills shortage will be addressed	31 -March - 2004
Processing incentives that will include Notch increments, promotions and rewards	All incentives for the current year will be implemented.		10% of staff	Enhanced performance	31 -March- 2004
Administration of service terminations.	Service benefits for employees who have left the service will be processed			Reduction in the number of staff	31 -March- 2004
					"

<b>4.3 Human Resource Development</b>					
<b>Facilitate and co-ordinate skills development in terms of Skills Development Act</b>					
Implement a departmental Workplace Skills Plan 2003/04.	Skilled workforce	R3 902 000	Training according to needs	100% compliance with SDA.	31-Mar-04
Coordinate the activities of the Skills Development, Education and Training Committee.	Bursary Policy in Place		Awarding bursaries	Fully functional structure	
Review Skills Audit in terms of changes in the organisational structure.	Established HRD committee			Reviewed skills audit report in place	
Impact analysis of training.				Impact analysis report in place.	
Implementation of the succession plan and programme.				A pool of recruits to meet employment equity targets in place	
Review of Bursary Policy				Bursary policy in place	
<b>4.4 Personnel Practice &amp; Labour Relations</b>					
<b>Promotion of Human Resource Best Practices and enhance good working environment</b>					

Develop and workshop HR policies.	Departmental HR policies in place.	R398 000	2 workshops.	Understandable, user - friendly policy that have sufficiently consulted.	31-Mar-04
Review HR procedure manuals	HR procedure manual in place		6 interviews and 1 workshop	Understandable and user friendly manuals	
Ensure that delegation of powers are implemented	Amended version of HR developed delegations in place.		2 workshops	Understandable and user-friendly delegations understood by everyone	
Implement and review HR plan.	Integrated HR plan that links with strategic plan of department in place.		Annual submission to OTP and DPSA	Consulted HR plan that addresses things like HIV/Aids in the workplace	
Implement and monitor Employment Equity Plan	Employment Equity developed and implemented		Annual submission to Department of Labour	Consulted and agreed upon Employment Equity Plan	
Develop and implement a succession plan	Succession plan guide and procedure in place		2 workshops held.	A consulted Succession Plan	
Conduct an orientation programme for newly appointed	Orientation program in place and fully functional		Staff members aware of their conditions of services and transformation issues	Accurate information on conditions of service	
Conduct HR update					

Promote human resources best practices through research, investigations, policy development and giving advice	Manual on best practices in place.	As above	Reports on analysis and research conducted	User-friendly questionnaires and written accurate advice that is given promptly.	31 March 04
Deal with misconduct cases	All misconduct cases dealt with.		Monthly and quarterly reports	Up-to-date in Formation	31-Mar-04
Deal with conciliation and arbitration matters	All conciliation and arbitration matters dealt with		Reports on cases	Up-to-date information	
Advice management on labour relations matters	Managers capable of taking informed decisions		Circulars, memoranda and quarterly meetings	Full, accurate, up-to-date information	
Promote sound labour relations within the department	Employer/employee forum in the department exists				
<b>4.5 Traditional Affairs</b>					
<b>Fostering sound relations between government and the Traditional Institutions through enhancing institutional capacity and regional authorities</b>					

Secure agreement with District Municipality Managers on condition of the transfer and use of funds.	Renovation of Traditional Institutions	R2 344 000	2 per quarter		01/04/2003 to 31/03/2004
Transfer of funds and implementation of the projects.	Funds transferred to District Municipalities	R3 392 408	All Great Places provided with resources	Standard quality resources installed and improve relations	30/06/2003
Provision of resources for Kings e. g. Telephones and Fax machines.	Improved communication with Kings	R500 000	All Traditional Institution supplied with stationary	Good quality stationery supply	01/04/2003 to 01/03/2004
Provision of stationery and cleaning material for Traditional Leaders and Institutions.	Adequately resourced Traditional Institutions	R128 000	11 Cars acquisitioned for Kings	6 VIP cars acquired	01/04/2003 to 01/03/2004
Acquisition of motor transport for kings	Cutting out expenses of hiring of transport for Kings and their entourage	R4 663 000			01/04/2003 to 01/03/2004

Provision of targeted training intervention for Traditional Leaders and staff of Traditional and Regional Authorities.	Traditional Leaders and staff capacitated to implement efficient and transparent financial management system	R1 000 000	All Heads of Traditional Authorities and Secretaries trained	Appropriate and targeted training interventions done for Traditional Authorities and secretaries	01/04/2003 to 31/03/2004
Conducting workshops for all Regional Authorities	Workshops for 10 Regional Authorities conducted.	R259 592	10 Regional Authorities workshops conducted	Improved relations Traditional Leaders aware of their roles and responsibilities	01/04/2003 to 31/03/2004
Submission of policy proposal to the National Department	Provincial policy inputs submitted	R500 000	10 Regional Authorities workshops conducted	Improved relations Traditional Leaders aware of their roles and responsibilities	01/04/2003 to 31/03/2004
Verbatim recording and hard copy production	Accurate recording of the House proceedings	R120 000			01/04/2003 to 31/03/2004
Staging of meetings with Queens for purposes of monitoring of projects.	Poverty alleviation through establishment of project for local economic development in Traditional and Regional Authority jurisdictional areas.	Existing funds allocated for workshops	All Queens trained	Targeted training intervention	01/04/2002 to 31/03/2003
Training of Queens in Project Management	Operations in line with policy on Traditional Affairs		Three commissions established and Provincial Policy on Traditional Affairs developed and implemented	Provincial policy in line with the constitution and provincial/national priorities	01/04/2003 to 31/03/2004
Conduction of provincial conferences on genealogy and policy development					

4.6 Work-study & Admin Evaluation					
Consolidation of staff establishment and job analysis					
Conduct Organisation and establishment investigation when required for department, Traditional Authorities and municipalities	Organisational structure developed and approved	R328 000	Approved organisational structure implemented	Organisational establishment linked to mandated functions	31-Mar-04
Review departmental Filing system	Filing systems developed and finalised.		Revised Filing system in place.	Filing system linked to organogram and meeting Archives requirements	01/04/2003 to 31/03/2004
Conduction of Job Evaluation	All critical posts evaluated		50% of vacant posts subjected to job evaluation	Evaluated posts linked to appropriate remuneration	01/04/2003 to 31/03/2004
Advise on Office Accommodation requirements	Accommodation for all personnel determined		Staff accommodated	Offices allocated properly according to specification	01/04/2003 to 31/03/2004
Advise on labour saving devise (Photocopiers, computers, etc)	Provision of proper labour device		Appointed Staff provided with labour saving device	Provision of Labour Saving devise based on organogram	Same as above
Forms designed and amendments made	Properly designed forms		Forms provided for COSTA	Designed forms linked to mandated functions	Same as above

<b>4.7 Office Services</b>					
<b>Provision of office services, registry and fleet management</b>					
Provisioning of office services (i.e. logistical support, acquire labour aids, management of transport.	Proper provisioning and effective management of labour serving devices.	R 8 730 000	All officials provided with required labour support materials	Administer support rendered according to the required standards	31-Mar-04
Rendering of registry services	Management of records and distribution of information	R 3 689 000	Correspondence received, filed and circulated records controlled		
Provision professional and special services i.e.	Clean and healthy office environment.	" "	Offices and lease agreements maintained		
Maintenance of building, security services, contracts, cleaning and gardening services, repairs to furniture and equipment	Proper maintenance of contracts, repairs to furniture and equipment done.	R 4 141 000	Repairs to furniture and equipment done		
Acquisitioning of equipment (GG vehicles and furniture)	Purchase of vehicles and furniture		Vehicles, furniture and equipment purchased as requested		
<b>Information Technology</b>	<b>Improvement of Departmental operations in line with Technological Advancement</b>				

Procurement of Information Technology and Information Systems Goods and Services	Effective and Efficient procurement of IT and IS Equipment for the department	7,604,000.00	An estimated 150 desktop computers, 10 laptops and 20 printers will be procured.	Quality will be measured in line with set dates for completion of procurement cycles, and equipment quality will be in line with SITA specifications and the PGITO Council	Three Procurement Cycles: Jul 2003, Oct 2003, Jan 2004,
	Effective and Efficient procurement of suitable software solutions		An estimated 100 back office licenses for the Microsoft environment will be procured and a document management systems (archiving module)	Back office licenses and an EDMS systems will be procured in line with SITA and PGITO council specifications	Three Procurement Cycles: Jul 2003, Oct 2003, Jan 2004,
	Service Level Agreement for management of the Local Area Network Procured from SITA		Three Service level agreements will be signed and will be in line with the requirements of the SITA Act, Act 88 of 1998 and the SITA amendment Act, Act 38 of 2002. The department will sign a (1) Information Systems Security SLA and (2) Decentralised data processing services (Desktop and LAN) SLA	ALL SLA's signed will be in line with the Provincial Business agreement with SITA, Document nr. 0078-00004 and specifications set by the PGITO Council	Mar-04
	Local Area Network Upgraded to meet new data exchange demands		The department will upgrade the whole Local Area network and cable all offices, including new office space. The will also entail replacing all hubs and cabinets with switches and lock cabinets	Upgrading of the LAN will be in line with SITA and the PGITO council specifications	Aug-03
Development of departmental information management and technology policy	Departmental IT/IS/IM policy updated and amended in line with National and Provincial IT and IS policies	R 0.00	The IT/IS policy of the department will be amended in line with national GITO and PGITO council policies in order to ensure effective and efficient service delivery in the department	Policies will be in line with the National GITO and Provincial PGITO council, SITA and DPSA, regulations and policies and will be measured in terms of operational effectiveness	Aug-03

Centralization of electronic information	Centralisation of all users directories in line with National and Provincial Policies	R 0.00	The department will centralise all information of users on central servers in line with the IT/IS policy in order to improve on availability of information and security thereof	Quality will be measured in terms of the secure storage and availability of information for the departmental users	Mar-04
	Effective and Efficient Security Policies applied to centralised information	R 0.00	The IT/IS policy of the department will be amended in line with national GITO and PGITO council policies in order to ensure effective and efficient service delivery in the department	Policies will be in line with the National GITO and Provincial PGITO council, SITA and DPSA, regulations and policies and will be measured in terms of operational effectiveness	Ongoing Process
Management of departmental database management systems	Housing Subsidy database management systems, effectively managed	R 147,000.00	All information system is measured in terms of availability. The IT standard is that systems must be available at least 97% of the time, allowing 3% for upgrades, power failures, equipment failure etc.	Quality of information systems is monitored via the IT help desk and by reviewing system log files in ensuring system availability	Ongoing Process
	CMIP Project database management systems effectively managed in the Department and all District Municipalities				Ongoing Process
	Local Government database management systems effectively managed				Ongoing Process
Development and management of Web Sites	A fully operational departmental Web Site portal	R 100,000.00			Ongoing Process
	Web Site portholes developed for District Municipalities (Phase1 and Phase2)		Assisting Local Government of the department in Building a web portal which will allow access to local government and related information	Quality is measured in terms of the effectiveness of the Web portal for the public and local authorities	

Management of an Electronic Resource centre	A Resource centre management policy developed	R 0.00	All information system is measured in terms of availability. The IT standard is that systems must be available at least 97% of the time, allowing 3% for upgrades, power failures, equipment failure etc.	Quality is measured in terms of the effectiveness of the Web portal of the department in order to provide online resource to our officials	Ongoing Process
	A fully operational resource centre via the departmental web portal	R 0.00			Ongoing Process
Management of the Departmental Training Centre	Training centre fully functional	Equipment and Suitable database management systems management software will be provided for under the KPA: Procurement of Information Technology and Information Systems Goods and Services. Management will be done in-house	Training centre must be fully operational on the LAN 97% of the time, allowing 3% for upgrades, power failures, equipment failure etc.	Quality of the centre will be done via a electronic booking and feedback session to assess the effectiveness and efficiency of the centre	Ongoing Process
	Training and events for the training centre managed through a central booking system		Training will be done on a needs request bases. IT will focus on in-house developed products and not transversal training.	Quality will be measured thought assessment of trained officials	Ongoing Process
<b>Performance Management</b>	<b>Measuring and maintenance of organizational and individual performance including SMS</b>				

<p>The creation of departmental PMS policy</p> <p>Facilitate the process of developing individual performance plans.</p> <p>Conduct validation of the plans.</p> <p>Facilitate the review and assessment process.</p> <p>Ensure that the overall performance of the department is in line with the Batho Pele Principles</p>	<p>A uniform policy for the department</p> <p>Outcomes based performance for improved service delivery</p>	<p>R311 000</p>	<p>Be operational and well understood</p> <p>All staff members have signed performance plans in place.</p> <p>Annual validation report.</p> <p>Quarterly reviews conducted.</p> <p>Quarterly reviews</p>	<p>Individual performance plans linked to the overall strategy of the department.</p> <p>Award issued during the financial year should be linked to the overall performance of the department.</p> <p>Increased number of awards awarded to department projects.</p>	<p>31-Mar-04</p>
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Table 2: Performance targets and monitoring mechanisms

Table 1: Reporting objectives, strategies, outputs, measures

	1	2	5	Monitoring Mechanism	^2001/2	2002/3	2003/4	2004/5	2005/6	% change over MTEF
	Programme structure Measurable objectives	Output	Performance Measures		actual ('000)	estimated ('000)	target ('000)	target ('000)	target ('000)	
1	<b>Executive Programme</b>	Programme Aim: Giving political and strategic direction to the department								
1.2	<b>1.2.Head of Department</b>				NIL	NIL	170	179	190	
1.2.1	Overseeing and coordinating implementation of National and Provincial policies and strategies	Strategic plan developed and implemented	Quality Houses	Quarterly						
1.2.3	Generation and coordination of broad departmental policies and strategies	Policies developed and implemented	Effective policies	Quarterly						
1.2.4	Overall supervision of the implementation of policies and strategies	Implementation of policies and strategies	Positive feedback from stakeholders	Quarterly						
1.2.5	Accountability (political and financial) for the overall performance of the department	Financial and social impact reports	Improved service delivery	Quarterly						
1.3	<b>Financial Management</b>	<b>To render financial management and procurement services to the</b>								

	department									
1.3.1	Development of financial management skills	Skilled personnel	Improved performance per trainee				753	800	850	12.88%
1.3.2	PFMA Implementation	Compliance with the PFMA and other pertinent legislation	Well documented an fully operational Internal Controls and Procedure	Monthly Reports Internal Audit Reports Auditor General			200	211	220	10.00%
1.3.3	Procurement	1. Compliance with Prescripts governing procurement		Quarterly stakeholder surveys	1 189	2 613	1 670	1 761	1 867	11.80%
1.3.4		2. Well provisioned department with minimal or no stock-outs		Monthly report			1 002	1 057	1 120	11.78%
1.3.5		3. Empowerment of Previously Disadvantaged Individuals or Affirmative Business Enterprises	Regularly updated database of suppliers							
2	<b>Programme 2: Housing</b>	<b>Aim of the programme: Promotion of Integrated Housing Development</b>								
2.1	<b>Strategic Objective: Systematic Elimination of the Housing Backlog through a demand driven housing development process</b>									
2.1.1	Quantifiable housing backlog. A proper funding strategy based on reliable	Developing a provincial Database to identify	R300000 (Verification of the housing backlog)	Quarterly reports						

	information.	qualifying Beneficiaries								
2.1.2	Apportioning of conditional grant according to demand	Proper utilisation of allocated resources	30 000 (housing products) 1st quarter 4500; 2nd quarter 6000; 3rd quarter 7500; 4th quarter 12000	Monthly reports						
2.1.3	Updating and maintaining records on level of services at municipal level throughout the Province	Database populated with up to date information.	R120 000 (part of personnel and Admin. Expenditure)	45 Municipalities			65 000	70 000		
2.1.4	Housing delivery throughout the Province with comprehensive ownership granted to all beneficiaries within stipulated project timeframes	Identification of blockages in respect of land related matters in housing projects on an ongoing basis and facilitation of unblocking of blockages through inter alia the DFA and process of land release, provincial land use boards, etc.	R100 000(Aktex searchers); R1 367 000 (DFA Tribunal); R110 000 (Appeal Tribunal); R70 000 (Tribunal Secretariat); R45 000 (Mediators); R130 600 (planning boards); R211 100 (Upgrading of Tenure Rights); R140 000 (State Attorney)	Monthly meetings and Quarterly reports						
2.1.5	Updating of Land Availability study	Accurate information regarding availability of serviced and non serviced sites	Information verified against approved IDP's of six District Municipalities	Quarterly reports						

		throughout the Province								
2.2	<b>Strategic Objective: Encourage private bondholders to respond to government's initiatives in assisting them</b>									
2.2.1	Implementation of Thubelitsha Relocation programme to allow For more bond holders who are in Financial distress to benefit	Establish a consultative forum. Properties in possession (PIP's) and non performing loans (NPL's) of the Association of	Assess functioning of consultative forum between Servcon,Lending Institutions and the Department	Quarterly reports						
2.3	<b>Strategic Objective: Improved quality of house delivered</b>									
2.3.1	Develop relevant housing training programmes for Provincial and Local Government personnel.	Efficient and effective Provincial and Municipal Housing Practitioners. Functional housing units within municipalities	Ensure adherence to norms and standards by service providers	Quarterly reports						
2.3.2	Monthly inspections by departmental building inspectors.	Improved quality of houses and infrastructure	Adherence to norms and standards	Monthly reports						

2.4	<b>Strategic Objective: Improve housing subsidy management</b>									
2.4.1	Enhancement of capacity at municipal sphere through the Municipal mentoring Project.	Projects implemented in accordance with IDP's	Improvement in the quality of business plans, implementation and project management of projects	Monthly reports						
2.4.2	Outsourcing project management on housing projects	Improved service delivery	Structures erected in terms of provincial norms and standards	Monthly reports						
2.5	<b>Strategic Objective: Resequencing of the housing delivery protocol</b>									
2.5.1	Establish women, youth, people with disability provincial forums and analyze the impact of the HIV-AIDS pandemic	Improved local economic development and social stability	Performance measuring of women, youth and the disabled in project participation on a quarterly basis.	Quarterly reports						
2.6	<b>Strategic Objective: Successful Transfer of State rented houses</b>									
2.6.1	Phasing out of rental stock in terms of the State Discount Benefit Scheme	Promotion of homeownership	Phasing out of old subsidies in accordance with NDOH timeframes	Quarterly reports						
2.7	<b>STRATEGIC OBJECTIVE: Getting people who earn regular income to pay for services rendered to them by their municipalities</b>									
2.7.1	Assisting Municipalities to implement and maintain a	Improved monitoring of services	Implementation of the free water policy in municipalities	Monthly reports						

	management information system	provided and revenue collected									
2.7.2	Reduction in losses on services through water-loss analyses	Reduction in operation and maintenance cost	Implementation of the free water policy in municipalities	Monthly reports							
2.7.3	Implementation of projects specifying utilization of labour base methods, linking local economic development with infrastructure development	Utilization of SMME's, emerging contractors, ABE's and Joint Ventures.	Accreditation of emerging contractors	Monthly, quarterly, bi-annual and annual reports							
2.7.4	Facilitate the prioritization of projects, approval of business plans and implementation of CMIP projects	Improved operation and maintenance of infrastructure through the implementation of new, upgraded or rehabilitated infrastructure	Access to at least a basic level of service to low income households	Monthly, quarterly, bi-annual and annual reports							
2.8	<b>Strategic Objective: Rural Housing Development</b>										
2.8.1	Proper institutionalization of rural housing component.	Rural Housing Component staffed and operational	Effective and efficient component operational	Monthly reports	New Function	New function	50 000	50 000			
2.8.2	Fostering of partnerships with relevant district municipalities.	Elimination of rural poverty and unemployment in the long term; Ensuring integrated rural		Quarterly reports	New function	New function	Nil	Nil			

		development in the short and medium term.								
2.8.3	Building institutional capacity at municipal level regarding land administration	Capacitated municipalities capable of dealing with land related matters	All District Municipalities capable if dealing with land matters	Quarterly reports			300	225		
3	<b>Programme 3</b>	<b>Programme Aim: To promote developmental local government</b>								
3.1	<b>Objective: Giving strategic direction &amp; co-ordination of functions of the developmental local government branch</b>									
3.1.1	Co-ordinate activities of the constituent divisions of Programme 3	Smooth functioning of all the branch	meeting set timelines and targets by the branch							
3.2	<b>2 Objective: Stabilisation of new municipalities</b>				R400	R4,500	R2,449	R3,552	R8,000	
3.2.1	Assist municipalities in designing organograms based on powers and functions	Approved organograms based on powers and function.	.Number of municipalities assisted in designing appropriate organograms.	Monthly reports and team visits						
3.2.2	Facilitate consolidation of constituent administrative units	Unified municipal organisational structure and personnel.	Number of personnel and administration records available in the central office	Monthly reports and team visits						
3.2.3	Assist municipalities in updating of human resource records	Updated HR records located at the central database of	Number of HR records updated and located at the central database	Monthly reports and team visits						

		municipalities.								
3.2.4	Assist in formulation and implementation of uniform policies and by-laws	Adopted by-laws and policies in place	Number of rationalised by-laws that are not in conflict with the constitution and are legitimately accepted by communities	quarterly reports						
3.2.5	Assist municipalities with the establishment of ward committees	Improved capacity for proper governance and management of municipal affairs	Number of functional ward committees established	Quarterly reports						
3.2.6	Assist in adoption of rules and orders	Implementation of rules and orders	Number of municipalities with adopted rules and orders.	Quarterly reports						
3.2.7	Assist municipalities in compiling roles and responsibilities for councillors and officials.	Proper running of municipal affairs	Number of municipalities with adopted roles and responsibilities	Quarterly reports						
3.3	<b>Objective: Promotion of an effective disaster management system</b>				R7,620	R10 000	R30 00	R32 000	R37 000	
3.3.1	Facilitate the development of Disaster management plans.	Integrated disaster management plans.	Operational disaster management plans.	Regular visits and monthly reports.						
3.3.2	Establishment of disaster management satellite centres.	Equipped disaster management centres.	Established disaster management satellite centres in each district municipality.	Regular visits and monthly reports.						
3.3.3	Facilitate certified courses in disaster management, first aid	Trained officials and volunteers.	Trainees awarded with credited certificates.							

	and fire fighting for municipal officials and volunteers.									
3.3.4	Facilitate funding for repairs to damaged properties	Restoration of normal life in communities (homeless and destitute).	Response within 24 hours	Depend on disaster occurrences						
3.3.5	Facilitate establishment of fire and emergency services in the local municipalities and purchase of fire fighting equipment.	Provision of effective fire brigade and emergency services by municipalities.	Number of municipalities assisted	Quarterly reports						
3.4	<b>Objective: Promotion of youth development programmes</b>				R1 000	R623	R1 000	R1 000	R1 000	
3.4.1	Facilitate establishment of youth development programmes	Job creation skill development and high level of HIV / AID awareness	Increased number of youth employed and level of awareness	Quarterly Reports						
3.5	<b>Objective: Promotion of Local economic development programme</b>				R6 890	R3 620	R5 500	R9 000	R10 000	
3.5.1	Assist with the establishment of six District economic development forums.	Enhanced community participation in development of respective strategies.	Focused strategy for each district on increased economic activities and investment	Monthly and Quarterly reports and site visits						
3.5.2	Facilitate establishment of LED units at municipality level.	Effective and efficient management of LED projects	Functional LED units in all affected Municipalities.	Monthly and Quarterly reports and site visits						
3.5.3	Establish disabled peoples project in Alfred Nzo	Improved economic conditions for a disabled group.	Income generating project for the disabled	Monthly and Quarterly reports and site visits						

3.5.4	Financial assistance towards establishment of LED projects at some Municipalities.	Reduction of poverty.	Number of established viable and sustainable projects	Monthly and Quarterly reports and site visits						
3.6	<b>Objective: Facilitate and monitor implementation of ISRDP</b>					R5 600	R4 500	R5 000	R6 500	
3.6.1	Financial assistance towards establishment of ISRDP projects	Reduction of poverty in rural areas	Number of projects established and number of jobs created	Monthly reports and site visits						
3.7	<b>Objective: Facilitate and monitor implementation of URP</b>					R7 500	R13 000	R13 000	R15 000	
3.7.1	Financial assistance towards establishment of URProjects in identified nodes	Reduction of poverty in urban areas	Number of projects established and number of jobs created	Monthly reports and site visits						
3.8	<b>Objective: Strengthen the capacity of Local and District Municipalities</b>					R62 292	R80 074	R92 128	R94 188	R45 506
3.8.1	Financial aid support to effect management support programmes	Well-run and properly managed municipal financial systems	A number of projects properly implemented	Monthly and quarterly reports and team visits to municipalities	45 450	63 287	63 621	69 584	15 482	
3.8.2	Support through financial aid for statutory payments	Reduction of statutory debts e.g. P.A.Y.E, SARS, Pension, etc	Improved municipal debt condition in these areas	DORA reports and quarterly reports						
3.8.3	Conduct internal audits and special investigations	Elimination of mismanagement and corruption	Reduced audit queries	Reports on investigation						
3.8.4	Assist municipalities with audit fees	Audited annual financial statements	Reduced number of municipalities owing audit fees	AG statements						

3.8.5	Facilitation of preparation of municipal Integrated Development Plans.	Sustainable and viable municipalities operating within the guide lines of IDP's	Adopted, assessed /or amended Integrated Development plans in compliance with Municipal Systems Act. Compliance with the requirements in terms of the Land Use Act	Assessment of reports to ensure compliance with legal prescripts, provincial IDP forum meetings			3 000	21 007		
3.8.6	Municipal Spatial development frame work plans.	Appropriate spatial development framework for the implementation of land use management system	Compliance with the requirements in terms of the Municipal Systems Act and relevant Land Use Planning Act	Monthly reports and site visits						
3.8.7	Settlement Planning and Land Use Management	Well planned and developed settlements	Compliance with the requirements in terms of the Land Use Act	Progress reports and site visits						
3.8.8	Cadastral Surveys	Well defined property boundaries in compliance with set standards	Number of general plans submitted for approval by the Office of the Surveyor General	Regular visits to municipalities and quarterly reports						
3.8.9	Mapping	Availability of base maps for planning purposes	Number of areas mapped	Quarterly reports and site visits						
3.8.10	Land information system	Available cadastral information on land for use by the dept./municipalities	Acquired base information from Dept. of Land Affairs	Quarterly reports						

3.8.11	Assist municipal in conducting general and interim valuation	Compiled municipal valuation rolls	Number of rate payers accepting or rejecting valuation rolls	Progress reports and site visits						
3.9	<b>Objective: Monitor, review and evaluate performance of municipalities</b>						R3 626			
3.9.1	Assist municipalities in developing Performance Management Systems	Adopted performance management system	Number of municipalities assisted	Quarterly visits to Municipalities;			3 626			
3.9.2	Assess performance of Municipalities annually and reward for best performance	Enhanced municipal performance	Holding of annual municipal performance conference	Quarterly visits to Municipalities;						
3.9.3	Monitor Municipal compliance and adherence to Legislation and procedures	Continuous and consistent adherence to legislation, policies and procedures	Increased number of municipalities complying and adhering to legislation and procedures	Quarterly visits to Municipalities;						
3.9.4	Facilitate development of Intergovernmental Relations policies by municipalities	Adopted Intergovernmental Framework / Policy	Number of municipalities with adopted IGR policy	Monthly visits to Municipalities;						
3.1	<b>Objective: Elimination of corruption, irregularities and mismanagement</b>				R16 435	R2 000	R9 679	R8 059	R12 281	
3.10.1	conduct internal and forensic audits in identified municipalities	well managed municipalites	Number of internal and forensic audits conducted and implemented	Regular reports and enqyuiries						
3.10.2	Conduct special investigations in identified municipalities	well managed municipalities	Number of corrupt activities identified and dealt with	Regular inquiries						
4	<b>COSTA</b>									
4.1	<b>Chief Director COSTA</b>	<b>Co-ordination of Corporate and Traditional Affairs</b>			11		97	103	99	

4.1.1	Co-ordinate and give leadership to the three Directorates.	Professional and effective support services aligned to the departmental strategic plan	Operations in line with Batho Pele principles	Monthly and quarterly reports/sessions and reviews							
4.1.2	Performance appraisal.	Efficient and effective service delivery.	Audit queries reduced by 50%	Monthly and quarterly reports/sessions and reviews							
4.1.3	Coordinate Systems Development Process in the Branch.	Synchronised and complementary activities	Progressive achievement of strategic goal	Monthly and quarterly reports/sessions and reviews							
4.1.4	Coordinate cross-functionalism processes within the branch.	Cross-functional operations within the branch.	Validation report on all branch plans. Systems in line with Regulations	Monthly and quarterly reports/sessions and reviews							
4.1.5	Manage Employment Equity.	Employment Equity Plan operational.	Timeous completion of all projects  Report meets criteria set by department of Labour.	Monthly and quarterly reports/sessions and reviews							
4.2	<b>Human Resource Management</b>	<b>Provisioning of human resources and maintenance of conditions of service</b>			2778	2303	4871	5269	5283		
4.2.1	Implementation of the PSBC resolution No 7 of 2002	Excess personnel transferred to other departments services of personnel additional to the establishment to be	Accurate Personnel expenditure	Monthly reports and quarterly evaluation							

		transferred								
4.2.2	Formal admission to Pension fund	All employees admitted to pension fund.		Academic progress reports from learning organisations						
4.2.3	Maintenance of records	National Minimum Information Requirement met	Accurate data-base							
4.2.4	Advertising and filling of vacant posts considering merit.	Skills matched with relevant posts	Skills shortage will be addressed							
4.2.5	Processing incentives that will include Notch increments, promotions and rewards	All incentives for the current year will be implemented.	Enhanced performance							
4.2.6	Administration of service terminations.	Service benefits for employees who have left the service will be processed	Reduction in the number of staff							
4.3	<b>Human Resource Development</b>	<b>Facilitate and co-ordinate skills development in terms of Skills Development Act</b>			754	2402	2926	3902	3098(390)	5%
4.3.1	Implement a departmental Workplace Skills Plan 2003/04.	Skilled workforce	100% compliance with SDA.							
4.3.2	Coordinate the activities of the Skills Development, Education and Training Committee.		Fully functional structure							

4.3.3	Review Skills Audit in terms of changes in the organisational structure.	Established HRD committee	Reviewed skills audit in place.							
4.3.4	Impact analysis of training.		Impact analysis report in place.							
4.3.5	Implementation of the succession plan and programme.		A pool of recruits to meet employment equity targets in place							
4.3.6	Review of Bursary Policy	Bursary Policy in Place	Bursary policy in place							
4.4	<b>Personnel Practice &amp; Labour Relations</b>	<b>Promotion of Human Resource Best Practices and enhance good working environment</b>			4	28	29	398	257	
4.4.1	Develop and workshop HR policies.	Departmental HR policies in place.	Understandable, user-friendly policy that have sufficiently consulted.	Monthly reports and quarterly evaluation						
4.4.2	Review HR procedure manuals	HR procedure manual in place	Understandable and user friendly manuals	Monthly reports and quarterly evaluation						
4.4.3	Ensure that delegation of powers are implemented	Amended version of HR developed delegations in place.	Understandable and user-friendly delegations understood by everyone	Monthly reports and quarterly evaluation						
4.4.4	Implement and review HR plan.	Integrated HR plan that links with strategic plan of department in place.	Consulted HR plan that addresses things like HIV/Aids in the workplace	Monthly reports and quarterly evaluation						
4.4.5	Implement and monitor Employment Equity Plan	Employment Equity developed and implemented	Consulted and agreed upon Employment Equity Plan	Monthly reports and quarterly evaluation						
4.4.6	Develop and implement a succession plan	Succession plan guide and procedure in	A consulted Succession Plan	Monthly reports and quarterly evaluation						

		place								
4.4.7	Conduct an orientation programme for newly appointed officials	Orientation program in place and fully functional	Accurate information on conditions of service	Monthly reports and quarterly evaluation						
4.4.8	Conduct HR update		Accurate information on conditions of service	Monthly reports and quarterly evaluation						
4.4.9	Promote human resources best practices through research, investigations, policy development and giving advice	Manual on best practices in place.	User-friendly questionnaires and written accurate advice that is given promptly.	Monthly reports and quarterly evaluation						
4.4.10	Deal with misconduct cases	All misconduct cases dealt with.	Up-to-date information	Monthly reports and quarterly evaluation						
4.4.11	Deal with conciliation and arbitration matters	All conciliation and arbitration matters dealt with	Up-to-date information							
4.4.12	Advice management on labour relations matters	Managers capable of taking informed decisions								
4.4.13	Promote sound labour relations within the department	Employer/employee forum in the department exists	Full, accurate, up-to-date information							
4.5	<b>Traditional Affairs: Fostering sound relations between the government and traditional institutions</b>				1 134	6 550	16 713	12 907	12 931	

4.5.1	Secure agreement with District Municipality Managers on condition of the transfer and use of funds.	Renovation of Traditional Institutions		Monthly & quartelt reports							
4.5.2	Transfer of funds and implementation of the projects.	Funds transferred to District Municipalities		Monthly & quartelt reports							
4.5.3	Provision of resources for Kings e. g. Telephones and Fax machines.	Improved communication with Kings	Standard quality resources installed and improve relations	Regular inspection, submission of returns Asset verification							
4.5.4	Provision of stationery and cleaning material for Traditional Leaders and Institutions.	Adequately resourced Traditional Institutions	Good quality stationery supply	Monthly & quartelt reports							
4.5.5	Acquisition of motor transport for kings	Cutting out expenses of hiring of transport for Kings and their entourage	6 VIP cars acquired	Submission of monthly returns							
4.5.6	Provision of targeted training intervention for Traditional Leaders and staff of Traditional and Regional Authorities.	Traditional Leaders and staff capacitated to implement efficient and transparent financial management system	Appropriate and targeted training interventions done for Traditional Authorities and secretaries	Regular evaluation of training impact							
4.5.7	Conducting workshops for all Regional Authorities	Workshops for 10 Regional Authorities conducted.	Improved relations	Regular evaluation of impact							

4.5.8	Submission of policy proposal to the National Department	Provincial policy inputs submitted	Traditional Leaders aware of their roles and responsibilities	Monthly scrutiny of the hard copy						
4.5.9	Verbatim recording and hard copy production	Accurate recording of the House proceedings								
4.5.10	Staging of meeting with Queens for purposes of monitoring of projects	Poverty alleviation through establishment of project for local economic development in Traditional and Regional Authority jurisdictional areas.	Targeted training intervention	Monthly and quarterly reports						
4.5.11	Training of Queens in Project Management		All Queens trained							
4.5.12	Conducting provincial conferences on genealogy and policy development	Operations in line with policy on Traditional Affairs	Provincial policy in line with the constitution and provincial/national priorities	Monthly and quarterly reports						
4.6	<b>Work-study &amp; Admin Evaluation</b>	<b>Consolidation of staff establishment and job analysis</b>			10	78	404	328	427	
4.6.1	Conduct Organisation and establishment investigation when required for department, Traditional Authorities and municipalities	Organisational structure developed and approved	Organisational establishment linked to mandated functions							
4.6.2	Review departmental Filing system	Filing systems developed and finalised.	Filing system linked to dept structures and meeting Archives requirements	Ad-hoc and final Reports						

4.6.3	Conduction of Job Evaluation	All critical posts evaluated	Evaluated posts linked to appropriate remuneration	Monthly and quarterly reports						
4.6.4	Advise on Office Accommodation requirements	Accommodation for all personnel determined	Offices allocated properly according to specification	Monthly and quarterly reports						
4.6.5	Advise on labour saving devise (Photocopiers, computers, etc)	Provision of proper labour device	Provision of Labour Saving devise based on organogram	Monthly and quarterly reports						
4.6.6	Forms designed and amendments made	Properly designed forms	Designed forms linked to mandated functions	Monthly and quarterly reports						
4.7	<b>Office Services</b>	<b>Provision of office services, registry and fleet management</b>								
4.7.1	Provisioning of office services (i.e. logistical support, acquire labour aids, management of transport.	Proper provisioning and effective management of labour serving devices.	Administer support rendered according to the required standards	Monthly reports and quarterly evaluation	8 619	6 703	6 628	8 730	7 450	
4.7.2	Rendering of registry services	Management of records and distribution of information	Correspondence received filed and circulated. Records controlled.							
4.7.3	Provision professional and special services i.e.	Clean and healthy office environment.	Administer support rendered according to the required standards		1448	3381	3515	3689	3758	
4.7.4	Maintenance of building, security services, contracts, cleaning and gardening services, repairs to furniture and equipment	Proper maintenance of contracts, repairs to furniture and equipment done.	Administer support rendered according to the required standards							
4.7.5	Acquisitioning of equipment (GG vehicles and furniture)	Purchase of vehicles and furniture	Administer support rendered according to the required standards		47 + 760 (stores)	687	3 943	1 141	4 216	

4.8	<b>Information Technology</b>	<b>Improvement of Departmental operations in line with Technological Advancement</b>			2419	3200	3139	7 353 + (246 Research & Dev)	7 330 +245 (research & dev)	
4.8.1	Procurement of Information Technology and Information Systems Goods and Services	Effective and Efficient procurement of IT and IS Equipment for the department	Quality will be measured in line with set dates for completion of procurement cycles, and equipment quality will be in line with SITA specifications and the PGITO Council	Monthly and Quarterly evaluation						
4.8.2	Procurement of Information Technology and Information Systems Goods and Services	Effective and Efficient procurement of suitable software solutions	Back office licenses and an EDMS systems will be procured in line with SITA and PGITO council specifications	Monthly and Quarterly evaluation						
4.8.3	Procurement of Information Technology and Information Systems Goods and Services	Service Level Agreement for management of the Local Area Network Procured from SITA	ALL SLA's signed will be in line with the Provincial Business agreement with SITA, Document nr. 0078-00004 and specifications set by the PGITO Council	Monthly and Quarterly evaluation						
4.8.4	Procurement of Information Technology and Information Systems Goods and Services	Local Area Network Upgraded to meet new data exchange demands	Upgrading of the LAN will be in line with SITA and the PGITO council specifications	Monthly and Quarterly evaluation						
4.8.5	Development of departmental information management and technology policy	Departmental IT/IS/IM policy updated and amended in line with National and Provincial IT	Policies will be in line with the National GITO and Provincial PGITO council, SITA and DPSA, regulations and policies and will be measured in terms	Monthly and Quarterly evaluation						

		and IS policies	of operational effectiveness							
4.8.6	Centralization of electronic information	Centralisation of all users directories in line with National and Provincial Policies	Quality will be measured in terms of the secure storage and availability of information for the departmental users	Monthly and Quarterly evaluation						
4.8.7	Centralization of electronic information	Effective and Efficient Security Policies applied to centralised information	Policies will be in line with the National GITO and Provincial PGITO council, SITA and DPSA, regulations and policies and will be measured in terms of operational effectiveness	Monthly and Quarterly evaluation						
4.8.8	Management of departmental database management systems	Housing Subsidy database management systems, effectively managed	Quality of information systems is monitored via the IT help desk and by reviewing system log files in ensuring system availability	Monthly and Quarterly evaluation						
4.8.9	Management of departmental database management systems	CMIP Project database management systems effectively managed in the Department and all District Municipalities	Policies will be in line with the National GITO and Provincial PGITO council, SITA and DPSA, regulations and policies and will be measured in terms of operational effectiveness	Monthly and Quarterly evaluation						

4.8.10	Management of departmental database management systems	Local Government database management systems effectively managed	Quality of information systems is monitored via the IT help desk and by reviewing system log files in ensuring system availability	Monthly and Quarterly evaluation							
4.8.11	Development and management of Web Sites	A fully operational departmental Web Site portal	Quality is measured in terms of the effectiveness of the Web portal for the public and local authorities	Monthly and Quarterly evaluation							
4.8.12	Development and management of Web Sites	Web Site portholes developed for District Municipalities (Phase1 and Phase2)	Quality is measured in terms of the effectiveness of the Web portal for the public and local authorities	Monthly and Quarterly evaluation							
4.8.13	Management of an Electronic Resource centre	A Resource centre management policy developed	Quality is measured in terms of the effectiveness of the Web portal of the department in order to provide online resource to our officials	Monthly and Quarterly evaluation							
4.8.14	Management of an Electronic Resource centre	A fully operational resource centre via the departmental web portal	Quality of the centre will be done via a electronic booking and feedback session to assess the effectiveness and efficiency of the centre	Monthly and Quarterly evaluation							

4.8.15	Management of the Departmental Training Centre	Training centre fully functional	Quality of the centre will be done via a electronic booking and feedback session to assess the effectiveness and efficiency of the centre	Monthly and Quarterly evaluation							
4.8.16	Management of the Departmental Training Centre	Training and events for the training centre managed through a central booking system	Quality will be measured through assessment of trained officials	Monthly and Quarterly evaluation							
4.9	<b>Performance Management</b>	<b>Measuring and maintenance of organizational and individual performance including SMS</b>			NIL	NIL	NIL	311	357		
4.9.1	The creation of departmental PMS policy	A uniform policy for the department	Individual performance plans linked to the overall strategy of the department.	Quarterly assessment and evaluation of reports.							
4.9.2	Facilitate the process of developing individual performance plans.	Outcomes based performance for improved service delivery	Award issued during the financial year should be linked to the overall performance of the department.	Quarterly assessment and evaluation of reports.							
4.9.3	Conduct validation of the plans.	Outcomes based performance for improved service delivery	Increased number of awards awarded to department projects.								
4.9.4	Facilitate the review and assessment process.	Outcomes based performance for improved service delivery		Quarterly reviews							

4.9.5	Ensure that the overall performance of the Dept is in line with the bathopele priciples.	Outcomes based performance for improved service delivery								
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## 1.10 Reconciliation of budget with plan by programme

Table 3: Evolution of expenditure by budget programme and sub-programme (R million)<sup>1</sup>

## Programme One

Sub-programme	Year - 2 2000/01 (actual)	Year - 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change (%) <sup>2</sup>	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection)	Year 3 2005/06 (MTEF projection)	Average annual change (%) <sup>3</sup>
<b>Sub-programme</b>								
MEC					1	1	1	
MEC Core Staff	1	1	4	150.0%	6	9	9	25%
Head of Department		1	1	0	1	2	2	50%
Special Programmes Unit	1	1	5	200.0%	1	1	1	
Communications			2		2	2	2	
Financial Management	6	10	13	58.3%	15	12	12	10%
Additional Personnel			1		1		1	
<b>Total Programme</b>	<b>8</b>	<b>13</b>	<b>26</b>	<b>12.5%</b>	<b>27</b>	<b>27</b>	<b>28</b>	<b>1.85%</b>

## Programme Two

Sub-programme	Year - 2 2000/01 (actual)	Year - 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change (%) <sup>2</sup>	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection)	Year 3 2005/06 (MTEF projection)	Average annual change (%) <sup>3</sup>
Chief Director			1		1	1	1	
Housing Administration	484	319	567	8.57%	660	617	654	(0.45%)
Housing Dev. Management	4	9	52	600%	57	63	61	3.51%
Land Administration	7		12	35.71%	12	12	13	4.17%
Additional Personnel			7		1	1	1	0
<b>Total programme</b>	<b>495</b>	<b>328</b>	<b>639</b>	<b>14.55%</b>	<b>731</b>	<b>694</b>	<b>730</b>	<b>(0.07)%</b>

## Programme Three

Sub-programme	Year - 2 2000/01 (actual)	Year - 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change (%) <sup>2</sup>	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection)	Year 3 2005/06 (MTEF projection)	Average annual change (%) <sup>3</sup>
Chief Director	2		1	(25.00%)	2	1	1	(25.00)%
Municipal H R & D	17	81	77	176.47%	83	81	99	9.64%
Municipal Dev.. Finance	27	68	48	38.89%	81	91	42	(24.07)%
Municipal Dev Planning	19	29	32	34.21%	32	35	38	9.38%
Municipal Performance Management			3		10	7	8	(10.00)%
R293 Towns		34	30		30	47	50	33.33%
Additional Personnel		7	14		11	4	4	(31.82)%
Urban Local Government	70							
<b>Total programme</b>	<b>135</b>	<b>219</b>	<b>205</b>	<b>25.93%</b>	<b>249</b>	<b>266</b>	<b>242</b>	<b>(1.41)%</b>

## Programme Four

Sub-programme	Year - 2 2000/01 (actual)	Year - 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change (%) <sup>2</sup>	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection)	Year 3 2005/06 (MTEF projection)	Average annual change (%) <sup>3</sup>
Chief Director.	1		1	0.00%	1	1	1	0.00%
Human Resource Management	9	11	10	5.56%	9	10	11	11.11%
Human Resource Development	1	3	4	150.00%	5	4	4	(10.00)%
Labour Relations			1		2	2	2	0.00%
Traditional Affairs	45	11	52	7.78%	66	60	60	(4.55)%
Legal Services	1	2	1	0.00%				
Work Study					1	1	1	0.00%
Office Services	19	12	19	0.00%	20	22	23	7.50%
Information Technology	2	4	4	50 :00%	8	8	8	0.00%
Additional Personnel	48		11	(38.54)%	3	3	3	0.00%
Performance Management					1	1	2	50.00%
Research & Development						1	1	
<b>Total programme</b>	<b>126</b>	<b>43</b>	<b>103</b>	<b>(9.13)%</b>	<b>116</b>	<b>113</b>	<b>116</b>	<b>0.00%</b>

## 1.11 Medium-term revenues

### 1.11.1 Summary of revenue

The following sources of funding are used for the Vote:

**Table 4: Summary of revenue: Housing, Local Government & Traditional Affairs**

R 000	2000/2001 Actual	2001/02 Actual	2002/03 Estimate	2003/04 MTEF	2004/05 MTEF	2005/06 MTEF
Voted by legislature (Equitable share)	199 094	295 801	629 057	411 401	431 787	451 158
Conditional grants	559 327	300 949	341 025	707 738	664 037	661 454
Other (specify)Own Revenue	6 068	5 720	3 318	4 064	4 145	4 332
<b>Total revenue</b>	<b>764 489</b>	<b>602 470</b>	<b>973 400</b>	<b>1 123 203</b>	<b>1 099 969</b>	<b>1 116 944</b>

### 1.11.2 Departmental revenue collection

**Table 5: Departmental revenue collection: Department of Housing, Local Government and Traditional Affairs**

R 000	2000/2001 Actual	2001/2002 Actual	2002/2003 Estimate	2003//2004 MTEF	2004/2005 MTEF	2005/2006 MTEF
<b>Non-Tax Current revenue</b>	<b>5 986</b>	<b>5 720</b>	<b>3 318</b>	<b>4 064</b>	<b>4 145</b>	<b>4 332</b>
Flats	3	5593	853	1 045	1 066	1 114
Houses			230	281	287	300
<b>Individual subsidies</b>	<b>418</b>		<b>265</b>	<b>325</b>	<b>331</b>	<b>346</b>
Interest on Trust Accounts	65	49	1 301	1 593	1 625	1 698
Sale of Properties	221	67	334	409	417	436
Commission Received			335	411	419	438
Water Sales	3	11				
Other	5 276					
<b>Non-Tax Capital Revenue</b>	<b>82</b>					
Sale of buildings	82					
<b>Departmental revenue</b>	<b>6 068</b>	<b>5 720</b>	<b>3 318</b>	<b>4 064</b>	<b>4 145</b>	<b>4 332</b>

### 1.11.3 Conditional grants

The Department the following additional grants:

Housing Subsidy Grants

Human Settlement Grant

Management Support Programmes (MSP)

## 1.12 Co-ordination, co-operation and outsourcing plans

### 1.12.1 Interdepartmental linkages

The department is participating in all three clusters i.e. Social Needs, Infrastructure and Governance & Administration

In the Social Needs and Infrastructure clusters, the department shares and informs the other departments about its plans and programmes. All departments' plans must be aligned to the IDP's of the municipalities

To ensure good coordination, each cluster has a political and an administration head. The clusters do meet regularly to assess the performance and implementation of plans. To improve the administration of these clusters, cluster budgeting is being introduced.

### 1.12.2 Local government linkages

The Department has a constitutional responsibility to strengthen the capacity of municipalities, provide support and monitor their performance. There are no agency functions performed by municipalities on behalf of the Department.

### 1.12.3 Public entities

The department is in the process of establishing a new public entity to enhance the capacity of the department and municipalities. The entity is named Eastern Cape Municipal Development Corporation. An initial budget of R10 000 000 will be allocated to kick-start the operations of the corporation in the coming year.

**Table 6: Details of public entities**

Name of public entity	Main purpose of public entity	Transfers from the departmental budget		
		2003/04 MTEF '000	2004/05 MTEF '000	2005/06 MTEF '000
Eastern Cape Municipal Development Corporation		10 000		

### 1.12.4 Public, private partnerships, outsourcing etc

There are no existing or planned public, private partnerships, except engaging experts to provide professional service from time to time.

## 1.13 Financial Management:

### 1.13.1 Strategies to address audit queries

Strategies to address audit queries have been developed in conjunction with the Provincial Internal Audit Unit. The plan incorporates the following activities:

- Risk identification and profiling
- Developing a strategy to address control weaknesses
- Internal Audit to take into account revealed control weaknesses into their audit plan

### 1.13.2 Implementation of PFMA

The implementation of the requirements the PFMA in the department is done in conjunction with Provincial Treasury. The latter appointed a consortium to drive CFO support programme. Treasury and the CFO support consortium meet with provincial Chief Financial Officers every fortnight to review progress on PFMA implementation and compliance.

The department is constantly monitoring the functioning of its organogram in order to ensure that it is able to meet the demands of the PFMA.

On Asset Management the department is working with Treasury in the development of an Asset Register in order to comply with both the PFMA and the directives of the Accountant-General.

## Part C: Background information

### 1.14 Appendix one: Analysis of service delivery environment

#### 1.14.1 Policy changes and trends

With effect from 1 April 2002 the Housing Subsidy maximum was increased from R16000 to R20 300. In addition to this a further change was the requirement for the beneficiary to contribute R2 479 to wards the total subsidy in the case of Project Linked Subsidies. This cash contribution is not required in the case of the People's Housing Process projects.

Because of the level of high levels of poverty in the Eastern Cape and the general inability of our beneficiaries to raise the required cash contribution, the department decided to focus on People's Housing Process (PHP). PHP only requires sweat equity instead of cash contributions.

The second significant change was the introduction of the Eight Year Pre-Emptive right of the MEC. This requires that the beneficiary first offer the house to the MEC if he or she decides to sell it during the first eight year after acquisition.

#### 1.14.2 Environmental factors and emerging challenges

##### ***1.14.2.1 Demographic profile of the province***

The Eastern Cape is the poorest province in the country. This has an impact on the need for housing subsidies especially in the urban areas of Buffalo City, the Nelson Mandela Metro and the King Sabata Dalindyebo municipality.

##### ***1.14.2.2 Employment, income and [other relevant information]***

**Table 7: Occupational categories**

Types of Occupation	Number	Percent of total
Managers	29 805	1.95

Professionals	96195	6.29
Technical	47 329	3.09
Clerical	52 655	3.44
Sales and services	66 686	4.36
Skilled agriculture	34 422	2.25
Artisan	88 833	5.81
Operators	42 547	2.78
Elementary occupations	217 469	14.22
Other	110 876	7.25
Unemployed	742 427	48.55

### 1.14.3 Evaluation of current implementation performance

In reviewing the department's performance for the period ended 31 January 2003 against our approved strategic plan, the following can be highlighted as major achievements (especially our service delivery branches i.e. housing and developmental local government):

- The establishment and implementation of the Housing Dialogue
- The establishment and operation of the Technical Evaluation Team and MEC's advisory team - 55 projects approved to the value of R171m from which 34 078 consumers will benefit
- Appointment of project managers to assist with project and quality monitoring - so far for the year under review 12 690 quality units have been completed and 45 039 products being under construction
- Updating of Land Availability study in respect of all District Municipal areas
- Promotion of utilization of SMME's, Emerging Contractors and Joint Ventures in provision of sustainable municipal infrastructure - 270 SMME's and Emerging contractors accredited
- Implementation of Rural Housing Projects in all ISRDP nodes
- Consolidation and stabilization of new municipalities
- Strengthening the capacity of local and district municipalities
  1. Support by MSP
  2. Powers and functions authorized by Minister and adjusted by MEC
  3. IDP's completed and adopted by all municipalities
  4. Draft legislation in place for the establishment of ECMDC to ensure coordination of capacity building and support to Municipalities
- Promotion of effective disaster management system - 9 disaster management centers and 6 satellite centres established
- Monitored, reviewed and evaluated performance management of municipalities in order to share and benchmark best practices
- Conducted investigations in identified municipalities in order to eliminate mismanagement, irregularities and corruption.

This review is realistic and upfront about the enormous daunting challenges facing the department and how these will impact on the department's future strategic direction.

In evaluating the period under review, it should be borne in mind that the department is not only operating in a rapid changing global and political environment but also in a region with huge and

deep structural defects. This exerts a constant challenge on the department's management to re-organise and re-engineer the department to meet its challenges.

In coming to our support programmes, the following are the achievements:

- The production of monthly management accounts
- Developed, documented and flowcharted the procurement section internal controls
- Closure of books for the year ended 2002 properly dealt with - audit report improved from a disclaimer to qualification
- Excess R293 staff transferred to Education, and a list of staff additional to the establishment compiled in compliance with Resolution No. 7
- HR plan and HR procedures manuals developed
- Workplace skills plan developed and operational
- Orientation programme developed and workshops held for staff - this is to improve the culture of performance in the department
- Renovations of Great Places is happening
- Province submitted inputs to the Traditional Leaders White Paper process
- 7 4x4 vehicles purchased for the Kings

The organizational culture's negative impact on the department is salient on these programmes and does not support the fulfilment of our strategic objectives. This is where we are weakest, but we can turn it around by working as a team and assert ourselves when it comes to outside demands, which disturb our departmental programme.

Our shortcomings as a department are as follows:

- Non-alignment of our structure to meet our service delivery needs
- The weak link between strategic plan and the budgeting process - which results in under spending and over budgeting

Our departmental achievements are at the same time our challenges due to the long-term nature of our strategic objectives. Let's recall that these capacity constraints and institutional weaknesses are the consequences of the South Africa's transition from its apartheid past to becoming democratic and development oriented.

In summary the department has performed well against its approved strategic plan for the year under review taking into account the environment in which it operates. But this doesn't give us the liberty to rest on our laurels as much hard work has still to be done and our target is like a mirage.

## 1.15 Appendix two: Organisational information and the institutional environment

### 1.15.1 Organisational design

#### 1.15.1.1 Organogram

Attached as Annexure

#### 1.15.1.2 Reporting Lines of senior managers

Component	POST DESIGNATION	INCUMBENT

Component	POST DESIGNATION	INCUMBENT
Department	Head Of Department	Mr Maye.S
M E C Staff	1 Dep Director	Mr Twaku.L.M
Special Programmes Unit	1 Dep Director	VACANT
Communications	1 Dep Director	Mr Linda.M.E
Branch: Housing	1 Chief Director	Mrs Mqokoyi.L.M
Division: Housing Administration	1 Director	Mr Perks.W.R
Sub-Division: Integrated Housing Development Programme	1 Dep Director	Ms Cebe T C
Sub--Division: Housing Programme Administration	1 Dep Director	Mr Schmidt J P
Sub-Division: Housing Institutional Support & Information	1 Dep Director	Mr Perring I
Division: Infrastructure Development & Project	1 Director	Mr Burger.C.H
Sub-Div: Housing Development Management	1 Project Manager	
Sub-Div: Infrastructure Provision, Quality Control &	1 Chief Engineer	
Division: Land Administration & Housing Policy Dev.	1 Director	Mrs Bartlett.C
Sub-Division: Land Tenure Facilitation	1 Dep. Director	Mr Jakavula L.G
Sub-Division: Housing Policy Research & Development	1 Deputy Director	Mr Sigidle R.S.
Sub-Division: Housing Project & Land Ownership	1 Deputy Director	Mr Papu T.J.
Branch: Developmental Local Government	1 Chief Director	Mr Mzamo.N
Division: Munic Hr Management & Disaster Management	1 Director	Mr Watson N
Sub-Division: Munic Human Resource Management &	1 Dep Director	Ms Mama M.W
Sub-Division: Integrated Development/Led	1 Deputy Director	
Sub-Division: Disaster Management & Emergency Services	1 Deputy Director	Mr Hlazo.P
Division: Munic Development Finance	1 Director	Mr Madyaka.S.E

Component	POST DESIGNATION	INCUMBENT
Sub-Division: Munic Audit/Risk Management	1 Dep Director	
Sub-Div: Munic Financial Assistance Management	1 Dep Director	Ms Nyembezi N.
Division: Municipal Performance, Monitoring & Evaluation	1 Director	Mrs Mama NM
Sub-Division: Performance Management	1 Deputy Director	
Intergovernmental Relations	1 Dep Director	Mr Mini V.S
Sub-Division: Legislative Compliance	1 Deputy Director	
Division: Municipal Developmental Planning, Survey	1 Director	Mr Gyan.P.K.A
Sub-Division: Planning Services	1 Chief Town & Regional Planner	Mr Gericke B.
Sub-Division: Land Survey Services	1 Chief Land Surveyor	Mr Flatela S.
Sub-Division: Valuations	1 Deputy Director	
Branch: Corporate Services & Traditional Affairs	1 Chief Director	
Division: Traditional Affairs	1 Director	Mr Mahlangeni.B.M
Sub-Division: Traditional Affairs Administration	1 Deputy Director	Mr Van der Ryst G.
Sub-Division: House Of Traditional Affairs	1 Dep Director	Mr Pandle E.C.
Sub-Division: Traditional Affairs Research & Policy	1 Deputy Director	Mr Nabe.M.M
Division: Administrative Support Services	1 Director	Mr Sulelo M
Sub-Division: Human Resource Management	1 Deputy Director	Mr Brukwe M
Sub-Division: Human Resource Development	1 Deputy Director	
Sub-Division: Personnel Practice & Labour Relations	1 Deputy Director	Mr Bokwe Z.A.
Section: Office Services/Registry/Typing	1 Deputy Director	
Sub-Division: Performance Management	1 Deputy Director	Mr Bantom AD
Division: Management Advisory Services/Org. Development	1 Director	

Component	POST DESIGNATION	INCUMBENT
Section: Organisation And Workstudy	1 Deputy Director	
Section: Administrative Evaluation/Quality Assurance	1 Deputy Director	
Section: Information Technology	1 Deputy Director	Mr Strydom.A
Division: Financial Management	1 Director	Mr Mdikane Z.H.
Sub-Division: Financial Planning & Budgeting	1 Deputy Director	
Sub-Division: Tendering & Provisioning Services	1 Deputy Director	
Sub-Division: Financial Administration	1 Deputy Director	Mr Nkonki W.Z.
Sub-Division: Housing Finance Services	1 Deputy Director	Mr Gerber J.T.

#### 1.15.2 Delegations

Public Service Regulations delegations were delegated as from 29 May 1999 by the Executing Authority to the HOD and were further delegated downwards from HOD to lower levels on 16 March 2001. The delegations include delegation of powers in terms of Public Service Regulations of 1999, Public Service Act 1994 as amended, Resolution Number 2 of 1999, Disciplinary Code as well as resolution Number 3 of 1999. Thee some of the functions delegated

- ❖ HR administration functions have been delegated down to the level of Assistant Director Human Resources.
- ❖ Administration of leave, confirmation of probation and Subsistence & Travelling allowance which has been delegated to the level of Deputy Director (Line Managers)
- ❖ Disciplinary matters delegated to the level of Director concerned.
- ❖ Conciliation and arbitration matters delegated to the level of Director Labour Relations
- ❖ Determination of competencies & prescribing training for employees has been delegated to Director concerned.

The monitoring mechanism is build-in through the Performance Agreement and Workplans of individual managers. Evaluation is conducted on a half yearly basis.

#### ***Financial Delegations***

In order to ensure accountability for the budget and for expenditure control the delegations of the powers and duties of the accounting officer in terms of the public Finance Management Act have been delegated down to the level of sub-programme manager. Most sub-programmes are headed by directors. There are, however, three

sub-programmes in Programme one and six in Programme four which are headed by officials who hold ranks that are lower than director.

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

##### 1.15.3.1 Long term capital investment and asset management plans.

The capital (infrastructure) expenditures of the department are in the form of Human Settlements Redevelopment and Subsidies for low cost housing development.

These are all funded through conditional grants from two national departments. The Human Settlement Redevelopment Grant comes from the Department of Provincial and Local Government.

The Housing Subsidy Grant comes from the National Department of Housing.

The projected expenditures are as tabulated below:

	2003/04	2004/05	2005/06
Human Settlement Redevelopment	11 000	11 660	12 360
Low Cost Houses	853 580	610 902	

#### 1.15.4 Personnel

The human resource plan of the department seeks to address the overall human resource needs against its strategic objectives with the aim to improve service delivery. The human resource needs for 2002/03 and beyond have changed drastically. The focus now is more on human resource that will be providing consultancy advice to municipalities. This means the department needs highly professional consultants that are going to be able to meet the challenges of the Developmental Local Government.

The assessment of the current human resource profile indicate a huge shortage in relevant skills (Assistant Director level, Professional and Technical Personnel) and an over excess of additional personnel (66% unskilled personnel) who cannot be absorbed into the current structure.

The human resource profile also indicates that the department is far from achieving its employment equity targets and there are no strategies in place ensure that the targets are achieved.

The following strategies have been identified to meet the above-mentioned challenges:

- ❖ Succession Planning & Mentoring
- ❖ Exit strategy
- ❖ Performance Management & Performance Rewards Policy
- ❖ Affirmative Action Measures and Policy

## ❖ Managing of Conduct Strategy

## 1.15.5 IT systems

IT System	Use	Training
<b>Department specific systems</b>		
Housing subsidy management system: <b>HSS DATABASE MANAGEMENT SYSTEMS</b>	Used for the management and administration of the housing fund. The HSS system is effectively used to manage the Housing fund allocation for low cost housing for the whole province.	Training is provided by the National department of Housing and also on train-the-trainer bases.
Consolidated municipal Infrastructure Programme database management system: <b>Perform Developer</b>	Used for the management and administration of infrastructure projects for the province. The Perform system is effectively used to manage the CMIP fund allocation for all infrastructure projects in the province.	Training is provided by the National department of Local Government and also on train-the-trainer bases.
Consolidated municipal Infrastructure Programme: Project management system: <b>BTS_MIS DATABASE MANAGEMENT SYSTEMS</b>	Used for project management and Geographical Information System management of infrastructure projects for the province. The BTS_MIS is effectively used to manage all CMIP infrastructure projects in the province.	Training is provided in-house by the CMIP management team
Web portal for Local Government (Eastern Cape) <a href="http://lgh.ecape.gov.za">http://lgh.ecape.gov.za</a>	Used for information dissemination and communication between the province, local authorities and the public	Training is not needed, as the system is web based and self explanatory
<b>Primary Transversal Systems</b>		
Basic Accounting System (BAS)	Used for financial management of the departments budget's. The BAS system is effectively used as the primary financial management system for the whole department	Training is provided by Provincial Treasury
Persal	Used for Human Resource management. The Persal system is effectively used as the primary HR management system for the whole department	Training Provided by provincial persal consultants

IT System	Use	Training
<b>Department specific systems</b>		
Debtors System	Used for management of state assets and buildings. The system is effectively used for the management of all state assets of the department.	Training done in-house

#### 1.15.6 Performance management system

The department is in the pilot stage of the Performance Management Development System. The research stage has been done by SIMEKA Management Consultants appointed by the Provincial Government. Our department has been represented by our departmental Champions who on a regular basis provided feedback to Senior Management ,officers of the department and the Performance Management Task Team.

The Consultation Stage has been successfully completed with our Champions informing Regional Staff Members (all levels) and trained them in implementing the PMS. A PMS Focus Week has been arranged for the whole department from the 18-22 March 2002. with the aim of introducing the PMS and taking everybody on board.

As a result of poor management support and apathy on the part of the officials in accepting the system the implementation thereof is very slow and unacceptable.

This is clearly observed and illustrated by the fact that more than 95% of the entire workforce has no performance contracts, work-plans and standard framework agreements to produce. Resistance in accepting the change is another contributing factor.

Lastly the PMS is not showing the desired results as a result of the non-availability of a Departmental PMS Policy. The Performance Management Unit of the department is going to work very hard to have a PMS Policy in place towards the end of the 2002/3 financial year in order to improve the current state of affairs.

## 1.15.7 Financial management

## EXPENDITURE OF THE PAST THREE YEARS

	1999/2000			2000/2001			2001/2002		
	BUDGET	EXPENDITURE	VARIANCE	BUDGET	EXPENDITURE	VARIANCE	BUDGET	EXPENDITURE	VARIANCE
Personnel Expenditure	163 591	197 937	(34 346)	192 602	213 042	(20 440)	234 092	176 659	57 433
Admin Expenditure	13 971	13 463	508	20 943	16 366	4 577	29 233	24 494	4 739
Stores & Livestock	2 503	1 197	1 306	4 334	1 157	3 177	2 956	1 706	1 250
Equipment	4 160	937	3 223	5 331	2 434	2 897	4 924	2 319	2 605
Professional & Special Services	14 239	16 287	(2 048)	75 755	34 484	41 271	64 358	308 203	(243 845)
Transfer Payments	77 458	80 152	(2 694)	451 492	493 321	(41 829)	788 326	92 369	695 957
Miscellaneous	2 463	4 034	(1 571)	5 629	3 685	1 944	3 122	635	2 487
TOTAL	278 385	314 007	(35 622)	756 086	764 489	(8 403)	1 127 011	606 385	520 626

## Financial Management Training

There is a partnership between the Provincial Treasury with the University of Fort Hare whose aim is to develop the Accounting Skills of the officials working in Finance in the provincial departments. All the departmental staff working in the Finance Section will participate in this programme.

In addition to this training all managers are being exposed to Public Finance Management Courses which are offered by the Southern African Institute of Government Auditors (SAIGA)

### 1.15.8 Audit queries

The audit report of the financial year ended 31 March 2000 was a disclaimer in respect of both Financial Audit and Compliance Audit. The disclaimer in respect of financial audit was because the department could not provide the Auditor-General with all the documents and files requested. The compliance audit disclaimer related to virement approvals, disclosure, motor vehicle finance scheme, housing subsidies, salary overpayments, advances on salary personnel account, transfer payments and face value forms.

The audit for the financial year ended 31 March 2001 was also a disclaimer in respect of both Financial Audit and Compliance Audit. The financial audit disclaimer was a emanated from scope restriction caused by the inability of the department to provide the Auditor-General with all the documents and files requested.

For the year ended 31 March 2002 the Auditor-General issued a qualified report. The qualification was a result of three items which were, Suspense accounts, Treasury balance not substantiated and a balance of R54,309 million which was kept at the principal responsibility account at Treasury and not set off against a debtor balance in the books of the department.

### 1.15.9 Implementation of PFMA

The implementation is proceeding apace with assistance from Provincial Treasury. The following areas have been focused on with support from the CFO Support Consortium which was appointed by Provincial Treasury

- Monitoring and Reporting

Systems and procedures are in place. The challenge is to create awareness of the importance of this task among managers. The other challenge is the prevailing skills shortage.

- Internal Control and Corporate Governance

This is one of the priority areas for attention in the coming financial year.

- Assets and Liabilities Management

The fixed asset register managed by the Office of the National Accountant General is being implemented in line with programme for capturing assets which has been designed by the same office.

The department has found itself challenged lack of skills in the area of creditor management. Training programmes are being implemented to address this problem.

- Accounting Reforms

In line with the rest of the Province and the Country the department is expecting to move to accrual accounting in the coming year. This will be done under the guidance of the Provincial Accountant General

- Risk Management and Fraud Prevention Implementation Plans

Risk assessment has been done and the risk profile of the department will be reviewed again in the first two months of the new financial year.

The Anti-Fraud Working Committee of the department expected to be launched before the end of March 2003.

- Statutory appointments

The post of Chief Financial Officer has been evaluated and a permanent appointment is expected to be made within the next two months

- Strategic Planning and Budgeting and Cash Flow Forecasting

Efforts are being made to educate managers on the development of Strategic Plans and the alignment of same with the budget.

- Resource Management

Financial skills are currently being assessed. Previous snap surveys revealed that there is a critical shortage of accounting skill in the Financial Management section.

The Public Financial Services Agency at Fort Hare University will be used to address this shortage through targeted training.