



**DEPARTMENT OF HUMAN SETTLEMENTS**

**2019/20 ANNUAL REPORT**

**MPUMALANGA PROVINCE**





# TABLE OF CONTENTS

PART A: GENERAL INFORMATION.....	1
1. DEPARTMENT'S GENERAL INFORMATION.....	1
2. LIST OF ABBREVIATIONS/ACRONYMS.....	2
3. FOREWORD BY THE MEC.....	3
4.2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT.....	5
4.2.1. Departmental Receipts.....	6
4.2.3. Virements/ Roll Overs.....	7
4.2.4. Funds to be Rolled-Over to the 2020/21 Financial Year.....	7
4.2.5. Supply Chain Management.....	7
4.2.6. Gifts, Donations Received in kind from Non Related Parties.....	8
4.2.7. Exemptions and Deviations Received from the National Treasury.....	8
4.2.8. Events after the Reporting Date.....	8
4.2.9. Corporate Governance Arrangements.....	8
4.2.10. Asset Management.....	8
4.2.11. Performance Information.....	8
4.2.12. SCOPA Resolutions.....	8
4.2.13. Prior Modifications to Audit Reports.....	9
There were no Prior Modifications to Audit Reports.....	9
4.2.14. Improvement in Financial Management.....	9
4.2.15. Acknowledgement and Appreciation.....	9
6. STRATEGIC OVERVIEW.....	11
6.1. Vision.....	11
6.2. Mission.....	11
6.3. Values.....	11
7. LEGISLATIVE AND OTHER MANDATES.....	11
8. OTHER PRESCRIPTS IN SUPPORT OF HUMAN SETTLEMENTS PROCEDURES .....	11
9. ORGANISATIONAL STRUCTURE.....	12
10. ENTITIES REPORTING TO THE MEC.....	12





<b>PART B: PERFORMANCE INFORMATION</b>	<b>13</b>
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	14
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	14
2.2 Service Delivery Improvement Plan	15
2.3 Organisational Environment	16
2.4 Key Policy Developments and Legislative Changes	16
3. STRATEGIC OUTCOME ORIENTED GOALS	17
4. PERFORMANCE INFORMATION BY PROGRAMME	18
4.1 Programme 1: Administration	18
4.3. Programme 3: Housing Development	28
5. TRANSFER PAYMENTS	34
5.1 Transfer payments to public entities	34
5.2 Transfer payments to all organisations other than public entities	34
6. CONDITIONAL GRANTS	34
6.1 Conditional grants and earmarked funds paid	34
6.2.2 Title Deeds Restoration Grant	35
7. DONOR FUNDS	36
There were no donor funds received	36
8. CAPITAL INVESTMENT	36
8.1 Capital investment, maintenance and asset management plan	36
<b>PART C: GOVERNANCE</b>	<b>37</b>
1. INTRODUCTION	38
2. RISK MANAGEMENT	38
3. FRAUD AND CORRUPTION	38
4. MINIMISING CONFLICT OF INTEREST	38
5. CODE OF CONDUCT	38
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	39
7. PORTFOLIO COMMITTEE	39
8. SCOPA RESOLUTIONS	48
9. PRIOR MODIFICATIONS TO AUDIT REPORTS	53



10. INTERNAL CONTROL UNIT .....	53
11. INTERNAL AUDIT AND AUDIT COMMITTEES.....	53
11.1 Internal Audit.....	53
11.2 Audit Committee .....	53
B-BBEE Compliance Performance Information .....	58
<b>PART D: HUMAN RESOURCE MANAGEMENT .....</b>	<b>59</b>
1. INTRODUCTION .....	60
2. OVERVIEW OF HUMAN RESOURCES.....	60
3. HUMAN RESOURCES OVERSIGHT STATISTICS .....	61
3.1 Personnel related expenditure.....	61
3.2 Employment and Vacancies .....	63
3.3 Filling of SMS Posts.....	65
3.4 Job Evaluation .....	66
3.5 Employment Changes.....	67
3.6 Employment Equity .....	71
3.7 Signing of Performance Agreements by SMS Members.....	74
3.8 Performance Rewards .....	75
3.9 Foreign Workers .....	77
3.10 Leave utilisation .....	77
3.11 HIV/AIDS & Health Promotion Programmes.....	78
HIV COUNSELLING AND TESTING ANALYSIS .....	78
3.12 Employee Relations .....	80
3.16 Severance Packages.....	84
<b>PART E: FINANCIAL INFORMATION .....</b>	<b>85</b>
1. REPORT OF THE AUDITOR GENERAL.....	86
2. ANNUAL FINANCIAL STATEMENTS.....	122
2.1 Annual Appropriation.....	122
2.2 Departmental revenue.....	122
2.3 Compensation of employees.....	123
2.4 Goods and services.....	125



2.5 Transfers and subsidies.....	126
2.6 Expenditure for capital assets.....	126
2.7 Cash and cash equivalents.....	127
2.8 Receivables.....	127
2.9 Voted funds to be surrendered to the Revenue Fund.....	128
2.10 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund.....	128
2.11 Payables – current.....	128
2.12 Net cash flow available from operating activities.....	129
2.13 Reconciliation of cash and cash equivalents for cash flow purposes.....	129
2.14 Contingent liabilities and contingent assets.....	129
2.15 Accruals and payables not recognised.....	130
2.16 Employee benefits.....	131
2.17 Lease commitments.....	132
2.18 Irregular expenditure.....	133
2.19 Fruitless and wasteful expenditure.....	134
2.20 Related party transactions.....	134
2.21 Key management personnel.....	135
2.22 Provisions.....	135
2.25 Intangible Capital Assets.....	139
2.26 Immovable Tangible Capital Assets.....	140
2.27 STATEMENT OF CONDITIONAL GRANTS RECEIVED.....	141
2.28 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS	
PAID TO MUNICIPALITIES.....	142
2.29 BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE.....	142



2.30 ANNEXURE 1A.....	143
2.31 ANNEXURE 1B.....	144
2.32 ANNEXURE 1C.....	145
2.33 ANNEXURE 1D.....	146
2.34 ANNEXURE 2.....	147
2.35 ANNEXURE 3.....	148
2.36 ANNEXURE 4.....	149





## PART A: GENERAL INFORMATION



## 1. DEPARTMENT'S GENERAL INFORMATION

**PHYSICAL ADDRESS:**

DEPARTMENT OF HUMAN SETTLEMENTS  
SAMORA MACHELE AND RHINO BUILDINGS  
RIVERSIDE GOVERNMENT COMPLEX  
GOVERNMENT BOULEVARD  
RIVERSIDE PARK  
EXTENSION 2  
MBOMBELA  
1200

**POSTAL ADDRESS:**

PRIVATE BAG X 11328  
MBOMBELA  
1200

**TELEPHONE NUMBERS:**

+27 13 766 6087/6088

**HOTLINE NUMBER:**

+27 64 641 6333

**FAX NUMBER:**

+27 13 766 8441

**WEBSITE ADDRESS:**

dhs.mpg.gov.za  
Facebook: Mpumalanga Department of Human Settlements  
Instagram: Mpumalanga Human Settlements  
Twitter: @MpumalangaDHS





## 2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
CoE	Compensation of Employees
DHS	Department of Human Settlements
HOD	Head of Department
HSDG	Human Settlements Development Grant
IDPs	Integrated Development Plans
IRDP	Integrated Residential Development Programme
MEC	Member of Executive Council
MEGA	Mpumalanga Economic Growth Agency
MSIHS	Master Plan on Sustainable Integrated Human Settlement
MTEF	Medium Term Expenditure Framework
PFMA	Public Finance Management Act
PMC	Provincial Management Committee
PPP	Public Private Partnerships
PHP	People's Housing Process
PMU	Project Management Unit
SMS	Senior Management Service
SCM	Supply Chain Management
SDF	Spatial Development Framework
SITA	State Information Technology Agency
TR	Treasury Regulations
UISP	Upgrading of Informal Settlements Programme
NDP	National Development Plan
OP	Operational Plans
APP	Annual Performance Plan



### 3. FOREWORD BY THE MEC



**Ms. Norah Mahlangu (MPL)**  
**MEC: Human Settlements**

The South African Constitution (Act 108 of 1996) mandates the Department of Human Settlements to provide adequate housing and integrated sustainable human settlements to all eligible beneficiaries. Enjoined by the enhanced mandate - the Department is energetically spurred in collaboration with its stakeholders to ensure the realisation of the delivery of integrated human settlements. Reference is drawn by Section 26 of the Constitution that amplifies the importance of this portfolio (Department) in providing appropriate, humane and decent housing and development of sustainable integrated human settlements to deserving citizens. In the recent past, the country has advanced countless programmes, policies, and enacted legislations, amongst others to ensure fixated growth.

The Freedom Carter (1955) pre-meditated that – **“there shall be houses, security and comfort”** – to profit all its citizens without discrimination. The 2019/20 financial year marks the first year of the country’s sixth administration (2019 – 2024) – a period which promises new optimism and dawn. Guided by the country’s futuristic guide – National Development Plan (NDP) and its key manuscripts, the Strategic and Annual Performance Plans -

this Annual Report presents an account of the Department’s performance for the 2019/20 financial year. Premised on its developmental approach - the Department continued in its endeavours to satisfy what the Constitution instructs it to do.

Aligned to the pronouncements of the ruling African National Congress, the Department ensured the delivery of services in line with the overarching NDP blue-print, the Human Settlements Master Plan (HSMP) and other development prescripts to ensure the realisation of organised planning – whilst in the process underscoring the old spatial planning premeditated along racial lines. During the year, the department vigorously involved its stakeholders both in and outside government to make great advances to provide services ensuring improvement of people’s livelihoods as championed by the ruling ANC’s mantra of developing one equal society. In reducing the three social ills of poverty, unemployment and inequality, the department realised nearly 11 000 housing opportunities and created over 1 000 employment opportunities through the various programmes and projects we rolled out.

Notwithstanding some noticeable outputs, the globe and subsequently countries experienced an unprecedented novel Corona Virus (COVID19) pandemic towards the end of 2019 in which continued to ravage the world. By implication, South Africa was not spared, thus affecting the economy, health, growth and generally people’s way of living. The Covid-19 forced the country and by implication the province to close shop in response to the call by the World Health Organisation to deal with the spread of the virus. Besides the pandemic which brought about a new normal state in our daily lives, we had to endure related challenges that included, amongst others, poor bulk infrastructure at municipalities, disruption in projects, and inept beneficiary management at local levels, political fowl-play that instigated residents to default on rentals at our Social Housing Project at Uthingo Park, eMalahleni and illegal occupation of houses in some areas.





It was not all dark and gloom though as there were positives during the year. These included consultations on the Consumer Protection Bill, restoration of over 1 200 storm ravaged houses in KaNyamazane and surroundings, provision of water tanks in Bushbuckridge and the City of Mbombela, and forging good relations with municipalities on planning. In response to this realities as raised by stakeholders such as communities, **Select Committee on Public Accounts (SCOPA) and Portfolio Committee**, the Department took keen interest in developing intervention plans to tackle these issues henceforth. Furthermore, it is my paramount belief that our stakeholders within the built sector ensured that the year 2019/20 goes accordingly – albeit few mishaps.

My gratitude goes to the ANC for affording me an opportunity to lead this portfolio, my family for being my pillar and the leadership of the Premier,

Ms Refilwe Mtshweni-Tsipane, colleagues at the Executive Council and my office. Let me also appreciate the guidance and oversight role by the Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs. Lastly, my gratitude goes to the Accounting Officer, management, and all the employees for their sterling resolve to pledge the delivery of housing to our citizens.

“Together Moving Mpumalanga Forward”

**MS N MAHLANGU (MPL)**

**MEC: HUMAN SETTLEMENTS**



## 4. REPORT OF THE ACCOUNTING OFFICER



**Mr. DS Nkosi**  
**Acting Head: Human Settlements**

### 4.1. OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

The National Development Plan (NDP) which is the country's futuristic blue-print directs the government, mainly departments and its entities to align themselves to innovative and encompassing forecasting. Outcome 8 of the NDP mandates the department to create sustainable integrated human settlements and improved quality of household lives. Consequently, this places considerable prominence to the department as a strategic portfolio to facilitate the delivery of integrated sustainable human settlements – with consideration from stakeholders – thus realising coordinated planning and development.

From the onset of the 2019/20 financial year, the Department positioned itself as a developmental leader by spelling out clear outputs in an expedition to satiate its mandate. At the end of the year under review; the Department successfully delivered 6 710 housing units which included 3 303 informal settlements upgrading, 1 269 disaster relief, 867 rural

intervention programme and serviced 3 902 sites in various municipalities throughout the province. There was also the delivery of only 1 987 and 1 641 for general houses and those houses delivered pre and post 1994, respectively. Another pleasing feat was the resolution of 634 rental disputes in the province.

Determined to improve the livelihoods of households, the Department encountered severe realities on the ground which it had to endure whilst delivering services. These included amongst others, unavailability of serviced sites in some municipalities to roll-out emergency houses, project interference by local business structures, slow performance and delivery by some contractors citing remoteness and difficulty of project sites and stoppage of works on site due to the non-enrolment of project sites with the NHBR. In some instances, some municipalities' commission projects without being ready to absorb them in line with the capacity of their existing infrastructure – despite committing on their part.

Notwithstanding some few tests, considerable ground was covered by planning for new and consolidating on existing integrated human settlements as part of the department's project readiness matrix for the coming year(s) and preparation of four land parcels in anticipation of future projects. It must be further noted that the 2019/20 financial year saw great determination by all and sundry – amid weak global economy, slow growth and the arrival of Coronavirus at the last quarter of the financial year.

Once again, the sector and the Department in particular could have done better and reached maximum satisfaction – however, the above indicated challenges proved difficult to single-handedly overcome. That said, I would like to take this opportunity and acknowledge all stakeholders who made significant impact towards our quest to deliver integrated sustainable human settlements – thus improving the landscape of communities.





## 4.2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

### 4.2.1. Departmental Receipts

Departmental Receipts	2019/20			2018/19		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	126	153	(27)	126	144	(18)
Interest, dividends and rent on land	2 680	3 762	(1 082)	2 450	1 857	593
Sale of capital assets	-	266	(266)	-	79	(79)
Financial transactions in assets and liabilities	27	397	(370)	37	20	17
<b>Total</b>	<b>2 833</b>	<b>4 578</b>	<b>(1 745)</b>	<b>2 613</b>	<b>2 100</b>	<b>513</b>

The Department has collected **R 4.578 million** for the 2019/20 financial year which constitutes 162% of the revenue collection estimate for the year. This is an over-collection by an amount of **R1.745 million** or 62% of the revenue estimate.

The Department does not have Departmental specific tariffs. All tariffs charged by the Department during the financial year under review were determined by National Treasury which include amongst other commission on insurance and garnishee orders.

Furthermore, the Department has received an amount of **R 0.266 million** from the sale of ageing state owned vehicles through auction and this amount has been accounted for under Sale of Capital Assets in the face of the financial statements.

### 4.2.2. Programme Expenditure

The Department was allocated a total budget of **R 1. 674 139 billion** during the 2019/20 financial year which constitute a decrease of 16% compared to **R 1. 949 585 billion** for 2018/19 financial year. However, the Departmental budget increased by **R 282 909 million** during the 2019/20 budget adjustments from **R 1. 674 billion (initial budget)** to **R 1. 957 billion (adjusted budget)**.

The increase of the adjusted budget for the 2019/20 came as a result of the following:

Description	Amount R'000	Programme
Equitable Share	131 000	Administration, Housing Needs, Research and Planning and Housing Development
Provincial Emergency Housing Grant	53 409	Housing Development
Human Settlements Development Grant	98 500	Housing Development
<b>TOTAL</b>	<b>282 909</b>	

The Department has spent **R1.895 billion** of the total adjusted budget of **R 1.957 billion** as at 31 March 2020. The Department underspent its budget by **R62.002 million** that constitutes 3% of the total budget for the year.



The table below depicts the summary of expenditure per programme for 2019/20 financial year as well as under expenditure per programme for 2019/20 financial year, with comparative figures. The details are disclosed in the Appropriation Statement of the Financial Statements in Part E.

Departmental Summary	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	168 176	167 239	937	162 094	162 094	-
Housing Needs, Research and Planning	225 521	170 552	54 969	257 124	257 074	50
Housing Development, Implementation	1 506 617	1 502 999	3 618	1 454 113	1 400 328	53 785
Housing Asset Management	56 734	54 256	2 478	76 254	74 864	1 390
Total	1 957 048	1 895 046	62 002	1 949 585	1 894 360	55 225

The unspent amount of **R 62 002 million** has been surrendered to the Provincial Revenue Fund.

#### 4.2.3. Virements/ Roll Overs

The following post-book closure virements for the 2019/20 final budget adjustment appropriation were effected:

Transfer From	Transfer To	Amount R'000
Housing Development	Housing Development	2 590

#### Reasons for virement

Virements was made from Housing Development to realign the allocation to SCOA within programme 3 (Housing Development).

#### 4.2.4. Funds to be Rolled-Over to the 2020/21 Financial Year

The Department applied for roll-overs amounting to **R 49,504 million** emanating from the Parliamentary Village bulk infrastructure project.

#### 4.2.5. Supply Chain Management

The Department had a functional Supply Chain Management (SCM) Directorate during the 2019/20 financial year. The following Committees were established to execute SCM functions as per the prescripts:

- Bid Specification Committee;
- Bid Evaluation Committee;
- Bid Adjudication Committee; and
- Departmental Finance Committee.



#### 4.2.6. Gifts, Donations Received in kind from Non Related Parties

None

#### 4.2.7. Exemptions and Deviations Received from the National Treasury

There were no exemptions and deviations received from the National Treasury.

#### 4.2.8. Events after the Reporting Date

Early in 2020 the World Health Organisation (WHO) declared the COVID-19 outbreak as a global pandemic and in response to this, the Honourable President of South Africa announced the declaration of a national state of disaster on the 15th of March 2020. These developments occurred at the end of 2019/20 financial year.

As a result, the South African government has declared a National State of Disaster followed by a lockdown that enforced various measures which led to reduced business activities of the entity thus possibly impacting on the future viability of the department.

The declaration of the pandemic does not affect the annual financial statements for the reporting period ended 31 March 2020.

#### 4.2.9. Corporate Governance Arrangements

The Department received shared audit services from the Office of the Premier together with the Audit Committee service. The Internal Audit three year rolling plans were prepared using an adequately evaluated risk register finalised at the beginning of 2019/20 financial year. The Department appointed a Risk Committee to oversee the risk register, monitor the risk mitigation plans and reports as well as provide risk assurance advice to management. The Department further appointed an Information Technology Steering Committee to oversee all IT related governance framework.

#### 4.2.10. Asset Management

The Department has ensured that the assets register complies with the minimum requirements of the assets register as per the Asset Management Framework issued by the National Treasury.

The Department has ensured that all movable, immovable, major and minor assets are included in the asset register.

#### 4.2.11. Performance Information

The Department's Monitoring and Evaluation Directorate continued to provide internal oversight on the Implementation of Human Settlements Conditional grant through the 2019/20 Business and Annual Performance Plans. The internal oversight was intended to ensure that all reported information is supported by valid, complete and accurate portfolio of evidence in an endeavour to attain a clean audit outcome.

#### 4.2.12. SCOPA Resolutions

There were SCOPA resolutions taken during the 2019/20 financial year. (Refer to Part C of the Annual Report).



#### **4.2.13. Prior Modifications to Audit Reports**

There were no Prior Modifications to Audit Reports.

#### **4.2.14. Improvement in Financial Management**

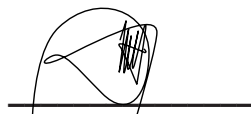
There has been improvement in implementing and complying with the PFMA during the year of reporting.

#### **4.2.15. Acknowledgement and Appreciation**

My appreciation goes to the Executive Authority for proper guidance and direction during the financial year under review. I also appreciate oversight bodies who provided value through positive inputs and honest oversight, Officials of the Department who showed improvement and commitment in the implementation of the annual plans in compliance with laws and prescripts and all those who made inputs towards the delivery of sustainable integrated human settlements during 2019/20 financial year.

#### **4.2.16. Conclusion**

The Department spent 96.8% of its budget of R1 957 billion providing 10 612 housing opportunities to the communities of Mpumalanga Province. It is therefore safe to conclude that the 2019/20 financial year was awesome.

  
\_\_\_\_\_  
**MR. DS. NKOSI**

**ACTING HEAD: HUMAN SETTLEMENTS**

**DATE: 30 October 2020**





## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

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

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

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

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

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2020.

Yours faithfully

**MR. DS. NKOSI**

**ACTING HEAD: HUMAN SETTLEMENTS**

**DATE: 30 October 2020**



## 6. STRATEGIC OVERVIEW

### 6.1. Vision

Integrated sustainable human settlements and improved quality livelihoods

### 6.2. Mission

To coordinate and facilitate the creation of integrated sustainable human settlements through:

- Servicing of sites and construction of houses and other socio-economic facilities for poor communities;
- Collaboration with other state departments in delivery public facilities; and
- Collaboration with the private sector and other government agencies.

### 6.3. Values

The values of the department rest on Batho Pele principles. The Department of Human Settlements is committed to maintain the following values:

CORE VALUES	
Accountability	The Department is committed to support its employees and render quality services to all communities in Mpumalanga.
Integrity	The Department will promote honesty, respect, non-corruptive conduct and responsiveness at all times
Professionalism	The Department will develop service delivery standards that will be adhered to at all times.
Equality	The Department is committed to provide housing opportunities to deserving beneficiaries
Value for money	The Department is committed to effectively utilise resources available to provide quality services

## 7. LEGISLATIVE AND OTHER MANDATES

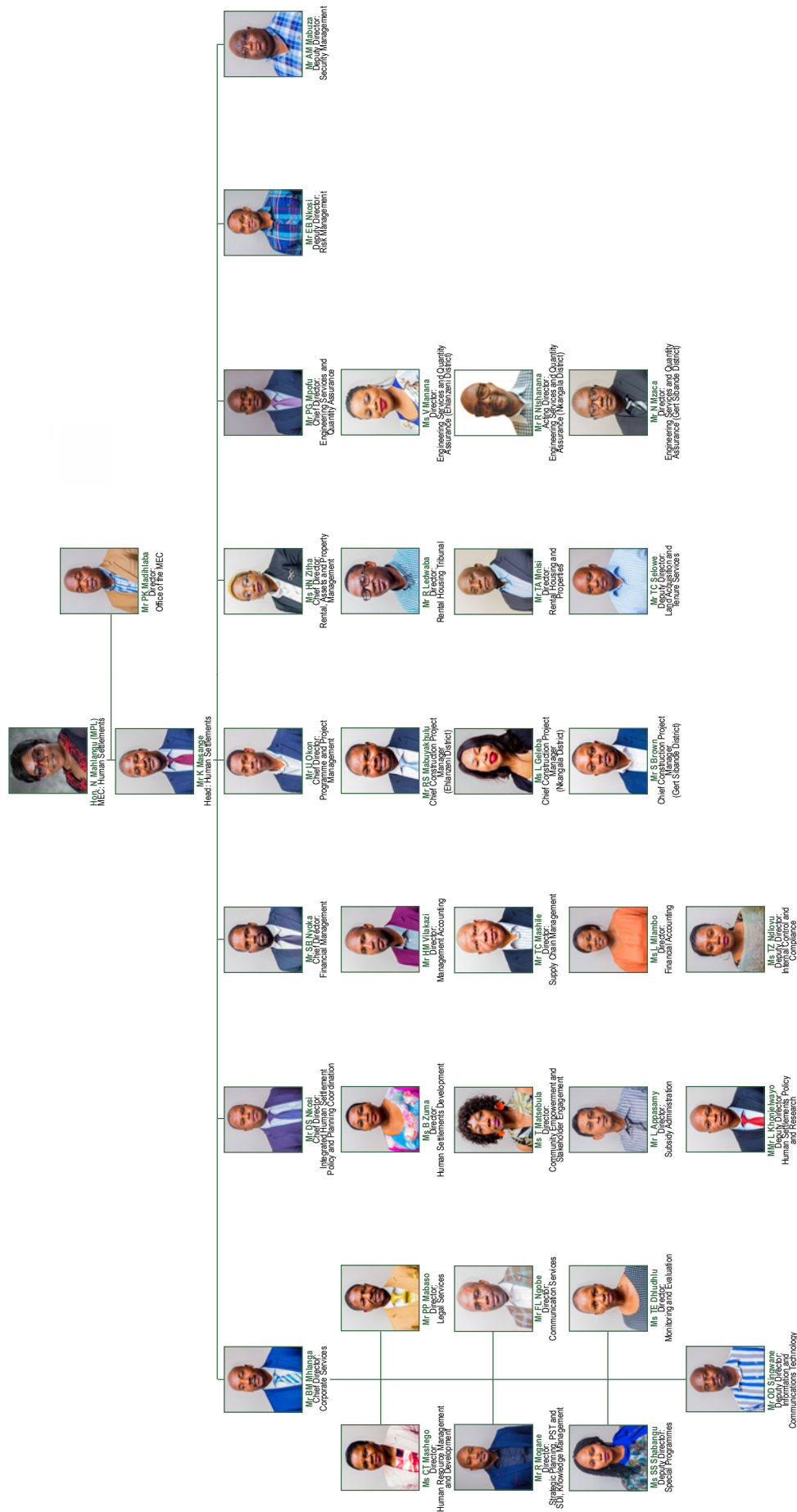
<b>The legislative frameworks from which the Department derives its mandate are listed as follows:</b>
Housing Act No. 107 of 1997;
National Housing Code;
Rental Housing Act;
Housing Consumers Protection Measures Act;
Intergovernmental Relations Framework Act, 2005;
Social Housing Act No.16 of 2008;
Deeds Registry Act No 11 of 1996; and
Upgrading of Land Tenure Act No. 34 of 1996.
Spatial Planning and Land Use Management Act 16 of 2013

## 8. OTHER PRESCRIPTS IN SUPPORT OF HUMAN SETTLEMENTS PROCEDURES

Public Finance Management Act No. 1 of 1999 as amended by Act 29 of 1999;
Promotion of Equality and Prevention of Unfair Discrimination Act No. 4 of 2000;
Preferential Procurement Policy Framework Act No.5 of 2000;
Skills Development Act No. 97 of 1998; and
Employment Equity Act No.55 of 1998.

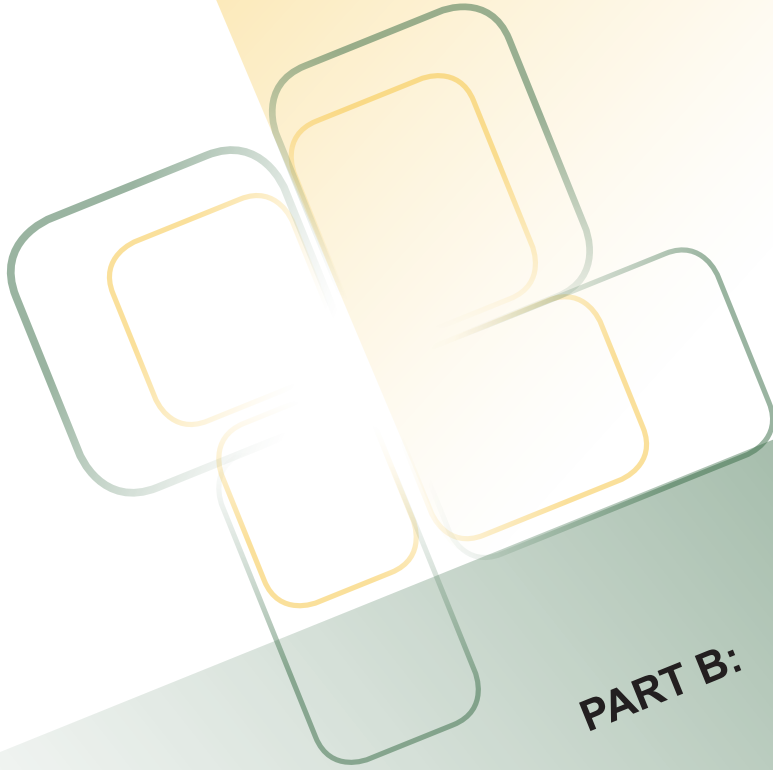


## 9. ORGANISATIONAL STRUCTURE



## 10. ENTITIES REPORTING TO THE MEC

The Department does not have entities reporting to the MEC.



## **PART B: PERFORMANCE INFORMATION**



## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 140 of the Report of the Auditor General, published as **Part E: Financial Information**.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

The Mpumalanga Department of Human Settlements has identified two services in the development of its Service Delivery Improvement Plan (SDIP) 2018-2020, namely upgrading of informal settlements and the provision of basic services.

Rapid urbanisation and inadequate capability to cope with housing needs of people in urban areas have contributed to the mushrooming of informal settlements. Informal Settlements and backyard shacks present a particular challenge related to the pursuit of economic livelihood opportunities linked to a fundamental shift in the structure of household and survivalist strategies. The Upgrading of Informal Settlements Programme (UISP) seeks to facilitate the structured upgrading of informal settlements and enhancing the concept of citizenship, incorporating both rights and obligations by formalising the tenure rights of residents in the informal settlements. Through this initiative, the Department had an initial target to deliver 2990 Units under Informal settlements upgrading during the 2019/20 financial year and managed to deliver 3 303 units which was an over-achievement by 313 units.

The Department had also planned **to provide household with basic services such as water and sanitation**. The planned number of new households with access to basic services: IRDP Phase 1: Planning & Services was 5000 Sites. The Department managed to service 3902 sites for provision of access to basic services which recorded an under-achievement by 1 098 sites. Servicing of 751 sites in Vukuzakhe B – the project was stopped on 9 July 2019 due to community unrest and only commenced on 29 January 2020. Servicing of 236 sites in Silindile ext. 3 and Servicing of 690 sites in Ethandakukhanya ext. 7 – These projects were advertised for the procurement of contractors and no appointment has been made to date. The Department to improve on Project planning and procurement to avoid delays in the implementation of projects



## 2.2 Service Delivery Improvement Plan

### Main services and standards

Main Services	Beneficiaries	Current/Actual Standard of Service 2018/19	Desired Standard of Service 2019/20	Actual Achievement 2019/20
Upgrading of accommodation within informal settlements	All qualifying beneficiaries earning below R3 500	375 Units  Two bedrooms, separate bathroom with toilet, shower and hand basin, and ready board electrical installation and disability friendly where necessary	2990 Units  Two bedrooms, separate bathroom with toilet, shower and hand basin, and ready board electrical installation and disability friendly where necessary	3 303 units completed
Provision of Basic Services	All qualifying beneficiaries earning below R3 500 a month	2720 Sites	5000 Sites	3 902 Sites Serviced

### Batho Pele Arrangements with Beneficiaries (Consultation access, etc.)

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
Consultation	Consultation with stakeholders and beneficiaries	Meetings were held with departmental staff, Contractors, NHBRC officials and Municipalities as part of consultative process to ensure stakeholder participation.
Access	Access to services through the 3 disability accessible District offices and 2 satellite offices	Head Office, Gert Sibande, Ehlanzeni and Nkangala Districts as well as two satellite offices were used by customers to access information.
Courtesy	Respond to queries within 30 calendar days	Queries were received from the public and were handled within 30 calendar days.
Openness and Transparency	Make information available for all citizens of the province	Customers received information as per their requests through media and Taking Legislature to the People.
Information	Provide information through reports, media statements, public gatherings and website and through application of PAIA	Radio Stations, television, newspapers and other forms of social media were used to provide information about the business and progress of the Department to the community.
Redress	Office of Director Stakeholder Management receives complaints	Reasons for non-achievement of planned objectives were given to the community through Head Office, the three districts and two satellite offices media and Taking Legislature to the People.



### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Approved Service Delivery Improvement Plan	Approved Service Delivery Improvement Plan	The Department followed an approved 2018 to 2020 Service Delivery Improvement Plan (SDIP) to report on planned deliverables.

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Office of Director Stakeholder Management receives complaints via: Presidential Hotline, Petitions through Office of the Premier, South African Human, Rights Commission, Public Protector and through Portfolio Committee on Human Settlements	Respond to complaints within 30 working days and finalise them within the next 30 days after the responses.	All complaints were responded to within 30 days.

## 2.3 Organisational Environment

The Department is structured into four programmes namely;

- Programme 1: Administration;
- Programme 2: Housing Needs, Research and Planning;
- Programme 3: Housing Development; and
- Programme 4: Housing Asset Management.

The Department is currently at 39% women at the SMS level, only 11% of females at SMS level needed to meet the Employment Equity target of 50%, as set out by the Minister of Public Service and Administration. The department is committed to consider female employees and people living with disabilities to be given an opportunity during the filling of senior management positions to address this challenge.

The Department has also ensured adequate and effective implementation, frequent monitoring of the audit action plans for both internal and external audits in an effort to achieve a clean audit report.

The Departments' Management met regularly to assess enterprise risks, implementation of action plans, review quarterly performance and financial status. The Department established advisory committees in Supply Chain Management, Risk Management, Information Communications Technology and Financial Management to streamline processes and promote good governance.

## 2.4 Key Policy Developments and Legislative Changes

There has not been any significant change to the legislation that affects Department.





### 3. STRATEGIC OUTCOME ORIENTED GOALS

The 2019/20 financial year marks the first year of the sixth administration wherein an outcome based approach was further adopted as a tool to reorganise government programmes and delivery. Human Settlements remained as the implementing Department for Outcome 8 (***Sustainable Human Settlements and improved quality households***) and Mpumalanga Province has the following MTSF (2019-2024) targets:

- *Serving of Sites (IRDP and UISP)- 39 585 sites*
- *Individual units (Top Structures)- 31 324 units*
- *Social and Economic facilities-20 facilities*
- *Finance Linked subsidies programme- 1000 units*
- *Social Housing-400 units*
- *Community Residential Units-1300 units*

During the Financial year under-review, prominent progress has been made by the department in an attempt to meeting its strategic goals of the new MTSF period (2019-2024). The Department is continuing with its mandate of creating integrated sustainable human settlements in the Mpumalanga communities. It should be noted that, besides constraints of limited finance and a private ownership of well-located land, the department has managed to deliver a total of 6 710 housing units and 3 902 serviced sites against a target of 6 694 housing units and 5 000 sites in the 2019/20 financial year.

Upgrading of informal settlements remained the centre of Human Settlements delivery and a Provincial priority. As a result prominent progress has been made by the department in an attempt to upgrade informal settlements as follows: UISP-3 303 units, IRDP-Phase 2 informal settlements-539 units and IRDP phase 2 top structure-633 units.

Notable progress has also been made in the acquisition of well-located land as one of the department's key Priority of "Mobilisation of well-located public land for low income and affordable housing with increased densities on land and in general". A total of four land parcels have been purchased at the following areas:

- **Mbombela LM:** R/E of Farm Esperado
- **Mbombela LM:** Portion 1 of Farm Biggar
- **Nkomazi LM:** Portion 10 of Farm Louieville and
- **Msukaligwa LM:** Portion 31.35.59 of Farm Van Oudshoornstroom

The department did not do so well in the implementation of an added mandate of assisting municipalities in the provision of bulk services. Out of seven bulk projects planned for the financial year 2019/20, only one project at Govan Mbeki: Embalenhle, Sewer Spillages was completed. The remaining six projects are at different milestones.



## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration

#### Programme Purpose

- To provide strategic administrative and management support to the Department.

#### List of Sub-Programmes

- Office of the CFO
- Corporate Service

#### Strategic Objectives

- To achieve clean audit outcome through good governance, leadership and management by 2020

PROGRAMME: ADMINISTRATION					
Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2018/2019	Comment on Deviations
To achieve clean audit outcome through good governance, leadership and management by 2020	Unqualified audit	Clean audit outcome	27/41 or 66% performance	27/41 or 34% Non-performance	See comments below

# PERFORMANCE INDICATORS AND TARGETS

PROGRAMME: ADMINISTRATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
<b>OFFICE OF THE CHIEF FINANCIAL OFFICER FINANCIAL MANAGEMENT</b>							
1 Percentage of suppliers paid within 30 days of receipt of valid invoices	99% or 3332/3369 invoices paid within 30 days	3296 out of 3371 or 97.78% of all invoices received were paid within 30 days	3170 or 91.35% of all invoices were paid within 30 days	100% of suppliers paid within 30 days of receipt of valid invoices	98.36% or 3 666/ 3 727 of all suppliers' valid invoices received were paid within 30 days	1.64% or 61/3727 of all invoices received were paid after 30 days	This is due to prioritization of the Department's budget to cater for the continuation repairs of the damaged houses in Kanyamazane and continuation of the bulk water projects
2 Approved Annual Financial Statements compiled and submitted to Treasury and Auditor General	4 Financial Statements	4 Financial Statements	4 Financial Statements	Approved Annual Financial Statements and submitted to Treasury and Auditor General	Approved <b>2018/2019</b> Annual Financial Statements compiled and submitted to Treasury and Auditor General	None	None

PROGRAMME: ADMINISTRATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
<b>SUPPLY CHAIN MANAGEMENT</b>							
3 A report on percentage budget directed towards empowerment of youth, persons with disabilities and women contractors	A report on percentage budget directed towards empowerment of youth, persons with disabilities and women contractors	A report on percentage budget directed towards empowerment of youth, persons with disabilities and women contractors	A report on percentage budget directed towards empowerment of youth, persons with disabilities and women contractors	At least 10%, 1% and 30% of the budget directed towards empowerment of youth, persons with disabilities and women contractors, respectively	At least 20%, 1% and 74% of the budget was directed towards empowerment of youth, persons with disabilities and women contractors respectively	None	None
<b>CORPORATE SERVICES</b>							
<b>HUMAN RESOURCE MANAGEMENT</b>							
4 Approved MTEF Human Resource Plan	Approved 2014-2017 Human Resource Plan	Approved 2015-2018 Human Resource Plan	Approved 2016-2019 Human Resource Plan	Approved 2017-2020 MTEF Human Resource Plan	Approved 2017-2020 MTEF Human Resource Plan	None	None
5 Approved annual Human Resource Oversight Report	Approved annual Human Resource Oversight Report 2014/15	Approved annual Human Resource Oversight Report 2015/16	Approved annual Human Resource Oversight Report 2016/17	Approved annual Human Resource Oversight report	Annual Human Resources oversight report approved	None	None
6 Approved Annual Integrated Employee Health and Wellness Programmes report	Not Applicable (New Indicator)	Not Applicable (New Indicator)	Not Applicable (New Indicator)	Approved annual Integrated Employee Health and Wellness Programmes report	Annual Integrated Employee Health and Wellness Programmes report approved	None	None

PROGRAMME: ADMINISTRATION							Comment on Deviations
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	
SPECIAL PROGRAMMES							
7 Approved Annual Report on special programmes	Not Applicable (New Indicator)	Not Applicable (New Indicator)	Approved Annual Report on special programmes 2017/18	Approved Annual Report on special programmes 2018/19	Annual Report on special programmes 2018/19 approved	None	None
COMMUNICATIONS SERVICES							
8 Approved progress report on the implementation of the communications plan	Not Applicable (New Indicator)	Not Applicable (New Indicator)	4 Approved quarterly reports on the implementation of the 2017/18 communications plan	4 approved quarterly reports on the implementation of the 2018/19 communications plan	4 quarterly reports on the implementation of the 2018/19 communications plan approved	None	None
INFORMATION AND COMMUNICATIONS TECHNOLOGY							
9 Approved progress report on the Implementation of ICT Plan	Not Applicable (New Indicator)	Not Applicable (New Indicator)	4 approved quarterly progress report on the Implementation of ICT Plan 2017/18	4 approved quarterly reports on the implementation of the 2018/19 communications plan	4 quarterly reports on the implementation of the 2018/19 communications plan approved	None	None
STRATEGIC PLANNING, PUBLIC SERVICE TRANSFORMATION AND SERVICE DELIVERY IMPROVEMENT AND KNOWLEDGE MANAGEMENT							
10 Approved Annual Performance Plan	Approved 2017/18 Annual Performance Plan	Approved 2018/19 Annual Performance Plan	Approved 2019/20 Annual Performance Plan	Approved Annual Performance Plan 2020/21	Annual Performance Plan 2020/21 approved	None	None

PROGRAMME: ADMINISTRATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
11 Approved Human Settlements Business Plan	1 Approved and Revised Human Settlements Business Plan	1 Approved and Revised Human Settlements Business Plan	1 Approved and Revised Human Settlements Business Plan	Approved 2020/21 Human Settlements Business Plan	2020/21 Human Settlements Business Plan approved	None	None
12 Approved annual report on the Implementation of SDIP	Approved annual report on the Implementation of SDIP 2016/17	Approved annual report on the Implementation of SDIP 2017/18	Approved annual reports on the Implementation of SDIP 2018/19	Approved Annual reports on the Implementation of SDIP 2019/20	Annual reports on the Implementation of SDIP 2019/20 approved	None	None
13 Approved annual report on the implementation of Knowledge Management Strategy	Not Applicable (New Indicator)	Not Applicable (New Indicator)	Approved 2017/18 annual report on the implementation of Knowledge Management Strategy	Approved 2019/20 annual report on the implementation of Knowledge Management Strategy	2019/20 annual report on the implementation of Knowledge Management Strategy approved	None	None
MONITORING AND EVALUATION							
14 Approved Annual Performance Report	Approved Annual performance report 2015/16	Approved Annual performance report 2016/17	Approved Annual performance report 2017/18	Approved Annual Performance Report 2018/19	Annual Performance Report 2018/19 Approved	None	None
15 Approved report on physical verification of departmental project	Not Applicable (New Indicator)	Not Applicable (New Indicator)	Not Applicable (New Indicator)	4 Approved Physical Verification Reports	4 Physical Verification Reports approved	None	None

PROGRAMME: ADMINISTRATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
16 Approved Impact Evaluation Report on Upgrading of Informal Settlements programme	Not Applicable (New Indicator)	Not Applicable (New Indicator)	Not Applicable (New Indicator)	Approved Impact Evaluation Report on Upgrading of Informal Settlements programme	Impact Evaluation Report on Upgrading of Informal Settlements programme not done	Impact Evaluation Report on Upgrading of Informal Settlements not approved	Under achievement due to that, the department is still in consultation with STATS SA on a relevant model to use for data Analysis
LEGAL SERVICES							
17 Approved Quarterly Litigations Reports	12 Litigations reports compiled annually	12 Litigations reports compiled annually	12 Litigations reports compiled annually	Approved Quarterly Litigations Reports	4 Quarterly Litigations Reports approved	None	None

### Strategy to overcome areas of under performance

- The Department received roll over of funds for the Emergency Grant during the adjustment budget, to pay for invoices that related to damaged houses in Kanyamazane. An additional budget was also allocated during the budget adjustment for goods and services and for bulk water projects (sewer spillages in Embalenhle).
- Impact Evaluation study on Upgrading of Informal Settlements will be concluded in the 2020/2021 financial year.

### Changes to planned targets

- None



## Linking Performance with Budgets

### Sub-programme Expenditure

Administration	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	10 233	10 233	-	8 179	8 251	(72)
Corporate Services	157 943	157 006	937	153 915	153 843	72
<b>Total</b>	<b>168 176</b>	<b>167 239</b>	<b>937</b>	<b>162 094</b>	<b>162 094</b>	<b>-</b>
<b>Economic Classification</b>						
Compensation	115 235	115 235	-	107 998	107 998	-
Goods & Services	50 478	50 478	-	48 767	48 767	-
Transfers and Subsidies	137	137	-	309	309	-
Payment for Capital Assets	2 326	1 389	937	5 020	5 020	-
Payment for Financial Assets	-	-	-	-	-	-
<b>Total</b>	<b>168 176</b>	<b>167 239</b>	<b>937</b>	<b>162 094</b>	<b>162 094</b>	<b>-</b>

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

#### ▪ Programme Purpose

To facilitate and undertake Integrated Human Settlements Planning. The Department will implement the bulk water and sanitation infrastructure projects in the following municipalities, Msukaligwa, Lekwa, Govan Mbeki and Dr Pixley Ka Isaka Seme Local Municipalities.

#### ▪ List of Sub-Programmes

- ✓ Policy and Research
- ✓ Beneficiary and Housing Subsidies Management
- ✓ Community Empowerment and Stakeholder Engagement
- ✓ Human Settlements Planning

#### ▪ Strategic objectives

To increase access to adequate housing opportunities





PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING						
Strategic Objective		Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
1	To Increase access to adequate housing opportunities	10 986 housing opportunities	11 694 housing opportunities	10 612 housing opportunities	Under-achievement by 1 082 housing opportunities	See reasons below

### Performance Indicators and Targets

PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
HOUSING NEEDS, POLICY AND RESEARCH							
1	Number of approved Research Report on specific topics	1 Research Report compiled	1 Research Report compiled	1 Research on Municipal Level Valuation Impact on Housing	1 Research report on the Municipal Level valuation Impact on Housing	Research Report on Municipal Level Evaluation Impact on Housing not developed.	The Department could not solicit all the required information from the Municipalities to enable a Research Report to be generated
BENEFICIARY AND HOUSING SUBSIDIES MANAGEMENT							
2	Number of HSS approved beneficiaries	8 000 HSS approved beneficiaries	8 000 HSS approved beneficiaries	6 000 HSS approved beneficiaries	3 347 HSS beneficiaries were approved	Under achievement by 2 653	Many of the running projects were split into multi-year projects to be in line with budget



PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING						
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020
COMMUNITY EMPOWERMENT AND STAKEHOLDER ENGAGEMENT						
3 Approved report on number of complaints from Chapter 9 Institutions, Oversight Institutions and the Public and Petitions Committee	None	4 approved Quarterly Reports on number of complaints from chapter 9 institutions oversight institutions and the Public and Petitions Committee	4 approved Quarterly Reports on number of complaints from chapter 9 institutions oversight institutions and the Public and Petitions Committee	4 Approved Quarterly Reports on number of complaints from Chapter 9 Institution Oversight Institutions and the Public and Petitions Committee	4 Quarterly Reports on number of complaints from Chapter 9 Institution oversight institutions and public and petitions committee approved	None
HUMAN SETTLEMENTS PLANNING						
4 Approved 2020/21 Project Readiness Matrix	Not Applicable (New Indicator)	Approved 2018/19 Project Readiness Matrix	Approved 2019/20 Project Readiness Matrix	Approved 2020/21 Project Readiness Matrix	2020/21 Project Readiness Matrix approved	None

PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
5 Reviewed Human Settlements Master Plan , implementation Plan and Multi-year human settlements by Executive Authority	Not Applicable (New Indicator)	None	None	Reviewed Human Settlements Master Plan , implementation Plan and Multi-year human settlements	Human Settlements Master Plan , implementation Plan and Multi-year human settlements not reviewed	Human Settlements Master Plan , implementation Plan and Multi-year human settlements not reviewed	Procurement processes for the replacement of the service provider and subsequent review of Human Settlement Master Plan had to be stopped due to the fact that the bidders received were not responsive to the bid requirements as stipulated in the Terms of Reference and outlined in the Tender Briefing Session

#### Strategy to overcome areas of under performance

- The Department to prioritise tabling the Importance of Research & development to Municipalities through Technical MuniMec in the next financial Year.
- To intensify the efforts to obtain the remaining forms from Municipalities in line with the Business plan
- Appointment of the service provider (**replacement**) will be finalized in the 2020-2021 financial year.

#### Changes to planned targets

None

## Linking Performance with Budgets

### Sub-Programme Expenditure

Housing Needs, Research and Planning	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	220 900	167 158	53 742	252 593	252 545	48
Planning	2 071	915	1 156	2 175	2 175	-
Policy	913	904	9	812	811	1
Research	1 637	1 575	62	1 544	1 543	1
<b>Total</b>	<b>225 521</b>	<b>170 552</b>	<b>54 969</b>	<b>257 124</b>	<b>257 074</b>	<b>50</b>
Compensation of Employees	57 172	52 177	4 995	46 213	46 213	-
Goods & Services	9 629	9 159	470	8 221	8 221	-
Transfers and Subsidies	158 720	109 216	49 504	202 690	202 640	50
Payment to Capital Assets	-	-	-	-	-	-
Payment for Financial Assets	-	-	-	-	-	-
<b>Total</b>	<b>225 521</b>	<b>170 552</b>	<b>54 969</b>	<b>257 124</b>	<b>257 074</b>	<b>50</b>

#### 4.3. Programme 3: Housing Development

##### ▪ Programme Purpose

To provide individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy

##### ▪ List of Sub-Programmes

- i. Financial Intervention
- ii. Incremental Housing Intervention
- iii. Social and Rental Housing
- iv. Rural Housing

##### ▪ Strategic Objectives

- i. To deliver quality human settlements projects that fully comply with SANS (**Linked to Performance Indicator number 1 (one)**)
- ii. Upgrading of 40 000 households in well located suitable land with secure tenure in informal settlements by 2020 (**Linked to Performance Indicator number 7 (Seven)**)
- iii. To increase access to adequate housing opportunities (**Linked to Performance Indicators; 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18)**)

Strategic Objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
1 To deliver quality human settlements projects that fully comply with SANS	8 472 housing units in the human settlements projects fully comply with SANS	6 694 housing units in the human settlements projects fully comply with SANS	6 710 housing units in the human settlements projects fully comply with SANS	Over- achievement by 16 units	See Comments on indicator number 1 (one)
2 Upgrading of 40 000 households in well located suitable land with secure tenure in informal settlements by 2020	2 318 Households	5 000 IRDP Phase 1 Planning and services	3 902 sites serviced	Under- achievement by 1 098 sites	See comments on performance indicator number 7 (seven)
3 To increase access to adequate housing opportunities	10 790 housing opportunities	11 694 housing opportunities	10 612 housing opportunities	Under-achievement by 1 082 housing opportunities	See comments on performance indicator (s) number 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18

### Performance Indicators and Targets

#### Strategy to overcome areas of under performance

- Housing units not completed under each instrument will be completed in the financial year 2021/21.
- Additional resources were mobilized to assist with NHRBC enrolment and clearing the backlog in the affected District.
- The Department has encouraged sub-contracting to local SMMEs whilst enforcing the Social Enterprise Development Programme (SEDP).
- The Department is engaging COGTA and DWS to seek that these projects be funded through the available grants. Projects that are almost complete are to be completed after the COVID 19 lockdown. These are Tekwane South Bulk Sewer at 98% and Ridgeview Bulk Sewer at 95% completion.

#### Changes to Planned Targets

- None

## Linking Performance with Budgets

### Sub-programme Expenditure of Programme 3

Housing Development, Implementation and Targets	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	58 649	55 184	3 465	54 730	54 356	374
Financial Intervention	218 987	218 987	-	158 319	72 212	86 107
Incremental Intervention	1 109 995	1 109 994	-	1 059 245	1 135 238	(75 993)
Social and Rental Intervention	18 329	18 176	153	69 765	23 171	46 594
Rural Intervention	100 657	100 657	-	112 054	115 351	(3 297)
<b>Total</b>	<b>1 506 617</b>	<b>1 502 999</b>	<b>3 618</b>	<b>1 454 113</b>	<b>1 400 328</b>	<b>53 785</b>
Compensation of Employees	49 191	48 175	1 016	47 643	47 643	-
Goods & Services	9 280	6 596	2 684	3 902	3 902	-
Transfers and Subsidies-Current	178	179	(1)	575	575	-
Transfers and Subsidies-Capital	1 447 968	1 448 049	(81)	1 401 993	1 348 208	53 785
Payment for Capital Assets	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-
<b>Total</b>	<b>1 506 617</b>	<b>1 509 999</b>	<b>3 618</b>	<b>1 454 113</b>	<b>1 400 328</b>	<b>53 785</b>

#### 4.4 Programme 4: Housing Asset Management

##### Programme Purpose

- To facilitate for tenure security and land rights through the delivery of title deeds

##### List of Sub-Programmes

Housing Asset Management

##### Strategic objective

To increase households access to tenure security and land rights by 80 000 by 2020 (**Linked to Performance Indicator Number 1 (A&B)**)



## DEPARTMENT OF HUMAN SETTLEMENTS ANNUAL REPORT 2019/20

Strategic Objectives		Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
1	To increase households access to tenure security and land rights by 80 000 by 2020	6 115 Title deeds registered	15 000 Title Deeds	Not Achieved: 2 438 Title deeds	Under-achievement by 12 562 title deeds	Incomplete townships (un-proclaimed townships) negatively affects delivery of title deeds to rightful beneficiaries i.e. Siyanqoba Township among others with 4000 beneficiaries where houses have been built but could not be registered. The delay in the finalization of the township establishment is due to non-issuing of compliance



# Performance Indicators and Targets

PROGRAMME: HOUSING ASSET MANAGEMENT							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
SUB PROGRAMME: HOUSING ASSET MANAGEMENT							
1 (a) Number of Title Deeds registered with Deeds Office	7 770 title deeds registered	5 030 title deeds	6 115 Title deeds	7 701 Title Deeds	1 281 Title deeds	Under-achievement by 6 420 title deeds	Incomplete townships (un-proclaimed townships)
(b) Number of Title Deeds registered with Deeds Office – Pre 1994 and Post 1994				7 299 Title Deeds	1 149 Title deeds	Under-achievement by 6 150 title deeds	negatively affects delivery of title deeds to rightful beneficiaries i.e. Siyanqoba Township among others with 4000 beneficiaries where houses have been built but could not be registered. The delay in the finalization of the township establishment is due to non-compliance
Total number of title deeds registered	7 770 title deeds registered	5 030 title deeds registered	3 730 title deeds registered	15 000	2 430 title deeds	Under-achievement by 12 570 title deeds	See comment above
(c) Number of Rental disputes Resolved	Not applicable (New indicator)	Not applicable (New indicator)	Not applicable (New indicator)	380 Rental disputes Resolved	634 Rental disputes Resolved	Over-achieved by 254 Rental disputes Resolved	More cases resolved than anticipated

**Strategy to overcome areas of under performance**

- Expedite the finalisation of incomplete townships
- Expedite the release of State Land where government subsidised housing units have been erected.
- Engage the Municipality to issue the SPLUMA Certificates.
- Continuously conduct consumer education about the importance of Title Deeds

**Changes to planned targets\_**

- None

**Linking performance with budgets****Sub-programme expenditure**

Housing Assets Management	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	21 415	19 527	1 888	76 254	74 864	1 390
Sale and Transfer of Housing Properties	35 319	34 729	590	-	-	-
<b>Total</b>	<b>56 734</b>	<b>54 256</b>	<b>2 478</b>	<b>76 254</b>	<b>74 864</b>	<b>1 390</b>
Compensation of Employees	17 613	16 392	1 221	18 351	18 351	-
Goods & Services	2 622	1 956	666	6 169	6 169	-
Transfers and Subsidies-Current	22	21	1	-	-	-
Transfers and Subsidies-Capital	36 477	35 887	590	51 734	50 344	1 390
Payment for Capital Assets	-	-	-	-	-	-
Payments for Financial Assets	-	-	-	-	-	-
<b>Total</b>	<b>56 734</b>	<b>54 256</b>	<b>2 478</b>	<b>76 254</b>	<b>74 864</b>	<b>1 390</b>





## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

There were no Transfer Payments to public entities during the 2019/20 financial year.

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

There were no Transfer Payments to organisations other than public entities during the 2018/19 financial year.

## 6. CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the Department.

#### 6.2 Conditional Grants and Earmarked Funds Received

##### 6.2.1 Human Settlements Development Grant

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	To provide funding for the creation of sustainable Human Settlements
Expected outputs of the grant	<ul style="list-style-type: none"><li>• Financial Interventions</li><li>• Incremental Housing Programmes</li><li>• Social and Rental Housing</li><li>• Rural Housing</li></ul>
Actual outputs achieved	See Report on Performance Information
Amount per amended DORA (R'000)	1 394 559
Amount received (R'000)	1 394 559
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	1 394 556
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	See report on performance information, financial and non-financial.



### 6.2.2 Title Deeds Restoration Grant

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	To finalise township establishment and restore dignity of citizens through issuing of title deeds
Expected outputs of the grant	Finalisation of township establishment Issuing of title deeds to qualifying beneficiaries
Actual outputs achieved	See Report on Performance Information
Amount per amended DORA (R'000)	36 477
Amount received (R'000)	36 477
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	35 970
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	See report on performance information, financial and non-financial.

### 6.2.3 Expanded Public Works Program Integrated Grant for Provinces

Department who transferred the grant	National Department of Public Works
Purpose of the grant	To fund stipends of learners on labour intensive projects
Expected outputs of the grant	Creation of job opportunities through training on the job environment
Actual outputs achieved	See Report on Performance Information
Amount per amended DORA (R'000)	2 590
Amount received (R'000)	2 590
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	2 590
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	See report on performance information, financial and non-financial.



**6.2.4 Provincial Emergency Housing Grant**

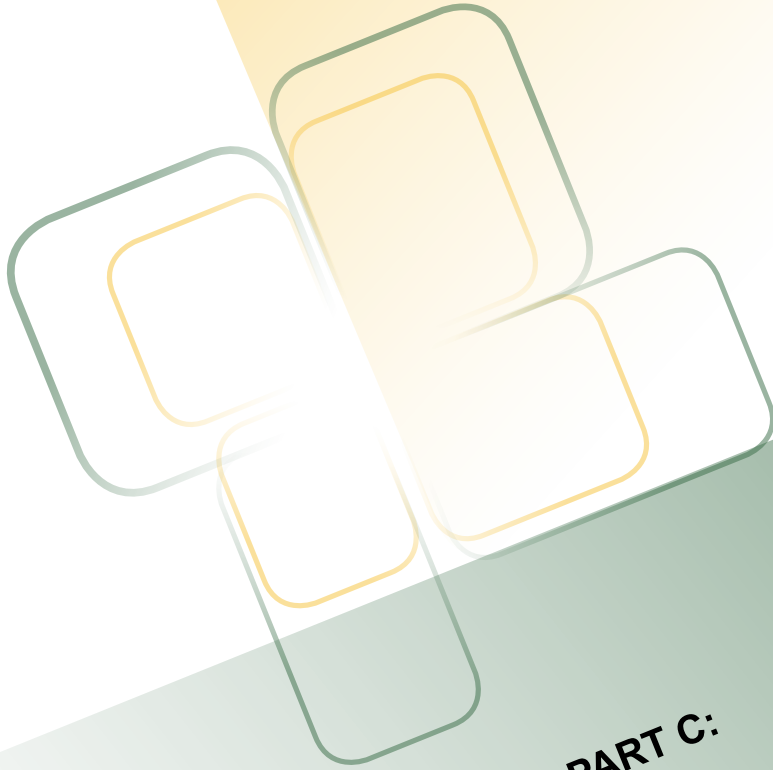
Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	Provide funding to provinces for repairs and/or provision of temporary shelter assistance to households affected by disaster
Expected outputs of the grant	Repair of houses affected by disaster Provision of temporary shelter Relocation of households to temporary shelter
Actual outputs achieved	See Report on Performance Information
Amount per amended DORA (R'000)	53 409
Amount received (R'000)	53 409
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	53 409
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	See report on performance information, financial and non-financial.

**7. DONOR FUNDS**

There were no donor funds received

**8. CAPITAL INVESTMENT****8.1 Capital investment, maintenance and asset management plan**

There were no capital investments



## **PART C: GOVERNANCE**



## 1. INTRODUCTION

Commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the Department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payer.

## 2. RISK MANAGEMENT

The Department has established a Risk Management Unit as per the approved organisational structure. The Risk Management Unit reports to the Accounting Officer. The Department has also established a Risk Management Committee in order to facilitate the implementation of the risk management strategy. This Committee is chaired by an independent external chairperson. The chairperson reports to the Accounting Officer as well as the Audit Committee on a quarterly basis. The Audit Committee advises the Department on risk management and independently monitors the effectiveness of the system of risk management.

The risk assessment for the financial year 2019/20 was conducted in March 2019. This assessment was done to determine the effectiveness of the Department's risk management strategy and to identify new and emerging risks. This exercise was also intended to assess any possible high-risk areas within the Department. The Department had also developed the risk management strategy (inclusive of the fraud prevention plan) as well as the risk management policy. Management reports, internal audit reports and risk management reports are used to identify risks. Each manager is responsible for managing risks that fall within their area of responsibility.

Risk awareness workshops were also conducted during the year under review in order to ensure that officials understand their roles in terms of managing their risks within their respective area(s) of responsibility.

## 3. FRAUD AND CORRUPTION

A fraud prevention plan had been developed and is reviewed as and when a need arises. The plan contained practices, procedures, reports and other mechanisms to monitor and safeguard the assets of the Department. Awareness workshops on fraud prevention as well as whistle blowing mechanisms were also conducted in the department. The internal audit unit monitored from time to time the compliance to these procedures. Reports on these findings were directed to the Accounting Officer.

The Department did not have an Anti-Corruption Unit. Such cases on suspected fraud and corruption are investigated by the Integrity Management Unit that is located in the Office of the Premier.

## 4. MINIMISING CONFLICT OF INTEREST

The Department had a Supply Chain Management Code of conduct displayed in all departmental offices. The Department was also guided by the Code of Conduct as contained in the Public Service Act.

## 5. CODE OF CONDUCT

The Department had a Supply Chain Management Code of conduct displayed in all departmental offices. The Department was also guided by the Code of Conduct as contained in the Public Service Act.





## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department had a Health and Wellness Programme which provided, among other things Occupational Health Services. The Department had also established an Occupational Health and Safety Committee as required by the Occupational Health and Safety Act. The department has identified individuals at district level who assist in strengthening the Occupational Health and Safety function on all projects that are implemented.

## 7. PORTFOLIO COMMITTEE

Portfolio Committee Meetings were held on the dates mentioned below:

- Presentation of the 2018/19 4<sup>th</sup> Quarter Performance Report- 25 June 2019
- Tabling of the 2019/20 Annual Performance Plan and Budget - 25 June 2019
- Presentation and Consideration of 2018/19 Annual Report - 24 October 2019
- Presentation of 1<sup>st</sup> quarter 2019/20 performance Report – 27 August 2019
- Presentation of 2<sup>nd</sup> quarter 2019/20 Performance Report – 14 November 2019
- Presentation of 3<sup>rd</sup> quarter 2019/20 Performance Report - 05 March 2020
- Presentation of responses on 2018/19 SCOPA resolutions- 05 March 2020



RESOLUTIONS FOR THE 4<sup>TH</sup> QUARTER OF 2018/19

NO	RECOMMENDATION	PROGRESS REPORT
a)	The department must investigate and identify those contractors for the poor workmanship around Emakhazeni and Dr JS Moroka Local Municipalities and de-register them to do work for government, also continue to work closely with the National Home Builders Registration Council (NHBRC) who provide consumer protection to home owners. Defaulting contractors are reported to the NHBRC who can either blacklist or deregister such contractors.	Drawing from the department's experience with poor performing and defaulting contractors, the department ensures that these service providers are not allocated work or placed on the department's database of contractors. Further to that, the Department continues to work closely with the National Home Builders Registration Council (NHBRC) and to report all defaulting contractors to NHBRC who either blacklist or deregister such contractors.
b)	The Department must come up with a plan to address the challenge of untraceable beneficiaries and submit it to the committee. The Municipalities must ensure that beneficiaries are timely located so that by the time their houses are at the very latest level, the beneficiaries are informed.	Only approved beneficiaries are supposed to be allocated housing units. In order to address the issue of untraceable beneficiaries, the Department has issued a circular to all municipalities advising them of the need to ensure that beneficiaries are kept updated during the construction of their subsidized units. Contractors inform the Municipality in advance on expected dates that the houses will be completed so that it gives the Municipality time to locate and inform the approved beneficiary to take occupation. In this regard, Service Level Agreements with clear obligations for all parties [i.e. Department and Municipalities] were prepared and submitted to all municipalities to ensure proper beneficiary management processes in all government subsidized housing projects. Some municipalities have signed and others are yet to sign the Service Level Agreement. <b>(A circular to all municipalities was attached as 'Annexure A')</b>
c)	The department must strengthen its monitoring system on the signing of the Deeds of sales, issuing clearance and SPLUMA certificates by municipalities.	The Department started holding one on one meetings between the Municipalities, Conveyancers and Town Planners on a monthly basis; to monitor progress in relation to all aspects pertaining Township Establishment and Title Registration. Most of the Municipalities are now issuing SPLUMA certificates and clearance certificates. Only one Municipality is still having challenges with the issuing of SPLUMA certificates.



RESOLUTIONS FOR THE 1<sup>ST</sup> QUARTER OF 2019/20

NO	RECOMMENDATION	PROGRESS REPORT
a)	Take action against officials who failed to plan and budget for its targets, and come up with a strategy or system that will prevent the re-occurrence in 2020/21 financial year.	The time for renewal of vehicle licenses has been aligned to the first quarter each year in order to ensure timely renewal. The annual budget for vehicle licencing is not overspent. There economic classification will underspend each quarter to offset the overspending incurred in the first quarter. Proper budgeting for the outer years has been done in the first draft of the 2020/21 annual budget as well as the MTEF estimates.
b)	Submit and expenditure financial report on the R53 million that was rolled over from the 2018/19 financial year and a status report on project.	The Department spent R52, 946 million of the R53,4 million Provincial Emergency Housing Grant rolled over to 2019/20 . <b>The status report was attached which reflects a shortfall on the allocated budget for the additional damaged houses as “Annexure A”</b>
c)	Hand over the water and sanitation infrastructure projects back to the Department of Co-operative Governance and Traditional Affairs and Municipalities as it's not the department's mandate as the projects are not funded and budgeted by the department.	The Department was bestowed the mandate to unlock housing projects that were ready for occupation. The mandate increased to interventions on sanitation backlogs and sewer spillages. The Department had existing projects which are mainly sewer spillages in the Gert-Sibande District. The health hazards could not be delayed further thus there were engagements with relevant stakeholders including municipalities on necessary interventions. Formal communication took place between the Department and Provincial Treasury regarding additional budget required to complete the current running projects. The Department hopes for a positive outcome regarding funding from the Budget and Finance Committee during the consideration of the budget adjustment on the 12 <sup>th</sup> of November 2019.
d)	Must develop a monitoring system that will ensure that the delay of issuing the Spatial Planning Land Use Management Act (SPLUMA) certificates is addressed.	The Department has had engagements through writing and discussions with the two municipalities with regards to the non-issuing of SPLUMA certificates. The municipalities have not positively responded to our requests. Challenges raised are that houses were extended without following the correct procedures, which may collapse and cause danger to lives.







NO	RECOMMENDATION	PROGRESS REPORT
e)	Provide the progress report on the political intervention(reports and minutes on the meeting held Political counterparts)	<p>The municipalities have not positively responded to our requests. Challenges raised are that houses were extended without following the correct procedures, which may collapse and cause danger to lives.</p> <p>The Departmental Town Planner who had similar challenges in another project was engaged and has advised to consult another official who assisted him. Unfortunately the response was negative. The letter will then be written to Minister before month end of November 2019. Progress will be provided accordingly.</p>

**RESOLUTIONS FOR THE 2<sup>ND</sup> QUARTER OF 2019/20**

NO	RECOMMENDATION	PROGRESS REPORT
a)	Provide a progress report on the 1 487 housing units planned to be constructed and the 1 429 services sites.	<p>As of end January 2020, a total of 5 130 housing units were completed out of the annual target of 6 472 (i.e. 79%). With regards to servicing of site, a total of 2 445 sites have been serviced out of the annual target of 5 000 (i.e. 49%).</p> <p>Progress on top structures i.e. housing units were adversely affected by non-enrolment of certain projects with the NHBRC which led to stoppage of works, and also, delay in the completion of bulk infrastructure projects in Tekwane South Extension 2 and Balfour. These have ultimately resulted to non-completion of a number of housing units.</p>
b)	Strengthen the monitoring systems to prevent overspending in the 3 <sup>rd</sup> quarter, failing to do that, consequences management should be implemented.	This overspending emanates mainly from water infrastructure projects that were assigned to the department. The Department minimized the activities in these projects in order to make avoid overspending.
c)	Strengthen the monitoring systems to prevent the non-payment of invoices within 30 days in the 3 <sup>rd</sup> quarter, failing to do that, consequences management should be implemented.	The Department continuously improves its controls and monitoring in order to prevent non-payment of invoices within 30 days.





NO	RECOMMENDATION	PROGRESS REPORT
d)	<p>Hand over the Bulk Water and Sanitation projects back to the municipalities as it is not the Department of Human Settlements mandate;</p> <p>i) The Department must Provide a report on how it will recover the budget spent on projects that were not budgeted for in the 2019/20 financial year</p> <p>ii) Submit a progress report on the amount provided by treasury after the second Adjustment Appropriation Bill.</p>	<p>i) The Department is engaging the Municipalities, Department of Water and Sanitation and Mpumalanga Department of Corporative Governance and Traditional Affairs in order to make sure that there is funding that is set aside for these projects. The Municipalities are being requested, through assistance from COGTA, to priorities their Municipal Infrastructure Grant (MIG) to fund these projects.</p> <p>ii) During budget adjustment, the Department received R204 409 000 for purposes of the roll-over of R53 409 000 for emergency housing grant and R151 000 000 for bulk water infrastructure in Govan Mbeki – Embhalenhle Emakhazeni – High Altitude Centre and City of Mbombela – Parliamentary Village. Out of the funds that were received, R156 465 970 have been spent.</p>
e)	<p>Provide progress report on the construction of the three social amenities as planned to be completed during the fourth quarter of this financial year 2019/20.</p>	<p>The three social amenities were at 15% by the end of the second quarter. To date all three social amenities are at 65% with one child care centre roofed in Nkomazi (Steenbok) and two community halls at wall plate level, one in Nkomazi (Steenbok) and the other in Victor Khanye (Botleng Ext) waiting for structural steel. All three social amenities will still be completed by the end of this financial year 2019/2020.</p>



NO	RECOMMENDATION	PROGRESS REPORT
f)	Provide a progress report on the registering of Title deeds for the 2 <sup>nd</sup> quarter and consequence management should be implemented, if there is no progress.	<p>The registration of Title Deeds remains a challenge. The challenges are attributed to the following:</p> <ul style="list-style-type: none"><li>▪ The delay in the finalization of planning processes; i.e. Un-proclaimed townships such as Siyanqoba among others with 4000 beneficiaries where houses have been built but could not be registered. The delay in the finalization of the township establishment is due to non-issuing of compliance certificate by the National Department of Agriculture, Forestry and Fisheries to allow the change of Land use to residential development. The Department has engaged the Department of Agriculture, Forestry and Fisheries to finalise the matter, however it has not yet been resolved.</li><li>▪ The Houses built on State land and some Tribal Authorities that are not supporting the Title Deeds Programme also affect the registration process. The affected settlements are in the following Municipalities:</li><li>▪ Mbombela (Mpakeni, Clau-clau, Daantjie, Emjindini Trust, Kamadakwa), State land areas in Nkomazi and Bushbuckridge (Marite and Oakley), Chief Albert Luthuli (Oshoek) as well as Govan Mbeki (Embalenhle extension 22) which are affected in this regard. The Department of Public Works Roads and Transport has been requested to fast-track the release of State Land which falls under their ownership. The Office of the Presidency is currently facilitating the release of State Land in the country which will assist in the delivery of Title Deeds.</li><li>▪ There are untraceable beneficiaries due to informal sales and rental of houses.</li><li>▪ There is progress with regards to the issuing of SPLUMA certificate in Msukaligwa Local Municipality.</li></ul>

# RESOLUTIONS FOR THE 3<sup>rd</sup> QUARTER OF 2019/20

NO	RESOLUTION	PROGRESS TO DATE
a)	Strengthen the Monitoring system to prevent overspending and incurring irregular expenditure on the 4 <sup>th</sup> quarter, failing to do that, consequence management should be implemented	The department improved its spending, as it was able to spend its budget within the available budget for the financial year ended 30 March 2020. Furthermore, the department continuously improves its internal controls in order to prevent irregular expenditure. In cases where irregular expenditure is identified, it is immediately reported to the Accounting Officer and enquiries are conducted on the irregular expenditure. If the result of enquiries indicates that there is an official who is liable, consequence management is implemented.
b)	Strengthen the Monitoring system to prevent overspending on Goods and Services on the fourth quarter failing to that, consequence management should be implemented	The department improved its monitoring measures on spending, as it was able to spend within its available budget for the financial year ended 30 March 2020.



NO	RESOLUTION	PROGRESS TO DATE
c)	Submit reasons why the decrease on the registering of the title deeds with deeds office. Furthermore, come up with a Strategy that will fast-track the registering of the title deeds going forward	<p>The Department is still experiencing the challenges as previously. These includes:</p> <ul style="list-style-type: none"><li>▪ The delays in the finalization of Town Planning processes; i.e. Un-proclaimed townships such as Siyanqoba among others which has more than 4000 properties where houses have been built but could not be registered. The delay in the finalization of the township establishment is due to non-issuing of compliance certificate by the National Department of Agriculture, Forestry and Fisheries to allow the change of Land use from Agricultural land to residential development.</li><li>▪ The Houses built on State land and some Tribal Authorities that are not supporting the Title Deeds Programme also affect the registration process. The affected settlements are in the following Municipalities: -Mbombela LM: (Mpakeni, Clau-clau, Daantjie, Emjindini Trust, Kamadakwa), State land areas in Nkomazi and Bushbuckridge (Marite and Oakley), -Chief Albert Luthuli (Oshoek) as well as Govan Mbeki (Embalenhle extension 22) which are affected in this regard. The Department of Public Works Roads and Transport has been requested to fast-track the release of State Land which falls under their ownership. The Office of the Presidency is currently facilitating the release of State Land in the country which will also assist in the delivery of Title Deeds.</li><li>▪ Untraceable beneficiaries due to informal sales and rental of houses.</li><li>▪ Delay in issuing SPLUMA Certificates for Emalahleni Local Municipality.</li><li>▪ Disputes within family members and lack of Erf files (property records) from municipalities.</li><li>▪ Violence against Service Providers by community members who are refusing access to conduct verifications. These are attributed to avoid payment of rates and taxes, sold houses and illegal occupations: i.e Tonga in Nkomazi and Shabalala in Hazyview.</li></ul> <p>The strategy of the Department is to:</p> <ul style="list-style-type: none"><li>▪ strengthen monitoring of the registration process,</li><li>▪ Strengthen communication particularly with municipalities as the key strategic partners with regards to SPLUMA certificate challenges and violence ridden communities who do not want the registration of Title Deeds and all other related matters,</li><li>▪ Fast track the finalization of the Town-Planning processes</li><li>▪ Improve the monitoring of and communication with Town-Planning Service providers,</li><li>▪ Continue to engage with municipalities affected by SPLUMA certificate challenges and violence ridden communities who do not want the registration of Title Deeds.</li><li>▪ Fast track the beefing up of the capacity of the unit.</li></ul>



NO	RESOLUTION	PROGRESS TO DATE
d)	Provide progress report on the construction of the three social amenities as planned to be complete during the fourth quarter of this financial year of this financial year 2019/2020	<p>Progress on the three Social Amenities planned for 2019/20 financial year.</p> <ul style="list-style-type: none"><li>▪ Steenbok Child Care Center is completed</li><li>▪ Steenbok Community Hall is at 70% completion</li><li>▪ Victor Khanye Community Hall is at 65% completion.</li></ul>



## 8. SCOPA RESOLUTIONS

The Department attended all SCOPA hearing during 2019/20. Below are SCOPA resolutions with progress report.

RESOLUTION No.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
4 (i)	Annual Financial Performance Report: Programme: 3 Housing Development.	The Accounting Officer must provide a proof that the affected officials were subjected to disciplinary hearings.	<p>An employee was subjected to disciplinary hearing and was found guilty by the chairperson of the disciplinary inquiry. A sanction of dismissal was issued by the chairperson; however the employee appealed the decision to the Executing Authority.</p> <p>The decision of the Executing Authority is still awaited.</p> <p>Sanction and appeal against sanction as proof, was attached as <b>"Annexure A"</b></p>	YES
4 (ii)	Annual Financial Performance Report: Programme: 3 Housing Development.	The Executive Authority must recoup the money paid on the units completed in the 2014/15 financial year from the implicated officials/contractor.	The Department was paying ABSA for units that were not paid in 2014/2015. These units were under dispute hence the department did not pay in 2014/2015. This was resolved in the 2018/2019 financial year and the payment was then made.	YES



RESOLUTION No.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
4 (iii)	Annual Financial Performance Report: Programme: 3 Housing Development.	The Accounting Officer must strengthen the monitoring system to prevent the recurring during 2019/20 financial year; and proof of the monitoring system to be provided to the committee.	<p>The department strengthened its monitoring by indicating that the reporting of the actual achievements will be based on what has been paid. If the units that are being paid relates to previous financial years, they will only be reported in the current year only if there is proof that they were not reported previously.</p> <p>The department strengthened its monitoring by adopting a principle that the reporting of the actual achievements will be based on what has been paid. If the units that are being paid relates to previous financial years, they will only be reported in the current year only if there is proof that they were not reported previously.</p>	YES
5 (i)	Compliance with Legislation	The Executive Authority must take action against the Accounting Officer for failing to report the financial statements in accordance with the prescribed financial reporting framework as per the section 40 (1) (a) and (b) of the PFMA.	The Executive Authority notes the recommendation. The controls implemented by the Accounting Officer would be monitored to verify whether they are effective or not in ensuring that the financial statements are prepared in line with financial reporting framework as per section 40(1)(a) and (b) of the PFMA	YES





RESOLUTION No.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
5 (ii)	Compliance with Legislation	The Accounting Officer must strengthen the monitoring system to prevent the recurring during 2019/20 financial year; and proof of the monitoring system to be provided to the committee.	The department improved its processing of the transactions in order to ensure that the financial and non-financial information, which is used to prepare the financial statements, is accurate and complete. This will assist in ensuring that the financial statements are in line with the financial reporting framework	YES
6	Strategic Planning and Performance Management	<p>The Accounting Officer must ensure that a monitoring system is developed in order to achieve targets and objectives in terms of the Public Service Regulation 25</p> <p>(1) (e) (i) and (ii) during 2019/20 financial year</p>	<p>The Department has developed a procedure manual and process flow as monitoring tools. These tools are to be followed when processing the day-to-day activities. These processes will assist in ensuring that daily activities are verified and properly reported. The tool also outline responsibilities of every personnel involved in the delivery of services to the communities e.g from construction to Monitoring and evaluation. Furthermore, The Department will continue to coordinate quarterly MuniMec meetings in order to strengthen intergovernmental relations with all relevant stakeholders to deal to service delivery blockages and intensify awareness campaigns to attract qualifying beneficiaries on Financed Linked Individual Subsidy Programme (FLIPS)</p> <p>The evidence of these procedure manuals was attached as <b>'Annexure B'</b>.</p>	YES



RESOLUTION No.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
7 (i)	Expenditure Management	The Accounting Officer must submit to the committee the report of the investigation conducted on the irregular expenditure	The investigation report was submitted previously, however a copy was attached as ' <b>Annexure C</b> '	YES
7 (ii)	Expenditure Management	The Accounting Officer must ensure that the procurement strategy is strictly monitored and also a copy of it be provided to the committee.	The procurement strategy is monitored and assessed continuously in order to improve internal controls. A copy of the procurement strategy was attached as ' <b>Annexure D</b> '	YES
8 (i)	Procurement and Contract Management	The Accounting Officer must develop an effective filing system to ensure that the bid documents can be accessible and available for audit purposes.	The recommendation is noted. As indicated previously, the department has improved its record management system and it is continuing to do so. For example, SCM unit has a dedicated section where all bid documents together with corresponding reports are filed. The documents are also being scanned however; the scanning is concentrated on the recent documents for now.	YES
8 (ii)	Procurement and Contract Management	The Accounting Officer must take disciplinary actions against officials who failed to follow the Treasury Regulations 162A3.2.	The recommendation is noted. This issues relates to the expenditure, which was recognized as irregular expenditure the previous financial years including 2018/2019 financial year. This matter was referred for investigation and this was completed. Based on the investigation outcome, it was indicated that there was no official who was liable in law as per the Irregular Expenditure Framework.	YES





RESOLUTION No.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
8 (iii)	Procurement and Contract Management	The Accounting Officer must take action against officials who did not follow to the prescripts on awarding of all projects/contracts above the amount of R500 000.00.	The recommendation is noted. This issues relate to the expenditure, which was recognized as irregular expenditure the previous financial years including 2018/2019 financial year. This matter was referred for investigation and this was completed. Based on the investigation outcome, it was indicated that there was not official who was liable in law as per the Irregular Expenditure Framework.	YES
9 (i)	Progress towards achieving a clean audit	The Accounting Officer must submit the application on the condonation of the irregular expenditure that has been sent to the Provincial Treasury for their consideration as proof.	The application for condonation was attached as <b>'Annexure E'</b>	YES



## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to Audit Reports.

## 10. INTERNAL CONTROL UNIT

The Department has established an Internal Control and Compliance Unit headed by a Deputy Director. This Unit is responsible for the Department's level of compliance to laws and regulations as well as internal controls and policies. The Department has since developed and implemented a compliance register to ensure that the Department identifies and monitors compliance with laws and regulations.

Moreover, the shared internal audit function located within the Office of the Premier provides Management with assurance on the adequacy and effectiveness of internal controls. Based on the internal audit work performed for the department, we can report that there has been improvement in the general system of internal control for the period under review.

Where weaknesses were identified, these were communicated to Management, who committed itself and developed action plans to remedy the situation and strengthen the internal control environment. This commitment resulted in significant number of management action plans being successfully implemented.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### 11.1 Internal Audit

The Department utilizes the services of the shared Internal Audit function within the Office of the Premier. The shared Internal Audit function was established in terms of Section 38 (1) (a) (ii) of the PFMA and obtains its mandate from the PFMA and its Treasury Regulations.

The mission of the shared Internal Audit function, being what the shared Internal Audit aspires to accomplish, is to enhance and protect departmental value by providing risk-based and objective assurance, advice and insight.

In line with the definition of internal auditing as per the Institute of Internal Auditors, the primary mandate and objective of the shared Internal Audit function is to provide an independent, objective assurance and consulting activity designed to add-value and improves the operations of the Department.

In keeping with its primary mandate, the shared Internal Audit supports the Head of the Department through evaluating and contributing to improving the effectiveness of risk management, control and governance processes. In addition, it also facilitates the functioning of the shared Audit Committee.

In accordance with the Treasury Regulation 3.2.6, which requires that internal audit must be in accordance with the Standards; during the year under review, the shared Internal Audit function ensured that their operations were aligned with the revised Standards.

The shared Internal Audit function operated within an approved Internal Audit Charter and in accordance with the requirements of the PFMA, its Treasury Regulations and the International Standards for the Professional Practice of Internal Auditing ("Standards") set by the Institute of Internal Auditors. During the year under review, the shared Internal Audit function developed a rolling three-year Strategic Internal Audit Plan and an Annual Internal Audit Coverage/Operational Plan based on the results of the risk assessment. These plans were supported by the Head of the Department and approved by the Audit Committee in April 2019.

The Annual Internal Audit Coverage/Operational Plan identified different audit engagements and these were performed by the shared Internal Audit function as such. Respective reports were issued to Management communicating identified control weaknesses, recommendations for improvement(s), and also incorporated agreed Management action plans for implementation of corrective action.

In addition, as required in terms of the PFMA and the approved Internal Audit Charter, the identified control weaknesses were also communicated and tabled at the meetings of the Audit Committee to allow for effective monitoring and oversight. The following is the summary of the audit work done by the shared Internal Audit function during the year under review as per the approved plans:





### Assurance services

- Monitoring the tracking of audit findings as previously reported by both Auditor General South Africa and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans.;
- Review of Departmental Performance Information;
- Review of Interim and Annual Financial Statements;
- Information and Communication Technology Audits;
- Follow-up: Information and Communication Technology Audits;
- Supply Chain Management;
- DORA and Transfer Payments;
- Risk Management;
- Asset Management;
- Housing Programmes, Development and Planning; and
- Performance Audit on Contract Management.

### Consulting services

- Participation in informal consulting engagements including routine activities such as participating on standing Management Committee meetings, provision of advice, as and when invited and required.

#### 11.2 Audit Committee

Similarly to the Internal Audit function, the Department utilizes the services of the shared Audit Committee based within the Office of the Premier. The shared Audit Committee was established in terms of Section 38 (1) (a) (ii) of the PFMA and obtains its mandate from the PFMA and its Treasury Regulations.

The shared Audit Committee serves as an independent governance structure whose primary function being to provide an oversight over the department's financial reporting, risk management, control and governance processes. The shared Audit Committee assists the Accounting Officer in the effective execution of his/her responsibilities.

The shared Audit Committee is constituted to ensure its independence and comprises of external non-official members (appointed from outside public service). It operates in terms of formally documented and approved Terms of Reference referred to as the Audit Committee Charter, which deals with matters such as its membership, authority and responsibilities amongst others. The said Terms of Reference are reviewed annually, and in accordance with the requirements set by the PFMA and Treasury Regulations. Further, it has direct and unobstructed lines of communication to the Accounting Officer, Senior Management, the Provincial Treasury, shared Internal Audit function and Auditor-General of South Africa.

#### Attendance of audit committee meetings by audit committee members

In accordance with Legislation, section 77(b) of the PFMA, an Audit Committee must meet at least twice a year. However, as per the approved Audit Committee Terms of Reference (Audit Committee Charter), the shared Audit Committee shall meet at least 4 times a year, with authority to convene additional meetings as may be deemed necessary.

In the meetings held, the Accounting Officer and Executive Management were always represented. The AGSA is always invited to attend the meetings of the shared Audit Committee, thus ensuring that such meetings are as effective and transparent as possible.

**The shared Audit Committee meetings held were attended as follows:**

<b>Name</b>	<b>Qualifications</b>	<b>Internal or External</b>	<b>Date appointed</b>	<b>Date Resigned / End of term</b>	<b>No of meetings attended</b>
Mr. MS Mthembu  <b>Chairperson</b>	Diploma in Accounting and Business Studies. BCom (Accounting). Master of Business Leadership Cert. Business Advisory FAP(IAC) SA, GIA (IIA) SA, LIB (IOB) SA	External	01 April 2018	N/A	08
Mr. C Motau	B Comm (VISTA). Higher Diploma in Computer Auditing (Wits). Certificate in Executive Leadership (Regenesys Business School). Certificate in Human Resources Management (Regenesys Business School). Masters Degree in Business Leadership (UNISA). Masters Degree in Information Technology (UP). Directorate in Business Information Systems (TUT)	External	01 June 2019	N/A	06
Mr. M Sebeelo	BTech Internal Auditing (UNISA) Nat Diploma Internal Auditing (TUT) Advance Programme Project Management (UNISA)	External	01 April 2018	N/A	08
Ms. L Mbatha	BCompt. Honours Accounting UNISA) BComm Accounting Degree (UNISA)	External	01 April 2018	N/A	05
Ms. BN Mzuzu	B. Proc Degree (University of Fort Hare) Cert. Business Rescue Cert. Attorney of High Court of South Africa Cert. Attendance in conveyancing practice	External	01 April 2018	N/A	05





## 12. **Report of the Audit Committee**

We are pleased to present our final report for the financial year ended 31 March 2020.

### **Audit Committee Responsibility**

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed the changes in accounting policies as these changes are as per the National Treasury instruction.

### **The effectiveness of internal control**

In line with the PFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12.

From the various reports of the Internal Auditors and the Auditor General South Africa it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to annual financial statements, reporting on pre-determined objectives and compliance with laws and regulations.

Through our analysis of audit reports and engagement with the Department it can be reported that the system on internal controls for the period under review was not entirely adequate and effective.

Based on our interaction with the department we conclude that the department does not have an adequate and effective action plan management system to address internal audit and Auditor General South Africa findings.

### **Risk Management**

The Audit Committee is responsible for the oversight of risk management. The Risk Management Committee reports to the Audit Committee on a quarterly basis on the governance and management of risk.

Based on the Audit Committee quarterly reviews of the reports from the Risk Management Committee, it can be concluded that the departmental processes and system relating to fraud prevention and risk management require improvements.

### **In-Year Management and Quarterly Reporting**

The Department has confirmed that they have reported to the Provincial Treasury as is required by the PFMA.

### **Evaluation of the Annual Financial Statements**

The Audit Committee has reviewed the draft annual financial statements prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to submission of the annual financial statements to the Auditor General South Africa.

Subsequently the material misstatements identified during the external audit process were also reviewed when the management report of the Auditor General South Africa was discussed with the Audit Committee.

### **Evaluation of the reporting on predetermined objectives**

The Audit Committee has reviewed the draft annual report prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to submission of the annual report to the Auditor General South Africa.

The Audit Committee has discussed the external audit outcomes on the reporting on predetermined objectives to be included in the annual report with the Auditor General South Africa and the Accounting Officer.







### **Compliance with laws and regulations**

Throughout the year under review the Audit Committee has remained concerned with the status of compliance with all applicable laws and regulations. If the Department does not implement an adequate and effective compliance framework and system, non-compliance will continue to occur.

### **Internal Audit**

The Audit Committee is reasonably satisfied that the Internal Audit function operated effectively.

The Audit Committee has regularly enquired and reviewed the work performed by Internal Audit function and has seen an improvement in the quality of the internal audit reports; the actions initiated by the Internal Audit Function to bring the reported weaknesses to the attention of Senior Management and the process of ensuring action to address such deficiencies.

However, there is still room for improvement in areas such as flexibility of the planning process to adapt to emerging risks and changing risk profile of the Department; the timing and execution of internal audit engagements; influence and persuasion by Internal Audit of Management to effect the necessary changes and improvement of the maturity of governance, risk management and internal control systems.

The Audit Committee noted with concerns that the Internal Audit function remains under-resourced and the vacant position of the Chief Audit Executive since November 2017 and the Position of the Assurance Audit Manager since January 2018.

The Audit Committee further appreciates the support provided by the Internal Audit by assisting the Audit Committee in discharging its responsibilities

### **Auditor General South Africa**

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are not satisfied that all the matters have been adequately resolved.

The Audit Committee is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs and accepts the conclusions of the Auditor General South Africa on the Annual Financial Statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General South Africa.


### **Conclusion**

The Audit Committee strongly recommends that the Department must ensure adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audits so as to achieve a clean administration.

The Audit Committee wishes to extend its appreciation to the Executive Authority, Accounting Officer and Management, Internal Auditors and Auditor

Signed on behalf of the Audit Committee by:

**Chairperson of the  
Audit Committee**

  
.....  
**Mr. MS Mthembu**

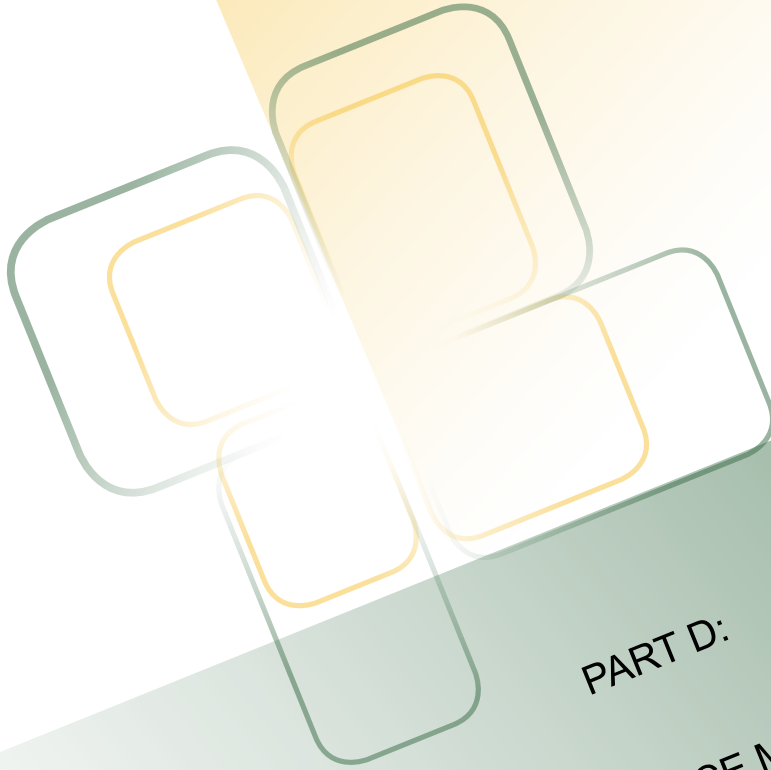
**Date**

**30 October 2020**  
.....



**13. B-BBEE Compliance Performance Information**

<b>Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:</b>		
<b>Criteria</b>	<b>Response Yes / No</b>	<b>Discussion (include a discussion on your response and indicate what measures have been taken to comply)</b>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Not Applicable	The mandate of the Department does not issue any licences, concessions or other authorisations in respect of economic activities.
Developing and implementing a preferential procurement policy?	Yes	Not Applicable
Determining qualification criteria for the sale of state-owned enterprises?	Not Applicable	Not applicable as the department does not have this function
Developing criteria for entering into partnerships with the private sector?	Yes	Not Applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Not applicable	Not applicable as it is not the Department's mandate to award incentive schemes



## PART D: HUMAN RESOURCE MANAGEMENT



## 1. INTRODUCTION

The information in this part of the annual report relates to human resources activities in the Department that took place during the year under review.

## 2. OVERVIEW OF HUMAN RESOURCES

### 2.1 The status of Human Resources on the Department

The department could not advertise and fill any position within the 2019/20 financial year, though 38 critical and vacant positions were identified and forwarded to the Executive Council for approval to commence with the recruitment process. The Department has not yet received the approval by the Executive Council. There is only one (1) appointment done for an SMS position, which was advertised during the previous financial year.

The Department is currently at 39% women at the SMS level, only 11% of females at SMS level needed to meet the Employment Equity target of 50%, as set out by the Minister of Public Service and Administration. The department is committed to consider female employees and people living with disabilities to be given an opportunity during the filling of senior management positions to address this challenge.

The Department managed to appoint 34 Interns as a temporary measure to curb the shortage of staff due to moratorium and termination of services. They are paid through a stipend from EPWP programme.

The annual turnover rate was at 3.8% for the previous financial year and now it is 1.5%. Most of the terminations were the result of contract expiry and most of the contracts were renewed due to the Departmental skills shortages.

### 2.2 Human Resources Priorities for the period under review and the impact of these.

- The most important priority is the finalization of the organisational structure and placement of officials in the structure.
- The Department continually conduct workshops on crafting of plausible performance indicators; activities and performance measures or standards to improve the overall implementation of PMDS.
- The Department developed and submitted a Workplace Skills Plan to PSETA. A training Plan was approved by the Accounting Officer for implementation to enhance performance of individuals, moreover 12 serving officials were awarded bursaries in the year under review.
- An Employment Equity Plan was developed for the Department and EE interventions were identified to enhance representability.
- The vacant and funded posts especially at SMS levels will be prioritised and fill in terms of the Departmental Employment Equity targets.
- The Head of Department has approved an HIV/AIDS and TB Management Policy that addresses protection of HIV-Positive employees. The key element of the policy are:- Commitment to create an enabling environment for employees infected and affected by HIV/AIDS & TB pandemic; Affirmation regarding management of HIV/AIDS & TB in the Department; Implementing fair employment practice and statement of voluntary disclosure.
- Workshops were conducted on labour related matters in line with the prescripts to improve employer employee relationships.

### 2.3 Workforce Planning and Key strategies to attract and recruit a skilled and capable workforce

- The Medium Term Departmental Human Resource Plan (2019-22) identified the review of the organisational structure and the correct placement and recruitment of suitably qualified, competent and performance oriented individuals as key. The Department in consultation with relevant stake holders started the process of organisational re-design to define the posts necessary to perform the relevant functions and engage in human resource planning with a view to meeting the major human resource need.
- The Department will continue to implement the Occupational Specific Dispensation to retain scarce skills.



## 2.4 Employee Performance Management

- The Department is implementing the Provincial Performance Management System for level 1-12 officials and Chapter 4 of the SMS Hand Book for SMS Members. There is a signed Provincial PMDS policy which is aligned with a Directive from DPSA and other PMDS determinations.
- There is 100% compliance of receipt of Performance Agreements, mid- term Reviews and Annual Assessment reviews for (Salary level 3-12) and SMS Members.
- All signed Assessment Reviews are captured on the Persal System.
- 95% of the training budget have been utilised as per the approved Workplace Skills Plan (WSP).

## 2.5 Employee Wellness Programme

- The Head of Department has approved four employee health and wellness operational plans addressing the integrated employee health and wellness pillars covering HIV AIDS, TB and STI Management; Health and Productivity Management; SHERQ Management and Wellness Management.
- Psycho social counselling and support, Comprehensive health screening, HIV testing, workshops and information sessions on mental health as well as health and safety issues were conducted.

## 2.6 Employee Relations Management unit

- Six workshops on Code of Conduct, Disciplinary Code and Procedure, Grievance Procedure and other related Prescripts were conducted.
- Sound employee relations provided through advisory services; management of the resolution and finalisation of grievance, misconduct and dispute cases in which 90 % of the grievances relate to PMDS.
- Majority of the officials who commit misconduct cases are males and similar patterns of misconducts are usually committed. Emphasis should be made that male officials must attend employee relations workshops that are conducted every financial year and a trend analysis must be conducted.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1 Personnel related expenditure

*Table 3.1.1 Personnel expenditure by programme for the period 01 April 2019 –31 March 2020*

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	167 239	115 235	1 969	0	68.9%	521
Housing Asset Management	54 256	16 392	0	0	300.2%	0
Housing Development and Implementation	1 502 999	48 175	205	0	3.2%	408
Housing Needs, Research and Planning	170 552	52 177	110	0	30.6%	828
<b>Z= Total as on financial System (BAS)</b>	<b>1 895 046</b>	<b>231 979</b>	<b>2 284</b>	<b>0</b>	<b>12.2%</b>	<b>402</b>

*Table 3.1.2 Personnel costs by salary band for the period 1 April 2019–31 March 2020*

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (level 3-5)	15 761	6.2%	61	258 377
Highly skilled production (levels 6-8)	47 698	18.9%	103	463 087
Highly skilled supervision (levels 9-12)	115 680	45.7%	149	776 376
Senior and Top management (levels 13-16)	30 451	12%	24	1 268 792
Contract( Level 6-8)	894	0.4%	3	299 000
Contract(Level 9-12)	18 134	7.2%	25	725 360
Contract(Level 13-16)	3 359	1.3%	3	1 119 667
<b>Total</b>	<b>231 979</b>	<b>93%</b>	<b>402</b>	<b>584 915</b>

*Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019–31 March 2020*

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	8 118	71.8%	359	3.2%	215	1.9%	453	11 312
Housing Development	4 680	69.4%	18	0.3%	151	2.2%	244	3.6%
Housing Needs Research & Planning	3 226	74.2%	42	1%	75	1.7%	73	1.7%
Pr1: administration	89 767	78.3%	2 238	2%	2 324	4.1%	4 724	4.1%
Pr2: housing needs research and plan	39 240	80.2%	36	0.1%	904	1.8%	911	1.9%
TotaPr3: housing development implementation and target	52 219	77.9%	50	0.1%	1 672	2.5%	2 550	3.7%
<b>Total</b>	<b>197 251</b>	<b>78%</b>	<b>2 743</b>	<b>1.1%</b>	<b>5 339</b>	<b>2.1%</b>	<b>8 954</b>	<b>3.5%</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019–31 March 2020**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs		Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 3-5)	11 311	71.7%	267	1.7%	879	5.5%	1 773	11.1%
Highly skilled production (levels 6-8)	36 901	75.9%	1 062	2.2%	1 688	3.5%	3 460	7.1%
Highly skilled supervision (levels 9-12)	97 494	77%	1 368	1.1%	2 103	1.7%	3 521	2.8%
Senior management (level 13-16)	26 921	79.9%	0	0%	634	1.9%	145	0.4%
Contract( Level 3-5)	458	93.1%	0	0%	0	0%	28	5.7%
Contract( Level 6-8)	795	86.9%	4	0.4%	0	0%	27	3%
Contract(Level 9-12)	17 662	89.2%	0	0%	36	0.2%	0	0%
Contract(Level 13-16)	3 086	75.7%	0	0%	0	0%	0	0%
Contract Other	2 622	98%	43	1.6%	0	0.0%	0	0.0%
<b>Total</b>	<b>197 251</b>	<b>78%</b>	<b>2 743</b>	<b>1.1%</b>	<b>5 339</b>	<b>2.1%</b>	<b>8 954</b>	<b>3.5%</b>

### 3.2 Employment and Vacancies

**Table 3.2.1 Employment and vacancies by programme as on 01 April 2019 – 31 March 2020**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration Permanent	256	221	13.7%	31
Pr1: Administration Permanent	155	118	23.9%	2
Pr2: Housing Needs Research And Planning	88	59	33%	0
Pr3: Housing Development Implementation	10	4	60	0
<b>Total</b>	<b>509</b>	<b>402</b>	<b>21</b>	<b>33</b>

*Table 3.2.2 Employment and vacancies by salary band as on 01 April 2019 – 31 March 2020*

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Other Permanent	31	31	0%	31
Skilled(3-5)	73	61	16.4%	0
Highly skilled production (6-8)	126	103	18.3%	0
Highly skilled supervision (9-12)	203	149	26.6%	0
Senior management (13-16)	42	24	42.9%	0
Contract (Level3-5)	3	3	0%	0
Contract (Level 6-8)	3	3	0%	0
Contract (Level 9-12)	25	25	0%	2
Contract Level (13-16)	3	3	0%	0
<b>Total</b>	<b>509</b>	<b>402</b>	<b>21</b>	<b>33</b>

*Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020*

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
<b>Administrative related, permanent</b>	223	183	17.9%	31
<b>Architects town and traffic planner permanent</b>	1	1	0%	0
<b>Bus and heavy vehicle drivers: permanent</b>	1	1	0%	0
<b>Cleaners in offices workshops hospitals etc, Permanent</b>	22	18	18.2%	0
<b>Communication and information related: permanent</b>	9	6	33.3%	0
<b>Engineers and related professionals: permanent</b>	51	33	35.3%	2
<b>Engineering Sciences Related, Permanent</b>	7	4	42.9%	0
<b>Finance and economics related, permanent</b>	3	2	33.3%	0
<b>Financial and related professionals: permanent</b>	10	9	10%	0
<b>Financial clerk and credit controllers.</b>	15	15	0%	0
<b>General legal administration and related professionals: permanent</b>	1	1	0%	0
<b>Head of Department, Chief Executive Office, Permanent</b>	1	1	0%	0
<b>Human resource and organisation Dev: permanent</b>	1	1	0%	0
<b>Human resource clerks, Permanent</b>	1	1	0%	0
<b>Human resource related, permanent</b>	35	26	25.7%	0
<b>Information Technology Related, Permanent</b>	3	3	0%	0
<b>Legal Related</b>	1	1	0%	0
<b>Light Vehicle Drivers</b>	1	1	0%	0
<b>Logistical Support Personnel, Permanent</b>	18	12	33.3%	0



Material- Recording & Transport Clerk, permanent	2	2	0%	0
Messenger porter and deliverers, permanent	5	5	0%	0
Motor vehicle driver's, permanent	1	1	0%	0
Other administrator and related clerk and organisers	7	7	0%	0
Other administrative policy and related offices, permanent	3	3	0%	0
Other occupations, permanent	27	27	0%	0
Risk Management & Security Services	3	2	33.3%	0
Secretaries and Other Key board Operating Clerks, Permanent	25	21	16%	0
Senior Managers, Permanent	31	14	54.8%	0
Trade Related, Permanent	1	1	0%	0
<b>Total</b>	<b>509</b>	<b>402</b>	<b>21%</b>	<b>33</b>

### 3.3 Filling of SMS Posts

*Table 3.3.1 SMS post information as on 01 April 2019 – 31 March 2020*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	1	1	100%	0	0
Salary Level 15	0	0	0%	0	0
Salary Level 14	6	6	100%	0	0
Salary Level 13	21	18	86%	0	0
<b>Total</b>	<b>29</b>	<b>26</b>	<b>90%</b>	<b>0</b>	<b>0</b>

*Table 3.3.2 SMS post information as on 31 March 2020*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100%	0	0
Salary Level 16	1	1	100%	0	0
Salary Level 15	0	0	0%	0	0
Salary Level 14	6	6	83.3%	0	16.7%
Salary Level 13	21	18	86%	0	0
<b>Total</b>	<b>29</b>	<b>26</b>	<b>90%</b>	<b>0</b>	<b>3.8%</b>





*Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100%	0	0
Salary Level 16	1	1	100%	0	0
Salary Level 15	0	0	0%	0	0
Salary Level 14	6	5	83.3%	0	16.7%
Salary Level 13	18	18	100%	0	100%
<b>Total</b>	<b>26</b>	<b>25</b>	<b>96.2%</b>	<b>2</b>	<b>3.8%</b>

### 3.4 Job Evaluation

*Table 3.4.1 Job Evaluation by Salary band for the period 01 April 2019 – 31 March 2020*

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Skilled (Levels 3-5)	73	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	126	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	203	0	0	0	0	0	0
Senior Management Service Band A	33	0	0	0	0	0	0
Senior Management Service Band B	8	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Other	31	0	0	0	0	0	0
Contract( Level 3-5)	3	0	0	0	0	0	0
Contract ( Level 6-8)	3	0	0	0	0	0	0
Contract ( Level 9-12)	25	0	0	0	0	0	0
Contract Band A	2	0	0	0	0	0	0
Contract Band C	1	0	0	0	0	0	0
<b>Total</b>	<b>509</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 01 April 2019 – 31 March 2020*

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Employees with a disability</b>					<b>0</b>

*Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 01 April 2019 – 31 March 2020*

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
xxx	0	0	0	0
xxx	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				
Percentage of total employed				

*Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 01 April 2019 – 31 March 2020*

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0
Total number of Employees whose salaries exceeded the grades determine by job evaluation					None

### 3.5 Employment Changes

*Table 3.5.1 Annual turnover rates by salary band for the period 01 April 2019 – 31 March 2020*

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Skilled (Levels 3-5)	63	0	2	3.2%
Highly skilled production (Levels 6-8)	106	0		1.9%
Highly skilled supervision (Levels 9-12)	152	0	3	2%
Senior Management Service Bands A	17	0	0	0%
Senior Management Service Bands B	7	0	0	0%
Senior Management Service Bands D	1	0	0	0%
Other	34	35	4	11.8%
Contract( Level 3-5)	2	3	0	0%
Contract( Level 6-8)	3	1	2	66.7%
Contract(Level 9-12)	23	18	3	13%
Contract (Band A)	1	1	0	0%
Contract (Band C)	1	0	0	0%
<b>Total</b>	<b>410</b>	<b>58</b>	<b>16</b>	<b>3.9%</b>

*Table 3.5.2 Annual turnover rates by critical occupation for the period 01 April 2019 – 31 March 2020*

Critical occupation	Number of employees at beginning of period- April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, permanent	184	39	6	3.3%
Architects town and traffic planner permanent	1	0	0	0%
Bus and heavy vehicle drivers: permanent	1	0	0	0%
Cleaners in offices workshops hospitals etc, Perm	17	1	0	0%
Communication and information related: permanent	6	0	0	0%
Engineering sciences related , Permanent	4	0	0	0%
Engineers and related professionals: permanent	37	13	4	10.8%
Finance and economics related, permanent	2	0	0	0%
Financial and related professionals: permanent	9	0	0	0%
Financial clerk and credit controllers.	15	0	0	0%
General legal administration and related professionals: permanent	1	0	0	0%
Head of Department/ chief executive officer, permanent	1	0	0	0%
Human resource and organisation Dev: permanent	1	0	0	0%
Human resources Clerks, permanent	1	0	0	0%
Human resource related, permanent	27	1	0	0%
Information technology related, permanent	3	0	0	0%
Legal Related Permanent	1	0	0	0%
Light vehicle Drivers permanent	1	1	1	100%
Logistical support personnel, permanent	12	0	0	0%
Material- Recording & Transport Clerk, permanent	1	1	0	0%
Messenger porter and deliverers, permanent	5	0	0	0%



## DEPARTMENT OF HUMAN SETTLEMENTS ANNUAL REPORT 2019/20

Motor vehicle driver's, permanent	1	0	0	0%
Other administrator and related clerk and organisers	7	0	0	0%
Other administrative policy and related offices, permanent	3	0	0	0%
Other occupations, permanent	29	0	2	6.9%
Risk management and security services, permanent	2	0	0	0%
Secretaries & other keyboard operating clerks, perm	24	0	3	12.5%
Senior managers, permanent	13	2	0	0%
Trade related, permanent	1	0	0	0%
<b>Total</b>	<b>410</b>	<b>58</b>	<b>16</b>	<b>3.9%</b>

*Table 3.5.3 Reasons why staff left the department for the period 01 April 2019 – 31 March 2020*

Termination Type	Number	% of Total Resignations
Death	1	6.3%
Resignation	6	37.5%
Expiry of contract	9	56.3%
<b>Total</b>	<b>16</b>	<b>100%</b>
Total number of employees who left as a % of total employment		<b>1.50%</b>

Table 3.5.4 Promotions by critical occupation for the period 01 April 2019 – 31 March 2020

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related; permanent	184	0	0%	113	61.4%
Architects town and traffic planner permanent	1	0	0.0%	1	100%
Bus and heavy vehicle drivers: permanent	1	0	0.0%	1	100%
Cleaners in offices workshops hospitals etc, Permanent	17	0	0%	13	76.5%
Communication and information related: permanent	6	0	0.0%	5	83.3%
Engineering science related	4	0	0%	1	25%
Engineers and related professionals: permanent	37	0	0%	15	40.5%
Finance and economics related, permanent	2	0	0%	0	0%
Financial and related professionals: permanent	9	0	0%	8	88.9%
Financial clerk and credit controllers.	15	0	0%	12	80%
General legal administration and related professionals: permanent	1	0	0%	1	100%
Head of Department/chief executive officer	1	0	0%	0	0%
Human resource and organisation Dev: permanent	1	0	0%	0	0%
Human Resource Clerk	1	0	0%	0	0%
Human resource related: permanent	27	0	0%	17	63%
Information technology related	3	0	0%	1	33.3%
Legal Related	1	0	0%	1	100%
Light vehicle Driver	1	1	100%	0	0%
Logistical support personnel	12	0	0%	11	91.7%
Material-Recording & Transport Clerks	1	0	0%	0	0%
Messenger porter and deliverers: permanent	5	0	0%	5	100%
Motor vehicle driver's, permanent	1	0	0	1	100%
Other administered and related clerk and organisers	7	0	0%	6	85.7%
Other administrative policy and related offices: permanent	3	0	0%	1	33.3%

Other occupations: permanent	29	0	0%	22	75.9%
Risk management and security services	2	0	0%	2	100%
Secretaries & other keyboard operating clerks, perm	24	0	0%	12	50%
Senior managers: permanent	13	1	7.7%	7	53.8%
Trade related: permanent	1	0	0%	1	100%
<b>Total</b>	<b>410</b>	<b>2</b>	<b>0.5%</b>	<b>257</b>	<b>62.7</b>

Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020

Salary Band	Employees 1 April 2019	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5)	63	0	0%	47	74.6%
Highly skilled production (Levels 6-8)	106	0	0%	75	70.8%
Highly skilled supervision (Levels 9-12)	152	0	0%	119	78.3%
Senior Management (Level 13-16)	25	1	4%	13	52%
Other	34	0	0%	0	0%
Contract (Level 3-5)	2	0	0%	0	0%
Contract (level 6-8)	3	1	33.3%	0	0%
Contract (9-12)	23	0	0%	2	8.7%
Contract (level 13-16)	2	0	0%	1	50%
<b>364</b>	<b>410</b>	<b>2</b>	<b>0.5%</b>	<b>257</b>	<b>62.7%</b>

### 3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 01 April 2019 – 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	45	0	0	8	30	0	0	4	87
Technicians and associate professionals	86	0	1	0	105	1	0	5	198
Clerks	14	0	0	0	32	0	0	0	46
Service Shops and market sales workers	1	0	0	0	1	0	0	0	2
Craft and related trades worker	0	0	0	0	1	0	0	0	1
Plant and machine operators and assemblers	3	0	0	0	0	0	0	0	3
Labours and Related workers	17	1	0	0	31	0	0	0	49
Senior Officials & Managers	11	0	1	1	3	0	0	0	16
<b>Total</b>	<b>177</b>	<b>1</b>	<b>2</b>	<b>9</b>	<b>203</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>402</b>
<b>Employees with disability</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 01 April 2019 – 31 March 2020*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	14	0	1	0	8	0	0	0	23
Professionally qualified and experienced specialists and mid-management	85	0	1	1	58	1	0	3	149
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	40	0	0	0	61	0	0	2	103
Semi-skilled and discretionary decision making	16	1	0	0	44	0	0	0	61
Not Available, Permanent	10	0	0	0	21	0	0	0	31
Contract( Top Management), Permanent	1	0	0	0	0	0	0	0	1
Contract( Senior Management), Permanent	2	0	0	0	0	0	0	0	2
Contract( Professionally Qualified), Permanent	8	0	0	8	5	0	0	4	25
Contract(Skilled Technical), permanent	1	0	0	0	2	0	0	0	3
Contract (Semi-Skilled, permanent	0	0	0	0	3	0	0	0	3
<b>Total</b>	<b>177</b>	<b>1</b>	<b>2</b>	<b>9</b>	<b>203</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>402</b>

*Table 3.6.3 Recruitment for the period 01 April 2019 – 30 March 2020*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Not Available, Permanent	12	0	0	0	23	0	0	0	35
Contract (Senior Management), Permanent	1	0	0	0	0	0	0	0	1
Contract( Professionally qualified), Permanent	2	0	0	8	4	0	0	4	18
Contract( Skilled Technical), Permanent	0	0	0	0	1	0	0	0	1
Contract(Semi-Skilled), Permanent	1	0	0	0	2	0	0	0	3
<b>Total</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>58</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.6.4 Promotions for the period 01 April 2019 – 31 March 2020*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	9	0	1	0	4	0	0	0	14
Professionally qualified and experienced specialist	67	0	1	0	47	1	0	3	119
Skilled technical and academically qualified workers	32	0	0	0	42	0	0	1	75
Semi-skilled and discretionary decision making, Permanent.	11	1	0	0	35	0	0	0	47
Contract (Senior Management), Permanent.	1	0	0	0	0	0	0	0	1
Contract (Professional Qualified), Permanent.	0	0	0	0	1	0	0	0	1
Contract (Skilled Technical), Permanent.	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>122</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>129</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>259</b>
<b>Employees with disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>

*Table 3.6.5 Terminations for the period 01 April 2019 – 31 March 2020*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally Qualified and experienced specialist	2	0	0	0	1	0	0	0	3
Skilled technical and academically qualified workers	0	0	0	0	2	0	0	0	2
Semi-skilled and discretionary decision	0	0	0	0	2	0	0	0	2
Not Available, Permanent	2	0	0	0	2	0	0	0	4
Contract (Professionally qualified)	1	0	0	1	0	0	0	1	3
Contract (Skilled technical), Permanently	1	0	0	0	1	0	0	0	2
<b>Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>16</b>
<b>Employees with Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.6.6 Disciplinary action for the period 01 April 2019 to 31 March 2020*

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<b>No Outcome</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>



*Table 3.6.7 Skills development for the period 1 April 2019 to 30 March 2020*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	20	0	0	0	15	0	0	0	35
Professionals	22	0	0	0	18	0	0	0	40
Technicians and associate professionals	12	0	0	0	10	0	0	0	22
Clerks	17	0	0	0	19	0	0	0	36
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	5	0	0	0	8	0	0	0	13
<b>Total</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>146</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**3.7 Signing of Performance Agreements by SMS Members***Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 March 2020*

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	1	1	1	100%
Salary Level 15	0	0	0	0
Salary Level 14	6	6	6	100%
Salary Level 13	18	18	18	100%
<b>Total</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>100%</b>

*Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2020*

<b>Reasons: None</b>
None

*Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2020*

<b>Reasons</b>
None

### 3.8 Performance Rewards

*Table 3.8.1 Performance Rewards by race, gender and disability for the period 01 April 2019 – 31 March 2020*

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>					
Male	109	175	62.3%	1 569.77	14 402
Female	134	197	68%	1 542.02	11 508
<b>Asian</b>					
Male	2	2	100%	59.12	29 560
Female	0	0	0%	0	0
<b>Coloured</b>					
Male	1	1	100%	3.90	3 901
Female	1	1	100%	15.25	15 253
<b>White</b>					
Male	9	9	100%	196.47	21 830
Female	7	9	77.8%	140.01	20 001
Employees with a disability	8	8	100%	88.30	11 038
<b>Total</b>	<b>271</b>	<b>402</b>	<b>67.4%</b>	<b>3 614.85</b>	<b>13 339</b>

*Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 01 April 2019 – 31 March 2020*

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Skilled (level 3-5)	49	61	80.3%	224.15	4 574
Highly skilled production (level 6-8)	86	103	83.5%	819.36	9 527
Highly skilled supervision (level 9-12)	116	149	77.9%	2 112.25	18 209
Other	0	31	0	0	0
Contract(Level 3-5)	0	3	0	0	0
Contract (Level 6-8)	0	3	0	0	0
Contract (Level 9-12)	15	25	60%	308.30	20 553
<b>Total</b>	<b>266</b>	<b>375</b>	<b>70.9%</b>	<b>3 464.06</b>	<b>13 023</b>

Table 3.8.3 Performance Rewards by Critical Occupation period 01 April 2019 – 31 March 2020

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative related	123	183	67.2%	1 703.65	13 851
Architects town and traffic planners	1	1	100%	33.50	33 501
Bus and heavy vehicle drivers	1	1	100%	5.69	5 695
Cleaners in offices workshops hospitals etc.	15	18	83.3%	59.31	3 954
Communication and information related	2	6	33.3%	22.19	11 096
Engineering Sciences related	3	4	75%	60.62	20 206
Engineers and related professionals	26	33	78	473.83	18 455
Finance and economics related	2	2	100%	48.54	24 270
Financial and related professionals	2	9	22.2%	32.47	16 237
Financial clerks and credit controllers	8	15	53.3%	105.54	13 192
General legal administration & rel. professionals	1	1	100%	29.75	29 753
Head of department/ Chief executive officer	0	1	0%	0	0
Human Resource Clerk	0	1	0%	0	0
Human resources & organisational development& relate prof	1	1	100%	10.59	10 591
Human resources related	18	26	69.2%	234.67	13 037
Information technology related	0	3	0%	0	0
Legal Related	0	1	0%	0	0
Light Vehicle Drivers	0	1	0%	0	0
Logistical support personnel	9	12	75%	88.15	9 795
Material-Recording & Tran	0	2	0%	0	0
Messengers porters and deliverers	5	5	100%	21.30	4 260
Motor vehicle drivers	1	1	100%	5.53	5 528
Other administration& related clerks and organisers	6	7	85.7%	81.41	13 569
Other administrative policy and related officers	3	3	100%	37.99	12 664
Other occupations	25	27	92.6%	328.95	13 158
Risk management and security services	2	2	100%	23.38	11 692
Secretaries & other keyboard operating clerks	12	21	57.1%	66.37	5 531
Senior managers	4	14	28.6%	105.23	26 307
Trade related	1	1	100%	30.18	30 185
<b>TOTAL</b>	<b>271</b>	<b>402</b>	<b>67.4%</b>	<b>3 464.06</b>	<b>13 339</b>

*Table 3.8.4 Performance related rewards (cash bonus) by salary band for Senior Management Service for the period 01 April 2019 – 31 March 2020*

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total with-in salary bands	Total Cost (R'000)	Average cost per employee	
Band A	4	19	12.1%	132.93	33 231.90	0.6%
Band B	1	6	16.7%	17.87	17 866.80	0.2%
Band C	0	1	0%	0	0	0%
Band D	0	0	0%	0	0	0%
<b>Total</b>	<b>5</b>	<b>27</b>	<b>18.5%</b>	<b>150.50</b>	<b>30 158.90</b>	<b>0.4%</b>

### 3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

*Table 3.9.1 foreign workers by salary band for the period 01 April 2019 – 31 March 2020*

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled supervision (Lev. 9-12)	16	88.9%	15	88.2%	-1	100%
Senior Management (Level 13-16)	2	11.1%	2	11.1%	0	0%
<b>Total</b>	<b>18</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>-1</b>	<b>100%</b>

*Table 3.9.2 foreign workers by major occupation for the period 01 April 2019 – 31 March 2020*

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
<b>Professionals and Managers</b>	<b>18</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>-1</b>	<b>100%</b>
	<b>18</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>-1</b>	<b>100%</b>

### 3.10 Leave utilisation

*Table 3.10.1 Sick leave for the period 01 January 2019 to 31 December 2020*

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Skilled (levels 3-5)	226	80.1%	32	18.3%	7	190
Highly skilled production (levels 6-8)	364	83.2%	54	30.9%	7	582
Highly skilled supervision (levels 9-12)	513	82.1%	68	38.9%	8	1 362
Senior management (Level 13-16) (levels 13-16)	38	92.1%	9	5.1%	4	164
Contract (Level 9-12)	8	100%	2	1.1%	4	16
Contract (Level 6-8)	1	100%	1	0.6%	1	1
Contract Other	26	65.4%	9	5.1%	3	11
<b>Total</b>	<b>1 176</b>	<b>82.1%</b>	<b>175</b>	<b>100%</b>	<b>7</b>	<b>2 326</b>

*Table 3.10.2 Disability leave temporary and permanent) for the period 1 January 2019 to 31 March 2020*

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.10.3 Annual Leave for the period 1 January 2019 to 31 December 2019*

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Skilled Levels 3-5)	1 328	22	61
Highly skilled production (Levels 6-8)	2 540	24	104
Highly skilled supervision(Levels 9-12)	3 578	24	152
Senior management (Levels 13-16)	439	18	24
Contract (Level 13-16)	16	5	3
Contract Other	317	10	31
Contract (Level 3-5)	32	11	3
Contract (Level 6-8)	37	12	3
Contract (Level 9-12)	131	11	12
<b>Total</b>	<b>8 418</b>	<b>21</b>	<b>393</b>

*Table 3.10.4 Capped leave for the period 1 January 2019 to 31 March 2020*

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at the end of period
Skilled Levels 3-5)	0	0	0	77%
Highly skilled production (Levels 6-8)	0	0	0	59
Highly skilled supervision(Levels 9-12)	0	0	0	72%
Senior management (Levels 13-16)	0	0	0	51%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>66%</b>

*Table 3.10.5 Leave pay-outs for the period 1 April 2019 and 31 March 2020*

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual – Discounting with Resignation	63	1	63 000
Annual – Discounting: Unused Vacation	215	1	215 000
Annual – Gratuity: Death/ Retirement	208	6	34 667
Capped – Gratuity: Death/ Retirement	70	1	70 000
Other –Discounting: Contract expiry	1	1	1 000
<b>Total</b>	<b>556</b>	<b>10</b>	<b>34 667</b>

### 3.11 HIV/AIDS & Health Promotion Programmes

*Table 3.11.1 Steps taken to reduce the risk of occupational exposure*

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Employees who are working at the construction projects, i.e. Area monitors, project managers and Technical inspectors are exposed to dust which makes them vulnerable to TB related infections	<p>Onsite employee health and wellness programmes have been established where employees are enlightened about HIV/AIDS and TB and further engaged in comprehensive health screening.</p> <p>Personal Protective Equipment Procedure has been developed to assist protection of employees from amongst other things in-hailing dust.</p>

*Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)*

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms C T Mashego – Director: Human Resource Management & Development
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		The unit has 04 employees and the budget for the accounting period is R203 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		The programme addresses HIV/AIDS and TB Management, Health and Productivity Management, Safety health risk and Quality (SHERQ) Management, and Wellness Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		Ms Pride Nkuna - Gert Sibande District; Mr Lucky Mokoena - Salaries Section; Ms LindiweMasilela - Nkangala District; Mr Winston Thekiso- Communications; Ms Nonhlanhla Masango - Communications; Ms Ruth Mathaba- Ehlanzeni District Office; Ms Sweetness Shabangu- Transversal Services; Ms Yvonne Nkalanga- HR Practice and Admin
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		√	Not Applicable
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		The Head of Department has approved an HIV/AIDS and TB Management Policy that addresses protection of HIV-Positive employees. The key element of the policy are:- Commitment to create an enabling environment for employees infected and affected by HIV/ AIDS & TB pandemic; Affirmation regarding management of HIV/AIDS & TB in the Department; Implementing fair employment practice and statement of voluntary disclosure
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		Departmental onsite HCT programme was conducted where only 23 employees were tested and know their statuses. None was tested positive.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		Approved Employee Health and productivity management Plan  Annual integrated health and wellness report  Quarterly integrated health and wellness activities coordinated  Number of employees reached through health promotion messages

### HIV COUNSELLING AND TESTING ANALYSIS

Only 65 or 19, 28% of 337 targeted employees tested for HIV and know their status. More females 44 (25.58%) tested, compared to 21 (12, 72%) males. Participation of employees in HIV counselling and testing is constantly far less than planned target. The standard 90/90/90 strategy seems to be a non-achievable target in the workplace.

### 3.12 Employee Relations

*Table 3.12.1 Collective agreements for the period 01 April 2019 to 31 March 2020*

Subject matter	Date
Total number of collective agreements	None

*Table 3.12.2 Misconduct and disciplinary hearings finalised for the April 2019 to 31 March 2020*

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	%
Verbal warning	0	%
Written warning	1	16.3%
Final written warning	2	33.3%
Suspended without pay	0	0%
Resignation	1	16.6%
Demotion	0	0%
Dismissal	1	16.7%
Not guilty	1	16.7%
<b>Pending</b>	<b>2</b>	<b>16.7%</b>
<b>Total</b>	<b>06</b>	<b>100%</b>

<b>Total number of Disciplinary hearings finalised</b>	<b>04</b>	<b>66.6%</b>
--	-----------	--------------

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 01 April 2019 to 31 March 2020*

Type of misconduct	Number	% of total
<b>Absenteeism</b>	<b>1</b>	<b>16.7%</b>
<b>Damage and misuse of state vehicle</b>	<b>3</b>	<b>50%</b>
<b>Fraud and Corruption</b>	<b>2</b>	<b>33.3%</b>
<b>Total</b>	<b>06</b>	<b>100%</b>

*Table 3.12.4 Grievances logged for the period from 01 April 2019 to 31 March 2020*

Grievances	Number	% of Total
Number of grievances resolved	22	75.8%
Number of grievances not resolved	07	24.2%
<b>Total number of grievances lodged</b>	<b>29</b>	<b>100%</b>

*Table 3.12.5 Disputes logged with Councils for the period from 01 April 2019 to 31 March 2020*

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	3	75%
Pending	1	25%
<b>Total number of disputes lodged</b>	<b>4</b>	<b>100%</b>



*Table 3.12.6 Strike actions for the period from 01 April 2019 to 31 March 2020*

<b>Total number of persons working days lost</b>	None
<b>Total costs working days lost</b>	None
<b>Amount recovered as a result of no work no pay (R'000)</b>	None

*Table 3.12.7 Precautionary suspensions for 01 April 2019 to 31 March 2020*

<b>Number of people suspended</b>	1
<b>Number of people whose suspension exceeded 30 days</b>	1
<b>Average number of days suspended</b>	419
<b>Cost of suspension(R'000)</b>	R480 691.35

### 3.13 Skills development

This section highlights the efforts of the department with regard to skills development.

*Table 3.13.1 Training needs identified for the period 1 April 2019 and 31 March 2020*

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	0	15	0	15
	Male	12	0	20	0	20
Professionals	Female	30	0	18	0	18
	Male	52	0	22	0	22
Technicians and associate professionals	Female	72	0	10	0	10
	Male	62	0	12	0	12
Clerks	Female	75	0	19	0	19
	Male	31	0	17	0	17
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	0	0	0
Elementary occupations	Female	16	0	8	0	8
	Male	4	0	5	0	5
Sub Total	Female	201	0	0	0	0
	Male	163	0	0	0	0
<b>Total</b>		<b>364</b>	<b>0</b>	<b>146</b>	<b>0</b>	<b>146</b>



*Table 3.13.2 Training provided for the period 1 April 2019 and 31 March 2020*

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	0	4	0	4
	Male	12	0	3	0	3
Professionals	Female	30	0	0	0	0
	Male	52	0	1	0	1
Technicians and associate professionals	Female	72	0	12	0	12
	Male	62	0	20	0	20
Clerks	Female	75	0	93	0	93
	Male	31	0	36	0	36
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	2	0	2	0	2
Elementary occupations	Female	16	0	22	0	22
	Male	4	0	6	0	6
Sub Total	Female	201	0	131	0	131
	Male	163	0	68	0	68
<b>Total</b>		<b>364</b>	<b>0</b>	<b>199</b>	<b>0</b>	<b>199</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

*Table 3.14.1 Injury on duty for the period 1 April 2019 and 31 March 2020*

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**3.15 Utilisation of Consultants**

<b>Project title</b>	<b>Total number of consultants that worked on project</b>	<b>Duration (work days)</b>	<b>Contract value in Rand R'000</b>
Abaziyo	1	12 months	851,003.84
CIFU	1	12 months	6,752,535.00
Cypress Creek Investment	1	12 months	1,418,324.05
Earthin Lab	1	12 months	1,548,978.82
Fastrack	1	12 months	R 2,886,785.29
IN & Ass	1	12 months	210,691.51
Keretama	1	12 months	3,849,205.61
Ledwala	1	12 months	658,326.55
Lehuma Consulting	1	12 months	2,512,318.77
Leseko Consulting	1	12 months	1,193,227.85
Monde Consulting	1	12 months	5,012,502.34
MS Mabuya	1	12 months	8,672,731.10
Ms Mabuya Civil	1	12 months	2,308,946.95
Mafunyane	1	12 months	364,495.08
Nathoo Mbenyane	1	12 months	1,267,452.81
Ntinga	1	12 months	1,038,891.60
Seco	1	12 months	27,868,806.11
Sinamandla	1	12 months	965,344.02
The Creative Axis	1	12 months	2,756,328.21
Zethu	1	12 months	1,380,391.46
<b>Total</b>	<b>20</b>		<b>73,517,286.00</b>

<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand R'000</b>
1	1	12 months	27,868,806.11

*Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020*

<b>Project title</b>	<b>Percentage ownership by HDI groups</b>	<b>Percentage management by HDI groups</b>	<b>Number of consultants from HDI groups that work on the project</b>
PMU	100%	100%	1

*Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2019 and 31 March 2020*

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	None	None	None
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	None	None	None

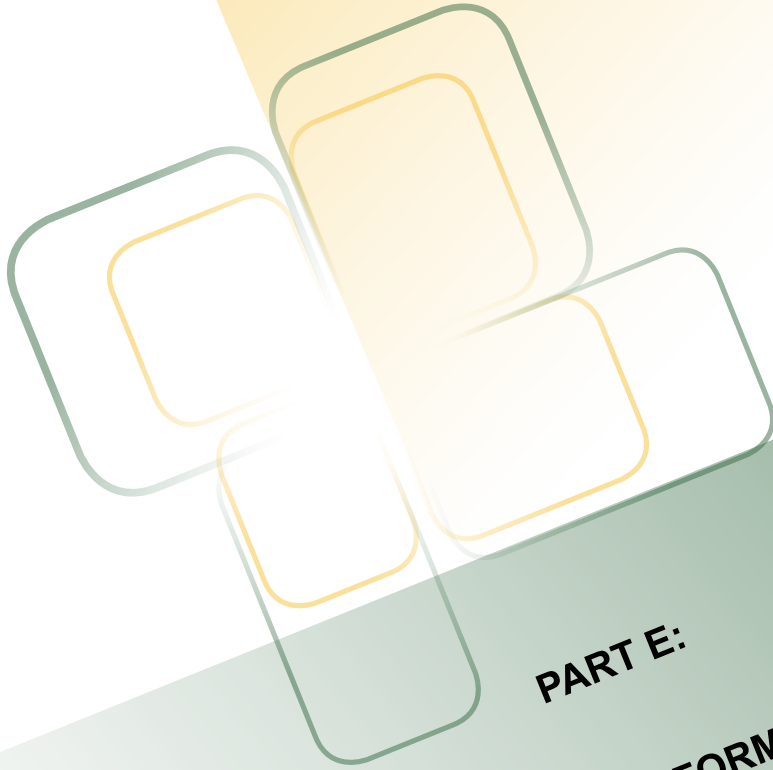
*Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020*

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	None	None	None

### 3.16 Severance Packages

*Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2019 and 31 December 2020*

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## **PART E:**

# **FINANCIAL INFORMATION**



## Report of the auditor-general to the Mpumalanga Provincial Legislature on vote no. 13: Department of Human Settlements

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Department of Human Settlements set out on pages 94 to 149, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Human Settlements as at 31 March 2020, and its financial performance and cash flow for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (DORA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International code of ethics for professional accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matters

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

#### Irregular expenditure

7. As disclosed in note 18 to the financial statements, irregular expenditure of R1 178 020 000 incurred in previous years is still awaiting condonement.

#### Non-adjusting events after reporting date

8. I draw attention to note 23 to the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of Covid-19 on the department's future prospects, performance and cash flows.



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

9. With reference to note 14 to the financial statements, the department is the defendant in litigation claims made by suppliers relating to a breach of contracts for the construction of low-cost houses. The ultimate outcome of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

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

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MSC and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

## **Report on the audit of the annual performance report**

### **Introduction and scope**

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the report performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning document of the department. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included





as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020

Programmes	Pages in the annual performance report
Programme 3: Housing Development	28-30

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

18. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

### **Programme 3: Housing Development Various indicators**

19. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Indicator description	Reported achievement
Number of integrated development phase 2 top structure completed	633
Number of units completed through rural housing: communal land rights	867

### **Number of job opportunities created and sustained through related programmes**

20. The reported indicator of the number of job opportunities created and sustained through related programme did not agree with the planned indicator of creating 10 000 job opportunities through human settlements programmes by 2020 as per the approved annual performance plan
21. The indicator to create 10 000 job opportunities through human settlements programmes by 2020 as per the approved annual performance plan was changed without the necessary approval.
22. The source information and evidence for achieving the planned indicator were not clearly defined.

### **Number of units completed through farm worker housing assistance**

23. The reported target of 31 units did not agree with the planned target of 30 units as per the approved annual performance plan





24. The target of 30 units per the approved annual performance plan was changed without the necessary approval.

#### **Other matters**

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

#### **Achievement of planned targets**

26. Refer to the annual performance report on pages 29 to 30 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 19 to 24 of this report.

#### **Adjustment of material misstatements**

27. I identified misstatements in the annual performance report submitted for auditing. These material misstatements were on the report performance information of housing development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

### **Report on the audit of compliance with legislation**

#### **Introduction and scope**

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
29. The material findings on compliance with specific matters in key legislation are as follows:

#### **Annual financial statements, performance report and annual report**

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.

#### **Strategic planning and performance management**

31. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objective and service delivery, as required by public service regulation 25(1)(e)(i) and (iii).





### **Expenditure management**

32. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R997 176 000, as disclosed in note 18 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. Most of the irregular expenditure was caused by non-compliance with laws and regulations.
33. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3

### **Procurement and contract management**

34. Some quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by treasury regulation 16A9.1(d)
35. Some contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by treasury regulation 16A9.1(d)
36. The preference point system was not applied in some of the procurement of goods and service above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) (PPPFA) and treasury regulation 16A6.3(d). Similar non-compliance was also reported in the prior year.
37. Some contracts were awarded to bidders who did not score the highest points in the evaluation process, contrary to section 2(1)(f) of the PPPFA and the Preferential Procurement Regulations.
38. Some tenders which failed to achieve the minimum qualifying score for functionality criteria, were not disqualified as unacceptable in accordance with preferential procurement regulation 5(6).
39. Some tenders which achieved the minimum qualifying score for functionality criteria, were not evaluated further in accordance with preferential procurement regulation 5(7).
40. Tender requirements for some contracts above R30 million did not include a condition for mandatory subcontracting to advance designated groups, as required by preferential procurement regulation 9(1)
41. Bid documentation for the procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by preferential procurement regulation 8(2)
42. Information Technology-related goods and services, classified as mandatory, were not procured through the State Information Technology Agency (SITA), as required by treasury regulation 16A6.3(e) and section 7(3) of the SITA Act of South Africa, 1998 (Act No. 88 of 1998).



### Other Information

43. The Accounting Officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
44. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
45. In connection with my audit, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
46. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
47. I have nothing to report in this regard.

### Internal control deficiencies

48. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with application, however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
49. Oversight responsibility was not adequately exercised regarding compliance with laws and regulations as well as related controls on predetermined objectives.
50. Management at the appropriate level did not ensure that compliance with applicable laws and regulations was adequately reviewed and monitored throughout the year together with controls on performance information.
51. The financial statements and annual performance report contained numerous misstatements, some of which were subsequently corrected. This was due to inadequate reviews of the financial statements and annual performance report in line with the financial reporting and performance management frameworks.

Mbombela  
02 November 2020



AUDITOR-GENERAL  
SOUTH AFRICA





## **Annexure - Auditor-general's responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, designed and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
  - Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matter that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.





# ANNUAL FINANCIAL STATEMENTS

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Appropriation per programme										
Programme	2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. ADMINISTRATION	166 824	-	1 352	168 176	167 239	937	99.4%	162 094	162 094	162 094
2. HOUSING NEEDS, RESEARCH & PLANNING	226 873	-	(1 352)	225 521	170 552	54 969	75.6%	257 124	257 074	257 074
3. HOUSING ADMINISTRATION	1 506 617	-	-	1 506 617	1 502 999	3 618	99.8%	1 454 113	1 400 328	1 400 328
4. HOUSING ASSET MANAGEMENT	56 734	-	-	56 734	54 256	2 478	95.6%	76 254	74 864	74 864
<b>TOTAL</b>	<b>1 957 048</b>	<b>-</b>	<b>-</b>	<b>1 957 048</b>	<b>1 895 046</b>	<b>62 002</b>	<b>96.8%</b>	<b>1 949 585</b>	<b>1 894 360</b>	

2019/20					2018/19				
TOTAL (brought forward)	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Reconciliation with statement of financial performance	1 957 048	1 895 046	1 957 048	1 895 046	1 949 585	1 894 360	1 949 585	1 894 360	
Actual amounts per statement of financial performance (total revenue)	1 957 048	1 895 046	1 957 048	1 895 046	1 949 585	1 894 360	1 949 585	1 894 360	
Actual amounts per statement of financial performance (total expenditure)	1 957 048	1 895 046	1 957 048	1 895 046	1 949 585	1 894 360	1 949 585	1 894 360	

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Appropriation per economic classification									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	311 466	(200)	(46)	311 220	300 168	11 052	96.4%	287 265	287 264
Compensation of employees	239 211	-	-	239 211	231 979	7 232	97.0%	220 205	220 205
Salaries and wages	205 215	912	-	206 127	203 033	3 094	98.5%	193 804	193 805
Social contributions	33 996	(912)	-	33 084	28 946	4 138	87.5%	26 401	26 400
Goods and services	72 255	(200)	(46)	72 009	68 189	3 820	94.7%	67 060	67 059
Administrative fees	1 042	(316)	(16)	710	552	158	77.7%	579	587
Advertising	180	45	-	225	225	-	100.0%	802	802
Minor assets	102	(30)	-	72	72	-	100.0%	1	1
Audit costs: External	5 108	1 081	211	6 400	6 400	-	100.0%	5 787	5 787
Catering: Departmental activities	230	(90)	-	140	140	-	100.0%	80	79
Communication	6 673	(297)	(50)	6 326	6 256	70	98.9%	4 734	4 740
Computer services	1 268	1 224	-	2 492	1 446	1 046	58.0%	361	361
Consultants: Business and advisory services	541	(477)	-	64	64	-	100.0%	3 139	3 139
Legal services	2 442	(1 870)	-	572	572	-	100.0%	4 421	4 421
Contractors	494	(56)	-	438	438	-	100.0%	1 318	1 318
Agency and support / outsourced services	2 590	-	-	2 590	2 590	-	100.0%	-	-
Fleet services	6 280	115	-	6 395	6 395	-	100.0%	6 559	6 559
Consumable supplies	620	534	-	1 154	1 154	-	100.0%	846	845
Consumable: Stationery, printing and office supplies	1 548	(200)	-	1 348	1 348	-	100.0%	1 318	1 318
Operating leases	10 183	1 054	-	11 237	11 237	-	100.0%	10 469	10 470
Property payments	4 107	(1 731)	-	2 376	2 376	-	100.0%	2 675	2 675
Travel and subsistence	21 837	2 463	(160)	24 140	22 173	1,967	91.9%	22 215	22 201

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Training and development	2 472	(82)	-	2 390	2 390	-	100.0%	634	634
Operating payments	4 319	(1 440)	(22)	2 857	2 278	579	79.7%	1 067	1 067
Venues and facilities	219	(127)	(9)	83	83	-	100.0%	55	55
<b>Transfers and subsidies</b>	<b>1 643 256</b>	<b>200</b>	<b>46</b>	<b>1 643 502</b>	<b>1 593 489</b>	<b>50 013</b>	<b>97.0%</b>	<b>1 657 300</b>	<b>1 601 963</b>
Provinces and municipalities	91	(28)	-	63	63	-	100.0%	45	45
Municipalities	91	(28)	-	63	63	-	100.0%	45	45
Municipal agencies and funds	91	(28)	-	63	63	-	100.0%	45	45
Households	1 643 165	228	46	1 643 439	1 593 426	50 013	97.0%	1 657 255	1 601 918
Social benefits	-	228	46	274	844	(570)	308.0%	844	844
Other transfers to households	1 643 165	-	-	1 643 165	1 592 582	50 583	96.9%	1 656 411	1 601 074
<b>Payments for capital assets</b>	<b>2 326</b>	<b>-</b>	<b>-</b>	<b>2 326</b>	<b>1 389</b>	<b>937</b>	<b>59.7%</b>	<b>5 020</b>	<b>5 133</b>
Machinery and equipment	2 326	-	-	2 326	1 389	937	59.7%	2 443	2 556
Transport equipment	1 141	-	-	1 141	-	1 141	-	1 383	1 383
Other machinery and equipment	1 185	-	-	1 185	1 389	(204)	117.2%	1 060	1 173
Intangible assets	-	-	-	-	-	-	-	-	2 577
<b>Total</b>	<b>1 957 048</b>	<b>-</b>	<b>-</b>	<b>1 957 048</b>	<b>1 895 046</b>	<b>62 002</b>	<b>96.8%</b>	<b>1 949 585</b>	<b>1 894 360</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Programme 1: ADMINISTRATION									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. OFFICE OF THE MEC	8 093	999	1 141	10 233	10 233	-	100.0%	8 179	8 251
2. CORPORATE SERVICES	158 731	(999)	211	157 943	157 006	937	99.4%	153 915	153 843
Total for sub programmes	166 824	-	1 352	168 176	167 239	937	99.4%	162 094	162 094
Economic classification									
Current payments	164 407	-	1 306	165 713	165 713	-	100.0%	156 765	156 765
Compensation of employees	114 140	-	1 095	115 235	115 235	-	100.0%	107 998	107 998
Salaries and wages	97 718	1 035	1 095	99 848	99 848	-	100.0%	94 440	94 441
Social contributions	16 422	(1 035)	-	15 387	15 387	-	100.0%	13 558	13 557
Goods and services	50 267	-	211	50 478	50 478	-	100.0%	48 767	48 767
Administrative fees	670	(328)	-	342	342	-	100.0%	355	364
Advertising	180	45	-	225	225	-	100.0%	802	802
Minor assets	102	(30)	-	72	72	-	100.0%	1	1
Audit costs: External	5 108	1 081	211	6 400	6 400	-	100.0%	5 787	5 787
Catering: Departmental activities	230	(94)	-	136	136	-	100.0%	65	65
Communication	5 438	(374)	-	5 064	5 064	-	100.0%	3 799	3 805
Computer services	222	1 224	-	1 446	1 446	-	100.0%	343	343
Consultants: Business and advisory services	541	(477)	-	64	64	-	100.0%	292	292
Legal services	2 442	(1 870)	-	572	572	-	100.0%	4 421	4 421
Contractors	494	(56)	-	438	438	-	100.0%	1 318	1 318
Fleet services	6 280	115	-	6 395	6 395	-	100.0%	6 559	6 559



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Consumable supplies	620	392	-	1 012	1 012	-	100.0%	846	845
Consumable: Stationery, printing and office supplies	1 548	(200)	-	1 348	1 348	-	100.0%	1 318	1 318
Operating leases	10 183	1 054	-	11 237	11 237	-	100.0%	10 469	10 470
Property payments	4 107	(1 731)	-	2 376	2 376	-	100.0%	2 675	2 675
Travel and subsistence	7 097	1 744	-	8 841	8 841	-	100.0%	8 346	8 331
Training and development	2 472	(92)	-	2 380	2 380	-	100.0%	634	634
Operating payments	2 386	(298)	-	2 088	2 088	-	100.0%	736	736
Venues and facilities	147	(105)	-	42	42	-	100.0%	1	1
Transfers and subsidies	91	-	46	137	137	-	100.0%	309	309
Provinces and municipalities	91	(28)	-	63	63	-	100.0%	45	45
Municipalities	91	(28)	-	63	63	-	100.0%	45	45
Municipal agencies and funds	91	(28)	-	63	63	-	100.0%	45	45
Households	-	28	46	74	74	-	100.0%	264	264
Social benefits	-	28	46	74	74	-	100.0%	264	264
Payments for capital assets	2 326	-	-	2 326	1 389	937	59.7%	5 020	5 020
Machinery and equipment	2 326	-	-	2 326	1 389	937	59.7%	2 443	2 443
Transport equipment	1 141	-	-	1 141	-	1 141	-	1 383	1 383
Other machinery and equipment	1 185	-	-	1 185	1 389	(204)	117.2%	1 060	1 060
Intangible assets	-	-	-	-	-	-	-	2 577	2 577
<b>Total</b>	<b>166 824</b>	<b>-</b>	<b>1 352</b>	<b>168 176</b>	<b>167 239</b>	<b>937</b>	<b>99.4%</b>	<b>162 094</b>	<b>162 094</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

1.1 OFFICE OF THE MEC									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	<b>8 093</b>	<b>972</b>	<b>1 095</b>	<b>10 160</b>	<b>10 160</b>	-	<b>100.0%</b>	<b>8 179</b>	<b>8 251</b>
Compensation of employees	6 302	684	1 095	8 081	8 081	-	100.0%	6 284	6 360
Goods and services	1 791	288	-	2 079	2 079	-	100.0%	1 895	1 891
Transfers and subsidies	-	<b>27</b>	<b>46</b>	<b>73</b>	<b>73</b>	-	<b>100.0%</b>	-	-
Households	-	27	46	73	73	-	100.0%	-	-
<b>Total</b>	<b>8 093</b>	<b>999</b>	<b>1 141</b>	<b>10 233</b>	<b>10 233</b>	-	<b>100.0%</b>	<b>8 179</b>	<b>8 251</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

1.2 CORPORATE SERVICES									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	156 314	(972)	211	155 553	155 553	-	100.0%	148 586	148 514
Compensation of employees	107 838	(684)	-	107 154	107 154	-	100.0%	101 714	101 638
Goods and services	48 476	(288)	211	48 399	48 399	-	100.0%	46 872	46 876
Transfers and subsidies	91	(27)	-	64	64	-	100.0%	309	309
Provinces and municipalities	91	(28)	-	63	63	-	100.0%	45	45
Households	-	1	-	1	1	-	100.0%	264	264
Payments for capital assets	2 326	-	-	2 326	1 389	937	59.7%	5 020	5 020
Machinery and equipment	2 326	-	-	2 326	1 389	937	59.7%	2 443	2 443
Intangible assets	-	-	-	-	-	-	-	2 577	2 577
<b>Total</b>	<b>158 731</b>	<b>(999)</b>	<b>211</b>	<b>157 943</b>	<b>157 006</b>	<b>937</b>	<b>99.4%</b>	<b>153 915</b>	<b>153 843</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Programme 2: HOUSING NEEDS, RESEARCH AND PLANNING									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMINISTRATION	222 092	62	(1 254)	220 900	167 158	53 742	75.7%	252 593	252 545
2. POLICY	890	24	(1)	913	904	9	99.0%	812	811
3. PLANNING	2 292	(124)	(97)	2,071	915	1 156	44.2%	2 175	2 175
4. RESEARCH	1 599	38	-	1,637	1 575	62	96.2%	1 544	1 543
<b>Total for sub programmes</b>	<b>226 873</b>	<b>-</b>	<b>(1 352)</b>	<b>225 521</b>	<b>170 552</b>	<b>54 969</b>	<b>75.6%</b>	<b>257 124</b>	<b>257 074</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Programme 2: HOUSING NEEDS, RESEARCH AND PLANNING									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	68 153	-	(1 352)	66 801	61 336	5 465	91.8%	54 435	54 434
Compensation of employees	58 267	-	(1 095)	57 172	52 177	4 995	91.3%	46 213	46 213
Salaries and wages	49 351	(1)	(1 095)	48 255	47 208	1 047	97.8%	41 981	41 981
Social contributions	8 916	1	-	8 917	4 969	3 948	55.7%	4 232	4 232
Goods and services	9 886	-	(257)	9 629	9 159	470	95.1%	8 222	8 221
Administrative fees	215	21	(16)	220	134	86	60.9%	148	146
Catering: Departmental activities	-							8	7
Communication	374	290	(50)	614	596	18	97.1%	461	461
Computer services	-	-	-	-	-	-	-	18	18
Consumable supplies	-	142	-	142	142	-	100.0%	-	-
Travel and subsistence	9 031	(398)	(160)	8 473	8 124	349	95.9%	7 383	7 384
Operating payments	194	10	-	10	10	-	100.0%	150	151
Venues and facilities	72	(43)	(22)	129	112	17	86.8%	54	54
Transfers and subsidies	158 720	-	-	158 720	109 216	49 504	68.8%	202 689	202 640
Households	158 720	-	-	158 720	109 216	49 504	68.8%	202 689	202 640
Social benefits	-	-	-	-	570	(570)	-	5	5
Other transfers to households	158 720	-	-	158 720	108 646	50 074	68.5%	202 684	202 635
Total	226 873	-	(1 352)	225 521	170 552	54 969	75.6%	257 124	257 074

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

<b>2.1 ADMINISTRATION</b>									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shift- ing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	<b>63 372</b>	<b>62</b>	<b>(1 254)</b>	<b>62 180</b>	<b>57 942</b>	<b>4 238</b>	<b>93.2%</b>	<b>49 904</b>	<b>49 905</b>
Compensation of employees	54 276	-	(1 095)	53 181	49 369	3 812	92.8%	42 310	42 312
Goods and services	9 096	62	(159)	8 999	8 573	426	95.3%	7 594	7 593
Transfers and subsidies	158 720	-	-	<b>158 720</b>	<b>109 216</b>	<b>49,504</b>	<b>68.8%</b>	<b>202 689</b>	<b>202 640</b>
Households	158 720	-	-	158 720	109 216	49 504	68.8%	202 689	202 640
<b>Total</b>	<b>222 092</b>	<b>62</b>	<b>(1 254)</b>	<b>220 900</b>	<b>167 158</b>	<b>53 742</b>	<b>75.7%</b>	<b>252 593</b>	<b>252 545</b>

<b>2.2 POLICY</b>									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shift- ing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	<b>890</b>	<b>24</b>	<b>(1)</b>	<b>913</b>	<b>904</b>	<b>9</b>	<b>99.0%</b>	<b>812</b>	<b>811</b>
Compensation of employees	751	-	-	751	746	5	99.3%	693	695
Goods and services	139	24	(1)	162	158	4	97.5%	119	116
<b>Total</b>	<b>890</b>	<b>24</b>	<b>(1)</b>	<b>913</b>	<b>904</b>	<b>9</b>	<b>99.0%</b>	<b>812</b>	<b>811</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

2.3 PLANNING									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 292	(124)	(97)	2 071	915	1 156	44.2%	2 175	2 175
Compensation of employees	1 893	-	-	1 893	753	1 140	39.8%	1 890	1 889
Goods and services	399	(124)	(97)	178	162	16	91.0%	285	286
Total	2 292	(124)	(97)	2 071	915	1 156	44.2%	2 175	2 175

2.4 RESEARCH										
2019/20							2018/19			
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Current payments	1 599	38	-	1 637	1 575	62	96.2%	1 544	1 543	
Compensation of employees	1 347	-	-	1 347	1 309	38	97.2%	1 320	1 317	
Goods and services	252	38	-	290	266	24	91.7%	224	226	
Total	1 599	38	-	1 637	1 575	62	96.2%	1 544	1 543	

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Programme 3: HOUSING DEVELOPMENT									
2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMINISTRATION	58 649	150	-	58 799	55 184	3 615	93.9%	54 730	54 356
2. FINANCIAL INTERVENTION	212 483	6 504	-	218 987	218 987	-	100.0%	158 319	72 212
3. INCREMENTAL INTERVENTION	1 039 560	70 435	-	1 109 995	1 109 995	-	100.0%	1 059 245	1 135 238
4. SOCIAL AND RENTAL INTERVENTION	97 025	(78 846)	-	18 179	18 176	3	100.0%	69 765	23 171
5. RURAL INTERVENTION	98 900	1 757	-	100 657	100 657	-	100.0%	112 054	115 351
<b>Total for sub programmes</b>	<b>1 506 617</b>	<b>-</b>	<b>-</b>	<b>1 506 617</b>	<b>1 502 999</b>	<b>3 618</b>	<b>99.8%</b>	<b>1 454 113</b>	<b>1 400 328</b>
Economic classification									
Current payments	<b>58 649</b>	<b>(178)</b>	-	<b>58 471</b>	<b>54 771</b>	<b>3 700</b>	<b>93.7%</b>	<b>51 545</b>	<b>51 545</b>
Compensation of employees	49 191	-	-	49 191	48 175	1 016	97.9%	47 643	47 643
Salaries and wages	42 703	(122)	-	42 581	41 565	1 016	97.6%	41 178	41 178
Social contributions	6 488	122	-	6 610	6 610	-	100.0%	6 465	6 465
Goods and services	9 458	(178)	-	9 280	6 596	2 684	71.1%	3 902	3 902
Administrative fees	87	-	-	87	33	54	37.9%	34	35
Catering: Departmental activities	-	4	-	4	4	-	100.0%	-	-
Communication	624	(182)	-	442	423	19	95.7%	313	313
Computer services	1 046	-	-	1 046	-	1 046	-	-	-
Agency and support / outsourced services	2 590	-	-	2 590	2 590	-	100.0%	-	-



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Travel and subsistence	4 611	-	-	4 611	3 468	1 143	75.2%	3 377	3 377
Operating payments	500	-	-	500	78	422	15.6%	178	177
Transfers and subsidies	1 447 968	178	-	1 448 146	1 448 228	(82)	100.0%	1 402 568	1 348 670
Households	1 447 968	178	-	1 448 146	1 448 228	(82)	100.0%	1 402 568	1 348 670
Social benefits	-	178	-	178	179	(1)	100.6%	575	575
Other transfers to households	1 447 968	-	-	1 447 968	1 448 049	(81)	100.0%	1 401 993	1 348 095
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	113
Machinery and equipment	-	-	-	-	-	-	-	-	113
Other machinery and equipment	-	-	-	-	-	-	-	-	113
<b>Total</b>	<b>1 506 617</b>	<b>-</b>	<b>-</b>	<b>1 506 617</b>	<b>1 502 999</b>	<b>3 618</b>	<b>99.8%</b>	<b>1 454 113</b>	<b>1 400 328</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

<b>3.1 ADMINISTRATION</b>									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>58 649</b>	<b>(178)</b>	-	<b>58 471</b>	<b>54 771</b>	<b>3 700</b>	<b>93.7%</b>	<b>51 545</b>	<b>51 545</b>
Compensation of employees	49 191	-	-	49 191	48 175	1 016	97.9%	47 643	47 643
Goods and services	9 458	(178)	-	9 280	6 596	2 684	71.1%	3 902	3 902
<b>Transfers and subsidies</b>	<b>-</b>	<b>328</b>	-	<b>328</b>	<b>413</b>	<b>(85)</b>	<b>125.9%</b>	<b>3 185</b>	<b>2 698</b>
Households	-	328	-	328	413	(85)	125.9%	3 185	2 698
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113</b>
Machinery and equipment	-	-	-	-	-	-	-	-	113
<b>Total</b>	<b>58 649</b>	<b>150</b>	-	<b>58 799</b>	<b>55 184</b>	<b>3 615</b>	<b>94.1%</b>	<b>54 730</b>	<b>54 356</b>
<b>3.2 FINANCIAL INTERVENTION</b>									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>212 483</b>	<b>6 504</b>	-	<b>218 987</b>	<b>218 987</b>	<b>-</b>	<b>100.0%</b>	<b>158 319</b>	<b>72 212</b>
Households	212 483	6 504	-	218 987	218 987	-	100.0%	158 319	72 212
<b>Total</b>	<b>212 483</b>	<b>6 504</b>	-	<b>218 987</b>	<b>218 987</b>	<b>-</b>	<b>100.0%</b>	<b>158 319</b>	<b>72 212</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

<b>3.3 INCREMENTAL INTERVENTION</b>									
2019/20					2018/19				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	<b>1 039 560</b>	<b>70 435</b>	-	<b>1 109 995</b>	<b>1 109 995</b>	-	<b>100.0%</b>	<b>1 059 245</b>	<b>1 135 238</b>
Households	1 039 560	70 435	-	1 109 995	1 109 995	-	100.0%	1 059 245	1 135 238
<b>Total</b>	<b>1 039 560</b>	<b>70 435</b>	-	<b>1 109 995</b>	<b>1 109 995</b>	-	<b>100.0%</b>	<b>1 059 245</b>	<b>1 135 238</b>
<b>3.4 SOCIAL AND RENTAL INTERVENTION</b>									
2019/20					2018/19				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	<b>97 025</b>	<b>(78 846)</b>	-	<b>18 179</b>	<b>18 176</b>	<b>3</b>	<b>100.0%</b>	<b>69 765</b>	<b>23 171</b>
Households	97 025	(78 846)	-	18 179	18 176	3	100.0%	69 765	23 171
<b>Total</b>	<b>97 025</b>	<b>(78 846)</b>	-	<b>18 179</b>	<b>18 176</b>	<b>3</b>	<b>100.0%</b>	<b>69 765</b>	<b>23 171</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

3.5 RURAL INTERVENTION									
2019/20					2018/19				
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification									
Transfers and subsidies	<b>98 900</b>	<b>1 757</b>	<b>100 657</b>	<b>100 657</b>	-	<b>100.0%</b>	<b>112 054</b>	<b>115 351</b>	
Households	98 900	1 757	100 657	100 657	-	100.0%	112 054	115 351	
<b>Total</b>	<b>98 900</b>	<b>1 757</b>	<b>100 657</b>	<b>100 657</b>	-	<b>100.0%</b>	<b>112 054</b>	<b>115 351</b>	

Programme 4: HOUSING ASSET MANAGEMENT									
2019/20					2018/19				
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme									
1. ADMINISTRATION	20 257	1 158	21 415	19 527	1 888	91.2%	24 520	24 520	
2. SALE AND TRANSFER OF HOUSING PROPERTIES	36 477	(1 158)	35 319	34 729	590	98.3%	51 734	50 344	
Total for sub programmes	<b>56 734</b>	-	<b>56 734</b>	<b>54 256</b>	<b>2 478</b>	<b>95.6%</b>	<b>76 254</b>	<b>74 864</b>	
Economic classification									
Current payments	<b>20 257</b>	<b>(22)</b>	<b>20 235</b>	<b>18 348</b>	<b>1 887</b>	<b>90.7%</b>	<b>24 520</b>	<b>24 520</b>	
Compensation of employees	17 613	-	17 613	16 392	1 221	93.1%	18 351	18 351	
Salaries and wages	15 443	-	15 443	14 412	1 031	93.3%	16 205	16 205	
Social contributions	2 170	-	2 170	1 980	190	91.2%	2 146	2 146	
Goods and services	2 644	<b>(22)</b>	2 622	1 956	666	74.6%	6 169	6 169	
Administrative fees	70	<b>(9)</b>	61	43	18	70.5%	42	42	
Catering: Departmental activities	-	-	-	-	-	-	7	7	

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

Communication	237	(31)	-	206	173	33	84.0%	161	161
Consultants: Business and advisory services	-							2 847	2 847
Travel and subsistence	1 098	1 117	-	2 215	1 740	475	78.6%	3 109	3 109
Operating payments	1 239	(1 099)	-	140	-	140	-	3	3
Transfers and subsidies	36 477	22	-	36 499	35 908	591	98.4%	51 734	50 344
Households	36 477	22	-	36 499	35 908	591	98.4%	51 734	50 344
Social benefits	-	22	-	22	21	1	95.5%	-	-
Other transfers to households	36 477	-	-	36 477	35 887	590	98.4%	51 734	50 344
<b>Total</b>	<b>56 734</b>	<b>-</b>	<b>-</b>	<b>56 734</b>	<b>54 256</b>	<b>2 478</b>	<b>95.6%</b>	<b>76 254</b>	<b>74 864</b>

**4.1 ADMINISTRATION**

2019/20										2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Current payments	20 257	(22)	-	20 235	18 348	1 887	90.7%	24 520	24 520		
Compensation of employees	17 613	-	-	17 613	16 392	1 221	93.1%	18 351	18 351		
Goods and services	2 644	(22)	-	2 622	1 956	666	74.6%	6 169	6 169		
Transfers and subsidies		1 180	-	1 180	1 179	1	99.9%	-	-		
Households		1 180	-	1 180	1 179	1	99.9%	-	-		
Total	20 257	1 158	-	21 415	19 527	1 888	91.2%	24 520	24 520		

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTE TO THE APPROPRIATION STATEMENT**  
*for the year ended 31 March 2020*

4.2 SALE AND TRANSFER OF HOUSING PROPERTIES									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	<b>36 477</b>	<b>(1 158)</b>	-	<b>35 319</b>	<b>34 729</b>	<b>590</b>	<b>98.3%</b>	<b>51 734</b>	<b>50 344</b>
Households	36 477	(1 158)	-	35 319	34 729	590	98.3%	51 734	50 344
<b>Total</b>	<b>36 477</b>	<b>(1 158)</b>	-	<b>35 319</b>	<b>34 729</b>	<b>590</b>	<b>98.3%</b>	<b>51 734</b>	<b>50 344</b>

DEPARTMENT OF HUMAN SETTLEMENTS ANNUAL REPORT 2019/20  
**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTE TO THE STATEMENT OF FINANCIAL PERFORMANCE**  
*for the year ended 31 March 2020*

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-D) to the Annual Financial Statements.

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

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

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

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	168 176	167 239	937	1%
Housing Needs, Planning and Research	225 521	170 552	54 969	24%
Housing Development	1 506 617	1 502 999	3 618	0%
Housing Asset Management	56 734	54 256	2 478	4%

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	239 211	231 979	7 232	3%
Goods and services	72 009	68 189	3 820	5%
<b>Transfers and subsidies</b>				
Provinces and municipalities	63	63	-	0%
Households	1 643 439	1 593 426	50 013	3%
<b>Payments for capital assets</b>				
Machinery and equipment	2 326	1 389	937	40%

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
*for the year ended 31 March 2020*

*The underspending on current expenditure is a result of savings in compensation of employees for non-filling of three senior vacant positions and non-delivery of subsidised vehicles as well as implementation of tighter cost-cutting measures resulting in savings on goods and services. The unspent funds on transfers and subsidies mainly relates to implementation of bulk infrastructure project for the parliamentary village sourced from equitable share amounting to R49,504 million as well as R510,000 unspent on grants.*

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Human Settlements Development Grant	1 394 559	1 394 556	3	0%
Title Deeds Restoration Grant	36 477	35 970	507	1%
EPWP	2 560	2 590	-	0%
Provincial Emergency Grant	53 409	53 409	-	0%

*The unspent R507,000.00 of the Title Deed Restoration Grant relates to delays in the issuing of SPLUMA certificates which subsequently delays the issuing of title deeds. The unspent R3,000 relates to the Human Settlements Development Grant.*

	R'000	R'000
<b>REVENUE</b>		
Annual appropriation	1 1 957 048	1 949 585
<b>TOTAL REVENUE</b>	<b>1 957 048</b>	<b>1 949 585</b>
<b>EXPENDITURE</b>		
<b>Current expenditure</b>		
Compensation of employees	3 231 979	220 205
Goods and services	4 68 189	67 059
<b>Total current expenditure</b>	<b>300 168</b>	<b>287 264</b>
<b>Transfers and subsidies</b>		
Transfers and subsidies	5 1 593 489	1 601 964
<b>Total transfers and subsidies</b>	<b>1 593 489</b>	<b>1 601 964</b>
<b>Expenditure for capital assets</b>		
Tangible assets	6 1 389	2 555
Intangible assets	6 -	2 577
<b>Total expenditure for capital assets</b>	<b>1 389</b>	<b>5 132</b>
<b>TOTAL EXPENDITURE</b>	<b>1 895 046</b>	<b>1 894 360</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>62 002</b>	<b>55 225</b>





**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
*for the year ended 31 March 2020*

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds	62 002	55 225
Annual appropriation	61 492	50
Conditional grants	510	55 175
Departmental revenue and NRF Receipts	<u>9</u>	
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<u>62 002</u>	<u>55 225</u>



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 31 March 2020*

	Note	2019/20 R'000	2018/19 R'000
<b>ASSETS</b>			
Current assets		<b>63 131</b>	<b>55 805</b>
Cash and cash equivalents	<a href="#">7</a>	63 109	55 752
Receivables	<a href="#">8</a>	22	53
Non-current assets		<b>180</b>	<b>131</b>
Receivables	<a href="#">8</a>	180	131
<b>TOTAL ASSETS</b>		<b>63 311</b>	<b>55 936</b>
<b>LIABILITIES</b>			
Current liabilities		63 109	55 790
Voted funds to be surrendered to the Revenue Fund	<a href="#">9</a>	62 002	55 225
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<a href="#">10</a>	830	409
Payables	<a href="#">11</a>	277	156
<b>TOTAL LIABILITIES</b>		<b>63 109</b>	<b>55 790</b>
<b>NET ASSETS</b>		<b>202</b>	<b>146</b>

**Represented by:**

Recoverable revenue

**TOTAL**

Note	2019/20 R'000	2018/19 R'000
	202	146
	<b>202</b>	<b>146</b>



DEPARTMENT OF HUMAN SETTLEMENTS ANNUAL REPORT 2019/20

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**STATEMENT OF CHANGES IN NET ASSETS**  
*for the year ended 31 March 2020*

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
<b>Recoverable revenue</b>			
Opening balance		146	72
Transfers:		56	74
Debts recovered (included in departmental receipts)		(88)	(10)
Debts raised		144	84
Closing balance		202	146
<b>TOTAL</b>		<b>202</b>	<b>146</b>



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**CASH FLOW STATEMENT**

*for the year ended 31 March 2020*

	Note	2019/20 R'000	2018/19 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>1 961 360</b>	<b>1 951 606</b>
Annual appropriated funds received	<a href="#">1.1</a>	1 957 048	1 949 585
Departmental revenue received	<a href="#">2</a>	550	164
Interest received	<a href="#">2.2</a>	3 762	1 857
Net (increase)/decrease in working capital		152	(19)
Surrendered to Revenue Fund		(59 382)	(2 347)
Current payments		(300 168)	(287 264)
Transfers and subsidies paid		(1 593 489)	(1 601 964)
Net cash flow available from operating activities	<a href="#">12</a>	<b>8 473</b>	<b>60 012</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<a href="#">6</a>	(1 389)	(5 132)
Proceeds from sale of capital assets	<a href="#">2.3</a>	266	79
(Increase)/decrease in other financial assets			
(Increase)/decrease in non-current receivables	<a href="#">8</a>	(49)	-
Net cash flows from investing activities		<b>(1 172)</b>	<b>(5 053)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		56	74
Net cash flows from financing activities		<b>56</b>	<b>74</b>
Net increase/(decrease) in cash and cash equivalents		7 357	55 033
Cash and cash equivalents at beginning of period		55 752	719
Cash and cash equivalents at end of period	<a href="#">7</a>	<b>63 109</b>	<b>55 752</b>



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**PART A: ACCOUNTING POLICIES****Summary of significant accounting policies**

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

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

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

<b>1</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2</b>	<b>Going concern</b> The financial statements have been prepared on a going concern basis.
<b>3</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
<b>4</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5</b>	<b>Foreign currency translation</b> Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
<b>6</b>	<b>Comparative information</b>
<b>6.1</b>	<b>Prior period comparative information</b> Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
<b>6.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<b>Appropriated funds</b> Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).  Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.  The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
<b>7.2</b>	<b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.  Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<b>Salaries and wages</b> Salaries and wages are recognised in the statement of financial performance on the date of payment.
<b>8.1.2</b>	<b>Social contributions</b> Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
<b>8.2</b>	<b>Other expenditure</b> Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
<b>8.3</b>	<b>Accruals and payables not recognised</b> Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<b>Operating leases</b> Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
<b>9</b>	<b>Cash and cash equivalents</b> Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
<b>10</b>	<b>Prepayments and advances</b> Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments and advances are expensed when invoices are replenished or a debtor has been created
<b>11</b>	<b>Loans and receivables</b> Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's debt management policy.
<b>12</b>	<b>Payables</b> Payables recognised in the statement of financial position are recognised at cost.
<b>13</b>	<b>Capital Assets</b>
<b>13.1</b>	<b>Immovable capital assets</b> Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

<b>13.2</b>	<b>Movable capital assets</b> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>13.3</b>	<b>Intangible assets</b> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>14</b>	<b>Provisions and Contingents</b>
<b>14.1</b>	<b>Provisions</b> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>14.2</b>	<b>Contingent liabilities</b> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
<b>14.3</b>	<b>Contingent assets</b> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
<b>14.4</b>	<b>Capital commitments</b> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
<b>15</b>	<b>Unauthorised expenditure</b> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"><li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li><li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li><li>• transferred to receivables for recovery.</li></ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>





**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

<b>16</b>	<b>Fruitless and wasteful expenditure</b> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>17</b>	<b>Irregular expenditure</b> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>18</b>	<b>Changes in accounting estimates and errors</b> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
<b>19</b>	<b>Events after the reporting date</b> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<b>20</b>	<b>Recoverable revenue</b> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
<b>21</b>	<b>Related party transactions</b> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
<b>22</b>	<b>Inventories</b> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
<b>23</b>	<b>Employee benefits</b> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>





**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**PART B: EXPLANATORY NOTES****1. Annual Appropriation****1.1 Annual Appropriation**

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

	2019/20			2018/19		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	
Administration	168 176	168 176	-	162 094	162 094	-
Housing Needs, Research & Planning	225 521	225 521	-	257 124	257 124	-
Housing Development	1 506 617	1 506 617	-	1 454 113	1 454 113	-
Housing Asset Management	56 734	56 734	-	76 254	76 254	-
<b>Total</b>	<b>1 957 048</b>	<b>1 957 048</b>	<b>-</b>	<b>1 949 585</b>	<b>1 949 585</b>	<b>-</b>

**1.2 Conditional grants**

	Note	2019/20 R'000	2018/19 R'000
Total grants received	27	1 487 035	1 453 727
Provincial grants included in Total Grants received		-	-

**2 Departmental revenue**

	Note	2019/20 R'000	2018/19 R'000
Sales of goods and services other than capital assets	2.1	153	144
Interest, dividends and rent on land	2.2	3 762	1 857
Sales of capital assets	2.3	266	79
Transactions in financial assets and liabilities	2.4	397	20
<b>Total revenue collected</b>		<b>4 578</b>	<b>2 100</b>
Less: Own revenue included in appropriation	19	4 578	2 100
<b>Departmental revenue collected</b>		<b>-</b>	<b>-</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**2.1 Sales of goods and services other than capital assets**

	Note	2019/20	2018/19
	<u>2</u>	R'000	R'000
Sales of goods and services produced by the department		153	144
Sales by market establishment		153	144
<b>Total</b>		<b>153</b>	<b>144</b>

**2.2 Interest, dividends and rent on land**

	Note	2019/20	2018/19
	<u>2</u>	R'000	R'000
Interest		3 762	1 857
<b>Total</b>		<b>3 762</b>	<b>1 857</b>

**2.3 Sale of capital assets**

	Note	2019/20	2018/19
	<u>2</u>	R'000	R'000
<b>Tangible assets</b>		<b>266</b>	<b>79</b>
Machinery and equipment	23	266	79
<b>Total</b>		<b>266</b>	<b>79</b>

**2.4 Transactions in financial assets and liabilities**

	Note	2019/20	2018/19
	<u>2</u>	R'000	R'000
Other Receipts including Recoverable Revenue		397	20
<b>Total</b>		<b>397</b>	<b>20</b>

*Included in the R397 000 is an amount of R21 000 recovered from departmental debtors and R376 000 relating to previous years' expenditure.*

**3. Compensation of employees****3.1 Salaries and Wages**

	Note	2019/20	2018/19
		R'000	R'000
Basic salary		162 864	151 064
Performance award		3 683	7 105
Service Based		518	374
Compensative/circumstantial		3 843	4 644
Other non-pensionable allowances		32 126	30 618
<b>Total</b>		<b>203 034</b>	<b>193 805</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

*Included in the R32 126 million for other non-pensionable allowances is the capital remuneration (R975 000), housing allowance (R5,337 million), non-pensionable allowances (R13,756 million) and service bonus (R12,058 million).*

**3.2 Social contributions**

	Note	2019/20 R'000	2018/19 R'000
Employer contributions			
Pension		19 940	18 299
Medical		8 969	8 068
Bargaining council		36	33
<b>Total</b>		<b>28 945</b>	<b>26 400</b>
Total compensation of employees		231 979	220 205
Average number of employees		402	400

*The average number of 402 employees constitutes of 368 permanent employees and 34 contract employees*

**4. Goods and services**

	Note	2019/20 R'000	2018/19 R'000
Administrative fees		553	589
Advertising		224	802
Minor assets	<a href="#">4.1</a>	72	1
Catering		140	91
Communication		6 257	4 746
Computer services	<a href="#">4.2</a>	1 445	343
Consultants: Business and advisory services		64	3 139
Legal services		572	4 421
Contractors		437	1 318
Agency and support / outsourced services		2 590	-
Audit cost – external	4.3	6 401	5 787
Fleet services		6 394	6 559
Consumables	4.4	2 499	2 163
Operating leases		11 237	10 469
Property payments	4.5	2 376	2 676
Travel and subsistence	4.6	22 176	22 200
Venues and facilities		82	55
Training and development		2 390	634
Other operating expenditure	4.7	2 280	1 066
<b>Total</b>		<b>68 189</b>	<b>67 059</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**4.1 Minor assets**

	Note	2019/20	2018/19
	4	R'000	R'000
Tangible assets		72	1
Machinery and equipment		72	1
<b>Total</b>		<b>72</b>	<b>1</b>

**4.2 Computer services**

	Note	2019/20	2018/19
	4	R'000	R'000
SITA computer services		386	343
External computer service providers		1 059	-
<b>Total</b>		<b>1 445</b>	<b>343</b>

**4.3 Audit cost – External**

	Note	2019/20	2018/19
	4	R'000	R'000
Regularity audits		6 401	5 787
<b>Total</b>		<b>6 401</b>	<b>5 787</b>

**4.4 Consumables**

	Note	2019/20	2018/19
	4	R'000	R'000
Consumable supplies		1 152	846
Uniform and clothing		160	7
Household supplies		990	486
Communication accessories		-	17
Other consumables		2	336
Stationery, printing and office supplies		1 347	1 317
<b>Total</b>		<b>2 499</b>	<b>2 163</b>

*The amount of R2 000 on other consumables is for materials and support for hardware bought.*

**4.5 Property payments**

	Note	2019/20	2018/19
	4	R'000	R'000
Municipal services		1 287	1 964
Property maintenance and repairs		545	338
Other		544	374
<b>Total</b>		<b>2 376</b>	<b>2 676</b>

*The amount of R544 000 relates to the expenditure on cleaning services.*

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**4.6 Travel and subsistence**

	Note	2019/20	2018/19
		R'000	R'000
Local	<u>4</u>	21 304	21 123
Foreign		872	1 077
<b>Total</b>		<b>22 176</b>	<b>22 200</b>

**4.7 Other operating expenditure**

	Note	2019/20	2018/19
		R'000	R'000
Professional bodies, membership and subscription fees	<u>4</u>	37	11
Other		2 243	1 055
<b>Total</b>		<b>2 280</b>	<b>1 066</b>

*Included in the R2,243 million is the amount for non-life insurance on subsidised vehicles (R472 000) and printing and publication services (R1 771 million).*

**5. Transfers and subsidies**

		2019/20	2018/19
		R'000	R'000
Provinces and municipalities	Note 27, 28	63	45
Households	Annexure 1B	1 593 426	1 601 919
<b>Total</b>		<b>1 593 489</b>	<b>1 601 964</b>

**6. Expenditure for capital assets**

	Note	2019/20	2018/19
		R'000	R'000
Tangible assets		1 389	2 555
Machinery and equipment	23	1 389	2 555
Intangible assets		-	2 577
Software	24	-	2 577
<b>Total</b>		<b>1 389</b>	<b>5 132</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**6.1 Analysis of funds utilised to acquire capital assets – 2019/20**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	1 389	-	1 389
Machinery and equipment	1 389	-	1 389
<b>Total</b>	<b>1 389</b>	<b>-</b>	<b>1 389</b>

**6.2 Analysis of funds utilised to acquire capital assets – 2018/19**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	2 555	-	2 555
Machinery and equipment	2 555	-	2 555
Intangible assets	2 577	-	2 577
Software	2 577	-	2 577
<b>Total</b>	<b>5 132</b>	<b>-</b>	<b>5 132</b>

**7. Cash and cash equivalents**

	Note	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General Account		74 736	61 920
Disbursements		(11 627)	(6 168)
<b>Total</b>		<b>63 109</b>	<b>55 752</b>

**8. Receivables**

		2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Staff debt	Note 8.1	22	180	202	53	131	184
<b>Total</b>		<b>22</b>	<b>180</b>	<b>202</b>	<b>53</b>	<b>131</b>	<b>184</b>

**8.1 Staff debt**

	Note	2019/20	2018/19
		R'000	R'000
Employees	8	202	146
Ex-employees		-	38
<b>Total</b>		<b>202</b>	<b>184</b>



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**9. Voted funds to be surrendered to the Revenue Fund**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		55 225	27
Transfer from statement of financial performance (as restated)		62 002	55 225
Paid during the year		(55 225)	(27)
<b>Closing balance</b>		<b>62 002</b>	<b>55 225</b>

**10. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		409	629
Own revenue included in appropriation		4 578	2 100
Paid during the year		(4 157)	(2 320)
<b>Closing balance</b>		<b>830</b>	<b>409</b>

**11. Payables – current**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Clearing accounts	<a href="#">11.1</a>	208	102
Other payables	<a href="#">11.2</a>	69	54
<b>Total</b>		<b>277</b>	<b>156</b>

**11.1 Clearing accounts**

	<i>Note</i>	2019/20	2018/19
	<i>11</i>	R'000	R'000
Sal: Income Tax		208	99
Sal: Garnishee Order		-	3
<b>Total</b>		<b>208</b>	<b>102</b>

**11.2 Other payables**

	<i>Note</i>	2019/20	2018/19
	<i>11</i>	R'000	R'000
Capital Contr by oth govt units		69	54
<b>Total</b>		<b>69</b>	<b>54</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**12. Net cash flow available from operating activities**

	Note	2019/20	2018/19
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		62 002	55 225
Add back non cash/cash movements not deemed operating activities		(53 529)	4 787
(Increase)/decrease in receivables		31	(74)
Increase/(decrease) in payables – current		121	55
Proceeds from sale of capital assets		(266)	(79)
Expenditure on capital assets		1 389	5,132
Surrenders to Revenue Fund		(59 382)	(2 347)
Own revenue included in appropriation		4 578	2 100
Net cash flow generated by operating activities		8 473	60 012

**13. Reconciliation of cash and cash equivalents for cash flow purposes**

	Note	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General account		74 736	61 920
Disbursements		(11 627)	(6 168)
<b>Total</b>		<b>63 109</b>	<b>55 752</b>

**14. Contingent liabilities and contingent assets****14.1 Contingent liabilities**

		Note	2019/20	2018/19
			R'000	R'000
Liable to	Nature			
Claims against the department		Annex 2	54 533	56 958
Intergovernmental payables (unconfirmed balances)		Annex 4	-	46
<b>Total</b>			<b>54 533</b>	<b>57 004</b>

*The contingent liabilities of R54,533 million consist of claims against the department by two service providers - Bakhusele Business Enterprise (R20,44 million) and Khuthala Consulting (Pty) Ltd (R34,093 million) which are currently before courts. There is uncertainty on how the courts may conclude on both matters.*

*The department does not anticipate any reimbursements regarding the two claims*





**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**14.2 Contingent assets**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Nature of contingent asset</b>			
Breach of Contract: Hejema Housing		2 800	2 800
JV Mdluli Construction		2 060	2 060
<b>Total</b>		<b>4 860</b>	<b>4 860</b>

*The claims instituted against Hejema Housing and JV Mdluli Construction emanate from a breach of contract related to the construction of housing units. There is uncertainty on whether the court will determine the same amount demanded by the Department.*

**15. Accruals and payables not recognised****15.1 Accruals**

			2019/20	2018/19
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1 319	-	1 319	2 574
Transfers and subsidies	-	-	-	108
Capital assets	-	-	-	50
Other	-	-	-	72
<b>Total</b>	<b>1 319</b>		<b>1 319</b>	<b>2 804</b>

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Listed by programme level			
Administration		1 307	2 341
Housing Needs, Research and Planning		5	238
Housing Development		5	222
Housing Asset Management		2	3
<b>Total</b>		<b>1 319</b>	<b>2 804</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**15.2 Payables not recognised**

		2019/20	2018/19
		R'000	R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	-	-	128
<b>Total</b>	-	-	<b>128</b>
	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Listed by programme level			
Administration		-	128
<b>Total</b>		<b>-</b>	<b>128</b>
	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<i>Included in the above totals are the following:</i>			
Confirmed balances with other departments	<i>Annex 4</i>	139	281
Confirmed balances with other government entities	<i>Annex 4</i>	-	-
<b>Total</b>		<b>139</b>	<b>281</b>

**16. Employee benefits**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Leave entitlement (Accruals)		14 441	12 311
Service bonus (Thirteenth cheque) (Provision)		6 542	6 050
Performance awards (Provision)		1 870	3 657
Capped leave (Accruals)		7 803	7 250
Other (Provision)		102	312
<b>Total</b>		<b>30 758</b>	<b>29 580</b>

*At this stage the department is not able to reliably measure the long term portion of the long service awards. The R102 000 disclosed under other employee benefits constitutes the provision for long service awards for 20, 30 and 40 years. Included in the leave entitlement is an amount of R48 000 for negative leave days. The performance bonus is calculated at 0.75% of the 2020/21 COE budget.*

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**17. Lease commitments****17.1 Operating leases**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2019/20	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	8 492	561	9 053
Later than 1 year and not later than 5 years	-	-	4 503	263	4 766
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>12 995</b>	<b>824</b>	<b>13 819</b>

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2018/19	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	8 544	879	9 423
Later than 1 year and not later than 5 years	-	-	12 995	674	13 669
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>21 539</b>	<b>1 553</b>	<b>23 092</b>

*The lease agreement on buildings and other fixed structures involves two buildings. One building is occupied by Ehlanzeni District with an annual escalation of 8% and the other building is occupied by Gert Sibande District with an annual escalation of 8.5%.*

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**18. Irregular expenditure****18.1 Reconciliation of irregular expenditure**

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		4 138 479	2 945 048
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		997 176	1 193 431
Less: Prior year amounts condoned		(2 960 459)	-
Less: Current year amounts condoned		-	-
Less: Prior year amounts not condoned and removed		-	-
Less: Amounts recoverable (current and prior year)		-	-
Less: Amounts written off		-	-
 Closing balance		2 175 196	4 138 479
 Analysis of awaiting condonation per age classification			
Current year		997 176	1 193 431
Prior years		1 178 020	2 945 048
<b>Total</b>		<b>2 175 196</b>	<b>4 138 479</b>

*The irregular expenditure for the current year amounting to R997.2 million relates to non-compliance with Treasury Regulation 16A3.2. The condoned irregular expenditure of R2,96 billion consists of projects appointed for Rapid Infrastructure Unit (R609,3 million); expenditure on procurement contravening SCM regulations (R0,252 000); expenditure incurred in contravention of HR practices (R6,2 million) and expenditure incurred on procurement contravening the Treasury Regulation 16A3.2 (R2,3 billion).*

**18.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)**

Incident	Disciplinary steps taken/criminal proceedings	2019/20
		R'000
Non-compliance to Treasury Regulations 16A3.2		997 176
<b>Total</b>		<b>997 176</b>

*The current year's irregular expenditure relates to the contravention of Treasury Regulations 16A3.2, which is based on contracts sourced from the use of the database. A new panel of contractors is in use which will phase out the old contracts. This irregular expenditure is under investigation.*



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**18.3 Details of irregular expenditure condoned**

Incident	Condoned by (relevant authority)	2019/20 R'000
Rapid Implementation Unit (RIU) projects	Provincial Treasury	609 331
Contravention of SCM regulations	Provincial Treasury	252
Contravention of HR practices	Provincial Treasury	6 159
Contravention of Treasury Regulations 16A3.2	Provincial Treasury	2 344 717
<b>Total</b>		<b>2 960 459</b>

*The condonation of the contraventions resulted from the application for condonation which was approved based on investigated irregular expenditures.*

**19. Fruitless and wasteful expenditure****19.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2019/20 R'000	2018/19 R'000
Opening balance		-	331
Less: Amounts resolved		-	(331)
Closing balance		-	-

**20. Related party transactions**

	Note	2019/20 R'000	2018/19 R'000
<b>In kind goods and services provided/received</b>			
Office accommodation by Department of Public Works, Roads and Transport - Riverside Government Complex - (Building 6 Lower Ground and Building 7 third floor), KwaMhlanga Government Complex - (Nkangala District offices), Elukwatini offices - (Gert Sibande District offices) and Louville Government Complex - (storage/ warehouse)		-	-
Shared governance services (Internal Audit activity and Audit Committee) by the Office of the Premier.		-	-
Shared Information and Communication Technology services by Treasury.		-	-
<b>Total</b>		-	-

1. Department of Public Works, Roads and Transport - Custodian of government-wide immovable assets (including government owned offices).
2. Office of the Premier - Custodian of government administration to advance good governance.
3. Provincial Treasury - Facilitates appropriations and monitor proper use of state resources.

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**21. Key management personnel**

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)	1	1 978	1 979
Officials:			
Level 15 to 16	1	1 699	1 565
Level 14 (including officials acting on level 14)	6	7 816	6 284
Family members of key management personnel	-	-	-
<b>Total</b>		<b>11 493</b>	<b>9 828</b>

**22. Provisions**

	Note	2019/20 R'000	2018/19 R'000
Provisions		99 053	97 474
<b>Total</b>		<b>99 053</b>	<b>97 474</b>

*The retentions consists of retentions held for projects on housing development (servicing of sites, bulk infrastructure, and construction of housing units) as well as community enhancements projects (social and economic facilities)*

**22.1 Reconciliation of movement in provisions – 2019/20**

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	69 236	28 238	-	97 474
Increase in provision	41 897	47 721	-	89 618
Settlement of provision	(65 783)	(22 256)	-	(88 039)
<b>Closing balance</b>	<b>45 350</b>	<b>53 703</b>	<b>-</b>	<b>99 053</b>

*There are uncertainties whether service providers will implement instructions of fixing defects after completion. The amounts in provision 1 represents retentions on construction of RDP houses while provision 2 represents retention on municipal engineering work including bulk infrastructure as well as Social and Economic facilities*

**Reconciliation of movement in provisions – 2018/19**

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	35 239	9 302	-	44 541
Increase in provision	57 319	24 272	-	81 591
Settlement of provision	(23 322)	(5 336)	-	(28 658)
<b>Closing balance</b>	<b>69 236</b>	<b>28 238</b>	<b>-</b>	<b>97 474</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

*The retentions consists of retentions held for projects on housing development (servicing of sites and construction of housing units) and enhancements projects (Social and Economic facilities) There are uncertainties whether service providers will implement instructions of fixing defects after completion. The amounts in provision 1 represents retentions on construction of RDP houses while provision 2 represents retention on municipal engineering work as well as Social and Economic facilities*

**23. Non-adjusting events after reporting date**

Nature of event	2019/20 R'000
Early in 2020 the World Health Organisation (WHO) declared the COVID-19 outbreak as a global pandemic and in response to this, the Honourable President of South Africa announced the declaration of a national state of disaster on the 15th of March 2020. These developments occurred at the end of 2019/20 financial year.	-
As a result, the South African government has declared a National State of Disaster followed by a lockdown that enforced various measures which led to reduced business activities of the entity thus possibly impacting on the future viability of the department.	
The declaration of the pandemic does not affect the annual financial statements for the reporting period ended 31 March 2020.	
<b>Total</b>	<b>-</b>

**24. Movable Tangible Capital Assets**

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
 31 MARCH 2020

	Opening balance R'000	Value adjust- ments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIP- MENT	<b>38,690</b>	-	<b>1,389</b>	<b>1,029</b>	39 050
Transport assets	23 498	-	-	911	22 587
Computer equipment	7 054	-	791	-	7 845
Furniture and office equipment	7 094	-	598	118	7 574
Other machinery and equipment	1 044	-	-	-	1 044
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>38 690</b>	-	<b>1 389</b>	<b>1 029</b>	<b>39 050</b>

*Note: The opening balance of the other machinery and equipment consist of telecom equipment, garden equipment, photographic equipment, audio visual equipment, survey equipment, domestic equipment, overhead projector and security equipment.*

## Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	18	288

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

*The above assets were reported as lost/stolen and are under investigation by the Loss and Disposal Officer for possible recovery or disciplinary action.*

**24.1 Additions**

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
 31 MARCH 2020

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 389	-	-	-	1 389
Transport assets	-	-	-	-	-
Computer equipment	791	-	-	-	791
Furniture and office equipment	598	-	-	-	598
Other machinery and equipment	-	-	-	-	-
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 389</b>

**24.2 Disposals**

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 029	-	1 029	266
Transport assets	911	-	911	266
Computer equipment	-	-	-	-
Furniture and office equipment	118	-	118	-
Other machinery and equipment	-	-	-	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 029</b>	<b>-</b>	<b>1 029</b>	<b>266</b>



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**24.3 Movement for 2018/19**

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior peri- od error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	<b>35 950</b>	-	<b>4,709</b>	<b>1,969</b>	38 690
Transport assets	21 617	-	3 538	1 657	23 498
Computer equipment	6 972	-	383	301	7 054
Furniture and office equipment	6 610	-	495	11	7 094
Other machinery and equipment	751	-	293	-	1 044
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>35 950</b>	-	<b>4 709</b>	<b>1 969</b>	<b>38 690</b>

**24.4 Minor assets**

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	5 079	-	5 079
Additions	-	-	-	72	-	72
Disposals	-	-	-	153	-	153
<b>TOTAL MINOR ASSETS</b>	-	-	-	<b>4 998</b>	-	<b>4 998</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	18	-	18
Number of minor assets at cost	-	-	-	2 147	-	2 147
<b>TOTAL NUMBER OF MINOR ASSETS</b>	-	-	-	<b>2 165</b>	-	<b>2 165</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	5 078	-	5 078
Additions	-	-	-	1	-	1
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 079</b>		<b>5 078</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	18	-	18
Number of minor assets at cost	-	-	-	2 193	-	2 193
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 211</b>	<b>-</b>	<b>2 211</b>

**25. Intangible Capital Assets**

## MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value ad- justments	Addi- tions	Dispos- als	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	3 426	-	-	-	3 426
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>3 426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 426</b>

**25.1 Movement for 2018/19**

## MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	849	-	2 577	-	3 426
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>849</b>	<b>-</b>	<b>2 577</b>	<b>-</b>	<b>3 426</b>



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**26. Immovable Tangible Capital Assets**

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
<b>Other fixed structures</b>	<b>47</b>	-	-	-	<b>47</b>
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>47</b>	-	-	-	<b>47</b>

**26.1 Movement for 2018/19**

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	47	-	-	-	47
<b>Other fixed structures</b>	<b>47</b>	-	-	-	<b>47</b>
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>47</b>	-	-	-	<b>47</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**27. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF GRANT	GRANT ALLOCATION					SPENT				2018/19	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Human Settlements Development	1 296 059	-	98 500	-	1 394 559	1 394 559	1 394 556	3	100%	1 278 427	1 278 427
Title Deeds Restoration	36 477	-	-	-	36 477	36 477	35 970	507	99%	51,734	50 344
EPWP	2 590	-	-	-	2 590	2,590	2 590	-	100%	2 610	2 235
Provincial Emergency Housing	-	53 409	-	-	53 409	53,409	53 409	-	100%	120 956	67 546
	<b>1 335 126</b>	<b>53 409</b>	<b>98 500</b>	<b>-</b>	<b>1 487 035</b>	<b>1 487 035</b>	<b>1 486 525</b>	<b>510</b>		<b>1 453 727</b>	<b>1 398 552</b>

28.

142

*The R 63 000 was transferred to the City of Mbombela Municipality for the renewal of vehicle licences.*

29.

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2020*

**ANNEXURE 1A**

**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000
City of Mbombela Municipality	91	-	(28)	63	63	28	-	63	63	-	100%	45	45	45
<b>TOTAL</b>	<b>91</b>	<b>53 409</b>	<b>(28)</b>	<b>63</b>	<b>63</b>	<b>28</b>	<b>-</b>	<b>63</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>45</b>	<b>45</b>

The R 63 000 was transferred to the City of Mbombela Municipality for the renewal of vehicle licences.

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT**  
*for the year ended 31 March 2020*

**ANNEXURE 1B**

**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted	Roll	Adjust-ments	Total	Actual	% of	
	Appropriation Act R'000	Overs R'000	R'000	Available R'000	Transfer R'000	Available funds Transferred %	
<b>Transfers</b>							
Project Linked Support : HSDG	1 296 059	-	98 500	1 394 559	1 394 556	100%	1 278 427
Project Linked Support : EPWP	-	-	-	-	-	-	2 610
Project Linked Support : Equitable Share	158 720	-	-	158 720	108 646	68%	205 000
H/H Empl S/Ben: Injury on Duty	-	-	-	-	445	-	-
H/H Empl S/Ben: Leave Gratuity	274	-	-	274	400	146%	45
Project Linked Support : TDRG	36 477	-	-	36 477	35 970	99%	51 734
Project Linked Support : PEHG	-	53 409	-	53 409	53 409	100%	120 955
<b>TOTAL</b>	<b>1 491 530</b>	<b>151 909</b>	<b>98 500</b>	<b>1 643 439</b>	<b>1 593 426</b>		<b>1 658 771</b>

DEPARTMENT OF HUMAN SETTLEMENTS  
VOTE 13  
UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT  
for the year ended 31 March 2020

ANNEXURE 1C

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2019/20	2018/19
	R'000	R'000
<b>Made in kind</b>		
Govan Mbeki Awards - Contractors	-	66
Long Service Awards	-	215
Budget speech	-	55
<b>TOTAL</b>	<b>-</b>	<b>336</b>



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT**  
*for the year ended 31 March 2020*

**ANNEXURE 1D**

**STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT**

Grant Type	Apr 2019 R'000	May 2019 R'000	Jun 2019 R'000	Jul 2019 R'000	Aug 2019 R'000	Sept 2019 R'000	Oct 2019 R'000	Nov 2019 R'000	Dec 2019 R'000	Jan 2020 R'000	Feb 2020 R'000	Mar 2020 R'000	Total R'000
Human Settlements Development	90 417	143 970	116 579	100 764	68 403	105 353	102 699	130 582	121 502	46 409	94 157	273 721	1 394 556
Title Deeds Restoration	16	2 387	3 601	649	2 563	3 846	1 859	7 453	2 146	5 443	2 470	3 537	35 970
Provincial Emergency	4 654	19 044	16 840	12 408	-	-	-	463	-	-	-	-	53 409
<b>TOTAL</b>	<b>95 087</b>	<b>165 401</b>	<b>137 020</b>	<b>113 821</b>	<b>70 966</b>	<b>109 199</b>	<b>104 558</b>	<b>138 498</b>	<b>123 648</b>	<b>51 852</b>	<b>96 627</b>	<b>277 258</b>	<b>1 483 935</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT**  
*for the year ended 31 March 2020*

**ANNEXURE 2**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020**

Nature of Liability	Opening Balance 1 April 2019 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2020 R'000
<b>Claims against the department</b>					
Joubert & Barnard Transport CC	848	-	(848)	-	-
Bakhusele Business Enterprise	20 440	-	-	-	20 440
Tauris Garden Trading 500 CC	1 577	-	(1 577)	-	-
Khuthala Consulting (Pty) Ltd	34 093	-	-	-	34 093
<b>TOTAL</b>	<b>56 958</b>	<b>-</b>	<b>(2 425)</b>	<b>-</b>	<b>54 533</b>

**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT**  
*for the year ended 31 March 2020*

**ANNEXURE 3**

**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
Public Works, Roads & Transport	-	287	-	-	-	287	-	-
<b>TOTAL</b>	-	<b>287</b>	-	-	-	<b>287</b>		-



**DEPARTMENT OF HUMAN SETTLEMENTS**  
**VOTE 13**  
**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT**  
*for the year ended 31 March 2020*

**ANNEXURE 4****INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Public Works, Roads & Transport	139	200	-	10	139	210	-	-
Community, Safety & Liaison	-	-	-	9	-	9	-	-
Justice & Constitutional	-	-	-	16	-	16	-	-
Provincial Treasury	-	81	-	-	-	81	-	-
<b>Subtotal</b>	<b>139</b>	<b>281</b>	<b>-</b>	<b>35</b>	<b>139</b>	<b>316</b>		

**OTHER GOVERNMENT ENTITY**

<b>Current</b>								
Msukaligwa Local Municipality	-	-	-	11	-	11		
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>11</b>		

**TOTAL INTERGOVERNMENT PAYABLES**

<b>Subtotal</b>	<b>139</b>	<b>281</b>	<b>-</b>	<b>46</b>	<b>139</b>	<b>327</b>		
-----------------	------------	------------	----------	-----------	------------	------------	--	--

