

ANNUAL REPORT



DATOS DE VIVIENDA

ESCALERA	5
VIVIENDA	PB
PLANTA	2ª a 6ª
ESCALA	1:50

SUPERFICIES DE VIVIENDA

SUPERFICIES ÚTILES Planta 1ª a 7ª Excl. PB	
01 Salón-Corredor	24.01
02 Cocina	10.33
03 Habitación	15.15
04 Habitación	10.28
05 Habitación	10.28



human settlements
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

2023/24

ANNUAL REPORT

2023/24

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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

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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
IDP	Integrated Development Plan
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 Partnership
PHP	Peoples 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 Plan
APP	Annual Performance Plan
SCOPA	Select Committee on Public Accounts
NHBRC	National Home Builders Registration Council
SHERQ	Safety, Health, Environment, Risk and Quality



3. FOREWORD BY THE MEC

It is common knowledge that society expects the state to ensure that their welfare receives the utmost attention. Traditionally, government is being seen as the primary agent in serving the public good and defining the collective interest. Consequently, governments set the agenda for change, propose new laws and enforce existing ones through implementation. To this end, governments have a huge obligation of providing its populace basic and essential amenities minus fail, consequently meeting their Constitutional duties. Bound by prevailing laws, departments through the Executive, agencies and other service delivery institutions are obliged to guarantee laborious dynamisms towards prospect development.

The Constitution (Act 108 of 1996) mandates the Department of Human Settlements to ensure the provision of adequate housing and integrated sustainable human settlements for all deserving people. Measured against its enhanced mandate - the department together with its stakeholders tasked to guarantee the realisation of the facilitation of integrated sustainable human settlements. Further consideration is placed in Section 26 of the Constitution that intensifies the importance of this portfolio in providing appropriate, unsparing and superiority housing and heightening of sustainable human settlements to deserving and eligible beneficiaries. Since the dawn of democracy, the country has advanced immeasurable programmes, strategies, and laws to guarantee enthralled and futuristic headway.

The financial year 2023/24 marked the fifth and final epoch of the sixth administration (2019 – 2024) which is a period that conveyed about much needed optimism. Steered through the country's forward-thinking guide – National Development Plan (NDP) and other vital documents, namely, the Strategic and Annual Performance Plans - this Annual Report presents an account of the Department's performance for the 2023/24 financial year. The delivery under review was primarily directed by the regional engrossed approach – District Development Model (DDM). This method aided government to synergise and conduit its resources towards realising concrete outputs on developments.

During the period under review, the sector recorded critical policy directives, which are in line with the overall objectives of the 2019 – 24 Medium Term Expenditure Framework (MTSF). Poised to coordinate and deliver basic services such as houses, serviced sites, social amenities, security of tenure, and affordable housing through rental stock which is known as community residential units (CRUs), the department made substantial progress in many regards. The current MTSF has, however, been characterized by many challenges which impacted on general service delivery; chief among others were the constant budget reduction owing to low economic growth and the effects of COVID-19 pandemic to name just a few.

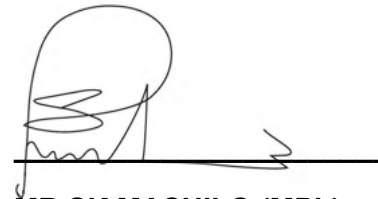
Whilst suffering a slight shrinkage in budget allocation, the department could not meet all its planned targets, thus pressed to review them in line with the available resources. At a strategic and policy level, the institution had to reprioritize and optimize its limited resources with more concentration and focus on the rapid release of land through the servicing of more sites to enable self-build and habitable land pieces. To put it in context, the construction of top structure units is one of the delivery instrument affected by budget against the increase in a quantum for constructing a BNG unit. Owing to general inflation in building material, the quantum had to be increased from R109 000.00 to R183 000 00.

Persistent with efforts to afford middle-income earners affordable housing, the department revised the government-funded housing subsidy programme. The Help-Me-Buy-A-Home scheme which was remodelled into First Home Finance, aimed at improving access to affordable housing through subsidies to help people secure mortgages with financial institutions. This move followed a decision by the Minister and all Provincial MEC's (MinMEC) subsequent to an assessment of the efficacy and challenges of the programme. First time homeowners can now be subsidised between R38 911.00 and R169 265.00 depending on household's income.

Deployed by the Governing party in government, I cannot undercut the responsibility and the importance of this portfolio towards the realisation of community development. As the ruling ANC, our primary focus remains that one of creating a better life for all citizens. My gratitude goes to this glorious movement for affording me this prospect to administer this portfolio. Let me appreciate my family for their sustained support whilst performing my work. To the Premier, Ms Refilwe Mtshweni-Tsipane, colleagues at the Executive Council and my office, your guidance and sustenance remained exceptionally tremendous. To the Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs, your supervision and oversight role were the best.

Lastly, my appreciation goes to the Accounting Officer, management, and all the employees for their solid perseverance to pledge the delivery of human settlements and other related services to the public. Whilst there is still more to be achieved, I remain unyielding that – as a group – we are gradually confronting the triple challenges of poverty, unemployment and inequality that continue to bedevil the country. With a common vision and united facade, we can change the appearance of our Province. As we conclude the sixth administration, let us all embrace the 30 years of freedom that the country has achieved since the advent of democracy.

“Let's Grow Mpumalanga Together”

A handwritten signature in black ink, consisting of a large, stylized 'M' and 'S' followed by a horizontal line and a small flourish.

MR SK MASHILO (MPL)

MEC: HUMAN SETTLEMENTS



Ms. HN Zitha
Acting Head:
Human Settlements

4. REPORT OF THE ACCOUNTING OFFICER

4.1. OVERVIEW OF THE OPERATIONS OF THE DEPARTMENT

The year under review (2023/24) concluded a very demanding Medium Term Strategic Framework (MTSF) period for government. Through the voyage of the concluding administration (2019 – 2024), government was unrelenting in its efforts to develop plans implement projects that were aimed at improving communities. Through the District Development Model (DDM), resources and strategies were synchronised to ensure seamless realisation of outputs. This operational model presented an opportunity for cooperative governance, which is intended at fashioning an adept, ethical and dependable Developmental State. It is government's model operating in unity concentrating on the municipal district and metropolitan spaces as the impact zones of shared planning, budgeting and implementation.

Overall Performance

During the year under review, the Department was seized with high-level priorities as outlined during the State of the Province Address (SOPA). In intensifying efforts on tackling informality and squalor, the department through the Informal Settlement Upgrading Programme managed to service **6 197** sites - an achievement which is in line with the focus on rapid release of land.

Much as there has been a policy shift around land, rural communities continued to benefit through the construction of housing units (top structures). To this end, an overall **1 522** housing units through various programmes were delivered throughout the province. Through the rebranded First Home Finance Subsidy, **76** subsidies were issued to middle-income earners.

To ensure security of tenure and property ownership, MinMEC launched the Title Deeds Friday Campaign. Since that start of the financial year, a lot has been achieved and more ground covered sequel to the launch of the drive.

As a province, we managed to issue **2 393** title deeds to rightful government subsidised housing beneficiaries. Whilst efforts have been made to ensure confront disputes within the sector, Mpumalanga Rental Housing Tribunal Board (Rental Tribunal) remained relentless in resolving disputes arising from rental contracts. In the 2023/24 financial year, the Rental Tribunal recorded the resolution of over **712** rental disputes. Further, the National Department of Human Settlements facilitated the unveiling of the Community Scheme Ombud Service (CSOS) Mbombela Office. Established to regulate the conduct of parties within community schemes, users in the Province will now be better served.

General Challenges

The much talked about global financial crisis continued to inflict pain to government and by implication affected delivery. During the National Treasury's budget review process earlier this year, the consolidated budget deficit was projected to narrow to 4.9 percent of GDP in 2023/24 to 3.3 per cent by the end of 2024 medium-term expenditure framework period. This outlook did not spare the department by any stretch of imagination. Invariably, this reality affected the department to rollout all its infrastructure projects, especially water, and filling of vacant positions. This, consequently, had a huge weight on the smooth operation of the institution – more especially at staffing level.

Conclusion

Considering that our delivery has been acceptable, it must be stressed, nonetheless, that it came with challenges. Enduring financial disproportions, which came with budget cuts, strained personnel, and dealing with contractor capacity challenges, amongst others, the institution remained resolute in realising its set objectives. As consolidate on the five –year government Medium Term Strategic Framework (MTSFT) period, the department had managed to produce a cumulative **46 932** housing opportunities to beneficiaries and stakeholders. Having identified on the above, allow me to take this time to appreciate all stakeholders who made noteworthy inscription towards our expedition of ensuring the creation of integrated sustainable human settlements in the Province.

MS HN ZITHA
ACTING HEAD: HUMAN SETTLEMENTS

4.2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

4.2.1. Departmental Receipts

Departmental Receipts	2023/24			2022/23		
	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	174	174	-	168	166	2
Interest, dividends and rent on land	2 180	4 435	(2 255)	2 050	2 683	(633)
Sale of capital assets	-	23	(23)	-	416	(416)
Financial transactions in assets and liabilities	64	451	(387)	64	1 031	(967)
Total	2 418	5 083	(2 665)	2 282	4 296	(2 014)

The Department collected R 5 million for the 2023/24 financial year, which constitutes 210% of the revenue collection estimate for the year. This is an over-collection by an amount of R 2.6 million.

The Department does not have revenue-generating activities except for bank interest, commission on deductions, debt recovery and disposal of assets through government auctions.

4.2.2. Programme Expenditure

Programme Name	2023/2024			2022/2023		
	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	202 550	202 345	205	175 255	175 255	-
Housing Needs, Research and Planning	140 890	130 935	9 955	105 942	96 461	9 481
Housing Development	1 282 019	1 274 093	7 926	1 598 654	1 588 863	9 791
Housing Asset Management	19 374	19 374	-	14 400	14 400	-
Total	1 644 833	1 626 747	18 086	1 894 251	1 874 979	19 272

The Department's main appropriation for the 2023/24 financial year was R 1.648 billion which was adjusted to R 1.645 billion during the adjustment budget process. This depicts a decrease of R 249 million in comparison to the R 1.894 billion for 2022/23 financial year.

The Department spent R 1.627 billion or 99 per cent of the final adjusted budget of R 1.645 billion as at 31 March 2024 as compared to the R 1.875 billion or 99 per cent in the 2022/23 financial year. The Department has recorded an underspending of R 18.086 million that constitutes 1% of the final appropriated budget for the year.

The decrease of the main appropriated budget for the 2023/24 came as a result of the following:

Budget Adjustment

Description	Amount R'000	Programme
Approved rollover of funds for bulk infrastructure project (Parliamentary Village)	9 480	Housing Needs, Research and Planning
Increase of equitable share (goods and services) in response to budget pressures	10 000	Administration
Approved rollover funding for the Parliamentary Village project	6 423	Housing Needs, Research and Planning
Approved rollover funding relating to Human Settlements Development Grant projects	3 990	Housing Development
Approved rollover funding relating to the Informal Settlements Upgrading Partnership Grant projects	5 794	Housing Development
Budget reduction on the Informal Settlements Upgrading Partnership Grant	(32 410)	Housing Development
Budget reduction on the Expanded Public Works Integrated funding	(210)	Housing Development

4.2.3. Virements/ Roll Overs

The following post-book closure virements for the 2023/24 final budget adjustment appropriation were effected:

Transfer From:	Transfer To:	Amount R'000
Administration	Housing Needs, Research & Planning	254
Housing Development	Housing Needs, Research & Planning	3 998
Housing Asset Management	Housing Needs, Research & Planning	156
Total		4 408

Reasons for Virements

Programme 2: Housing Needs, Research & Planning

The programme is receiving R 4.408 million from Administration, Housing Development and Housing Asset Management programmes to defray the excess expenditure Housing Needs, Research & Planning in respect of compensation of employees, goods and services, as well as the households.

4.2.4. Public Private Partnership

None

4.2.5. Discontinued key Activities/ Activities to be discontinued

None

4.2.6. New or proposed key Activities

None

4.2.7. Reasons for unauthorised, fruitless and Wasteful expenditure

The Department incurred irregular expenditure amounting to R 169.2 million as a result of non-compliance with the Supply Chain Management regulations.

4.2.8. Funds to be Rolled-over to the 2024/25 Financial Year

The Department applied for rollovers amounting to R 17.7 million, broken down into R 9.9 million that relates to the Parliamentary Village bulk infrastructure project and the R 7.8 million that relates to the Human Settlements Development grants (HSDG) projects. The implementation of the Parliamentary Village project experienced delays with contractors on site during implementation. The funds are required to complete outstanding work and pay outstanding claim on the existing projects.

4.2.9. Supply Chain Management

The Department had a functional Supply Chain Management (SCM) Directorate during the 2023/24 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.

4.2.10. Gifts and Donations Received in kind from Non-Related Parties

None

4.2.11. Exemptions and Deviations Received from the National Treasury

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

4.2.12. Events after the Reporting Date

There were no events after the reporting date (adjusting and non-adjusting), favourable and/or unfavourable that occurred after the reporting date and the date of approval of Annual Financial Statements

4.2.13. Corporate Governance Arrangements

The Department received shared internal 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 2023/24 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.

4.2.14. 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.

4.2.15. Performance Information

The Department's Monitoring and Evaluation Directorate continued to provide internal oversight by monitoring the Implementation Annual Performance Plan and HSDG Business Plan. 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 on financial and non-financial information. The Department has revised the Annual Performance plan 2023/24 during the period under-review, this is due to budgets cuts and adjusted subsidy quantum. Thus, performance information presented in Part B of this report is based on the revised and re-tabled Annual Performance Plan 2023/24.

4.2.16. SCOPA Resolutions

There were SCOPA resolutions taken during the 2023/24 financial year. (Refer to Part C of the Annual Report).

4.2.17. Prior Modifications to Audit Reports

Refer to Point 09 within Part C of the Annual Report

4.2.18. Improvement in Financial Management

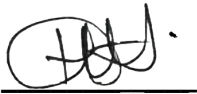
There has been improvement in implementing and complying with the PFMA during the year of reporting.

4.2.19. 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 2023/24 financial year.

4.2.20. Conclusion

The Department spent **99%** of its budget of **R 1.645 billion** providing **7 719** housing opportunities to the communities of Mpumalanga. In conclusion the 2023/24 financial year was a better year. It is therefore my pleasure to submit the 2023/24 Annual Report.



MS HN ZITHA
ACTING HEAD: HUMAN SETTLEMENTS

DATE: 26/07/2024

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 F**) 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 2024.

Yours faithfully



MS HN ZITHA
ACTING HEAD: HUMAN SETTLEMENTS

DATE: 26/07/2024

6. STRATEGIC OVERVIEW

6.1. Vision

Improved quality livelihoods and neighbourhoods with functional residential property markets.

6.2. Mission

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

- Identification of priority development areas for multi-programme integration in order to achieve spatial transformation,
- Soliciting stakeholder commitment to achieve a project implementation readiness pipeline,
- Servicing of sites, construction of houses and other socio-economic facilities in all human settlements,
- Coordinating stakeholder support and fully involvement in the delivery of urban and rural supporting infrastructure, and
- Leveraging private sector funding and support from other government agencies to ensure maximum impact within reasonable timelines.

6.3 Values

The values of the department rest on Batho Pele principles. The Department 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 utilize resources available to provide quality services

7. LEGISLATIVE AND OTHER MANDATES

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

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;

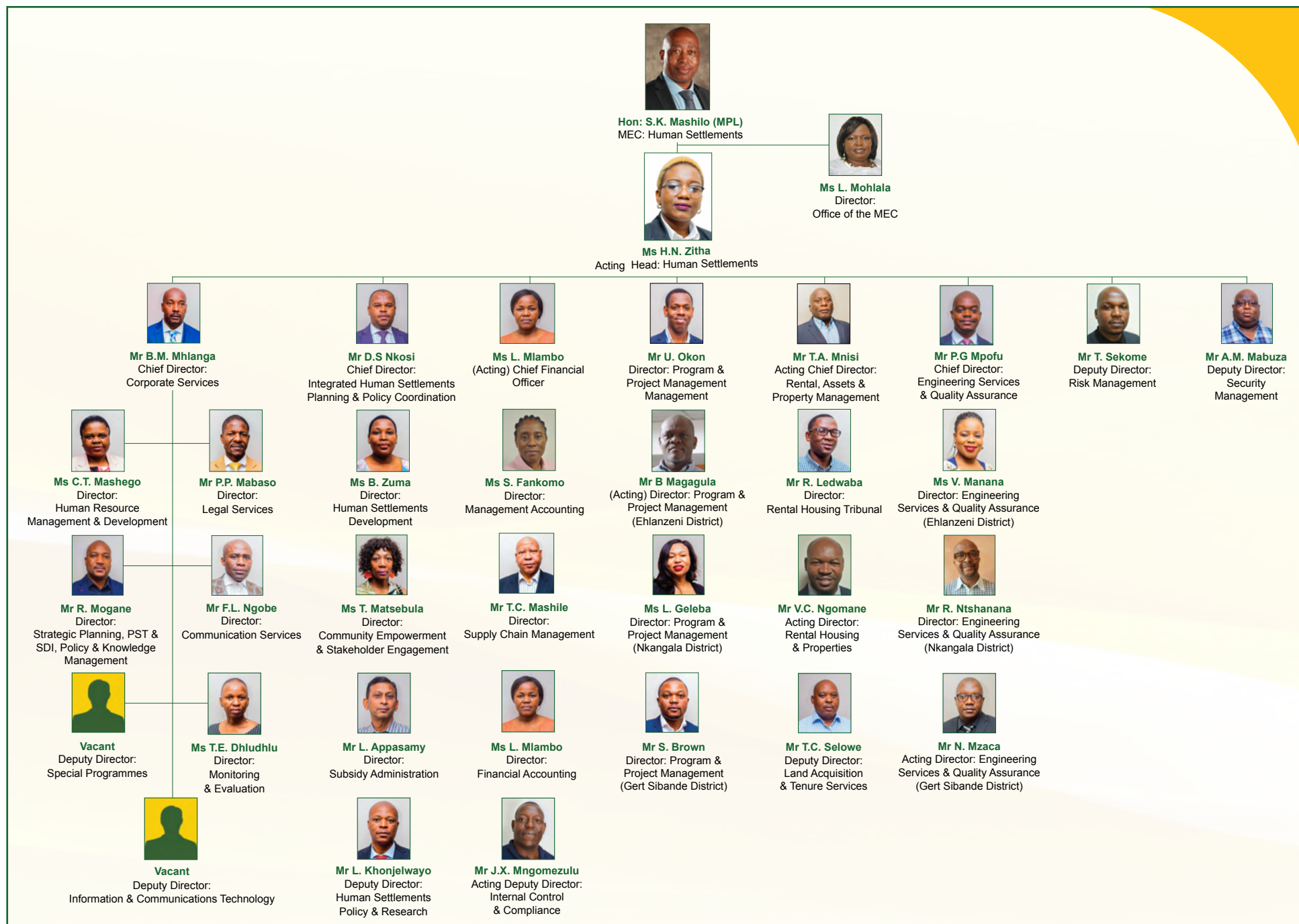
Promotion of Equality and Prevention of Unfair Discrimination Act No. 4 of 2000;

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 the Report of the Auditor General, published in **Part F: Financial Information**.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Department of Human Settlements operates in an environment where many complaints about delivery of houses are received through chapter 9 institution; such as Public Protector, Legislature and others.

Statistics South Africa, censuses are the principal means of collecting basic population and housing statistics required for planning, decision-making and monitoring of policies in all sectors of the economy in a country. Population and housing censuses provide detailed statistics on population composition, characteristics, and spatial distribution to the lowest geographical area. South Africa has conducted four censuses (1996, 2001, 2011 and 2022) the dawn of democracy.

Census 2022 was the first digital census to be conducted in the post-1994 democratic dispensation, driven by the fundamental benefits of a technology-driven census, including real-time data collection, processing and timely, quality data. According to the last census conducted in 2022 by Statistic South Africa, Mpumalanga's population has grown from 4 039 939 to 5 143 324 million. Through this, Stats SA outcome or results, the department will be able to plan for citizens the provision of services that include houses, bulk water and Sanitation Infrastructure.

In 2023, the percentage of households with access to all types of piped water recorded a relatively moderate level of delivery in Mpumalanga Province and is at 85.2 per cent. This was the fourth lowest among the nine provinces and lower than the national level of 88.7 per cent. The percentage of households that used electricity as main source of lighting increased to 89.3 percent in 2021. A larger share of households in Mpumalanga has access to electricity for lighting in 2021, than five other provinces and South Africa in general.

The number of people who are registered on the National Housing Needs Register and approved on HSS (people who need houses) is 45216. The total number of people in demand for houses including those not approved on Housing subsidy scheme is 313.570 in Mpumalanga Province only. The department has been faced with an ever increasing housing backlog that outnumbers the rate at which housing can be provided. The resource envelop needs to be approached in more innovative ways. The response to the demand has thus been adjusted to include acceleration of the provision of housing opportunities, by prioritizing in the upgrading of informal settlements and provision of serviced sites.

A mechanism currently used to receive and respond to complaints is received through the following ways: Walk- in at all Districts Offices in the Province, by telephone call, Complaint and Compliments boxes and by Chapter 9 institutions such as Office of the Public Protector.

The Department has previously embarked on a number of initiatives geared towards giving practical implementation of the Batho Pele Principles. Some of such initiatives were the development of a – A Service Delivery Improvement Plan (SDIP), Service Charter and Standards. In response to these complaints, the department has managed to have the following final drafts of strategies that will help to improve service delivery:

- Complaints and compliment management system;
- Standard Operating Procedure(SOP);
- Service Delivery Model(SDM)\Change management plan(CMP); and
- Batho Pele Norms and Standards(BPNS).

2.2 Service Delivery Improvement Plan

Main Services and Standards

Main Services	Beneficiaries	Current/Actual standard of Services 2022/23	Desired Standard of Services 2023/24	Actual Achievements 2023/24
Provision of Bulk water and Sanitation Infrastructure	Municipalities and Beneficiaries earning below R3 500	7 bulk water and sanitation projects completed.	08 Provision of Bulk water and Sanitation Infrastructure	No bulk projects were completed. Refer to comments on deviations in Part B of the report
Provision of Basic Services	All qualifying beneficiaries earning below R3 500	Servicing of Sites for the building of Low costs houses, Social amenities and Rental stocks.	4 399 sites to be serviced	6 197 sites were serviced

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

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
Consultation	Consultation with internal and external stakeholders and beneficiaries	Consulted all relevant stake holders when rendering its services
Access	Access to services through the 3 accessible District offices and 2 satellite offices	All offices of the department (Head Office, three Districts and two satellite offices) were personally or telephonically visited by Internal and external customers.
Courtesy	Respond to queries within 21 calendar days	Queries were received from affected beneficiaries and municipalities were handled within 21 calendar days.
Openness and Transparency	Make information available for all citizens of the province	Information to customers was made available as per the requests of beneficiaries through media.
Information	Provide information through reports, media statements, public gatherings and website and through application of PAIA	Reports, media statements were issued through radio, television, newspapers and other forms of social media.
Redress	Office of Director Stakeholder Management receives complaints	Where services were not rendered on time or never rendered due to challenges were reported within 21 calendar days.
Customer Impact	Improved quality of livelihood, More households with access to sanitation and running water	Qualifying beneficiaries received the desired services and their lives changed

Service Delivery Information Tool

Current/actual information tool	Desired Information tool	Actual achievement
Approved Service Delivery Improvement Plan(SDIP)	<ul style="list-style-type: none"> • Approved Service Delivery Improvement Plan • Approved Service Standard Charter • Final draft on complaints and compliment management system • Service delivery model • Final draft on change management plan • Final draft Batho Pele Norms and Standards 	Report on implementation of SDIP.

Complaints Mechanism

Current/complaints mechanism	Desired complaints mechanism	Actual achievement
<p>A mechanism currently used to receive and respond to complaints is received through the following ways:</p> <ul style="list-style-type: none"> • Chapter 9 Institutions; • Oversight Institutions; • walk- in by complainant; • A telephone to call offices; • A fax to offices; • A social media system; and • Complaints submitted through Rental Tribunal 	<ul style="list-style-type: none"> • Complaints and compliment boxes were installed in all Districts of the department and are waiting to be official launched. • A Short Message System (SMS); • A letter or e-mail to offices; 	<ul style="list-style-type: none"> • Approved Service Charter and Standards • Achieved 4 approved reports on complaints received, • Final draft on complaints and compliment management system • Final draft on Standard operating procedure, • Final draft of Service delivery model • Final draft on change management plan, and • Final draft on Batho Pele Norms and Standards

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.

During the period under- review, there were no organisational or structural changes that occurred. The Department has advertised 62 posts including 2 SMS posts. However, the process of filling vacant posts was halted due to budget cuts. It is important to note that all Departments were instructed to revise their budgets to be in line with the cuts, source approval from the Office of the Premier before any posts can be filled and these impacted negatively on service delivery. The Department wish to state that the post of the Head of department is not amongst the 62 posts alluded above as it is the responsibility of Office of the Premier to fill the post.

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.

In light of the above, it is important to note that the delivery of human settlements as a priority is faced with a number of constraints which include; poor integration and budgeting for key interventions especially by municipalities on bulk infrastructure in particular, private ownership of well-located land and the perpetuation of shrinking grants annually, whilst the Medium Term Strategic Framework priorities as set by the National Department of Human Settlements are not collaterally revised downwards. The changing climatic conditions which increases the frequency of natural disasters, with a fiscal implication of either rectifying or rebuilding a unit that was previously completed.

2.4 Key Policy Developments and Legislative Changes

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

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The 2023/24 financial year marks the fifth and the last financial year of the sixth administration of 2019-2024 period of the national and provincial government. During the 2023/24 State of the Province address, the Hon Premier, Ms Refiloe Mtsweni-Tsipane alluded to the following priorities for the Department of Human Settlements:

- *Prioritization of informal settlement upgrading through the provision of 4 399 serviced sites*
- *The Department will ensure utilization of Integrated Residential Development Programme to invest in the 9 Priority Human Settlements and Housing Development Areas.*
- *the provision of 8 bulk water and sanitation infrastructure services and other amenities including the construction of 7 child care facilities and community halls*
- *Ensure the security of tenure through issuing 3 700 Title Deeds.*
- *deliver a total of 3 137 housing units through the various programmes; including IRDP, Rural Housing, Military veterans and First Home Finance (FHF) subsidies.*

At the end of the financial year, notable progress has been made by the department in meeting its planned outputs as set out in the 2023/24 Annual Performance Plan. Furthermore, the Department is continuing with its mandate of creating integrated sustainable human settlements within the Mpumalanga communities. **6 197** sites have been serviced through a combination of two grants HSDG and ISUPG. With regards to housing units, a total of **1 522** top structures have been built. These houses were built using different Human Settlements interventions including Integrated Residential Development, Rural Housing, Military veterans and Finance Linked Individual subsidies etc.

The Department through Housing Assets Management Programme managed to register **2 393** against an annual target of 3 700 title deeds. The under-achievement is attributed to the following amongst others: Delays in issuing of SPLUMA Certificates for Emalahleni, Mkhondo and Un-proclaimed townships which is a long process to finalise.

Lastly, it is critical to note that the department is implementing its programme in a quest to ensure that there is sustainable human settlements and improved quality households. This mandate derives from chapter 8 of the National Development Plan (2030) - *Human Settlements* which gave birth to Outcome 8 of the National Programme of Action (Outcomes Approach). The approach which also set out National targets and subsequently Provincial five (5) year targets within the Human Settlements sector. Therefore, a table below illustrate the department's performance against MTSF targets of between 2019-2024.

MTSF Target Instruments	Provincial MTSF Planned Targets	2019/20 Actual Performance	2020/21 Actual Performance	2021/22 Actual Performance	2022/23 Actual Performance	2023/24 Actual Performance	2019-2024 Cumulative Performance	% Progress
Servicing of sites (UISP & IRDP)	29 300	3 902	2 102	6 857	10 171	6 197	29 229	99.8 %
Individual Units (Top Structures)	31 324	6 651	4 483	2 898	2 491	1 522	18 045	58%
Social Housing (SHRA)	400	None	None	None	None	None	None	-
Community Residential Units	1 300	Platforms for 128 units done	Earthworks for 128 units done	326 CRUs under construction. 20 units completed	300 units under construction. 52 units completed	112 CRUs under construction	72	6%
Social and Economic Facilities	20	1 child care centre	1 Community Hall	2 at roof and 1 at earthworks	4	4	10	50%
Finance Home Finance	1 000	59	39	57	71	76	302	30%
TOTAL HOUSING OPPORTUNITIES	63 344 [100 000 SOPA]	10 612	6 624	9 832	12 785	7 795	47 648	75%
Title Deeds	40 000	2 436	2 736	1 951	2 770	2 393	12 286	31%

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

NB: The information below is based on the tabled Annual Performance Plan as tabled in the Provincial Legislature during the 2023/24 FY

4.1 Programme 1: Administration

Programme Purpose

- To provide strategic administrative and management support to the Department. The outcome of the programme is to ensure that the Department is reputable in good governance and attain a clean audit.

List of Sub-Programmes

Office of the MEC

Finance

- Management Accounting
- Financial Accounting
- Supply Chain Management
- Risk Management
- Internal Control

Corporate Services

- Human Resource Management & Development
- Communication Services
- Legal Services
- Strategic Planning & Management
- Monitoring and Evaluation
- Information and Communication Technology
- Special Programmes

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMME: ADMINISTRATION									
NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
OFFICE OF THE MEC									
1	Efficient and effective administrative support provided to the Department	Political guidance provided to Executive Mayors of Municipalities	Number of MUNIMEC fora	None	2 MUNIMEC fora held	2 MUNIMEC fora held	2 MUNIMEC fora held	None	None

PROGRAMME: ADMINISTRATION									
NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
FINANCE									
2	Good governance and Clean Audit Outcome	Invoices received and paid within 30 days	Percentage of suppliers paid within 30 days of receipt of valid invoices	100% of suppliers paid within 30 days receipts of valid invoices	100% of suppliers paid within 30 days receipts of valid invoices	100% of invoices received and paid within 30 days	94.35% or 3 058 out of 3 241 of all invoices received were paid within 30 days	5.64% or 183 out of 3 241 of all invoices were paid after 30 days	<p>There were delays in approval of the business plans which was beyond the department's control and this resulted to late transfer (26 April 2024) of HSDG and ISUPG funding for April.</p> <p>The Department experienced cash flow challenges due to some contractors over performing on site and submitting invoices for payments.</p>

PROGRAMME: ADMINISTRATION									
NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
3		Approved Annual Financial Statements submitted to Treasury and Auditor General	Number of Annual Financial Statements submitted to Treasury and Auditor General	4 Annual Financial Statements submitted to Treasury and Auditor's General	4 Annual Financial Statements submitted to Treasury and Auditor's General	4 Annual Financial Statements submitted to Treasury and Auditor's General	4 Annual Financial Statements submitted to Treasury and Auditor's General	None	None
SUPPLY CHAIN MANAGEMENT									
4		Persons with disabilities empowered	Percentage of bids awarded towards empowerment of persons with disabilities contractors	Percentage of bids awarded: 1% to persons with disabilities; 10% to youth;30% women	0% of bids awarded to people with disabilities, 23% youth and 84% to women contractors respectively	Percentage of bids awarded: 2% to persons with disabilities	0.01% bids were awarded to persons with disabilities	Under achieved by 1.99% bids.	It should be noted that the awarded service providers in the panel adds up to only 3% of people with disabilities moreover, work is allocated based on total bid score and CIDB grading.

PROGRAMME: ADMINISTRATION									
NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
5		Youth empowered	Percentage of bids awarded towards empowerment of youth contractors	Percentage of bids awarded: 1% to persons with disabilities; 10% to youth;30% women	0% of bids awarded to people with disabilities, 23% youth and 84% to women contractors respectively	Percentage of bids awarded: 20% to youth	9.4% bids were awarded to youth contractors	Under achieved by 10.6 %	Under achievement due to Work is allocated based on total bid score and CIDB grading.
6		Women empowered	Percentage of bids awarded towards empowerment of women contractors	Percentage of bids awarded: 1% to persons with disabilities; 10% to youth;30% women	0% of bids awarded to people with disabilities, 23% youth and 84% to women contractors respectively	Percentage of bids awarded: 40% to women	61% bids were awarded to women contractors	None	None

PROGRAMME: ADMINISTRATION									
NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT									
7	Good governance and Clean Audit Outcome	Approved MTEF Human Resource Plan	Number of approved MTEF Human Resource Plan	1 Approved 2018-2021 MTEF Human Resource Plan	1 Approved 2019-2022 MTEF Human Resource Plan	Approved 2023-2026 MTEF Human Resource Plan including 2022/23 annual report	2023-2026 MTEF Human Resource Plan including 2022/23 annual report approved	None	None
8		Approved annual Human Resource Oversight Report	Number of approved annual Human Resource Oversight Reports	1 Approved annual Human Resource Oversight Report for 2020/21	1 Approved annual Human Resource Oversight Report for 2021/22	Approved 2022/23 annual oversight report	2022/23 annual oversight report approved	None	None
9		Approved Annual Integrated Employee Health and Wellness Programmes report	Number of approved annual report on Integrated Employee Health and Wellness Programme	1 Approved Annual Integrated Employee Health and Wellness Programmes report	1 Approved Annual Integrated Employee Health and Wellness Programmes report	Approved 2023/24 Annual Employee Integrated Health and Wellness Programmes developed	2023/24 Annual Employee Integrated Health and Wellness Programmes approved	None	None

PROGRAMME: ADMINISTRATION									
NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
TRANSVERSAL SERVICES									
10	Good governance and Clean Audit Outcome	Special programme implemented	Number of Approved Annual Report on special programmes' plan of action implemented	1 approved annual report on special programmes' plan of action implemented	1 approved annual report on special programmes' plan of action implemented	1 approved annual report on special programmes' plan of action implemented	2023/24 special programmes' plan of action implementation report approved	None	None
COMMUNICATION SERVICES									
11	Good governance and Clean Audit Outcome	Communication plan implemented	Number of approved annual report on communication plan implemented	1 approved annual report on communication plan implemented	1 approved annual report on communication plan implemented	1 approved annual report on communication plan implemented	2023/24 communication plan Implemented and annual report approved	None	None
INFORMATION AND TECHNOLOGY									
12	Good governance and Clean Audit Outcome	Information Communication plan implemented	Number of approved annual report on ICT plan implemented	1 approved annual report on ICT plan implemented	1 approved annual report on ICT plan implemented	1 approved annual report on ICT plan implemented	2023/24 ICT plan implemented and annual report approved	None	None

PROGRAMME: ADMINISTRATION									
NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
STRATEGIC PLANNING & MANAGEMENT, AND KNOWLEDGE MANAGEMENT									
13	Good governance and Clean Audit Outcome	Approved Annual Performance Plan	Number of Approved Annual Performance Plan	1 approved Annual Performance Plan	1 approved Annual Performance Plan	1 approved Annual Performance Plan	1 Annual Performance Plan approved (2024/25)	None	None
14		Approved Human Settlements Business Plan	Number of approved Human Settlements Business Plan	Approved 2022/23 Human Settlements Business Plan	2023/24 Human Settlements Business Plan Approved	1 Human Settlements Business Plan Submitted	1 Human Settlements Business Plan Submitted	None	None
15		Approved annual report on Service Delivery Improvement Plan	Number of approved annual report on Service Delivery Improvement Plan	1 approved annual report on Service Delivery Improvement Plan	1 approved annual report on Service Delivery Improvement Plan	1 approved annual report on Service Delivery Improvement Plan	1 annual report on Service Delivery Improvement Plan approved	None	None
16		Approved report on knowledge management strategy implemented	Number of approved report on knowledge management strategy implemented	1 approved report on knowledge management strategy implemented	1 approved report on knowledge management strategy implemented	1 approved report on knowledge management strategy implemented	1 report on knowledge management strategy implementation and approved	None	None

PROGRAMME: ADMINISTRATION									
NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
MONITORING AND EVALUATION									
17	Good governance and Clean Audit Outcome	Approved annual Performance Reports	Number of approved annual performance reports	1 approved annual performance report	1 approved annual performance report	1 approved annual performance report	Annual Performance Report 2022/23 Approved	None	None
18		Approved Project Level Monitoring Reports	Number of approved project level monitoring reports	4 approved project level monitoring reports	4 approved project level monitoring reports	4 approved project level monitoring reports	4 Project Level Monitoring Reports completed and approved	None	None
LEGAL SERVICES									
19		Litigations resolved	Number of Litigations resolved	12 Litigations Reports compiled	4 Litigations Reports compiled	4 Litigations resolved	4 Litigation resolved	None	None

Linking Performance with Budgets

Sub-programme Expenditure on Programme 1: Administration

Administration	2023/2024			2022/2023		
	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	13 822	13 822	-	12 512	12 512	-
Corporate Services	188 728	188 523	205	162 743	162 743	-
Total	202 550	202 345	205	175 255	175 255	-
Economic Classification						
Compensation	108 376	108 376	-	108 620	108 620	-
Goods & Services	86 988	86 988	-	61 087	61 087	-
Transfers and Subsidies	1 386	1 332	54	804	804	-
Payment for Capital Assets	5 800	5 649	151	4 744	4 744	-
Total	202 550	202 345	205	175 255	175 255	-

Strategy to overcome areas of under performance

- In order to manage departmental cash-flow the issued iPWs should be aligned to the available budget.
- The required percentage of bids awarded to people with disability and Youth will be covered in the next financial year. The panel of service providers that target women, youth, people with disabilities and military veterans will be appointed in the next financial year.

Performance in relation to standardised outputs and output indicators for sectors with concurrent functions

There are no standardized outputs and output indicators for human settlement sector relating to this programme

4.2 Programme 2: Housing Needs, Research and Planning

4.2.1 Programme Purpose

To facilitate and undertake integrated human settlements planning. The Programme ensures an integrated and cohesive provincial spatial planning. It also facilitates integrated planning for development in urban, rural spaces through integrated human settlements as well as upgrading of informal settlements and the priority human settlements, housing development areas. The planning functions of the programme are geared towards the realization of National Development Plan 2030, Mpumalanga Vision 2030, The National Spatial Development Perspective as well as the provincial spatial development framework.

List of Sub-Programmes

- Human Settlements Planning
- Housing Needs, Policy and Research
- Beneficiary and Subsidy Management
- Community Empowerment and Stakeholder Engagement

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
HUMAN SETTLEMENTS PLANNING									
1	Provincial priority areas developed	Integrated implementation programmes for priority development areas	Number of Integrated implementation programmes for priority development areas completed per year	New sector standardized indicator	16 Integrated implementation programmes for priority development areas completed per year	10 Integrated implementation programmes for priority development areas completed per year	09 Integrated implementation programmes for priority development areas completed in 2023/24 financial year.	01 Integrated implementation programme not finalized.	The initially appointed service provider surrendered the project. The Department had to appoint a new service provider who was appointed in the last month of the second quarter.

PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
2	Investment of the HSDG in PDAs	Increased investment of the total human settlements allocation in PDAs	Percentage of investment of the total human settlements allocation in PDAs	New sector standardized indicator	71% or R92 257 million out of R129 264 million investment of the total human settlement allocation in PDAs	8% investment of the total human settlements allocation in PDAs	8% or R77 023 410 of R964 277 000	None	None
HUMAN SETTLEMENTS PLANNING									
3	Development of PDAs	Acquired land during 2014-2019 falling within the PDAs rezoned	Percentage of acquired land during 2014-2019 falling within the PDAs rezoned	New sector standardized indicator	180.82 ha of acquired land within PDA rezoned (Lesley Ext 8)	20% of acquired land during 2014-2019 within the PDAs rezoned. <i>(20% of 257,346 ha is 51,469.2 ha)</i>	20% of acquired land during 2014-2019 within the PDAs rezoned.	None	None

PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
HUMAN SETTLEMENTS PLANNING									
4	Increased number of households living in upgraded informal settlements	Informal Settlements upgraded to phase 3 of the UISP	Number of Informal Settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP)	New sector standardized indicator	4 Informal Settlements upgraded to phase 3 of the UISP	7 informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP)	7 Informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP) in the following areas: <ul style="list-style-type: none"> • Phola Ext 5 • KwaGuqa Ext 10 • Emphumelelweni Ext 7 • Mshololozi • Kinross • KwaGuqa 11 • Harmony Ext 2 	None	None
5	Realistic project readiness matrix	Projects implemented in line with the project readiness matrix	Number of approved annual project readiness matrix	1 approved annual project readiness matrix	2023/24 project readiness matrix approved	1 approved annual project readiness matrix submitted to NDoHS	1 annual project readiness matrix submitted.	None	None

PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
HOUSING NEEDS, POLICY & RESEARCH									
6	Departmental policies and operations informed by conducted research	Research conducted on sectoral topics	Number of approved research projects on sectoral topics	1 report on policy limitation affecting delivery of sustainable housing opportunities for the gap market	1 research report on land release programme not completed	1 research report on sectoral topics	Not achieved, 1 research report on sectoral topics not completed.	1 research report on sectoral topics not finalised.	Delay in the compilation and finalization of first draft report due to non-cooperation of some stakeholder during data collection process.
7	Policies implementation guidelines approved	Human Settlements approved operational policies implemented	Number of policies and implementation guidelines developed and approved	None	None	1 Policy developed and approved	1 Policy developed and approved	None	None
BENEFICIARY & HOUSING SUBSIDIES MANAGEMENT									
8	Beneficiaries captures on the HSS	Approved beneficiaries captured on the HSS	Number of approved beneficiaries	4 000HSS approved beneficiaries	1 922 beneficiaries approved	1 443 HSS approved beneficiaries	1 948 beneficiaries approved on the HSS	Over achieved by 505 additional beneficiaries approved.	None

PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
COMMUNITY EMPOWERMENT & STAKEHOLDER ENGAGEMENT									
9	Public confidence in the Department improved	Improved departmental accountability to the public	Number of reports on public complaints from oversight Institutions	4 reports on public complaints from oversight Institutions	4 reports on public complaints from oversight Institutions	8 reports on public complaints from oversight Institutions	7 reports on public complaints from oversight Institutions compiled.	1 Report not compiled	Other requests were received towards the end of March 2024 and are still in progress.

Linking Performance with Budgets

Sub-Programme Expenditure

Housing Needs, Research and Planning	2023/2024			2022/2023		
	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	140 890	130 935	9 955	105 942	96 461	9 481
Total	140 890	130 935	9 955	105 942	96 461	9 481
Economic Classification						
Compensation of Employees	67 701	67 701	-	64 610	64 610	-
Goods & Services	5 656	5 656	-	6 513	6 513	-
Transfers and Subsidies	67 533	57 578	9 955	34 819	25 338	9 481
Payment to Capital Assets	-	-	-	-	-	-
Total	140 890	130 935	9 955	192 468	96 461	9 481

Strategy to overcome areas of under performance

- 1 Integrated implementation programme for priority development areas under implementation to be achieved in Quarter 2 of the 2024/25 Financial Year.
- To prompt Surveyor General in the approval of General Plans for the land acquired in 2014-2019.
- Second draft and final research report on Rapid Land Release to be finalized at the end of the First Quarter of the 2024/25 financial year.
- Investigations on complaints received during March 2024 will be completed in the first quarter of 2024/25

Performance in relation to standardised outputs and Output indicators for sectors with concurrent functions

The Programme: Housing Needs, Research and Planning had the following sector indicators with Planned targets during the financial year 2023/24:

- **Number of integrated implementation programmes for priority development areas completed per year** with 10 implementation programmes planned for 2023/24. To date 09 integrated implementation programmes have been developed.
- **Percentage of investment of the total Human Settlements allocation in PDAs** and the target for the year under-review was 8% investment of the total human settlements allocation in PDAs. As at the end of the financial year, **8% or R77 023 410 of R964 277 000** million investment of the total human settlement allocation in PDAs.
- **Percentage of land acquired during 2014-2019 within the PDA's rezoned** and the 2023/24 target for this sector indicator was, 20% **of 257,346 ha (which is 51,469.2 ha)** acquired land falling with the Priority Development Areas rezoned. To date, 20% or ha of acquired land within PDA rezoned (Rondebosch) exceeding the Annual target.
- **Number of Informal Settlements upgraded to phase 3 of the UISP** 7 out a target of 7 informal settlements were upgraded to phase 3 as per the UISP.

4.3 Programme 3: Housing Development

4.3.1 Programme Purpose: To provide individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy

List of Sub-Programmes:

- Financial Intervention
- Incremental Housing intervention
- Social and Rental Housing
- Rural Housing
- Emergency Housing Assistance / Disaster Intervention

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

NB: The table below represent actual achievements up to the date of Re-tabling which is the 2nd quarter performance of 2023/24.

PROGRAMME: HOUSING DEVELOPMENT									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION	REASONS FOR REVISION TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
Sites with adequate basic services	Phase 1 Planning and services	Number of serviced sites delivered	6 857 IRDP Phase 1 Planning and services	10 171 IRDP Phase 1 Planning and services	5 790 sites serviced sites delivered	3 713 sites serviced.	Under-achieved by 2 077 sites.	Progress represent performance up to the end of second quarter only	Annual target was revised from 5 790 to 4 399 sites. The revisions were caused by budgets cuts and subsidy quantum adjustment

PROGRAMME: HOUSING DEVELOPMENT									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION	REASONS FOR REVISION TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
Increased number of beneficiaries living in formal dwellings	Households that received subsidies through Project Linked Individual subsidies	Number of households that received subsidies through Project Linked Individual subsidies	None	None	20 Project Linked Individual subsidies disbursed	0 Project Linked Individual subsidies disbursed	Under Achieved by 5 Project Linked Individual subsidies disbursed	Progress represent performance up to the end of second quarter only	Annual Target was revised from 20 to 5 subsidies. The revisions were caused by budgets cuts and subsidy quantum adjustment
Increased number of beneficiaries living in formal dwellings	Households that received subsidies through First Home Finance (FHF)	Number of households that received subsidies through FHF (First Home Finance)	57 Finance Linked Individual Subsidies disbursed	71 Finance Linked Individual Subsidies disbursed	50 Households that received subsidies through First Home Finance subsidies programme	32 subsidies disbursed	under achieved by 18 subsidies not disbursed	Progress represent performance up to the end of second quarter only	Annual Target was revised from 50 to 40 subsidies. The revisions were caused by budgets cuts and subsidy quantum adjustment

PROGRAMME: HOUSING DEVELOPMENT									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION	REASONS FOR REVISION TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
Increased number of beneficiaries living in formal dwellings	Top Structures units completed	Number of Integrated Development Programme Phase 2 Top Structure completed	2 110 houses	1 273 houses	2 066 Top structure housing units	753 Top structure housing units	Under-achieved by 1 313 top structure housing units	Progress represent performance up to the end of second quarter only	Annual Target was revised from 2 066 to 1 443 Top Structures. The revisions were caused by budgets cuts and subsidy quantum adjustment
Increased number of beneficiaries living in formal dwellings	Top Structures houses completed	Number of houses completed through Rural Housing: Communal land rights	255 houses	500 houses	903 houses	76 houses	Under-achievement by 827 houses	Progress represent performance up to the end of second quarter only	Annual Target was revised from 903 to 901 units. The revisions were caused by budgets cuts and subsidy quantum adjustment

PROGRAMME: HOUSING DEVELOPMENT									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION	REASONS FOR REVISION TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
Increased number of beneficiaries living in formal dwellings	Community Residential Units	Number of Community Residential Units (CRU) delivered	20 units	52 units	192 Community Residential Units (CRU) under-construction	192 CRUs under-construction	None	Progress represent performance up to the end of second quarter only	Annual Target was revised from 192 to 112 CRUs. The revisions were caused by budgets cuts and subsidy quantum adjustment

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS (Re-tabled APP)

NB: The Table below represent the department's performance report against the re-tabled Annual Performance Plan of 2023/24.

PROGRAMME: HOUSING DEVELOPMENT									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
HOUSING OPPORTUNITIES CREATED									
A	Sites with adequate basic services	Phase 1 Planning and services	Number of serviced sites delivered	6 857 IRDP Phase 1 Planning and services	10 171 IRDP Phase 1 Planning and services	4 399 serviced sites delivered	6 197 sites serviced.	Over-achieved by 1 798 serviced sites delivered	The Department excelled in site servicing by focusing on high-performing service providers. Funding from underperforming areas was used to support this overachievement.
B	Quality housing units delivered	Human Settlements projects fully comply with SANS	Number of Breaking New Grounds (BNG) houses delivered	4 531	2 898	2 516 Breaking New Grounds (BNG) houses delivered	1 522 (BNG) houses delivered	Under-achieved by 994 houses	Refer to reasons located in indicator number G,I,L and O

PROGRAMME: HOUSING DEVELOPMENT									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
C	Human settlements projects supported with bulk infrastructure	Bulk water infrastructure projects completed	Number of bulk water and sanitation infrastructure projects completed	7 Bulk Projects	6 Bulk Projects	8 bulk water and sanitation projects completed	None	8 bulk water and sanitation projects not completed	<p>The Department embarked on the following on-going bulk projects :</p> <ol style="list-style-type: none"> 1. Kumana Bulk Sewer 95% - Contractor cannot finalize installation of packaged plant awaiting water connection by others. 2. Mashishing Bulk is 96% - only connection to the inlet works outstanding. 3. Rondebosch – 62% Contractor was progressing very slowly, and has been issued. termination letters 4. Phola Iraq Bulk Sewer – 43%. Delays in appointment of the contractor but progressing very well. 5. Reitkul Bulk Links (Thubelihle) – Designs approved by Municipality awaiting portion of the funding from the Municipality. 6. Ermelo Ext 44 Bulk Sewer - Designs approved by Municipality awaiting portion of the funding from the Municipality. 7. Silobela Ext 5 – Municipality has taken over the bulk implementation 8. Kamhlushwa Ext 2 Bulk –designs are being done by the Municipality

PROGRAMME: HOUSING DEVELOPMENT									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
D	Increased number of jobs created	Job creation	Number of jobs created	None	None	5 000 jobs created	1 460 jobs created (cumulatively)	Under performance by 3 540 jobs	Under reporting by service providers. Labourers/ General workers are reluctant to divulge their identity numbers and dominant use of undocumented foreign nationals by service providers

PROGRAMME: HOUSING DEVELOPMENT									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
ENGINEERING SERVICES AND QUALITY ASSURANCE									
E	Quality housing units	Houses Certified in line with the NHBRC Regulations and standards	A percentage of houses certified in line with NHBRC regulations and standards	100% houses certified in line with NHBRC regulations and standards	1 900 houses certified in line with NHBRC regulations and standards	100% houses certified in line with NHBRC regulations and standards	100% houses certified in line with NHBRC regulations and standards	None	None
F	Quality housing units	Houses enrolled with NHBRC	Number of housing units enrolled with NHBRC	8 266 houses enrolled with NHBRC	803 houses enrolled with NHBRC	1 500 houses enrolled with NHBRC	1 164 Houses enrolled.	336 houses not enrolled against the annual target.	Delays in NHBRC enrolment process which requires Geo-Technical study Report on every site
FINANCIAL INTERVENTION									
G	Increased number of beneficiaries living in formal dwellings	Households that received subsidies through First Home Finance (FHF)	Number of households that received subsidies through FHF (First Home Finance)	57 Finance Linked Individual Subsidies disbursed	71 Finance Linked Individual Subsidies disbursed	40 Households that received subsidies through First Home Finance subsidies programme	76 housing subsidies disbursed	Over achieved by 36 housing subsidies disbursed	More than anticipated beneficiary applications were received.

PROGRAMME: HOUSING DEVELOPMENT									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
H	Increased number of beneficiaries living in formal dwellings	Households that received subsidies through Project Linked Individual subsidies	Number of households that received subsidies through Project Linked Individual subsidies	None	None	5 Project Linked Individual subsidies disbursed	0 Project Linked Individual subsidies disbursed	Under Achieved by 5 Project Linked Individual subsidies disbursed	Lack of corporation by financial institutions to verify and confirm details of beneficiaries.
I	Increased number of beneficiaries living in formal dwellings	Military veterans houses built	Military veterans houses built	7 units	2 units	20 Military veterans' houses built	9 Military veterans' houses built	11 Military veterans' houses not built	Slow performance by contractors and projects scattered in different villages.
J	Social cohesion in Integrated human settlements	Social Amenities Completed	Number of Social Economic Facilities completed	2 Social and Economic facilities	4 Social and Economic facilities	7 Social Economic Facilities completed	4 Social Social and Economic facilities completed	3 Social and Economic facilities not completed (2 Thembisile Hani and 1 Dipaliseng)	Slow performance by contractors which resulted in projects not reaching their practical completion and stoppage projects by business forums.
K	Integrated human settlements in well located land	Well-located land acquired	Number of well-located land under land assembly processes	2 land parcels	2 land parcels	2 parcels of Land under assembly processes	2 parcels of Land under assembly processes	None	None

PROGRAMME: HOUSING DEVELOPMENT									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
INCREMENTAL INTERVENTION									
L	Increased number of beneficiaries living in formal dwellings	Top Structures units completed	Number of Integrated Development Programme Phase 2 Top Structure completed	2 110 houses	1 273 houses	1 443 Top structure housing units	1 277 Top structure housing units	Under-achieved by 166 Top structure housing units	<p>The reasons for deviation were caused by several cross-cutting issues just to mention a few: -</p> <ul style="list-style-type: none"> • Delay in the commencement of construction works in areas such as Rondebosch as the community is demanding work when they are not qualified contractors • Delays in the finalization of the home enrolment processes by the NHBRC. • Slow contractor performance.
M	Increased number of beneficiaries living in formal dwellings	Top Structures houses completed	Number of houses completed through Emergency Housing Assistance	382 roofs repaired	714 roofs repaired	96 roofs repaired, remedial works and temporary residential units completed	676 roofs repaired remedial works and temporary residential units completed	Over-achieved by 580 houses roof repairs.	The over-performance can be attributed to the Department's intervention in the flood disaster that occurred in February 2023 which was unplanned but needed intervention due to the situation on the ground.

PROGRAMME: HOUSING DEVELOPMENT									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
SOCIAL AND RENTAL INTERVENTION									
N	Increased number of beneficiaries living in formal dwellings	Community Residential Units	Number of Community Residential Units (CRU) delivered	20 units	52 units	112 Community Residential Units (CRU) under-construction	112 CRU under-construction	None	None

PROGRAMME: HOUSING DEVELOPMENT									
No	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
RURAL HOUSING SUBSIDIES									
O	Increased number of beneficiaries living in formal dwellings	Top Structures houses completed	Number of houses completed through Rural Housing: Communal land rights	255 houses	500 houses	901 houses	236 houses completed	Under-achieved by 665 houses	<p>Progress was hindered by the following:</p> <ul style="list-style-type: none"> • Delays and challenges of enrolment with the NHBRC as the houses are scattered in different villages. • As these houses are in rural villages, logistic challenges, availability of materials, access roads etc. usually hinder project delivery. • As a result of the above, poor delivery by contractors. • High level of crime and theft reported in certain communities makes it difficult for contractors to work. • Non-approval of poor-quality works such as foundation and wall plates by the NHBRC.

Linking Performance with Budgets

Sub-programme Expenditure of Programme 3

Housing Development, Implementation and Targets	2023/2024			2022/2023		
	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	53 610	53 610	-	54 737	54 737	-
Financial Intervention	132 962	132 962	-	275 483	275 483	-
Incremental Intervention	1 008 998	1 001 072	7 926	1 144 253	1 134 462	9 791
Social and Rental Intervention	43 952	43 952	-	72 035	72 035	-
Rural Intervention	42 497	42 497	-	52 146	52 146	-
Total	1 282 019	1 274 093	7 926	1 598 654	1 588 863	9 791
Economic Classification						
Compensation of Employees	46 531	46 531	-	47 695	47 695	-
Goods & Services	6 923	6 923	-	6 867	6 867	-
Transfers and Subsidies-Current	156	156	-	175	175	-
Transfers and Subsidies-Capital	1 228 409	1 220 483	7 926	1 543 917	1 534 126	9 791
Total	1 282 019	1 274 093	7 926	1 598 654	1 588 863	9 791

Strategy to overcome areas of under performance

Bulk Infrastructure and Servicing of Sites

- Municipalities to approve beneficiaries at an accelerated rate in order for projects to be enrolled since NHBRC approvals of Geo-tech reports have improved significantly.
- Some of the bulk projects will be achieved in the 1st Quarter of 2024/25. Rollover applications done awaiting provincial treasury for approval.

Construction of Low-cost houses

- To engage financial institutions to submit a list with all relevant information of beneficiaries under project linked subsidies
- The service providers were instructed to put more effort and increase teams in order to complete current allocation of military houses, CRUs and Social & Economic Facilities before end of Quarter 2 of 2024/25

- Warning letters were issued to slow and poor performing contractors to speed up construction works
- With regards to Sonheuwel CRU. Further engage with the municipality to resolve the matter of conditional approval letter to allow for enrolment of the remaining units
- Fostering close working relationship and collaboration with the NHBRC is very important which can improve the turnaround time of the home enrolment process. An arrangement was reached with the NHBRC on expediting home enrolment for emergency and disaster related projects. And in areas with no geotechnical information, in-situ geotechnical investigation per stand or worst-case scenario designs are being considered.
- A vast population of the people living in the province stay in rural areas. This poses a challenge to building construction as some of these areas are difficult to access and don't have the necessary resources to support housing development and as such, contractors working in these areas incur additional cost associated with building. There is a need for a review and adjustment of the housing subsidy quantum to compensate contractors working in rural areas. This will cater for extra cost incurred for improving access to site, water, and the vast dispersion of houses.
- The desperation for project opportunities by the community and business forums persist. Social engagement with the community through Project Steering Committees were enforced and where not amiable, political intervention was sought. Notwithstanding, sub-contracting opportunities were designed into the contracts to create business opportunities.
- With regards to slow-performing contractors, the conditions of the contract were applied and in extreme cases the scope of works reduced, or contract terminated.

Performance in relation to standardised outputs and Output indicators for sectors with concurrent functions

The Programme: Housing Development had the following sector indicators with Planned targets during the financial year 2023/24:

- **Number of households that received subsidies through FHF (First Home Finance)** of which 40 First Home Finance subsidies were planned for disbursement in the year under-review. To date, a total of 76 Subsidies were disbursed, seeing an over-achievement of 36 subsidies disbursed.
- **Number of serviced sites delivered. On this programme**, 4 399 sites were planned to be delivered in the 2023/24 financial year and as at end of March 2024, the programme surpassed the target with an achievement of 6 197 sites serviced.
- **Number of Community Residential Units (CRU) delivered** while the department planned for 112 units to be under construction during the year 2023/24. To date, 112 units are under construction. No units were completed.
- **Number of Breaking New Ground (BNG) houses delivered** and 2 516 BNG units were planned for construction in the 2023/24 financial year. As at 31 March 2024, a total of 1 522 BNG units were delivered. This resulted in an under-achievement of 994 units.

4.4. Programme 4: Housing Assets Management

4.4.1 Programme purpose: To facilitate rental programmes, security of tenure and land rights through the delivery of Title Deeds. The Programme assist the Department to achieve its targets especially on security of tenure and harmonious relations between landlords and tenants with regards to Rental Housing.

List of Programmes

- Title Deeds (Pre 1994, Post 1994, Post 2014 & Post 2019).
- Rental Tribunal.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

NB: The table below represent actual achievements up to the date of Re-tabling which is the 2nd quarter performance of 2023/24.

PROGRAMME: HOUSING ASSET MANAGEMENT									
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/24	REASONS FOR DEVIATION	REASONS FOR REVISION TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGETS
A3	Title deeds issued	Title deeds registered (Post 2014)	New Sector Standardized Indicator	1 354 title deeds	2 332 title deeds	786 Title Deeds registered	1 546 Title Deeds registered	Progress represent performance up to the end of second quarter ONLY	Annual Target was revised from 2 332 to 1 978 title deeds. The revisions were caused by budgets cuts and subsidy quantum adjustment

Outcomes, Outputs, Output Indicators and Targets

NO	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/22	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	DEVIATION FROM PLANNED TARGET	REASONS FOR DEVIATION
PROGRAMME 4: HOUSING ASSET MANAGEMENT									
A1	Tittle deeds issued	Title deeds registered (pre 1994)	Number of Pre-1994 title deeds registered	1 021 Title Deeds	921 Title Deeds	494 Title Deeds registered	105 Title Deeds registered	Under achieved by 389 tittle deeds	Delays in finalization of township establishment at Kaboweni, KaMhlushwa and KaNyamazane.
A2		Title deeds registered (post 1994)	Number of Post-1994 title deeds registered	New Sector Standardized Indicator	358 title deeds	1 028 Title Deeds registered	321 Title Deeds registered	Under achieved by 707 title deeds	Delays in the issuing of SPLUMA Certificates by eMalahleni, Mkhondo and Thembisile Hani Municipalities
A3		Title Deeds registered (post 2014)	Number of post- 2014 title deeds registered	New Sector Standardized Indicator	1 354 title deeds	1 978 Title Deeds registered	1 764 Title Deeds registered	Under achieved by 214 title deeds	Delays in the issuing of SPLUMA Certificates by eMalahleni, Mkhondo and Thembisile Hani Municipalities
A4		New Title Deeds registered	Number of new title deeds registered	None	112 title deeds	200 Title Deeds registered	203 Deeds registered	Over-achieved by 3 title deeds	
B	Harmonious relations between landlords and tenants	Rental Dispute Resolved	Number of rental disputes resolved	550 rental disputes resolved	715 rental disputes resolved	600 rental disputes resolved.	712 rental disputes resolved.	over achieved by 112 cases	More than anticipated cases were received.

Linking performance with budgets

Sub-programme expenditure

Housing Assets Management	2023/2024			2022/2023		
	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	19 374	19 374	-	14 100	14 400	-
Total	19 374	19 374	-	14 400	14 400	-
Economic Classification						
Compensation of Employees	17 142	17 142	-	12 483	12 483	-
Goods & Services	2 232	2 232	-	1 917	1 917	-
Total	19 374	19 374	-	14 400	14 400	-

Strategy to overcome areas of under performance

- Fast track the finalization of township establishment processes
- Liaise with the affected Municipalities to fast track the issuing of SPLUMA Certificates.

Performance in relation to standardised outputs and Output indicators for sectors with concurrent functions

The Programme: **Housing Asset Management** had the following sector indicators with planned targets during the financial year 2023/24:

- **Number of Pre-1994 title deeds registered** with a target of 494 title deeds to be registered in 2023/24. As at the end of the financial year, the sub-programme has not achieved its target, seeing 105 title registered.
- **Number of Post- 1994 title deeds registered** while a target of 1 028 title deeds has been set for 2023/24. To date, 321 title deeds were registered. This resulted in and under-achievement of 707 title deeds not registered.
- **Number of Post- 2014 title deeds registered** with 1 978 title deeds planned for the financial year. At the end of the financial year, 1 764 title deeds have been registered. This resulted in under-achievement of 214 title deeds not registered.
- **Number of New title deeds registered** with 200 title deeds planned for registration in the 2023/24 financial year. At the end of the financial year, 203 title deeds were registered.

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

There were no Transfer Payments to public entities during the 2023/2024 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 2023/2024 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 progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements
Expected outputs of the grant	• Financial Interventions • Incremental Housing Programmes • Social and Rental Housing • Rural Housing
Actual outputs achieved	See Report on Performance Information (Programme 3: Housing Development)
Amount per amended DORA	R 968 267 000
Amount received (R'000)	R 968 267 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 960 427 000
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 Informal Settlements Upgrading Partnership Grant

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements
Expected outputs of the grant	<p>The Human Settlements Development Grant (HSDG) includes a component for informal settlements upgrading that:</p> <ul style="list-style-type: none"> • Promotes integrated sustainable urban settlements and improved quality living environment as per the National Housing Code 2009, which includes tenure security, health and security, and empowerment • Serves as a planning and preparation platform towards the introduction of a new informal settlements upgrading grant
Actual outputs achieved	See Report on Performance Information (Programme 3: Housing Development)
Amount per amended DORA	R 260 142 000
Amount received (R'000)	R 260 142 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 260 056 000
Reasons for the funds unspent by the entity	See report on performance information, financial and non-financial.
Reasons for deviations on performance	See report on performance information, financial and non-financial.
Measures taken to improve performance	See report on performance information, financial and non-financial.
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 learner 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 (Programme 3: Housing Development)
Amount per amended DORA	R 1 943 000
Amount received (R'000)	R 1 943 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 1 943 000
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 taxpayer.

2. RISK MANAGEMENT

- 2.1. The Department had an approved 2023/24 Risk Management policy and the strategy approved separately.
- 2.2. The strategic risk assessment was conducted during the Departmental strategic review session and the operational risk assessment for the 2023/24 financial year of the Department's risks was conducted in November 2022 through contact sessions with all programs and during the Departmental strategic planning session, Litigations risks was identified as emerging risks for the risk 2023/24 risk register. The Department considered External Audit Report, Internal Audit Report and Reports of the Standing Committee on Public Accounts (SCOPA), risks related to the past failures to meet the Department's missions, goals and budget limitations during the Risk identification process.
- 2.3. The Department has a Risk and Ethics Management Committee in order to facilitate the implementation of the risk management strategy. An independent external chairperson chairs the Risk and Ethics Management Committee. The committee has conducted the four quarterly meetings and produced the quarterly reports to management and the Audit Committee as required.
- 2.4. The Audit Committee advises the Department based on the quarterly reports produced by the Risk and Ethics Management Committee and monitors the effectiveness of risk management system through the Internal Audit reports on Risk Management. The Department produced all the four quarterly reports REMC reports to the Audit Committee.
- 2.5. The Department has conducted a risk survey that indicated that the risk culture improved in the 2023/24 financial year compared to the previous years.

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 and legal appointments (SHE representatives, fire marshals and first aiders) as required by the Occupational Health and Safety Act and Regulations were done. The department has also appointed Occupational health and safety officials at district level who are monitoring occupational health and safety compliance on all projects that are implemented.

Quarterly Safety, Health, Environment, Risk and Quality (SHERQ) meetings and hazard identifications and risk assessments (HIRA) as well as Monthly SHE inspections were conducted and monthly environmental reports were compiled.

7. PORTFOLIO COMMITTEE

Portfolio Committee Meetings were held on the dates mentioned below:

- Presentation of 2022/23 4th Quarter performance report ---- 30 May 2023
- Tabling of 2023/24 Annual Performance Plan -----20 May 2023
- Presentation and Consideration of 2022/23 Annual Report-----03 November 2023
- Presentation of 1st Quarter 2023/24 performance Report-----24 August 2023
- Presentation of 2nd Quarter 2022/23 performance Report-----17 November 2023
- Presentation of 3rd Quarter 2022/23 performance Report-----3rd March 2023
- Presentation of Responses on 2022/23 SCOPA Questions ----- 29 February 2024

RESOLUTIONS FOR THE 4TH QUARTER OF 2022/23

NO	FINDING	PROGRESS REPORTED
(a)	The department for the 2022/23 financial incurred accruals amounting to R9,3 million relating to goods and services.	The recommendation is noted. However, the Department's budget for goods and services has not been adequate for the past three (3) financial years and the payment of accruals are as results of that budget pressure. The budget has been drastically reducing whereas the actual expenditure for each year has been increasing as result of inflation rates. Budgetary pressures were reported to Provincial Treasury and this Committee.
(b)	There was no awareness done to ensure that people with disabilities and youth bid for contracts in the department as majority indicated that they do not respond to tenders in numbers for the department to be able to allocate the work to those who meet the set target.	The Department has appointed 08 service providers, which are youth through the procurement processes for the 2023/24 financial year. However, no service providers which are people with disability were appointed. A detail report is hereto attached as 'Annexure A'
(c)	The Department has appointed a service provider to investigate all the institutions in the province and advise the Department whether it is possible for the Department to form its own institution and manage all the rental stock acquired for the Housing institutions.	The Service Provider has not yet concluded the report on the matter. However, The Department will submit the final report as soon as the service provider concludes the investigation and submits the report to the Department.
(d)	The Department has terminated the slow performing contractors and appointing contractors with capacity on the Military Housing units noting the slow progress that occurred in the 2nd and 3 rd quarter.	The military veteran programme has a planned target of 20 housing units for the 2023/24 financial year. The progress made is as follows: <ul style="list-style-type: none"> • Two (02) houses have been completed • Three (03) houses are at roof level • One (01) house is at wall plate level • and five are at foundation level
(e)	The department planned to complete 300 Community Residential units in various areas and managed to complete 52 units due to cash flow challenge from different service providers; strike actions by community, which leads to blockage of the project and delays on the registration with NHBRC on some projects.	<ul style="list-style-type: none"> • Contractors affected by Cash Flows has seek financial assistance in a form of sessions. This has unblocked the projects and progress is satisfactory. • The intervention of the MEC has also assisted in unblocking some of the areas mostly affected by Business Forums. Furthermore, the project steering Committee meetings resolved some of the challenges affecting the projects. • The matter relating to NHBRC affecting Reabota CRU in Steve Tshwete has been resolved. The contractor has since resumed site.

(f)	The Department and the City of Mbombela has formed a task team that will focus on matters related to Umjindi CRU as currently in the process of screening the 272 beneficiaries to determine their HSS status.	<p>The Task Team has made the following progress on the Umjindi CRU matter:</p> <ul style="list-style-type: none"> • The Municipality has identified a piece of land around Barberton Town. Furthermore, the municipality has made budget has available for the formalization of that land for 2023/24 financial year. • The Municipality and the Department have concluded the process of screening the 272 beneficiaries to determine their HSS status. • The business forum has since stopped the project demanding sub-contracting at their own rates. Discussions were held with the affected forum and the matter was resolved. The contractor will be resuming site on the 28 August 2023. Due to the delays caused by the business forum, the Department and City of Mbombela Task Team, is yet to meet with the Umjindi Task Team to present progress made.
(g)	There was over expenditure recorded on travelling, subsistence, and accommodation during this quarter.	The department has been implementing cost curtailment measures especially on subsistence, travelling, and catering in line with the National Treasury Cost Curtailment Circular of 2016/2017 financial year. It must however, be mentioned that the budget of the Department is not adequate to even perform its own mandate. The Department's budget has been reducing drastically whereas the actual expenditure for each year has been increasing due to inflation rates.
(h)	The Department has measures in place including the implementation of the Business Process Administration (BPA) system to trace invoices from the day the service provider submits until it is fully paid.	The system is implemented in phases to avoid disruptions. Currently, the Department is loading invoices internally when received. The Department has planned together with Provincial Treasury to conduct training of service providers during the second and third quarter.
(i)	There were delays in issuing of clearance certificates due to lack of rates and taxes by Emalahleni, Pixley Ka Seme, Nkomazi, Msukaligwa Local Municipality.	Meetings were held between all service providers appointed to provide professional conveyancing services to the Department and the Member of the Executive Council, In the meetings The MEC engaged the affected Municipal Managers in order to ascertain what was causing the delays in the Municipalities. A commitment was made by the Municipal managers to prioritize the issuing of clearance certificates. Through monthly meetings with conveyancers and the Municipalities, the Land Acquisition and Tenure Services sub-directorate were able to make follow ups and ensure that these clearance certificates are indeed provided timeously.

RESOLUTIONS OF THE 1st QUARTER OF 2023/24

NO	FINDING	PROGRESS REPORTED
(i)	The Department has overspent on its Economic classification for the quarter and reason was the budget cut experienced in the 2023/24 financial year	The Department continues to experience budget pressure on goods and services due to in adequate budget. The Department has registered a budget pressure to Provincial Treasury indicating clearly its predicament in paying for contractual obligations by the end of the financial year.
(ii)	Accruals incurred amounted to R8.4 million and the payables amounted to R3.9 million .	The Department will continue to implement internal controls to prevent re-occurrence of accruals where possible. It must however, be noted that under the current budget baseline the department is in a predicament because most of these accruals are contractual obligations and are inadequately funded in the current financial year.
(iii)	The Department ordered 14 GG vehicles but to date only seven (7) have been delivered and paid. The dealer has pledged to deliver the remaining batch by the end of September 2023.	<p>The Manufacturer (TOYOTA SA) discontinued the vehicle model ordered by the department and sent an email informing department that they will no longer be able to deliver the vehicles in the current financial year.</p> <p>The Department was therefore compelled to place a new order with a different manufacturer (General Motors SA) with an expected date of delivery of December 2023. It must be noted that the number of vehicles to be procured was reduced from 7 to 3 due to budget constrains as the department was compelled to prioritize other capital expenditure items.</p>

NO	FINDING	PROGRESS REPORTED
(iv)	<p>The Department was mandated to assist few Municipalities with sewer spillage and Provincial Treasury has funded the department to complete the projects back dating from three financial years however, the problem is not resolved.</p>	<p>The Allocations from Provincial Treasury covered 3 main interventions as summarized below:</p> <ol style="list-style-type: none"> 1. Embalenhle Sewer Spillages (Govan Mbeki) – The Department successfully executed the assigned scope and delivered the project to Govan Mbeki LM. 2. Leandra Sewer Spillages (Govan Mbeki) – The project has been successfully concluded and transferred to Govan Mbeki Local Municipality. 3. Ermelo Sewer Spillages (Msukaligwa)– The Department has successfully completed this project and officially transferred it to the Municipality. However, there have been some issues along the pumping main of one of the pump stations, which the department has instructed the Contractor to be rectified. <p>It's important to emphasize that the interventions mentioned above will not completely eliminate all sewer spillages because they specifically focus on certain areas within each municipality. To prevent the recurrence of sewer spills, the operation and maintenance of the infrastructure are crucial. Additionally, consumer education plays a critical role, as many residents deposit foreign objects into the sewer system.</p> <p>A detailed report on the 3 projects undertaken is hereto attached as 'Annexure A'</p>
(v)	<p>The failed to acquire 11,580.57 hectors of Land during the 2014-2019 within the PDA's rezoned. The Department reported that they are waiting for the Local Municipalities to process the submitted SPLUMA Township Establishment applications.</p>	<p>Municipalities often take time to respond or process SPLUMA Township Establishment Applications submitted by the Department on their behalf due to capacity constraints and high staff turn-over. Also, there is no proper alignment of institutions for the processing of township establishments applications. Some municipalities, their planning function is being done at the District, which is also under capacitated.</p>

NO	FINDING	PROGRESS REPORTED
(vi)	<p>Currently ,The department is busy with the registration of 442 title deeds at Thubelihle Ext 02 which will be finalized in 2023/24.The remaining backlog of 4 905 title deeds are facing serious challenges such as Township establishment and State Land Release processes.</p>	<p>Department is in the process of engaging the affected municipality in order to allow field workers to conduct verifications.</p> <p>Furthermore, the Department has resumed with the process of township establishment for the affected areas and engaging Departments that own land to release it to the respective municipalities.</p> <p>The Department has concluded the identification of areas with general plans and is in the process of appointing service providers (conveyancers) to complete the township processes.</p> <p>Illegal occupied houses also presented challenges however, the verifications to be conducted by the conveyancers will assist in establishing whether the occupants of the houses are the rightful owners of the properties.</p>

RESOLUTIONS FOR THE 2nd QUARTER OF 2023/24

NO	FINDING	PROGRESS REPORTED
(i)	The Executive has prolonged the appointment of the Head of Department for almost 12 months.	<p>The Department acknowledges the finding however, the powers to appoint the HOD in terms of the SMS Handbook and Executive Protocols have been given to the Premier. In the Mpumalanga Province, the powers to appoint the HODs have not been delegated to the Executive Authorities, therefore the whole recruitment process on the appointment of HODs lies with the Office of the Premier.</p> <p>Since the Department relies on information given by the Office of the Premier regarding the status of the appointment of the HOD, thus far, no formal communique was received from the office of the Premier.</p>
(ii)	The department had R32 million budget cuts during the budget adjustment due to number of challenges.	The Department has since revised it's plans to ensure that all targets are funded by the revised budget. This resulted in the reduction of the initially planned targets.
(iii)	A storm came in the province and Emalahleni was highly affected in particular at Siyanqoba area and at Gert - Sibande District Mkhondo Municipality.	<p>As of April 2023, all disaster interventions and responses were handled and managed by the National Department of Human Settlements as the funding (i.e., Provincial Emergency Housing Grant) was no longer available to provinces.</p> <p>The department is aware of the incidences that occurred in Emalahleni and Mkhondo municipalities on the 28th and 29th October 2023 and had notified the National Department 15th November 2023 who are currently busy with the assessment.</p>
(iv)	Noting that the summer has started as well as the raining season, the challenges are still coming around Nkomazi , in the past, areas that were highly affected; Thaba-Chweu as well as in Mbombela.	<p>The department is closely working with the National Department of Human Settlements who are now responsible for disaster responses.</p> <p>The National Department has further appointed the National Home Builder's Registration Council (NHBRC) to assist with the assessment of disaster damaged houses.</p>

(v)	<p>On the Parliamentary Village, it was noted a slow progress on the bulk infrastructure project of which is currently at 68% completion. The department committed to complete the project by end of December 2023 with the available budget of R44 632 552.36.</p>	<p>The Parliamentary Village progress currently stands at 85%. Extension of time was granted up until 31 March 2024. A report is attached as “Annexure A” detailing the progress to date. It is anticipated that there will be an extension of time request from the contractor at the end of March 2024 that the Department will have to evaluate due to the fact that the project has not been completed.</p> <p>Weekly meetings are being held to monitor the progress of the Contractor.</p>
(vi)	<p>On housing asset management, the department planned to register 200 title deeds with the Deed Office Pre-1994 and only issued 23 title deeds in Kamhlushwa, Kabokweni Ext 2 and five (5) townships that are not registered at the Deeds office.</p>	<p>The plan of the Department in addressing slow delivery of title deeds includes the following:</p> <ul style="list-style-type: none"> • The Department will attend to the finalization of township establishment processes. • Where feasible consumer education processes will be conducted to educate beneficiaries on resolving ownership disputes and the importance of Letters of Authority. • Conveyancers will be specifically appointed for registration of pre-1994 title deeds. • Municipality will be engaged to resolve ownership disputes and identify correct beneficiaries.

RESOLUTIONS FOR THE 3RD QUARTER OF 2023/24

NO	FINDING	PROGRESS REPORTED
(a)	The HOD of the DHS has not been appointed as the powers to appoint the HOD in terms of the SMS Handbook and Executive Protocols is given to the Office of the Premier.	The Office of the Executive Authority is still awaiting an update from the Office of the Premier on the appointment of the Head of Department (HOD) as the appointment of HODs is delegated to the Premier by the President.
(b)	The Department has since revised its plans to ensure that all targets are funded by the revised budget resulted in the reduction of the initially planned targets.	The Department ensured that the revised plans were also within the allocated budget as the plans were prepared in consideration off the budget.
(c)	The Parliamentary Village is anticipated that there will be an extension of time request from the contractor at the end of March 2024 that the Department will have to evaluate since the project will not be completed.	<p>The requested Extension of time shall be up to 24th July 2024 for the Parliamentary Village project being implemented by ProdiPix 212 Nkolele Projects JV</p> <p>The following items are still outstanding:</p> <ul style="list-style-type: none"> • delays in the delivery of special steel pipes and accessories – these pipes could only be sized and shaped once the pedestals are in place, in order to obtain correct sizes and shapes (of accessories) • Delivery of related electrical items to pumpstation – the installation follows the installation of electrical items to avoid theft and vandalism that we have experienced in the past • The replacement of a mini sub-station. It will enable the cable to be installed and powered to safeguard it from theft. • Installation of water pumps and motors expected by not earlier than 30 May 2024 - the system needs power to be tested. • Testing and disinfection of water pipeline • cleaning up, and filling up of the reservoir for testing and disinfection <p>These items are at the tail end of the project and in view of the time expected to deliver and install them, as well as testing. It is anticipated that the contractor will be able to finish at the end of July 2024, as estimated in the time requested.</p>

NO	FINDING	PROGRESS REPORTED
(d)	The department had overspent on all their Economic Classification items which raises a concern because of inadequate budget for contractual obligation and operational budget from the under-funded baselines.	The Department has postponed filling of vacant funded posts to 2024/25 financial year, this was done in order to utilise the accumulated savings to cover excess expenditure on operational budget and contractual obligation.
(e)	The department failed to pay all 874 invoices received in the quarter within the stipulated 30-day period.	The Department received 1076 invoices during the quarter, 874 invoices were paid within 30 days and 22 invoices were paid after 30 days. This was due to some contractors performing work that far exceeds the work they were allocated to perform in the current financial year. The Department will continue to monitor closely if contractors are claiming in line with work that they have been allocated to perform in a particular financial year.
(f)	In programme two (2) the department failed to upgrade the two (2) informal settlements to phase three (3) of the UISP as planned though reported that the informal settlements are still under planning stage.	The Department has achieved the upgrading of the two informal settlements during the fourth quarter.
(g)	The department had planned to produce a progress report on construction of the seven (7) Social Economic Facilities in the third quarter.	<ul style="list-style-type: none"> • Four (4) Social Amenities have been practically completed i.e. (Dipaleseng(1), Bushbuckridge (2) and Hlalamnandi (1) • The other three social amenities are at roof level. i.e. Lekwa social amenity and two (2) social amenities at Thembisile Hani Local municipalities
(h)	The department overspent by 119% for the quarter and by 53% for the year due to traveling and substance for the purpose of inspection, monitoring, and verification of projects relation to the conditional grant projects.	The Department postponed filling of vacant funded posts to 2024/25 financial year, this was done in order to utilise the accumulated savings to cover excess expenditure on travel and subsistence emanating from inspection, monitoring, and verification of projects.

8. SCOPA RESOLUTIONS

The department attended SCOPA hearing on the 29th of February 2024 discussing 2022/23 Annual Report. Below are the SCOPA resolution.

NO	SUBJECT	RECOMMENDATION	RESPONSE BY THE DEPARTMENT	RESOLVED
(a)	2022/23 ANNUAL REPORT AUDIT FINDINGG	The department must provide proof of termination of the service providers and the warning letters served to the officials who failed to ensure that there are adequate systems in the record sections as required.	It must be noted that the contract of the Service Provider that was appointed as Project Managers was not renewed. With regards to the internal officials the department considered that this project was a once off special project, in which the Department was requested to implement. The Department appointed a Project Manager at the time to assist in implementing the special project as it was run differently from the internal projects hence the challenges experienced in the implementation and record keeping. However, in addressing the inadequate record system, the department established a tasked team that performed a reconciliation on the records in order to resolve the finding, as a result the Department has addressed the finding and subsequently received an unqualified audit opinion in the 2023/24 financial year.	Yes
b)		The department must provide Assets register of the boreholes as proof that the matter on the finding is corrected.	The Department has addressed the finding; assets were transferred to various institutions in line with section 42 of the Public Finance Management Act. Attached as ' Annexure A ' are the transfer certificates and the inventory lists of all the assets that were transferred. In the case of the assets that are still in progress in terms of the transfer, copy of the asset register is hereto was attached as ' Annexure B	Yes
c)		The department must provide progress reports towards the recovery of the funds by the State Attorneys on the service providers were service was terminated, and retention fees were withheld.	The department did not follow a court procedure on this matter due to the fact that there was still retention money withheld by the Department. It must however, be noted that the matter has not been finalized as the department is still in discussion with the affected service provider. The Department will be able to provide further details once the matter has been resolved.	Ongoing
(a)	COMPLIANCE WITH LEGISLATION	The department must strengthen its monitoring system to ensure that the prescribed financial reporting framework as per section 40(1) (a) and (b) of the PFMA is adhered to.	The Department has strengthen controls when reviewing financial statements in order to ensure that they are prepared in line with the reporting framework and are without material misstatements.	Yes

NO	SUBJECT	RECOMMENDATION	RESPONSE BY THE DEPARTMENT	RESOLVED
(b)	COMPLIANCE WITH LEGISLATION	The department must strengthen disciplinary measures on officials who deliberately transgressed by not observing laws that are governing supply chain.	The Department implements consequence management in the event it has proven beyond reasonable doubt that an employee has deliberately not complied with the Supply Chain policies.	Yes
(c)		The department must strengthen its monitoring system to ensure that compliance with the Technical Indicator Descriptions (TID) as outlined in the national guide on standardized indicators is adhered to.	The recommendation is noted. However, The Department is complying with the Sector Standardized Indicators and performance is monitored using the prescribed Technical Indicator Descriptions as prescribed by the national guide on standardized indicators.	
(a)	CONDITIONAL GRANTS MANAGEMNET	The department must ensure that the key funded delayed projects namely; Emzinoni Housing project and Prince of Tides Housing project are completed by the end of this financial year- 31 March 2024 and provide progress.	<ul style="list-style-type: none"> On the project undertaken by the contractor, Prince of Tides, the project is complete with the construction of 1500 low-cost houses in Balfour, Dipaleseng. On the project undertaken by the contractor, XJR Construction in Emzinoni, due to poor performance, the contractor's scope had been reduced from 1 500 to 1 261 (i.e., reduced by 239) housing units. To date, the contractor has completed 1 111 out of the 1 261 housing units (i.e., 88%) and has been given to 30th September 2024 to complete all outstanding works. 	Yes
(b)	CONDITIONAL GRANTS MANAGEMNET	Provide progress on the recovered and the outstanding amount to be paid by the Mbombela Municipality;	The Department had meetings with the municipality to resolve the issue amicably. The Municipality made undertakings that they will pay or refund the Department, yet failed to honor the actual payment. The Department therefore referred the matter to state attorney for further handling.	Yes
(c)		Ensure compliance with DORA and strengthen its monitoring system to ensure that the grant funding is spent accordingly within the budgeted year.	The Department will continue to ensure that spending is in line with the DORA requirements. This will be done through complying with the rules of engagements in cases of projects that are co-funded with municipalities as was in the case of the City of Mbombela.	Yes
(a)	ASSETS MANAGEMENT	The department must provide proof that this matter was resolved, noting the finding as detected by the AGSA as required by Treasury Regulation 10.1.1 (a).	The findings were resolved through LOGIK center. The response from the LOGIK center and updated Asset Register as proof that the matter was resolved are hereto attached as ' Annexure C '	Yes

NO	SUBJECT	RECOMMENDATION	RESPONSE BY THE DEPARTMENT	RESOLVED
(a)	PROGRESS TOWARDS ACHIEVING A CLEAN AUDIT	Ensure that all findings raised by Auditor General in the previous financial year are addressed and that such matters are not repeated.	The Department has and monitors an audit action plan in order to ensure that findings raised by the Auditor General are not repeated. During the 2022/23 financial year, the Department was able to resolve a number of findings and those that could not be resolved because of their dependency on other factors, these findings were properly documented e.g. the finding on the performance indicator.	Ongoing
(b)		Strengthen the process of reviewing financial statements to ensure that the information submitted is correct, complete, and accurate.	The Department has strengthened the process of reviewing financial statements by establishing a committee to review the financial statements before submission. This committee has reviewed the 2023/24 financial year Annual Financial Statements, and this process has proven to be effective in minimizing misstatements.	Ongoing
b)		Closely work with Provincial Treasury to try and resolve the matter of performance indicator on title deeds that Auditor General has reported in the previous year that it is not measurable and provide progress.	The Department is working with the Sector (National Department and other Provincial Departments) in an endeavor to continuously improve the current Technical Indicator Descriptions (TIDs) on Title Deeds. To this date a series of sector meetings have been convened by the National Department to address the identified sector challenges regarding the various categories of Title Deeds.	Ongoing

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

In the prior year, the department received a qualified audit opinion due to misstatement on the following audits

Nature of qualification	Financial year in which it first arose	Progress made in clearing / resolving the matter
Misstatement identified on testing prior period error corrections on immovable tangible capital assets.	2022/2023	The Department has concluded the process of correcting the prior period error. Currently the Department is busy with the transfer of the immovable assets: 78/82 Community boreholes has been fully transferred, 230 school boreholes has been transferred to Department of Public Works only 185 was accepted in April 2024 and 45 were not accepted.
Reported performance indicators not measurable and resulting to inability to test reliability.	2022/2023	Three Consultation meetings between the Provincial Department and National Department were held. Another meeting was held with AGSA and provincial Treasury whereby Provincial Treasury agreed to assist by engaging the National Department of Human Settlements since this is a sector problem.

10. INTERNAL CONTROL UNIT

The Department has established an Internal Control and Compliance Unit with its head at a Deputy Director level. 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 legislations 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, communication was escalated to Management, who committed themselves and developed action plans to remedy the situation and in strengthening the internal control environment. This commitment resulted in significant number of management action plans being implemented successfully.

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 clustered shared Audit Committee.

In accordance with the Treasury Regulation 3.2.6, which requires that internal audit must conducted be in accordance with the International Standards for the Professional Practice of Internal Auditing (“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, it’s 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 March 2023.

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 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 internal audit operational plans:

Assurance services

- Monitoring and tracking of audit findings as previously reported by both AGSA and the Internal Audit function to evaluate progress made by Management in implementing agreed audit action plans;
- Review of the mid-term Departmental Performance Information;
- Review of Interim Financial Statements for the period ended 30 September 2023;
- Review of Draft Annual Report and Annual Financial Statements for 2022/2023;
- Housing Programmes;
- Supply Chain Management (Bids and Quotation);
- Supply Chain Management (Assets Management);
- DORA and Transfer Payments;
- Adhoc Audit on Verification of Boreholes;
- Risk Management;
- ICT General and Application Controls Audit; and
- Follow-up Performance Audit on Management of Assets.

Consulting services

- Participation in informal consulting engagements including routine activities such as participating on standing Management Committee meetings, Risk 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 Head of the Department, in the effective execution of his/her responsibilities.

The shared Audit Committee was constituted to ensure its independence and comprises of external non-official members (appointed from outside public service). It operated 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 Head of the Department, Senior Management, the Provincial Treasury, shared Internal Audit function and AGSA.

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 Head of the Department 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 Audit Committee meetings held were attended as follows:

Name	Qualifications	Internal or External	Date appointed	End of term	No of meetings attended
Mr. A Mashifane Chairperson	BComm in Accounting (WITS) BComm Honours (UNISA) LLB (UNISA) CA(SA)	External	01 Nov 2021 Re- appointed 01 Nov 2023	31 Oct 2023 31 Oct 2025	11
Ms. P Ntuli	BCom Accounting (RAU) BCompt Honours (UNISA) Post graduate Diploma in Forensic Auditing (UNISA) CA(SA)	External	01 Nov 2021 Re- appointed 01 Nov 2023	31 Oct 2023 31 Oct 2025	11
Mr. A Oosthuizen	BCom Accounting (RAU) BCompt Honours (UNISA)	External	01 Nov 2021 Re- appointed 01 Nov 2023	31 Oct 2023 31 Oct 2025	11
Mr. LC Mohalaba	LLB Degree (University of Zululand) Executive Development Programme (UNISA) Post graduate Diploma Corporate Law (UJ) Post graduate Diploma Public Management (Regenesys) Certificate in Legislative Drafting (UJ)	External	01 Nov 2021 Re- appointed 01 Nov 2023	31 Oct 2023 31 Oct 2025	10
Dr. MS Sathekge (Nee' Bopape)	Doctorate of Business Administration (Business School Netherlands) Master's of Business Leadership (UNISA) Master's of Science in Technology Management (University of Pretoria) BTech degree Information Technology (TUT) Nat. Diploma Information Technology (Technikon Northern Gauteng)	External	01 Nov 2021 Re- appointed 01 Nov 2023	31 Oct 2023 31 Oct 2025	10

12. Report of the Audit Committee

We are pleased to present our annual report for the financial year ended 31 March 2024.

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.

The work performed by Internal Audit throughout the year was monitored and reviewed by the Audit Committee.

Through our analysis of audit reports from Internal Audit, Auditor-General South Africa and engagements with the Departments, it can be reported that there are significant internal control deficiencies identified system for the period under review.

Based on our interaction with the Department we conclude that the department does have an adequate and effective action plan and 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 are adequate and effective.

In-Year Management and Quarterly Reporting

The Department has confirmed that they have reported to the Provincial Treasury as 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 Internal Audit and Audit Committee are fully addressed prior to submission of the annual financial statements to the Auditor-General South Africa.

Subsequently 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 Internal Audit and Audit Committee are fully addressed prior to submission of the annual report to the Auditor-General South Africa.

Subsequently, the Audit Committee has discussed the external audit outcome 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 was satisfied with the status of compliance with all applicable legislation which is a confirmation that the department does have an adequate and effective compliance framework and system.

Internal Audit

The Audit Committee is satisfied that the Internal Audit function operated effectively and that it has addressed the risks pertinent to the department in its audits during the year under review.

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 further appreciates the support provided by the Senior Manager: Assurance Audit, who assisted in the position of the Chief Audit Executive and all the other Internal Audit Officials, by assisting the 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 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, 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 recommends that the Department must ensure adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audits to sustain clean administration.

The Audit Committee wishes to extend its appreciation to the Executive Authority, Accounting Officer and Management, Internal Auditors and Auditor-General South Africa for their tireless efforts, commitment and support throughout the year.

Signed on behalf of the Audit Committee by:



Chairperson of the Audit Committee

Mr. A Mashifane

Date: 26/07/2024

13 B-BBEE Compliance Performance Information

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
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 is currently working with the Office of the Premier to amend the Organizational Structure in order to reduce the number of Professional posts within the Build Environment that remain a scarce skill to replace some with Inspectors (Coordinators). The exercise will reduce the number of experienced officials who are currently placed out of adjustment in the post establishment. The exercise was concluded in the fourth quarter and the department was advised to restructure its Organizational Structure. Insufficient allocation of Compensation of Employees (COE), Goods and Services resulted in non-filling of vacant posts.

The department advertised sixty-three (63) positions including two (2) SMS positions within the 2023/24 financial year, but could not fill them due to delays caused by the new DPSA directive on the implementation of control measures aimed at assisting Executive Authority in managing fiscal sustainability during the process of creating and filling of vacant posts in the department. The department has currently obtained the approval to appoint 23 positions within the first quarter of the current financial year 2024/25.

The Department is currently sitting at 40% appointment of women at the SMS level, only a shortfall of 10% appointment of women 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 annual turnover rate is at 3.6% for the 2023/2024 financial year. The 0.9% was due to death. The real turnover rate for the period under review is 3.8%. At least the Department has encountered a lower turnover rate this financial year as compared to previous years.

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

- Filling of thirty (30) positions as approved by the Mpumalanga Provincial Treasury will be in line with the Directive issued by the Minister of Public Service Administration and such will be concluded in the first quarter of the current financial year 2024/25.
- Filling of the two (02) critical SMS positions of the 30 approved within the financial year will target qualifying women applicants. (Implementation of Employment Equity Act).
- Increasing the number of qualifying officials who are willing to register as professionals with relevant registration council.
- Promote long-term career path through bursary with employees who do not have formal qualifications, and those who want to upgrade their level of education.
- The department has developed and implemented the Workplace Skills Plan for 2023/24 financial year in terms of the Skills Development Act No 97 of 1998.
- The Department continually conducts 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, 131 officials were successfully trained by the Department based on the plan and moreover no bursaries were issued due to lack of by the Department of Education in the previous years.
- The Head of Department has approved an HIV/AIDS and TB Management Policy that addresses protection of HIV-Positive employees. The key elements 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.

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

- The Department will continue to implement the Occupational Specific Dispensation to retain scarce skills.
- The Department will utilise its Retention Strategy to retain its Built Environment professionals so that service delivery might not be adversely affected.
- There is an established Committee to develop the Construction and Built Environment Training and Development Framework to attract scarce skills and to train the serving officials already in possession of Built qualifications

2.4 Employee Performance Management

- The Department is implementing the Provincial Performance Management System for level 02-12 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 a 98% compliance of the receipt Performance Agreement, Mid- term Reviews and Annual Assessment reviews for (Salary level 2-12) including OSD and SMS Members.
- All signed Assessment Reviews are captured on the Persal System and concluded for 2022/2023.
- Pay progression was implemented for SMS and level 3-12.
- Only 1% of training budget have been aligned with the Workplace Skills Plan (WSP) and approved training plan.

2.5 Employee Health and 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.
- The Department coordinated an onsite HIV counselling and testing sessions during the first three quarters. The statistical data/ HIV Counselling and testing report for the 1st Quarter is still pending. The reports for the 2nd and 3rd quarters indicated that 41 or 13, 31% of 308 target employees were tested and know their status. More females (28) compared to males (13) participated in the program. Ninety-six (96) of 308 were screened for TB.
- On-site comprehensive health screening for non-communicable diseases (high blood pressure; diabetes; obesity and cholesterol) was coordinated. The level of participation was at 36,04% (111 out of 308) planned target. One employee was during the 2nd Quarter referred for further management of high blood pressure.
- Nine (09) SHERQ Committee meetings were coordinated during the financial year 2023-24. A departmental HIRA report was compiled and monthly SHE and environmental inspections were conducted in six (07) office buildings of the department and one (01), which is Elukwatini office was found non-compliant. Five (05) OHS awareness educational programmes were conducted.
- Six-hundred and Sixty-Six (666) employees were reached through health promotion messages on various health issues. Hundred and Fifteen (115) employees and their family members received psychotherapy and support on work and personal related challenges. Eight (08) sessions on mental health (stress management) were facilitated.

2.6 Employee Relations and People Management Unit

- There is a decrease in misconduct cases, this therefore implies that the workshops on Disciplinary Code and Procedure, Code of Conduct and other relevant prescripts does have positive impact. Majority of the officials who commit misconduct are African males. 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. There is also a decrease in number of grievances received within the financial year. The unit conducted six Awareness workshops on Code of Conduct, Disciplinary Code and Procedure, Grievance Procedure and other related prescripts.

2.7 Achievements and Challenges faced by the Department

- The Department advertised the two (2) critical SMS positions.
- The Training and Development task team was appointed by the Department to assist the officials within the built environment programmes to register with the relevant professional bodies.
- 98% of the Performance Agreements received and captured on Persal system.
- Performance rewards has been implemented on the Persal system.
- Only 25% of the planned training budget was utilised for the training purposed due to delay caused by Supply Chain Management.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 01 April 2023 to 31 March 2024

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	202 345	108 376	1 072	0	54%	682
Housing Asset Management	19 374	17 142	0	0	88,50%	779
Housing Development	1 274 093	46 531	0	0	3,70%	637
Housing Needs, Research & Planning	130 935	67 701	0	0	51,80%	752
Total as on Financial Systems (BAS)	1 626 747	239 750	1072	0	14,70%	697

Table 3.1.2 Personnel costs by salary band for the period 01 April 2023 to 31 March 2024

Salary Band	Personnel Expenditure (R'000)	% of Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R)
Lower Skilled (Level 1-2)	1 091	0,40%	6	181 833
Skilled (Levels 3-5)	15 462	5,90%	49	315 551
Highly Skilled Production (Levels 6-8)	53 039	20,20%	100	530 390
Highly Skilled Supervision (Levels 9-12)	127 880	48,70%	141	906 950
Senior Management (Levels >= 13)	33 735	12,90%	24	1 405 625
Contract (Levels 3-5)	1 248	0,50%	5	249 600
Contract (Levels 6-8)	4 176	1,60%	12	348 000
Contract (Levels 9-12)	5 208	2,00%	6	868 000
Contract (Levels >= 13)	1 353	0,50%	1	1 353 000
TOTAL	243 192	92,70%	344	684 328

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 01 April 2023 to 31 March 2024

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	88 776	75,20%	2 227	0,90%	2 654	2,20%	5 585	4,70%
Housing Asset Management	14 227	75,70%	115	0,60%	474	2,50%	665	3,50%
Housing Development	38 814	75,30%	105	0,20%	1 315	2,60%	1 794	3,50%
Housing Needs. Research & Planning	57 032	76,90%	72	0,10%	1 503	2,00%	2 763	3,70%
Total	198 849	75,80%	2 519	1,00%	5 947	2,30%	10 807	4,10%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 01 April 2023 to 31 March 2024

Salary Band	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
Lower Skilled (Levels 1-2)	811	74,30%	2	0,20%	60	5,50%	120	11,00%
Skilled (Levels 3-5)	10 827	69,20%	284	1,80%	984	6,30%	1 975	12,60%
Highly Skilled Production (Levels 6-8)	40 376	74,00%	1 153	2,10%	1 953	3,60%	4 056	7,40%
Highly Skilled Supervision (Levels 9-12)	106 275	75,40%	1 027	0,70%	2 159	1,50%	4 361	3,10%
Senior Management (Levels >= 16)	29 845	79,80%	0	0%	631	1,70%	171	0,50%
Contract (Levels 3-5)	1 066	85,10%	41	3,30%	0	0%	16	1,30%
Contract (Levels 6-8)	3 620	85,90%	13	0,30%	124	2,90%	108	2,60%
Contract (Levels 9-12)	4 790	81,30%	0	0%	36	0,60%	0	0%
Contract (Levels >= 16)	1 238	79,70%	0	0%	0	0%	0	0%
TOTAL	198 849	75,80%	2 519	1%	5 947	2,30%	10 807	4,10%

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 01 April 2023 to 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	222	159	28.37%	9
Housing Needs, Research & Planning Management,	99	60	39.39%	0
Housing Development,	144	103	28.47%	0
Housing Assets Management	29	22	24.13%	2
TOTAL	494	344	30.36%	11

Table 3.2.2 Employment and vacancies by salary band as on 01 April 2023 to 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower Skilled (Levels 1-2)	6	6	0%	0
Skilled (Levels 3-5)	68	53	22.05%	0
Highly Skilled Production (Levels 6-8)	156	113	27.56%	0
Highly Skilled Supervision (Levels 9-12)	235	147	37.44%	0
Senior Management (Levels >= 13)	29	25	13.79%	0
Contract (Levels 3-5)	0	0	0%	0
Contract (Levels 6-8)	0	0	0%	9
Contract (Levels 9-12)	0	0	0%	2
Contract (Levels >= 13)	0	0	0%	0
TOTAL	494	344	30.36%	11

Table 3.2.3 Employment and vacancies by critical occupations as on 01 April 2023 to 31 March 2024

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related,	232	158	31.89%	9
Architects Town and Traffic Planners,	07	4	42.85%	2
Bus and Heavy Vehicle Drivers,	01	1	0%	0
Cleaners in Offices Workshops Hospitals Etc.,	21	21	0%	0
Communication and Information Related,	10	7	30%	0
Engineering Sciences Related,	02	2	0%	0
Engineers and Related Professionals,	38	24	36.84%	0
Financial and Related Professionals,	12	8	33.33%	0
Financial Clerks and Credit Controllers,	19	16	15.78%	0
Food Services Aids and Waiters,	01	1	0%	0
General Legal Administration & Rel. Professionals,	03	3	0%	0
Human Resources Clerks,	02	2	0%	0
Human Resources Related,	31	21	32.25%	0
Information Technology Related,	04	4	0%	0
Logistical Support Personnel,	21	20	4.76%	0
Messengers Porters and Deliverers,	05	3	40%	0
Motor Vehicle Drivers,	01	1	0%	0
Other Administrat & Related Clerks and Organisers,	07	2	71.42%	0
Other Occupations,	20	3	85%	0
Risk Management and Security Services,	06	2	66.66%	0
Secretaries & Other Keyboard Operating Clerks,	26	19	26.98%	0
Senior Managers,	25	24	4%	0
TOTAL	494	344	30.36%	11

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 01 April 2023

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	0	0%	1	100%
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	20	19	95%	1	5%
Total	28	26	92.85%	2	7.14%

Table 3.3.2 SMS post information as on 30 September 2023

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	0	0%	1	100%
Salary Level 16	1	1	100%	0	0
Salary Level 15	0	0	0%	0	0
Salary Level 14	6	5	83.33%	1	16.66%
Salary Level 13	20	19	95%	1	5%
Total	28	25	89.28%	3	10.71%

Table 3.3.3 Advertising and filling of SMS posts for the period 01 April 2023 and 31 March 2024

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level not filled six months but filled in twelve months
Head of Department	1	0	1
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	1	0	1
Salary Level 13	0	0	0
Total	2	0	2

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS- Advertised within six and filled within twelve months after becoming vacant for the period 01 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
DPSA Directive on filling of vacant funded positions and related financial constraints
Reasons for vacancies not filled within twelve months
None

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within twelve months for the period 01 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
None
Reasons for vacancies not filled within twelve months
None

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 01 April 2023 to 31 March 2024

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
Lower Skilled (Levels 1-2)	6	0	0	0	0	0	0
Skilled (Levels 3-5)	68	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8)	156	3	2.20%	2	1.47%	0	0
Highly Skilled Supervision (Levels 9-12)	235	3	1.36%	0	0%	0	0
Senior Management Service Band A	21	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0	0
Contract Band A	0	0	0	0	0	0	0
TOTAL	494	06	1.21%	02	1.47%	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 01 April 2023 – 31 March 2024

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	2	0	0	0	2
Total	2	0	0	0	2
Employees with a disability					0

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 01 April 2023 – 31 March 2024

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 2023 – 31 March 2024

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 2023 to 31 March 2024

Salary Band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Lower Skilled (Levels 1-2)	6	0	0	0%
Skilled (Levels 3-5)	50	0	1	2%
Highly Skilled Production (Levels 6-8)	104	1	3	2,90%
Highly Skilled Supervision (Levels 9-12)	150	0	8	5,30%
Senior Management Service Band A	18	0	0	0%
Senior Management Service Band B	6	0	1	16,70%
Senior Management Service Band D	1	0	0	0%
Contract (Levels 3-5)	6	0	0	0%
Contract (Levels 6-8)	11	0	0	0%
Contract (Levels 9-12)	5	0	0	0%
Contract Band A	1	0	0	0%
TOTAL	358	1	13	3,63%

Table 3.5.2 Annual turnover rates by critical occupation for the period 01 April 2023 to 31 March 2024

Critical Occupation	Number of employees at beginning of period- April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover Rate
Administrative Related	161	1	8	5%
Architects Town and Traffic Planners	5	0	0	0%
Bus and Heavy Vehicle Drivers	1	0	0	0%
Cleaners In Offices Workshops Hospitals Etc.	25	0	0	0%
Communication and Information Related	7	0	0	0%
Engineering Sciences Related	2	0	0	0%
Engineers and Related Professionals	26	0	1	3,80%
Finance and Economics Related	1	0	0	0%
Financial And Related Professionals Permanent	5	0	1	20%
Financial Clerks and Credit Controllers	17	0	0	0%
Food Services Aids and Waiters	2	0	0	0%
General Legal Administration & Rel. Professionals	4	0	0	0%
Geologists Geophysicists Hydrologists & Relat Prof	1	0	0	0%
Human Resources Clerks	2	0	0	0%
Human Resources Related	21	0	1	4,80%
Information Technology Related	4	0	0	0%
Logistical Support Personnel	22	0	0	0%
Messengers Porters and Deliverers	3	0	0	0%
Motor Vehicle Drivers	1	0	0	0%
Other Administrat & Related Clerks and Organisers	2	0	0	0%
Other Occupations Permanent	2	0	1	50%
Risk Management and Security Services	2	0	0	0%
Secretaries & Other Keyboard Operating Clerks	19	0	0	0%
Senior Managers	23	0	1	4,30%
TOTAL	358	1	13	3,63%

Table 3.5.3 Reasons why staff left the department for the period 01 April 2023 to 31 March 2024

Termination Type	Number	% of Total Resignations	% Total Employment	Total Employment
Death, Permanent	3,00	23,10	0,90%	344
Resignation, Permanent	4,00	30,80	1,20%	344
Discharged due to ill health, Permanent	1,00	7,70	0,30%	344
Retirement, Permanent	5,00	38,50	1,50%	344
TOTAL	13,00	100,00	3,9%	344

Table 3.5.4 Promotions by critical occupation for the period 01 April 2023 to 31 March 2024

Occupation	Number of Employees at Beginning of Period	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	161	0	0%	90	55,90%
Architects Town and Traffic Planners	5	0	0%	3	60%
Bus and Heavy Vehicle Drivers	1	0	0%	1	100%
Cleaners In Offices Workshops Hospitals Etc.	25	0	0%	5	20%
Communication and Information Related	7	0	0%	4	57,10%
Engineering Sciences Related	2	0	0%	0	0%
Engineers and Related Professionals	26	0	0%	6	23,10%
Finance and Economics Related	1	0	0%	0	0%
Financial and Related Professionals	5	0	0%	5	100%
Financial Clerks and Credit Controllers	17	0	0%	16	94.11%
Food Services Aids and Waiters	2	0	0%	0	0%
General Legal Administration & Rel. Professionals	4	0	0%	1	25%
Geologists Geophysicists Hydrologists & Relat Prof	1	0	0%	0	0%
Human Resources Clerks	2,00	0	0%	0	0%
Human Resources Related	21	0	0%	15	71,40%
Information Technology Related	4	0	0%	3	75%
Legal Related	0	0	0%	1	0%
Logistical Support Personnel	22	0	0%	11	50%
Messengers Porters and Deliverers	3	0	0%	3	100%
Motor Vehicle Drivers	1	0	0%	0	0%
Other Administrat & Related Clerks and Organisers	2	0	0%	7	350%
Other Administrative Policy and Related Officers	0	0	0%	1	0%
Other Occupations	2	0	0%	14	700%
Risk Management and Security Services	2	0	0%	1	50%
Secretaries & Other Keyboard Operating Clerks	19	0	0%	18	94,70%
Senior Managers	23	0	0%	11	47,80%
Total	358	0	0%	216	60,33%

Table 3.5.5 Promotions by salary band for the period 01 April 2023 to 31 March 2024

Salary Band	Number of Employees at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by Salary Band	Progressions to another Notch within a Salary Level	Notch Progression as a % of Employees by Salary Band
Lower Skilled (Levels 1-2),	6	0	0%	0	0%
Skilled (Levels 3-5),	50	0	0%	36	72%
Highly Skilled Production (Levels 6-8),	104	0	0%	59	56,70%
Highly Skilled Supervision (Levels 9-12),	150	0	0%	100	66,70%
Senior Management (Levels >= 13),	25	0	0%	18	72%
Contract (Levels 3-5),	6	0	0%	0	0%
Contract (Levels 6-8),	11	0	0%	0	0%
Contract (Levels 9-12),	5	0	0%	2	40%
Contract (Levels >= 13),	1	0	0%	1	100%
TOTAL	358	0	0%	216	60,33%

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 2023 to 31 March 2024

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Officials and Managers	8	0	1	0	6	0	0	0	15
Professionals	39	0	0	0	28	0	0	0	67
Technicians and Associate Professionals	79	0	1	0	82	1	0	2	165
Clerks	15	0	0	0	30	0	0	0	45
Service Shop and Market Sales Workers	1	0	0	0	1	0	0	0	2
Plant and Machine Operators and Assemblers	2	0	0	0	0	0	0	0	2
Labourers and Related Workers	15	1	0	0	32	0	0	0	48
Total	159	1	2	0	179	1	0	2	344
Employees with Disabilities	0	0	0	0	5	0	0	0	5

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 01 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Contract)	1	0	0	0	0	0	0	0	1
Senior Management,	13	0	1	0	9	0	0	0	23
Professionally qualified and experienced specialists and mid-management,	82	0	1	1	55	0	0	2	141
Skilled technical and academically qualified workers, junior management, supervisors, foremen,	40	0	0	0	60	0	0	0	100
Semi-skilled and discretionary decision making,	13	1	0	0	35	0	0	0	49
Unskilled and defined decision making,	0	0	0	0	6	0	0	0	6
Contract (Senior Management),	0	0	0	0	1	0	0	0	1
Contract (Professionally Qualified),	4	0	0	0	2	0	0	0	6
Contract (Skilled Technical),	3	0	0	0	9	0	0	0	12
Contract (Semi-Skilled),	3	0	0	0	2	0	0	0	5
TOTAL	159	1	2	0	179	1	0	2	344

Table 3.6.3 Recruitment for the period 01 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management,	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified work,	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making,	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making,	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified),	0	0	0	0	0	0	0	0	0
Contract (Skilled technical),	1	0	0	0	0	0	0	0	1
TOTAL	1	0	0	0	0	0	0	0	1
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 01 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management,	11	0	0	0	7	0	0	0	18
Professionally qualified and experienced specialists and mid-management,	53	0	1	0	44	0	0,00	2	100
Skilled technical and academically qualified workers, junior management, supervisors, foremen,	24	0	0	0	35	0	0	0	59
Semi-skilled and discretionary decision making,	10	0	0	0	26	0	0	0	36
Contract (Senior Management),	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified),	1	0	0	0	1	0	0	0	2
TOTAL	99	0	1	0	114	0	0	2	216

Table 3.6.5 Terminations for the period 01 April 2023 to 31 March 2024

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management,	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management,	2	0	0	1	5	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen,	1	0	0	0	2	0	0	0	3
Semi-skilled and discretionary decision making,	0	0	0	0	1	0	0	0	1
TOTAL	4	0	0	1	8	0	0	0	13
Employees with disabilities	1	0	0	0	1	0	0	0	2

Table 3.6.6 Disciplinary action for the period 01 April 2023 to 31 March 2024

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final Written Warning	0	0	0	0	0	0	0	0	0
Corrective Counselling	1	0	0	0	0	0	0	0	1
Acquitted	0	0	0	0	1	0	0	0	1
Pending	0	0	0	0	1	0	0	0	1
Withdrawn	0	0	0	0	1	0	0	0	1
TOTAL	1	0	0	0	3	0	0	0	4

Table 3.6.7 Skills development for the period 01 April 2023 to 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	5	0	0	0	8	0	0	0	13
Professionals	3	0	0	0	1	0	0	0	4
Technicians and Associate Professionals	12	0	0	0	13	0	0	0	25
Clerks	4	0	0	0	1	0	0	0	5
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	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	1	0	0	0	1
TOTAL	24	0	0	0	24	0	0	0	48

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 March 2024

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	0	0	0	0%
Salary Level 15	1	1	1	100%
Salary Level 14	5	5	5	100%
Salary Level 13	20	19	19	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons:
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons
None

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 01 April 2023 to 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	10	174	5.7%	40.59	4 059
African, Male	4	159	2.5%	16.19	4 048
Asian, Female	0	0	0%	0	0
Asian, Male	0	2	0%	0	0
Coloured, Female	0	1	0%	0	0
Coloured, Male	0	1	0%	0	0
Total Blacks, Female	10	175	5.7%	40.59	4 059
Total Blacks, Male	4	162	2.5%	16.19	4 048
White, Female	0	2	0%	0	0
White, Male	0	0	0%	0	0
Employees with a disability	0	5	0%	0	0
TOTAL	14	344	4.10	56.78	4 056

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 01 April 2023 to 31 March 2024

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower Skilled Levels 1-2)	0	6	0	0	0
Skilled (Levels 3-5)	6	49	12.20	10.69	1 782
Highly Skilled Production (Levels 6-8)	3	100	3	10.98	3 660
Highly Skilled Supervision (Levels 9-12)	5	141	3.5	35.12	7 023
Contract (Levels 3-5)	0	5	0	0	0
Contract (Levels 6-8)	0	12	0	0	0
Contract (Levels 9-12)	0	6	0	0	0
TOTAL	14	319	4.4	56.79	4 056

Table 3.8.3 Performance Rewards by Critical Occupation period 01 April 2023 to 31 March 2024

Critical Occupation	Beneficiary Profile		Cost		
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks and Credit Controllers	0	16	0	0	0
Human Resources Clerks	0	2	0	0	0
Geologist Geophysicst	0	1	0	0	0
Messengers Porters and Deliverers	0	3	0	0	0
Risk Management and Security Services	0	2	0	0	0
Logistical Support Personnel	0	20	0	0	0
Other Administrat & Related Clerks and Organisers	0	2	0	0	0
Other Occupations	0	3	0	0	0
Financial and Related Professionals	1	3	33.30	3.54	3 537.00
Architects Town and Traffic Planners	0	4	0	0	0
Administrative Related	5	158	3.20	17.37	3 475
Communication And Information Related	0	7	0	0	0
Secretaries & Other Keyboard Operating Clerks	0	18	0	0	0
Cleaners In Offices Workshops Hospitals Etc.	4	25	16	6.35	1 589.00
Human Resources Related	2	20	10	13.59	6797.00
General Legal Administration & Rel. Professionals	1	4	25	11.82	11 824.00
Other Administrative Policy And Related Officers	0	2	0	0	0
Bus And Heavy Vehicle Drivers	0	1	0	0	0
Senior Managers	0	22	0	0	0
Engineers And Related Professionals	0	24	0	0	0
Engineering Sciences Related	0	2	0	0	0
Motor Vehicle Drivers	0	1	0	0	0
Food Services Aids and Waiters	0	2	0	0	0
Information Technology Related	0	4	0	0	0
Total	14	344	4.10	56.79	4056

Table 3.8.4 Performance related rewards (cash bonus) by salary band for Senior Management Service for the period 01 April 2023 to 31 March 2024

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	19	0	0	0	0
Band B	0	5	0	0	0	0
Band C	0	0	0	0	0	0
Band D	0	1	0	0	0	0
TOTAL	0	25	0	0	0	0

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 2023 to 31 March 2024

Salary band	01 April 2023		31 June 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Table 3.9.2 foreign workers by major occupation for the period 01 April 2023 to 31 March 2024

Major occupation	01 April 2023		31 December 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and Managers	0	0	0	0	0	0
Total	0	0	0	0	0	0

3.10 Leave Utilisation

Table 3.10.1 Sick leave for the period 01 January 2023 to 31 December 2023

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)
Contract (Levels 6-8)	30	100%	2	1.5%	15	38
Contract (Levels 9-12)	3	100%	1	0.7%	3	10
Highly Skilled production (Levels 6-8)	425	83.8%	48	35.6%	9	783
Highly Skilled supervision (Levels 9-12)	405	84	53	39.3%	8	1 258
Lower Skilled (Level 1-2)	8	100%	3	2.2%	3	5
Senior Management (Levels 13-16)	56	91.1%	4	3%	14	283
Skilled (Levels 3-5)	177	85.3%	24	17.5%	7	176
TOTAL	1 104	85.1%	135	100%	8	2 553

Table 3.10.2 Disability leave temporary and permanent) for the period 01 January 2023 to 31 December 2023

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)
Highly skilled supervision (Levels 9-12)	3	100%	1	50%	3	8
Highly skilled production (Level 6- 8)	5	100%	1	50%	5	11
Total	8	100%	2	100%	4	19

Table 3.10.3 Annual Leave for the period 01 January 2023 – 31 December 2023

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 6-8)	134	13	10
Contract (Levels 9-12)	53	18	3
Highly skilled production (Levels 6-8)	2 211	23	95
Highly skilled supervision (Levels 9-12)	2 917	21	137
Lower skilled (Level 1-2)	59	15	4
Senior management (Levels 13-16)	293	15	20
Skilled (Levels 3-5)	1 178	25	48
TOTAL	6 845	22	317

Table 3.10.4 Capped leave for the period 01 January 2023 and 31 December 2023

Salary Band	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at End of Period	Number of Employees using Capped Leave	Total Number of Capped Leave Available at End of Period
Contract (Levels 13-16)	0	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	52	0	993
Highly skilled supervision (Levels 9-12)	1	0	71	1	1 624
Lower skilled (Level 1-2)	0	0	0	0	0
Senior management (Levels 13-16)	0	0	51	0	304
Skilled (Levels 3-5)	0	0	77	0	463
TOTAL	1	1	63	1	3 384

Table 3.10.5 Leave pay-outs for the period 1 April 2023 and 31 March 2024

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual - Discounting with Resignation (Work Days)	208	5	41 600
Annual - Discounting: Contract Expiry (Work Days)	548	9	60 889
Capped- Gratuity Death/Retirement/ Medical Retirement (Work)	1 434	6	239 000
Total	2 190	20	

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	Onsite employee health and wellness programmes have implemented where employees were tested for HIV/AIDS and screened for TB and referral for further management was done by GEMS where necessary.

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.	√		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 05 employees and the budget for the accounting period was R972 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 Lindiwe Masilela - Nkangala District; Mr Winston Thekiso- Communications; Ms Nonhlanhla Masango - Communications; Ms Ruth Mathaba- Ehlanzeni District Office; Ms N Khonjelwayo- Transversal Services; Ms Yvonne Nkhalanga- HRM
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.		√	N/A
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 HIV Counselling and Testing programme was facilitated and psychosocial support was provided to those who have disclosed their status
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 employee health and wellness report Quarterly integrated employee health and wellness activities coordinated Number of employees reached through health promotion messages

3.12 Employee Relations

Table 3.12.1 Collective agreements for the period 01 April 2023 to 31 March 2024

Subject matter	Date
Total number of collective agreements	None

Table 3.12.2 Misconduct and disciplinary hearings finalised for the 01 April 2023 to 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	25%
Verbal warning	0	0%
Final Written warning	0	0%
Suspended without pay and Final written Warning	0	0%
Resignation	0	0%
Demotion	0	0%
Dismissal	0	0%
Acquitted	1	25%
Withdrawn	1	25%
Pending	1	25%
Total	4	100%
Total number of Disciplinary hearings finalised	3	75%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period April 2023 to 31 March 2024

Type of misconduct	Number	% of total
Negligence	1	25%
Absenteeism/Abscondment	2	50%
Corruption/ Extortion of bribe	1	25%
Total	4	100%

Table 3.12.4 Grievances logged for the period from 01 April 2023 to 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	18	78%
Number of grievances not resolved	5	22%
Total Number Grievance Lodged	19: 2022/23 4: 2023/24	100%

Table 3.12.5 Disputes logged with Councils for the period from 01 April 2023 to 31 March 2024

Disputes	Number	% of Total
Number of disputes resolved	0	0%
Number of disputes dismissed	0	0%
Withdrawn	0	0%
Pending	2	100%
Total number of disputes lodged	2	100%

Table 3.12.6 Strike actions for the period from 01 April 2023 to 31 March 2024

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for 01 April 2023 to 31 March 2024

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

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 01 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	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	19	0	19
	Male	12	0	21	0	21
Professionals	Female	30	0	14	0	14
	Male	52	0	14	0	14
Technicians and associate professionals	Female	72	0	33	0	33
	Male	62	0	24	0	24
Clerks	Female	75	0	67	0	67
	Male	31	0	24	0	24
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	0	0	0
	Male	4	0	0	0	0
Gender sub totals	Female	201	0	0	0	0
	Male	163	0	0	0	0
TOTAL		364	0	216	0	216

Table 3.13.2 Training provided for the period 01 April 2023 and 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	0	8	0	8
	Male	12	0	5	0	5
Professionals	Female	30	0	1	0	1
	Male	52	0	3	0	3
Technicians and associate professionals	Female	72	0	13	0	13
	Male	62	0	11	0	11
Clerks	Female	75	0	1	0	1
	Male	31	0	4	0	4
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	0	0	0
	Male	4	0	0	0	0
Gender sub totals	Female	201	0	0	0	0
	Male	163	0	0	0	0
TOTAL		364	0	46	0	46

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 01 April 2023 and 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	0.8%
Temporary Total Disablement	0	0.2%
Permanent Disablement	0	0
Fatal	1	0
Total	5	1%

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 01 April 2023 and 31 March 2024

Project title	Total number of consultants that worked on project	Duration (Work Days)	Contract Value in Rand
Seco Project Managers	1	12 months	6 047 028,30
Lehuma	1	12 months	1 156 180,76
Skotane	1	12 months	463 574,95
Nhlatse Planning	1	12 months	69 536,23
Sibiya Le Roux	1	12 months	394 038,71
TPS Development Project	1	12 months	463 574,96
Vaxumi	1	12 months	394 038,71
Monde Consulting	1	12 months	989 790,90
MS Mabuya	1	12 months	16 090 031,43
T2 Tech	1	12 months	828 881, 15
Nkanivo	1	12 months	208 608,74
Liberty Group/ Town Planners	1	12 months	463 574,95
Paradigm	1	12 months	342 642,35
Zethu Consulting Service	1	12 months	26 627 276,07
Accra Group	1	12 months	463 574,95
Leseko	1	12 months	1 143 266,55
Earthinvlab	1	12 months	7 329 712,30
Zethu	1	12 months	8 258 437,89
Mahelane Development	1	12 months	463 574,95
Focused Risk	1	12 months	337 743,50
Divine	1	12 months	1 708 161,02
MSBR	1	12 months	302 832,80
Plan Associates	1	12 months	394 038,71
Gwarajena Transport	1	12 months	394 038,70
Keratama	1	12 months	274 276,80
Sinamandla	1	12 months	422 624,98
Nathoo Mbenyane	1	12 months	331 414,64

Rav2light	1	12 months	387 698,60
Indalo	1	12 months	394 038,71
Isibuko	1	12 months	2 595 023,70
Total			80 226 383,01

Total number of Projects	Total individual consultants	Total Duration (Work Days)	Total Contract Value in Rand
None	None	None	None

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantage Individuals (HDIs) for the period 01 April 2023 and 31 March 2024

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 01 April 2023 and 31 March 2024

Project title	Total number of consultants that worked on project	Duration (Working Days)	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 Disadvantage Individuals (HDIs) for the period 01 April 2023 and 31 March 2024

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 01 April 2023 and 31 March 2024

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
Total	0	0	0	0

PART E

P F M A C O M P L I A N C E R E P O R T



1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	338 758	149 236
Add: Irregular expenditure confirmed	169 259	189 522
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	7 781	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	500 236	338 758

The irregular expenditure relates to non-compliance with the Supply Chain Management regulations.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2022/23 and identified in 2023/24	-	104 305
Irregular expenditure for the current year	169 259	85 216
Total	169 259	189 522

b) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	7 781	-
Total	7 781	-

The department has removed expenditure in terms of paragraphs 5.7, 5.8 and 5.9 of the National Treasury Instruction No. 4 Of 2022/2023, which expenditure was not condoned by provincial treasury. The expenditure in question relates to non-compliance to Directive by Minister of Public Service and Administration (R 3,7 million) as well as non-compliance with TR 16A6.4 (R 4,07 million).

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	5 118	5 460
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-342
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	5 118	5 118

The identified fruitless and wasteful expenditure relates to the 2021/2022 financial year, resulting from overpayment made to two suppliers.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2022/23	5 118	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	5 118
Fruitless and wasteful expenditure for the current year	-	-
Total	5 118	5 118

b) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	-	342
Total	-	342

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	3 222	1 674 760
Invoices paid within 30 days or agreed period	1 898	1 020 817
Invoices paid after 30 days or agreed period	183	67 643
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)		
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	-	-

The main reason for non-payment of invoices within 30 days is due late approval of the business plans and service providers performing over what they have been allocated for the year.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Supply of chemical toilets for a period of 6 months	Madaleni Trading	Deviation through quotations	E22120022/1	R4 873
Supply of chemical toilets for a period of 6 months	Asishiyelane Projects	Deviation through quotations	E23080007/1	R4 062
Total				R8 935

4. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
IRDP PH2/BAMBOO ROCK/ EMBALENHLE & VARIOUS AREAS/ GOVAN MBEKI (1500)	BAMBOO ROCK	Variation	E17040029/1	R192 808	R21 612	R2 010
IRDP PH2 /XJR Contract/Emzinoni & Various Areas/Govan Mbeki (1500 to 1142) XJR CONTRUCTION Variation E17060001/1				R159 726	R 7 725	R 12 014
IRDP PH2/PRINCE OF TIDES/BALFOUR (RIDGE VIEW)/DIPALISENG (1500to1501)	PRINCE OF TIDES	Variation	E17030004/1	R203 811	R21 725	R4 996
IRDP PH1 INFOR/ABAZIYO/ PROFESSIONAL FEES&PROJECT/ VUKUZAKHE/PIXLEY KA SEME (501to749)	ABAZIYO CONSULTING	Variation	E17040024/1	R5 666	R396	R1 099
IRDP PH1/ABAZIYO/PROFESSIONAL/ KINROOS X30&CHARLES CILLIERS / GOVAN MBEKI (807)	ABAZIYO CONSULTING	Variation	E17060009/1	R168 230	R622	R 168 230
IRDP PH1/ABAZIYO/PROFFESIONAL FEES/SILINDILE EXT3/MSUKALIGWA (236)	ABAZIYO CONSULTING	Expansion	E19070005/1	R1 879	R62	R837
IRDP PH1/APPOLLO-WHITE HAZY/ IMPLEMENTING AGENTTURNKEY/ KAMHLUSHWA X2,3 NKOMAZI (5141)	APPOLLO-WHITE HAZY	Expansion & Variation	E17040011/3	R325 989	R2 568	R 129 493
IRDP PH1/ASISHIYELANE & ROSPA/ TURNKEY/IMPLEMENTING/ KWAZAMOKUHLE X9/STEVE TSHWETE (726)	ASISHIYELANE & ROSPA	Variation	E18100012/1	R43 106	R1 855	R4 191
IRDP PH1/ATILE/TURNKEY/ IMPLEMENTING AGENT/KUMANO/ ROLLENSTON/BUSHBUCKRIDGE(756)	ATILE	Expansion of time	E17060016/2	R33 114	R0	R631
IRDP PH1/DOVECALL, MT ZONDO & JINLUO/WASTE WATER/DIPALESENG (300)	DOVECALL, MT ZONDO & JINLUO	Variation	E18070001/1	R5 868	R490	R0

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
IRDP PH1/PRINCE OF TIDES/ TURNKEY/IMPLEMENTING/ LANGVERWARCHT/GOVAN MBEKI (3477)	PRINCE OF TIDES	Variation	E18010023/3	R236 356	R4 958	R202 018
IRDP PH1/SIZAMPILO/IMPLEMENTING AGENT/ERMELO X44/MSUKALIGWA (5921)	SIZAMPILO	Expansion of time	E18100014/3	R372 630	R2 573	R229 159
IRDP PH1/TIGER BUSINESS/ EMBALENHLE EXT 25/GOVAN MBEKI (807)	TIGER BUSINESS	Variation	E17040026/1	R34 894	R8 975	R1 702
IRDP PH1/TIGER/TURNKEY/ IMPLEMENTING AGENT/ RONDERBOSCH/STEVE TSHWETE (6721)	TIGER BUSINESS	Variation	E17060004/3	R394 343	R0	R273 398
IRDP PH1/TSSN CARRIERS/ IMPLEMENTING AGENT/AMSTERDAM EXT/MKHONDO (1009)	TSSN CARRIERS	Variation	E18100017/3	R66 434	R8 839	R34 167
UISP/BARZANI/PHOLA EXT 5/ EMALAHLENI (443)	BARZANI/GIC	Expansion of time	E22010019/1	R33 619	R0	R2 731
UISP/MOTHEO CONS/SIYAZENZELA/ PIXLEY KA SEME (627)	MOTHEO CONSTRUCTION	Variation	E21120001/1	R36 699	R2 094	R2 211
UISP/SIZAMPILO/TURNKEY/ IMPLEMENTING AGENT/DINGWELL/ MSHOLOZI/MBOMBELA MUN(3220)	SIZAMPILO	Variation	E17120006/3	R232 306	R15 518	R185 129
UISP/TIGER BUSINESS/TURNKEY/ IMPLEMENTING/DINGWELL/ MSHOLOZI/MBOMBELA (740)	TIGER BUSINESS	Variation	E18010025/3	R75 519	R1 765	R56 296
Total				R 2 622	R 101 777	R1 310 312

PART F

FINANCIAL INFORMATION



1. REPORT OF THE AUDITOR GENERAL

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Mpumalanga Department of Human Settlements set out on pages 135 to 174, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the 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 Mpumalanga Department of Human Settlements as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (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 responsibilities of the auditor- general for the audit of the financial statements section of my report.
4. I am independent of the in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
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 20 to the financial statements, irregular expenditure of R169,26 million was incurred.

Material underspending of the vote

8. As disclosed in the appropriation statement, the department materially underspent the budget by R18,09 million.

Other matters

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

Unaudited supplementary schedules

10. Unaudited supplementary schedules set out on pages 175 to 184 do not form part of the financial statements and are presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and Dora, and for such internal controls 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.
12. 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.

Responsibilities of the auditor-general for the audit of the financial statements

13. 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.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is provided on page 132, forms part of our auditor's report.

Report on the audit of the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
16. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Housing development	41 - 54	To provide individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy. These programmes exist to deliver on Breaking New Ground's top structure targets as well as serving of sites and necessary engineering functions that are associated with delivery of bulk infrastructure. To ensures quality of houses through the environment of projects with the national homebuilder's registration council.
Housing assets management	55 - 57	To facilitate rental programmes, security of tenure and land rights through the delivery of title deeds. The programme assists the department to achieve its target, especially on security of tenure and harmonious relations between landlords and tenants with regards to rental housing.

17. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
19. I performed the procedures only for the purpose of reporting material findings and not to express an assurance opinion or conclusion.
20. The material findings on the reported performance information for the selected programmes are as follows:

Housing development

Number of community residential units delivered

21. The target of 112 community residential units under construction does not relate directly to the indicator, which measures the number of community residential units delivered. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievement does not provide useful

information on the achievement of the indicator.

Number of houses completed through emergency housing assistance

22. The target of 96 roofs repaired, remedial works and temporary residential units completed does not relate directly to the indicator, which measures number of houses completed through emergency housing assistance. This makes it difficult to plan for the achievement of the indicator. Consequently, the reported achievement does not provide useful information on the achievement of the indicator.

A percentage of houses certified in line with NHBRC regulations and standards

23. An achievement of 100% houses certified in line with the NHBRC regulations and standards was reported against a target of 100% houses certified in line with the NHBRC regulations and standards. I could not determine whether the reported achievement was correct, as the indicator was not well defined, and I could not verify the methods and processes used to measure the achievements. Consequently, the reported achievement might be more or less than reported and was not reliable for determining whether the target had been achieved.

Military veterans' houses built

24. An achievement of nine (9) housing units was reported against a target of 20 housing units built for military veterans. However, the audit evidence showed the actual achievement to be only four (4). Consequently, the underachievement on the target was more than reported.

Number of serviced sites delivered

25. An achievement of 6 197 serviced sites was reported against a target of 4 399 service sites delivered. The reason reported for the overachievement was that the department excelled in site servicing by focusing on high-performing service providers, and that funding from under-performing areas was used to support this overachievement. However, the audit evidence submitted did not support the reasons provided. Consequently, the reported reasons are not useful for informed decision-making on the delivery of serviced sites that are more than the planned targets.

Number of households that received subsidies through project-linked individual subsidies

26. An achievement of zero was reported against a planned target of five project-linked individual subsidies disbursed. The reason reported for the underachievement was lack of cooperation by financial institutions to verify and confirm the details of beneficiaries. However, adequate supporting evidence was not provided for auditing. Consequently, I could not confirm the reliability of the reported reasons.

Housing assets management

Various indicators

27. I could not determine the accuracy of various reported achievements, as the indicators were not well defined, and I could not verify the methods and processes used to measure the achievements. Consequently, the reported achievements might be more or less than reported and were not reliable for determining

whether the targets had been achieved.

Indicator	Target	Reported Achievement
Number of pre-1994 title deeds registered	494 title deeds registered	105 title deeds registered
Number of post-1994 title deeds registered	1 028 title deeds registered	321 title deeds registered
Number of post- 2014 title deeds registered	1 978 title deeds registered	1 764 title deeds registered
Number of new title deeds registered	200 title deeds registered	164 title deeds registered

Other matters

28. I draw attention to the matters below.

Achievement of planned targets

29. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement. This information should be considered in the context of the material findings on the reported performance information.
30. The tables that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 41 to 57.

Housing development

<i>Targets achieved. 60%</i> <i>Budget spent: 99,38%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of Breaking New Grounds (BNG) houses delivered	2 516	1522
Number of bulk water and sanitation infrastructure projects completed	8	0
Number of jobs created	5 000	1 460
Number of housing units enrolled with NHBRC	1 500	1 223
Number of households that received subsidies through project-linked individual subsidies	5	0
Military veterans' houses built	20	9
Number of social economic facilities completed	7	4
Number of Integrated Development Programme Phase 2 Top Structures completed	1 443	1 277
Number of houses completed through Rural Housing: Communal land rights	901	236

Housing assets management

<i>Targets achieved: 20%</i> <i>Budget spent 100%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of pre-1994 title deeds registered	494	105
Number of post-1994 title deeds registered	1 028	321
Number of post-2014 title deeds registered	1 978	1 764
Number of new title deeds registered	200	164

Material misstatements

31. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for housing development and housing assets management. Management did not correct all the misstatements and I reported material findings in this regard.

Report on compliance with legislation

32. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
33. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
34. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, and clear to allow for consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
35. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

36. 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

37. Some of the bid documentation invitations to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content, as required by the 2017 procurement regulation 8(2).

Strategic planning

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

Conditional grants

39. The human settlements development grant was not spent for the purposes stipulated in the schedule concerned, as required by section 16(1) of Dora.

Other information in the annual report

40. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to 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.
41. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
42. My responsibility is to read this other information and, in doing so, consider whether it 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.
43. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard

Internal control deficiencies

44. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
45. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
46. The underlying systems and controls were inadequate to provide reliable evidence to support the reporting on predetermined objectives for programmes selected for auditing. Leadership did not ensure that indicators' definitions, sources of data and the means of verification allow for data to be collected consistently, and verifiable and measurable to support reported achievements in the annual performance report.
47. Leadership did not ensure that the department complied with applicable legislation. Material findings on compliance with legislation were raised in the year under review. The department's internal processes and systems did not prevent material non-compliance from occurring.

Other reports

48. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
49. The Special Investigating Unit is conducting an investigation into alleged irregularities in the procurement of goods in respect of the national state of disaster, as per *Government Notice* 313 of 15 March 2020, covering the period 1 January 2020 to 23 July 2020. These proceedings were in progress at the date of this auditor's report.

Auditor - General

Mbombela

31 July 2024



Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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 material performance indicators and on the department's compliance with selected requirements in key legislation.

Financial statements

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; design 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 risk 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the 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 in the financial statements about the material uncertainty or, if such 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

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation — selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Section or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); Section 38(1)(d); 38(1)(h)(iii); 38(1)(j); 39(1)(a); Section 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(1); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); Regulation 5.2.3(d); 5.3.14; 6.3.1(a); 6.3.1(b); Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; Regulation 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; Regulation 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; Regulation 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; Regulation 16A3.2(a); 16A6.1; 16A6.2(a); Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A 6.3(e); 16A6.4; Regulation 16A6.5; 16A6.6; 16A7.1; 16A7.3; Regulation 16A7.6; 16A7.7; 16A8.2(1); 16A8.2(2); Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A 9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; Regulation 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 5 of 2023	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); Section 16(3)(a)(ii)(bb)
Second amendment National Treasury instruction note 5 of 2020-21	Paragraph 1
Erratum National Treasury instruction note 5 of 2020-21	Paragraph 2
National Health Act 61 of 2003	Section 13
National Treasury instruction note 5 of 2020-21	Paragraph 4.8; 4.9; 5.3
National Treasury instruction note 1 of 2021-22	Paragraph 4.1
National Treasury instruction note 4 of 2015- 16	Paragraph 3.4
National Treasury SCM instruction note 4A of 2016-17	Paragraph 6
National Treasury SCM instruction note 3 of 2021-22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM instruction note 11 of 2020-21	Paragraph 3.4(a); 3.4(b); 3.9

Legislation	Section or regulations
National Treasury SCM instruction note 2 f 2021-22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1;
Practice note 11 of 2008-09	Paragraph 2.1; 3.1 (b)
Practice note 5 of 2009-10	Paragraph 3.3
Practice note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(§
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1. 11.2;
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
State Information Technology Agency Act 88 of 1998	Section 7(3)

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Department of Human Settlements
(Vote number 13)
Annual Financial Statements for the year ended 31 March 2024
Appropriation Statement

Figures in Rand thousand				2023/2024				2022/2023		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per programme										
Programme										
Administration	1	202,804	-	(254)	202,550	202,345	205	99.90 %	175,255	175,255
Housing Needs, Research and Policy	2	136,482	-	4,408	140,890	130,935	9,955	92.93 %	105,942	96,461
Housing Development	3	1,286,017	-	(3,998)	1,282,019	1,274,093	7,926	99.38 %	1,598,654	1,588,863
Housing Asset Management	4	19,530	-	(156)	19,374	19,374	-	100.00 %	14,400	14,400
Programme subtotal		1,644,833	-	-	1,644,833	1,626,747	18,086	98.90 %	1,894,251	1,874,979
Total		1,644,833	-	-	1,644,833	1,626,747	18,086	98.90 %	1,894,251	1,874,979

Reconciliation with statement of financial performance

Add:

Department revenue

Actual amounts per statement of financial performance (total revenue)

Add:

Actual amounts per statement of financial performance (total expenditure)

5,083		4,296	
1,649,916		1,898,547	
	1,626,747		1,874,979

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Figures in Rand thousand	2023/2024						2022/2023		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Appropriation per economic classification									
Economic classification									
Current payments									
Compensation of employees									
Salaries and wages	214,772	(6,087)	(2,589)	206,096	206,182	(86)	100.04 %	200,197	201,460
Social contributions	34,680	(196)	(830)	33,654	33,568	86	99.74 %	33,211	31,948
	249,452	(6,283)	(3,419)	239,750	239,750	-	100.00 %	233,408	233,408
Goods and services	93,113	5,520	3,166	101,799	101,799	-	100.00 %	76,384	76,384
Total current payments	342,565	(763)	(253)	341,549	341,549	-	100.00 %	309,792	309,792
Transfers and subsidies									
Provinces and municipalities	111	7	-	118	118	-	100.00 %	126	126
Households	1,296,357	756	253	1,297,366	1,279,431	17,935	98.62 %	1,579,589	1,560,317
Total transfers and subsidies	1,296,468	763	253	1,297,484	1,279,549	17,935	98.62 %	1,579,715	1,560,443
Payments for capital assets									
Machinery and equipment	5,800	-	-	5,800	5,649	151	97.40 %	1,731	1,731
Software and other intangible assets	-	-	-	-	-	-	- %	3,013	3,013
Total payments for capital assets	5,800	-	-	5,800	5,649	151	97.40 %	4,744	4,744
Total	1,644,833	-	-	1,644,833	1,626,747	18,086	98.90 %	1,894,251	1,874,979

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Figures in Rand thousand	2023/2024						2022/2023		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
1. Administration									
Sub programme									
Office of the MEC	14,250	(174)	(254)	13,822	13,822	-	100.00 %	12,512	12,512
Corporate Services	188,554	174	-	188,728	188,523	205	99.89 %	162,743	162,743
Subtotal	202,804	-	(254)	202,550	202,345	205	99.90 %	175,255	175,255
Economic classification									
Current payments									
Compensation of employees	112,460	(3,830)	(254)	108,376	108,376	-	100.00 %	108,620	108,620
Goods and services	83,965	3,023	-	86,988	86,988	-	100.00 %	61,087	61,087
Total current payments	196,425	(807)	(254)	195,364	195,364	-	100.00 %	169,707	169,707
Transfers and subsidies									
Provinces and municipalities	111	7	-	118	118	-	100.00 %	126	126
Households	468	800	-	1,268	1,214	54	95.74 %	678	678
Total transfers and subsidies	579	807	-	1,386	1,332	54	96.10 %	804	804
Payments for capital assets									
Machinery and equipment	5,800	-	-	5,800	5,649	151	97.40 %	1,731	1,731
Software and other intangible assets	-	-	-	-	-	-	- %	3,013	3,013
Total payments for capital assets	5,800	-	-	5,800	5,649	151	97.40 %	4,744	4,744
Total	202,804	-	(254)	202,550	202,345	205	99.90 %	175,255	175,255

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Appropriation Statement

Figures in Rand thousand	2023/2024							2022/2023	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
2. Housing Needs, Research and Policy									
Sub programme									
Administration	136,482	-	4,408	140,890	130,935	9,955	92.93 %	105,942	96,461
Economic classification									
Current payments Compensation of employees	67,112	-	589	67,701	67,701	-	100.00 %	64,610	64,610
Goods and services	2,490	-	3,166	5,656	5,656	-	100.00 %	6,513	6,513
Total current payments	69,602	-	3,755	73,357	73,357	-	100.00 %	71,123	71,123
Transfers and subsidies Households	66,880	-	653	67,533	57,578	9,955	85.26 %	34,819	25,338
Total	136,482	-	4,408	140,890	130,935	9,955	92.93 %	105,942	96,461

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Appropriation Statement

Figures in Rand thousand	2023/2024						2022/2023		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
3. Housing Development									
Sub programme									
Administration	57,608	-	(3,998)	53,610	53,610	-	100.00 %	54,737	54,737
Financial intervention	214,657	(81,695)	-	132,962	132,962	-	100.00 %	275,483	275,483
Incremental Intervention	856,178	152,822	-	1,009,000	1,001,074	7,926	99.21 %	1,144,253	1,134,462
Social and Rental Intervention	57,600	(13,649)	-	43,951	43,951	-	100.00 %	72,035	72,035
Rural Intervention	99,974	(57,478)	-	42,496	42,496	-	100.00 %	52,146	52,146
Subtotal	1,286,017	-	(3,998)	1,282,019	1,274,093	7,926	99.38 %	1,598,654	1,588,863
Economic classification									
Current payments									
Compensation of employees	52,700	(2,415)	(3,754)	46,531	46,531	-	100.00 %	47,695	47,695
Goods and services	4,508	2,415	-	6,923	6,923	-	100.00 %	6,867	6,867
Total current payments	57,208	-	(3,754)	53,454	53,454	-	100.00 %	54,562	54,562
Transfers and subsidies									
Households	1,228,809	-	(244)	1,228,565	1,220,639	7,926	99.35 %	1,544,092	1,534,301
Total	1,286,017	-	(3,998)	1,282,019	1,274,093	7,926	99.38 %	1,598,654	1,588,863

Department of Human Settlements
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Annual Financial Statements for the year ended 31 March 2024
Appropriation Statement

Figures in Rand thousand		2023/2024					2022/2023		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
4. Housing Asset									
Management Sub programme									
Administration	19,530	-	(156)	19,374	19,374	-	100.00 %	14,400	14,400
Economic classification									
Current payments									
Compensation of employees	17,180	(38)	-	17,142	17,142	-	100.00 %	12,483	12,483
Goods and services	2,150	82	-	2,232	2,232	-	100.00 %	1,917	1,917
Total current payments	19,330	44	-	19,374	19,374	-	100.00 %	14,400	14,400
Transfers and subsidies									
Households	200	(44)	(156)	-	-	-	- %	-	-
Total	19,530	-	(156)	19,374	19,374	-	100.00 %	14,400	14,400

Department of Human Settlements
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Annual Financial Statements for the year ended 31 March 2024
Notes to the Appropriation Statement

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-H) 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

Details 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	Variance as a % of Final Appropriation
	R '000	R '000	R '000	%
Administration	202,550	202,345	205	0.1 %
Housing Needs, Research and Policy	140,890	130,935	9,955	7.1 %
Housing Development	1,282,019	1,274,093	7,926	0.6 %

Programme 2: Housing Needs, Research and Planning - The underspending is due to delays on construction site of the Parliamentary village bulk infrastructure project.

Housing Asset Management	19,374	19,374	-	- %
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4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R '000	R '000	R '000	R '000
Current payments				
Compensation of employees	239,750	239,750	-	- %
Goods and services	101,799	101,799	-	- %
Transfers and subsidies				
Provinces and municipalities	118	118	-	- %
Households	1,297,366	1,279,431	17,935	1 %
Payments for capital assets				
Machinery and equipment	5,800	5,649	151	3 %

The underspending on transfers and subsidies (households) relates human settlements development grant project and there were savings on the payment for capital assets.

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Notes to the Appropriation Statement

4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R '000	R '000	R '000	%
Human Settlements Development Grant	968,267	960,427	7,840	1 %
Expanded Public Works Programme	1,943	1,943	-	- %
Informal Settlements Upgrading Partnership Grant	260,142	260,056	86	- %

The underspending on the Human Settlements Development grant relates to a project is due to slow performance of contractors on site.

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Statement of Financial Performance

	Note(s)	2023/2024 R '000	2022/2023 R '000
Revenue			
Annual appropriation	1	1,644,833	1,894,251
Departmental revenue	2	5,083	4,296
Total revenue		1,649,916	1,898,547
Expenditure			
Current expenditure			
Compensation of employees	3	239,750	233,408
Goods and services	4	101,799	76,384
Total current expenditure		341,549	309,792
Transfers and subsidies			
Transfers and subsidies	5	1,279,549	1,560,443
Expenditure for capital assets			
Tangible assets	6	5,649	1,731
Intangible assets	6	-	3,013
Total expenditure for capital assets		5,649	4,744
Total expenditure		1,626,747	1,874,979
Surplus for the year		23,169	23,568
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds			
Annual appropriation		10,160	9,481
Conditional grants		7,926	9,791
		18,086	19,272
Departmental revenue and NRF Receipts	10	5,083	4,296
Surplus for the year		23,169	23,568

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Statement of Financial Position as at 31 March 2024

	Note(s)	2023/2024 R '000	2022/2023 R '000
Assets			
Current Assets			
Cash and cash equivalents	7	5,130	5,315
Receivables	8	30,679	32,749
		35,809	38,064
Non-Current Assets			
Receivables	8	284	312
Total Assets		36,093	38,376
Liabilities			
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	9	18,086	19,271
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	10	31	848
Payables	11	10	274
		18,127	20,393
Total Liabilities		18,127	20,393
		17,966	17,983
Represented by:			
Recoverable revenue		17,966	17,983

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Statement of Changes in Net Assets

	Note	2023/2024 R '000	2022/2023 R '000
Recoverable revenue			
Opening balance		17,983	166
Transfers:			
Debts recovered (incl in dept receipts)		(24)	(43)
Debts raised		7	17,860
Closing balance		17,966	17,983

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Cash Flow Statement

	Note(s)	2023/2024 R '000	2022/2023 R '000
Cash flows from operating activities			
Receipts			
Annual appropriated funds received	1.1	1,644,833	1,894,250
Departmental revenue received	2	625	1,197
Interest received	2.2	4,435	2,683
		1,649,893	1,898,130
Net (increase)/ decrease in working capital		1,806	(17,069)
Surrendered to Revenue Fund		(25,171)	(57,317)
Current payments		(341,549)	(309,792)
Transfers and subsidies paid		(1,279,549)	(1,560,443)
Net cash flow available from operating activities	12	5,430	(46,491)
Cash flows from investing activities			
Payments for capital assets	6	(5,649)	(4,744)
Proceeds from sale of capital assets	2.3	23	416
(Increase)/ decrease in non-current receivables	8	28	(161)
Net cash flows from investing activities		(5,598)	(4,489)
Cash flows from financing activities			
Increase/ (decrease) in net assets		(17)	17,817
Net increase/ (decrease) in cash and cash equivalents		(185)	(33,163)
Cash and cash equivalents at beginning of year		5,315	38,478
Cash and cash equivalents at the end of the year	13	5,130	5,315

Summary of significant accounting policies

The annual 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 annual 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 annual financial statements and to comply with the statutory requirements of the , and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information

6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's annual financial statements. Where necessary figures included in the prior period annual 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 annual financial statements.

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

Appropriated funds 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.

Appropriated funds are measured at the amounts receivable.

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

7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the annual financial statements on the date of receipt and are measured at fair value.

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

7.3 Accrued departmental revenue

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

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

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

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contribution

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

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

8.2 Other expenditure

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

Donations made in kind are recorded in the notes to the annual financial statements on the date of transfer and are measured at cost or fair value.

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

- cost, being the pair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Aid assistance

9.1 Aid assistance received

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

CARA Funds are recognised when receivable and measured at the amounts receivable.

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

9.2 Aid assistance paid

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

10. Cash and cash equivalents

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

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

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

11. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

12. Loans and receivables

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

13. Investments

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

14. Financial assets

14.1 Financial assets (not covered elsewhere)

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

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

14.2 Impairment of financial assets

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

15. Payables

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

16. Capital assets

16.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the annual 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 annual financial statements.

16.2 Movable capital assets

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

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 R -.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R - Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible assets

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

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R -. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

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

16.4 Project costs: Work-in-progress

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

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

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

17. Provisions and contingents

17.1 Provisions

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

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the annual financial statements.

18. Unauthorised expenditure

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

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the annual financial statements comprise of:

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- unauthorised expenditure incurred in the current year.

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

20. Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the annual financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

Changes in accounting estimates and errors

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

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

21. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the annual 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 annual financial statements.

22. Principal-Agent arrangements

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the annual financial statements where appropriate.

23. Departures from the MCS requirements

24. Capitalisation reserve

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

25. Recoverable revenue

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

26. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the annual financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the annual financial statements.

27. Inventories

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

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

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

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

28. Public-Private Partnerships

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

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

29. Employee benefits

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

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

30. Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

31. Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

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	Note	2023/2024 R '000	2022/2023 R '000			
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:						
		2023/2024	2022/2023			
		Final budget	Actual funds received	Final budget	Appropriation received	Funds not requested/not received
		R '000	R '000	R '000	R '000	R '000
Programmes						
Administration		202,550	202,550	175,255	175,255	-
Housing Needs, Research and Policy		140,890	140,890	105,942	105,942	-
Housing Development		1,282,019	1,282,019	1,598,654	1,598,653	1
Housing Asset Management		19,374	19,374	14,400	14,400	-
Total		1,644,833	1,644,833	1,894,251	1,894,250	1
1.2 Conditional grants**						
Total grants received	28			1,230,352		1,545,916
2. Departmental revenue						
Sales of goods and services other than capital assets	2.1			174		166
Interest, dividends and rent on land	2.2			4,435		2,683
Sales of capital assets	2.3			23		416
Transactions in financial assets and liabilities	2.4			451		1,031
Total revenue collected				5,083		4,296
2.1 Sales of goods and services other than capital assets						
Other sales				174		166
Other sales relates to commission received from insurance and garnishee transactions.						
2.2 Interest, dividends and rent on land						
Interest				4,435		2,683
2.3 Sales of capital assets						
Tangible assets						
Machinery and equipment				23		416

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	Note(s)	2023/2024 R '000	2022/2023 R '000
2. Departmental revenue (continued)			
2.4 Transactions in financial assets and liabilities			
Receivables		24	43
Other receipts including recoverable revenue		427	988
Total	2	451	1,031
Included in other receipts are recoveries relating to previous years' expenditure.			
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		168,491	158,497
Performance award		57	-
Service based		331	127
Compensative/circumstantial		3,611	4,178
Other non-pensionable allowances		33,692	38,658
Total		206,182	201,460
Other non-pensionable allowances consist of capital remuneration, housing allowance non-pensionable allowances and service bonus. Compensative/circumstantial includes overtime and acting allowance			
3.2 Social contributions			
Employer contributions			
Pension		21,798	20,574
Medical		10,904	10,409
Bargaining council		41	40
Insurance		825	925
Total		33,568	31,948
Total compensation of employees		239,750	233,408
Average number of employees		344	358

Included in the total number of employees of 344 are 284 permanent employees, 35 employees on permanent probation, 24 contracted employees and 1 political office bearer.

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	Note(s)	2023/2024 R '000	2022/2023 R '000
4. Goods and services			
Administrative fees		280	231
Advertising		1,214	1,930
Minor assets	4.1	61	343
Catering		548	248
Communication		10,742	5,598
Computer services	4.2	6,447	1,632
Consultants: Business and advisory services		457	700
Legal services		10,929	-
Contractors		3,696	1,348
Agency and support / outsourced services		1,943	2,000
Audit cost - external	4.3	8,170	8,722
Fleet services		6,652	8,499
Consumables	4.4	2,393	2,625
Operating leases		19,363	13,545
Property payments	4.5	3,976	3,985
Travel and subsistence	4.6	22,548	23,871
Venues and facilities		270	-
Training and development		1,072	601
Other operating expenditure	4.7	1,038	506
Total		101,799	76,384
4.1 Minor assets			
Tangible assets			
Machinery and equipment		61	343
4.2 Computer services			
SITA computer services		938	365
External computer service providers		5,509	1,267
Total	4	6,447	1,632

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	Note(s)	2023/2024 R '000	2022/2023 R '000
4.3 Audit cost - external			
Regularity audits		8,170	8,722
4.4 Consumables			
Uniform and clothing		177	29
Household supplies		969	1,077
Other consumables		119	131
Consumable supplies		1,265	1,237
Stationery, printing and office supplies		1,128	1,388
Total	4	2,393	2,625
Included in "other consumables" are amounts relating to fuel supplies and electrical spares.			
4.5 Property payments			
Municipal services		3,528	3,116
Property maintenance and repairs		148	555
Other		300	314
Total	4	3,976	3,985
The amount included in other relates to cleaning services.			
4.6 Travel and subsistence			
Local		22,548	23,208
Foreign		-	663
Total	4	22,548	23,871
4.7 Other operating expenditure			
Propessional bodies, membership and subscription fees		42	63
Resettlement costs		-	104
Other		996	339
Total	4	1,038	506
Included in other are the amounts for non-lipe insurance, printing & publication, laundry services and storage services.			

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	Note(s)	2023/2024 R '000	2022/2023 R '000
5. Transfers and subsidies			
Provinces and municipalities	29	118	126
Households	Annexure 1G	1,279,431	1,560,317
Total		1,279,549	1,560,443
6. Expenditure for capital assets			
Tangible assets			
Machinery and equipment	24	5,649	1,731
Intangible assets			
Software	25	-	3,013
Total		5,649	4,744
6.1 Analysis of funds utilised to acquire capital assets - 2023/2024			
		voted funds R	Total R
Tangible assets			
Machinery and equipment		5,649	5,649
6.2 Analysis of funds utilised to acquire capital assets - 2022/2023			
		voted funds R	Total R
Tangible assets			
Machinery and equipment		1,731	1,731
Intangible assets			
Software		3,013	3,013
Total		4,744	4,744
7. Cash and cash equivalents			
Consolidated paymaster general account		5,253	7,768
Disbursements		(123)	(2,453)
Total		5,130	5,315

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					Note(s)	2023/2024 R '000	2022/2023 R '000			
8. Receivables										
					2023/2024			2022/2023		
	Note	Current	Non - current	Total	Current	Non- current	Total			
		R	R	R	R	R	R			
Claims recoverable	8.1	30,627	-	30,627	14,821	-	14,821			
Recoverable expenditure	8.2	-	-	-	17,823	-	17,823			
Staff debt	8.3	52	284	336	105	312	417			
Total		30,679	284	30,963	32,749	312	33,061			

8.1 Claims recoverable

National departments	-	-
Provincial departments	538	650
Public entities	-	19
Private enterprises	18,117	-
Local governments	11,972	14,152
Total	8	30,627
		14,821

8.2 Recoverable expenditure

Sal: Tax Debt: CA			-	1
Recoverable revenue			-	17,822
Total	8		-	17,823

8.3 Stapp debt

Employees			328	389
Ex-employees			8	28
Total	8		336	417

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	Note(s)	2023/2024 R '000	2022/2023 R '000
9. Voted funds to be surrendered to the Revenue Fund			
Opening balance		19,271	53,649
Transferred from statement of financial performance (as restated)		18,086	19,272
voted funds not requested/not received	1.1	-	(1)
Paid during the year		(19,271)	(53,649)
Closing balance		18,086	19,271
9.1 Reconciliation of unspent conditional grants			
Total conditional grants received	1.2	1,230,352	1,545,916
Total conditional grants spent		(1,222,426)	(1,536,126)
Unspent conditional grants to be surrendered		7,926	9,790
10. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		848	220
Transferred from statement of financial performance (as restated)		5,083	4,296
Paid during the year		(5,900)	(3,668)
Closing balance		31	848
11. Payables - current			
Clearing accounts	11.1	10	177
Other payables	11.2	-	97
Total		10	274
11.1 Clearing accounts			
Sal: Income tax		10	176
Sal: Pension		-	1
Total	11	10	177
11.2 Other payables			
Capital control by other government units		-	97

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	Note(s)	2023/2024 R '000	2022/2023 R '000
12. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		23,169	23,568
Add back non cash/ cash movements not deemed operating activities			
(Increase)/ decrease in receivables		2,070	(17,172)
Increase/ (decrease) in payables – current		(264)	103
Proceeds from sale of capital assets		(23)	(416)
Expenditure on capital assets		5,649	4,744
Surrenders to Revenue Fund		(25,171)	(57,317)
Voted funds not requested/not received		-	(1)
Net cash flow generated by operating activities		5,430	(46,491)
13. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated paymaster general account		5,253	7,768
Disbursements		(123)	(2,453)
Total		5,130	5,315
14. Contingent liabilities and contingent assets			
14.1 Contingent liabilities			
Liable to	Nature		
Claims against the department	Annexure 3B	54,533	54,533
Inter governmental payables	Annexure 5	979	523
Total		55,512	55,056
Contingent liabilities consist of claims against the department by two service providers - Bakhusele Business Enterprise (R20,444 million) and Khuthala Consulting (Pty)Ltd (R34,093 million). There is uncertainty on how the courts may conclude on both matters.			
14.2 Contingent assets			
Nature of contingent asset			
JV Mdluli Construction		2,060	2,060

The claim instituted against JV Mdluli Construction emanates from a breach of contract related to construction of housing units.

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	Note(s)	2023/2024 R '000	2022/2023 R '000
15. Capital commitments			
Buildings and other fixed structures		-	11,710

The comparative figure on building and other fixed structures relates to the cost estimated to complete the upgrading of the bulk infrastructure project (sewer spillages and reticulation).

The remainder of the project has since been handed over to Dr Pixley Isaka ka Seme Municipality.

16. Accruals and payables not recognised

16.1 Accruals

Listed by economic classification

	30 Days R '000	Total R '000	Total R '000
Goods and services	6,911	6,911	8,445
Transfers and subsidies	43,922	43,922	47,340
Capital assets	5,169	5,169	-
Other	70	70	-
Total	56,072	56,072	55,785

Listed by programme level

Administration	5,937	7,393
Housing Needs, Research and Policy	5,638	351
Housing Development	44,325	47,634
Housing Asset Management	172	407
Total	56,072	55,785

The bulk of the accruals relate to retention for human settlements projects and boreholes projects of which the final account was completed in the current financial year.

16.2 Payables not recognised

	2023/2024		2022/2023
Listed by economic classification	30 Days R '000	Total R '000	Total R '000
Goods and services	1,392	1,392	3,948
Transfers and subsidies	1,039	1,039	14,140
Total	2,431	2,431	18,088

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	Note(s)	2023/2024 R '000	2022/2023 R '000
Listed by programme level			
Administration		1,322	3,887
Housing Needs, Research and Policy		17	11
Housing Development		1,054	14,157
Housing Asset Management		38	33
Total		2,431	18,088

Included in the above totals are the following:

Confirmed balances with other departments	Annexure 5	856	2,078
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17. Employee benefits

Leave entitlement	16,752	17,122
Service bonus	7,225	6,913
Capped leave	6,404	7,276
Other	229	302
Total	30,610	31,613

“Other” includes the long term portion of the long service awards that cannot be reliably measured at this stage.

Included in the above totals are the following:

Confirmed balances with other departments	Annexure 5	856	2,078
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18. Lease commitments

18.1 Operating leases

2023/2024

	Buildings and other fixed structures R '000	Machinery and equipment R '000	Total R '000
Not later than 1 year	13,668	535	14,203
Later than 1 year and not later than 5 years	43,903	800	44,703
Total lease commitments	57,571	1,335	58,906

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	Note(s)	2023/2024 R '000	2022/2023 R '000
2022/2023	Buildings and other fixed structures R '000	Machinery and equipment R '000	Total R '000
Not later than 1 year	2,424	499	2,923
Later than 1 year and not later than 5 years	-	740	740
Total lease commitments	2,424	1,239	3,663

The amount on building and other fixed structures relates lease contracts on two office buildings occupied by Ehlanzeni District officials and Gert Sibande District officials.

19. Accrued departmental revenue

Sale of capital assets

70 -

19.1 Analysis of accrued departmental revenue

Add: Amounts recognised

70 -

20. Unauthorised, Irregular and Fruitless and wasteful expenditure

Irregular expenditure

169,259 189,522

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

21. Related party transactions

In kind goods and services provided/received

List in kind goods and services between the department and the related party

1. Department 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.
4. Department of Community Safety, Security and Liaison - Provision of security services.

- -
- -
- -
- -

Total

- -

List related party relationships and the nature thereof

There is no related party transaction within the MEC portfolio, however all departments are related and the above is disclosed as an additional information in line with TR 21.2.4.

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	Note(s)	2023/2024 R '000	2022/2023 R '000
22. Key management personnel			
Political office bearers (provide detail below)		2,159	2,096
Level 15 to 16		1,778	1,538
Level 14 (incl. CFO ip at a lower level)		8,656	8,349
Total		12,593	11,983

The department had an acting head of department who is at level 14 and two acting chief directors who are at level 13.

23. Provisions

Retention		201,040	192,263
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23.1 Reconciliation of movement in provisions - 2023/2024

	Provision 1 R '000	Total provisions R '000
Opening balance	192,263	192,263
Increase in provision	77,590	77,590
Settlement of provision	(68,813)	(68,813)
Closing balance	201,040	201,040

23.2 Reconciliation of movement in provisions - 2022/2023

	Provision 1 R '000	Total provisions R '000
Opening balance	147,952	147,952
Increase in provision	98,212	98,212
Settlement of provision	(53,901)	(53,901)
Closing balance	192,263	192,263

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	Note(s)	2023/2024 R '000	2022/2023 R '000
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23. Provisions (continued)

There are uncertainties whether service providers will implement instructions of fixing defects after completion. The amount in provisions represent retentions on construction of low cost houses and on municipal engineering work as well as social and economic facilities.

24. Movable tangible capital assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2024

	Opening balance R '000	Additions R '000	Disposals R '000	Closing balance R '000
Machinery and equipment				
Transport assets	20,009	3,421	725	22,705
Computer equipment	10,937	1,099	407	11,629
Furniture and office equipment	7,510	1,056	-	8,566
Other machinery and equipment	2,648	73	1,499	1,222
	41,104	5,649	2,631	44,122

Movable tangible capital assets under investigation

Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:

	Number	Value R '000
Machinery and equipment	6	323

The above assets are under investigation by the Loss Control Officer.

24.1 Movement per 2022/2023

Movement in movable tangible capital assets per asset register for the year ended 31 March 2023

	Opening balance R '000	Additions R '000	Disposals R '000	Closing balance R '000
Machinery and equipment				
Transport assets	21,116	-	1,107	20,009
Computer equipment	11,015	-	78	10,937
Furniture and office equipment	7,594	156	240	7,510
Other machinery and equipment	1,073	1,575	-	2,648
	40,798	1,731	1,425	41,104

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	Note(s)	2023/2024 R '000	2022/2023 R '000
24.2 Minor assets			
Movement in minor capital assets per the asset register for the year ended as at 31 March 2024		Machinery and equipment R '000	Total R '000
Opening balance		4,861	4,861
Additions		58	58
Disposals		35	35
Total minor capital assets		4,884	4,884
		Machinery and equipment	Total
24. Movable tangible capital assets		R '000	R '000
Number of R1 minor assets		17	17
Number of minor assets at cost		1,924	1,924
Total number of minor assets		1,941	1,941
Minor capital assets under investigation		Number	Value R '000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:			
Machinery and equipment		1	3
The asset is under investigation by the Loss Control Officer.			
Movement in minor capital assets per the asset register for the year ended as at 31 March 2023			

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	Note(s)	2023/2024 R '000	2022/2023 R '000
		Other machinery and equipment R'000	Total R'000
Opening balance		4,930	4,930
Additions		343	343
Disposals		412	412
Total minor capital assets		4,861	4,861
		Other machinery and equipment R'000	Total R'000
Number of R1 minor assets		17	17
Number of minor assets at cost		1,917	1,917
Total number of minor assets		1,934	1,934

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	Note(s)	2023/2024 R '000	2022/2023 R '000
25. Intangible capital assets			
Movement in intangible capital assets per asset register for the year ended 31 March 2024			
		Opening balance R '000	Closing balance R '000
Software		6,603	6,603

25.1 Movement for 2022/2023

Movement in intangible capital assets per asset register for the year ended 31 March 2023

	Opening balance R '000	Additions R '000	Closing balance R '000
Software	3,590	3,013	6,603

26. Immovable Tangible Capital Assets

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2024

	Opening balance R '000	Disposals R '000	Closing balance R '000
Buildings and other fixed structures			
Other fixed structures	188,432	(132,205)	56,227

The disposal amount relates to steel tanks as well as community and school boreholes transferred to various Municipalities and the Department of Public Works.

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	Note(s)	2023/2024 R '000	2022/2023 R '000
26. Immovable Tangible Capital Assets (continued)			
26.1 Movement por 2022/2023			
Movement in immovable tangible capital assets per asset register for the year ended 31 March 2023			
	Opening balance R '000	Prior period error R '000	Closing balance R '000
Buildings and other fixed structures			
Other fixed structures	192,856	(4,424)	188,432
26.1.1 Prior period error			
		Note	2022/2023 R '000
Nature of prior period error			
Relating to 2022/2023			
Reversal of overstated disposal amount of immovable tangible capital assets			694
Adjustment of the opening balance as a result of overpayment to a service provider discovered in the current year.			(5,118)
			(4,424)
The prior year balance is adjusted due to overstated write-off in the previous year as well as an overpayment to a service provider that was discovered during the current year.			
26.2 Capital Work-in-progress			
Capital Work-in-progress as at 31 March 2024			
	Note	Opening balance 01 April 2023 R '000	Ready for use (Assets to the AR) / Contracts terminated R '000
Buildings and other fixed structures		2,289	2,289
The amount relates to the upgrading of bulk water infrastructure (sewer spillages, pump station, and sewer reticulation) of which the remainder of the project has been handed over to Dr Pixley Isaka ka Seme Municipality.			
Capital Work-in-progress as at 31 March 2023			
	Note	Opening balance 01 April 2022 R '000	Closing balance 31 March 2023 R '000
Buildings and other fixed structures		2,289	2,289

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	Note(s)	2023/2024 R '000	2022/2023 R '000
26. Immovable Tangible Capital Assets (continued)			
26.3 Immovable assets written off			
Immovable assets written off for the year ended as at 31 March 2023			
		Buildings and other fixed structures R '000	Total R '000
Assets written off		13,812	13,812

The expenditure relates to construction of community and school boreholes project where no assets were realized due to collapsing assets, community unrest and dry boreholes.

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		Note(s)	2023/2024 R '000	2022/2023 R '000
27. Prior period errors				
27.1 Correction of prior period errors				
	Note	Amount bef error correction R '000	2022/2023 Prior period error R '000	Restated amount R '000
Expenditure: Irregular expenditure				
Irregular expenditure	20	85,216	104,306	189,522

The restatement of the expenditure incurred in the 2022/23 financial year is due to misstatements identified during the audit period.

	Note	Amount bef error correction R '000	2022/2023 Prior period error R '000	Restated amount R '000
Assets: Immovable tangible capital assets				
Adjustment of the overstated prior year write-off amount	26.1.1	192,856	694	193,550
Adjustment of the opening balance as a result of overpayment to a service provider discovered in the current year.	26.1.1	-	(5,118)	(5,118)
Net effect		192,856	(4,424)	188,432

The prior year balance is adjusted due to overstated write-off in the previous year as well as an overpayment to a service provider that was discovered during the current year.

	Note	Amount bef error correction R '000	2022/2023 Prior period error R '000	Restated amount R '000
Liabilities: Provisions				
Restatement of the retention opening balance	22.2	145,617	2,335	147,952
Restatement of the increase in provision	22.2	46,924	51,288	98,212
Restatement of the settlement of provision	22.2	(25,914)	(27,987)	(53,901)
Net effect		166,627	25,636	192,263

Correction of understated provision due to omissions in the previous financial year.

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28. Statement of conditional grants received

Name of grant	Grant allocation				Spent				2022/2023	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	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
Human Settlements Development	964,277	3,990	-	968,267	968,267	960,427	7,840	99 %	1,024,416	1,020,426
EPWP	2,153	-	(210)	1,943	1,943	1,943	-	- %	2,000	2,000
Provincial Emergency	-	-	-	-	-	-	-	- %	20,241	20,234
Informal Settlements Upgrading Partnership	286,758	5,794	(32,410)	260,142	260,142	260,056	86	100 %	499,259	493,466
	1,253,188	9,784	(32,620)	1,230,352	1,230,352	1,222,426	7,926		1,545,916	1,536,126

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

29. Statement of conditional grants paid to the provinces

Name of Grant	Grant allocation			Transfer	2022/2023	
	Division of Revenue Act	Adjustments	Total Available	Actual Transfer	Division of Revenue Act	Actual Transfer
	R '000	R '000	R '000	R '000	R '000	R '000

Summary by province

Mpumalanga	111	7	118	118	126	126
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Summary by grant

Department of Community Safety, Security and Liaison	111	7	118	118	126	126
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1. Department of Community Safety, Security and Liaison

Mpumalanga	111	7	118	118	126	126
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National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transpererring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

The Department transperred the above amount to the Department of Community Safety, Security and Liaison for the renewal of vehicle licences.

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Annexure 1G
Statement of transfers to households

	Transfer allocation			Expenditure		2022/2023	
	Adjusted budget	Adjustments	Total available	Actual transfer	% op Available funds transferred	Final budget	Actual transfer
Households	R '000	R '000	R '000	R '000	%	R '000	R '000
Transfers							
H/H Empl S/Ben - Leave Gratuity	1,468	774	2,242	2,185	97 %	1,175	1,175
H/H Empl S/Ben - Injury on duty	-	235	235	238	101 %	28	28
	1,468	1,009	2,477	2,423		1,203	1,203
Subsidies							
Project linked support - HSDG	968,267	-	968,267	960,427	99 %	1,024,416	1,020,426
Project linked support - Equitable Share	66,480	-	66,480	56,525	85 %	34,469	24,988
Project linked support - ISUP	260,142	-	260,142	260,056	100 %	499,260	493,466
Project linked support - PEHG	-	-	-	-	- %	20,241	20,234
	1,294,889	-	1,294,889	1,277,008		1,578,386	1,559,114
Total	1,296,357	1,009	1,297,366	1,279,431		1,579,589	1,560,317

The above transactions were previously disclosed under the "transfers" category.

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Annexure 1K

Statement of actual monthly expenditure per grant

Grant type	Apr 2023 R '000	May 2023 R '000	Jun 2023 R '000	Jul 2023 R '000	Aug 2023 R '000	Sep 2023 R '000	Oct 2023 R '000
Human Settlements Development	8,193	88,515	127,040	108,183	114,204	120,362	82,215
Informal Settlements Upgrading Partnership	11,070	8,967	18,569	8,505	22,316	31,759	20,392
EPWP	-	-	476	266	-	-	-
Total	19,263	97,482	146,085	116,954	136,520	152,121	102,607

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Annexure 1K

Statement of actual monthly expenditure per grant

Grant type	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Total
	R '000	R '000	R '000	R '000	R '000	R '000
Human Settlements Development	69,617	85,984	41,314	21,271	93,529	960,427
Informal Settlements Upgrading Partnership	38,242	43,249	29,679	17,468	9,840	260,056
EPWP	744	321	-	-	136	1,943
Total	108,603	129,554	70,993	38,739	103,505	1,222,426

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Annexure 3B

Statement of contingent liabilities as at 31 March 2024

	Opening balance 01 April 2023	Closing balance 31 March 2024
Nature of liabilities	R '000	R '000
Claims against the department		
Bakhusele Business Enterprise	20,440	20,440
Khuthala Consulting (Pty) Ltd	34,093	34,093
Subtotal	54,533	54,533

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Annexure 4

Claims recoverable

Government entity	Unconfirmed balance outstanding		Total	
	2023/2024	2022/2023	2023/2024	2022/2023
	R '000	R '000	R '000	R '000
Department				
Economic Development & Tourism	538	650	538	650
Other government entities				
City of Mbombela Local Municipality	11,972	14,097	11,972	14,097
Government Pensions Administration Agency	-	19	-	19
Subtotal	11,972	14,116	11,972	14,116
Total	12,510	14,766	12,510	14,766

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Annexure 5
Inter-government payables

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	2023/2024	2022/2023	2023/2024	2022/2023	2023/2024	2022/2023
	R '000	R '000	R '000	R '000	R '000	R '000
Departments						
Current						
Public Works, Roads and Transport	856	2,078	-	523	856	2,601
Other government entity						
Current						
SITA	-	-	19	-	19	-
Special Investigating Unit (SIU)	-	-	960	-	960	-
Subtotal	-	-	979	-	979	-
Total Inter-government payables	856	2,078	979	523	1,835	2,601

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Annexure 7

Movement in capital work-in-progress

Movement in capital-work-in progress for the year ended 31 March 2024

	Opening balance	Ready for use (Asset register) / Contract terminated
	R '000	R '000
Buildings and other fixed structures		
Other fixed structures	2,289	2,289

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Annexure 7 (continued)

Movement in capital work-in-progress (continued)

Movement in capital work-in-progress for the year ended 31 March 2023

	Opening balance	Closing balance
	R '000	R '000
Buildings and other fixed structures		
Other fixed structures	2,289	2,289

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Annexure 10

Department of human settlements - Housing related expenditure classification

	2023/2024 R '000	2022/2023 R '000
Inventories		
Foundation	18,610	17,798
Wall Plates	2,509	11,167
Roofs	6,094	4,473
Community Residential Units	41,395	50,679
Social and Economic Facilities	37,291	57,716
Serviced Sites	71,008	13,468
Subtotal	176,907	155,301

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Annexure 10 (continued)

Department of human settlements - Housing related expenditure classification (continued)

	2023/2024 R '000	2022/2023 R '000
Capital commitments		
Buildings and other fixed structures	-	11,710

The remainder of the project was handed over to Dr Pixley Isaka ka Seme Municipality



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