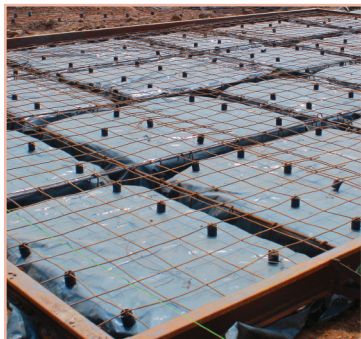


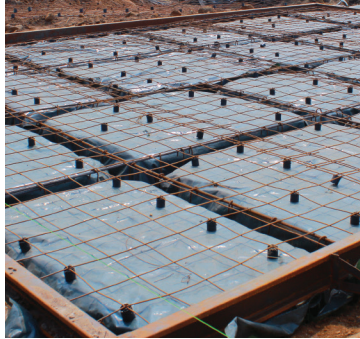


human settlements

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



ANNUAL REPORT 2021 / 2022





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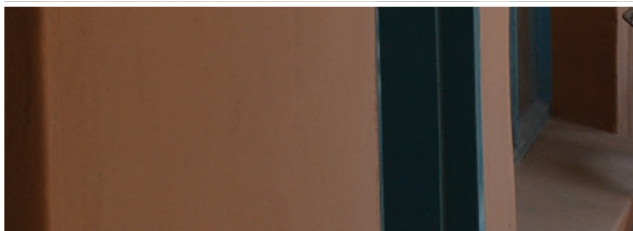
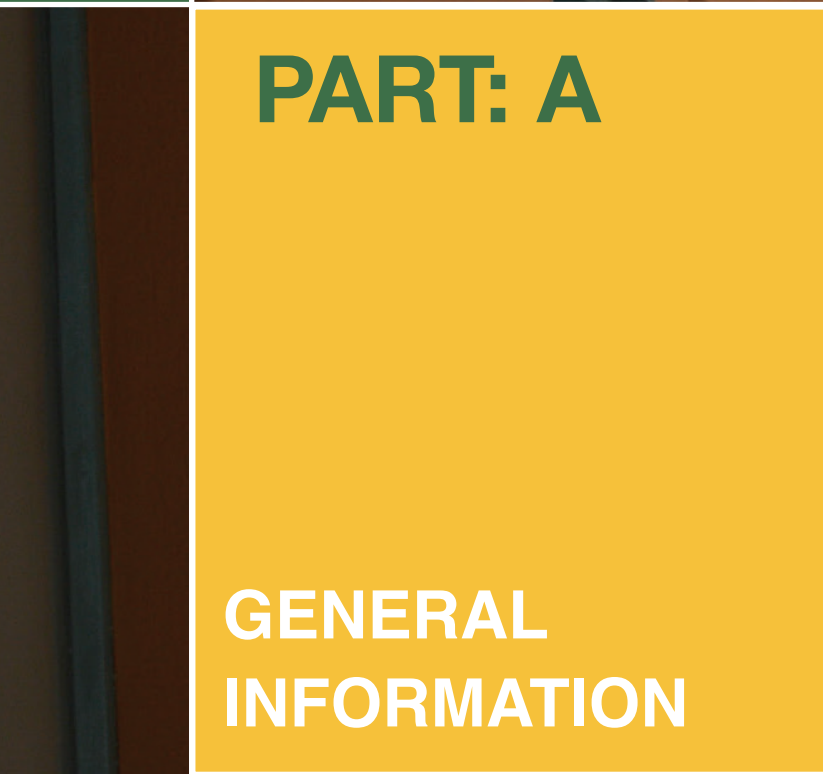
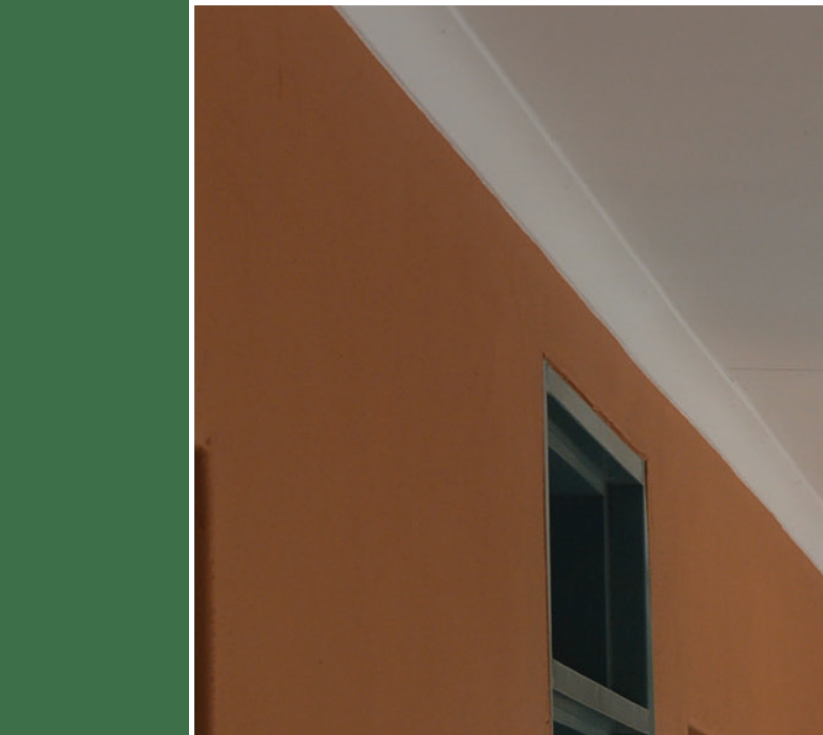
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1. DEPARTMENT'S GENERAL INFORMATION

PHYSICAL ADDRESS:

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

POSTAL ADDRESS:

PRIVATE BAG X 11328
MBOMBELA
1200

TELEPHONE NUMBERS:

+27 13 766 6087/6088

FAX NUMBER:

+27 13 766 8441

WEBSITE ADDRESS:

dhs.mpg.gov.za



2. LIST OF ABBREVIATIONS/ACRONYMS

| | | | |
|--------------|---|--------------|---|
| AGSA | Auditor General of South Africa | PPE | Personal Protective Equipment |
| APP | Annual Performance Plan | PMC | Provincial Management Committee |
| ANC | African National Congress | PAIA | Protection of Access to Information Act |
| BBBEE | Broad Based Black Economic Empowerment | PPP | Public Private Partnerships |
| CFO | Chief Financial Officer | PHP | People’s Housing Process |
| CoE | Compensation of Employees | PMU | Project Management Unit |
| DPSA | Department of Public Service and Administration | SMS | Senior Management Service |
| DHS | Department of Human Settlements | SCM | Supply Chain Management |
| DDM | District Development Model | SDF | Spatial Development Framework |
| HOD | Head of Department | SHRA | Social Housing Regulatory Agency |
| HDA | Housing Development Agency | SITA | State Information Technology Agency |
| HSDG | Human Settlements Development Grant | SDIP | Service Delivery Improvement Plan |
| HSMP | Human Settlements Master Plan | TR | Treasury Regulations |
| IDPs | Integrated Development Plans | UISP | Upgrading of Informal Settlements Programme |
| IRDP | Integrated Residential Development Programme | NDP | National Development Plan |
| MEC | Member of Executive Council | OP | Operational Plan |
| MEGA | Mpumalanga Economic Growth Agency | WHO | World Health Organisation |
| MSIHS | Master Plan on Sustainable Integrated Human Settlements | SCOPA | Select Committee on Public Accounts |
| MTEF | Medium Term Expenditure Framework | NHBRC | National Home Builders Registration Council |
| MTSF | Medium Term Strategic Framework | SHERQ | Safety, Health, Environment, Risk and Quality |
| PFMA | Public Finance Management Act | | |



Mr SK Mashilo (MPL)
MEC: Human Settlements

3. FOREWORD BY THE MEC

The government has a responsibility to ensure that basic and other services are provided to its citizenry without fail. Directed by existing laws, governments through the Executive and a myriad of departments, agencies and other service delivery institutions are expected to ensure concerted efforts towards future development. To this end, the Department of Human Settlements derives its mandate from the country's Constitution (Act 108 of 1996) to ensure the provision of adequate housing and integrated sustainable human settlements.

Read in-tandem with the deepened grasp - the Department is robustly incited in co-operation with its stakeholders to guarantee the apprehension of the provision of integrated human settlements. Emphasis is placed on Section 26 of the Constitution that expands the eminence of this portfolio in providing apt, benevolent and decent housing and improvement of sustainable cohesive human settlements to deserving and eligible beneficiaries. Over the last few years, the country has advanced countless programmes, plans, and statutes - amongst others - to guarantee engrossed and space-age growth.

The financial year under review (2021/22) marked the third year of the sixth administration (2019 – 2024), an epoch that brought about much desirable optimism. Navigated through the country's advanced guide – National Development Plan (NDP) and other key documents, namely, the Strategic and Annual Performance Plans - this Annual Report presents a version of the Department's performance for the 2021/22 financial year. Further, the delivery during this financial year was mainly driven by regional focused methodology – District Development Model (DDM). This vehicle assisted government to synergise and channel its resources towards realising tangible impact on projects.

During the period under review, the Department performed well with most of its planned outputs being met. There was over achievement on the Financial Linked Individual Subsidy (FLISP) programme. This is government's intervention to cater for middle-income earners. Through the various programmes and services, the Department yielded nearly 9 832 housing opportunities, which was just a fraction less of what was planned (10 621). Notwithstanding challenges affecting the sector, our performance achievements were generally applauded by the forum on Minister and MEC's during its quarterly sittings. As far the bigger picture is concerned, there is still some ground to be covered in relation to the five year target (Medium Term Strategic Framework). In addition

to the department's achievement over the 2021/22 financial year, the department managed to acquired 18 serviced sites in Emalahleni (8) and Dipaliseng (10) Local municipalities, these sites are earmarked for construction of social and economic facilities in integrated human settlements projects

Since the advent of the novel Coronavirus (Covid-19), the country and by extension the sector is yet to recover from all material aspects. Although there were some difficulties, the Department invented interventions and adopted a recovery plan to accelerate delivery and forge ahead with its obligation. Given the complexity and economic contestation in the built sector, our institution was not spared on challenges which are constant feature affecting the sector. Chief amongst some challenges - we had to intervene in some localities where there was illegal invasion of land and or occupation of construction sites by community members and project stoppages land, claiming a serious need for land and economical exclusion, respectively.

There were also delays in the start of some projects owing to changes in project areas and new councillors requesting to verify beneficiary lists before implementation, community unrests and disputes at some projects and appointment of liaison officers hampered our course and off-course the chronic lack of bulk infrastructure for servicing of sites at some municipalities and heavy rainfall prevented the acceleration of projects.

As part of her Provincial Outreach Programme, Human Settlements Minister Mmamoloko Kubayi visited several projects at eMalahleni, Steve Tshwete and City of Mbombela Local Municipalities. The engagements intervened on blocked projects and to prioritise on emergency, asbestos, and mud houses, amongst others. Our long term plan is to ensure that municipalities are assisted with proper beneficiary management, improved bulk infrastructure development, empower special groups such as women, youth, people with disabilities and small businesses/entrepreneurs. By these – we are certain that the triple challenges of poverty, unemployment and inequality that continue to bedevil the country will be addressed.

Given the material conditions on the ground, the Department will continue to prioritise its programmes with emphasis on the rapid release of land through the delivery of serviced sites and bulk infrastructure development. This does not by any stretch of imagination that delivery of top structures to cater for the elderly, special groups, child headed households, and military veterans, amongst other vulnerable groups – will be shortchanged. To this end, we will continue to engage stakeholders within the sector, communities, private sector and government departments to better our performance. Having painted this picture and took account of these material conditions, ours is not by any stretch of imagination to fail or be despondent.

As duly elected by the majority of the province's populace and subsequently deployed by the African National Congress (ANC), one doesn't underscore this responsibility. My gratitude goes to the ANC for giving me yet another opportunity to lead this portfolio. May I appreciate my family for their continued support and compromise whilst executing my work. To the Premier, Ms Refilwe Mtshweni-Tsipane, colleagues at the Executive Council and my office, your guidance and support are consummate. The supervision and oversight role by the Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs is also saluted. Finally, my appreciation goes to the Acting Accounting Officer, management, and the entire staff complement (employees) for their steady tenacity to pledge the delivery of human settlements and other associated services to citizens.

“Let's Grow Mpumalanga Together”



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

During the course of the current administration (2019 – 2024), government introduced the District Development Model (DDM) which is an operational model for improving cooperative governance aimed at building a capable, ethical Developmental State. This model embodies an approach by which the three spheres of government and state entities work in unison in an impact-oriented way, and where there is higher performance and accountability for coherent service delivery and development outcomes. It is a method of government operating in unison focusing on the municipal district and metropolitan spaces as the impact areas of joint planning, budgeting and implementation.

Throughout this financial year, the Department lived up to the requirements of the District Development Model (DDM) by ensuring that cooperation with all the other spheres of government are adhered to. The involvement of sector departments and state entities such as the National Home Builders Registration Council (NHBRC) and Housing Development Agency (HDA), amongst others, ensured quality assurance, proper guidance and financial prudence in procuring land and other properties. This practically showed a single unit operation in relation to achieving developmental objectives and outcomes in planning and resource stretching for effectiveness. The cooperation with municipalities on collaborative planning, budgeting and implementation processes reigned supreme during the year under review.

The DDM is critically desirable as it tackles the silo approach in delivering services to communities – which often leads to lack of comprehensible planning and implementation - thus rendering monitoring and oversight of government's agenda confounding. With sound collaboration with CoGTA, the Department swiftly dealt with emergency and disaster incidents at various municipalities such as Nkomazi, City of Mbombela, and Bushbuckridge. Furthermore, the Department delivered bulk infrastructure projects (Ermelo, Leandra and Embalenhle sewer projects) for which additional funding was granted during the budget adjustment. The Covid-19 intervention projects (boreholes and water reservoir for schools and communities) were also completed.

Servicing of Sites and Houses

The Department had planned to construct **3 266** housing units and service **7 355** sites during the 2021/22 financial year. At the end of the

period under review, a total of **2 975** housing units were constructed through various programmes and **6 857** sites (IRDP and UISP) were serviced, yielding a considerable **9 832** housing opportunities for communities excluding the 18 serviced sites which were acquired for social economic amenities with an aim to enhance the integrated human settlements development in the province.

Social Amenities

In keeping with our inclusive mandate, the Department had three social amenities planned for construction and completion in this financial year 2021/22. Given the challenges associated with the sector and slow movement of projects due to Covid-19, the planned socio-economic facilities were at various stages (roof level and earthworks) of completion.

Land Acquisition

Land remains one of the topical issues in the country in relation to development. It is pleasing to report that the Department has acquired two (2) portions of land at Msukaligwa and City of Mbombela Local Municipalities. These are well located portions of land acquired for residential development in line with the enhanced mandate of sustainability and integration.

Disaster (Cyclone Eloise, etc.)

Given past experiences, the province is prone to natural disasters such as floods, heavy rains and fires. During the course of the year, the province experienced a heavy storm called Cyclone Eloise which damaged properties including houses, halls and other facilities and left people homeless. As government came to the rescue on this and other declared emergencies, the Department successfully built 20 houses through the Emergency Housing Programme.

General Challenges

During the year under review, the Department under performed on beneficiary registration owing to delays in the submission of beneficiary forms by some municipalities. On the administrative front, there was

overspending on compensation of employees as a result of under-budgeting on payments on non-pensionable allowances and salary adjustment as per the Department of Public Services and Administration (DPSA) wage negotiations.

Issuing of title deeds

In order to increase access security of tenure and land rights, the Department continued to register these legal documents to beneficiaries. They can be used as an economic leverage for beneficiaries to improve their lives.

Interventions

Despite these shortcomings, there was much progress in administration where several positions were filled to ensure effectiveness in our work. Another exploit worth mentioning was the engagement with human settlements councillors from municipalities through MunMEC where plans and programmes were presented and several undertakings made towards the improving on outputs.

Conclusion

It must be indicated that much as the performance has been pleasing, one is mindful of the fact that there is still room for improvement. Given the economic and development challenges affecting the globe, countries and the sector in particular, we are cognisant that more could have been done – to the maximum consummation of communities. Let me take this opportunity to appreciate all stakeholders who made noteworthy impression towards our expedition to provide integrated sustainable human settlements – thus taming the scenery of communities.



MS HN ZITHA
ACTING HEAD: HUMAN SETTLEMENTS

4.2. OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

4.2.1. Departmental Receipts

| Departmental Receipts | 2021/22 | | | 2020/21 | | |
|--|----------|-------------------------|--------------------------|----------|-------------------------|--------------------------|
| | 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 | 162 | 159 | 3 | 144 | 158 | (14) |
| Interest, dividends and rent on land | 1 960 | 1 709 | 252 | 1 870 | 3 139 | (1 269) |
| Sale of capital assets | - | 37 | (37) | - | 571 | (571) |
| Financial transactions in assets and liabilities | 57 | 6 195 | (6 138) | 102 | 276 | (174) |
| Total | 2 179 | 8 100 | (5 921) | 2 116 | 4 144 | (2 028) |

The Department has collected **R 8.1 million** for the 2021/22 financial year, which constitutes 272% of the revenue collection estimate for the year. This is an over-collection by an amount of **R5.9 million**.

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

Furthermore, the Department has received an amount of **R 4.5 million** as a refund from the Department of Military Veterans which was top-up for the subsidy quantum relating to the previous financial years' expenditure. This amount has been accounted for under Financial Assets in the face of the financial statements.

4.2.2. Programme Expenditure

The Department was initially allocated a total budget of **R 1.557 billion** during the 2021/22 financial year, which constitute a decrease of 1% compared to **R 1.558 billion** for 2020/21 financial year. However, the Departmental budget increased by **R 59.116 million** during the 2021/22 budget adjustments from **R 1.557 billion** (initial budget) to **R 1.616 billion** (adjusted budget).

The increase of the adjusted budget for the 2021/22 came as a result of the following:

| Description | Amount R'000 | Programme |
|--|-----------------|--|
| Allocation of funds for bulk infrastructure projects from Provincial Revenue Fund | 13 132 | Housing Needs, Research and Planning |
| Additional funding for disaster relief projects (Provincial Emergency Housing Grant) | 40 984 | Housing Development |
| Increase of equitable share (Goods and Services) | 5 000 | Administration, Housing Needs, Research and Planning, Housing Development and Housing Asset Management |
| TOTAL | 59 116 | |

The Department spent **R1.563 billion** of the total adjusted budget of **R 1.616 billion** as at 31 March 2022. The Department underspent its budget by **R53.649 million** which constitutes 3% of the total budget for the year.

| Programme Name | 2021/2022 | | | 2020/2021 | | |
|--------------------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|--------------------------|
| | 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 | 160 058 | 160 042 | 16 | 151 180 | 150 399 | 781 |
| Housing Needs, Research and Planning | 192 468 | 186 045 | 6 423 | 219 067 | 205 935 | 13 132 |
| Housing Development | 1 244 815 | 1 199 956 | 44 859 | 1 163 958 | 1 163 926 | 32 |
| Housing Asset Management | 19 177 | 16 826 | 2 351 | 23 806 | 21 290 | 2 516 |
| Total | 1 616 518 | 1 562 869 | 53 649 | 1 558 011 | 1 541 550 | 16 461 |

The table below depicts the summary of expenditure per programme for 2021/22 financial year as well as under expenditure per programme for 2021/22 financial year, with comparative figures. The details are disclosed in the Appropriation Statement of the Financial Statements in Part E

The unspent amount of **R 53.650 million** has been surrendered to the Provincial Revenue Fund.

4.2.3. Virements/ Roll Overs

The following post-book closure virements for the 2021/22 final budget adjustment appropriation were effected:

| Transfer From: | Transfer To: | Amount R'000 |
|------------------------------------|----------------|-----------------|
| Housing Needs, Research & Planning | Administration | 4 257 |
| Housing Development | Administration | 5 859 |
| Housing Asset Management | Administration | 1 635 |

Reasons for virement

Virements were made from Housing Needs, Research & Planning, Housing Development and Housing Asset Management to cover the excess expenditure in Administration and in respect of compensation of employees, goods and services, as well as the payment for capital assets.

4.2.4. Reasons for unauthorised, fruitless and Wasteful expenditure

There were no unauthorised, fruitless and Wasteful expenditure

4.2.5. Public Private Partnership

The Department did not enter into Public Private Partnerships during the period under review

4.2.6. Discontinued key Activities/ Activities to be discontinued

None

4.2.7. New or proposed key Activities

None

4.2.8. Funds to be Rolled-Over to the 2021/22 Financial Year

The Department applied for roll-overs amounting to **R 44.848 million** relating to the conditional grants. The Provincial Emergency Housing Grant (PEHG) which assists in provision of temporary shelter assistance to household affected by disaster and the Informal Settlements Upgrading Partnership Grant (ISUPG) which provides programmatic and inclusive approach to upgrading of informal settlements. The latter was enacted towards the end of the second quarter hence the surplus.

4.2.9. Supply Chain Management

The Department had a functional Supply Chain Management (SCM) Directorate during the 2021/22 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, 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 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 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 2021/22 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 on the Implementation of Human Settlements Conditional grant through the 2021/22 Business and Annual Performance Plans. The internal oversight was intended to ensure that all reported information is supported by valid, complete and accurate portfolio of evidence in an endeavour to attain a clean audit outcome. The Department did not revise the Annual Performance plan 2021/22 during the period under-review. Therefore, performance information presented in Part B of this report is based on only the originally tabled Annual Performance Plan 2021/22.

4.2.16. SCOPA Resolutions

There were SCOPA resolutions taken during the 2021/22 financial year. (Refer to Part C of the Annual Report).

4.2.17. Prior Modifications to Audit Reports

There were no Prior Modifications to Audit Reports.

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 2021/22 financial year.

4.2.20. Conclusion

The Department spent **97%** of its budget of **R1 616 billion** providing **9 832** housing opportunities to the communities of Mpumalanga Province. It is therefore safe to conclude that the 2021/22 financial year was awesome.



MS HN ZITHA
ACTING HEAD: HUMAN SETTLEMENTS

DATE: 29/07/2022

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

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

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

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

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

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

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2022.

Yours faithfully



MS HN ZITHA

ACTING HEAD: HUMAN SETTLEMENTS

DATE: 29/07/2022

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:

- 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;
- Identification of priority development areas for multi-programme integration in order to achieve spatial transformation;
- 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 utilise 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 E: Financial Information**.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Department of Human Settlements derives its mandate from the South African Constitution (Act 108 of 1996) which states that it shall provide adequate housing and integrated sustainable human settlements to all eligible beneficiaries. The Department receives its budget from the Human Settlements Development Grant (HSDG), Upgrading of Informal Settlements Programme (UISP) and Emergency Housing Assistance to carry out its mandate. During the 2021/22 financial year, the Department was conducting placement of officials as per the approved Organisational structure and has been finalised. On conclusion of placement, two grievances have been received and the Department is handling them as per the grievance procedure and will be finalised within the 90 days' period.

In compliance to the Fourth Industrial Revolution, the Department has introduced the scanning of documents into a system of Metro-file private company that will minimise the loss, misplacement and difficult retrieving of institutional memory/knowledge. Despite these changes, the Department has been able to deliver according to the integrated and sustainable human settlements approach as a new mandate. Service Providers are able to access information they need to assist the Department to fulfil its mandate and this is what the Service Delivery Environment provides for its stakeholders. This means that Service Provider personnel who are specifically authorized to have such access, and shall take such measures to prevent unauthorized access, use, destruction, alteration or loss of the departments information.

The outbreak of the Covid-19 virus has compelled the department to advance technological progress in conducting meetings virtually and this limited board room meeting and prevented the spread of the virus. Covid-19 visible monitoring and Assessment of Workplace Occupational Health and Safety measures and the creation of safety working environments was conducted. The Service Delivery Improvement Plan concentrated on Provision of basic services and upgrading of informal settlements, which are aligned to the annual performance plan of the department

2.2 Service Delivery Improvement Plan

Main Services and Standards

| Main Services | Beneficiaries | Current/Actual standard of Services 2021/22 | Desired Standard of Services 2021/22 | Actual Achievements 2021/22 |
|---|---|---|--------------------------------------|-----------------------------|
| Provision of Bulk water and Sanitation Infrastructure | Municipalities and beneficiaries earning below R3500.00 | 5000 sites | 7355 sites | 6857 sites 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 | The Department managed to consult all relevant stake holders when rendering its services |
| Access | Access to services through the 3 accessible District Offices and 2 Satellite Offices | Internal and external customers were able to access or visit all offices of the department (Head Office, three Districts and two satellite offices) personally or telephonically. |
| 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 | The department succeeded to disseminate Information to customers as per their requests 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) | Approved Service Delivery Improvement Plan | The three-year SDIP planned targets were achieved and reports available. |

Complaints Mechanism

| Current/complaints mechanism | Desired complaints mechanism | Actual achievement |
|--|---|------------------------------|
| Approved reports on responses on complaints and petitions from Chapter 9 Institutions and other oversight bodies | 4 approved quarterly reports on a number of complaints from Chapter 9 Institutions, Oversight Institutions, Petitions Committee and the public. | Achieved 4 approved reports. |

2.3 Organisational Environment

The Department is structured into four programmes namely:

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

The Department is currently at 36% women at SMS level, only 14% women needed at SMS level 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. So far, the Department has advertised three (3) SMS posts with an anticipation to fill them during the 1st quarter of 2022/23 financial year.

The Department has also ensured adequate and effective implementation, frequent monitoring of the audit action plans for both internal and external audits in an effort to achieve a clean audit report for the financial year 2021/22.

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

2.4 Key Policy Developments and Legislative Changes

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

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Despite challenges facing Human Settlements environment including, ageing bulk water and sanitation infrastructure, the Department strives to ensure that communities within Mpumalanga Province are housed in well-located settlements. These strides were through the utilization of programmes such as Integrated Residential Development Programme, Financed Linked Housing Subsidy, Rural Housing, Emergency Housing and People's Housing Process which delivered a total of **2 975** against a target of **3 266** units. However, servicing of sites through Integrated Residential Development Programme, Planning and Services and informal settlements also ensured that stands approximating to **6 857** were connected to services (water, sewer, electricity and access roads). A further 18 serviced sites for social amenities were acquired to enhance integrated human settlements projects

It is critical to note that the Department is implementing its programme as 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. Thus, progress towards achieving such impacts and outcomes, are illustrated in the table below:

| MTSF Target Instruments | Provincial MTSF Planned Targets | 2019/20 Actual Performance | 2020/21 Actual Performance | 2021/22 Targets | 2021/22 Actual |
|-------------------------------------|--|------------------------------|--------------------------------|--------------------------------|---|
| Servicing of sites (UISP & IRDP) | 29 300 | 3 902 | 2 102 | 7 355 | 6 857 |
| Individual Units (Top Structures) | 31 324 | 6 651 | 4 513 | 3 266 | 2 898 |
| Social Housing (SHRA) | 400 | None | None | None | None |
| Community Residential Units | 1 300 | Platforms for 128 units done | Earth works for 128 units done | Super structures for 128 units | 326 CRU units under construction. 20 units completed at Umjindi CRU |
| Social and Economic Facilities | 20 | 1 Child care center | 1 community hall | 3 | 2 at roof and 1 at earthworks |
| Finance Linked Individual Subsidies | 1 000 | 59 | 39 | 50 | 57 |
| TOTAL HOUSING OPPORTUNITIES | 63 344 [100 000 SOPA PRONOUNCEMENT] | 10 612 | 6 654 | 10 621 | 9 832 |
| Title Deeds | 40 000 | 2 430 | 4 109 | 7 865 | 1 951 |

Remarkable progress has also been made in the acquisition of well-located land as one of the Department's key priority of "Mobilisation of well-located public land for low income and affordable housing with increased densities on land and in general". Two portions of land have been purchased at Msukaligwa (**Buhrmannstafelkop**) and City of Mbombela (**Karino**) Local Municipalities.

The Department implemented the programme alluded to above which emanates from the Annual Performance Plan of 2021/22. Lastly, it is important to mention that, the Annual Performance Plan of 2021/22 has not being revised in the financial year under-review and therefore, this report is based on the APP originally tabled at the Provincial Legislature.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

NB: The information below is based on the originally tabled Annual Performance Plan as the Department did not revise its Annual Performance Plan during the 2021/22 FY

4.1 Programme 1: Administration

Programme Purpose

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

List of Sub-Programmes

Office of the CFO

- Internal Control;
- Risk Management;
- Financial Accounting;
- Management Accounting; and
- Supply Chain Management.

Corporate Services

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

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

| No | PROGRAMME: ADMINISTRATION | | | | | | | | |
|-------------------------|---|--|--|--|--|---|--|---|--|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| CHIEF FINANCIAL OFFICER | | | | | | | | | |
| 1 | Good governance and Clean Audit Outcome | 100% of invoices received and paid within 30 days | Percentage of invoices received and paid within 30 days | 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 | 2787 or 97.62% of all invoices received were paid within 30 days | 68 or 2,38% of all invoices were paid after 30 days | <ul style="list-style-type: none"> Invoiced not paid within 30 days period were due to ISUPG not gazette on time. Inadequate budget for goods and services |
| 2 | | Approved Annual Financial Statements and submitted to Treasury and Auditor General | Approved Annual Financial Statements and submitted to Treasury and Auditor General | Approved Annual Financial Statements and submitted to Treasury and Auditor General | Approved Annual Financial Statements and submitted to Treasury and Auditor General | Annual Financial Statement | Interim Financial Statements compiled and submitted to Treasury | None | None |

| No | PROGRAMME: ADMINISTRATION | | | | | | | | |
|-------------------------|---|---|---|--|--|---|--|---|-----------------------|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| SUPPLY CHAIN MANAGEMENT | | | | | | | | | |
| 3 | Good governance and Clean Audit Outcome | 10%, 1% and 30% budget directed towards empowerment of youth, persons with disabilities and women contractors, respectively | A percentage of budget directed towards empowerment of youth, persons with disabilities and women contractors | At least 10%, 1% and 30% budget directed towards empowerment of youth, persons with disabilities and women contractors, respectively | At least 10%, 1% and 30% budget directed towards empowerment of youth, persons with disabilities and women contractors, respectively | 10%, 1% and 30% budget directed towards empowerment of youth, persons with disabilities and women contractors, respectively | At least 35.96%, 1%93.88% of the budget was directed towards empowerment of youth, persons with disabilities and women contractors, respectively | None | None |

| No | PROGRAMME: ADMINISTRATION | | | | | | | | |
|--|---|---|---|---|---|---|---|---|-----------------------|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT | | | | | | | | | |
| 4 | Good governance and Clean Audit Outcome | Approved MTEF Human Resource Plan | Approved MTEF Human Resource Plan | Approved 2019-2020 MTEF Human Resource Plan | Approved 2020-2021 MTEF Human Resource Plan | Approved 2023-2025 MTEF Human Resource Plan including 2021/22 annual report | 2023-2025 MTEF Human Resource Plan including 2021/22 annual report approved | None | None |
| 5 | | Approved annual Human Resource Oversight Report | Approved annual Human Resource Oversight Report | Approved annual Human Resource Oversight Report for 2019/20 | Approved annual Human Resource Oversight Report for 2020/21 | Approved annual Human Resources oversight report for 2021/22 | Annual Human Resources oversight report 2021/22 approved | None | None |
| 6 | | Approved Annual Integrated Employee Health and Wellness Programmes report | Approved Annual Integrated Employee Health and Wellness Programmes report | New Indicator | Approved Annual Integrated Employee Health and Wellness Programmes report | Approved Annual Integrated Employee Health and Wellness Programmes report 2021/22 | 2021/22 Annual Integrated Employee Health and Wellness Programmes report approved | None | None |

| No | PROGRAMME: ADMINISTRATION | | | | | | | | |
|---|---|--|--|--|--|--|--|---|-----------------------|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| SPECIAL PROGRAMMES | | | | | | | | | |
| 7 | Good governance and Clean Audit Outcome | Approved Annual Report on special programmes | Approved Annual Report on special programmes | Approved Annual Report on special programmes 2017/18 | Approved Annual Report on special programmes 2018/19 | Approved Annual Report on special programmes 2020/21 | 2021/22 Special programme Annual Report approved | None | None |
| COMMUNICATION SERVICES | | | | | | | | | |
| 8 | Good governance and Clean Audit Outcome | Approved progress report on the implementation of the communication plan | Approved progress report on the implementation of the communication plan | Approved progress report on the implementation of the communication plan 2018/19 | Approved progress report on the implementation of the communication plan 2019/20 | Approved communication plan 2020/21 | Communication plan 2020/21 completed and approved | None | None |
| INFORMATION AND COMMUNICATION TECHNOLOGY | | | | | | | | | |
| 9 | Good governance and Clean Audit Outcome | Approved progress report on the Implementation of ICT Plan | Approved progress report on the Implementation of ICT Plan | Approved progress report on the Implementation of ICT Plan 2019/20 | Approved progress report on the Implementation of ICT Plan 2020/21 | 4 Report on Information Communication Technology Strategy Plan 2021/22 | 4 Quarterly Reports on Information Communication Technology Strategy Plan (2021/22) completed and approved | None | None |

| No | PROGRAMME: ADMINISTRATION | | | | | | | | |
|--|---|---|---|---|--|--|--|---|-----------------------|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| STRATEGIC PLANNING AND MANAGEMENT | | | | | | | | | |
| 10 | Good governance and Clean Audit Outcome | Approved Annual Performance Plan | Approved Annual Performance Plan | Approved 2020/21 Annual Performance Plan | 2021/22 Annual Performance Plan completed and Approved | Approved 2022/23 Annual Performance Plan | 2022/23 Annual Performance approved | None | None |
| 11 | | Approved Human Settlements Business Plan | Approved Human Settlements Business Plan | Approved 2020/21 Human Settlements Business Plan | 2021/22 Human Settlements Business Plan completed and approved | Approved 2022/23 Human Settlements Business Plan | 2022/23 Human Settlements Business Plan approved | None | None |
| 12 | | Approved annual report on the Implementation of SDIP | Approved annual report on the Implementation of SDIP | Approved annual report on the Implementation of SDIP 2019/20 | Service Delivery Improvement Plan Reports completed and approved 2020/21 | 4 Service Delivery Improvement Plan Reports | 4 Service Delivery Improvement Plan Reports compiled | None | None |
| 13 | | Approved annual report on the implementation of Knowledge Management Strategy | Approved annual report on the implementation of Knowledge Management Strategy | Approved annual report on the implementation of Knowledge Management Strategy 2019/20 | 2020/21 knowledge management strategy reports completed and approved | 4 Knowledge management strategy reports | 4 Knowledge management strategy reports compiled | None | None |

| No | PROGRAMME: ADMINISTRATION | | | | | | | | |
|---------------------------|--|---|---|---|---|---|---|--|--------------------------|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFOR- MANCE 2019/20 | AUDITED ACTUAL PERFOR- MANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVE- MENT 2021/22 | DEVIATION FROM PLANNED TARGET TO AC- TUAL ACHIEVE- MENT 2021/22 | REASONS FOR DEVIATION |
| MONITORING AND EVALUATION | | | | | | | | | |
| 14 | Good gover- nance and Clean Audit Outcome | Approved Annual Performance Report | Approved Annual Performance Report | Approved An- nual Perfor- mance Report 2018/19 | Approved Annual Performance Report 2019/20 | Approved An- nual Perfor- mance Report 2020/21 | Annual Per- formance Re- port 2020/21 Approved | None | None |
| 15 | | Approved Project Level Monitoring Reports | Approved Project Lev- el Monitoring Reports | Approved Project Level Monitoring Reports | Approved Project Lev- el Monitoring Reports | 4 Project Lev- el Monitoring Reports | 4 Project Lev- el Monitoring Reports com- pleted and approved | None | None |
| LEGAL SERVICES | | | | | | | | | |
| 16 | Good gover- nance and Clean Audit Outcome | Number of Litigations Reports compiled | Number of Litigations Reports compiled | 12 Litigations Reports com- piled annually | 4 Litigation Reports | 4 Litigation Reports | 4 Litigation Reports com- pleted | None | None |

Linking Performance with Budgets

Sub-programme Expenditure on Programme 1: Administration

| Administration | 2021/2022 | | | 2020/2021 | | |
|----------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Office of the MEC | 10 564 | 10 261 | 303 | 10 503 | 10 503 | - |
| Corporate Services | 149 494 | 149 781 | (287) | 140 677 | 139 896 | 781 |
| Total | 160 058 | 160 042 | 16 | 151 180 | 150 399 | 781 |
| Economic Classification | | | | | | |
| Compensation | 103 969 | 103 969 | - | 101 370 | 100 589 | 781 |
| Goods & Services | 51 213 | 51213 | - | 46 403 | 46 403 | - |
| Transfers and Subsidies | 708 | 692 | 16 | 97 | 97 | - |
| Payment for Capital Assets | 4 168 | 4 168 | - | 2 694 | 2 694 | - |
| Total | 160 058 | 160 042 | 16 | 151 180 | 150 399 | 781 |

Strategy to overcome areas of under performance

Baseline for the Department has been revised

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

Table: Progress on Institutional Response to the COVID-19 Pandemic

| Budget Programme | Intervention | Geographic Location (Province/ District/ local Municipality) (where possible) | No. of beneficiaries (Where possible) | Disaggregation of Beneficiaries (Where possible) | Total budget allocation per intervention (R'000) | Budget spent per Intervention (R'000) | Contribution to the output in the APP (where applicable) | Immediate outcome |
|--------------------------------|--|---|---------------------------------------|--|--|---------------------------------------|--|---|
| Health and Wellness Programmes | Total budget allocation per intervention (R'000) | Budget spent per Intervention | 260 | All employees at Head Office and Ehlanzeni District office | 0 | 1 55 | Approved annual Integrated employee health and wellness programmes | Healthy and safe delivery of services amid Covid 19 |
| | | Nkangala District: eMmahlani & Dr JS Moroka | 52 | All employees stationed at Emahlani and KwaMhlanga offices | | | | |
| | | Gert Sibande District: Chief Albert Luthuli & Msukaligwa | 45 | All employees stationed at Chief Albert Luthuli and Msukaligwa offices | | | | |
| | Provision of PPE, sanitizers and disinfectants during departmental events and outreach | Pixley Ka Seme Municipality | 15 | Community members attending title deeds hand over event | | | Events management and outreach programmes | Covid 19 safe delivery of outreach programmes |
| | | Govan Mbeki Municipality | 15 | Community members attending title deeds hand over event | | | | |

| Budget Programme | Intervention | Geographic Location (Province/ District/ local Municipality) (where possible) | No. of beneficiaries (Where possible) | Disaggregation of Beneficiaries (Where possible) | Total budget allocation per intervention (R'000) | Budget spent per Intervention (R'000) | Contribution to the output in the APP (where applicable) | Immediate outcome |
|---------------------|--|---|---------------------------------------|--|--|---------------------------------------|--|---|
| | | Nkomazi Municipality | 15 | MEC Project oversight/ visit | | | | |
| | | Nkomazi Municipality | 15 | Community members attending house handover event | | | | |
| | | Nkomazi Municipality | 15 | Community members attending SOD turning event | | | | |
| | | Steve Tshwete Municipality | 15 | Community members attending title deeds handover event | | | | |
| | Conduct covid 19 education and awareness sessions in the workplace | All three (3) Districts: Ehlanzeni, Nkangala and Gert Sibande | 210 | All employees | Nil | | Approved annual Integrated employee health and wellness programmes | Covid 19 information shared, awareness raised and Covid safety behavior changed |
| Facility Management | Disinfection of office buildings after employees tested positive | Ehlanzeni District: Mbombela Municipality | 260 | All employees at Head Office and Ehlanzeni District office | 0 | 45 | Maintenance of a healthy and safe work environment | Reduced workplace COVID/ occupational diseases risk |

4.2 Programme 2: Housing Needs, Research and Planning

4.2.1 Programme Purpose

To facilitate and undertake integrated human settlements planning. The Department will implement bulk water and sanitation infrastructure projects in the following municipalities: Dr. Pixley Ka Isaka Seme, Nkomazi, Bushbuckridge, Mkhondo, eMalahleni and Steve Tshwete.

List of Sub-Programmes

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

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

| No | PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING | | | | | | | | |
|---|---|---|---|------------------------------------|--|--|--|---|-----------------------|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| HOUSING NEEDS, POLICY AND RESEARCH | | | | | | | | | |
| 1 | Research-ers conducted on policies | Research Report on the Housing Subsidy Gap Market | Number of approved Research Report on specific topics | None | 1 Report on Municipal Level Evaluation Impact on Housing completed | 1 Report on Policy Limitation Affecting delivery of sustainable housing opportunities for the Gap Market | 1 Report on Policy Limitation Affecting delivery of sustainable housing opportunities for the Gap Market completed | None | None |
| 1.1 | Policies implementation guidelines approved | Policies implementation guidelines approved | Number of policies and implementation guidelines developed and approved | None | None | 1 Policy developed and approved | 1 Beneficiary Management and Housing Allocation Framework developed and approved | None | None |

| No | PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING | | | | | | | | |
|---|---|------------------------|----------------------------------|---|------------------------------------|----------------------------------|--|---|--|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| BENEFICIARY AND HOUSING SUBSIDIES MANAGEMENT | | | | | | | | | |
| 2 | Beneficiaries captures on the HSS | Approved beneficiaries | Number of approved beneficiaries | 6 000 HSS approved beneficiaries approved | 1 828 HSS beneficiaries approved | 2 500 HSS approved beneficiaries | 1680 beneficiaries were approved during the 2021/2022 financial year | Under achieved by 820 beneficiaries | <ul style="list-style-type: none"> Some municipalities were slow in the submission of subsidy application forms. Some municipalities delay in submitting Council Resolutions on beneficiary lists e.g. Mbombela and Dr Pixely Ka Isaka Seme NHBRC has stopped some of the projects because the conditions of enrolment were not met at Emakhazeni and Steve Tshwete, therefore municipalities were reluctant to submit forms The Thaba Chweu municipality requested that the project identified for Pilgrims Rest be moved to Graskop. Awaiting finalisation thereof before the beneficiary list can be submitted. |

| No | PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING | | | | | | | | |
|----|---|---|--|--|---|--|--|---|-----------------------|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| | COMMUNITY EMPOWERMENT AND STAKEHOLDER ENGAGEMENT | | | | | | | | |
| 3 | Chapter 9 institution complains resolved | Approved report on responses to complaints and petitions from Chapter 9 institutions and other oversight bodies | 4 Approved Quarterly Reports on number of complaints from Chapter 9 and Oversight Institutions, the Public and Petitions Reports | 4 Approved Quarterly Reports on number of complaints from Chapter 9 Institution, Oversight Institutions and the Public and Petitions Committee | 4 Approved Quarterly Reports on number of complaints from Chapter 9 Institution Oversight Institutions and the Public and Petitions Committee | 4 Approved Quarterly Reports on number of complaints from Chapter 9 Institution Oversight Institutions | 4 Quarterly Reports on number of complaints from Chapter 9 Institution Oversight Institutions and the Public and Petitions Committee compiled and approved | None | None |
| | HUMAN SETTLEMENTS PLANNING | | | | | | | | |
| 4 | Departmental projects implemented | Projects implemented according to the Project Readiness Matrix | Approved Project Readiness Matrix | Approved 2020/21 Project Readiness Matrix | Approved 2021/22 Project Readiness Matrix | Approved 2022/23 Project Readiness Matrix | 2022/23 Project Readiness Matrix approved | None | None |

| No | PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING | | | | | | | | |
|----|---|--|--|-------------------------------------|------------------------------------|---|--|---|-----------------------|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| 5 | Departmental projects implemented | Projects implemented according to the Project Readiness Matrix | Revised Human Settlements Master Plan 2030 aligned to spatial directives of National Development Plan 2030 | Final Human Settlements Master Plan | None | Report on the implementation of final Human Settlements Master Plan | Implementation of the final Human Settlements Master Plan with emphasis on the PHSH-DAs done as a number of implementing Agents (IA) were appointed to do township establishment on integrated human settlements projects. (Nkangala: 12 integrated human projects Gert Sibande: 8 integrated human settlements, Ehlanzeni: 19 integrated human settlements | None | None |

Linking Performance with Budgets

Sub-Programme Expenditure

| Housing Needs, Research and Planning | 2021/2022 | | | 2020/2021 | | |
|--------------------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | 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 | 192 468 | 186 045 | 6 423 | 219 067 | 205 935 | 13 132 |
| Total | 192 468 | 186 045 | 6 423 | 219 067 | 205 935 | 13 132 |
| Compensation of Employees | 61 445 | 61 445 | - | 57 944 | 57 944 | - |
| Goods & Services | 4 993 | 4 993 | - | 37 633 | 37 633 | - |
| Transfers and Subsidies | 10 344 | 3 921 | 6 423 | 22 022 | 22 022 | - |
| Payment to Capital Assets | 115 686 | 115 686 | - | 101 468 | 88 335 | 13 132 |
| Total | 192 468 | 186 045 | 6 423 | 219 067 | 205 935 | 13 132 |

Strategy to overcome areas of under performance

- District beneficiary managers assisted by the project monitors are following up with affected Municipalities to fastrack the submission of forms
- Consistent follow up is being done with relevant Municipalities

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

There are no standardized outputs and output indicators due to the fact that the Human Settlements Sector which is being co-ordinated by the National Department of Human Settlements, Water and Sanitation has set aside the 2021/22 financial year to ensure the all provinces adopt a uniform budget structure as well as sector customized indicators. Provinces will start to incorporate customized indicators in the 2022/23 financial year plans.

Table: Progress on Institutional Response to the COVID-19 Pandemic

| Budget Programme | Intervention | Geograph-ic Location (Province/ District/ local Municipality) (where possi-ble) | No. of ben-eficiaries (Where pos-sible) - Learn-ers | Disaggre-gation of Beneficia-ries (Where possible Enrolment Figures) | Total budget allocation per intervention | Budget spent per interven-tion | Contribu-tion to the output in the APP (where ap-plicable) | Immediate outcome |
|-----------------------|---------------------|---|---|--|--|--------------------------------|--|--------------------|
| Ehlanzeni Schools | School boreholes | Mbombela | 80 schools | 62824 | R 23 496 000 | R 42 727 990 | N/A | Provision of water |
| | School boreholes | Nkomazi | 62 schools | 49775 | R 18 209 400 | | N/A | Provision of water |
| | School boreholes | Bushbuckridge | 29 schools | 19034 | R 8 517 30 | | N/A | Provision of water |
| | School boreholes | Thaba Chweu | 1 school | 939 | R 293 700 | | N/A | Provision of water |
| Ehlanzeni Communities | Community Boreholes | Mbombela | 19 boreholes | N/A | R 5 580 300 | | N/A | Provision of water |
| | Community Boreholes | Nkomazi | 27 Boreholes | N/A | R 7 929 900 | | N/A | Provision of water |
| | Community Boreholes | Bushbuckridge | 32 Boreholes | N/A | R 9 398 400 | | N/A | Provision of water |
| | Community Boreholes | Thaba Chweu | 34 Boreholes | N/A | R 9 985 800 | | N/A | Provision of water |
| Ehlanzeni Jojo Tanks | Jojo Tanks | Mbombela | 6 Tanks | N/A | R 228 000 | | N/A | Provision of water |
| | Jojo Tanks | Bushbuckridge | 12 Tanks | N/A | R 456 000 | | N/A | Provision of water |
| | Jojo Tanks | Thaba Chweu | 3 Tanks | N/A | R 114 000 | | N/A | Provision of water |

| Budget Programme | Intervention | Geograph-ic Location (Province/ District/ local Municipality) (where possible) | No. of beneficiaries (Where possible) - Learners | Disaggregation of Beneficiaries (Where possible Enrolment Figures) | Total budget allocation per intervention | Budget spent per Intervention | Contribution to the output in the APP (where applicable) | Immediate outcome |
|------------------------------|---------------------|--|--|--|--|-------------------------------|--|--------------------|
| Nkangala Schools Boreholes | Jojo Tanks | Dr JS Moroka | Schools | 6431 | R 5 286 600 | R 4 732 774,38 | N/A | Provision of water |
| | Jojo Tanks | Emakhazeni | 2 Schools | 1002 | R 587 400 | | N/A | Provision of water |
| | Jojo Tanks | Emalahleni | 2 Schools | Unknown | R 587 400 | | N/A | Provision of water |
| | Jojo Tanks | Steve Tshwete | 1 School | 686 | R 293 700 | | N/A | Provision of water |
| | Jojo Tanks | Thembisile Hani | 9 School | 6774 | R 2 643 300 | | N/A | Provision of water |
| Nkangala School Jojo Tanks | Jojo Tanks | Dr JS Moroka | 4 Tanks | N/A | R 152 000 | | N/A | Provision of water |
| | Jojo Tanks | Victor Khanye | 1 Tank | N/A | R 38 000 | | N/A | Provision of water |
| | Jojo Tanks | Emalahleni | 2 Tanks | N/A | R 76 000 | | N/A | Provision of water |
| | Jojo Tanks | Steve Tshwete | 2Tanks | N/A | R 76 000 | | N/A | Provision of water |
| | Jojo Tanks | Thembisile Hani | 3 Tanks | N/A | R 114 000 | | N/A | Provision of water |
| Nkangala Community Boreholes | Community boreholes | Emakhazeni | 4 Boreholes | N/A | R 1 174 800 | | N/A | Provision of water |

| Budget Programme | Intervention | Geograph-ic Location (Province/ District/ local Municipality) (where possible) | No. of beneficiaries (Where possible) - Learners | Disaggregation of Beneficiaries (Where possible Enrolment Figures) | Total budget allocation per intervention | Budget spent per Intervention | Contribution to the output in the APP (where applicable) | Immediate outcome |
|----------------------------------|---------------------|--|--|--|--|-------------------------------|--|--------------------|
| Gert Sibande School Boreholes | School boreholes | Chief Albert Luthuli | 22 Boreholes | 7748 | R 6 461 400 | 5 262 970, 77 | N/A | Provision of water |
| | School boreholes | Dr Pixley ka Seme | 6 Boreholes | 2705 | R 1 762 200 | | N/A | Provision of water |
| | School boreholes | Govan Mbeki | 2 Boreholes | 460 | R 587 400 | | N/A | Provision of water |
| | School boreholes | Lekwa | 5 Boreholes | 2804 | R 1 468 500 | | N/A | Provision of water |
| | School boreholes | Msukaligwa | 5 Boreholes | 745 | R 1 468 500 | | N/A | Provision of water |
| | School boreholes | Mkhondo | 6 Boreholes | 2984 | R 1 762 200 | | N/A | Provision of water |
| Gert Sibande School tanks | School water tanks | Chief Albert Luthuli | 1 tank | N/A | R 38 000 | | N/A | Provision of water |
| | School water tanks | Lekwa | 1 tank | N/A | R 38 000 | | N/A | Provision of water |
| | School water tanks | Msukaligwa | 2 tanks | N/A | R 76 000 | | N/A | Provision of water |
| | School water tanks | Mkhondo | 2 tanks | N/A | R 76 000 | | N/A | Provision of water |
| Gert Sibande Community Boreholes | Community boreholes | Mkhondo | 13 Boreholes | N/A | R 3 818 100 | | N/A | Provision of water |

| Budget Programme | Intervention | Geograph-ic Location (Province/ District/ local Municipality) (where possible) | No. of ben-eficiaries (Where pos-sible) - Learn-ers | Disaggre-gation of Beneficia-ries (Where possible Enrolment Figures) | Total budget allocation per intervention | Budget spent per interven-tion | Contribu-tion to the output in the APP (where ap-plicable) | Immediate outcome |
|------------------------------------|-------------------|--|---|--|--|--------------------------------|--|--------------------|
| Large Steel Tanks | Water Steel tanks | Mbombela | Mahushe tabj | N/A | R 11 553 664,98 | 24 824 045,95 | N/A | Provision of water |
| | Water Steel tanks | Mbombela | Mananga Tnk | N/A | R 11 553 664,98 | | N/A | Provision of water |
| | Water Steel tanks | Bushbuckridge | Cotterburg | N/A | R 11 553 664,98 | | N/A | Provision of water |
| | Water Steel tanks | Bushbuckridge | Hokwe Trust | N/A | R 11 553 664,98 | | N/A | Provision of water |
| | Water Steel tanks | Mbombela | Emjindi Trust | N/A | R 11 553 664,98 | | N/A | Provision of water |
| | Water Steel tanks | Mbombela | Emjindi Trust | N/A | R 11 553 664,98 | | N/A | Provision of water |
| | Water Steel tanks | Thaba Chweu | Extension 108 | N/A | R 11 553 664,98 | | N/A | Provision of water |
| | Water Steel tanks | Thaba Chweu | Nkandla Ext.2 | N/A | R 11 553 664,98 | | N/A | Provision of water |
| | Water Steel tanks | Mkhondo | Mashihabasani | N/A | R 11 553 664,98 | | N/A | Provision of water |
| | Water Steel tanks | Mkhondo | Thokozane | N/A | R 11 553 664,98 | | N/A | Provision of water |
| | Water Steel tanks | Emakhazeni | Tank 11 | N/A | R 5 776 832,49 | | N/A | N/A |
| Project Management | | | | | | 3 006 680,01 | | |
| Total Expenditure (2021/22) | | | | | | 80 554 461,11 | | |

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:

- Rural Housing;
- Financial Intervention;
- Social and Rental Housing and
- Incremental Housing intervention.

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

| PROGRAMME: HOUSING DEVELOPMENT (SUMMARY OF ACHIEVEMENTS) | | | | | | | | | |
|--|--|---|--|---|--|---|--|---|--|
| No | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| A | Sites with adequate basic services | Services Sites | Number of sites services under IRDP Phase : Planning & services | 5 000 phase 1 planning and services | 5 484 phase 1 planning and services | 7 355 phase planning and services | 6 857 sites serviced | Under-achievement by 498 sites | See Reasons on Output indicators; A1& A2 |
| B | Quality housing units | Human Settlements projects fully comply with SANS | Number of housing units in the Human Settlements projects fully comply with SANS | 6 694 of housing units in the Human Settlements projects fully comply with SANS | 4 49 of housing Units in the Human Settlements projects fully comply with SANS | 3 266 of housing units in the Human Settlements projects fully comply with SANS | 2 975 housing units in the Human Settlements projects fully comply with SANS | Under-achievement by 291 units | See Reasons on Output indicators; B2- B13 (excluding B4 &B5) |
| C | Increased number of beneficiaries living in formal dwellings | Housing Opportunities | Number of Housing opportunities | 11 694 housing opportunities | 9 903 housing opportunities | 10 621 housing opportunities | 9 832 Housing opportunities created | under achieved by 807 Housing opportunities | See Reasons on Output indicators; A1-A2 and B2- B13 (excluding B4 &B5) |
| D | Sites with adequate basic services | Bulk water infrastructure projects completed | Number of bulk water and sanitation infrastructure projects completed | 7 bulk water and sanitation infrastructure projects completed | 6 bulk water and sanitation infrastructure | 7 bulk water sanitation infrastructure projects completed | 7 bulk water and sanitation projects not completed | Under-achievement by 7 Bulk water and Sanitation projects | See Reasons on Output indicators; D.1.1 |

OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|---|------------------------------------|---|---|--|--|--|---|--|--|
| No | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| ENGINEERING SERVICES AND QUALITY ASSURANCE | | | | | | | | | |
| A1 | Sites with adequate basic services | Access to basic services | Number of new households with access to basic services: IRDP Phase 1: Planning & Services | 5 000 IRDP Phase 1 Planning and services | 2 102 Phase 1 Planning and services | 3 800 IRDP Phase 1 Planning and services | 3 907 sites serviced | Over-achieved by 107 sites serviced | The over- achievement is as a result of good performance by contractors. |
| A2 | Sites with adequate basic services | Access to basic services | Number of new households with access to basic services: IRDP Phase 1: Planning & Services: Informal Settlements | None | None | 3 555 Sites | 2 950 sites serviced | Under-achieved by 605 sites not serviced | Bulk infrastructure unavailability delayed the start of some projects whilst others were affected by the rainfall preventing the acceleration of projects. However, there is an additional 18 serviced sites which were acquired for Social amenities to enhance human settlements projects. |
| A3 | 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 | 100% houses certified in line with NHBRC regulations and standards | 100% houses certified in line with NHBRC regulations and standards | 91% or 2 975 of 3 266 houses certified in line with NHBRC regulations and standards | Under - Achieved by 9% or 291 /3 266 houses certified in line with NHBRC regulations and standards | The performance of this indicator is dependent on the number of units built, however, all units completed within the 12 months (2 975) were certified in line with NHBRC Regulations and Standards. |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|----------------------------------|--|---|---|---|--|--|---|---|---|
| No | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| PROGRAMME 3: HOUSING DEVELOPMENT | | | | | | | | | |
| B1 | Quality housing units | Houses enrolled with NHBRC | Number of housing units enrolled with NHBRC | 6 694 units enrolled with NHBRC | 2 944 units enrolled with NHBRC | 3 266 units enrolled with NHBRC | 1 697 units enrolled with NHBRC | Under achieved by 1 569 units not enrolled with the NHBRC | The 1569 units not enrolled pertains to the backlog that could not be enrolled with NHBRC and have been subjected to investigation. Delays were experienced in approval of Geotech reports by NHBRC. |
| FINANCIAL INTERVENTION | | | | | | | | | |
| B2 | Increased number of beneficiaries living in formal dwellings | Finance Linked Individual Subsidies disbursed | Number of Finance Linked Individual Subsidies disbursed | 221 Finance Linked Individual Subsidies disbursed | 39 Finance Linked Individual Subsidies disbursed | 50 Finance Linked Individual Subsidies disbursed | 57 FLISP disbursed | Over achieved by 7 units disbursed | More applications received than anticipated |
| B3 | Increased number of beneficiaries living in formal dwellings | Military units built | Number of Units built for Military Veterans (Provincial Specific Programme) | 89 Units built for Military Veterans | 25 Units for Military Veterans built | 26 Units built for Military Veterans | 7 units built for military veterans completed | Under-achieved by 19 units | Slow performance by the contractor |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------|--|--------------------------------|--|---|---|--|--|---|--|
| No | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| B4 | Social cohesion in Integrated human settlements | Social Amenities Completed | Number of Social Economic Facilities completed | 3 Social Economic Facilities completed | 3 Social Economic Facilities completed | 3 Social Economic Facilities completed | 2 social amenities at roof level busy with finishes 1 social amenity still at earth-works | 3 social amenities not completed | <ul style="list-style-type: none"> Slow performance by contractor There were disputes due to appointment of a Community Liaison Officer. Inclement weather delayed the completion of the projects |
| B5 | Integrated human settlements in well located land | Well-located land acquired | Number of well-located land acquired for residential development | 4 Piece of Land at Portion 0 and 05 Dingwell, Esperado and Louville | 1 Piece of land acquired at Govan Mbeki (Brendan village) | 2 Pieces of Land procured | 2 Pieces of Land procured (Mbombele-Karino and Msukaligwa-Buhrmann-stafelkop) | None | None |
| INCREMENTAL HOUSING PROGRAMMES | | | | | | | | | |
| B6 | Increased number of beneficiaries living in formal dwellings | Top Structures units completed | Number of Integrated Development Phase 2 Top Structure units completed | 549 Units | 324 units completed | 1 639 Units | 2 110 units completed | Over-achievement by 471 housing units | The over-achievement can be attributed to the completion of additional houses, which was a response to the Eloise tropical cyclone where new houses needed to be built for the affected beneficiaries. |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------|--|--------------------------------|---|------------------------------------|------------------------------------|-------------------------------|----------------------------|---|---|
| No | OUT-COME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| B7 | Increased number of beneficiaries living in formal dwellings | Top Structures units completed | Number of Peoples Housing Process Units completed | 877 Units | 648 units | 781 Units | 506 units completed | Under achievement by 275 housing units | <ul style="list-style-type: none"> The under achievement can mainly be attributed to the following cross cutting issues: Disruptions from business forums and host communities in need of business opportunities None / delayed payment of sub-contractors by main contractors. Cash flow and resource constraints experienced by contractors. The remote nature of the projects and dispersion of the houses posing logistic (i.e., materials, water etc.) and management challenges for the contractors. |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------|----------|--------|------------------|------------------------------------|------------------------------------|-------------------------------|----------------------------|---|--|
| No | OUT-COME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| | | | | | | | | | <ul style="list-style-type: none"> General slow progress by contractors. Increased cost of building materials mainly cement and steel that has put a strain on the housing subsidy. Notwithstanding, it is important to note that these projects were not implemented in line with the PHP policy which the Department is seeking to correct in future PHP projects. Inclement weather delayed the completion of the projects |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------|--|---|--|---------------------------------------|------------------------------------|---------------------------------------|------------------------------|---|--|
| No | OUT-COME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| B8 | Increased number of beneficiaries living in formal dwellings | Top Structures units completed | Number of Informal Settlements Units Upgraded (Top Structures) completed | 2 990 Units | 2 694 units | None | None | None | None |
| B9 | Increased number of beneficiaries living in formal dwellings | Top Structures units completed | Number of units completed through Emergency Housing Assistance | 50 Units | 99 Units | 34 Units | 20 units completed | Under achievement by 14 housing units | The 14 housing units are 100% complete on the ground but could not be reported as such since the submission of payment certificates is still outstanding from the contractors. |
| B10 | Increased number of beneficiaries living in formal dwellings | Top Structures units completed | Number of Housing Units delivered through Disaster Relief | 54 Units | None | None | 382 Houses repaired | 382 repairs | The 382 repairs were a department's intervention to five (5) recorded disaster events that occurred after the finalization and approval of departmental plans for 2021/22 FY |
| B11 | Increased number of beneficiaries living in formal dwellings | Community Residential Units Constructed | Number of Community Residential Projects under construction | 326 Units under construction reported | None | 326 Units under construction reported | 326 Units under construction | None | See detailed reasons per project below |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------|----------|--------|------------------|------------------------------------|------------------------------------|-------------------------------|--|---|---|
| No | OUT-COME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| | | | | | | | Sonheuwel CRU-44 units 24 units touched as follows: 12 units at super structure level 8 units awaiting roof slab, 4 roof slab completed The remaining 20 units are at preparation stage | | <ul style="list-style-type: none"> Disruptions from business forums and host communities in need of business opportunities Inclement weather delayed the completion of the projects |
| | | | | | | | Mzinoni CRU-48 units Raft foundations excavation on platform 3 in progress | | The contractor has surrendered the project due to interference by the business forum. |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------|----------|--------|------------------|------------------------------------|------------------------------------|-------------------------------|--|---|---|
| No | OUT-COME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| | | | | | | | Umjindi CRU-60 units 20 units practically completed but cannot be handed over due to that the project is still a construction site 20 units busy with finishes Block C foundations has been casted for 10 units The remaining 10 units are at preparation stage | | There were delays due to community dispute regarding the appointment of a Community Liaison Officer Inclement weather delayed the completion of the projects |
| | | | | | | | Mhluzi CRU-60 units Block A,B and C Superstructure walls for ground floor completed waiting for roofs | | Disruptions from business forums and host communities in need of business opportunities Inclement weather delayed the completion of the projects |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------|----------|--------|------------------|------------------------------------|------------------------------------|-------------------------------|--|---|---|
| No | OUT-COME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| | | | | | | | Malelane CRU-40 units 15 units touched as follows: Rib and block for 10 units ready for concrete 5 units superstructure brickwork at 95% The remaining 25 units are at preparation stage. | | Disruptions from business forums and host communities in need of business opportunities Inclement weather delayed the completion of the projects |
| | | | | | | | Sabie CRU-50 units. 32 units touched as follows: Foundations for 16 units completed Superstructure for 12 units completed superstructure for 4 units in progress | | Disruptions from business forums and host communities in need of business opportunities Inclement weather delayed the completion of the projects |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------|--|--------------------------------|--|------------------------------------|------------------------------------|-------------------------------|---|---|---|
| No | OUT-COME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| | | | | | | | The remaining 18 units are at preparation stage. | | |
| | | | | | | | Lekwa CRU-24 units Overall percentage for the project is at 48% (24 units at wallplate level) | | Illegal occupation of the construction site by residence. Inclement weather delayed the completion of the projects |
| B12 | Increased number of beneficiaries living in formal dwellings | Top Structures units completed | Number of units completed through Farm Worker Housing Assistance | 30 Units | None | None | None | None | None |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------|--|--------------------------------|---|------------------------------------|------------------------------------|-------------------------------|----------------------------|---|---|
| No | OUT-COME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| B13 | Increased number of beneficiaries living in formal dwellings | Top Structures units completed | Number of units completed through Rural Housing: Communal land rights | 866 Units | 500 Units | 410 Units | 255 units completed. | Under achievement by 155 housing units | <ul style="list-style-type: none"> The under achievement can mainly be attributed to the following cross cutting issues: Disruptions from business forums and host communities in need of business opportunities. None / delayed payment of sub-contractors by main contractors. Cash flow and resource constraints experienced by contractors. The remote nature of the projects and dispersion of the houses posing logistic (i.e., materials, water etc.) and management challenges for the contractors. General slow progress by contractors. |

| PROGRAMME: HOUSING DEVELOPMENT | | | | | | | | | |
|--------------------------------------|--|---|---|--|--|--|---|--|---|
| No | OUT- COME | OUTPUT | OUTPUT INDICA- TOR | AUDITED ACTUAL PERFOR- MANCE 2019/20 | AUDITED ACTUAL PERFOR- MANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIA- TION FROM PLANNED TARGET TO ACTUAL ACHIEVE- MENT 2021/22 | REASONS FOR DEVIATION |
| | | | | | | | | | <ul style="list-style-type: none"> Increased cost of building materials mainly cements and steel that has put a strain on the housing subsidy quantum. |
| SUMMARY OF HUMAN SETTLEMENTS CREATED | | | | | | | | | |
| C1.1 | Housing Opportunities | Housing Opportunities | Housing Opportunities | 11 694 housing opportunities | 9 903 housing opportunities | 10 621 Housing opportunities | 9 832 | Under achievement by 789 Housing opportunities | Refer to reasons above |
| D1.1 | Increase number bulk infrastructure projects | Bulk water and Sanitation infrastructure projects completed | Number of Bulk water and Sanitation infrastructure projects completed | 6 Bulk water and Sanitation projects completed | 8 Bulk water and Sanitation projects completed | 7 bulk water and sanitation projects completed | All seven projects will be carried over to the next financial year. Four (4) are at construction stage whilst three (3) are at the engineering designs stage. | 7 bulk water and sanitation projects not completed | <p>The under achievement can mainly be attributed to the following cross cutting issues:</p> <ul style="list-style-type: none"> Disruptions from business forums and host communities in need of business opportunities Rain Delays |

| Housing Development, Implementation and Targets | 2021/2022 | | | 2020/2021 | | |
|---|---------------------|--------------------|---------------------------|---------------------|--------------------|--------------------------|
| | 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 | 50 638 | 50 638 | - | 59 541 | 59 541 | - |
| Financial Intervention | 187 749 | 186 196 | 1 553 | 136 533 | 136 501 | 32 |
| Incremental Intervention | 830 922 | 871 277 | 40 355 | 853 225 | 853 225 | - |
| Social and Rental Intervention | 125 161 | 44 635 | 80 526 | 46 600 | 46 600 | - |
| Rural Intervention | 50 345 | 47 210 | 3 135 | 68 059 | 68 059 | - |
| Total | 1 244 815 | 1 199 956 | 44 859 | 1 163 958 | 1 163 926 | 32 |
| | | | | | | |
| Compensation of Employees | 46 839 | 46 838 | 1 | 53 869 | 53 869 | - |
| Goods & Services | 3 500 | 3500 | - | 5330 | 5330 | - |
| Transfers and Subsidies-Current | 299 | 300 | (1) | 342 | 342 | - |
| Transfers and Subsidies-Capital | 1 194 177 | 1 149 318 | 44 859 | 1 104 417 | 1 104 385 | 32 |
| Total | 1 244 815 | 1 199 956 | 44 859 | 1 163 958 | 1 163 926 | 32 |

Strategy to overcome areas of under performance

Bulk Infrastructure and Servicing of Sites

- The Department is planning ahead with municipalities for bulk infrastructure and implementing the required bulk projects through the business plan. The Department of water and sanitation is also being engaged to ensure alignment of their budget to what the Department of Human Settlements is planning and implementing;
- The department is also earmarking a higher budget (up to 15% instead of the current 2% of the HSDG) towards bulk infrastructure interventions especially in relation to the upgrading of informal settlements. This will enable more sites to be unlocked under the (informal Settlement Upgrading Partnership Grant (ISUPG);
- Bilateral agreements with NHBRC on the enrolment of projects under backlogs and fast-tracking the approval of Geotech reports and
- Slow performing contractors under military veterans and social & economic facilities programmes were recommended for termination.

Construction of low-cost (BNG & CRU) Units

The reasons for under-performance in different housing programmes are similar and cross-cutting. The impact of the global and economic lockdown due to the COVID-19 pandemic had significant effect on the construction industry mainly affecting availability, supply, and delivery of building materials. Progress on several construction sites were stalled due to the unavailability of materials such as cement and steel over the period. Coupled with the scarcity and high demand, prices hikes were also experienced on core building materials. To mitigate against the above in the coming financial year, the National Department of Human Settlements has approved the increase of the housing subsidy quantum to cater for the aforesaid price escalations.

Another observed factor that had hindered progress on site is the dispersion of project sites i.e., houses / stands and accessibility. As these projects are situated in rural communities, this has presented serious challenges most especially for the emerging and upcoming contractors, as it requires skilful project and resource planning to navigate and to be viable. Some of the challenges are non-motorable roads, hilly, rocky, and mountainous terrains, non-availability of water and electricity. In many instances, the allocated houses are scattered over many villages and makes it difficult for the contractors to manage the works.

As a way of improving on the above, the Department working with the municipality and community has always advocated for the allocation of houses within close proximity although this is dependent on the availability of free stands by the tribal authorities.

Notwithstanding, the Department under its green field development projects such as the Integrated Residential Development Programme (IRDP) seeks to promote integrated human settlements with houses and social amenities within close walking radius.

On other areas that relate to performance standards described in the contract such as timely completion and quality, the Department shall continue to enforce the condition of contracts as stipulated on the signed Principal Agreement between parties and in extreme cases, seek termination or reduction of scope for non-performing service providers.

With regards to the Peoples Housing Process (PHP), the Department seeks to re-engineer the entire process by implementing according to the enhance Peoples Housing Process (ePHP) policy. In previous years, a contractor-based approach was adopted which did not maximize participation and involvement of the local home beneficiaries. The ePHP approach recommends the appointment of Community Resource Organisations (CRO), which the Department is currently procuring.

The Department is in a process of terminating the contractors who abounded Social and Economic facility sites. The Department seeks to strengthen project steering committees to address concern raised by the Local business forums which are mainly subcontracting opportunities.

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.

List of Programmes

- Title Deeds (Pre, Post & Current Development)
- Rental Tribunal

Outcomes, Outputs, Output Indicators and Targets

| No | PROGRAMME 4: HOUSING ASSET MANAGEMENT | | | | | | | | |
|----|---|---|---|------------------------------------|------------------------------------|--|--|---|---|
| | OUTCOME | OUTPUT | OUTPUT INDICATOR | AUDITED ACTUAL PERFORMANCE 2019/20 | AUDITED ACTUAL PERFORMANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVEMENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/22 | REASONS FOR DEVIATION |
| A1 | Tenure security and land rights guaranteed to beneficiaries | Title Deeds registered with deeds office-current projects | Number of Title Deeds registered with deeds office-Current projects | 15 000 Title Deeds | 1 288 Title Deeds | 4 865 Title Deeds | 692 Title Deeds | 4 173 Title Deeds | <ul style="list-style-type: none"> ▪ Delay in issuing Clearance Certificates by eMalahleni Local Municipality dispute section 118(4) of Municipal System Act Provisions. ▪ State land release delays the transfer of land to local municipalities. ▪ Poor performance by the appointed service providers |
| A2 | | Title Deeds registered with Deeds Office – Pre 1994 and Post 1994 | Number of Title Deeds registered with Deeds Office – Pre 1994 and Post 1994 | 7 701 Title Deeds | 6 547 Title Deeds | 3 000 Title Deeds (Pre-1000 & Post-2000) | 1 259 Title Deeds (Pre-1209 & Post-50) | 1 741 Title deeds | <ul style="list-style-type: none"> ▪ Delay in issuing Clearance Certificates by Emalahleni Local Municipality dispute section 118(4) of Municipal System Act Provisions. ▪ State land release delays the transfer of land to Local Municipalities. ▪ Poor performance by the appointed service providers |

| No | PROGRAMME 4: HOUSING ASSET MANAGEMENT | | | | | | | | |
|----|---|-------------------------|------------------------------------|--|---------------------------------------|-------------------------------|------------------------------|--|---------------------------------------|
| | OUTCOME | OUTPUT | OUTPUT INDICA-TOR | AUDIT-ED AC-TUAL PER-FOR-MANCE 2019/20 | AU-DITED ACTUAL PER-FOR-MANCE 2020/21 | PLANNED ANNUAL TARGET 2021/22 | ACTUAL ACHIEVE-MENT 2021/22 | DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVE-MENT 2021/22 | REASONS FOR DEVIATION |
| B | Harmonious relations between land lords and tenants | Rental Dispute Resolved | Number of rental disputes resolved | 634 rental disputes | 450 rental disputes | 550 rental disputes resolved. | 562 Rental disputes resolved | Over achievement by 12 cases disputes resolved | More cases received than anticipated. |

Linking performance with budgets

| Housing Assets Management | 2021/2022 | | | 2020/2021 | | |
|--|---------------------|-------------------------|------------------------------|---------------------|-------------------------|-----------------------------|
| | Final Appropriation | Actual Expendi- ture | (Over)/ Under Expenditure | Final Appropriation | Actual Expendi- ture | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 19 177 | 16 826 | 2 351 | 14 156 | 12 739 | 1 417 |
| Sale and Transfer of Housing Properties | - | - | - | 9 650 | 8551 | 1 099 |
| Total | 19 177 | 16 826 | 2 351 | 23 806 | 21 290 | 2 516 |
| | | | | | | |
| Compensation of Em- ployees | 15 190 | 12 839 | 2 351 | 13 334 | 11 917 | 1 417 |
| Goods & Services | 3 987 | 3 987 | - | 1 513 | 1 513 | - |
| Transfers and Subsi- dies-Current | 53 | 53 | - | 53 | 53 | - |
| Transfers and Subsi- dies-Capital | - | - | - | 9 650 | 8 551 | 1 099 |
| Total | 19 177 | 16 826 | 2 351 | 23 806 | 21 290 | 2 516 |

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

There are no standardized outputs and output indicators due to that the Human Settlements Sector which is being co-ordinated by the National Department of Human Settlements has set aside the 2021/22 financial year to ensure that all provinces adopt a uniform budget structure as well as sector customized indicators. Provinces will start to incorporate customized indicators in the 2022/23 financial year plans.

Table: Progress on Institutional Response to the COVID-19 Pandemic

| Budget Programme | Intervention | Geographic Location (Province/ District /local Municipality) (where possible) | No. of beneficiaries (Where possible) | Disaggregation of beneficiaries (Where possible) | Total budget allocation per intervention (R'000) | Budget spent per Intervention | Contribution to the output in the APP (where applicable) | Immediate outcome |
|------------------|--------------|---|---------------------------------------|--|--|-------------------------------|--|-------------------|
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

There were no Transfer Payments to public entities during the 2021/22 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 2021/22 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 | <ul style="list-style-type: none">▪ 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 | 893 960 |
| Amount received (R'000) | 893 960 |
| Reasons if amount as per DORA was not received | N/A |
| Amount spent by the department (R'000) | 893 949 |
| 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 Upgrading of Informal Settlements 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 | 259 233 |
| Amount received (R'000) | 259 233 |
| Reasons if amount as per DORA was not received | N/A |
| Amount spent by the department (R'000) | 234 626 |
| 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 Provincial Emergency Housing Grant

| | |
|--|---|
| Department who transferred the grant | National Department of Human Settlements |
| Purpose of the grant | To fund and ensure repair of houses affected by natural Disaster. |
| Expected outputs of the grant | Housing units with no defects |
| Actual outputs achieved | See Report on Performance Information |
| <ul style="list-style-type: none"> Amount per amended DORA (R'000) | 40 984 |
| <ul style="list-style-type: none"> Amount received (R'000) | 40 984 |
| <ul style="list-style-type: none"> Reasons if amount as per DORA was not received | N/A |
| <ul style="list-style-type: none"> Amount spent by the department (R'000) | 20 743 |
| <ul style="list-style-type: none"> Reasons for the funds unspent by the entity | See report on performance information, financial and non-financial. |
| <ul style="list-style-type: none"> Reasons for deviations on performance | See report on performance information, financial and non-financial. |
| <ul style="list-style-type: none"> Measures taken to improve performance | See report on performance information, financial and non-financial. |
| <ul style="list-style-type: none"> Monitoring mechanism by the receiving Department | See report on performance information, financial and non-financial. |

7. DONOR FUNDS

There were no donor funds received

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

There were no capital investments



PART: C

GOVERNANCE



1. INTRODUCTION

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

2. RISK MANAGEMENT

The Department has established a Risk and Integrity Management Unit as per the approved organisational structure. The Risk and Integrity Management Unit reports to the Accounting Officer. The Department has also established a Risk and Ethics Management Committee in order to facilitate the implementation of the risk management strategy. The Risk and Ethics Management Committee is chaired by an independent external chairperson. The committee has conducted the four quarterly meetings as required. The chairperson has produced the reports to the Audit Committee on a quarterly basis. The Audit Committee advised the Department on risk management and independently monitored the effectiveness of the systems of risk management.

The strategic risk assessment for the financial year 2021/22 was conducted in February 2021 during the Departmental strategic planning session and the operational risk assessment was conducted by sending the previous financial year's risk register to all officials for their inputs. Each manager is responsible for managing risks that fall within their area of responsibility. The Departmental risk register for the financial year 2021/22 was approved.

3. FRAUD AND CORRUPTION

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

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

4. MINIMISING CONFLICT OF INTEREST

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

5. CODE OF CONDUCT

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

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department had a Health and Wellness Programme which provided, among other things Occupational Health Services. The Department had also established an Occupational Health and Safety Committee as required by the Occupational Health and Safety Act, which also monitored mainstreaming COVID 19 response within the mandate of the Department. The Department has identified individuals at district level who assist in strengthening the Occupational Health and Safety function on all projects that are implemented.

7. PORTFOLIO COMMITTEE

Portfolio Committee Meetings were held on the dates mentioned below:

| | |
|---|-------------------|
| Presentation of 2020/21 4th Quarter Performance Report | 04 June 2021 |
| Tabling of 2021/22 Annual Performance Plan | 09 April 2021 |
| Presentation and Consideration of 2020/21 Annual Report | 23 November 2021 |
| Presentation of 1st Quarter 2021/22 performance Report | 02 September 2021 |
| Presentation of 2nd Quarter 2021/22 performance Report | 23 November 2021 |
| Presentation of 3rd Quarter 2021/22 performance Report | 31 March 2022 |
| Presentation of Responses on 2020/21 SCOPA Questions | 17 March 2022 |

RESOLUTIONS FOR THE 4TH QUARTER OF 2020/21

| NO | RECOMMENDATION | PROGRESS REPORTED |
|----|---|---|
| a) | The Department must provide progress report on the seven (7) planned bulk water and sanitation projects (Msukaligwa - Ermelo Ext 44, Thaba Chweu – Mashishing Ext 6, eMalahleni - Empumelelweni, Naauwupoort, and Steve Tshwete – Rondebosch, Wildeesfontein and KwaZamokunhle including the budget break down for each project and the completion date. A progress report should be submitted quarterly. | <p><u>9.1 Mashishing Ext. 106-108 – Thaba Chweu</u></p> <ul style="list-style-type: none"> Implementation of the project has not yet started. The project is on tender phase. <p><u>9.2 Ermelo Ext 44 – Msukaligwa</u></p> <ul style="list-style-type: none"> Booster pump at 35%, Reservoir at 35%, WTP at 80%, Site Preparation finalised, and Bulk earthworks resumed, Concrete for foundation poured. <p><u>9.3 Empumelelweni – eMalahleni</u></p> <ul style="list-style-type: none"> Implementation of the project has not yet started. The project is on tender phase. <p><u>9.4 Naauwupoort – eMalahleni</u></p> <ul style="list-style-type: none"> The project has not started due to water resources assessment, Wula Application, update of EIA Application outstanding from municipality. <p><u>9.5 Rondebosch – Steve tshwete</u></p> <ul style="list-style-type: none"> The project implementation has not yet started however, Designs are finalized. <p><u>9.6 Wildebeesfontein (Phola Iraq) – Steve Tshwete</u></p> <ul style="list-style-type: none"> The project is on tender phase, implementation has not yet started. <p><u>9.7 Kwazamokuhle Ext 9 &10 – Steve Tshwete</u></p> <ul style="list-style-type: none"> The project is at 50% complete, Materials on site, excavation on pipelines and setting out for gravity line done and pump station not yet started. <p>A detailed report was attached as ‘Annexure A’</p> |

| NO | RECOMMENDATION | PROGRESS REPORTED |
|----|---|---|
| b) | The Department must provide progress report on the construction of the two social amenities as they are planned to be completed during the 2 nd quarter of 2021/22 financial year. | <p>The two social amenities are currently at roof level.</p> <p>Lekwa – The installation of aluminum windows and entrance hall is underway and is planned to be completed by the 31st of August 2021. Beam filling will follow as soon as the entrance hall is completed.</p> <p>Victor Khanye – The project is at roof level, the installation of steel window frames and paving is in progress.</p> <p>Both contractors requested extension of time to complete the community halls by the end of December 2021.</p> |
| c) | The department must come up with a turn-around strategy that will address the challenge of SPLUMA certificates, and furthermore request intervention of the department of Cooperative Governance and Traditional Affairs to assist the municipalities | The advice on requesting the intervention of COGTA is noted. These matters have been raised in the MuniMec meetings and Municipal representatives have raised a number of legal reasons and challenges for not issuing the certificates. However, the matter resides with the municipalities as it is a matter of law which relates to the Act (SPLUMA). Other municipalities are providing Exemptions and others refuse to issue exemption certificates. Emalahleni Municipality challenges are exacerbated by the Court proceedings taking place whereby the residents in suburbs have challenged the municipality to only issue the certificates to low cost houses and not suburbs. |
| d) | The Department must ensure that the service providers fast-track the registering of Tittle Deeds and provide a progress report before the end of the 2 nd quarter (30 September 2021). | The service providers will be pushed to fast track the registration process. The problems are beyond their control as they are affected by outside influences including the SPLUMA certificates, Court Orders, Un-proclaimed Townships, etc. Progress reports will be submitted before the end of second Quarter. |
| e) | The department must improve the staff rotational strategy, monitor it to ensure that all the outstanding invoices are paid and adhere to the 30 days payment going forward. A progress report proving that all the outstanding invoices have been paid must be submitted by 31 July 2021. | As at 31 July 2021 the Department has paid all outstanding valid invoices. The department has improved the rotation strategy by making sure that there is continuity in what the employees doing. This will assist in making sure that the work does not lack behind and end up delaying payment of service providers. |
| f) | The Department must ensure that the accruals amounting to R1 535 497-00 are paid off and submit a progress report by 31 July 2021. | The accruals amounting to R1 535 497-00 were paid during the month of April and May 2021. |
| g) | The Department must provide a progress report on the outstanding amount of R341 088-00 owed by Department of Community Safety, Security and Liaison for the stolen goods. | The department received the outstanding amount of R341 088 on the 21 st June 2021. Since the Department created a debt for DCSSL, the debt was cleared and the amount surrendered to the Provincial Revenue Fund. |

RESOLUTIONS FOR THE 1ST QUARTER OF 2021/22

| NO | RECOMMENDATION | PROGRESS REPORTED |
|----|---|--|
| a) | Submit a detailed report indicating the criteria that the department used to award two service providers which are Monareng Trading Enterprise and fountain square trading for the nine (9) projects. | The two service providers mentioned were amongst the 15 other service providers that were appointed for the disaster that took place in KaNyamazane, Tekwane South and Ntokozweni. All these service providers were source from the Department's approved database for construction of low cost housing. A combination of service providers with financial capacity and those from the area was used to select the service providers from the approved database. Three service providers were selected based on their financial capacity and 12 service providers were selected as they were coming from the affected areas. |
| b) | Ensure that the quicker plan or turn-around strategy is effectively implemented and monitored. Submit a detail progress report on the amount spent after Alert Level 4 . | The Department has developed and submitted a Recovery Plan (which was attached as Annexure A) which will ensure effective implementation of the projects and fastract spending |
| c) | Submit the progress report on the investigation and the number of RDP houses that have been sold illegally. | The investigation report was developed and submitted as Annexure B |
| d) | Ensure that the turn-around strategy on programme 4 is effectively implemented and monitored. Submit a detailed progress report. | The Housing Asset Management recovery plan was developed. A copy of the plan was attached as Annexure C |

RESOLUTIONS OF THE 2nd QUARTER OF 2021/22

| NO | RECOMMENDATIONS | PROGRESS REPORTED |
|----|---|---|
| a) | The department must submit the letter with a date confirming the handover of the three social amenities. | The recommendation of the committee is noted. However, the progress on the three social amenities is as follows: two (2) super structure walls for two social amenities have been completed and both amenities are roofed. The contractor is currently busy with finishes. The Department envisage that by the end of the financial year, the two amenities will be complete. These two social amenities are at Victor Khanye and Lekwa Local Municipalities. The social amenity project at Dipaliseng Local municipality was stopped by the community, they wanted to be appointed on rates which were above what was allowed for in the contract. For the project to proceed the community later agreed that the work should be sub-contracted to a local service provider. The contractor will move in on site on the 1 st February 2022. |
| b) | The executive authority must investigate the matter that has been reported by the community of Tekwane South, that RDP houses have been sold by officials from the department and Mbombela Local Municipality. | A meeting was held on 9 th July 2021 between the Honorable MEC and the Executive Mayor where it was agreed that the final list of approved beneficiaries should be signed off by Council. On 19 th July 2021, the Honorable MEC handed over the houses to the rightful beneficiaries. |
| c) | The department must provide a progress report on Parliamentary Village project and minutes of the meeting held with the community of Mataffin regarding the issue of community demanding compensation for the land. | A detailed progress report was attached as ' Annexure A '. However, it should be noted that the office of the HOD DPWRT is the one engaging the community in as far as the payments disputes and land ownership is concerned. |
| d) | The department must investigate and submit progress report on the issue of the incorrect beneficiaries that are allocated RDP houses at Tekwane South. | The Department had received a Council approved list of the 200 beneficiaries and the houses were subsequently handed over to those on that list who were approved. Some of the houses which were illegally occupied, the Municipality's law enforcement was tasked to obtain vacant possession of those houses so that they can be handed over to the lawful beneficiaries. Currently the Municipality is busy obtaining vacant possession of the last two houses on stands 2525 and 2101. |
| e) | The department must submit the progress report of the work done by the team of officials assist with subsidy application forms in different municipalities | The function of identification of potential beneficiaries is a municipal function. Where there are recurrent delays by municipalities, the District offices do assist them in the filling in of forms etc. There has been support given to inter alia, Mkhondo, Pixley Ka Isaka Seme, Msukaligwa, Govan Mbeki, Emakhazeni, Nkomazi, Mbombela and Bushbuckridge Local Municipalities in the above regard. |

| NO | RECOMMENDATIONS | PROGRESS REPORTED |
|----|--|--|
| f) | Department must fast track the completion of the two (2) acquired portions of land which were planned for finalization at the end of the year and indicate the municipalities that would benefit from the project. | The Department managed to finalise the purchase of the two portions of land as planned. These two properties are Karino and Mabuza Farm located under Mbombela and Msukaligwa Local Municipalities respectively. |
| g) | The department must ensure that the 60 outstanding disputes are resolved and provide a progress report. | The recommendation is noted. however, significance progress has been made in the 3 rd quarter and the number of unresolved disputes has been reduced from 45 to 32. |

RESOLUTIONS FOR THE 3RD QUARTER OF 2021/22

| NO | RECOMMENDATIONS | PROGRESS REPORTED |
|----|--|---|
| a) | The department must submit progress report regarding the meeting held between Mattafin, DPWRT and other stakeholders regarding the Parliamentary village. | <p>The meeting was held at Mbombela Stadium on the 5th of May 2022 in the presence of MEC for Department of Public Works Roads and Transport (DPWRT), Hon Mohita Latchminarain, Head of Department DPWRT, Mr C Morolo, Acting Head of Department for Department of Human Settlements (DHS) Ms HN Zitha, other government officials and the local community. The minutes of the meeting are attached as “Annexure A”.</p> <p>The meeting resolved that the works on site must proceed after all outstanding payments have been made to the contractors and sub-contractors.</p> |
| b) | The department must submit consolidated progress report with the correct information regarding Bushbuckridge Local Municipality PHP projects that must be completed by the end of 31 March 2022 that must include the number of completed units and outstanding units. | <p>The project is being ran and managed by the Department of Human Settlements and as such is solely responsible for accurate reporting and feedback on the project. Furthermore, it should be noted that the Department only reports on paid works or milestones.</p> <p>As of April 2022, out of the 200 low-cost houses awarded to the contractor, 199 are completed (i.e., 99%). The outstanding beneficiary could not be located, and a request has been received from the municipality to replace the beneficiary.</p> |
| c) | The department must submit all the letters written to the contractor that has failed to complete the units on time. Furthermore, the department must come up with the mechanism strategy of monitoring all projects that are not completed. | <p>Letters of notice of default issued to contractors were attached as “Annexure B”</p> <p>The Department continues to enforce terms and conditions of the contractor on defaulting contractors and encourages cession agreements and reduction of scope for poor performing contractors.</p> |

| NO | RECOMMENDATIONS | PROGRESS REPORTED |
|----|---|---|
| d) | The department should submit a budget breakdown on how they have reached to the R200 000-00 to construct one borehole and submit all the quotations that were received from service providers for the borehole including the appointed service providers. | <p>The appointed service providers on the project were as follow:</p> <ul style="list-style-type: none"> ▪ Lihuzu Project – Ehlanzeni District ▪ KMSD Consulting – Nkangala District ▪ Keratama Consulting – Gert Sibande District <p>The Bill of Quantity (BOQ) for the implementing agents is broken down into two categories, direct cost and indirect cost.</p> <p>The indirect cost are further subdivided into four main categories namely:</p> <ol style="list-style-type: none"> 1. Installation of pipework and fittings; 2. Storage tank, stand-pipes and water purification systems; 3. Borehole drilling, equipping, testing and provision of a sitting report and 4. Installation of electrical works or generator and provision of a steel cage. <p>These together with the indirect costs equate to a cost of R274 785 for the installation of one (1) borehole. A detail breakdown was attached as “Annexure C”</p> <p>On the 12th June 2020, SeCo Project Management Unit received quotes from the following Implementing Agents and contractors for the installation of boreholes.</p> <ul style="list-style-type: none"> ▪ Lihuzu Projects = R337 191.56 (Excl Vat) ▪ Acmert Consulting = R363 365 (Excl Vat) ▪ Phezulu Geotechnical Civils = R163 394 (Excl Vat) <p>The quotation from Phezulu Geotechnical Civils can be seen as lower than the cost utilized for the boreholes of R274 785 (Excl Vat), reasons being:</p> <ol style="list-style-type: none"> 1. The contractor did not price for the installation of water pipe works and fittings 2. The contractor did not price for the installation of electrical pipework and fittings 3. No designs fees, site supervision and handling fees were included 4. Some items were highly underpriced on the bill submitted, (i.e: water purification, and drilling) which would have resulted in more claims and variations on the project. Email correspondence and bills from the three RFQ respondents was attached as “Annexure D” |
| e) | The investigating committee must submit the progress report of the investigation made on the ten (10) units that were given to the wrong beneficiaries and furthermore the committee must forward all report that were investigated regarding RDP houses. | The Department has not receive any formal complaint concerning 10 subsidised units allocated to wrong beneficiaries. However, according to the City of Mbombela Municipality, only two (2) houses have been illegally occupied i.e., stand numbers 2525 and 2101. The Municipality through its Law Enforcement Division had tried to get vacant possession of these houses without success. The Municipality has now approached the court to obtain an eviction order to remove the illegal occupants. |

8. SCOPA RESOLUTIONS

The department attended SCOPA hearing on the 17th of March 2022 discussing 2020/21 Annual Report. Below are the SCOPA resolutions with progress reported.

| NO | SUBJECT | DETAILS | RESPONSE BY THE DEPARTMENT | RESOLVED YES/NO |
|--------|--|--|--|--------------------|
| 5 (i) | 2020/21 Annual performance report programme 3:Housing Development | The Accounting Officer must ensure that correct information is provided to the Auditor General. | The Department has embarked on improving records management systems, which will improve the provision of information to the Auditor General. These systems ensure that all the necessary information is not only physically kept on files, it is also electronically scanned, and there is a system used to retrieve the information/files. | Resolved |
| 5(ii) | 2020/21 Annual performance report programme 3:Housing Development | The Accounting Officer must ensure that reliable information is provided as required by the National Treasury's Framework for Managing Programme Performance Information (FMPPI). | Since the Department has developed a records management system, this will allow the department to provide reliable information as per the National Treasury's Framework for Managing Programme Performance Information (FMPPI). The department also developed a system or process of verifying reported information in order to ensure that reported information is reliable. All the reported targets are verified by Monitoring and Evaluation Unit to ensure that this information is properly supported. | Resolved |
| 5(iii) | 2020/21 Annual performance report: programme 3:Housing Development | The Executive Authority must take disciplinary actions against the Accounting Officer for not taking legal actions against the official who failed to do their work. | The Accounting Officer has previously taken disciplinary actions against officials who failed to do their work. The Accounting Officer will continue to ensure that there is consequence management where officials have not complied with the necessary processes and where they have failed to do their work. | Resolved |
| 6(i) | Annual financial statements, performance report and annual report | The Executive Authority must take disciplinary actions against the Accounting Officer for contravening Section 40 (1) (a) (b) of the PFMA by submitting financial statements that were not prepared in accordance with the prescribed financial reporting framework. | Previously, the Accounting Officer took disciplinary actions against officials who contravened section 40(1) (a) (b) of the PFMA. The Accounting Officer will continue to ensure that there is consequence management where officials have not complied with any of the PFMA requirements. | Resolved |

| NO | SUBJECT | DETAILS | RESPONSE BY THE DEPARTMENT | RESOLVED YES/NO |
|--------|---|--|---|--------------------|
| 6(ii) | Annual financial statements, performance report and annual report | The Accounting Officer must take disciplinary actions against management for failure to adhere to the requirements of the Framework for Managing Programme Performance Information (FMPPI). | Previously, the Accounting Officer took disciplinary actions against management for failure to adhere to the requirements of Framework for Managing Programme Performance Information. The Accounting Officer will continue to ensure that there is consequence management where officials have not complied with any of the FMPPI requirements. | Resolved |
| 7(i) | Expenditure Management | The Executive Authority must take disciplinary actions against the Accounting Officer for contravening Section 38 (1) (iii) of the PFMA. | Previously, the Accounting Officer took disciplinary actions against management for contravening Section 38 (1) (iii) of the PFMA. The Executive Authority will continue to ensure that there is consequence management where officials have not complied with any of the PFMA requirements. | Resolved |
| 7(ii) | Expenditure Management | The Accounting Officer must provide a report on the outcomes of the investigations relating to irregular expenditure. | The Accounting Officer has previously provided all the reports on the outcomes of the investigations relating to irregular expenditure. These investigations were performed in the 2018/2019 financial year. The department has been able to reduce the previously reported irregular expenditure through the process of investigating irregular expenditure and application for condonation. Over the years, the previously reported irregular expenditure was more than R5 billion. This has been reduced to R74 million. The department is in the process of finalizing the investigations of the remaining balance of R74 million. The Department will fully implement the recommendation of the investigation reports. | Resolved |
| 7(iii) | Expenditure Management | The Executive Authority must take disciplinary actions against the Accounting Officer for failure to effectively exercise oversight responsibility regarding performance reporting and compliance as well as related controls. | Previously, the Accounting Officer took disciplinary actions against management for failing to effectively exercise oversight responsibility regarding performance reporting and compliance as well as related controls. The Executive Authority will continue to ensure that there is consequence management where officials have not complied with management functions. | Resolved |

| NO | SUBJECT | DETAILS | RESPONSE BY THE DEPARTMENT | RESOLVED YES/NO |
|-------|-------------------------------------|--|--|--------------------|
| 7(iv) | Expenditure Management | The Accounting Officer must develop an effective strategy that will ensure that internal controls are strengthened. | <p>The Department continuously improve its controls environment by implementing new additional controls. The department is also ensuring that critical vacancies in finance are filled. furthermore the department is reprioritizing its budget in order to have its own Internal Auditors.</p> <p>This will assist the Department to have its own Internal Auditors that will be solely responsible and committed to the work of Department as oppose to sharing with other Departments.</p> | Resolved |
| 8(i) | Procurement and Contract Management | The Accounting Officer must ensure that companies and service providers who are appointed by the department are tax compliant according to the South African Revenue Services. | The Department has implemented a control where before the service provider is appointed; a print out of CSD is done in order to verify whether the bidder's tax compliance is in order. This will minimize the issues service providers being appointed whilst their tax matters were not in order. | Resolved |
| 8(ii) | Procurement and Contract Management | The Accounting Officer must provide a report on the outcomes of the investigations and further ensure that disciplinary steps are taken against officials who are implicated | Previously the Accounting Officer provided all the reports on the outcomes of the investigations relating to irregular expenditure. These investigations were performed in the 2018/2019 financial year. Through the process of investigating irregular expenditure and application for condonation, the department has been able to reduce the previously reported irregular expenditure. Over the years, the previously reported irregular expenditure was more than R5 billion. This has been reduced to R74 million. The department is in the process of finalizing the investigations of the remaining balance of R74 million. The Department will fully implement the recommendation of the investigation reports and where necessary disciplinary actions will be taken against officials who are implicated. | Resolved |

| NO | SUBJECT | DETAILS | RESPONSE BY THE DEPARTMENT | RESOLVED YES/NO |
|--------|--|---|---|--------------------|
| 9(i) | Progress towards achieving a clean audit | The Executive Authority must ensure that the Accounting Officer achieves a clean Audit. | Through the guidance of the Executive Authority, the department, led by the Accounting Officer is committed to achieving a clean audit. This is done by ensuring that the issues raised by Internal Auditors and the Auditor General are implemented. The department also has attended the areas that were raised as concerned by the AG and other areas that were identified by managements through reviews. As indicated above, the department is reprioritizing, its goods and services budget in order to fill the Internal Audit vacancies. This will go a long way in improving the internal controls of the department. | Resolved |
| 9(ii) | Progress towards achieving a clean audit | The Acting Accounting Officer must ensure that Audit Action Remedial Plans are effectively implemented. | To date, the department has effectively addressed 100% of all the audit action remedial plans from Internal Auditors. | Resolved |
| 9(iii) | Progress towards achieving a clean audit | The Accounting Officer must ensure that recommendations made by the Auditor General are implemented. | To date, the department has effectively addressed 97% of all the audit action remedial plans from Auditor General. | Resolved |

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

In the prior year, the department received a qualified audit opinion due to material misstatement on retention provisions. The Auditor General also highlighted non-compliance on annual financial statements, expenditure management and procurement and contract management. The table below summarises these issues and how they have been attended to

| Nature of qualification, disclaimer, adverse opinion and matters of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter* |
|---|--|---|
| Qualification on Retention Provision | 2020/2021 | The Department reconstructed the retention register from scratch in order to ensure that the issue of completeness of the transactions is addressed and all the supporting documents are available. |
| Non-compliance with section 38(1)(c) (ii) of the PFMA and treasury regulation 9.1.1 | 2020/2021 | The Department implemented internal controls in order to strengthen the control environment to prevent irregular expenditure from reoccurring. Furthermore, the Department instituted an investigation on the irregular expenditure in order to take appropriate action where it is necessary. |
| Non-compliance with Treasury Regulation 16A9.1 (d). | 2019/2020 | The Department improved its records filing system where at the date of appointment, proof of compliance at the date of appointment is kept for purposes of the audit. |
| Non-compliance with section 2(1)(f) of PPPFA and Preferential Procurement Regulation 2017 | 2019/2020 | The Department investigated the matter and to ensure that it does not continue with the irregular appointed service providers, Department established a panel of professional in order to ensure that all the new appointments are done in line with the procurement regulations and the selection from the panel is based on the approved sourcing strategy. |
| Non-compliance with section 44 of the PFMA and Treasury Regulations 8.2.1 and 8.2.2. | 2020/2021 | The Department investigated the matter and to ensure that it does not continue with the irregular appointed service providers, Department established a panel of professional in order to ensure that all the new appointments are done in line with the procurement regulations and the selection from the panel is based on the approved sourcing strategy. |
| Non-compliance with section 38(1) (h) (iii) of the PFMA. | 2020/2021 | The Department issued warning letters to officials that were involved in the processes that resulted in Department incurring irregular expenditure. |
| Non-compliance with section 40(1) (a) and (b) of the PFMA | 2019/2020 | Through assistance from Provincial Treasury, the officials are trained on the preparation of annual financial statements in line with Modified Cash Standard (MCS). |

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 June 2021.

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;
- Follow-up reviews were performed on both AGSA and Internal Audit findings to evaluate the effectiveness and improvements to internal control environment;

- Review of the mid-term Departmental Performance Information;
- Review of Interim Financial Statements for the period ended 30 September 2021;
- Review of Draft Annual Report and Annual Financial Statements for 2020/2021;
- Risk Management;
- Housing Programmes;
- Ad-hoc audit on Retention;
- Supply Chain Management;
- Asset and Fleet Management;
- DORA and Transfer Payments and
- ICT General and Application Controls Audit.

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.

The term of Office for the shared Audit Committee ended in September 2021.

Clustered Shared Audit Committee

In October 2021, the Provincial Treasury analysed the set-up of the shared Audit Committee and determined that the arrangement in place was not adding value due to the workload versus the time allocated to the Shared Audit Committee, considering the preparation and participation required in Audit Committee meetings. Provincial Treasury, determined that for the Audit Committee to be effective, sufficient time for preparation is required in order to go through the Audit Committee packs to allow effective participation in meetings.

As a result the Provincial Treasury requested that the Shared Audit Committee be split into two clusters. It was then resolved that the Department of Human Settlements (DHS) fall within the second Cluster Audit Committee which was formally appointed 01 November 2021.

Similarly to the Shared Audit Committee, the clustered shared Audit Committee is constituted to ensure its independence and comprises of external non-official members (appointed from outside public service). It operates in terms of formally documented and approved 'terms of reference' referred to as the

Audit Committee Charter, which deals with matters such as its membership, authority and responsibilities amongst others. The said 'terms of reference' are reviewed annually, and in accordance with the requirements set by the PFMA and Treasury Regulations. Further, it also 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 | Date Resigned / End of term | No of meetings attended |
|--------------------------------------|--|-----------------------------|--|---|--------------------------------|
| Mr. MS Mthembu Chairperson | Master of Business Leadership (UNISA), BCom (Accounting), Commercial Banking Licentiate Diploma (Institute of Bankers SA), FAP (IAC) SA | External | 01 April 2018 | 30 June 2021 End of term | 04 |
| Ms. BN Mzuzu | B. Proc Degree (University of Fort Hare) Cert. Business Rescue Cert. Attorney of High Court of South Africa Cert. Attendance in conveyancing practice | | 01 April 2018 | 30 June 2021 End of term | 0 |
| Ms. TH Mbatha | Master's Degree in Business Leadership (UNISA) BCompt. Honours Accounting UNISA) BComm Accounting Degree (UNISA) CA (SA) | External | 01 April 2018 01 July 2021 Reappointed as an Chairperson of the shared Audit Committee | 30 June 2021 30 Sept 2021 End of term | 06 |

| Name | Qualifications | Internal or External | Date appointed | Date Resigned / End of term | No of meetings attended |
|---------------|---|----------------------|--|---|-------------------------|
| Mr. M Sebeelo | B-Tech Internal Auditing (UNISA) National Diploma Internal Auditing (TUT) Advance Programme Project Management (UNISA) | External | 01 April 2018 01 July 2021 Reappointed as an ordinary member of the shared Audit committee | 30 June 2021 30 Sept 2021 End of term | 06 |
| Dr. C Motau | BComm (VISTA) Higher Diploma in Computer Auditing (WITS) Certificate in Executive Leadership (Regenesys Business School) Certificate in Human Resource Management (Regenesys Business School) Master's Degree Business Leadership (UNISA) Master's Degree in Information Technology (UP) Doctorate in Business Information System | External | 01 June 2019 01 July 2021 Reappointed as an ordinary member of the Shared Audit Committee | 30 June 2021 30 Sept 2021 End of term | 05 |
| Ms. TI Ranape | BTech in Public Management (UNISA) Higher Diploma in Public Management & Administration (Mangosothu Technikon) Diploma in Government Finance (Mangosothu Technikon) | External | 01 August 2021 | 30 Sept 2021 End of term | 02 |

| Name | Qualifications | Internal or External | Date appointed | Date Resigned / End of term | No of meetings attended |
|------------------|---|----------------------|--|---|-------------------------|
| Mr. A Mashifane | BComm in Accounting (WITS) BComm Honours (UNISA) LLB (UNISA) CA(SA) | External | 01 August 2021 01 Nov 2021 Reappointed as an Chairperson of the second clustered Audit Committee | 30 September 2021 End of term 31 Oct 2023 | 07 |
| Ms. P Ntuli | BCom Accounting (RAU) BCompt Honours (UNISA) Post graduate Diploma in Forensic Auditing (UNISA) CA (SA) | External | 01 Nov 2021 | 30 Oct 2023 | 05 |
| Mr. A Oosthuizen | BCom Accounting (RAU) BCompt Honours (UNISA) | External | 01 Nov 2021 | 30 Oct 2023 | 05 |
| Ms. 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 | 30 Oct 2023 | 04 |
| Ms. MS Bopape | Master's of Business Leadership (UNISA) Master's of Science in Technology Management (University of Pretoria) BTech degree Information Technology (TUT) National Diploma Information Technology (Technikon Northern Gauteng) | External | 01 Nov 2021 | 30 Oct 2023 | 04 |

12. Report of the Audit Committee

We are pleased to present our annual report for the financial year ended 31 March 2022.

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 the system on internal control for the period under review was adequate and effective.

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 noted with concerns that the Internal Audit function remains under-resourced and the instability on the position of the Chief Audit Executive.

The Audit Committee further appreciates the support provided by various Officials who acted 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: 29/07/2022

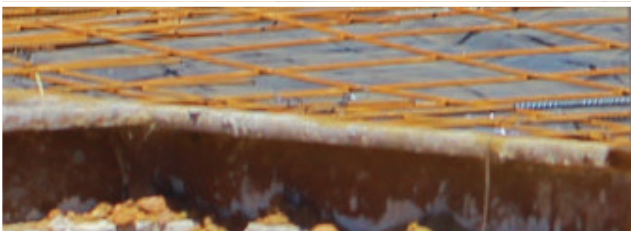
13 B-BBEE Compliance Performance Information

| 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



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

In the year 2021/22, the Department was in a process of placing officials on the concurred Organisational Structure. By the end of the financial year the Department was at the 95% towards the finalization of the process in that only officials that were dissatisfied with their placement had to be attended.

The department advertised 59 positions in the 2021/22 financial year. The Recruitment Process was delayed by non-finalization of placement process.

The Department is currently at 36% women at the SMS level, only 14% of females at SMS level needed to meet the Employment Equity target of 50%, as set out by the Minister of Public Service and Administration. The department is committed to consider female employees and people living with disabilities to be given an opportunity during the filling of senior management positions to address this challenge.

The Department managed to appoint 28 Interns as a temporary measure to curb the shortage of staff due to moratorium and termination of services. They are paid through a stipend on EPWP programme

The annual turnover rate was at 3.8% for the current financial year, but 1.6% came as a result of contract expiry. The official's contract were renewed due to the fact that same positions are still critical, vacant and funded on the new Organisational structure.

The Succession Plan of the Department was reviewed and approved during this financial year.

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

- The most important priority is the finalization of the placement of officials in line with the new Organisational Structure of the Department.
- Filling of the four (04) critical SMS positions within the financial year targeting female 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.
- Due to COVID-19 all training were conducted through digital online learning.
- The Department continually conduct workshops on crafting of plausible performance indicators; activities and performance measures or standards to improve the overall implementation of PMDS.
- The Department developed and submitted a Workplace Skills Plan to PSETA. A Training Plan was approved by the Accounting Officer for implementation to enhance performance of individuals, 31 officials were successfully trained by the Department

based on the plan and moreover 07 serving officials were awarded bursaries in the previous years and in progress of obtaining their qualifications in the future.

- Reviewing the Employment Equity Plan date to align with the Department of Employment and Labour reporting period.
- 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.
- Only one workshop was conducted due to COVID-19 regulations on labour related matters in line with the prescripts to improve employer employee relationships.

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

- The 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.

2.4 Employee Performance Management

- The Department is implementing the Provincial Performance Management System for level 03-12 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 80% compliance of the receipt PA, mid- term Reviews and Annual Assessment reviews for (Salary level 3-12) and SMS Members.
- All signed Assessment Reviews are captured on the Persal System and concluded for 2020/2021.
- Circular 21 of 2021 of pay progression was implemented for level 3-12.
- Performance bonus was paid to all qualifying officials at level 3-12.
- Only 1% of planned training budget have been utilised as per the Approved training plan (WSP).

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 where 66 or 44% (66 out of 150 planned target participated in the programme. Forty-seven (47) female and nineteen (19) male employees tested for HIV and know their status. Sixty-nine (69) were screened for TB.
- Onsite comprehensive health screening for non-communicable diseases (high blood pressure; diabetes; obesity and cholesterol) was coordinated. The level of participation was 111, 33% as 167 of 150 planned target participated.

- Seven (07) SHERQ Committee meeting were held during the reporting period. All six (06) offices were audited for SHERQ compliance and five (05) were found compliant. Only three (03) occupational health and safety awareness sessions were conducted.
- Two hundred and sixteen (216) employees were reached through health promotion messages. One hundred and ten (110) received financial advice during departmental wellness sessions. Forty-seven (47) employees received psychotherapy and support for work related and other personal problems.

2.6 Employee Relations and People Management Unit

- Majority of the officials who commit misconduct cases are African males and similar patterns of misconducts are usually committed. Emphasis should be made that male officials must attend employee relations workshops that are conducted every financial year and a trend analysis must be conducted.

2.7 Achievements and Challenges faced by the Department

- The Department has concurred and approved organisational structure and it has been created on the Persal system.
- The placement of officials on the new Organisational Structure is at 95% of completion and remaining 5% will be completed in the first quarter of 2022/23 financial year.
- The Department managed to advertised the three (3) critical SMS positions and anticipate to fill them in the first quarter of the next 2022/23 financial year.
- 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.
- 100% of the Performance Agreements received and captured on Persal system and the department managed to stick to the 0.5% budget allocated for PMDS incentive.
- Placement was delayed by the negotiation between the employer and organised labour to finalise the process.

HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 01 April 2021 – 31 March 2022

| 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 | 160 042 | 103 968 | - | - | 63,9% | 559 |
| Housing Needs, Research & Planning | 186 045 | 61 445 | - | - | 33% | 690 |
| Housing Development | 1 199 955 | 46 838 | - | - | 3,9% | 578 |
| Housing Asset Management | 16 826 | 12 839 | - | - | 89% | 755 |
| Total | 1 562 869 | 225 091 | - | - | 14,4% | 603 |

Table 3.1.2 Personnel costs by salary band for the period 01 April 2021 – 31 March 2022

| Salary Band | Personnel Expenditure (R'000) | % of Total Personnel Cost | Number of Employees | Average Personnel Cost per Employee (R) |
|--|-------------------------------|---------------------------|---------------------|---|
| Skilled (Levels 3-5) | 16 107 | 6,6% | 57 | 282 579 |
| Highly skilled production (Levels 6-8) | 47 252 | 19,4% | 96 | 492 208 |
| Highly skilled supervision (Levels 9-12) | 117 875 | 48,3% | 141 | 835 993 |
| Senior management (Levels 13-16) | 29 273 | 12% | 23 | 1 272 739 |
| Contract (Levels 3-5) | 1 807 | 0,7% | 8 | 225 875 |
| Contract (Levels 6-8) | 2 562 | 1,1% | 7 | 366 000 |
| Contract (Levels 9-12) | 9 66 | 4% | 11 | 878 727 |
| Contract (Levels 13-16) | 2 981 | 1% | 2 | 1 490 500 |
| Other | 1 903 | 0,8% | 28 | 67 964 |
| TOTAL | 229 426 | 94,1% | 373 | 615 083 |

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 01 April 2021 – 31 March 2022

| Programme | Salaries | | Overtime | | Home Owners Allow- ance | | 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 person- nel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Administration | 86 373 | 78,2% | 1 554 | 1,4% | 2 399 | 2,2% | 4 887 | 4,4% |
| Housing Needs Research & Planning | 53 521 | 79% | 11 | 0% | 1 048 | 2,1% | 2 187 | 3,2% |
| Housing development | 40 005 | 77% | 14 | 0% | 1 411 | 2,7% | 2 232 | 4,3% |
| Housing Asset Management | 10 898 | 78% | 2 | 0% | 380 | 2,7% | 444 | 3,2% |
| Total | 190 797 | 78,2% | 1 582 | 0,6% | 5 598 | 2,3% | 9 750 | 4% |

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 01 April 2021 – 31 March 2022

| 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 |
| Skilled (Levels 3-5) | 11 817 | 72,7% | 118 | 0,7% | 978 | 6% | 1 839 | 11,3% |
| Highly skilled production (Levels 6-8) | 36 708 | 76,1% | 549 | 1,1% | 1 701 | 3,5% | 3 717 | 7, % |
| Highly skilled supervision (Levels 9-12) | 99 290 | 77,80 | 820 | 0,6% | 1 639 | 1,7% | 3 967 | 3,1% |
| Senior management (Levels 13-16) | 25 864 | 81,6% | 0 | 0% | 631 | 2% | 148 | 0,5% |
| Contract (Levels 3-5) | 1 520 | 83,8% | 7 | 0,4% | 28 | 1,5% | 75 | 4,1% |
| Contract (Levels 6-8) | 2 216 | 84,9% | 55 | 2,1% | 36 | 1,4% | 3 | 0% |
| Contract (Levels 9-12) | 8 815 | 81,7% | 0 | 0% | 36 | 0,3% | 0 | 0% |
| Contract (Levels 13-16) | 2 697 | 85,7% | 0 | 0% | 0 | 0% | 0 | 0% |
| 18 Contract Other | 1 870 | 97,9% | 33 | 1,7% | 0 | 0% | 0 | 0% |
| TOTAL | 190 797 | 77,5% | 1 582 | 0,6% | 5 598 | 2,3% | 9 598 | 4% |

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2022

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|-----------------------------------|---|---------------------------|-----------------|---|
| Administration | 224 | 186 | 17% | 28 |
| Housing Needs, Research &Planning | 32 | 15 | 53% | 2 |
| Housing Development | 210 | 155 | 27% | 0 |
| Housing Asset Management | 28 | 17 | 39% | 0 |
| TOTAL | 494 | 373 | 25% | 30 |

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

| Salary band | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| Skilled (Levels 3-5) | 74 | 57 | 69% | 0 |
| Highly Skilled Production (Levels 6-8) | 156 | 96 | 20% | 0 |
| Highly Skilled Supervision (Levels 9-12) | 235 | 141 | 30% | 1 |
| Senior Management (Levels 13-16) | 29 | 23 | 32% | 0 |
| Other | 0 | 28 | 0 | 28 |
| Contract (Levels 3-5) | 0 | 8 | 0 | 0 |
| Contract (Levels 6-8) | 0 | 7 | 0 | 0 |
| Contract (Levels 9-12) | 0 | 11 | 0 | 2 |
| Contract (Levels 13-16) | 0 | 2 | 0 | 0 |
| TOTAL | 494 | 373 | 25% | 30 |

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--|---|------------------------|--------------|---|
| Administrative Related | 252 | 173 | 31% | 28 |
| Architects Town And Traffic Planners | 1 | 1 | 0 | 0 |
| Bus And Heavy Vehicle Drivers | 1 | 1 | 0 | 0 |
| Cleaners In Offices Workshops Hospitals etc | 14 | 14 | 0 | 0 |
| Communication And Information Related | 9 | 5 | 44% | 0 |
| Engineering Sciences Related | 5 | 4 | 20% | 0 |
| Engineers and Related Professionals | 33 | 20 | 39% | 2 |
| Finance and Economics Related | 1 | 1 | 0 | 0 |
| Financial And Related Professionals | 10 | 10 | 0 | 0 |
| Financial Clerks And Credit Controllers | 14 | 13 | 0 | 0 |
| Food Services Aids and Waiters | 1 | 1 | 0 | 0 |
| General Legal Administration & Related Professionals | 2 | 2 | 0 | 0 |
| Head Of Department/Chief Executive Officer | 1 | 1 | 0 | 0 |
| Human Resources & Organisational Development & Relate Prof | 1 | 1 | 0 | 0 |
| Human Resources Clerks | 1 | 1 | 0 | 0 |
| Human Resources Related | 30 | 25 | 17% | 0 |
| Information Technology Related | 3 | 3 | 0 | 0 |
| Legal Related | 1 | 1 | 0 | 0 |
| Logistical Support Personnel | 16 | 15 | 6% | 0 |
| Messengers Porters and Deliverers | 5 | 5 | 0 | 0 |
| Motor Vehicle Drivers | 1 | 1 | 0 | 0 |
| Other Administrative & Related Clerks and Organisers | 7 | 7 | 0 | 0 |
| Other Administrative Policy and Related Officers | 2 | 2 | 0 | 0 |
| Other Occupations | 31 | 30 | 3% | 0 |
| Risk Management and Security Services | 6 | 2 | 67% | 0 |
| Secretaries & Other Keyboard Operating Clerks | 25 | 23 | 8% | 0 |
| Senior Managers | 22 | 12 | 46% | 0 |
| TOTAL | 494 | 373 | 25% | 30 |

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2022

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100% | 0 | 0 |
| Salary Level 16 | 1 | 1 | 100% | 0 | 0 |
| Salary Level 15 | 0 | 0 | 0% | 0 | 0 |
| Salary Level 14 | 6 | 6 | 100% | 0 | 0 |
| Salary Level 13 | 20 | 17 | 85% | 3 | 15% |
| Total | 28 | 25 | 89% | 3 | 11% |

Table 3.3.2 SMS post information as on 30 September 2021

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100% | 0 | 0 |
| Salary Level 16 | 1 | 1 | 100% | 0 | 0 |
| Salary Level 15 | 0 | 0 | 0% | 0 | 0 |
| Salary Level 14 | 6 | 6 | 100% | 0 | 0 |
| Salary Level 13 | 20 | 17 | 85% | 3 | 15% |
| Total | 28 | 25 | 89% | 3 | 11% |

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

| 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 | 0 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 |
| Salary Level 15 | 0 | 0 | 0 |
| Salary Level 14 | 0 | 0 | 0 |
| Salary Level 13 | 3 | 0 | 3 |
| Total | 3 | 0 | 3 |

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 2021 and 31 March 2022

| Reasons for vacancies not advertised within six months |
|--|
| None |
| 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 2021 and 31 March 2022

| 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 2021 – 31 March 2022

| 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 evaluate |
| Skilled (Levels 3-5) | 74 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly Skilled Production (Levels 6-8) | 156 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly Skilled Supervision (Levels 9-12) | 235 | 0 | 0 | 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 |
| Other | 0 | 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 |
| TOTAL | 494 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 01 April 2021 – 31 March 2022

| 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 |

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 01 April 2021 – 31 March 2022

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|--|---------------------|----------------------|--------------------|----------------------|
| None | 0 | 0 | 0 | 0 |
| Total number of employees whose salaries exceeded the level determined by job evaluation | | | | 0 |
| Percentage of total employed | | | | 0 |

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 01 April 2021 – 31 March 2022

| 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 determined by job evaluation | | | | None | |

3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 01 April 2021 – 31 March 2022

| Salary band | Number of employees at beginning of peri- od-1 April 2021 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--|---|--|--|------------------|
| Skilled (Levels 3-5) Permanent | 59 | 0 | 1 | 1,7 |
| Highly Skilled Production (Levels 6-8) Permanent | 98 | 0 | 3 | 3,1 |
| Highly Skilled Supervision (Levels 9-12) Permanent | 146 | 1 | 4 | 2,7 |
| Senior Management Service Band A Permanent | 16 | 0 | 0 | 0 |
| Senior Management Service Band B Permanent | 6 | 0 | 0 | 0 |
| Senior Management Service Band D Permanent | 1 | 0 | 0 | 0 |
| Other Permanent | 4 | 28 | 4 | 100 |
| Contract (Levels 3-5) Permanent | 8 | 1 | 0 | 0 |
| Contract (Levels 6-8) Permanent | 6 | 2 | 0 | 0 |
| Contract (Levels 9-12) Permanent | 11 | 2 | 2 | 18,2 |
| Contract Band A Permanent | 1 | 1 | 0 | 0 |
| Contract Band C Permanent | 1 | 0 | 0 | 0 |
| TOTAL | 357 | 35 | 14 | 3,9 |

Table 3.5.2 Annual turnover rates by critical occupation for the period 01 April 2021 – 31 March 2022

| Critical occupation | Number of employees at beginning of period - April 2021 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|---|---|--|--|---------------|
| Administrative Related | 151 | 31 | 7 | 5% |
| Architects Town and Traffic Planners | 1 | 0 | 0 | 0 |
| Bus and Heavy Vehicle Drivers | 1 | 0 | 0 | 0 |
| Cleaners In Offices Workshops Hospitals | 14 | 0 | 0 | 0 |
| Communication And Information Related | 5 | 0 | 0 | 0 |
| Engineering Sciences Related | 4 | 0 | 0 | 0 |
| Engineers and Related Professionals | 22 | 1 | 2 | 9% |
| Finance and Economics Related | 1 | 0 | 0 | 0 |
| Financial And Related Professionals | 9 | 0 | 0 | 0 |
| Financial Clerks And Credit Controllers | 14 | 0 | 1 | 7% |
| Food Services Aids And Waiters | 1 | 0 | 0 | 0 |
| General Legal Administration & Rel. Professionals | 1 | 1 | 0 | 0 |
| Head Of Department/Chief Executive Officer | 1 | 0 | 0 | 0 |
| Human Resources & Organisational Development & Relate Professionals | 1 | 0 | 0 | 0 |
| Human Resources Clerks | 1 | 0 | 0 | 0 |
| Human Resources Related | 26 | 0 | 1 | 4% |
| Information Technology Related | 3 | 0 | 0 | 0 |
| Legal Related | 1 | 0 | 0 | 0 |
| Logistical Support Personnel | 15 | 0 | 0 | 0 |
| Messengers Porters And Deliverers | 5 | 0 | 0 | 0 |
| Motor Vehicle Drivers | 1 | 0 | 0 | 0 |
| | | | | |
| Other Administration & Related Clerks And Organisers | 7 | 0 | 0 | 0 |
| Other Administrative Policy And Related Officers | 2 | 0 | 0 | 0 |
| Other Occupations | 33 | 0 | 1 | 3% |
| Risk Management And Security Services | 2 | 0 | 0 | 0 |
| Secretaries & Other Keyboard Operating Clerks | 23 | 1 | 0 | 0 |
| Senior Managers | 12 | 1 | 0 | 0 |
| TOTAL | 357 | 35 | 14 | 4% |

Table 3.5.3 Reasons why staff left the department for the period 01 April 2021 – 31 March 2022

| Termination Type | Number | % of Total Resignations | % Total Employment | Total Employment |
|-------------------------------|-----------|-------------------------|--------------------|------------------|
| Death, Permanent | 2 | 14,3% | 0,5% | 373 |
| Resignation, Permanent | 2 | 21,4% | 0,8% | 373 |
| Expiry of contract, Permanent | 5 | 42,9% | 1,6% | 373 |
| Retirement, Permanent | 3 | 21,4% | 0,8% | 373 |
| TOTAL | 14 | 100% | 3,8% | 373 |

Table 3.5.4 Promotions by critical occupation for the period 01 April 2021 – 31 March 2022

| 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 | 151 | 0 | 0 | 155 | 102,6% |
| Architects Town and Traffic Planners | 1 | 0 | 0 | 1 | 100% |
| Bus and Heavy Vehicle Drivers | 1 | 0 | 0 | 2 | 200% |
| Cleaners In Offices Workshops Hospitals Etc. | 14 | 0 | 0 | 14 | 100% |
| Communication and Information Related | 5 | 0 | 0 | 5 | 100% |
| Engineering Sciences Related | 4 | 0 | 0 | 4 | 100% |
| Engineers and Related Professionals | 22 | 0 | 0 | 22 | 100% |
| Finance and Economics Related | 1 | 0 | 0 | 1 | 100% |
| Financial and Related Professionals | 9 | 0 | 0 | 11 | 122,2% |
| Financial Clerks and Credit Controllers | 14 | 0 | 0 | 16 | 114,3% |
| Food Services Aids and Waiters | 1 | 0 | 0 | 2 | 200% |
| General Legal Administration & Rel. Professionals | 1 | 0 | 0 | 2 | 200% |
| Head Of Department/Chief Executive Officer | 1 | 0 | 0 | 1 | 100% |
| Human Resources & Organisational Development & Relate Prof | 1 | 0 | 0 | 1 | 100% |
| Human Resources Clerks | 1 | 0 | 0 | 1 | 100% |
| Human Resources Related | 26 | 0 | 0 | 26 | 100% |
| Information Technology Related | 3 | 0 | 0 | 3 | 100% |
| Legal Related | 1 | 0 | 0 | 2 | 200% |
| Logistical Support Personnel | 15 | 0 | 0 | 16 | 106,7% |
| Messengers Porters And Deliverers | 5 | 0 | 0 | 5 | 100% |
| Motor Vehicle Drivers | 1 | 0 | 0 | 1 | 100% |
| Other Administrative & Related Clerks And Organisers | 7 | 0 | 0 | 7 | 100% |
| Other Administrative Policy And Related Officers | 2 | 0 | 0 | 2 | 100% |
| Other Occupations | 33 | 1 | 3 | 36 | 109,1% |
| Risk Management And Security Services | 2 | 0 | 0 | 2 | 100% |
| Secretaries & Other Keyboard Operating Clerks | 23 | 0 | 0 | 23 | 100% |
| Senior Managers | 12 | 0 | 0 | 23 | 191,7% |
| Total | 357 | 1 | 0,30 | 384 | 107,6% |

Table 3.5.5 Promotions by salary band for the period 01 April 2021 – 31 March 2022

| 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 |
|--|--|------------------------------------|--|---|--|
| Skilled (Levels 3-5) | 59 | 0 | 0% | 57 | 96,6% |
| Highly Skilled Production (Levels 6-8) | 98 | 0 | 0% | 102 | 104,1% |
| Highly Skilled Supervision (Levels 9-12) | 146 | 0 | 0% | 148 | 101,4% |
| Senior Management (Levels 13-16) | 23 | 0 | 0% | 42 | 182,6% |
| Other | 4 | 0 | 0% | 0 | 0% |
| Contract (Levels 3-5) | 8 | 0 | 0% | 13 | 162,5% |
| Contract (Levels 6-8) | 6 | 0 | 0% | 7 | 116,7% |
| Contract (Levels 9-12) | 11 | 0 | 9,1% | 12 | 109,1% |
| Contract (Levels 13-16) | 2 | 1 | 0% | 3 | 150% |
| TOTAL | 357 | 1 | 0,3% | 384 | 107,6% |

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 31 March 2022

| Occupational category | Male | | | | Female | | | | Total |
|--|------------|----------|----------|----------|------------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Senior Officials and Managers | 10 | 0 | 1 | 0 | 3 | 0 | 0 | 0 | 14 |
| Professionals | 43 | 0 | 0 | 1 | 28 | 0 | 0 | 0 | 72 |
| Technicians and Associate Professionals | 84 | 0 | 1 | 0 | 102 | 1 | 0 | 3 | 190 |
| Clerks | 13 | 0 | 0 | 0 | 31 | 0 | 0 | 0 | 44 |
| 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 | 19 | 1 | 0 | 0 | 29 | 0 | 0 | 0 | 49 |
| TOTAL | 172 | 1 | 2 | 1 | 194 | 1 | 0 | 2 | 373 |
| Employees with disabilities | 2 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 8 |

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

| Occupational band | Male | | | | Female | | | | Total |
|---|------------|----------|----------|----------|------------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior Management | 13 | 0 | 1 | 0 | 8 | 0 | 0 | 0 | 22 |
| Professionally qualified and experienced specialists and mid-management | 79 | 0 | 1 | 1 | 57 | 1 | 0 | 2 | 141 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 39 | 0 | 0 | 0 | 57 | 0 | 0 | 1 | 96 |
| Semi-skilled and discretionary decision making | 15 | 1 | 0 | 0 | 41 | 0 | 0 | 0 | 57 |
| Other | 7 | 0 | 0 | 0 | 21 | 0 | 0 | 0 | 28 |
| Contract (Top Management) | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Contract (Senior Management) | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Contract (Professionally Qualified) | 8 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 11 |
| Contract (Skilled Technical) | 5 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 7 |
| Contract (Semi-Skilled) | 4 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 8 |
| TOTAL | 172 | 1 | 2 | 1 | 172 | 1 | 0 | 2 | 373 |

Table 3.6.3 Recruitment for the period 01 April 2021 – 31 March 2022

| Occupational band | Male | | | | Female | | | | Total |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| 03 Professionally qualified and experienced specialists and mid-management, Permanent | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| 07 Not Available, Permanent | 7 | 0 | 0 | 0 | 21 | 0 | 0 | 0 | 28 |
| 09 Contract (Senior Management), Permanent | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| 10 Contract (Professionally qualified), Permanent | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| 11 Contract (Skilled technical), Permanent | 1 | 0 | 0 | 0 | | 0 | 0 | 0 | 2 |
| 12 Contract (Semi-skilled), Permanent | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 10 | 0 | 0 | 0 | 25 | 0 | 0 | 0 | 35 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 3.6.4 Promotions for the period 01 April 2021 – 31 March 2022

| Occupational band | Male | | | | Female | | | | Total |
|---|------------|----------|----------|----------|------------|----------|----------|----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Senior Management | 25 | 0 | 2 | 0 | 15 | 0 | 0 | 0 | 42 |
| 03 Professionally qualified and experienced specialists and mid-management | 85 | 0 | 1 | 1 | 58 | 1 | 0 | 2 | 148 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 40 | 0 | 0 | 0 | 61 | 0 | 0 | 1 | 102 |
| Semi-skilled and discretionary decision making | 15 | 1 | 0 | 0 | 41 | 0 | 0 | 0 | 57 |
| Contract (Senior Management) | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Contract (Professionally qualified) | 9 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 12 |
| Contract (Skilled technical) | 5 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 7 |
| Contract (Semi-skilled) | 7 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 13 |
| Contract (Top and Management | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| TOTAL | 188 | 1 | 3 | 1 | 188 | 1 | 0 | 3 | 385 |

Table 3.6.5 Terminations for the period 01 April 2021 – 31 March 2022

| Occupational band | Male | | | | Female | | | | Total |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Professionally qualified and experienced specialists and mid-management | 3 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 4 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 1 | 3 |
| Semi-skilled and discretionary decision making | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Other | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 4 |
| Contract (Professionally qualified) | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| TOTAL | 4 | 0 | 0 | 0 | 9 | 0 | 0 | 0 | 13 |

Table 3.6.6 Disciplinary action for the period 01 April 2021 – 31 March 2022

| Disciplinary action | Male | | | | Female | | | | Total |
|----------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Final Written Warning | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Suspended Without Payment | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |
| Total | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 4 |

Table 3.6.7 Skills development for the period 01 April 2021 – 31 March 2022

| Occupational category | Male | | | | Female | | | | Total |
|---|-----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, Senior Officials and Managers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professionals | 02 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Technicians and Associate Professionals | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18 |
| Clerks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20 |

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|--------------------------------------|----------------------------------|-----------------------------|---|---|
| Director-General/ Head of Department | 1 | 1 | 1 | 100% |
| Salary Level 16 | 1 | 1 | 1 | 100% |
| Salary Level 15 | 0 | 0 | 0 | 0 |
| Salary Level 14 | 6 | 6 | 6 | 100% |
| Salary Level 13 | 20 | 17 | 17 | 100% |

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022

| |
|----------|
| Reasons: |
| None |

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

| |
|---------|
| Reasons |
| None |

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 01 April 2021 – 31 March 2022

| Race and Gender | Beneficiary Profile | | | Cost | |
|-----------------------------|-------------------------|---------------------|-------------------------|-----------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African | 200 | 258 | 77% | 976 | 4 880 |
| Female | 99 | 188 | 52,7% | 431 | 4 362 |
| Male | 101 | 170 | 59,4% | 545 | 5 394 |
| Asian | 1 | 2 | 50% | 10 | 9 996 |
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 1 | 2 | 50% | 10 | 9 996 |
| Coloured | 0 | 2 | 0 | 0 | 0 |
| Female | 0 | 1 | 0% | 0 | 0 |
| Male | 0 | 1 | 0% | 0 | 0 |
| White | 3 | 3 | 100% | 21 | 7 000 |
| Female | 2 | 2 | 100% | 9,51 | 4 756 |
| Male | 1 | 1 | 100% | 11,26 | 11 260 |
| Employees with a disability | 4 | 8 | 50% | 16,58 | 4 145 |
| TOTAL | 208 | 373 | 55,8% | 1 023,90 | 4 923 |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 01 April 2021 – 31 March 2022

| Salary band | Beneficiary Profile | | | Cost | |
|---|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee |
| Skilled (Levels 3-5) | 35 | 57 | 61,4% | 63,80 | 1 823,00 |
| Highly Skilled Production (Levels 6-8) | 67 | 96 | 69,8% | 234,35 | 3 498,00 |
| Highly Skilled Supervision (Levels 9-12) | 95 | 141 | 67,4% | 675,32 | 7 109,00 |
| Other | 0 | 28 | 0% | 0,00 | 0,00 |
| Contract (Levels 3-5) | 2 | 8 | 25% | 3,26 | 1 630,00 |
| Contract (Levels 6-8) | 5 | 7 | 71,4% | 14,16 | 2 833,00 |
| Contract (Levels 9-12) | 4 | 11 | 36,4% | 33,01 | 8 252,00 |
| TOTAL | 208 | 348 | 59,8% | 1 023,90 | 4 923,00 |

Table 3.8.3 Performance Rewards by Critical Occupation period 01 April 2021 – 31 March 2022

| 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 | 10 | 13 | 76,9% | 51,89 | 5 189,00 |
| Human Resources Clerks | 0 | 1 | 0% | 0,00 | 0,00 |
| Messengers Porters and Deliverers | 2 | 5 | 40% | 3,65 | 1 827,00 |
| Human Resources & Organisational Development and Relate Professional | 0 | 1 | 0% | 0,00 | 0,00 |
| Risk Management and Security Services | 2 | 2 | 100% | 10,34 | 5 170,00 |
| Logistical Support Personnel | 15 | 15 | 100% | 54,23 | 3 615,00 |
| Finance and Economics Related | 0 | 1 | 0% | 0,00 | 0,00 |
| Other Administrative & Related Clerks and Organisers | 7 | 7 | 100% | 37,12 | 5 303,00 |
| Other Occupations | 16 | 30 | 53,3% | 94,27 | 5 893,00 |
| Legal Related | 0 | 1 | 0% | 0,00 | 0,00 |
| Financial and Related Professionals | 8 | 10 | 80% | 44,51 | 5 564,00 |
| Architects Town and Traffic Planners | 1 | 1 | 100% | 13,12 | 13 116,00 |
| Administrative Related | 90 | 173 | 52% | 458,64 | 5 096,00 |
| Communication and Information Related | | 5 | 60,8% | 18,53 | 6 176,00 |
| Secretaries & Other Keyboard Operating Clerks | 11 | 23 | 47,8% | 2 1,85 | 1 986,00 |
| Cleaners In Offices Workshops Hospitals Etc. | 10 | 14 | 71,4% | 15,52 | 1 552,00 |
| Human Resources Related | 12 | 25 | 48% | 61,42 | 5 118,00 |
| Head Of Department/Chief Executive Officer | 0 | 1 | 0% | 0,00 | 0,00 |
| General Legal Administration & Related Professionals | 0 | 2 | 0% | 0,00 | 0,00 |
| Other Administrative Policy and Related Officers | 0 | 2 | 0% | 0,00 | 0,00 |
| Bus and Heavy Vehicle Drivers | 1 | 1 | 100% | 2,25 | 2 251,00 |
| Senior Managers | 0 | 12 | 0% | 0,00 | 0,00 |
| Engineers and Related Professionals | 18 | 20 | 90% | 126,01 | 7 001,00 |

Table 3.8.3 Performance Rewards by Critical Occupation period 01 April 2021 – 31 March 2022 (Continued)

| Critical occupation | Beneficiary Profile | | Cost | | |
|--------------------------------|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Engineering Sciences Related | 1 | 4 | 25% | 8,30 | 8 304,00 |
| Motor Vehicle Drivers | 1 | 1 | 100% | 2,22 | 2 218,00 |
| Food Services Aids and Waiters | 0 | 1 | 0% | 0,00 | 0,00 |
| Information Technology Related | 0 | 3 | 0% | 0,00 | 0,00 |
| TOTAL | 208 | 373 | 55,8% | 1 023,90 | 4 923,00 |

Table 3.8.4 Performance related rewards (cash bonus) by salary band for Senior Management Service for the period 01 April 2021 – 31 March 2022

| 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 | 17 | 0 | 0 | 0 | 0 |
| Band B | 0 | 6 | 0 | 0 | 0 | 0 |
| Band C | 0 | 1 | 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 2021 – 31 March 2022

| Salary band | 01 April 2021 | | 31 June 2021 | | Change | |
|--|---------------|-------------|--------------|-------------|----------|-------------|
| | Number | % of total | Number | % of total | Number | % Change |
| Highly Skilled Supervision (Levels 9-12) | 3 | 60% | 2 | 50% | 1 | 100% |
| Senior Management (Levels 13-16) | 2 | 40% | 2 | 50% | 0 | 0% |
| TOTAL | 5 | 100% | 4 | 100% | 1 | 100% |

Table 3.9.2 foreign workers by major occupation for the period 01 April 2021 – 31 March 2022

| Major occupation | 01 April 2021 | | 31 December 2021 | | Change | |
|----------------------------|---------------|-------------|------------------|-------------|----------|-------------|
| | Number | % of total | Number | % of total | Number | % Change |
| Professionals and Managers | 5 | 100% | 4 | 100% | 1 | 100% |
| Total | 5 | 100% | 4 | 100% | 1 | 100% |

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 01 January 2021 – 31 December 2021

| 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) | 4 | 75% | 2 | 2,2% | 2 | 5 |
| Contract (Levels 9-12) | 17 | 52,9% | 3 | 3,3% | 6 | 39 |
| Contract Other | 2 | 0 | 1 | 1,1% | 2 | 1 |
| Highly skilled production (Levels 6-8) | 185 | 68% | 19 | 20,9% | 10 | 301 |
| Highly skilled supervision (Levels 9-12) | 323 | 68% | 39 | 42,9% | 8 | 976 |
| Senior management (Levels 13-16) | 49 | 57% | 6 | 6,6% | 8 | 220 |
| Skilled (Levels 3-5) | 130 | 89,2% | 21 | 23,1% | 6 | 118 |
| TOTAL | 710 | 71% | 91 | 100% | 8 | 1 659 |

Table 3.10.2 Disability leave temporary and permanent) for the period 01 January 2021 – 31 December 2021

| 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) | 30 | 100% | 1 | 33,3% | 30 | 74 |
| Highly skilled production (Level 6-8) | 1 | 100% | 1 | 33,3% | 1 | 2 |
| Highly skilled production (Level 3-5) | 56 | 100% | 1 | 33,3% | 56 | 47 |
| Total | 87 | 100% | 3 | 100% | 29 | 123 |

Table 3.10.3 Annual Leave for the period 01 January 2020 – 31 December 2021

| Salary Band | Total days taken | Number of Employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Contract (Levels 13-16) | 5 | 5 | 1 |
| Contract (Levels 3-5) | 48 | 16 | 3 |
| Contract (Levels 6-8) | 115 | 16 | 7 |
| Contract (Levels 9-12) | 84 | 9 | 9 |
| Contract Other | 178 | 10 | 18 |
| Highly Skilled Production (Levels 6-8) | 2 080 | 23 | 91 |
| Highly Skilled Supervision (Levels 9-12) | 2 812 | 21 | 134 |
| Senior Management (Levels 13-16) | 373 | 19 | 20 |
| Skilled (Levels 3-5) | 1 141 | 20 | 56 |
| Total | 6 836 | 20 | 339 |

Table 3.10.4 Capped leave for the period 01 January 2021 and 31 December 2021

| 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 |
| Contract Other | 0 | 0 | 0 | 0 | 0 |
| Highly Skilled Production (Levels 6-8) | 0 | 0 | 60 | 0 | 1 429,74 |
| Highly Skilled Supervision (Levels 9-12) | 0 | 0 | 68 | 0 | 1 835,65 |
| Senior Management (Levels 13-16) | 0 | 0 | 56 | 0 | 393,38 |
| Skilled (Levels 3-5) | 0 | 0 | 79 | 0 | 707,64 |
| Total | 0 | 0 | 65 | 0 | 4 366,41 |

Table 3.10.5 Leave pay-outs for the period 1 April 2021 and 31 March 2022

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|--|-------------------------|------------------------|------------------------------------|
| Annual - Discounting With Resignation (Work Days) | 225 | 3 | 75 |
| Annual - Discounting: Contract Expiry (Work Days) | 119 | 2 | 59 ,5 |
| Annual - Discounting: Unused Vacation Credits (Work Days) | 120 | 2 | 60 |
| Annual - Gratuity: Death/Retirement/Medical Retirement (Work Days) | 387 | 13 | 29,7 |
| Capped- Gratuity Death/Retirement/ Medical Retirement (Work Days) | 149 | 1 | 149 |
| TOTAL | 1 000 | 21 | 122,6 |

33.11 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. | √ | | Y X Nkalanga – Acting 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 including an intern employee and the budget for the accounting period is R154 000 for goods and services and R2 398 for compensation of employees. |
| 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 Sweetness Shabangu- Transversal Services; Ms Yvonne Nkalanga- Currently Acting Director HRM & D |
| 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. | | √ | |
| 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 |

| Question | Yes | No | Details, if yes |
|--|-----|----|--|
| 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. | √ | | <p>Approved Employee Health and productivity management Plan</p> <p>Annual integrated employee health and wellness report</p> <p>Quarterly integrated employee health and wellness activities coordinated</p> <p>Number of employees reached through health promotion messages</p> |

3.12 Employee Relations

Table 3.12.1 Collective agreements for the period 01 April to 31 March 2022

| Subject matter | Date |
|---------------------------------------|------|
| Total number of collective agreements | None |

Table 3.12.2 Misconduct and disciplinary hearings finalised for the 01 April 2021 to 31 March 2022

| Outcomes of disciplinary hearings | Number | % of total |
|---|--------|------------|
| Correctional counselling | 0 | 0% |
| Verbal warning | 0 | 0% |
| Written warning | 0 | 0% |
| Suspended without pay and Final written Warning | 2 | 22.22% |
| Resignation | 0 | 0% |
| Demotion | 0 | 0% |
| Dismissal | 0 | 0% |
| Acquitted | 2 | 22.22% |
| withdrawn | 1 | 11.11% |
| Pending | 4 | 44.44% |
| Total | 9 | 100% |
| Total number of Disciplinary hearings finalised | 2 | 50% |

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period April 2021 to 31 March 2022

| Type of misconduct | Number | % of total |
|--------------------------|--------|------------|
| Negligence, Dishonesty | 6 | 66.6% |
| Absenteeism | 1 | 11.11% |
| Damage of state property | 1 | 11.11% |
| Loss of state property | 1 | 11.11% |
| Total | 9 | 100% |

Table 3.12.4 Grievances logged for the period from 01 April 2021 to 31 March 2022

| Grievances | Number | % of Total |
|-----------------------------------|--------|------------|
| Number of grievances resolved | 1 | 6.25 |
| Number of grievances not resolved | 15 | 93.75 |
| Total number of grievances lodged | 16 | 100% |

Table 3.12.5 Disputes logged with Councils for the period from 01 April 2021 to 31 March 2022

| Disputes | Number | % of Total |
|---------------------------------|--------|------------|
| Number of disputes upheld | 0 | 0% |
| Number of disputes dismissed | 2 | 100% |
| Withdrawn | 1 | 0% |
| Pending | 0 | 100% |
| Total number of disputes lodged | 3 | 100% |

Table 3.12.6 Strike actions for the period from 01 April 2021 to 31 March 2022

| | |
|--|------|
| Total number of persons working days lost | None |
| Total costs working days lost | None |
| Amount recovered as a result of no work no pay (R'000) | None |

Table 3.12.7 Precautionary suspensions for 01 April 2021 to 31 March 2022

| | |
|--|-----|
| Number of people suspended | 0 |
| Number of people whose suspension exceeded 30 days | 0 |
| Average number of days suspended | N/A |
| Cost of suspension(R'000) | Nil |

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 2021 and 31 March 2022

| Occupational Category | Gender | Number of employees as at 1 April 2021 | Training needs identified at start of the reporting period | | | |
|--|--------|--|--|---|-------------------------|------------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, Senior Officials and Manager | Female | 8 | 0 | 3 | 0 | 3 |
| | Male | 12 | 0 | 3 | 0 | 3 |
| Professionals | Female | 30 | 0 | 33 | 0 | 33 |
| | Male | 52 | 0 | 46 | 0 | 46 |
| Technicians and Associate Professionals | Female | 72 | 0 | 23 | 0 | 23 |
| | Male | 62 | 0 | 22 | 0 | 22 |
| Clerks | Female | 75 | 0 | 49 | 0 | 49 |
| | Male | 31 | 0 | 16 | 0 | 16 |
| 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, 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 | 1 | 0 | 1 |
| Gender Sub Totals | Female | 201 | 0 | 0 | 0 | 0 |
| | Male | 163 | 0 | 0 | 0 | 0 |
| Total | | 364 | 0 | 195 | 0 | 195 |

Table 3.13.2 Training provided for the period 01 April 2021 and 31 March 2022

| Occupational Category | Gender | Number of employees as at 1 April 2021 | 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 | 0 | 0 | 0 |
| | Male | 12 | 0 | 0 | 0 | 0 |
| Professionals | Female | 30 | 0 | 02 | 0 | 02 |
| | Male | 52 | 0 | 02 | 0 | 02 |
| Technicians and Associate Professionals | Female | 72 | 0 | 09 | 0 | 09 |
| | Male | 62 | 0 | 18 | 0 | 18 |
| Clerks | Female | 75 | 0 | 0 | 0 | 0 |
| | Male | 31 | 0 | 0 | 0 | 0 |
| 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, 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 | 31 | 0 | 31 |

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 2021 and 31 March 2022

| Nature of injury on duty | Number | % of total |
|---------------------------------------|--------|------------|
| Required basic medical attention only | 3 | 0.8% |
| Temporary Total Disablement | 1 | 0.2% |
| Permanent Disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 4 | 1% |

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 01 April 2021 and 31 March 2022

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|------------------------------|--|----------------------|------------------------|
| Earthinv Lab (12) | 1 | 12 months | 6 121 099.30 |
| Seco (13) | 1 | 12 months | 24 691 754.41 |
| Registrar of deeds (35) | 1 | 12 months | 92 497.00 |
| Mafunyane (2) | 1 | 12 months | 103 643.07 |
| Cypress Creek (7) | 1 | 12 months | 5 250 857.00 |
| Ms Mabuya (16) | 1 | 12 months | 20 336 991.24 |
| Mhlongo Property valuers (1) | 1 | 12 months | 81 280.00 |
| Montani Property Valuers (1) | 1 | 12 months | 81 280.00 |
| Macdonald VA (19) | 1 | 12 months | 922 485.47 |
| Mtsweni JL (20) | 1 | 12 months | 659 348.50 |
| Manzini MR (20) | 1 | 12 months | 612 593.54 |
| Manana MN (19) | 1 | 12 months | 621 505.41 |
| Vilakazi SC (20) | 1 | 12 months | 628 965.76 |
| Mzuzu NB (16) | 1 | 12 months | 500 138.34 |
| Sibanyoni B (18) | 1 | 12 months | 695 120.09 |
| Legal Fees | 1 | 12 months | 3 608 514.26 |
| Bkz37 (2) | 1 | 12 months | 1 058 800.00 |
| TNT Professional (3) | 1 | 12 months | 243 840.00 |
| Metrofile Jnl (1) | 1 | 12 months | 3 187 900.30 |
| Plan Associates (2) | 1 | 12 months | 1 778 400.00 |
| Letaba Lab (1) | 1 | 12 months | 583 494.00 |
| Beneficiary Management (3) | 1 | 12 months | 2 711 731.93 |
| Global Research & Survey (2) | 1 | 12 months | 1 074 063.49 |
| Total | | | 75 646 303.10 |

| 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 2021 and 31 March 2021

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|-------------------------------|------------------------------------|-------------------------------------|--|
| Project Management Unit (PMU) | 100% | 100% | 1 |

Table 3.15.3 Report on consultant appointments using Donor funds for the period 01 April 2021 and 31 March 2022

| Project title | Total number of consultants that worked on project | Duration (work 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 |

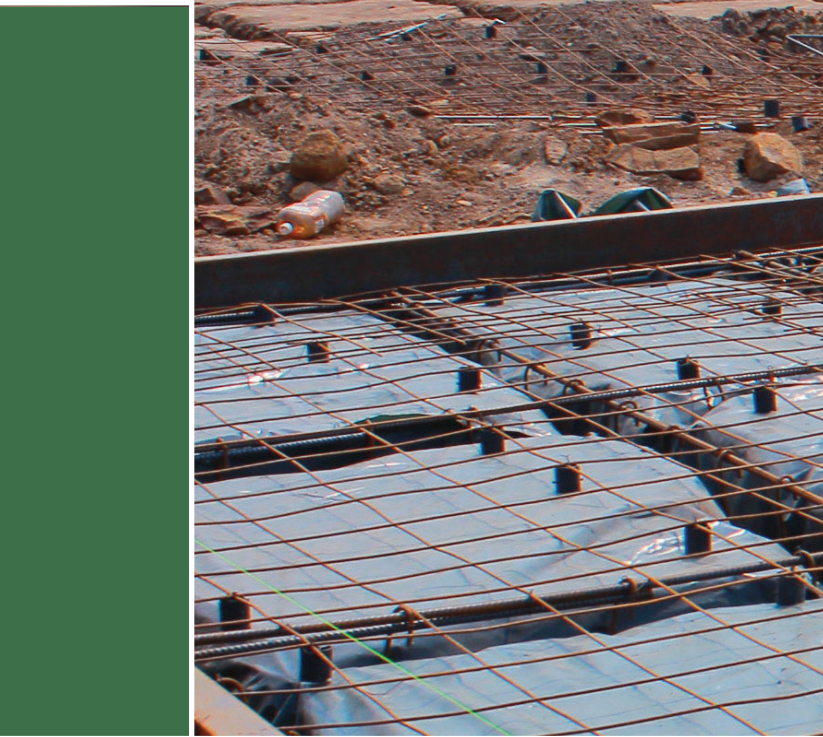
Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantage Individuals (HDIs) for the period 01 April 2021 and 31 March 2022

| 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

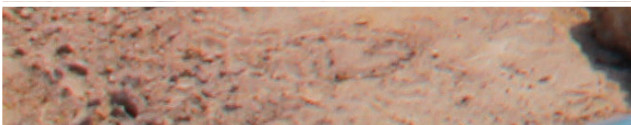
Table 3.16.1 Granting of employee initiated severance packages for the period 01 April 2021 and 31 March 2022

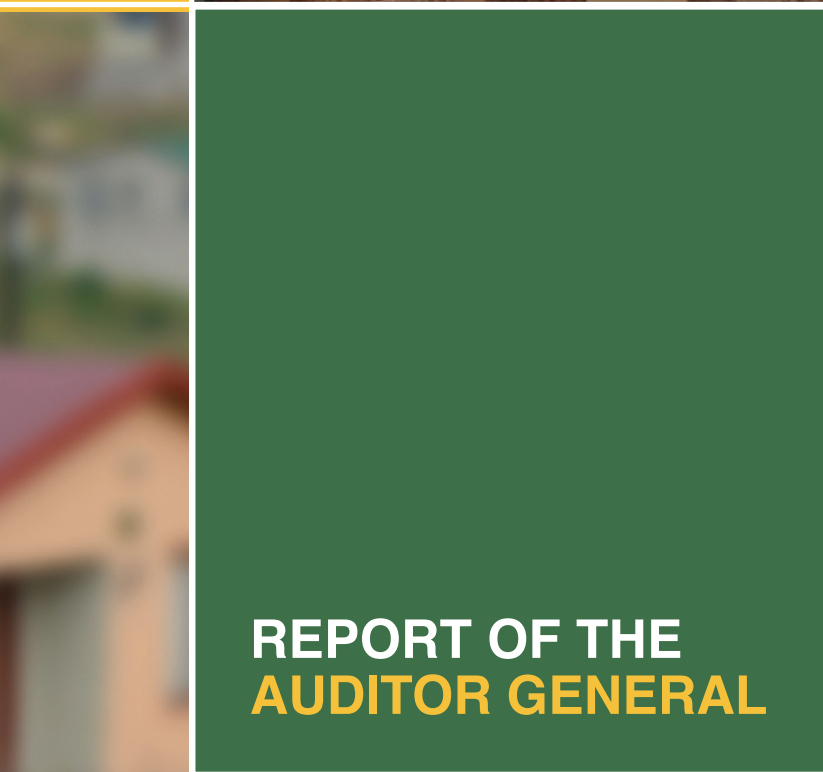
| Salary band | Number of applications received | Number of applications referred to the MPSA | Number of applications supported by MPSA | Number of packages approved by department |
|---|---------------------------------|---|--|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled Levels 3-5) | 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

FINANCIAL INFORMATION





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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Mpumalanga Department of Human Settlements set out on pages **142** to **192**, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the 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, except for the possible effects of the matter described in the basis of qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Mpumalanga Department of Human Settlements as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified opinion

Capital work in progress

3. The department did not have adequate systems to record assets in accordance with MCS chapter 1 1, Capital assets. The department recorded assets at incorrect amounts, resulting in additions under capital work in progress in note 27.2 to the financial statements being overstated by R24 755 957.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
5. I am independent of the department 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.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2022.

Underspending of conditional grants

9. As disclosed in note 29 of the financial statement, the department materially underspent the provincial emergency grant and the upgrading of informal settlements grant by R44 859 000.

Other matter

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited Supplementary schedules

11. The supplementary information set out on pages **193** to **204** does not form part of the financial statements and is presented as additional information. I have not audited this/ these schedule(s) and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

12. 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.
13. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Auditor- General's responsibilities for the audit of the financial statements

14. 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.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended:

| Programme | Pages in the annual performance report |
|----------------------------------|--|
| Programme 3: Housing Development | 40 - 53 |

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material findings on the usefulness and reliability of the performance information of the selected program are as follows:

Programme 3: Housing development

Number of people's housing process (PHP) units completed

21. The achievement of 506 people's housing process units completed was reported against the target of 781 in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement. This was due to the PHP policies and guidelines not being followed in the construction of the units completed.

Other matter

22. I draw attention to the matter below.

Achievement of planned targets

23. Refer to the annual performance report on pages **16 to 58** for information on the achievement of planned targets for the year and management explanations provided for the under-I overachievement of targets. This information should be considered in the context of the material findings on reliability of the reported performance information in paragraph 20 of this report.

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

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

26. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statement, performance and annual report

27. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(b) of the PFMA. Material misstatement of disclosure item, irregular expenditure, identified by the auditors in the submitted financial statements was corrected, but the uncorrected material misstatement on capital work in progress resulted in the financial statements receiving the qualified opinion.

Expenditure management

28. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R65 809 000, as disclosed in note 20 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by non-compliance with laws and regulations.

Consequence management

29. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

30. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Strategic planning and performance management

31. 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).

Assets management

32. Proper control systems were not in place at the department to ensure the safeguarding and maintenance of assets, as required by treasury regulation 10.1. I(a).

Other information

33. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report,
34. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
35. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected program presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
36. 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

37. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
38. The leadership did not maintain adequate oversight and monitoring controls to ensure reliable reporting on financial reporting, performance information, compliance with legislation, the monitoring and implementation of the post-audit action plan.

39. Despite the department having a functional internal audit unit and audit committee, recommendations made to management by these governance structures on the improvement of internal controls to ensure reliable reporting on financial, performance and compliance with legislation were not always implemented.

AUDITOR - GENERAL

Mbombela

31 July 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure — Auditor-general's responsibility for the audit

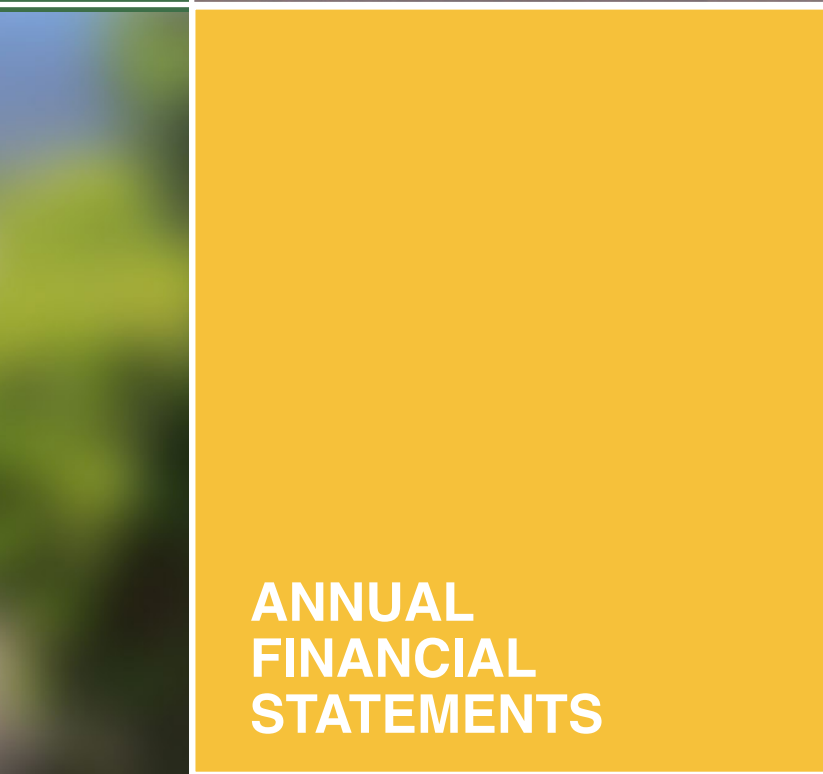
1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also.
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; 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 by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Mpumalanga Department of Human Settlement 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

3. 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.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to 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.



Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| 2021/2022 | | | | | | | | | 2020/2021 | |
|--|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Appropriation per programme | | | | | | | | | | |
| Programme | | | | | | | | | | |
| Administration | 1 | 148 307 | - | 11 751 | 160 058 | 160 042 | 16 | 99.99% | 151 180 | 150 399 |
| Housing Needs, Research and Policy | 2 | 196 725 | - | (4 257) | 192 468 | 186 045 | 6 423 | 96.66% | 219 067 | 20 5935 |
| Housing Development | 3 | 1 250 674 | - | (5 859) | 1 244 815 | 1 199 956 | 44 859 | 96.40% | 1 163 958 | 1163926 |
| Housing Asset Management | 4 | 20 812 | - | (1 635) | 19 177 | 16 826 | 2 351 | 87.74% | 23 806 | 21290 |
| Programme subtotal | | 1 616 518 | - | - | 1 616 518 | 1 562 869 | 53 649 | 96.68% | 1 558 011 | 1541550 |
| Total | | 1 616 518 | - | - | 1 616 518 | 1 562 869 | 53 649 | 96.68% | 1 558 011 | 1541550 |

Reconciliation with statement of financial performance

| | | | | | | | | | | |
|----------------------|--|--|--|--|-----------|--|--|--|-----------|--|
| Add: | | | | | | | | | | |
| Departmental revenue | | | | | 8 100 | | | | 4 144 | |
| | | | | | 1 624 618 | | | | 1 562 155 | |

| | | | | | | | | | | |
|---|--|--|--|--|--|-----------|--|--|--|-----------|
| Add: | | | | | | | | | | |
| Actual amounts per statement of financial performance (total expenditure) | | | | | | 1 562 869 | | | | 1 541 550 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | | | | 2020/2021 | |
|--|---------------------------|----------------------|-----------------|------------------------|-----------------------|--------------|---|------------------------|-----------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Appropriation per economic classification | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 200 531 | - | (8 223) | 192 308 | 194 772 | (2 464) | 101.28% | 195 905 | 194 511 |
| Social contributions | 38 357 | - | (3 222) | 35 135 | 30 319 | 4 816 | 86.29% | 30 611 | 29 807 |
| | 238 888 | - | (11 445) | 227 443 | 225 091 | 2 352 | 98.97% | 226 516 | 224 318 |
| Goods and services | | | | | | | | | |
| Administrative fees | 749 | - | (325) | 424 | 282 | 142 | 66.51% | 103 | 103 |
| Advertising | - | - | 1 547 | 1 547 | 1 547 | - | 100.00% | 1 154 | 1 154 |
| Minor assets | - | - | 31 | 31 | 31 | - | 100.00% | 1 | 1 |
| Audit costs: External | 3 665 | - | 5 577 | 9 242 | 9 242 | - | 100.00% | 8 715 | 8 715 |
| Catering: Departmental activities | - | - | 66 | 66 | 66 | - | 100.00% | - | - |
| Communication | 6 500 | - | (2 438) | 4 062 | 4 574 | (512) | 112.60% | 3 892 | 3 892 |
| Computer services | 249 | - | (47) | 202 | 202 | - | 100.00% | 1 370 | 1 370 |
| Consultants: Business and advisory services | 100 | - | 3 | 103 | 103 | - | 100.00% | 3 943 | 3 942 |
| Legal services | 1 456 | - | (1 425) | 31 | 31 | - | 100.00% | 1 274 | 1 274 |
| Contractors | 6 000 | - | (5 507) | 493 | 493 | - | 100.00% | 29 785 | 29 785 |
| Agency and support/ outsourced services | - | - | - | - | - | - | -% | 1 836 | 1 836 |
| Fleet services | 5 500 | - | 635 | 6 135 | 6 135 | - | 100.00% | 5 254 | 5 253 |
| Consumable supplies | 1 254 | - | (233) | 1 021 | 1 021 | - | 100.00% | 1 998 | 1 998 |
| Consumable: Stationery, printing and office supplies | 1 622 | - | (462) | 1 160 | 1 160 | - | 100.00% | 764 | 763 |
| Operating leases | 8 800 | - | (246) | 8 554 | 8 554 | - | 100.00% | 11 485 | 11 485 |
| Property payments | 3 149 | - | 9 448 | 12 597 | 12 597 | - | 100.00% | 4 583 | 4 584 |
| Travel and subsistence | 11 952 | - | 3 350 | 15 302 | 14 931 | 371 | 97.58% | 11 491 | 11 492 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | | | | 2020/2021 | |
|--|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Appropriation per economic classification (continued) | | | | | | | | | |
| Training and development | 2 378 | - | (1 914) | 464 | 464 | - | 100.00% | 5 | 5 |
| Operating payments | 953 | - | 1 025 | 1 978 | 1 979 | (1) | 100.05% | 2 480 | 2 479 |
| Venues and facilities | - | - | 281 | 281 | 281 | - | 100.00% | - | - |
| | 54 327 | - | 9 366 | 63 693 | 63 693 | - | 100.00% | 90 133 | 90 131 |
| Total current payments | 293 215 | - | (2 079) | 291 136 | 288 784 | 2 352 | 99.19% | 316 649 | 314 449 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Municipalities | | | | | | | | | |
| Municipal agencies and funds | 101 | - | - | 101 | 85 | 16 | 84.16% | 97 | 97 |
| Households | | | | | | | | | |
| Social benefits | - | - | 1 250 | 1 250 | 1 251 | (1) | 100.08% | 2 312 | 2 312 |
| Other transfers to households | 1 219 177 | - | (15 000) | 1 204 177 | 1 152 895 | 51 282 | 95.74% | 1 134 789 | 1 133 658 |
| | 1 219 177 | - | (13 750) | 1 205 427 | 1 154 146 | 51 281 | 95.75% | 1 137 101 | 1 135 970 |
| Total transfers and subsidies | 1 219 278 | - | (13 750) | 1 205 528 | 1 154 231 | 51 297 | 95.74% | 1 137 198 | 1 136 067 |
| Payments for capital assets | | | | | | | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Buildings | 102 132 | - | 13 554 | 115 686 | 115 686 | - | 100.00% | 83 468 | 88 336 |
| Machinery and equipment | 1 893 | - | 2 111 | 4 004 | 4 004 | - | 100.00% | 2 694 | 2 694 |
| Software and other intangible assets | - | - | 164 | 164 | 164 | - | 100.00% | - | - |
| Total payments for capital assets | 104 025 | - | 15 829 | 119 854 | 119 854 | - | 100.00% | 86 162 | 91 030 |
| Total | 1 616 518 | - | - | 1 616 518 | 1 562 869 | 53 649 | 96.68% | 1 540 009 | 1 541 546 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | | 2021/2022 | | | | | | 2020/2021 | | |
|--|-----|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1. Administration | | | | | | | | | | |
| Sub programme | | | | | | | | | | |
| Office of the MEC | 1.1 | 11 219 | - | (655) | 10 564 | 10 261 | 303 | 97.13% | - | - |
| Corporate Services | 1.2 | 137 088 | - | 12 406 | 149 494 | 149 781 | (287) | 100.19% | 151 178 | 150 395 |
| Subtotal | | 148 307 | - | 11 751 | 160 058 | 160 042 | 16 | 99.99% | 151 178 | 150 395 |
| Economic classification | | | | | | | | | | |
| Current payments | | | | | | | | | | |
| Compensation of employees | | | | | | | | | | |
| Salaries and wages | | 91 049 | - | (1 384) | 89 665 | 89 665 | - | 100.00% | 87 480 | 86 698 |
| Social contributions | | 15 100 | - | (796) | 14 304 | 14 304 | - | 100.00% | 13 890 | 13 890 |
| | | 106 149 | - | (2 180) | 103 969 | 103 969 | - | 100.00% | 101 370 | 100 588 |
| Goods and services | | | | | | | | | | |
| Administrative fees | | 387 | - | (132) | 255 | 255 | - | 100.00% | 91 | 92 |
| Advertising | | - | - | 1 547 | 1 547 | 1 547 | - | 100.00% | 1 154 | 1 154 |
| Minor assets | | - | - | 31 | 31 | 31 | - | 100.00% | 1 | 1 |
| Audit costs: External | | 3 665 | - | 5 577 | 9 242 | 9 242 | - | 100.00% | 8 715 | 8 715 |
| Catering: Departmental activities | | - | - | 66 | 66 | 66 | - | 100.00% | - | - |
| Communication | | 5 314 | - | (4 519) | 795 | 795 | - | 100.00% | 2 752 | 2 752 |
| Computer services | | 249 | - | (47) | 202 | 202 | - | 100.00% | 1 370 | 1 370 |
| Consultants: Business and advisory services | | 100 | - | 3 | 103 | 103 | - | 100.00% | 57 | 56 |
| Legalservices | | 1 456 | - | (1 425) | 31 | 31 | - | 100.00% | 1 274 | 1 274 |
| Contractors | | - | - | 493 | 493 | 493 | - | 100.00% | 99 | 99 |
| Fleet services | | 5 500 | - | 635 | 6 135 | 6 135 | - | 100.00% | 5 254 | 5 253 |
| Consumable supplies | | 754 | - | 44 | 798 | 798 | - | 100.00% | 1 773 | 1 773 |
| Consumable: Stationery, printing and office supplies | | 1 622 | - | (462) | 1 160 | 1 160 | - | 100.00% | 764 | 763 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | | | 2020/2021 | | |
|--|---------------------------|---------------------------|---------------|--------------------------|-----------------------|---------------|---|--------------------------|-------------------------|
| | Adjusted Appropriation | Shift- ing of Funds | Virement | Final Appro- priation | Actual Expenditure | Vari- ance | Expenditure as % of final appropriation | Final Appro- priation | Actual Ex- penditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Operating leases | 8 800 | - | (246) | 8 554 | 8 554 | - | 100.00% | 11 485 | 11 485 |
| Property payments | 3 149 | - | 9 448 | 12 597 | 12 597 | - | 100.00% | 4 583 | 4 584 |
| Travel and subsistence | 6 104 | - | 424 | 6 528 | 6 526 | 2 | 99.97% | 4 712 | 4 712 |
| Training and development | 2 378 | - | (1 914) | 464 | 464 | - | 100.00% | 5 | 5 |
| Operating payments | 686 | - | 1 245 | 1 931 | 1 933 | (2) | 100.10% | 2 312 | 2 312 |
| Venues and facilities | - | - | 281 | 281 | 281 | - | 100.00% | - | - |
| | 40 164 | - | 11 049 | 51 213 | 51 213 | - | 100.00% | 46 401 | 46 400 |
| Total current payments | 146 313 | - | 8 869 | 155 182 | 155 182 | - | 100.00% | 147 771 | 146 988 |
| Transfers and subsidies Provinces and municipalities Municipalities | | | | | | | | | |
| Municipal agencies and funds | 101 | - | - | 101 | 85 | 16 | 84.16% | 97 | 97 |
| Transfers and subsidies Provinces and municipalities Municipalities | | | | | | | | | |
| Municipal agencies and funds | 101 | - | - | 101 | 85 | 16 | 84.16% | 97 | 97 |
| Households | | | | | | | | | |
| Social benefits | - | - | 607 | 607 | 607 | - | 100.00% | 616 | 616 |
| Total transfers and subsidies | 101 | - | 607 | 708 | 692 | 16 | 97.74% | 713 | 713 |
| Payments for capital assets Machinery and equipment | | | | | | | | | |
| Transport equipment | 1 893 | - | 2 111 | 4 004 | 4 004 | - | 100.00% | 2 694 | 2 694 |
| Software and other intangible assets | - | - | 164 | 164 | 164 | - | 100.00% | - | - |
| Total payments for capital assets | 1 893 | - | 2 275 | 4 168 | 4 168 | - | 100.00% | 2 694 | 2 694 |
| Total | 148 307 | - | 11 751 | 160 058 | 160 042 | 16 | 99.99% | 151 178 | 150 395 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | 2020/2021 | | | | |
|----------------------------------|---------------------------|----------------------|----------------|--------------------------|-----------------------|------------|--|--------------------------|-------------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Ap- propriation | Actual Expenditure | Variance | Expendi- ture as % of final appro- priation | Final Appro- priation | Actual Ex- penditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1.1 Office of the MEC | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 8 979 | - | (1 627) | 7 352 | 6 926 | 426 | 94.21% | - | - |
| Social contributions | 716 | - | 126 | 842 | 843 | (1) | 100.12% | - | - |
| | 9 695 | - | (1 501) | 8 194 | 7 769 | 425 | 94.81% | - | - |
| Goods and services | | | | | | | | | |
| Administrative fees | 287 | - | (136) | 151 | 151 | - | 100.00% | - | - |
| Communication | 176 | - | (87) | 89 | 89 | - | 100.00% | - | - |
| Consumable supplies | 61 | - | 2 | 63 | 63 | - | 100.00% | - | - |
| Travel and subsistence | 1 000 | - | 769 | 1 769 | 1 769 | - | 100.00% | - | - |
| Operating payments | - | - | - | - | 2 | (2) | -% | - | - |
| | 1 524 | - | 548 | 2 072 | 2 074 | (2) | 100.10% | - | - |
| Total current payments | 11 219 | - | (953) | 10 266 | 9 843 | 423 | 95.88% | - | - |
| Transfers and subsidies | | | | | | | | | |
| Households | | | | | | | | | |
| Social benefits | - | - | 298 | 298 | 418 | (120) | 140.27% | - | - |
| Total | 11 219 | - | (655) | 10 564 | 10 261 | 303 | 97.13% | - | - |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | | | 2020/2021 | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1.2 Corporate Services | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 82 070 | - | 243 | 82 313 | 82 739 | (426) | 100.52% | 87 480 | 86 698 |
| Social contributions | 14 384 | - | (922) | 13 462 | 13 461 | 1 | 99.99% | 13 890 | 13 890 |
| | 96 454 | - | (679) | 95 775 | 96 200 | (425) | 100.44% | 101 370 | 100 588 |
| Goods and services | | | | | | | | | |
| Administrative fees | 100 | - | 4 | 104 | 104 | - | 100.00% | 91 | 92 |
| Advertising | - | - | 1 547 | 1 547 | 1 547 | - | 100.00% | 1 154 | 1 154 |
| Minor assets | - | - | 31 | 31 | 31 | - | 100.00% | 1 | 1 |
| Audit costs: External | 3 665 | - | 5 577 | 9 242 | 9 242 | - | 100.00% | 8 715 | 8 715 |
| Catering: Departmental activities | - | - | 66 | 66 | 66 | - | 100.00% | - | - |
| Communication | 5 138 | - | (4 432) | 706 | 706 | - | 100.00% | 2 752 | 2 752 |
| Computer services | 249 | - | (47) | 202 | 202 | - | 100.00% | 1 370 | 1 370 |
| Consultants: Business and advisory services | 100 | - | 3 | 103 | 103 | - | 100.00% | 57 | 56 |
| Legal services | 1 456 | - | (1 425) | 31 | 31 | - | 100.00% | 1 274 | 1 274 |
| Contractors | - | - | 493 | 493 | 493 | - | 100.00% | 99 | 99 |
| Fleet services | 5 500 | - | 635 | 6 135 | 6 135 | - | 100.00% | 5 254 | 5 253 |
| Consumable supplies | 693 | - | 42 | 735 | 735 | - | 100.00% | 1 773 | 1 773 |
| Consumable: Stationery, printing and office supplies | 1 622 | - | (462) | 1 160 | 1 160 | - | 100.00% | 764 | 763 |
| Operating leases | 8 800 | - | (246) | 8 554 | 8 554 | - | 100.00% | 11 485 | 11 485 |
| Property payments | 3 149 | - | 9 448 | 12 597 | 12 597 | - | 100.00% | 4 583 | 4 584 |
| Travel and subsistence | 5 104 | - | (345) | 4 759 | 4 757 | 2 | 99.96% | 4 712 | 4 712 |
| Training and development | 2 378 | - | (1 914) | 464 | 464 | - | 100.00% | 5 | 5 |
| Operating payments | 686 | - | 1 245 | 1 931 | 1 931 | - | 100.00% | 2 312 | 2 312 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | | 2020/2021 | | | |
|---|---------------------------|---------------------------|---------------|--------------------------|----------------------------|--------------|---|--------------------------|-----------------------|
| | Adjusted Appropriation | Shift- ing of Funds | Virement | Final Ap- propriation | Actual Expen- diture | Variance | Expenditure as % of final appropriation | Final Ap- propriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1.2 Corporate Services (continued) | | | | | | | | | |
| Venues and facilities | - | - | 281 | 281 | 281 | - | 100.00% | - | - |
| | 38 640 | - | 10 501 | 49 141 | 49 139 | 2 | 100.00% | 46 401 | 46 400 |
| Total current payments | 135 094 | - | 9 822 | 144 916 | 145 339 | (423) | 100.29% | 147 771 | 146 988 |
| Transfers and subsidies | | | | | | | | | |
| Provinces and municipalities | | | | | | | | | |
| Municipalities | | | | | | | | | |
| Municipal agencies and funds | 101 | - | - | 101 | 85 | 16 | 84.16% | 97 | 97 |
| Households | | | | | | | | | |
| Social benefits | - | - | 309 | 309 | 189 | 120 | 61.17% | 616 | 616 |
| Total transfers and subsidies | 101 | - | 309 | 410 | 274 | 136 | 66.83% | 713 | 713 |
| Payments for capital assets | | | | | | | | | |
| Machinery and equipment | | | | | | | | | |
| Transport equipment | 1 893 | - | 2 111 | 4 004 | 4 004 | - | 100.00% | 2 694 | 2 694 |
| Software and other intangible assets | - | - | 164 | 164 | 164 | - | 100.00% | - | - |
| Total payments for capital assets | 1 893 | - | 2 275 | 4 168 | 4 168 | - | 100.00% | 2 694 | 2 694 |
| Total | 137 088 | - | 12 406 | 149 494 | 149 781 | (287) | 100.19% | 151 178 | 150 395 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | | 2021/2022 | | | | | 2020/2021 | | | |
|--|-----|------------------------|--------------------|----------------|----------------------|---------------------|-----------|---|---------------------|---------------------|
| | | Adjusted Appropriation | Shift-ing of Funds | Virement | Final Ap-propriation | Actual Ex-penditure | Vari-ance | Expendi-ture as % of final appro-priation | Final Appro-riation | Actual Ex-penditure |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 2. Housing Needs, Research and Policy | | | | | | | | | | |
| Sub programme | | | | | | | | | | |
| Administration | 2.1 | 196 725 | - | (4 257) | 192 468 | 186 045 | 6 423 | 96.66% | 219 067 | 205 935 |
| Economic classification | | | | | | | | | | |
| Current payments | | | | | | | | | | |
| Compensation of employees | | | | | | | | | | |
| Salaries and wages | | 51 784 | - | 1 763 | 53 547 | 53 547 | - | 100.00% | 51 233 | 51 234 |
| Social contributions | | 7 220 | - | 678 | 7 898 | 7 898 | - | 100.00% | 6 711 | 6 711 |
| | | 59 004 | - | 2 441 | 61 445 | 61 445 | - | 100.00% | 57 944 | 57 945 |
| Goods and services | | | | | | | | | | |
| Administrative fees | | 168 | - | (159) | 9 | 9 | - | 100.00% | 2 | 1 |
| Communication | | 754 | - | (229) | 525 | 525 | - | 100.00% | 531 | 531 |
| Consultants: Business and advisory services | | - | - | - | - | - | - | -% | 3 886 | 3 886 |
| Contractors | | 6 000 | - | (6 000) | - | - | - | -% | 29 686 | 29 686 |
| Consumable supplies | | 500 | - | (353) | 147 | 147 | - | 100.00% | 52 | 52 |
| Travel and subsistence | | 3 000 | - | 1 275 | 4 275 | 4 275 | - | 100.00% | 3 381 | 3 382 |
| Operating payments | | 167 | - | (130) | 37 | 37 | - | 100.00% | 95 | 94 |
| | | 10 589 | - | (5 596) | 4 993 | 4 993 | - | 100.00% | 37 633 | 37 632 |
| Total current payments | | 69 593 | - | (3 155) | 66 438 | 66 438 | - | 100.00% | 95 577 | 95 577 |
| Transfers and subsidies | | | | | | | | | | |
| Households | | | | | | | | | | |
| Social benefits | | - | - | 344 | 344 | 344 | - | 100.00% | 1 300 | 1 300 |
| Other transfers to households | | 25 000 | - | (15 000) | 10 000 | 3 577 | 6 423 | 35.77% | 20 722 | 20 722 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | | | 2020/2021 | | |
|---|---------------------------|----------------------|----------|------------------------|-----------------------|----------|---|------------------------|-----------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| | 25 000 | - | (14 656) | 10 344 | 3 921 | 6 423 | 37.91 % | 22 022 | 22 022 |
| Payments for capital assets | | | | | | | | | |
| Buildings and other fixed structures | | | | | | | | | |
| Buildings | 102 132 | - | 13 554 | 115 686 | 115 686 | - | 100.00 % | 83 468 | 88 336 |
| Total | 196 725 | - | (4 257) | 192 468 | 186 045 | 6 423 | 96.66% | 219 067 | 205 935 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | 2020/2021 | | | | |
|----------------------------------|---------------------------|----------------------|----------------|---------------------|--------------------|--------------|--|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 2.1 Administration | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | 59 004 | - | 2 441 | 61 445 | 61 445 | - | 100.00% | 57 944 | 57 945 |
| Goods and services | 10 589 | - | (5 596) | 4 993 | 4 993 | - | 100.00% | 37 633 | 37 632 |
| Total current payments | 69 593 | - | (3 155) | 66 438 | 66 438 | - | 100.00% | 95 577 | 95 577 |
| Total | 196 725 | - | (4 257) | 192 468 | 186 045 | 6 423 | 96.66% | 201 067 | 205 935 |

Department of Human Settlements

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Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | | 2021/2022 | | | | | 2020/2021 | | | |
|--|-----|---------------------------|----------------------|----------------|--------------------------|-------------------------|---------------|---|--------------------------|-------------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Ap- propriation | Actual Ex- penditure | Variance | Expenditure as % of final appropriation | Final Appro- priation | Actual Ex- penditure |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 3. Housing Development | | | | | | | | | | |
| Sub programme | | | | | | | | | | |
| Administration | 3.1 | 56 497 | - | (5 859) | 50 638 | 50 638 | - | 100.00% | 59 541 | 59 541 |
| Financial Intervention | | 163 951 | - | 23 798 | 187 749 | 186 196 | 1 553 | 99.17% | 136 534 | 136 534 |
| Incremental Intervention | | 830 921 | - | - | 830 921 | 871 277 | (40 356) | 104.86% | 853 224 | 853 224 |
| Social and Rental Intervention | | 153 000 | - | (27 839) | 125 161 | 44 635 | 80 526 | 35.66% | 46 600 | 46 600 |
| Rural Intervention | | 46 305 | - | 4 041 | 50 346 | 47 210 | 3 136 | 93.77% | 68 059 | 68 059 |
| Subtotal | | 1 250 674 | - | (5 859) | 1 244 815 | 1 199 956 | 44 859 | 96.40% | 1 163 958 | 1 163 958 |
| Economic classification | | | | | | | | | | |
| Current payments | | | | | | | | | | |
| Compensation of employees | | | | | | | | | | |
| Salaries and wages | | 47 246 | - | (6 967) | 40 279 | 40 279 | - | 100.00% | 46 175 | 46 175 |
| Social contributions | | 7 557 | - | (997) | 6 560 | 6 559 | 1 | 99.98% | 7 693 | 7 693 |
| | | 54 803 | - | (7 964) | 46 839 | 46 838 | 1 | 100.00% | 53 868 | 53 868 |
| Goods and services | | | | | | | | | | |
| Administrative fees | | 44 | - | (34) | 10 | 8 | 2 | 80.00% | 1 | 1 |
| Communication | | 168 | - | 203 | 371 | 371 | - | 100.00% | 481 | 481 |
| Agency and support / outsourced services | | - | - | - | - | - | - | -% | 1 836 | 1 836 |
| Consumable supplies | | - | - | 76 | 76 | 76 | - | 100.00% | 173 | 173 |
| Travel and subsistence | | 1 382 | - | 1 651 | 3 033 | 3 036 | (3) | 100.10% | 2 766 | 2 766 |
| Operating payments | | 100 | - | (90) | 10 | 9 | 1 | 90.00% | 73 | 73 |
| | | 1 694 | - | 1 806 | 3 500 | 3 500 | - | 100.00% | 5 330 | 5 330 |
| | | | | | | | | | | |
| Total current payments | | 56 497 | - | (6 158) | 50 339 | 50 338 | 1 | 100.00% | 59 198 | 59 198 |

Department of Human Settlements

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Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | | | 2020/2021 | | |
|-------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Transfers and subsidies | | | | | | | | | |
| Households | | | | | | | | | |
| Social benefits | - | - | 299 | 299 | 300 | (1) | 100.33% | 343 | 343 |
| Other transfers to households | 1 194 177 | - | - | 1 194 177 | 1 149 318 | 44 859 | 96.24% | 1 104 417 | 1 104 385 |
| | 1 194 177 | - | 299 | 1 194 476 | 1 149 618 | 44 858 | 96.24% | 1 104 760 | 1 104 728 |
| Total | 1 250 674 | - | (5 859) | 1 244 815 | 1 199 956 | 44 859 | 96.40% | 1 163 958 | 1 163 926 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | | 2020/2021 | | | |
|--|------------------------|-------------------|----------------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 3.1 Administration | | | | | | | | | |
| Economic Classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 47 246 | - | (6 967) | 40 279 | 40 279 | - | 100.00 % | 46 175 | 46 175 |
| Social contributions | 7 557 | - | (997) | 6 560 | 6 559 | 1 | 99.98% | 7 693 | 7 693 |
| | 54 803 | - | (7 964) | 46 839 | 46 838 | 1 | 100.00 % | 53 868 | 53 868 |
| Goods and services | | | | | | | | | |
| Administrative fees | 44 | - | (34) | 10 | 7 | 3 | 70.00 % | 1 | 1 |
| Communication | 168 | - | 203 | 371 | 371 | - | 100.00 % | 481 | 481 |
| Agency and support / outsourced services | - | - | - | - | - | - | - % | 1 836 | 1 836 |
| Consumable supplies | - | - | 76 | 76 | 76 | - | 100.00 % | 173 | 173 |
| Travel and subsistence | 1 382 | - | 1 651 | 3 033 | 3 036 | (3) | 100.10 % | 2 766 | 2 766 |
| Operating payments | 100 | - | (90) | 10 | 9 | 1 | 90.00 % | 73 | 73 |
| | 1 694 | - | 1 806 | 3 500 | 3 499 | 1 | 99.97 % | 5 330 | 5 330 |
| Total current payments | 56 497 | - | (6 158) | 50 339 | 50 337 | 2 | 100.00 % | 59 198 | 59 198 |
| Transfers and subsidies | | | | | | | | | |
| Households | - | - | 299 | 299 | 299 | - | 100.00 % | 343 | 343 |
| Total | 56 497 | - | (5 859) | 50 638 | 50 636 | 2 | 100.00 % | 59 541 | 59 541 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | | 2021/2022 | | | | | 2020/2021 | | | |
|-----------------------------|-----|---------------------------|----------------------|----------|--------------------------|-----------------------|-----------|---|--------------------------|-------------------------|
| | | Adjusted Appropriation | Shifting of Funds | Virement | Final Approp- riation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Approp- riation | Actual Ex- penditure |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 4. Housing Asset Management | | | | | | | | | | |
| Sub programme | | | | | | | | | | |
| Administration | 4.1 | 20 812 | - | (1 635) | 19 177 | 16 826 | 2 351 | 87.74% | 23 806 | 21 290 |
| Economic classification | | | | | | | | | | |
| Current payments | | | | | | | | | | |
| Compensation of employees | | | | | | | | | | |
| Salaries and wages | | 10 452 | - | (1 635) | 8 817 | 11 281 | (2 464) | 127.95% | 11 017 | 10 404 |
| Social contributions | | 8 480 | - | (2 107) | 6 373 | 1 558 | 4 815 | 24.45% | 2 317 | 1 513 |
| | | 18 932 | - | (3 742) | 15 190 | 12 839 | 2 351 | 84.52% | 13 334 | 11 917 |
| Goods and services | | | | | | | | | | |
| Administrative fees | | 150 | - | - | 150 | 10 | 140 | 6.67% | 9 | 9 |
| Communication | | 264 | - | 2 107 | 2 371 | 2 883 | (512) | 121.59% | 128 | 128 |
| Travel and subsistence | | 1 466 | - | - | 1 466 | 1 094 | 372 | 74.62% | 632 | 632 |
| | | 1 880 | - | 2 107 | 3 987 | 3 987 | - | 100.00% | 769 | 769 |
| Total current payments | | | | | | | | | | |
| | | 20 812 | - | (1 635) | 19 177 | 16 826 | 2 351 | 87.74% | 14 103 | 12 686 |
| Transfers and subsidies | | | | | | | | | | |
| Households | | - | - | - | - | - | - | - | 9 703 | 8 604 |
| Total | | 20 812 | - | (1 635) | 19 177 | 16 826 | 2 351 | 87.74% | 23 806 | 21 290 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Appropriation Statement

| | 2021/2022 | | | | | | 2020/2021 | | |
|----------------------------------|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 4.1 Administration | | | | | | | | | |
| Economic classification | | | | | | | | | |
| Current payments | | | | | | | | | |
| Compensation of employees | | | | | | | | | |
| Salaries and wages | 10 452 | - | (1 635) | 8 817 | 11 281 | (2 464) | 127.95% | 11 017 | 10 404 |
| Social contributions | 8 480 | - | (2 107) | 6 373 | 1 558 | 4 815 | 24.45% | 2 317 | 1513 |
| | 18 932 | - | (3 742) | 15 190 | 12 839 | 2 351 | 84.52% | 13 334 | 11 917 |
| Goods and services | 1 880 | - | 2 107 | 3 987 | 3 987 | - | 100.00% | 769 | 769 |
| Total current payments | 20 812 | - | (1 635) | 19 177 | 16 826 | 2 351 | 87.74% | 14 103 | 12 686 |
| Total | 20 812 | - | (1 635) | 19 177 | 16 826 | 2 351 | 87.74% | 23 806 | 21 290 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

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 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 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 financial statements.

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

4.1 Per programme

| | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Variance as a % of Final Appropriation % |
|------------------------------------|---------------------------------|--------------------------------|-------------------|--|
| Administration | 160 058 | 160 042 | 16 | % |
| Housing Needs, Research and Policy | 192 468 | 186 045 | 6 423 | 3.3% |
| Housing Development | 1 244 815 | 1 199 956 | 44 859 | 3.6% |

The underspending under Programme 2 relates to the Parliamentary Village project that has been closed and the underspending under Programme 3 relates to the Conditional Grant (Informal Settlements upgrading partnership and the Provincial Emergency Housing Grant).

| | | | | |
|--------------------------|--------|--------|-------|-------|
| Housing Asset Management | 19 177 | 16 826 | 2 351 | 12.3% |
|--------------------------|--------|--------|-------|-------|

4.2 Per economic classification

| | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Variance as a % of Final Appropriation R'000 |
|--|---------------------------------|--------------------------------|-------------------|--|
|--|---------------------------------|--------------------------------|-------------------|--|

Current payments

| | | | | |
|---------------------------|---------|---------|-------|----|
| Compensation of employees | 22 7443 | 22 5091 | 2 352 | 1% |
| Goods and services | 63 693 | 63 693 | - | - |

Transfers and subsidies

| | | | | |
|------------------------------|-----------|-----------|--------|-----|
| Provinces and municipalities | 101 | 85 | 16 | 16% |
| Households | 1 205 427 | 1 154 146 | 51 281 | 4% |

Payments for capital assets

| | | | | |
|--------------------------------------|---------|---------|---|----|
| Buildings and other fixed structures | 115 686 | 115 686 | - | -% |
| Machinery and equipment | 4 004 | 4 004 | - | -% |
| Intangible assets | 164 | 164 | - | -% |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

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 | 893 960 | 893 949 | 11 | - |
| Provincial Emergency Housing | 40 984 | 20 743 | 20 241 | 49% |
| Informal Settlements Upgrading Partnership | 259 233 | 234 626 | 24 607 | 9% |

The underspending is as a result of delays in enacting the conditional grants and delays experienced on site.

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|---|---------|--------------------|--------------------|
| Revenue | | | |
| Annual appropriation | 1 | 1 616 518 | 1 558 011 |
| Departmental revenue | 2 | 8 100 | 4 144 |
| Total revenue | | 1 624 618 | 1 562 155 |
| Expenditure | | | |
| Current expenditure | | | |
| Compensation of employees | 3 | 225 091 | 224 319 |
| Goods and services | 4 | 63 693 | 90 134 |
| Total current expenditure | | 288 784 | 314 453 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 5 | 1 154 231 | 1 136 067 |
| Expenditure for capital assets | | | |
| Tangible assets | 6 | 119 690 | 91 030 |
| Intangible assets | 6 | 164 | - |
| Total expenditure for capital assets | | 119 854 | 91 030 |
| Total expenditure | | 1 562 869 | 1 541 550 |
| Surplus for the year | | 61 749 | 20 605 |
| Reconciliation of Net Surplus/(Deficit) for the year | | | |
| Voted funds | | | |
| Annual appropriation | | 8 790 | 15 330 |
| Conditional grants | | 44 859 | 1 131 |
| | | 53 649 | 16 461 |
| Departmental revenue and NRF Receipts | 10 | 8 100 | 4 144 |
| Surplus for the year | | 61 749 | 20 605 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|---|---------|--------------------|--------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 7 | 38 478 | - |
| Receivables | 8 | 15 577 | 21 282 |
| | | 54 055 | 21 282 |
| Non-Current Assets | | | |
| Receivables | 8 | 151 | 166 |
| Total Assets | | 54 206 | 21 448 |
| Liabilities | | | |
| Current Liabilities | | | |
| Voted funds to be surrendered to the Revenue Fund | 9 | 53 649 | 16 461 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 10 | 220 | 221 |
| Bank overdraft | 11 | - | 4116 |
| Payables | 12 | 171 | 128 |
| | | 54 040 | 20 926 |
| Total Liabilities | | 54 040 | 20 926 |
| Net Assets | | 166 | 522 |
| Represented by: | | | |
| Recoverable revenue | | 166 | 522 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Statement of Changes in Net Assets

| | Note | 2021/2022 R'000 | 2020/2021 R'000 |
|---|------|--------------------|--------------------|
| Recoverable revenue | | | |
| Opening balance | | 522 | 202 |
| Transfers: | | | |
| Debts recovered (incl in dept receipts) | | (1 656) | (280) |
| Debts raised | | 1 300 | 600 |
| Closing balance | | 166 | 522 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Cash Flow Statement

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|-----------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Annual appropriated funds received | 1.1 | 1 616 518 | 1 558 011 |
| Departmental revenue received | 2 | 6 354 | 434 |
| Interest received | 2.2 | 1 709 | 3 139 |
| | | 1 624 581 | 1 561 584 |
| Net (increase)/decrease in working capital | | 5 748 | (21 409) |
| Surrendered to Revenue Fund | | (24 562) | (667 55) |
| Current payments | | (288 784) | (314 453) |
| Transfers and subsidies paid | | (1 154 231) | (1 136 067) |
| Net cash flow available from operating activities | 13 | 162 752 | 22 900 |
| Cash flows from investing activities | | | |
| Payments for capital assets | 6 | (119 854) | (91 030) |
| Proceeds from sale of capital assets | 2.3 | 37 | 571 |
| (Increase)/decrease in non-current receivables | 8 | 15 | 14 |
| Net cash flows from investing activities | | (119 802) | (90 445) |
| Cash flows from financing activities | | | |
| Increase/(decrease) in net assets | | (356) | 320 |
| Cash and cash equivalents at beginning of period | | (4 116) | 63 109 |
| Net increase/(decrease) in cash and cash equivalents | | 42 594 | (67 225) |
| Cash and cash equivalents at the end of the year | 14 | 38 478 | (4 116) |

Accounting Policies

Summary of significant accounting policies

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

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

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

1. Basis of preparation

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

2. Going concern

The 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'000) 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 financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

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.

Accounting Policies

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.

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.

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 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.

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 contributions

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.

Accounting Policies

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

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

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

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.

The finance lease commitments are recorded in the notes to the 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 fair 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 financial statements on the date of receipt and is measured at fair value.

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.

Accounting Policies

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 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 financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

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

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

Accounting Policies

16.2 Movable capital assets

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

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'000 -.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R'000 - 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 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 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 cost.

Internally generated intangible assets are recorded in the notes to the 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 cost.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at cost. 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.

Accounting Policies

17. Provisions and contingents

17.1 Provisions

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

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Capital commitments

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

18. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position 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 position; or
- transferred to receivables for recovery.

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

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

Accounting Policies

20. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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.

22. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23. 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 financial statements where appropriate.

24. Departures from the MCS requirements

25. 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.

26. 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.

Accounting Policies

27. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

28. 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.

29. 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 financial statements.

30. Employee benefits

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

31. 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.

Department of Human Settlements

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

| | Note(s) | 2021/2022 R'000 | 2020/2021 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: | | | | | |
| | | 2021/2022 | 2020/2021 | | |
| | | Final Appropriation R'000 | Actual Fund Received R'000 | Final Appropriation R'000 | Appropriation received R'000 |
| Administration | | 160 058 | 160 058 | 151 180 | 151 180 |
| Housing Needs, Research and Policy | | 192 468 | 192 468 | 219 067 | 219 067 |
| Housing Development | | 1 244 815 | 1 244 815 | 1 163 958 | 1 163 958 |
| Housing Asset Management | | 19 177 | 19 177 | 23 806 | 23 806 |
| Total | | 1 616 518 | 1 616 518 | 1 558 011 | 1 558 011 |
| 1.2 Conditional grants** | | | | | |
| Total grants received | 29 | | | 1 193 577 | 1 116 076 |
| 2. Departmental revenue | | | | | |
| Sales of goods and services other than capital assets | 2.1 | | | 159 | 159 |
| Interest, dividends and rent on land | 2.2 | | | 1 709 | 3 139 |
| Sales of capital assets | 2.3 | | | 37 | 571 |
| Transactions in financial assets and liabilities | 2.4 | | | 6 195 | 275 |
| Total revenue collected | | | | 8 100 | 4 144 |
| 2.1 Sales of goods and services other than capital assets | | | | | |
| Other sales | | | | 159 | 159 |
| 2.2 Interest, dividends and rent on land | | | | | |
| Interest | | | | 1 709 | 3 139 |
| 2.3 Sales of capital assets | | | | | |
| Tangible assets | | | | | |
| Machinery and equipment | 25 | | | 37 | 571 |
| 2.4 Transactions in financial assets and liabilities | | | | | |
| Receivables | | | | 1 656 | 162 |
| Other receipts including recoverable revenue | | | | 4 539 | 113 |
| Total | 2 | | | 6 195 | 275 |

Included in the other receipts is a refund from the Department of Military Veterans for top up funding amounting to R4 524 million relating to previous' financial years.

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|---|---------|--------------------|--------------------|
| 3. Compensation of employees | | | |
| 3.1 Salaries and wages | | | |
| Basic salary | | 153 173 | 158 161 |
| Performance award | | 1 026 | 1 856 |
| Service based | | 276 | 44 |
| Compensative/circumstantial | | 3 842 | 3 305 |
| Other non-pensionable allowances | | 36 455 | 31 145 |
| Total | | 194 772 | 194 511 |
| Other non-pensionable allowance include the capital remuneration, housing allowance, non-pensionable allowances and service bonus. | | | |
| 3.2 Social contributions | | | |
| Employer contributions | | | |
| Pension | | 19 637 | 19 932 |
| Medical | | 9 874 | 9 572 |
| Bargaining council | | 38 | 38 |
| Insurance | | 770 | 266 |
| Total | | 30 319 | 29 808 |
| Total compensation of employees | | 225 091 | 224 319 |
| Average number of employees | | 344 | 372 |

The average number of 344 employees constitutes of 317 permanent employees and 27 contract employees.

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|---|---------|--------------------|--------------------|
| 4. Goods and services | | | |
| Administrative fees | | 281 | 103 |
| Advertising | | 1 547 | 1 154 |
| Minor assets | 4.1 | 31 | 1 |
| Catering | | 65 | - |
| Communication | | 4 574 | 3 892 |
| Computer services | 4.2 | 202 | 1 370 |
| Consultants: Business and advisory services | | 103 | 3 943 |
| Legal services | | 31 | 1 274 |
| Contractors | | 493 | 29 785 |
| Agency and support/outsourced services | | - | 1 836 |
| Audit cost - external | 4.3 | 9 243 | 8 715 |
| Fleet services | | 6 135 | 5 253 |
| Consumables | 4.4 | 2 180 | 2 762 |
| Operating leases | | 8 554 | 11 485 |
| Property payments | 4.5 | 12 597 | 4 585 |
| Travel and subsistence | 4.6 | 14 932 | 11 492 |
| Venues and facilities | | 281 | - |
| Training and development | | 464 | 5 |
| Other operating expenditure | 4.7 | 1 980 | 2 479 |
| Total | | 63 693 | 90 134 |

4.1 Minor assets

Tangible assets

| | | |
|-------------------------|----|---|
| Machinery and equipment | 31 | 1 |
|-------------------------|----|---|

4.2 Computer services

| | | |
|-------------------------------------|----------|--------------|
| SITA computer services | 202 | 310 |
| External computer service providers | - | 1 060 |
| Total | 4 | 1 370 |

4.3 Audit cost - external

| | | |
|-------------------|-------|-------|
| Regularity audits | 9 243 | 8 715 |
|-------------------|-------|-------|

Department of Human Settlements

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

4.4 Consumables

| | | |
|--|--------------|--------------|
| Uniform and clothing | 258 | 137 |
| Household supplies | 690 | 1 688 |
| Other consumables | 72 | 174 |
| Consumable supplies | 1 020 | 1 999 |
| Stationery, printing and office supplies | 1 160 | 763 |
| Total | 4 | 2 180 |

4.5 Property payments

| | | |
|----------------------------------|----------|---------------|
| Municipal services | 2 285 | 2 314 |
| Property maintenance and repairs | 10 186 | 1 619 |
| Other | 126 | 652 |
| Total | 4 | 12 597 |

Department of Human Settlements

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|-------------|--------------------|--------------------|
| 4. Goods and Services (continued) | | | |
| Other relates to expenditure on cleaning services. | | | |
| 4.6 Travel and subsistence | | | |
| Local | | 14 932 | 11 492 |
| 4.7 Other operating expenditure | | | |
| Professional bodies, membership and subscription fees | | 74 | 56 |
| Other | | 1 906 | 2 423 |
| Total | 4 | 1 980 | 2 479 |
| Other represent an amount for non-life insurance on subsidised vehicles, printing and publications and laundry services. | | | |
| 5. Transfers and subsidies | | | |
| Provinces and municipalities | 30 | 85 | 97 |
| Households | Annexure 1G | 1 154 146 | 1 135 970 |
| Total | | 1 154 231 | 1 136 067 |

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|---------|--------------------|--------------------|
| 6. Expenditure for capital assets | | | |
| Tangible assets | | | |
| Buildings and other fixed structures | 27 | 115 686 | 88 336 |
| Machinery and equipment | 25 | 4 004 | 2 694 |
| | | 119 690 | 91 030 |
| Intangible assets | | | |
| Software | 26 | 164 | - |
| Total | | 119 854 | 91 030 |

6.1 Analysis of funds utilised to acquire capital assets - 2021/2022

| | Voted funds R'000 | Total R'000 |
|--------------------------------------|----------------------|----------------|
| Tangible assets | | |
| Buildings and other fixed structures | 115 686 | 115 686 |
| Machinery and equipment | 4 004 | 4 004 |
| | 119 690 | 119 690 |
| Intangible assets | | |
| Software | 164 | 164 |
| Total | 119 854 | 119 854 |

6.2 Analysis of funds utilised to acquire capital assets - 2020/2021

| | Voted funds R'000 | Total R'000 |
|--------------------------------------|----------------------|----------------|
| Tangible assets | | |
| Buildings and other fixed structures | 88 336 | 88 336 |
| Machinery and equipment | 2 694 | 2 694 |
| | 91 030 | 91 030 |

7. Cash and cash equivalents

| | | |
|--|---------------|----------|
| Consolidated paymaster general account | 38 587 | - |
| Disbursements | (109) | - |
| Total | 38 478 | - |

8. Receivables

| | Note | Current R'000 | 2021/2022 Non- current R'000 | Total R'000 | Current R'000 | 2020/2021 Non- current R'000 | Total R'000 |
|------------------------|------|------------------|------------------------------------|----------------|------------------|------------------------------------|----------------|
| Claims recoverable | 8.1 | 15 546 | - | 15 546 | 21 174 | - | 21 174 |
| Recoverable | 8.2 | - | - | - | 1 | - | 1 |
| expenditure Staff debt | 8.3 | 31 | 151 | 182 | 107 | 166 | 273 |
| Total | | 15 577 | 151 | 15 728 | 21 282 | 166 | 21 448 |

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|----------|--------------------|--------------------|
| 8. Receivables (continued) | | | |
| 8.1 Claims recoverable | | | |
| Provincial departments | | 537 | 879 |
| Public entities | | 892 | - |
| Service Providers | | 20 | - |
| Local governments | | 14 097 | 20 295 |
| Total | 8 | 15 546 | 21 174 |
| 8.2 Recoverable expenditure (disallowance accounts) | | | |
| Recoverable expenditure | | - | 1 |
| 8.3 Staff debt | | | |
| Employees | | 169 | 180 |
| Ex-employees | | 13 | 93 |
| Total | 8 | 182 | 273 |
| 9. Voted funds to be surrendered to the Revenue Fund | | | |
| Opening balance | | 16 461 | 62 002 |
| Transferred from statement of financial performance (as restated) | | 53 649 | 16 461 |
| Paid during the year | | (16 461) | (62 002) |
| Closing balance | | 53 649 | 16 461 |
| 10. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | | | |
| Opening balance | | 221 | 830 |
| Transferred from statement of financial performance (as rested) | | 8 100 | 4 144 |
| Paid during the year | | (8 101) | (4 753) |
| Closing balance | | 220 | 221 |
| 11. Bank overdraft | | | |
| Overdraft with commercial banks (Local) | | - | 4 116 |

Department of Human Settlements

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|---|---------|--------------------|--------------------|
| 12. Payables-current | | | |
| Clearing accounts | 12.1 | - | 92 |
| Other payables | 12.2 | 171 | 36 |
| Total | | 171 | 128 |
| 12.1 Clearing accounts | | | |
| Sal:Income tax | | - | 79 |
| Sal: Pension | | - | 12 |
| Sal: Bargaining councils | | - | 1 |
| Total | 12 | - | 92 |
| 12.2 Other payables | | | |
| Capital controlby other government units | | 171 | 36 |
| 13. Net cash flow available from operating activities | | | |
| Net surplus as per Statement of Financial Performance | | 61 749 | 20 605 |
| Add back non cash/cash movements not deemed operating activities (Increase)/decrease in receivables | | 5 705 | (21 260) |
| Increase/(decrease) in payables—current | | 43 | (149) |
| Proceeds from sale of capital assets | | (37) | (571) |
| Expenditure on capital assets | | 119 854 | 91 030 |
| Surrenders to Revenue Fund | | (24 562) | (66 755) |
| Net cash flow generated by operating activities | | 162 752 | 22 900 |
| 14. Reconciliation of cash and cash equivalents for cash flow purposes | | | |
| Consolidated paymaster general account | | 38 587 | - |
| Disbursements | | (109) | - |
| Cash with commercial banks (Local) | | - | (4 116) |
| | | 38 478 | (4 116) |

Department of Human Settlements

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|-------------|--------------------|--------------------|
| 15 Contingent liabilities and contingent assets | | | |
| 15.1 Contingent liabilities | | | |
| Liable to Nature | | | |
| Claims against the department | Annexure 3B | 444 343 | 55 497 |
| Intergovernmental payables (unconfirmed balances) | Annexure 5 | 2 | - |
| Total | | 444 345 | 55 497 |

The contingent liabilities consists of claims against the department by three service providers and one land owner - Bakhusele Business Enterprise, Khuthala Consulting (Pty) Ltd, Boutina (Pty) Ltd, and the Trustees for the time of Matsafeni Trust and Another; which are currently before courts. There is uncertainty on how the courts may conclude on all matters.

The Department does not anticipate any reimbursements regarding the three claims.

15.2 Contingent assets

Nature of contingent asset

| | | | |
|------------------------------------|--|---------------|--------------|
| Breach of contract: Hejema Housing | | 2 800 | 2 800 |
| JV Mdluli Construction | | 2 060 | 2 060 |
| MT Silinda Attorneys | | 16 000 | - |
| Total | | 20 860 | 4 860 |

The claims instituted against Hejema Housing and JV Mdluli Construction emanate from the breach of contract to the construction of housing units. There is uncertainty whether the court will determine the same amount demanded by the Department. During the year under review, the Department lodged a claim against MT Silinda Attorneys for Default Judgment on the purchased land (Portion 31, 35 and 59 of the farm Van Oudshoornstroom 261 IT on behalf of Msukaligwa local municipality.

16. Capital commitments

| | | | |
|---|--|--------|---------|
| Building and other fixed structures | | 11 710 | 10 8747 |
| Commitments on building and other fixed structures relates to the cost estimated to complete the upgrading of the bulk infrastructure project (sewer spillages and reticulation). | | | |

17. Accruals and payables not recognised

17.1 Accruals

| | 2021/2022 30 Days R'000 | Total R'000 | 2020/2021 Total R'000 |
|------------------------------------|-------------------------------|----------------|-----------------------------|
| Listed by economic classification | | | |
| Goods and services | 6 072 | 6 072 | 1 550 |
| Transfers and subsidies | - | - | 473 |
| Other | 349 | 349 | 200 |
| Total | 6 421 | 6 421 | 2 223 |
| Listed by programme level | | | |
| Administration | | 5 341 | 1 797 |
| Housing Needs, Research and Policy | | 563 | 283 |
| Housing Development | | 389 | 96 |
| Housing Asset Management | | 128 | 47 |
| Total | | 6 421 | 2 223 |

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| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|---------|--------------------|--------------------|
|--|---------|--------------------|--------------------|

17. Accruals and payables not recognised (continued)

17.2 Payables not recognised

| Listed by economic classification | 30 Days R'000 | 2021/2022 30+ Days R'000 | Total R'000 | 2020/2021 Total R'000 |
|-----------------------------------|------------------|--------------------------------|----------------|-----------------------------|
| Goods and services | 6 353 | 1 747 | 8 100 | 321 |
| Capital assets | - | - | - | 18 766 |
| Transfers and Subsidies | 5 744 | 5 612 | 11 356 | - |
| Total | 12 097 | 7 359 | 19 456 | 19 087 |

Listed by programme level

| | | |
|------------------------------------|---------------|---------------|
| Administration | 8 033 | 321 |
| Housing Needs, Research and Policy | 30 | 18 766 |
| Housing Development | 11 373 | - |
| Housing Asset Management | 20 | - |
| Total | 19 456 | 19 087 |

Included in the above totals are the following:

| | | | |
|---|------------|-------|-----|
| Confirmed balances with other departments | Annexure 5 | 1 309 | 126 |
|---|------------|-------|-----|

18. Employee benefits

| | | |
|-----------------------------------|---------------|---------------|
| Leave entitlement | 16 084 | 19 006 |
| Service bonus (Thirteenth cheque) | 6 512 | 8 963 |
| Performance awards | - | 1 195 |
| Capped leave commitments | 7 359 | 7 287 |
| Other | 200 | 193 |
| Total | 30 155 | 36 644 |

The Government has terminated the payment of performance awards. The amount disclosed under other employee benefits constitutes the provision for long service awards for 20, 30 and 40 years.

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| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|---|-------------------------------------|--------------------|
| 19. Lease commitments | | | |
| 19.1 Operating leases | | | |
| 2021/2022 | | | |
| | | Machinery and equipment R'000 | Total R'000 |
| Not later than 1 year | | 418 | 418 |
| Later than 1 year and not later than 5 years | | 639 | 639 |
| Total lease commitments | | 1 057 | 1 057 |
| 2020/2021 | | | |
| | Buildings and other fixed structures R'000 | Machinery and equipment R'000 | Total R'000 |
| Not later than 1 year | 7 646 | 508 | 8 154 |
| Later than 1 year and not later than 5 years | - | 739 | 739 |
| Total lease commitments | 7 646 | 1 247 | 8 893 |

Building and other fixed structures operating lease is currently in a renewal process as the leases' term ended on 31 December 2021 and the buildings are still occupied by the Department.

20. Irregular expenditure

20.1 Reconciliation of irregular expenditure

| | | | |
|--|------|----------------|----------------|
| Opening balance | | 300 587 | 2 182 634 |
| Add: Irregular expenditure - related to current year | 20.2 | 65 809 | 632 311 |
| Less: Prior year amounts condoned | 20.3 | (259 408) | (2 156 678) |
| Less: Current year amounts condoned | 20.3 | - | (357 680) |
| Closing balance | | 106 988 | 300 587 |

Analysis of closing balance

| | | | |
|--------------|--|----------------|----------------|
| Current year | | 65 809 | 274 391 |
| Prior year | | 41 179 | 26 196 |
| Total | | 106 988 | 300 587 |

The irregular expenditure for the current year amounting to R65 809 million relates to non-compliance with Treasury Regulations 16A3.2, non compliance with preferential procurement regulation 8(2) on local content and 6(5) on portion of sub - contracting.

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| | | 2021/2022 R'000 |
|--|---|--------------------|
| 20. Irregular expenditure (continued) | | |
| 20.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation) | | |
| | | 2021/2022 R'000 |
| Incident | Disciplinary steps taken/ Criminal proceedings | |
| Non-compliance to Treasury Regulations 16A3.2. | | 62 641 |
| Non-compliance with Treasury Regulation 16A6.1 | | 711 |
| Non-compliance with Preferential Procurement Regulations 8(2) on local content | | 466 |
| Non-compliance with Preferential Procurement Regulations 6(5) on sub- contracting | | 1 991 |
| Total | | 65 809 |

The irregular expenditure for the current year amounting to R 65 809 million relates to non-compliance with Treasury Regulations 16A3.2, Treasury Regulations 16A6.1, non compliance with preferential procurement regulation 8(2) on local content and 6(5) on portion of sub-contracting.

20.3 Details of irregular expenditure condoned

| | | 2021/2022 R'000 |
|--|--|--------------------|
| Incident | Condoned by (condoning authority) | |
| Contravention of Treasury Regulations 16A3.2 | Provincial Treasury | 259 408 |

The R259 million condoned in the current year relates to the irregular expenditure that was previously condoned

21. Fruitless and wasteful expenditure

21.1 Reconciliation of fruitless and wasteful expenditure

| | | |
|---|------------|------------|
| Opening balance | 342 | - |
| Fruitless and wasteful expenditure – relating to current year | - | 342 |
| Closing balance | 342 | 342 |

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| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|---------|--------------------|--------------------|
|--|---------|--------------------|--------------------|

22. Related party transactions

List related party relationships and the nature thereof

Office accommodation

Department of Public Works, Roads and Transport

Riverside Government Complex - (Building 6 Lower Ground and Building 7 Third Floor)
KwaMhlanga Government Complex - (Nkangala District Offices),
eLukwatini offices - (Gert Sibande District offices) and
Louville Government Complex (Storage/warehouse).

Shared Governance services (Internal Audit activity and Audit Committee).

Office of the Premier.

Shared Information and Communication Technology services.

Treasury

1. Department of Public Works, Road 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.

23. Key management personnel

| | No. of Individuals | | |
|---|--------------------|---------------|---------------|
| Political office bearers (provide detail below) | 1 | 1 911 | 1 978 |
| Officials: | | | |
| Level 15 to 16 | 1 | 1 443 | 1 972 |
| Level 14 (incl. CFO if at a lower level) | 6 | 7 806 | 8 182 |
| Total | | 11 160 | 12 132 |

The Department has an acting head of department in the year under review who is at level 14 and two acting chief directors who are acting without compensation at level 13.

24. Provisions

| | | |
|------------|---------|---------|
| Provisions | 146 065 | 128 674 |
|------------|---------|---------|

Please refer to note 28 for Prior period error note.

24.1 Reconciliation of movement in provisions - 2021/2022

| | Provision 1 R'000 | Total provisions R'000 |
|-------------------------|----------------------|------------------------------|
| Opening balance | 128 674 | 128 674 |
| Increase in provision | 69 478 | 69 478 |
| Settlement of provision | (52 087) | (52 087) |
| Closing balance | 146 065 | 146 065 |

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| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|---------|----------------------|------------------------------|
| 24. Provisions (continued) | | | |
| 24.2 Reconciliation of movement in provisions - 2020/2021 | | | |
| | | Provision 1 R'000 | Total provisions R'000 |
| Opening balance | | 108 201 | 108 201 |
| Increase in provision | | 68 313 | 68 313 |
| Settlement of provision | | (47 840) | (47 840) |
| Closing balance | | 128 674 | 128 674 |

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

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| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|---------|--------------------|--------------------|
|--|---------|--------------------|--------------------|

25 Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2022

| | Opening balance R'000 | Additions R'000 | Disposals R'000 | Closing balance R'000 |
|--|-----------------------------|--------------------|--------------------|-----------------------------|
| Machinery and equipment | | | | |
| Transport assets | 21 375 | - | (259) | 21 116 |
| Computer equipment | 7 406 | 3 331 | (174) | 10 563 |
| Furniture and office equipment | 7 428 | 618 | - | 8 046 |
| Other machinery and equipment | 1 026 | 72 | (25) | 1 073 |
| Total movable tangible capital assets | 37 235 | 4 021 | (458) | 40 798 |

Movable tangible capital assets under investigation

| | Number | Value R'000 |
|--|--------|----------------|
|--|--------|----------------|

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

| | | |
|-------------------------|---|----|
| Machinery and equipment | 2 | 72 |
|-------------------------|---|----|

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

25.1 Movement for 2020/2021

Movement in movable tangible capital assets per asset register for the year ended 31 March 2021

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing balance R'000 |
|--|-----------------------------|-----------------------------------|--------------------|--------------------|-----------------------------|
| Machinery and equipment | | | | | |
| Transport assets | 22 587 | (1) | 915 | (2 126) | 21 375 |
| Computer equipment | 7 845 | 290 | 1 516 | (2 245) | 7 406 |
| Furniture and office equipment | 7 574 | 1 | 25 | (172) | 7 428 |
| Other machinery and equipment | 1 044 | (290) | 289 | (17) | 1 026 |
| Total movable tangible capital assets | 39 050 | - | 2 745 | (4 560) | 37 235 |

25.1.1 Prior period error

| | Note | 2020/2021 R'000 |
|--|------|--------------------|
|--|------|--------------------|

Nature of prior period error

Relating to 2020/2021

| | |
|-------------------------------|-------|
| Computer equipment | 291 |
| Other machinery and equipment | (291) |

Prior period error relates to the misclassification of items within the affected categories in the prior financial year asset reconciliation.

25.2 Minor assets

Movement in minor assets per the asset register for the year ended as at 31 March 2022

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| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|--|---------|-------------------------------------|--------------------|
| 25. Movable Tangible Capital Assets (continued) | | | |
| | | Machinery and equipment R'000 | Total R'000 |
| Opening balance | | 4 899 | 4 899 |
| Additions | | 31 | 31 |
| Total minor assets | | 4 930 | 4 930 |
| | | Machinery and equipment R'000 | Total R'000 |
| Number of R1 minor assets | | 17 | 17 |
| Number of minor assets at cost | | 2 123 | 2 123 |
| Total number of minor assets | | 2 140 | 2 140 |

Minor capital assets under investigation

Movement in minor assets per the asset register for the year ended as at 31 March 2021

| | | | |
|-------------------------------------|--|-------------------------------------|----------------|
| | | Machinery and equipment R'000 | Total R'000 |
| Opening balance | | 4 998 | 4 998 |
| Additions | | 1 | 1 |
| Disposals | | (100) | (100) |
| Total minor assets | | 4 899 | 4 899 |
| | | Machinery and equipment R'000 | Total R'000 |
| Number of R1 minor assets | | 17 | 17 |
| Number of minor assets at cost | | 2 109 | 2 109 |
| Total number of minor assets | | 2 126 | 2 126 |

Notes to the Financial Statements

Movable assets written off for the year ended as at 31 March 2022

26. Intangible Capital Assets

Movement in intangible capital assets per asset register for the year ended 31 March 2022

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Closing balance R'000 |
|----------|-----------------------------|-------------------------------|--------------------|--------------------------|
| Software | 3 426 | - | 164 | 3 590 |

26.1 Movement for 31 March 2021

| | Opening balance R'000 | Closing balance R'000 |
|----------|-----------------------------|--------------------------|
| Software | 3 426 | 3 426 |

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Notes to the Financial Statements

| | Note(s) | 2021/2022 R'000 | 2020/2021 R'000 |
|---|-----------------------------|--------------------|-----------------------------|
| 27. Immovable Tangible Capital Assets | | | |
| Movement in immovable tangible capital assets per asset register for the year ended 31 March 2022 | | | |
| | Opening balance R'000 | Additions R'000 | Closing balance R'000 |
| Buildings and other fixed structures | | | |
| Other fixed structures | 58 053 | 149 341 | 207 394 |

27.1 Movement for 2020/2021

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2021

| | | | |
|--------------------------------------|-----------------------------|--------------------|-----------------------------|
| | Opening balance R'000 | Additions R'000 | Closing balance R'000 |
| Buildings and other fixed structures | | | |
| Other fixed structures | 47 | 58 006 | 58 053 |

27.2 Capital Work-in-progress

Capital Work-in-progress as at 31 March 2022

| | Note | Opening balance 01 April 2021 R'000 | Current Year WIP R'000 | Ready for use (Assets to the AR) / Contracts terminated R'000 | Closing balance 31 March 2022 R'000 |
|--------------------------------------|------|--|------------------------------|---|---|
| Buildings and other fixed structures | | 35 944 | 115 686 | (149 341) | 2 289 |

Included in the opening balance is an amount relating to the upgrading of bulk water related to infrastructure (sewer spillages, pump station, and sewer reticulation) and expenditure on water intervention projects in schools and communities.

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Notes to the Financial Statements

Payables not recognised relating to Capital WIP

[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]

| | |
|---|--------|
| - | 18 766 |
|---|--------|

Capital Work-in-progress as at 31 March 2021

| | Note | Opening balance 01 April 2021 R'000 | Current Year WIP R'000 | Closing balance 31 March 2022 R'000 |
|--------------------------------------|------|---|------------------------------|--|
| Buildings and other fixed structures | | - | 35 944 | 35 944 |

28. Prior period errors

28.1 Correction of prior period errors

| | Note | Amount bef error correction R'000 | 2020/2021 Prior period error R'000 | Restated amount R'000 |
|---|------|--|---|-----------------------------|
| Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.) | | | | |
| Capital Work-in-progress: Buildings and other fixed structures | | 30 330 | 5 614 | 35 944 |

| | Note | Amount bef error correction R'000 | 2020/2021 Prior period error R'000 | Restated amount R'000 |
|---|------|--|---|-----------------------------|
| Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.) | | | | |
| Provisions (Retentions) | | 99 250 | 29 424 | 128 674 |

The reason for the change in prior period error is due to the department correcting errors on the retention register, which resulted in the full reconstruction of the retention register. There are uncertainties whether service providers will implement the proposed instructions of fixing defects after completion.

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

29. Statement of Conditional grants received

| | Grant allocation | | | Spent | | | 2020/2021 | | |
|-----------------------------------|--------------------------------------|---------------------|--------------------|--|----------------------------------|------------------------------|--|-------------------------------|----------------------------------|
| | Revenue Act/ Provincial Grants | DORA Adjustments | Total Available | Amount received by department | Amount spent by department | Under (Over- spending) | % of available funds spent by department | Division of Revenue Act | Amount spent by department |
| Human Settlements Development | 893 960 | - | 893 960 | 893 360 | 893 949 | 11 | 100% | 1 104 417 | 1 104 385 |
| Title Deed Restoration | - | - | - | - | - | - | -% | 9 650 | 8 551 |
| EPWP | - | - | - | - | - | - | -% | 2 009 | 2 009 |
| Provincial Emergency | - | 40 984 | 40 984 | 40 984 | 20 743 | 20 241 | 51% | - | - |
| Upgrading of Informal Settlements | 259 233 | - | 259 233 | 259 233 | 234 626 | 24 607 | 91% | - | - |
| | 1 153 193 | 40 984 | 1 194 177 | 1 193 577 | 1 149 318 | 44 859 | - | 1 116 076 | 1 114 945 |

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Notes to the Financial Statements

30. Statement of Conditional grants and other tranfers to municipalities

| | 2021/2022 | | 2020/2021 | | |
|-------------------------------|-----------------------------|--------------------|--------------------|----------------------------------|--------------------|
| | Grant allocation | | Expenditure | | |
| | DORA and other transfers | Total Available | Actual Transfer | Division of Revenue Act | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Name of municipality | | | | | |
| City of Mbombela Municipality | 101 | 101 | 85 | 97 | 97 |

31. COVID 19 Response Expenditure

| | | |
|-------------------------------|---------------------------|---------------|
| Goods services | 163 | 4 997 |
| Expenditure forcapital assets | 80 554 | 72 423 |
| Total | Annexure 11 80 717 | 77 420 |

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Annexures to the Financial Statements

Annexure 1A

Statement of conditional grants and other transfers paid to Municipalities

| Name of municipality | Grant allocation | | Transfer | 2020/2021 | |
|-------------------------------------|--------------------------------|--------------------|--------------------|-------------------------------|--------------------|
| | DoRA and other transfers | Total Available | Actual Transfer | Division of Revenue Act | Actual Transfer |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| City of Mbombela Local Municipality | 101 | 101 | 85 | 97 | 97 |

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Annexures to the Financial Statements

Annexure 1G

Statement of transfers to Households

| | Transfer Allocation | | Expenditure | 2020/2021 | |
|--|----------------------------|------------------|------------------|----------------------------------|---------------------|
| Households | Adjusted Appropriation Act | Total Available | Actual Transfer | % of Available funds Transferred | Final Appropriation |
| | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | |
| Project linked support - HSDG | 893 960 | 893 960 | 893 949 | 100% | 1 104 417 |
| Project linked support - Title Deeds | - | - | - | - | 9 650 |
| Project linked support - PEHG | 40 984 | 40 984 | 20 742 | 51% | - |
| Project linked support - Equitable Share | 10 000 | 10 000 | 3 578 | 36% | 20 722 |
| Project linked support - UISP | 259 233 | 259 233 | 234 626 | 91% | - |
| H/H Empl S/Ben - Leave Gratuity | 1 104 | 1 104 | 1 112 | 101% | 353 |
| H/H Empl S/Ben - Injury on duty | 146 | 146 | 139 | 95% | - |
| H/H Pmt/Refund & Rem - Act/Grce | - | - | - | - | 1 300 |
| Subtotal | 1 205 427 | 1 205 427 | 1 154 146 | - | 1 136 442 |

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Annexure 1K

Statement of actual monthly expenditure per grant

| Grant Type | Apr 2021 R'000 | May 2021 R'000 | Jun 2021 R'000 | Jul 2021 R'000 | Aug 2021 R'000 | Sep 2021 R'000 | Oct 2021 R'000 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Human Settlements Development | 92 744 | 90 741 | 85 732 | 73 589 | 67 595 | 77 530 | 79 206 |
| Informal Settlements Upgrading Part | - | 9 256 | 9 318 | 14 482 | 6 150 | 17 385 | 24 645 |
| Provincial Emergency Housing | - | - | - | - | - | 1 863 | - |
| Total | 92 744 | 99 997 | 95 050 | 88 071 | 73 745 | 96 778 | 103 851 |

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Annexures to the Financial Statements

Annexure 1K

Statement of actual monthly expenditure per grant

| Grant Type | Nov 2021 | Dec 2021 | Jan 2022 | Feb 2022 | Mar 2022 | Total |
|-------------------------------------|---------------|----------------|---------------|---------------|----------------|------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Human Settlements Development | 63 528 | 104 734 | 50 657 | 66 536 | 41 357 | 893 949 |
| Informal Settlements Upgrading Part | 27 660 | 30 004 | 11 765 | 23 844 | 60 117 | 234 626 |
| Provincial Emergency Housing | 580 | 5 752 | 2 556 | 1 929 | 8 063 | 20 743 |
| Total | 91 768 | 140 490 | 64 978 | 92 309 | 109 537 | 1 149 318 |

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Annexures to the Financial Statements

Annexures 3B

Statement of contingent liabilities as at 31 March 2022

| Nature of liabilities | Opening Balance 01 April 2021 | Liabilities incurred during the year | Liabilities paid/ reduced during the year | Closing Balance 31 March 2022 |
|---|----------------------------------|---|---|----------------------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | | | | |
| Bakhusele Business Enterprise | 20 440 | - | - | 20 440 |
| Khuthala Consulting (Pty) Ltd | 34 093 | - | - | 34 093 |
| Tauries Garden | 964 | - | (964) | - |
| The Trustees for the time of Matsafeni Trust and Another | - | 373 810 | - | 373 810 |
| Boutina (Pty) Ltd | - | 16 000 | - | 16 000 |
| Subtotal | 55 497 | 389 810 | (964) | 444 343 |

Department of Human Settlements

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Annexures to the Financial Statements

Annexure 4
Claims recoverable

| Government Entity | Confirmed balance outstanding | Unconfirmed balance outstanding | | Total | |
|---|-------------------------------------|------------------------------------|---------------|---------------|---------------|
| | 2020/2021 | 2021/2022 | 2020/2021 | 2021/2022 | 2020/2021 |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Department | | | | | |
| Economic Development & Tourism | 538 | 538 | - | 538 | 538 |
| Coorporate Governance and Traditional Affairs | - | 340 | - | 340 | - |
| Subtotal | 538 | 878 | - | 878 | 538 |
| Other Government Entities | | | | | |
| City of Mbombela Municipality | 15 315 | 14 115 | 20 295 | 14 115 | 35 610 |
| MEGA | - | 891 | - | 891 | - |
| Subtotal | 15 315 | 15 006 | 20 295 | 15 006 | 35 610 |
| Total | 15 853 | 15 884 | 20 295 | 15 884 | 36 148 |

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Annexures to the Financial Statements

Annexure 5

Inter-Government payables

| Government Entity | Confirmed balance outstanding | Unconfirmed balance outstanding | | | Total |
|----------------------------------|-------------------------------------|------------------------------------|-----------|-----------|-----------|
| | 2021/2022 | 2020/2021 | 2021/2022 | 2021/2022 | 2020/2021 |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Departments | | | | | |
| Current | | | | | |
| Public Works, Road and Transport | 1 309 | 43 | 2 | 1 311 | 43 |
| South African Police Services | - | 83 | - | - | 83 |
| Subtotal | 1 309 | 126 | 2 | 1 311 | 126 |

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Annexures to the Financial Statements

Annexure 7

Movement in capital work-in-progress

Movement in capital - work - in progress for the year ended 31 March 2022

| | Opening Balance | Current year Capital WIP | Ready for use (Asset register) / Contract terminated | Closing balance |
|---|--------------------|-----------------------------|--|--------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Buildings and other fixed structures | | | | |
| Other fixed structures | 35 944 | 115 686 | (149 341) | 2 289 |

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Annexures to the Financial Statements

Movement in capital work - in - progress for the year ended 31 March 2021

| | Opening Balance | Current year Capital WIP | Closing balance |
|---|--------------------|-----------------------------|--------------------|
| | R'000 | R'000 | R'000 |
| Buildings and other fixed structures | | | |
| Other fixed structures | - | 35 944 | 35 944 |

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Annexure 10

Department of human settlements housing related expenditure classification

| | 2021/2022 | 2020/2021 |
|-------------------------------------|-----------|-----------|
| | R'000 | R'000 |
| Inventories | | |
| Foundation | 35 420 | 61 660 |
| Wall Plates | 31 461 | 52 484 |
| Roofs | 16 828 | 30 153 |
| Community Residential Units | 38 221 | 39 448 |
| Social and Economic Facilities | 8 874 | 4 706 |
| Serviced Sites | 7 014 | 52 662 |
| Subtotal | 137 818 | 241 113 |
| Capital commitments | | |
| Building and other fixed structures | 11 710 | 108 474 |

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Annexures to the Financial Statements

Annexure 11

COVID 19 Response Expenditure Per quarter and in total

Per quarter and in total

| 2021/2022 | | | | | | | | |
|--|-------|-------|-------|-------------|-------|-------|-------|-------------|
| Expenditure per economic classification | April | May | Jun | Subtotal Q1 | Jul | Aug | Sep | Subtotal Q2 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Goods services | | | | | | | | |
| Consumables | - | 40 | - | 40 | - | - | 123 | 123 |
| Contractors | - | - | - | - | - | - | - | - |
| | - | 40 | - | 40 | - | - | 123 | 123 |
| Expenditure for capital assets | | | | | | | | |
| Buildings and other fixed structures | - | 8 710 | 6 549 | 15 259 | 908 | 5 148 | 4 411 | 10 467 |
| Total COVID 19 Response Expenditure | - | 8 750 | 6 549 | 15 299 | 908 | 5 148 | 4 534 | 10 590 |

Department of Human Settlements

(Vote number 13)

Financial Statements for the year ended 31 March 2022

Annexures to the Financial Statements

Annexure 11

COVID 19 Response Expenditure Per quarter and in total

Per quarter and in total

| | 2021/2022 | | | | | | | | 2021/2022 | 2020/2021 |
|--|---------------|---------------|---------------|---------------|----------|--------------|--------------|---------------|---------------|---------------|
| Expenditure per economic classification | Oct | Nov | Dec | Subtotal Q3 | Jan | Feb | Mar | Subtotal Q4 | Total | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Consumables | - | - | - | - | - | - | - | - | 163 | 1 111 |
| Contractors | - | - | - | - | - | - | - | - | - | 3 886 |
| | - | - | - | - | - | - | - | - | 163 | 4 997 |
| Buildings and other fixed structures | 17 532 | 12 488 | 12 207 | 42 227 | - | 9 090 | 3 511 | 12 601 | 80 554 | 72 423 |
| Total COVID 19 Response Expenditure | 17 532 | 12 488 | 12 207 | 42 227 | - | 9 090 | 3 511 | 12 601 | 80 717 | 77 420 |



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