

# ANNUAL REPORT

**2021-2022**  
Vote 33



**human settlements**

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

**HOUSES, SECURITY & COMFORT**









## human settlements

Department:  
Human Settlements  
**REPUBLIC OF SOUTH AFRICA**

M T KUBAYI (MP), MINISTER  
DEPARTMENT OF HUMAN SETTLEMENTS

I have the honour of submitting the Annual Report  
of the Department of Human Settlements for the period  
01 April 2021 to 31 March 2022  
for tabling in the National Assembly on  
30 September 2022.

Sindisiwe Ngxongo  
Director- General (Acting)  
Date: 30 September 2022

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# PART A

## GENERAL INFORMATION

## 1. Department General Information

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## 2. List of Abbreviations /Acronyms

AG	Auditor General
APP	Annual Performance Plan
AFS	Annual Financial Statements
AOPI	Audit of Performance Information
AUSTC	African Union Specialised Technical Committee
BEE	Black Economic Empowerment
B-BBEE	Broad-Based Black Economic Empowerment
BPCMEP	Batho Pele Change Management Programme
BNG	Breaking New Ground
BP	Business Processes
CA(SA)	Chartered Accountant (South Africa)
CD	Chief Director
CEO	Chief Executive Office
CFO	Chief Financial Office
CIDB	Construction Industry Development Board
CRU	Community Residential Units
CSOS	Community Schemes Ombud Services
CoE	Compensation of Employees
CTA	Certificate in the Theory of Accountancy
DM	Deputy Minister
DHS	Department of Human Settlements
DG	Director-General
DDG	Deputy Director General
DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
EE	Employment Equity
EA	Enterprise Architecture
EAAB	Estate Agency Affairs Board



EAH	Employer Assisted Housing	IRDP	Integrated Residential Development Programme	PMDS	Performance Management Development System
EC	Eastern Cape	JBMC	Joint Branch Management Committee	PSCBC	Public Service Co-ordinating Bargaining Council
EPHP	Enhanced People's Housing Process Programme	KZN	KwaZulu-Natal	PSETA	Public Service Sector Education
EHW	Employee Health and Wellness	KM	Knowledge Management	PPMU	Programme and Project Planning Management Unit
EHWP	Employee Health and Wellness Programme	M&E	Monitoring and Evaluation	P&PP	Programme and Project Planning
EMT	Executive Management Team	MEC	Member of Executive Council	RFQ	Requests for Quotations
ENE	Estimate of National Expenditure	MinMec	Minister and Members of Executive Council	RMC	Risk Management Committee
EPMDS	Employee Performance Management Development Systems	MTEF	Medium Term Expenditure Framework	IRDP	Integrated Residential Development Programme
FLISP	Finance Linked Individual Subsidy Programme	MTSF	Medium Term Strategic Framework	SA	South Africa
FOSAD	Forum for South African Directors – Generals	MPAT	Management Performance Assessment Tool	SCM	Supply Chain Management
GEHS	Government Employees Housing Scheme	MOU	Memorandum of Understanding	SCOPA	Standing Committee on Public Accounts
GDP	Growth Domestic Product	NA	National Assembly	SDIP	Service Delivery Improvement Plan
GHS	Government Housing Scheme	NARS	National Archives and Records Services	SDI	Selective Dissemination of Information
GP	Gauteng Province	NDHS	National Department of Human Settlements	SHRA	Social Housing Regulatory Authority
HDA	Housing Development Agency	NHBRC	National Home Builders Registration Council	SHI	Social Housing Institutions
HDI	Historically Disadvantaged Individual	NHFC	National Housing Finance Corporation	SIU	Special Investigation Unit
HLAMDA	Home Loans and Mortgage Disclosure Act	NUSP	National Upgrade Support Program	SLA	Service Level Agreements
HRP	Human Resource Plan	NC	Northern Cape	SMS	Senior Management Services
HR	Human Resource	NT	National Treasury	SONA	State of Nation Address
HSDG	Human Settlements Development Grant	NW	North West	SOP	Standard Operating Procedures
HSDB	Human Settlements Development Bank	OHS	Occupational Health and Safety	SSA	State Security Agency
HSS	Housing Subsidy System	OPSCAP	Operation Capital Subsidy Programme	TDRG	Title Deeds Restoration Grant
IFS	Interim Financial Statements	PAIA	Promotion of Access to Information Act	TID	Technical Indicator Description
ICT	Information and Communication Technology	PDF	Programme Delivery Facilitation	ToR	Terms of Reference
IMS	Information Management System	PIE	Prevention of Illegal Eviction	UISP	Upgrading of Informal Settlements Programme
IP	Implementation Protocols	PFMA	Public Finance Management Act	USDG	Urban Settlement Development Grant
IT	Information Technology	PHDAs	Priority Housing Development Areas	WC	Western Cape
IDP	Integrated Development Plan	PHP	People's Housing Process	WSP	Workplace Skills Plan
		POLERT	Policy and Legal Expert		

### 3. FOREWORD BY THE MINISTER



MT KUBAYI, MP

In the 2020-21 financial year we reported on numerous challenges that hampered the progress on the delivery of the sustainable human settlements. These challenges included availability of the well-located land for housing developments, scarce fiscal resources and the catastrophic effect of the Covid-19 pandemic. The Covid-19 pandemic, in particular, did not only have an impact on the construction side, but also rendered a number of our citizens jobless. This has had the resultant effect of adding to the demand for housing from individuals who were earning above the qualification criteria before the Covid-19 pandemic.

As the sector was recovering from the negative Covid-19 impact, the recovery was disrupted by the July 2021 unrest in KwaZulu-Natal and Gauteng provinces. To add to this, a number of provinces experienced the effects of climate changes that resulted in floods and fires. In addition to the loss of lives experienced during these events, the floods also resulted in the destruction of homes with the resultant displacement of people. The most affected provinces were KwaZulu Natal, Eastern Cape, North West and Western Cape. The vulnerability of South Africa's infrastructure including houses to climate change effects cut across and affects all regions of the country, including rural homesteads, coastal cities, informal settlements and urban areas. Progress is being made in the provision of temporal accommodation, relief efforts and identification of land in order to construct permanent structures that

restores dignity. There was a clear indication that we need more dedicated capacity and agile systems in order to respond to the effects of the disasters in an efficient manner.

The 2021 Country Risk Profile of the World Bank Group paints a worrying trend of challenges to be experienced by South Africa due to climate change. The country will continue to "become hotter and drier in the future, with rainfall variability continuing and temperatures rising, the country will continue "to experience extreme events like droughts, floods, and other climate-related hazards". Presently, South Africa is experiencing extreme rainfall patterns which accompanied by loss of lives, destruction to critical infrastructure and human strife. The climate change challenges, thus requires a 'paradigm shift' in how we anticipate, preparedness and recovery efforts from disasters. In this regard, the National Department of Human Settlements is in the process to review all its disaster and emergency related policies. This policy review is intended to streamline the processes and resource allocation towards disasters. More details and progress in this areas shall be provided in the last quarter of 2022/23 financial year.

On the stabilisation of Human Settlements entities, I am pleased to announce that the initial steps to strengthen governance of all entities have been concluded. The process of appointing permanent executives has been concluded in HDA, CSOS, NHBRC and is at an advanced stage in SHRA and NHFC, while there are challenges at PPRA. I am encouraged by the bold steps taken by some of the entities Accounting Authorities to decisively attend to matters of wrong doing without fear or favour. I am however still concerned about in some entities, which despite the stabilisation efforts and interventions, there is orchestrated campaign to resist these changes. It is evident that there has been and continue to be a concerted effort to strangle stabilisation by those that are hell bent on plundering state resources. I will be undertaking a detailed review of the activities across all entities in relation to the implementation of their mandate.

In the previous annual report, I announced new interventions to be introduced in 2022/23 financial year. These measures and interventions included:

- The structure of the HSDG has been reconfigured to allow for delivery of Bulk infrastructure for up to 30% of the grant especially in rural provinces

- In financial year 2022/23 we will start implementing front-loading in two provinces, Northern Cape and Eastern Cape, which will allow us to significantly increase the scale of housing delivery in a short space of time
- We have partnered with the Infrastructure Fund to accelerate the delivery of large social housing projects
- The Department will intervene directly in municipalities for capacity building around Human Settlements delivery
- The FLISP programme has been expanded to include the rural areas 'permission to occupy' (PTO), Government Employee Housing Scheme, housing loans supported by the Employer-Assisted Housing Scheme and Cooperatives or Community-based Schemes such as Stokvels
- The intervention in disaster areas has been reconfigured to include fast-tracking of repairs through a voucher system and also allow provinces and metros to utilize available funds from HSDG and ISUP to intervene in dealing with the damages.

I am pleased to report that all these interventions are being implemented and in some, we have now entered the monitoring phase.

In 1976, HABITAT 1, Vancouver Declarations defined human settlements as "The totality of the human community – whether city, town or village – with all the social, material, organisational and cultural elements that sustains it." It is clear that human settlements plays a central role in all facets of human existence. As we grapple with issues of unemployment, especially among the youth, job creation as well as socio-economic transformation, the human settlements delivery must play a critical role as a catalyst for economic recovery within the localities where such developments take place. We must be bold and deliberate in that all our programmes should seek to maximise the impact of human settlements' role to promote inclusive economic participation and economic transformation. In this regard, the national department will strengthen measures to monitor the implementation of the set-asides target for women, youth and people living with disabilities.

Additionally, empirical evidence is well documented that "housing construction activities and real estate services have upstream and downstream linkages which are stimulated every time these sectors are activated." In this regard, I have tasked the human settlements department to develop programmes aimed at rapid expansion of the delivery of social and affordable housing delivery. I am of the firm view that social and affordable housing will assist with eradicating the Apartheid spatial planning but also locate residents in areas where economic activities take place.

Lastly, our strategy to allow for upscaling of programmes of co-production within the Integrated Residential Development Programme (IRDP), Informal Settlements Upgrading Programme and in the Affordable and Rental Housing Programme has not changed. The aforementioned programmes will include the rapid land release programme, the People's Housing (Zenzeleni) Programme, a revised Finance Linked Individual Subsidy Programme (Help-Me-Buy-A-Home) which incorporates the Government Employees Housing Scheme. In addition to the above-mentioned programmes,

I take this opportunity to thank the Deputy Minister of Human Settlements for continued support, her passion and contribution in ensuring that there is oversight over the sector work. Appreciate the support and work done by MinMEC to steer the ship towards the right direction of improved performance to achieve sustainable human settlements in our country. I also thank the management team and all staff led by the Acting Director General, for their dedication and hard work



MMAMOLOKO KUBAYI, MP  
MINISTER OF HUMAN SETTLEMENTS  
DATE: 30 SEPTEMBER 2022



## 4. DEPUTY MINISTER STATEMENT



MS P TSHWETE, MP

During the financial year 2021/22, the country has seen positive effects of the Covid-19 vaccination roll-out programme. Though we have come to terms with the fact that this virus is not going anywhere, but through the South African community's continuous adherence to the regulations set by Government and the increase in numbers of vaccinated people, this has resulted in positive cases reducing tremendously and the virus being manageable with less numbers of fatalities.

The scourge of the virus is now manageable, however, the economy of the country is still largely affected. We saw many small and medium sized businesses closing down, which resulted in further job losses. Our sector has also been affected as we experience high rise in building material supply prices due to the supply and demand methodology.

The climate change had a serious effect on our efforts for improved service delivery. The Department has been overwhelmed with finding solutions of seeding up our response to disasters. The profiling of affected families is still taking longer than necessary, this then results in delays with the provision of shelter. We have families that have been either living with relatives or neighbours for some time now, due to their homes being completely destroyed. The Department has been consulting with provincial and local governments throughout the country. We will endeavor until a workable solution is found. One of the immediate solutions would be to collaborate with other government Departments like Social Development and Home Affairs.

In August 2021 we were joined by the dynamic and energetic Minister Mmamoloko Kubayi. We were then off to provincial site visits as the Minister wanted to waste no time in understanding the real dynamics of the sector. It was during these visits that we were exposed to high-levels of blocked projects, slow pace of service delivery and especially delays in attending to emergency cases, while funds continued to be poured into the provincial and municipal accounts. These roadshows emanated in the Minister pronouncing the five priority areas of focus for financial year 2022/23.

The designated groups is one of the priority areas of focus and in an effort of turning things around, I decided to embark on virtual roadshows. The first roadshow was with the Eastern Cape Province. The targeted participants were the Eastern Cape MEC for Human Settlements, District and Local Mayors, Provincial Head of Department, Regional Directors, NHBRC and HDA. This effort has gained momentum as a lot of

delivery challenges were tackled head on and solutions were provided. It gave me great satisfaction when we handed over houses to a 101, 94 and 91 year old elderly women in Kei Road and Cenyu Land in the Eastern Cape, respectively. We continue to work diligently on expediting delivery of houses for the indigent group across South Africa.

It is important to point out that there is still a huge challenge of Provinces taking the empowerment and inclusion of women in the built environment seriously. We are unapologetically behind the pronouncement made by President Cyril Ramaphosa during his SONA in February 2022. The President pronounced the increase of allocation for women from 30% to 40% across all sectors.

The NHBRC through its partnership with GIBS, they continue to train women in construction, these are women that are either emerging in this sector or those women that have had their foot in for some time but still struggle to be recognized as capable to handle bigger projects. Through this partnership, a total of 107 women entrepreneurs completed the programme and were mentored through GIBS. All our entities have been encouraged to participate in women transformation and empowerment programmes.

Though financial year 2021/22 did not paint a gloomy picture for our sector, I am confident that the mitigations that we have put in place will produce more positive and improved results in the delivery of service to our communities.

Lastly, let me hasten to add that as a country we remain very relevant on the international stage and are highly respected as doing extremely well in the upgrading of informal settlements worldwide.



PAM TSHWETE, MP  
DEPUTY MINISTER OF HUMAN SETTLEMENTS  
DATE: 30 SEPTEMBER 2022



MS SINDISIWE NGXONGO

## INTRODUCTION

As the sixth administration was gearing itself to see the implementation of its programmes meant to improve the quality of life for its citizens, international events such as the global epidemic, Covid-19, conspired to slow progress starting with the hard lockdown in March 2020. The year under review was no different, experiencing various levels of lockdowns ranging from alert level one to four which slowed down the pace of delivery in a significant way for the human settlements sector and the country as a whole.

As if this was not enough, the country experienced a wave of civil unrest in July 2021, mainly in KwaZulu-Natal and Gauteng. The violent protests targeted strategic transport routes, motorists, shopping centres, warehouses and factories, among others. The civil unrest also led to disruptions in the delivery of human settlements programmes and services in these two Provinces, with supply chain processes hugely affected leading to delays in meeting the sector's delivery targets.

## SPATIAL TRANSFORMATION

The 2019-2024 Medium Term Strategic Framework (MTSF) recognises human settlements development as a catalyst for the realisation of both the social and economic development agenda as set out in the National Development Plan (NDP). The year under review marks the third year of the MTSF which intends to ensure we foster spatial transformation through investment in specific areas that will ensure coordination and alignment of planning, budgets and implementation as well as attract additional investment from the private sector.

Government committed to address historical spatial inefficiencies which still condemn poor South Africans to areas far from work, without requisite infrastructure and services. Through the MTSF, the Department of Human Settlements committed to respond to the diverse needs of low and middle income households by implementing a range of programmes that address different housing needs with the upgrading of informal settlements, provision of serviced stands, ensuring access to housing finance by people considered to be in the GAP market and the provision of affordable rental being at the centre of our priorities.

The National Development Plan (NDP) directs the Department of Human Settlements to work towards transforming human settlements to eliminate the apartheid spatial geography and to create settlements where people can work, pray, play and have access to social and economic amenities.

During the year under review, a total of 49 integrated implementation programmes were prepared for Priority Development Areas (PDAs). These were done in conjunction with the Housing Development Agency. There was a significant increase/achievement as all 49 plans were prepared as compared to the 7 out of 19 plans prepared in the previous financial year.

The planned investments in the Business Plans are within the PDAs and are aligned with the imperatives of the NDP. The approved Departmental Annual Performance Plan (APP) target is 30% investment in the PDAs for each of the four human settlements grants, that is, the Human Settlements Development Grant, Informal Settlements Upgrading Grant for Provinces and metropolitan municipalities and the Urban Settlements Development Grant.

## UPGRADING OF INFORMAL SETTLEMENTS

During the year under review, a total of one thousand and fifty (1 050) informal settlements upgrading projects were under way in all nine Provinces and eight metropolitan municipalities. The number increased to one thousand, one hundred and sixty-two (1 162) as the financial year progressed with six hundred and ten (610) informal settlements upgraded by Provinces and the balance of five hundred and fifty two (552) by metropolitan municipalities.

One hundred and thirty (130) of these were targeted to be upgraded to Phase 3 during the 2021/22 financial year, which entails the provision of permanent municipal engineering services such as water, sanitation, roads and storm water, electricity, social and economic amenities and security of tenure. However, the number of informal settlements implementing Phase 3 increased from one hundred and thirty (130) to three hundred and thirty-one (331) over the same reporting period. This means various permanent infrastructure is installed in these areas and some have been formalised or are in the process.

## SERVICED SITES

The National Department of Human Settlements took a deliberate decision to set up a team made up of a number of officials based at head office to visit all nine Provinces and all eight metropolitan municipalities to verify the numbers that are reported by both Provinces and Metros as the implementing agents using HSDG and USDG respectively. This was the first time the National Office did not only decide to do sampling of numbers reported by the Provinces and the metros but to take stock of all the numbers.

The exercise had its teething challenges in the main due to the fact that the reporting lines are not fully aligned giving the national office little time to do the required verification. The verification exercise for Breaking New Ground houses and Serviced Sites presented the sector with an opportunity to account as a collective while it also exposed a challenge brought about by the sampling of evidence which was how the National Department interacted with its sister Departments at both Provincial and Local Government before.

A total of forty two thousand and forty six (42 046) sites were delivered during the year under review with Provinces accounting for twenty-two thousand, two hundred and thirteen (20 213) of these whilst metropolitan municipalities accounted for the balance of two thousand, six hundred and nine (2 609).

## TITLE DEEDS PROGRAMME

The sector had collectively prioritised to register 38 528 titled deeds comprised of four categories of title deeds i.e. those title deeds that are still outstanding since before 1994, Post-1994, Post-2014 (before 2019) and new title deeds during the year under review. Issuance of title deeds assist in restoring dignity of those that become owners by securing them tenure to allow them to pass it on to their descendants and were possible, as a tool of trade. The Department relied on service delivery facilitators to monitor the programme in the Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga and North-West. These are the Provinces that struggled in the previous financial year. While there is still room for improvement, the deployment of the said delivery facilitators brought a marked improvement in these Provinces.

## AFFORDABLE HOUSING PROGRAMME

Provincial human settlements Departments and the National Housing Finance Corporation (NHFC) had projected to assist eight thousand, one hundred and fifty-eight (8 158) Finance Linked Individual Subsidy Programme (FLISP) applicants during the year under review. A total of two thousand, three hundred and ninety-six (2 396) of these applications were to be delivered by Provinces and the balance of five thousand, seven hundred and sixty-two (5 762) by the NHFC. Overall, Provinces overachieved on their set target as they managed to assist two thousand, nine hundred and eighty-five (2 985) households by year end, whilst NHFC underperformed and managed to assist three thousand, two hundred and sixty-eight (3 268) households.

Overall, a total of six thousand, two hundred and fifty-three ( 253) households received financial assistance and purchased units through FLISP during the year under review. This takes performance of this programme to thirteen thousand, four hundred and fourteen (13 414) against the MTSF target of twenty thousand (20 000) households.

## REVITALIZATION OF MINING TOWNS

The Programme was implemented in Limpopo, Gauteng, North West, Mpumalanga, Free State and Northern Cape. The National Department provided programme implementation support to Provinces by convening several meetings with the Provinces and municipalities to confirm their implementation priorities and project pipelines. All six Provinces confirmed that the immediate development pressures in the municipalities is the lack of bulk infrastructure to support the provision of basic services and cater for current and future human settlements developments. The Department further assisted the Provinces and municipalities to develop costed multi-year project pipeline reports wherein all the Provinces prioritized bulk infrastructure projects in their multi-year project pipeline reports.

## BLOCKED PROJECTS

The Department identified more than one thousand two hundred (1 200) blocked projects that were presented to the Portfolio Committee on Human Settlements during the year under review. The Department, in partnership with the nine provincial Departments intends to close off this projects over a three-year period starting from the 2022/2023 financial year. On the projects identified, 54 were blocked due to bulk infrastructure across the country. Projects affected by bulk infrastructure as well as poor performing contractors are to be prioritized to ensure that bulk services as well as making sure quality work is delivered by the Department timeously.

## DISTRICT DEVELOPMENT MODEL

A total of thirty-three (33) One Plan for District and Metropolitan Municipalities across the nine Provinces were assessed and reviewed. The key objectives of the assessment were to subject the One Plan to the quality Assurance Framework and check for alignment of the One Plan with District Development Model (DDM) and give constructive criticism of the One Plan with a view to produce improved Plans. The submitted review instruments were then collated and presented at review sessions attended by Provinces, Districts, Sector Departments and coordinated by Department of Co-operative Governance. Technical support has been provided to other spheres of government, particularly where there has been notable under-performance before invoking the provisions of the Division of Revenue Act.

## LEGISLATION AND POLICIES

The Property Practitioners Regulatory Authority Act, which establishes the Property Practitioners Regulatory Authority (PPRA) and replaces the Estate Agency Affairs Board, came into operation on 1 February 2022. The PPRA regulates the affairs of all property practitioners and has a mandate to transform the sector and to provide consumer protection, among others.



The Department has under the period under review, developed a number of policies that seek to respond to significant normative, legal and policy developments and shifts in order to respond adequately to the injunction imposed by Section 26 of the Constitution. Amongst these are:

- Financial-Linked Individual Subsidy Programme: The Programme has been remodelled to effectively address the GAP Housing Market whose income exceeds maximum limit for a full subsidy house but earn too little to acquire a mortgage loan, typically those earning between R3501 to R22 000. The programme now accommodate a range of non-mortgage product offerings and alternative tenure options.
- Policy on Empowerment of Designated Groups which is designed to support the achievement of improved social and economic impacts through human settlements construction projects. It further provides for the setting of targets and implementation measures that would create jobs, promote small enterprises, and to further provide for training opportunities during construction projects implemented or funded by the Department. Most importantly, the policy also seeks to ensure that these opportunities are made available, in the first place, to unemployed people, the youth, women and people with disabilities.

The next financial year will see our efforts in improving the performance of the Department to achieve its mission and objectives doubled.

## OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

### Departmental receipts

The Department does not trade. Its receipts only emanate from the administrative activities and include commission earned on the payroll withholdings, staff members' car parking fees, telephone usage refunds and garnishee orders. The Department does not render any direct services to the public, subsequently there is no applicable policy on tariffs. There were also no free services rendered by the Department.

The following table presents a summary of the Departmental receipts for the year under review:

Departmental Receipts: Table 1

Departmental receipts	2021/22			2020/21		
	Estimate Amount	Actual Amount Collected	(Over)/Under Collection	Estimate Amount	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licenses	-	-	-	-	-	-
Motor vehicle licenses	-	-	-	-	-	-
Sale of goods and services other than capital assets	208	205	3	220	206	14
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	26	30	- 4	118	30	88
Sale of capital assets						
Transactions in financial assets and liabilities	678	830	- 152		129	- 129
<b>Total</b>	<b>912</b>	<b>1 065</b>	<b>- 153</b>	<b>338</b>	<b>365</b>	<b>- 27</b>

The Department over-collected in respect of Interest, dividends and rent on land. The following are reasons:

- Interest, dividends and rent on land  
More than expected interest was earned on unspent grant funds deposited by Provincial Treasuries into the account of the Department. These funds were deposited without references and could not as a result be immediately transferred to the National Revenue Funds. Supporting documents were requested from the Provincial Treasury and Provincial Human Settlements Departments.
- Transactions in financial assets and liabilities  
The Amount of R18 000.00 which was a deposit for parking at Struktura Building was refunded to the Department when the building was vacated by the Department in March 2022. Furthermore, the Department recovered an amount of R182 079.69 from Officials who breached their bursary contracts. Other amounts were recovered from Officials who were found liable due to accidents after Loss Control Committee meetings including salary related expenditure.

## PROGRAMME EXPENDITURE

Expenditure by Programme: Table 2

Programme Name	2021/22			2020/21		
	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	495 613	416 749	78 864	483 399	399 184	84 215
Integrated human settlements planning and development	21 235 777	21 179 706	56 071	26 034 771	26 001 951	32 820
Informal settlements	8 422 805	7 972 666	450 139	633 659	511 211	122 448
Rental and social housing	936 763	850 892	85 871	1 184 596	1 162 257	22 339
Affordable housing	588 829	539 519	49 310	742 594	700 934	41 660
<b>Total</b>	<b>31 679 787</b>	<b>30 959 532</b>	<b>720 255</b>	<b>29 079 019</b>	<b>28 775 537</b>	<b>303 482</b>

The Department's total expenditure for the period ending 31 March 2022 was R30.9 billion, representing approximately 98% of the allocated funds. The under spending of R720,2 million translates into 2.1% of the total allocation.

Reason for underspending

### Programme 1: Administration

The programme underspent by R78.8 million or 16% of adjusted allocation of R495.6 million. On current payments the under spending is due to the following:

**Compensation of employees:** Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the Department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the Department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the Department had to exercise caution on filling positions so as to manage the risk of appointing more officials than the Department will afford in the future.

**Goods and Services:** Under spending was mainly as a result of the Covid-19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly affected activities were travel, training of officials and other personnel related expenditure. Delay in filling of positions also resulted in underspending of the advertising and the resettlement budgets.

**Expenditure for capital assets:** The underspending can be attributed to suppliers that are not able to deliver due to stock shortages in the country as a result of the pandemic.

### Programme 2: Integrated human settlements planning and development

The underspending of R56 million or 0.3% of adjusted allocation. On current payments the under spending is due to the following:

**Compensation of employees:** Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the Department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the Department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the Department

had to exercise caution on filling positions so as to manage the risk of appointing more officials than the Department will afford in the future

**Goods and Services:** Under spending was mainly as a result of the COVID-19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly affected was travel and other personnel related expenditure as well as delays in the procurement processes. Another contributing factor is the underspending on the Housing Subsidy System budget due to SITA not providing the required services as per the service level agreement. A further contributing factor is that the contract for the professional resource team appointed to assist the Department with the Title Deeds Restoration Project contract came to an end. There were also delays in the procurement process to appoint a professional resource team.

**Expenditure for capital assets:** The consistent underspending can be attributed to suppliers that were not able to deliver due to stock shortages in the country as a result of the pandemic.

### Programme 3: Informal settlements

The Programme underspent by R450.1 million or 5.3% of the adjusted allocation. Under spending is due to the following:

**Compensation of Employees:** Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the Department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the Department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the Department had to exercise caution on filling positions so as to manage the risk of appointing more officials than the Department will afford in the future.

**Goods and Services:** Under spending was mainly as a result of the COVID-19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly affected was travel and other personnel related expenditure as well as delays in the procurement processes. A further contributing factor is that the contract for the professional resource team appointed to assist the Department with the National Upgrading Support Programme contract came to an end and there were also delays in the procurement process to appoint a new professional resource team.

**Transfer and subsidies:** The Emergency Housing Grants is schedule 7 a and b grants and is request based grants. The funds are unallocated and are to be used for emergency relief by Province (schedule 7 a) or Municipality (schedule 7 b). The funds are disbursed after completion of an administrative process. This process consists of a request made by Province or Municipality and the Department verifying the claim where after approval is given and payment is made.

**Expenditure for capital assets:** The underspending can be attributed to suppliers that are not able to deliver due to stock shortages in the country as a result of the pandemic.

### Programme 4: Rental and social housing

The Programme underspent by R85.8 million or 9.2% of the adjusted allocation. Reasons for under spending are as follows:

**Goods and Services:** Under spending was mainly as a result of the COVID-19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly affected was travel and other personnel related expenditure as well as delays in the procurement processes. A further contributing factor is that the contract for the professional resource team who were appointed to assist the Department with the Provincial and Municipal support contract came to an end. There were also delays in the procurement process to appoint a new professional resource team.

**Transfer and subsidies:** The amount of R51.5 million that was not transferred had been set aside to fund the procurement of a property in the Cape Town. The transfer could not be effected as the HDA failed to provide the required Section 38(j) PFMA certificate to enable the Department to process the transfer. Expenditure for capital assets: The underspending is attributable to suppliers that were not able to deliver due to stock shortages in the country as a result of the pandemic.

### Programme 5: Affordable housing

The Programme underspent by R49.3 million or 8.4% of the adjusted allocation. Reasons for under spending are as follows:

Current Payments

**Compensation of employees:** Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the Department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the Department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the Department had to exercise caution on filling positions so as to manage the risk of appointing more officials than the Department will afford in the future.

**Goods and Services:** Under spending was mainly as a result of the COVID-19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly affected was travel and other personnel related expenditure as well as delays in the procurement processes.

Transfer and subsidies: Underspending on the transfers and subsidies is due to:

- Additional funds provided to UN Habitat for the UN Habitat Partnership on leading sustainable inclusive urban transformation in the decade of action could not be transferred as the Department experienced delays in inter-Departmental administrative processes in relation to international agreements.



- City Alliance – R720 000.00. The payment was made in the last week of March 2022 and was rejected a number of times on the system, due to the complexity in the processing of foreign payments. The payment was only made in the first week of April 2022 thereby reflecting in 2022/23 financial year.
- There was no intake of new students as the Department's scholarship programme being phased out, in line with government response to the fees must fall campaign. This resulted in savings.

**Expenditure for capital assets:** The underspending is attributable to suppliers that are not able to deliver due to stock shortages in the country as a result of the pandemic.

## VIREMENTS AND ROLLOVERS

### Rollovers

A rollover of R14.1 million was approved for the UN Habitat to fund UN Habitat Partnership on leading sustainable inclusive urban transformation in the decade of action.

### Virements after Adjustment Budget Estimate

From	To	Amount	Reason
Programme 4: Rental and social housing	Programme 4: Rental and social housing	R51.3 million	Funds were reprioritised from the Consolidated Capital Grant to the Housing Development Agency for the purchasing of a property in Cape Town

### Fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	R'000
2018/2019 Catering cancelled (Ziphandele projects)	To be referred to SIU for further investigations	44
2018/2019 Summit cancelled (TWF)	To be referred to SIU for further investigations	910
2019/2020 Late renewal of Microfocus licences	Referred to Labour Relations for disciplinary action	179
2020/2021 Interest on late payment arbitration award	Referred to Labour Relations for disciplinary action	97
2021/2022 Interest on overdue Telkom account	Referred to Internal Audit to conduct determination test	3
<b>Total</b>		<b>1 233</b>

## FUTURE PLANS OF THE DEPARTMENT

In the previous financial year, the Department achieved an unqualified audit outcome with a finding on Performance Information. It is the Department's intention to continue improving audit outcomes with the purpose of reaching a clean audit.

In addition, the Department also intends to:

- Accelerate the planning and implementation of the informal settlements upgrading programme. To this end National Treasury approved the introduction of Informal Settlements grants;
- Accelerate the issuing of title deeds;
- Operationalise the Human Settlements Bank. To this end all Human Settlements development finance institutions have been merged into one entity;
- Strengthen Human Settlements public entities and position them as a key force in driving the human settlement expansion;
- Drive a robust campaign with the sole intention of "unlocking land to house South Africa". This will include constructive engagement of various public entities and government Departments, private land owners, developers and civil society;
- Fast-track the implementation of catalytic projects and enhance monitoring and evaluation;
- Design and implement an Incubation Programme for Small Contractors, especially women and youth contractors;
- Enhance the Department's responsiveness in relation to human settlement-related disasters;
- Finalise the drafting and promulgation of the following:
  - Property Practitioners Bill, 2018;
  - Home Loan and Mortgage Disclosure Amendment Bill, 2018 (HLAMDA);
  - Housing Consumer Protection Bill, 2017;
  - Human Settlements Development Bank Bill, 2017;
  - Human Settlements Bill;
  - Prevention of Illegal Eviction and Unlawful Occupation Amendment Bill.
- Strengthen the monitoring of grants to ensure that transferred funds are used for intended purposes;
- Provide technical support to other spheres of government, particularly where there is underperformance, before invoking provisions of the Division of Revenue Act.

## PUBLIC PRIVATE PARTNERSHIPS

There were no private public partnerships during the year under review.

## DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

No discontinued activities during the year under review.

## NEW OR PROPOSED ACTIVITIES

There were no new or proposed activities.

## SUPPLY CHAIN MANAGEMENT

- There were no unsolicited bids received during the financial year under review.
- The following processes, procedures and systems are in place to prevent irregular expenditure:
  - Internal SCM Circulars, financial delegations, policies, instruction notes;
  - Bid committees (Specification, Evaluation and Adjudication) are in place and members are appointed in writing by the Accounting Officer or his delegate
  - Every request for the procurement of goods and services is verified against a check list to ensure compliance with prescripts and prevent irregular expenditure;
  - When irregular expenditure is discovered and assessed, determined, investigated (when there is a need) and reported to the relevant authority in terms of the National Treasury Instruction Note 2 of 2019/20 on Irregular Expenditure.
  - When irregular expenditure is discovered, it is recorded, investigated and reported to the relevant authority for a formal response.
- The following indicates challenges experienced in SCM and how they were resolved:
  - The quality of the bid specifications or terms of reference (ToR) were not always in line with acceptable standards.
  - This was resolved through the tabling of all bid specifications or ToR to the Bid Adjudication Committee meeting for review and quality control. Furthermore, every Bid Specification Committee meeting is supported by legal and supply chain management representatives for support and advice.
  - Late or non-submission of some projects for incorporation into the procurement plan, resulting in late amendments of the said plan during the financial year. Branch heads and Chief Directorates are followed up through a SCM circular reminding them to submit their planned projects to Supply Chain Management for incorporation into the procurement plan.
  - Attempts by a criminal syndicate posing as our Department and sending out fake requests for quotation to Service Providers. A warning message was placed on the Department's Website warning the public about these criminal syndicates and informing the public to confirm the authenticity of the bids or orders they receive from any source, with the Department.

## GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

There were no gifts or donations received from non-related parties.

## EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

No exemptions and deviations were received from National Treasury for the period under review.

## EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting date.

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

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

- a. All information and amounts disclosed throughout the annual report are consistent.
- b. The annual report is complete, accurate and is free from any omissions.
- c. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- d. 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.
- e. The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- f. 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.
- g. The external auditors are engaged to express an independent opinion on the annual financial statements.
- h. 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

SINDISIWE NGXONGO  
ACCOUNTING OFFICER (ACTING):  
DEPARTMENT OF HUMAN SETTLEMENTS  
DATE: 30 SEPTEMBER 2022

## 7. STRATEGIC OVERVIEW

### 7.1



#### Vision

A nation housed in sustainable Human Settlements.

### 7.2



#### Mission

To facilitate the creation of sustainable human settlements and improved quality of household life.

### 7.3



#### Values

The core values guiding and regulating the Department are based on the Constitution of the Republic of South Africa and supporting legislation and includes:

- Accountability
- Fairness and Equity
- Choice, Quality and Affordability
- Sustainability
- Innovation
- Batho Pele Principles



## 8. LEGISLATIVE AND OTHER MANDATES

Set out the specific constitutional and other legislative mandates, as per the relevant act(s) that govern(s) the Department's establishment and operations. This should not be the entire list of legislation that the Department is subject to in the course of its operations. Also include government policy frameworks that govern the Department.

This information must be consistent with the information provided in the strategic plan, annual performance plan and the estimates of national expenditure /estimates of provincial revenue and expenditure.

The mandate of the Department emanates from Section 26 of the RSA Constitution, which provides that everyone has the right to have access to adequate housing. The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right and no one may be evicted from their home, or have their home demolished, without an order of the court. Furthermore, the Constitution provides the legislative framework for the institutional arrangements used in the development of sustainable human settlements:

- A of Schedule 4 lists housing, urban and rural development and regional planning and development as functional areas of concurrent national and provincial legislative competence.
- Section 154(4) further provides for the delegation of powers and functions to local government, by agreement, if municipalities have the necessary capacity and are regarded as the most effective site from which these powers can be exercised

The table below provides a list of policies, legislation and strategies that shape the development of human settlements reforms

Policy or Legislation	Purpose
White Paper on Housing 1994	To provide a macro policy that creates an enabling environment for housing delivery
Restitution of Land Rights Act of 1994 as amended	To provide for the restitution of rights in land to persons or communities that dispossessed of their rights in land and establish a Commission on Restitution of Land Rights
Housing Act of 1997 (as amended)	To recognise the constitutional right to housing and further define the roles and responsibilities of national, provincial and local government in relation to housing
Rental Housing Act of 1999	To regulate the relationship between landlords and tenants and provide for dispute resolution
Home Loan & Mortgage Disclosure Act of 2000	To promote fair lending practices, which requires disclosure by financial institutions of information regarding home loans
Housing Code Version 2009	To provide prescripts to enable the delivery of housing
Comprehensive Plan for the Creation of Sustainable Human Settlements of 2004	To outline a plan for the development of sustainable human settlements over 5 years
Social Housing Policy, 2005	To promote an enabling environment for social housing to flourish
Social Housing Act of 2008 and Social Housing Regulations, 2011	To provide for the establishment of the Social Regulatory Authority, in order to regulate all social housing institutions (SHIs)  The regulations are used for the accreditation of SHIs, clear qualification criteria, compliance monitoring, the investment criteria that will be applicable in the social housing sector

- Section 125(3) provides that, by legislative and other measures, the national government must assist Provinces to develop their administrative capacity, which is required for the effective exercise of their powers and the performance of their human settlements functions.

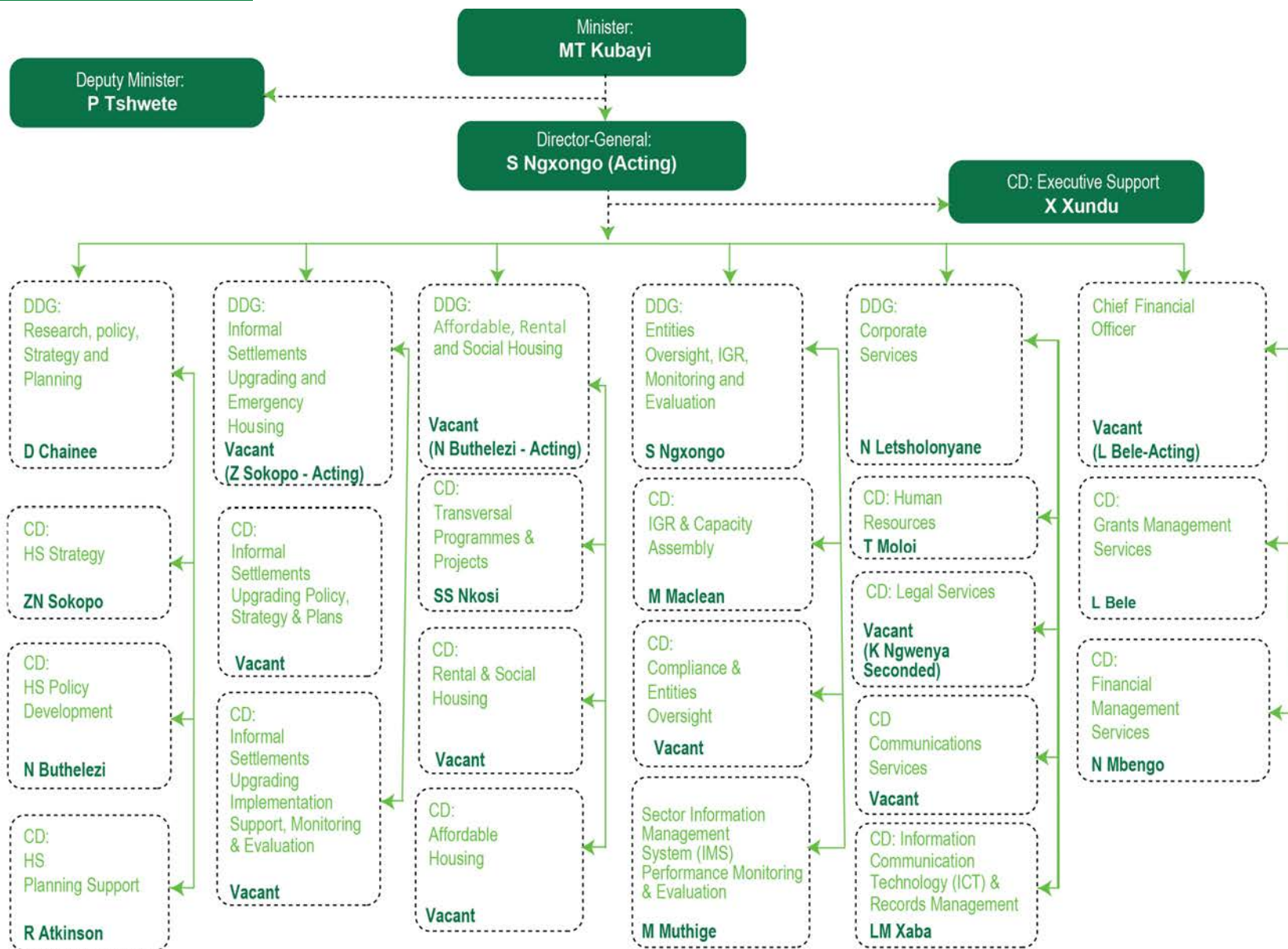
The Housing Act of 1997, as amended, as principal legislation provides the roles and responsibilities of the three spheres of government. The National Government, acting through the Minister determines national policy including norms and standards in respect of housing development. The National Government should (amongst its other functions) set broad national housing delivery goals and facilitate the setting of provincial, and where appropriate, local government housing delivery goals.

General Proclamation Notice No. 1570 of 2009, signed off by the President of the Republic of South Africa (RSA), created the DHS as a successor to the Department of Housing. This notice, together with the Comprehensive Plan for the Creation of Sustainable Human Settlements, which was adopted by Cabinet in 2004, provided for a shift in the mandate, i.e. from providing housing to providing sustainable and integrated human settlements.

Chapter eight of the NDP of 2011 further controlled housing to work towards transforming human settlements to eliminate the apartheid spatial geography and to create settlements where people can work, pray, play and have access to social and economic amenities.

Policy or Legislation	Purpose
Housing Development Agency Act of 2008	To provide for the establishment of an agency that will facilitate land and landed property
Housing Development Agency Act Regulations, 2014	These regulate processes for: the declaration of a priority housing development area (PHDA); steps in creating a priority housing development plan; funding considerations; implementation of the protocol; and the implementation of the housing development and cooperation between the different state Departments
NDP, 2012	The plan aims to provide a long-term perspective and defines a desired destination and identifies the role of different sectors in eliminating poverty and reducing inequality by 2030
Spatial Land Use Management Act of 2013	It provides a framework for spatial planning and land use management with the RSA
Rental amendment Act, 2014	It: amends the Rental Act of 1999; provides norms and standards related to rental housing; introduces various changes that impact on the relation between tenant and the landlord; requires all municipalities to have a rental office; expands the powers of the Rental Tribunal; etc.
Youth Policy 2015-2020	It provides a framework for: strengthening the capacity of key youth development institutions; consolidation and integration of the youth development into mainstream of government; etc.
White Paper on the rights of persons with disabilities, 2016	It provides a framework for mainstreaming trajectory for realising the rights of persons with disabilities through the development of targeted interventions, that remove barriers and application of the universal design integrates the obligations in the United Nations Covenant on Rights of Persons with Disabilities and other related matters
Integrated Urban Development Framework, 2016	It provides a framework to enable spatial transformation – by steering urban growth towards a sustainable growth model of compact, connected and coordinated cities and towns
Sustainable Development Goals	They provide a framework for a universal call to action to end poverty, protect the planet and to ensure that all people enjoy peace and prosperity by 2030. Through the call “Leave No One Behind”, countries committed to fast-tracking progress for those furthest behind first
Sendai Framework	It provides a roadmap to make communities safer and more resilient to disasters. It provides Member States with concrete actions on how to protect development gains from the risk of disaster. It advocates the substantial reduction of disaster risk and loss of lives, livelihood and health, and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries.
Agenda 2063	It is a strategic framework that provides a blueprint and master plan for transforming the African continent into a global powerhouse that delivers on its goal of inclusive and sustainable development
New Urban Agenda, 2016	It provides a shared vision for a better and more sustainable future – one in which all people have equal rights and access to benefits and opportunities that cities offer, and in which the international community reconsiders the urban systems and physical form of urban spaces to achieve this
Property Practitioners Act, 2019	It provides for the regulation of property practitioners, regulate the continuation of the Estate Agency Affairs Board (EAAB) in a new form of the Property Practitioners Regulatory Authority; and further provides for transformation of the property practitioners sector through, inter alia, the establishment of a transformation fund and a research centre on transformation
Gender Responsive Planning Budget, Monitoring, Evaluation and Auditing (GRPBMEA) Framework	To assist South Africa to achieve its Constitutional vision of non-sexist society and gender equality, empowerment and gender equality, and ensure allocation of adequate resources for WEGE
Consumer Protection Measures Act 1998	It provides for the protection of housing consumers, the continuance of the National Home Builders Registration Council as the National Home Building Regulatory Council, the registration of home builders, and the registration/ enrolment of homes in order to be covered by the home warranty fund
Sectional Titles Schemes Management Act of 2011	This legislation provides for: the division of buildings into sections and common property; the acquisition of separate ownership in sections coupled with joint ownership in common property; the establishment of body corporates to control common property and for that purpose to apply rules; and the establishment of a sectional titles regulation board, etc.
Community Schemes Ombudsman Service Act of 2011	This legislation: provides for the establishment of the Community Schemes Ombud Service (CSOS); articulates the mandate and functions of the CSOS; and further provides a dispute resolution mechanism for community schemes; etc.

# 9. ORGANISATIONAL STRUCTURE



## 10. ENTITIES REPORTING TO THE MINISTER

The information furnished in this section should correlate with information provided elsewhere in the annual report, for example, in the related party transactions disclosure note to the financial statements and the information on the entities.

The table below indicates the entities that report to the Minister/MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Estate Agency Affairs Board (EAAB)	Regulate, maintain and promote the standard of conduct of estate agents; issue fidelity fund certificates to qualifying applicants, prescribe the standard of education and training of estate agents; investigate complaints lodged against estate agents, manage the Estate Agents Fidelity Fund	The EAAB is empowered in terms of the enabling legislation to raise fees and levies from estate agents	Regulator
Home Builders Registration Council (NHBRC)	Provide housing consumers with warranty protection against defects in new homes, and to provide protection against any failure of builders to comply with their obligations in terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998).	The NHBRC is empowered to raise registration and enrolment fees in terms of the enabling legislation	Regulator
Housing Development Agency (HDA)	Identify, acquire, hold, develop and release state, privately and communal owned land for residential and community development, enhance the capacity of organs of state including skills transfer to enable them to meet the demand for housing delivery, undertake project management services as may be necessary, assist organs of state with the upgrading of informal settlements, assist organs of state in respect of emergency housing solutions	Whereas the Department provides overhead and operational costs, the HDA also charges fees for development services rendered to public sector clients on a cost recovery basis.	Service Delivery Agency
National Housing Finance Corporation (NHFC)	To mobilise funding into the human settlements space in partnership with a broad range of institutions, while also providing wholesale finance, and to act as a fund and risk manager and the implementing agent for the Finance-Linked Individual Subsidy Programme (FLISP)	The Department provides NHFC with operational funding assistance and subsidy grant funding to implement the FLISP programme  Other programme expenditure is funded by the entity from interest and fees derived from the lending activities	Development Finance Institution
Social Housing Regulatory Authority (SHRA)	To regulate and support the social housing sector in order to accelerate the delivery of sustainable and financially viable social housing projects; responsible for the disbursement of institutional investment and capital grants to social housing institutions	The Department provides SHRA with operational grant funding, the Institutional Investment Grant and the Restructuring Capital Grant	Regulator
Community Schemes Ombud Service (CSOS)	To provide a dispute resolution service for community schemes, monitor and control the quality of all sectional title schemes governance documentation and to take custody of, preserve and provide public access to scheme governance documentation	Whereas the Department provides operational grant funding, CSOS is empowered through enabling legislation to generate funding from levies and fees for services rendered based on cost recovery as well as from interest derived from investments	Regulator





# **PART B**

**PERFORMANCE INFORMATION**

## Service Delivery Environment

The country's economy fell into a technical recession in the first half of the 2018 calendar year. This was after experiencing two consecutive quarters of negative economic growth. Unemployment remained high above a quarter of the working population. About a third (29.3%) of all people employed were employed in low-skilled and domestic work jobs. Inflation remained at the 4.1% to 4.5% range. Further the service delivery environment was also characterised by the following:

- An increase of households living in informal settlements,
- The lack of and inadequate capacity in bulk infrastructure,
- Delays in the procurement processes.
- Regulatory and governance incapacity in the land planning process,
- Incidents of vis major and environmental changes resulting in disasters and emergencies,
- The constraints associated with availability of funding,
- Impact of rapid urbanization.
- Increasing inequality
- high level of indebtedness of households

The impact of the above has been an exponential decrease in the delivery of key programmes. These have highlighted the need to re-prioritise in allocating available resources so as to maximize value for money and impact. There has also been a resultant inability of Provinces and Municipalities to respond to the overall developmental dynamic for the planning, funding and development of human settlements.

The above inadequacies and failures have adversely affected efforts to address the backlog and achievement of a better life for all. There is thus pressure on the National Department to undertake a more activist and directive role in the planning, implementation, monitoring and governance of grants and their implementation.

## Policy Development and Legislative Changes

This was the first year for the implementation of the emergency grants. These grants were established through re-prioritisation of funding from the Human Settlements Development Grant to provide emergency and short term assistance to households affected and/or impacted by disasters. It was also the first year of the Title Deeds Restoration Grant. This grant was previously part of the Human Settlements Development Grant wherein it was ring-fenced.



## 1. AUDITOR – GENERAL'S REPORT:

PREDETERMINED OBJECTIVES  
(refer to pages 126 to 217)



## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

To assist users of the annual report to gain an understanding of the challenges, successes and other factors that might impact on a Department's performance, it is necessary to provide the user with an overview of the context and environment within which the Department operated to implement its strategic plan and annual performance plan.

The overview should include:

- A balanced overview of the service delivery environment in which it operated during the reporting period under review and not merely focus on factors that might be offered as 'mitigating circumstances' to support the Department's delivery record.
- Commentary on services delivered directly to the public.

- Challenges encountered by the Department when providing the relevant services, and the correct steps to be taken in dealing with such challenges.
- A description of any significant developments, external to the Department, that may have impacted either on the demand for the Department's services or on the Department's ability to deliver those services.

### 2.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The Department conducted advocacy on the Batho Pele principles, in order to build a client-oriented culture within the Department. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
100% of reported fraud and corruption cases investigated and concluded within the prescribed timeframes (90 days)	Housing Beneficiaries	Reduction of fraud and corrupt activities	100% fraud and corruption cases investigated and resolved	19% of cases of fraud and corruption reported were investigated

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Various Reporting Mechanisms e.g. Walk-in, Anti-Corruption Hotline, Presidential hotline etc,	Case Management System	19% of the cases of fraud and corruption reported were investigated

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Record of Queries	100% of reported fraud and Corruption cases investigated and concluded within the prescribed timeframes (90 days)	19% of the cases of fraud and corruption reported were investigated and finalised. <ul style="list-style-type: none"> <li>• Sixteen (16) cases were received during the period under review;</li> <li>• One (1) case of alleged fraud and corruption was referred to CSOS for investigation;</li> <li>• Three (3) cases were investigated and finalised</li> </ul>



## 2.3 Organisational Environment

The Department has been embarking on the process of reviewing its organisational structure since the middle of the 5th administration term, and has carried this over to the 6th Administration. The organisational structure was approved by the MPSA in March 2021, with the Macro Structure implementation date set for 1 April 2021 and Micro Structure by the 01 July 2021. The Migration Framework outlining the transitional processes into the newly approved structure has been approved and the draft migration plan and the matching and placement of all Senior Managers has been finalized as of the 31 March 2021. The process has taken into consideration the placement inline with the Skills Audit conducted and to ensure stability at the management level, while ensuring that there is skills retention in critical core programme positions.

The cuts in the Compensation of Employees (COE) over the MTEF has meant that the filling of vacancies in the Department has been hampered. However, all vacant SMS positions have been prioritized and approved for filling. Also, 80% of the 3 year contract appointments had been converted to permanent appointments by the 31 March 2021.

In 2021/22, the corporate operations of the Department were greatly impacted by the Coronavirus and the resultant declaration of a National State of Disaster by the President effective from the 26 March 2020. The Department has been able to deal with the reduction of the Coronavirus in the workplace through an established COVID-19 Project Steering Committee, that ensured that a detailed COVID-19 risk mitigation strategy is developed, implemented and monitored. The committee also ensured that internal standard operating procedures and protocols; remote work and business continuity strategies, compliance risk monitoring tools, continuous COVID-19 awareness and provision of PPEs are operational operationalised in compliance with the National State of Disaster Management, DPSA and National Treasury Guidelines and Directives for the mitigation of COVID-19 in the public sector.

As of the 31 March 2022 the Department had recorded 108 COVID-19 positive cases with the last case reported on the 23 February 2022. There was 1 reported death due to the coronavirus infection.

The enabling of the virtual private network enabled the Department to communicate with the Human settlements sector. Decision making was significantly improved due to this enablement. In order for the Department to adhere to the COVID19 regulations during the COVID19 pandemic, ICT platforms were enhanced through the use of VPN to provide distributed secured services, to ensure that users are able to access ICT services remotely.

## 2.4 Key Policy Development and Legislative Changes

The Department has made the following policy changes:

- Approved an increase of the subsidy quantum for all subsidy housing programmes
- Approved a change in social housing income bands to R22 000
- Approved an exemption of social pensions recipients from the income qualification criteria for housing
- Approved a Revised Finance Linked Policy
- Approved a Revised COVID-19 Residential Rent Relief Policy
- Approved a Revised COVID-19 Debt Relief Policy
- Developed the programme for the removal, replacement and disposal of asbestos
- Developed a macro policy on Rental
- Developed a macro policy and strategy on land for human settlements
- Developed a macro policy on Informal settlements
- Developed a land release programme
- Developed a policy on Property Transactional Support Centres
- Developed a policy on empowerment of designated groups
- Developed a policy on social facilitation

### 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

For this financial year, 2021/2022, the Department identified more than 1200 blocked projects that were presented to the Portfolio Committee on the 2<sup>nd</sup> March 2021. The Department intends to close off this projects in a three year period starting from the 2022/2023 financial year. On the projects identified, 54 were blocked due to bulk infrastructure across the country. Projects affected by bulk infrastructure as well as poor performing contractors are to be prioritized to ensure that bulk services as well as quality work is delivered by the Department timeously.

### 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

#### 4.1 Programme 1: Administration

Purpose of the programme: Provide strategic leadership and administrative support services to the Department.

Strategic Objectives Relating to the Programme

- To promote efficient and effective administrative processes

Sub-Programmes

- Executive Support;
- Internal Audit, Risk Management and Special Investigations;
- Financial Management;
- Enterprise Architecture;
- Corporate Support;
- Human Resources;
- Legal Services;
- Infrastructure Management Services;
- Information Technology; and
- Communications.

Institutional outcome

- Functional, efficient and integrated government

Outcomes, outputs, output indicators, targets and actual achievements

Financial Management

The unit ensures effective, efficient and economic utilisation of financial resources in line with financial prescripts through the development and effective implementation of financial systems, policies, frameworks and procedures. This includes budget planning and expenditure monitoring; and the management of procurement, acquisition, logistics, assets, and financial transactions.

Major Achievements

For the 2020/21 financial year the Department received a clean audit on financial statements. All budget processes related documents were submitted within the timelines as set by National Treasury. Financial reporting requirements in terms of legislation was submitted. The Department managed to reduce the payment of invoices after 30 days from 34 invoices amounting to R4.3 million in the prior financial year to 15 invoices amounting to R909 613.18, by instituting progressive disciplinary steps.

Challenges

The challenges the Sub-programme faced include delays by various units in the implementation of the procurement plan, the effects of the COVID-19 pandemic on staff reporting for duty as well as delays in filling critical vacancies.

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Functional, efficient and integrated government	Annual Financial Statements free from errors and misstatements	Unqualified audit opinion with no material finding	Unqualified Audit opinion with material finding	Unqualified audit opinion with no matters of emphasis on financial statements and material findings on performance information, programme 3	2020/21 unqualified audit opinion with no material findings	2020/21 unqualified audit opinion with no material finding	None	Not applicable
	Compliant statutory reports	Percentage compliance with statutory tabling and prescripts	91% compliance with statutory tabling and prescripts	81% compliance with statutory tabling and prescripts	100% compliance with statutory prescripts	60% compliance with statutory prescripts	-40% Parliament & Cabinet: Parliamentary Questions Invoice paid after 30 days	This was due to failure to observe timelines within which to provide Replies to Questions for Written Reply within 10 working days, (in terms of the 10-day Rule) in accordance to Rules of the National Assembly. This was attributable to delays in responding to request for information by some external bodies, information required to prepare requisite Draft Replies to some Questions for Written Reply.  Invoices was paid after 30 days due to system error
Functional, efficient and integrated government	Internal audit reports	Percentage implementation of the approved internal audit plan	82% implementation of the approved internal audit plan	91% implementation of the approved internal audit plan	100% implementation of the approved internal audit plan	96% of the approved internal audit plan implemented.	-4% of the approved internal audit plan implemented.	Audit on Informal Settlements Upgrading Programme was not completed timeously due to delays in finalising project planning stage e.g receiving information from client [Municipalities and Provinces] and inconsistent information submitted by client for audit sampling and increase in project coverage

Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Functional, efficient and integrated government	Anti-Fraud and corruption reports	Percentage of the approved Anti-Fraud and Corruption Implementation Plan executed	100% implementation of the approved Anti-fraud and Corruption Implementation Plan	89% execution of the approved anti-fraud and corruption implementation plan	100% execution of the approved anti-fraud and corruption implementation plan	100% Execution of the approved anti-fraud and corruption implementation plan	None	Not applicable
	Risk Management Status Report	Percentage Implementation of the approved Risk Management Implementation Plan	100% implementation of the approved Risk Management Implementation Plan	100% implementation of the approved Risk Management implement plan	100% implementation of the approved Risk Management Implementation Plan	100% implementation of the approved Risk Management Implementation Plan	None	Not applicable
Functional, efficient and integrated government	HR Implementation Report	Percentage implementation of the HR Implementation Plan	68% implementation of the HR Plan	54% implementation of the HR Plan	100% implementation of the HR Implementation Plan	76% implementation of the Annual Human Resource Implementation Plan	<p>-24% implementation of the Annual Human Resource Implementation Plan</p> <p>1% reduction of vacancy rate through conducting recruitment processes for approved, prioritised, vacant and funded posts</p> <p>Communicating approved placement implementation plan &amp; placement strategy</p> <p>Uploading approved organisational structure on PERSAL system</p>	<p>Challenges with budget allocation and availability of role players in the recruitment processes due to COVID and remote work however, a total number of 23 permanent posts were filled during the reporting period. The draft revised Migration Framework document has not been presented to Departmental governance structures (EMT, JBMC, and DBC) for endorsement. However, it has been submitted to DBC for comments.</p> <p>The Micro-level organisational structure has not yet been approved by the delegated authority</p>



Programme 1: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	Report on the percentage implementation of the approved annual ICT strategic plan	Percentage implementation of approved annual ICT plan	New Target	New Target	100% implementation of approved annual ICT plan	98% implementation of approved annual ICT plan	-2% implementation of approved annual ICT plan  NHNR Upgrade to JQuery 3.5.0 or later version (Q4)  PHP Instrument setup on HSS (Q3)  Viewing of projects- HSS Online (Q3)  Project Contract Audit Trail (Q3)	The frameworks used in the whole system would have been affected. JQuery would affect the whole system so it could not be done in isolation. The impact assessment was done for the change and it indicated that this change would affect all the frameworks that are utilised on the NHNR system. The change would require more time to complete thus the implementation date had to be changed to the following financial year .
	Report on the implementation of the approved communication Strategy	Percentage implementation of the approved communication Strategy	New Target	New Target	100% implementation of the approved communication Strategy	100% implementation of the approved communication strategy	None	Not applicable

## Expenditure by Sub-Programme

### Programme 1 Administration

Sub-programme Name	2021/22			2020/21		
	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
Ministry	60 640	55 890	4 750	65 074	57 119	7 955
Departmental Management	75 074	55 584	19 490	79 888	56 307	23 581
Corporate Services	235 903	197 518	38 385	219 803	181 796	38 007
Property Management	55 348	51 547	3 801	52 100	51 688	412
Financial Management	68 648	56 207	12 441	66 534	52 271	14 263
Total	495 613	416 746	78 867	483 399	399 181	84 218

## 4.2 Programme 2: Integrated Human Settlements Planning and Development Programme

Purpose of Programme: Manage the development of policy, planning and research in the creation of sustainable and integrated human settlements, oversee the delivery of the integrated residential development programme, provide public entity oversight, and coordinate intergovernmental partnerships with stakeholders

### List of Sub-Programmes

- Macro Policy and Research
- Grants Management (HSDG, USDG and TRG)

### Purposes of the Sub-programme

- Purpose of Grant Management: To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements
- Purpose for Macro Policy: To provide a macro policy that creates an enabling environment for housing delivery

### List the institutional outcomes that each programme contributes.

- Adequate housing and improved quality living environments
- Spatial transformation through multi-programme integration in priority development areas
- Security of Tenure

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

### Entities:

Stabilisation of Human Settlements Entities through the appointment of all six (6) Boards.

The PPA came into operation on the 1 February 2022. This Act provides for the establishment of the PPRA and disestablishment of the EAAB.

## Policy:

The Department has under the period under review, developed a number of policies that seek to respond to significant normative, legal and policy developments and shifts in order to respond adequately to the injunction imposed by section 26 of the Constitution. These include the following:

- A Policy on Property Transactional Support Centres (PTSC): This policy is an attempt to adhere to the Constitutional values as outlined in both the statute and the Constitution. It elevates the notion of an institutional mechanism that will, in theory and practice, and within the context of concurrent responsibilities of the different spheres of government. It seeks to provide a mechanism for improving the limited understanding of the housing and human settlements market and sector; poor access to information on government housing and human settlements support measures; lack of technical expertise in the case of self-built housing; prevalence of informal property transactions involving state subsidised housing, and the insecurity of tenure resulting from the failure to issue title deeds, etc.
- Policy on Empowerment of Designated Groups: This policy is designed to support the achievement of improved social and economic impacts through human settlements construction projects. It further provides for the setting of targets and implementation measures that would create jobs, promote small enterprises, and to further provide for training opportunities during construction projects implemented or funded by the Department. Most importantly, the Policy also seeks to ensure that these opportunities are made available, in the first place, to unemployed people, the youth, women and people with disabilities.

## Research:

Accordingly, the Department had during the period under review, commissioned a comprehensive research exercise and the following research report was delivered.

- Research on Agri-Villages: The research investigation entailed exploring alternative rural development models and concept; establishing the planning considerations for Agri-villages; establishing the institutional arrangements and institutionalisation considerations; defining key success factors for Agri-village projects and demonstrating the potentially viable alternative and sustainable technologies and infrastructures that can be used to service
- The research found that housing development in rural settings has been hindered by the isolation of the poor and a lack of social, economic and political opportunities for rural households and communities. Many rural households remain trapped in the poverty cycle without adequate access to housing opportunities and basic services which are further exacerbated by limited means of production without secure land tenure. Agri-village projects have been conceptualised as a direct response or reaction to addressing the needs of evicted farm workers. Agri-villages can improve the growth potential in rural areas through integrated and consolidated development. They can increase access to basic services and social amenities and economic opportunities in rural communities. They can be part of a holistic and integrated sustainable livelihoods through the promotion of economic activity. They can be anchors of food security and self-sustaining communities through enabling subsistence agriculture.

## Revitalisation of distressed mining communities:

- The Programme was implemented in the following six (6) Provinces: Limpopo, Gauteng, North West, Mpumalanga, Free State and Northern Cape. The National Department provided programme implementation support to Provinces by convening several meetings with the Provinces and municipalities to confirm their implementation priorities and project pipelines. All 6 Provinces confirmed that the immediate development pressures in the municipalities is the lack of bulk infrastructure to support the provision of basic services and cater for current and future human settlements developments.
- The Department further assisted the Provinces and municipalities to develop costed multi-year project pipeline reports wherein all the Provinces prioritized bulk infrastructure projects in their multi-year project pipeline reports.
- The Department deployed Programme Delivery Facilitators who provided administrative capacity and supported Provinces by analyzing the quarterly performance reports of projects in the approved business plan submitted to NDHS by the Provinces and these were also discussed with Provinces and municipalities in the quarterly technical steering committee meetings convened by the National Department. Most project implementation challenges that were identified were related to delayed procurement processes by Provinces, hence compromising the allocated ring fenced budget. NDHS made specific recommendations to Provinces on unblocking the challenges in order to accelerate delivery and Provinces, specifically in relation to prioritizing and fast tracking procurement processes ahead of the year of implementation.

## Breaking New Ground and Serviced Sites

- In terms of these priorities dealing with the Breaking New Grounds (BNG) and Serviced Sites performance the National Department took a deliberate decision to set up a team made up of a number of officials based at the National Office to visit all the nine Provinces and all eight Metropolitan Municipalities to verify the numbers that are reported by both Provinces and Metros as the implementing Agents using HSDG and USDG respectively. This was the first time the National Office did not only decide to do sampling of numbers reported by the Provinces and the metros but to take stock of all the numbers. The exercise had its teething challenges in the main due to the fact that the reporting lines are fully aligned giving the national office little time to do the required verification
- The Verification exercise for BNG and Serviced Sites presented the sector to account as a collective while it also exposed a challenge brought about by the sampling of evidence which was how the National Department interacted with its sister Departments at both Provincial Departments and Local Government.

## Title Deeds Programme

- In respect of the Title Deeds programme the sector collectively had prioritised to register 38 528 titled deeds comprised of four categories, i.e. those title deeds that are still outstanding since before 1994,

Post 1994, Post 2014 (before 2019) and New Title deeds. Issuance of title deeds assist in restoring dignity of those that become owners by securing them tenure to allow them to pass it on to their descendants and were possible as a tool of trade. In monitoring the performance of the Programme, National Office relied on delivery facilitators which focused on Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga and North-West, which were the Provinces that struggled in the previous financial year. While there is still room for improvement the deployment of the said delivery facilitators brought a marked improvement particularly in the said Provinces.

### National Priority Projects Implemented

- The Department had planned to provide implementation support to all the approved priority projects. The projects are currently at different stages including some being in planning stage and other under implementation. The support provided by the national department is always customised to the support required by each identified National Priority Project. This target was achieved as it is more both reactive and proactive.

#### MTSF Priorities

The Department must highlight significant achievements with regard to the contribution toward the 2019-24 Medium Term Strategic Framework.

MTSF Outcome	Output Indicator	2019/20	2020/21	2021/22
Spatial transformation through multi-programme integration in priority development areas	94 integrated implementation programmes prepared	-	19 completed	49 completed
	Invest in 94 priority development areas (PDA's)	-	New target	15,76
	Rezone 100% of land acquired in 2014 - 2019 that falls within the PDAs for human settlement development	.	During the 2021/22 FY the HDA was expected to rezone about 16.3395ha of land to reach the MTSF target of 30% for 2021/22 financial year, however, 0% was rezoned during this period	0

Reasons for non-attainment of target on land rezoning:

As part of the challenges above, it is clear that the target is only included on the National Department of

Human Settlements and HDA annual plans and not in the plans for Provinces and municipalities. This is further complicated by the fact that where properties belong to either Province or municipalities, these spheres have no immediate obligation to rezone these properties and meet the targets. Furthermore, the HDA has no control as the budgeting for these properties is with the municipalities and Provinces.

Proposed solution:

The National Department should use its IGR and Performance reviews to engage with respective Provinces to allocate budgets and funding for the target. Furthermore, it is to ensure that the affected Provinces incorporate the indicator and target into their annual plans, this will bring the target into reportable framework through annual and quarterly performance reviews process. As an adjunct to this, the HDA will continue to engage respective Provinces to allocate funding and commence with rezoning through IGR arrangements.

### 1. 2021/22 outputs, output indicators, targets and actual achievements

In the year under review, the Chief Directorate: Human Settlements Planning had to perform in terms of the performance indicators as outlined in the approved Annual Performance Plan 2021/22.

#### 1.1 47 integrated implementation programmes for PDAs prepared

The National Department of Human Settlements published a Government Gazette No. 43316 (Volume 659), on the 15th May 2020, to declare 136 Priority Human Settlements and Housing Development Areas (PHSHDAs), in terms of Section 3 of the Housing Act (No. 107 of 1997) read in conjunction with Section 7(3) of the Housing Development Agency Act, (No. 23 of 2008), the Spatial Planning and Land Use Management Act (SPLUMA) (No. 16 of 2013), and the Infrastructure Development Act (No.23 of 2014).

The Department oversees that process and that the HDA undertakes procurement and provides support to Provinces and municipalities in the development of the Integrated Implementation Programmes for PDAs. The Medium Term Strategic Framework (2019-2024) target expects that 94 integrated implementation programmes are prepared for each of the PDAs, progressive allocation of grants to the PDAs is undertaken by Provinces and Municipalities and land acquired between 2014-2019 is rezoned in the PDAs.

The target for the 2021/22 financial year was 47 Integrated implementation programmes for PDAs and the Department together with the Housing Development Agency was responsible for preparing these Integrated implementation programmes for PDAs. In view of this target there was a significant achievement as all 47 plans was prepared in relation to the 7 out of 19 plans prepared in the previous financial year.

#### 1.2. 30% of human settlements grants invested in priority development areas

The planned investments in the Business Plans are within the PDAs and are aligned with the imperatives of the NDP 2030. The approved Departmental APP annual target is 30% investment in the PDAs for each of the four grants' (HSDG, ISUPG for Provinces and Metros) and USDG business plans. The total investment in the PDAs for the 2021/22 financial year is R2 11 696 853 which is 15,76% of the total HSDG allocation of R13 402 961 000. However, the target of 30% of the HSDG human settlements grants invested in priority



development areas was not achieved as this is as a result of the Municipal financial year ending at 30 June 2022 and therefore the actual expenditure through the ISUPG (Metros) and USDG Grants could not be determined. The Provinces invested in 108 PDAs and the programmes funded in the PDAs range from IRDP Phase 1 and 2, Rural, NHBRC, Rectification, FLIS, Accreditation of Municipalities, PHP, Land Acquisition and OPSCAP.

#### Investment in PDAs 2021/22 (Expenditure)

Province	No of PDAs Invested in	Q1		Q2		Q3		Q4		Annual Total Investment		Allocation	% Allocation to Expenditure
		Planned Budget	Expenditure	Planned Budget	Expenditure	Planned Budget	Expenditure	Planned Budget	Expenditure	Planned Budget	Expenditure		
Eastern Cape	10	2 119 727	20 872 267	4 255 574	2 969 513	15 532 053	37 647 281	125 316 980	30 169 535	147 224 333	91 658 596	1 491 219 000	6,15
Free State	8	57 839 005	12 911 533	57 324 786	73 483 933	64 776 869	75 379 827	134 003 367	257 576 574	313 944 027	419 351 867	786 254 000	53,34
Gauteng	22	80 168 772	33 729 713	317 059 926	69 939 513	56 225 788	15 479 080	205 834 163	38 780 997	659 288 649	157 929 303	3 824 974 000	4,13
KwaZulu-Natal	18	50 624 792	91 741 238	115 061 103	46 840 004	122 880 319	296 456 167	85 550 195	163 614 265	374 116 409	598 651 673	2 455 021 000	24,38
Limpopo	1	3 235 876	1 746 204	1 733 505	123 733	2 658 041	0	1 040 103	0	8 667 525	1 869 937	877 072 000	0,21
Mpumalanga	12	38 718 344	13 567 910	54 292 573	19 841 138	23 268 344	27 292 348	83 185 705	10 370 531	199 464 966	71 071 927	893 960 000	7,95
Northern Cape	3	47 731 125	50 105 114	3 500 000	108 038	2 000 000	8 359 142	0	1 148 552	53 231 125	59 720 845	264 528 000	22,58
North West	13	91 903 742	42 858 802	55 622 700	275 621 347	53 507 399	54 447 591	53 098 549	22 803 652	254 132 390	395 731 392	1 234 648 000	32,05
Western Cape	16	219 921 314	66 941 532	262 825 244	66 941 532	215 767 561	89 649 077	271 284 366	90 436	969 798 485	223 622 576	1 575 285 000	14,20
<b>Total</b>	<b>103</b>	<b>592 262 696</b>	<b>334 474 312</b>	<b>871 675 411</b>	<b>555 868 751</b>	<b>556 616 374</b>	<b>604 710 513</b>	<b>959 313 428</b>	<b>524 554 541</b>	<b>2 979 867 909</b>	<b>2 019 608 116</b>	<b>13 402 961 000</b>	<b>15,07</b>

### 1.3. 30% of land acquired within the PDA's re-zoned

The target has not been to achieved. The Department relies on the Housing Development Agency to perform on this target. There is a need to identify fast tracking mechanisms to achieve this target.

### 1.4. 2022/23 National Human Settlements Development Plan

The National Human Settlements Development Plan (HSDG Business Plan) consist of a consolidation of the 9 Provincial HSDG Business Plans 2022/23 developed and submitted for approval by 31 March 2022. It is a key document that provides information ranging from of project level and programmatic planning from Provincial level to District and Municipal level. Furthermore, the National Human Settlements Development

Plan contains valuable information planned for each of the MTSF and MinMEC priorities, planned investment in the PDAs and project information for use for the DDM. Furthermore, in terms of the Housing Act and the Human Settlements Development Grant Framework, Provinces are required to submit a Multi-Year Development Plans. The existing MYDP Framework was reviewed to address the major priorities, outputs and outcomes of the National Department.

In addition, the Department also received 8 final Urban Settlements Development Plans for the 2021/22 financial year as well as the first drafts for 2022/23 financial year.

## 2. Additional tasks performed

### 2.1 Development of a Planning and Budgeting Module for the Business Plans

In addition to the APP targets there was significant progress made with the development of a Planning and Budgeting Module for the Business Plans for all the Human Settlement Grants. The HSDG Business Plan is the first one to be developed and is done through a service level agreement with SITA. Through the Planning and Budgeting Module the HSDG business plan will be automated and interfaced with the HSS. The development is currently at a testing and training phase with the view to fully implement the Planning and Budgeting Module by end July 2022.

### 2.2. Eastern Seaboard Development

Participated and provided inputs to the joint Accounting office's steering committees for the Eastern Seaboard Development. A draft terms of references (ToR) of the Eastern Seaboard planning and infrastructure workstream #1 was prepared and site visits was undertaken. Furthermore, the Department participated in the Presidential Launch, coordinated and chaired the Eastern Seaboard Planning and Infrastructure Workstream 1 with several sector Departments and Entities. To strengthen the effectiveness of workstream 1, specific Sector Departments and public Entities had to nominate the representatives within their Departments to become formal members of the Workstream.

### 2.3 Inter-Ministerial Committee Land Reform

The Department is a member of the IMC for Land Reform and must report on its initiative and contribution to the spatial transformation and consolidation. The Department prepared submissions and presentation to provide a progress report on the PHSDAs and the land assembly therein.

### 2.4 District One Plan Quality Assurance

A total of 33 One Plans for Districts and Metros across the 9 Provinces were assessed and reviewed using the online Instrument. The key objectives of the assessment were to subject the One Plans to the quality Assurance Framework and check for alignment of the One Plans with District Development Model (DDM) and give constructive criticism of the One Plan with a view to produce improved Plans. The submitted review instruments were then collated and presented at review sessions attended by Provinces, Districts, Sector Departments and coordinated by DCOG. Some One Plans are still to be submitted to DCOG hence there are still some outstanding comments. DCOG will consolidate the reports and invite panel members and stakeholders for further reviews.

### 2.5. Bulk Infrastructure Assessments 2021/22 FY

Assessments of the bulk infrastructure in declared PHSHDAs were conducted with a view to identify projects being implemented or planned by local Authorities to mitigate the gaps in bulk infrastructure. A total of 83 PHSHDAs in 9 Provinces were assessed for the 2021/22 Financial year focusing on bulk infrastructure projects in declared PHSHDAs for the MTEF period 2021/22-2023/24.

### 2.6 Revision of the ISUPG and USDG business plan templates for 2022/23

The Chief Directorate in consultation with various units of the Department completely re-developed the ISUPG business plan template. Minor amendments were made to the USDG business plan template. Both the templates were presented to JBMC on 26 November 2021. The USDG template was circulated to all Metropolitan Municipalities in preparation of their first draft business plan for 2022/23.

### 2.7 Comments on IDP regulations

The Department looked at the current IDP regulations and provided comments. A meeting was scheduled with Provinces and Municipalities to discuss the provision of bulk infrastructure as part of the Housing Chapters of IDPs.

### 2.8 Innovation Technologies

Since the inauguration of the Branch Informal settlements, the Department saw it fit to hold a webinar on the available water and sanitation technology's in metropolitan cities. Consequently, cities, the Ecosun Group from Germany plus the Water Research Commission shared the technologies under implementation. The road map for the Innovation and Transformation Technology was launched in conjunction with the Department of Innovation. A close out report was completed for Ndlambe Municipality Technology Village. The norms and standards to ensure innovative building technologies was also amended during the year under review. The development of Terms of Reference for a Technology Human Settlements Group is underway

### 2.9 Biomass Concrete

During 2021 Cabinet requested the Department of Human Settlements to consider utilisation of Biomass Concrete as a material of choice for the construction of state housing. Biomass concrete made from Invasive Plant Species. Invasive plant species are the single-biggest long-term threat to South Africa's water security and wildfires. Consequently, several meetings have been held between the two Departments and an MoU has been drafted

Programme 2: Integrated Human Settlements Planning and Development Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Spatial Transformation through multi programme integration in Priority Development Areas	Integrated implementation programmes for PDAs prepared	Number of integrated implementation programmes for PDAs prepared	New Target	19 integrated implementation programmes completed for PDAs	47 Integrated implementation programmes for PDAs prepared	49 integrated implementation programmes for PDAs prepared	+2 integrated implementation programmes for PDAs prepared	The over achievement on the 47 Integrated Implementation programmes for PDA prepared is due to the Worcester and George plans that was done in-house by the Housing Development Agency
	Human Settlements grant invested in priority development areas	Percentage of human settlements grants invested in priority development areas	New Target	New Target	30% of human settlements grants invested in PDAs	15.54% of human settlements grants invested in PDAs	-14.46% of human settlements grants invested in PDAs	The investment of 15.54% is only for the HSDG only. The USDG and ISUPG grants for metros have not been included as the Municipal Q4 is only due at end of June 2022
	Land acquired within the PDAs rezoned	Percentage of land acquired within the PDA's rezoned	New Target	New Target	30% of land acquired within the PDA's rezoned	0% of land acquired within the PDA's rezoned	-30% of land acquired within the PDA's rezoned	Challenges with submission of applications remains a problem. One such case is the Municipality of Emfuleni that keep on changing the layout plan and therefore the application for rezoning cannot be concluded
Adequate housing and improved quality living environment	A National Human Settlements Development Plan	A National Human Settlements Development Plan developed	Approved National Human Settlements Development Plan (HSDG funded)	Approved National Human Settlements Development Plan (HSDG funded)	2022/23 National Human Settlements Development Plan Developed	2022/23 National Human Settlements Development Plan Developed	None	Not applicable
	Assessed Projects for implementation readiness	Projects Readiness Matrix implemented in a number of Provinces	Project Readiness Matrix implemented in 9 Provinces	HSDG Project Readiness Matrix programme managed in 9 Provinces	Projects Readiness Matrix implemented in 9 Provinces	Project Readiness matrix implemented in 9 Provinces	None	Not applicable
		Projects Readiness Matrix implemented in a number of Metros	New target	New target	Projects Readiness Matrix implemented in 8 metros	Projects Readiness Matrix partially implemented in 8 Metros	Project Readiness matrix implemented in 8 Metro	Final USDG Project Readiness Matrices only due at end of May 2022

Programme 2: Integrated Human Settlements Planning and Development Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate housing and improved quality living environment	Revitalized distressed mining communities	Programme for Revitalisation of distressed mining communities implemented in a number of Provinces	Programme implementation support for the revitalisation of distressed mining communities in 23 Local Municipalities provided	Revitalisation of distressed mining communities programmes managed in 6 Provinces	Programme for Revitalization of Distressed Mining Communities Implemented in 6 Provinces	Programme for Revitalisation of Distressed Mining Communities implemented in 6 Provinces	None	Not applicable
Security of tenure	Eradicate the title deed backlog	No of Provinces supported to eradicate the title deed backlog	Support provided to Provincial Departments towards the registration of 25 768 pre- and post-94 title deeds	Support was partially provided to 9 provincial Departments to register pre and post 1994 title deeds, post 2014 title deeds and new title deeds	9 Provinces supported to eradicate the title deed backlog	9 Provinces partially supported to eradicate the title deed backlog	Reports from delivery facilitators deployed in 2 Provinces (Limpopo and Mpumalanga)	The amendment from 5 to 3 SDFs was not approved as part of the revised APP
	Pre and post-1994 title deeds, post-2014 and new title deeds registered	No. of pre-1994 title deeds registered	Support provided to provincial Departments towards the registration of 25 768 pre- and post-94 title deeds	Support provided to 9 provincial Departments to register pre-1994 title deeds	Progress reported on 5 644 pre-1994 title deeds registered	Progress reported on 3 052 pre-1994 title deeds registered	Progress reported on 2 592 pre-1994 title deeds registered	The national Department does not have constitutional and legislative mandate to implement housing programmes including title deeds registration. It reports what Provinces have implemented, and in this case title deeds registered. If Provinces do not achieve numerical targets, the national targets, as determined by the MTSF, will not be achieved

Programme 2: Integrated Human Settlements Planning and Development Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
		No. of post 1994 title deeds registered	Support provided to provincial Departments towards the registration of 25 768 pre- and post-94 title deeds	New target	Progress reported on 20 758 post-1994 title deeds registered	Progress reported on 12 857 post-1994 title deeds registered	Progress reported on 7 901 post-1994 title deeds registered	The national Department does not have constitutional and legislative mandate to implement housing programmes including title deeds registration. It reports what Provinces have implemented, and in this case title deeds registered. If Provinces do not achieve numerical targets, the national targets, as determined by the MTSF, will not be achieved
		No. of post 2014 title deeds registered	Provinces supported in the implementation of the title deeds programme (from April 2014) to deliver 3593 title deeds	Support provided to 9 provincial Departments to register new title deeds (2019-2024 MTSF)	Progress reported on 5 393 post-2014 title deeds registered	Progress reported on 5 592 post-2014 title deeds registered	Progress reported on 199 post-2014 title deeds registered	Five Provinces (Free State, Gauteng, Mpumalanga, Northern Cape and Western Cape) delivered more title deeds in this category than planned
		No. of new title deeds registered	New target	New target	Progress reported on 6 733 new title deeds registered	Progress reported on 978 new title deeds registered	Progress reported on 5 755 new title deeds registered	The national Department does not have constitutional and legislative mandate to implement housing programmes including title deeds registration. It reports what Provinces have implemented, and in this case title deeds registered. If Provinces do not achieve numerical targets, the national targets, as determined by the MTSF, will not be achieved



Programme 2: Integrated Human Settlements Planning and Development Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate housing and improved quality living environment	BNG houses delivered	Number of BNG houses delivered	New Target	New Target	52 405 BNG houses delivered	28 351 BNG houses delivered	- 24 054 BNG houses delivered	Some Provinces did not provide performance information
		Number of serviced sites completed (HSDG)	New Target	New Target	39 664 serviced sites completed	37 823 serviced sites completed (HSDG)	-1 841 serviced sites completed (HSDG)	Some Provinces did not provide performance information
		Number of Serviced Sites completed (USDG)	New Target	New Target	55 000 Serviced sites completed	4 223 serviced sites completed (USDG)	-50 777 serviced sites completed (USDG)	Some metros did not provide performance information
	National priority projects implemented	Number of national priority projects implemented	50 catalytic projects managed	50 catalytic projects managed	50 national priority projects implemented	50 National Priority projects implemented	None	Not applicable
Adequate Housing and improved quality living environment	Two Research completed	Number of researches completed	Policy Framework for Human Settlements developed Human Settlements Ombudsman	Review of Conceptual Policy Framework for Human Settlements is in process. Draft Conceptual Community Scheme Ombuds Services (CSOS) policy framework was developed and Draft conceptual inclusionary housing for social housing was also developed  Baseline on rental policy framework developed	2 researches completed  Agri-village and rain water harvesting  Exemption of Holding cost for state land earmarked for housing development	1 research report completed : Agri-Villages and rain water harvesting  1 research report not completed: Exemption of Holding Cost for state land earmarked for housing development	- Exemption of Holding Cost for state land earmarked for housing development	Slow Process of appointing PORLERT to do the field work and conclude the research due to staff rotation and COVID - 19 challenges
	2 policies developed	Number of policies developed	New Target	New Target	Two (2) policies developed:  A draft Property Transactional Support Centres (PTSC)  Informal settlements upgrading macro policy	2 policies developed  A draft Property Transactional Support Centres (PTSC) policy  Informal Settlements Upgrading Macro policy	None	Not applicable

Programme 2: Integrated Human Settlements Planning and Development Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate Housing and improved quality living environment	40% of Budget allocated to entities owned by designated groups monitored	A percentage of the budget allocated to entities owned by designated groups monitored	New Target	New Target	40% of budget allocated to entities owned by the designated group monitored	40% of budget allocated to entities owned by the designated group partially monitored	Monitoring in City of Joburg	Upon the receipt of information from the City of Joburg (CoJ) it was established that the information that was declared by the CoJ on the report could not be verified against the voted budget allocated by the National Department of Human Settlements (DHS) as there were no CSD numbers of companies submitted by COJ to effect verification
Adequate Housing and improved quality living environment	Projects under implementation monitored	Percentage of projects under implementation monitored (HSDG and USDG)	100% of projects under implementation monitored and verified (HSDG and USDG)	100% of projects under implementation monitored (HSDG, USDG and TRG)	100% of projects under implementation monitored (HSDG, USDG)	100% of projects under implementation monitored (HSDG, USDG)	None	Not applicable
Adequate Housing and improved quality living environment	Entities programme performance monitored	Percentage of entities programme performance monitored	New target	93% compliance with statutory tabling and prescripts	100% of entities programme performance monitored	100% of entities programme performance monitored	None	Not applicable
Adequate Housing and improved quality living environment	A Gazetted Human Settlements Grants Framework	Approval of the Human Settlements Grants Framework	Approved Human Settlements Grants Framework	Approved Human Settlements Grants Framework	2022/23 Human Settlement Grants Framework approved	2022/23 Human Settlement Grants Framework approved	None	Not applicable
	Human Settlements Grants assessed (HSDG & USDG)	Number of quarterly assessments conducted on human settlements grants	12 (HSDG USDG and TDRG) quarterly performance assessments on conducted	12 quarterly performance assessments conducted for Human Settlement Grants (HSDG, USDG & TRG)	8 quarterly assessments conducted on human settlements grants (HSDG & USDG) grants (HSDG & USDG)	8 quarterly assessments conducted on human settlements grants (HSDG & USDG) grants (HSDG & USDG)	None	Not applicable

Programme 2: Integrated Human Settlements Planning and Development Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate Housing and improved quality living environment	Capacity to implement the Integrated Human Settlements Planning and Development programme assembled	Percentage implementation of the Human Settlements Capacity Assembly programme (IHSPDP)	The 2020/25 Human Settlements Sector capacity development strategy was developed.	Human Settlements Sector Capacity Programme developed	100% implementation of the Human Settlements Capacity Assembly programme (IHSPDP)	85% implementation of the Human Settlements Capacity Assembly programme (IHSPDP)	-15% implementation of the Human Settlements Capacity Assembly programme (IHSPDP)  Submit a Capacity assessment report to the DHS and PDHS  Submit a report on the performance of deployed professional and practitioners	Capacity assessment findings were not communicated to DHS and PDHS due to the fact that the assessment was concluded at the end of financial year due to slow responses from PDHS on information requests & the postponements of planned engagements by the PDHS  The process to appoint built environment professional on the DHS database was delayed and approval was granted by an ADHOC after the end of the quarter on the 12 <sup>th</sup> of April 2022.  There were no professionals that were deployed during Q4 and therefore no monitoring was conducted  A report on the Capacity Assessment of 8 metros was submitted  The SOP output is to compile a report on the capacity assessment of metros

### Strategy to overcome areas of under performance

- The Department will be undertaking a project phased approach to digitalizing its data systems where possible integrate the existing systems to allow for more coordinated systematic approach to verifying performance amongst all spheres of government.
- Additional capacity will be appointed to assist the Department in providing implementation support, monitoring the economic recovery plan and unlocking challenges in various human settlements projects
- The Department intends to issue more policy directives, instruction notes and set up restriction authority committees that will assist all Provinces and Metros experiencing challenges of poor performance contractors such that they are able to take corrective action and apply sanctions within a regulated framework.

### Programme 2 Integrated Human Settlements Planning and Development

Sub- Programme Name	2021/22			2020/21		
	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
P2: Management for IPDP	3 660	1 671	1 989	3 739	1 637	2 102
P2: Macro sector planning	18 926	11 564	7 362	16 760	9 420	7 340
P2: Macro policy and research	50 031	39 250	10 781	52 666	36 523	16 143
P2: Monitoring and evaluation	62 953	44 730	18 223	42 225	34 988	7 237
P2: Public entity oversight: (HDA, CSOS, EAAB, NHBRC)	259 401	259 401	-	281 201	281 201	-
P2: Grant management: (HSDG, USDG, TRG)	20 807 672	20 807 672	-	25 626 997	25 627 001	(4)
P2: Capacity building and sector support: (PMU, Title Deeds programme)	33 134	15 418	17 716	11 183	11 181	2
Total	21 235 777	21 179 706	56 071	26 034 771	26 001 951	32 820

### 4.3 Programme 3: Informal Settlements Upgrading Programme

#### Purpose

Provide policy, planning and capacity support for upgrading informal settlements, and oversee implementation of the Informal Settlements Upgrading Programme in terms of Volume 4, Part 3 of the 2009 Housing Code

#### List of Sub-programme

- Policy and Research,
- Grant Management and

#### Purposes of the Sub-programme

- Purpose for Policy and Research: To provide foundation on the development of policy foundation to support delivery Human Settlements.
- Purpose of Grant Management: To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements

List the institutional outcomes that each programme contributes.

- Adequate housing and improved quality living environments

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

#### Policy and Research

The Department developed the following policies:

- Informal Settlements Upgrading Macro Policy: The policy sets out a vision that seeks to transform informal settlements in South Africa to be inclusive, liveable and sustainable neighbourhoods that have adequate services, secure tenure, and that would also address urban poverty, livelihoods and spatial inequality. Furthermore, the policy is underpinned by critical pillars that are designed to achieve the elements of the proposed vision. These are, among others, community facilitation and participation, tenure upgrading and security, land preparation and acquisition, infrastructure development and investment in neighbourhoods and people. The Informal Settlements Upgrading Macro Policy also outlines an approach that is informed by critical elements for in situ upgrading of informal settlements which include, inter alia, incremental elements (a recognition once more that the upgrading of informal settlements is conceptualised and implemented within a context of incremental settlement interventions), a rights-based approach to development (in order to ensure that people's dignity and human rights must guide any developmental intervention aimed addressing the lack of development, poverty, and inequality), etc.

- Policy on Social Facilitation in Support of in situ Upgrading of Informal Settlements: The Policy on Social Facilitation in Support of in situ Upgrading of Informal Settlements elevates facilitation, community participation and engagement process as indispensable to planning, co-ordination and implementation of infrastructure programmes and projects. It calls for the empowerment of the local community, and also opens up decision making processes during the planning stages of the project life-cycle so that the needs of the community are not haphazardly considered, or treated as an after-thought during the implementation of projects. Social facilitation in terms of this policy prepares the groundwork for decisions to be taken by officials responsible for implementation of in-situ upgrading of informal settlements. The benefits are sought to be derived by the policy are, inter alia, to drive and steer development in the community, ensure community accountability over what has been delivered jointly with government in terms of human settlements, to build and cement social cohesion and community bonds in the manner contemplated by the programme in the National Housing Code, 2009.

#### 1. About informal Settlements Upgrading

- Outcome statements: Adequate housing in improved quality living environment
- Strategic goal: The creation of sustainable and integrated human settlements that enable improved quality of household life
- Grant purpose: To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements

#### 2. Overall performance

In the 2021/22 Financial year there were 1050 informal settlements upgrading projects in the 9 Provinces and 8 metropolitan municipalities combined

The set target was 130 informal settlements upgraded to Phase 3 of UISP.

The target set for the financial year under review was to upgrade 130 informal settlements to Phase 3. At the beginning of the financial year the Branch assisted Provinces and municipalities to manage the upgrading of 1050 informal settlements to Phase 3. During the year this number increased to 1162, with 610 informal settlements upgraded by the Province and 552 by metropolitan municipalities. About 331 of these informal settlements are implementing UISP Phase.

#### 3. This means various permanent infrastructure is installed and some have been formalised or are in the process.

The target was embarked on through pursuing the following interventions:

- a. Guide planning to Provinces and metros in respect of Metros ISUPG (Q:1) business plans: All eight metropolitan municipalities were guided to develop credible business plans. The Business Plans were assessed against ISUP Grant framework to satisfy whether they meet the requirements, and outcomes of the assessments were discussed with respective Provinces and municipalities.



- b. Programme performance oversight and monitoring: The performance of both Provinces and municipalities was monitored through submission of quarterly reports, participation in informal settlements upgrading forums and individualised one-on-one support. The main focus of these were project-based performance monitoring and support.
- c. Provide implementation support: Outdated UISP tools/plans including new upgrading plans were reviewed. Some challenges in the implementation of the UISP in the Provinces were addressed. During the interactions with Provinces and municipalities the following are often discussed: Reporting, Expenditure to date, Expenditure drivers/Interventions to accelerate expenditure, possible non-performance/roll over and other technical issue contributing to delays in non-expenditure.
- d. Seminar-based support: During the year under review various seminars and discussions were held. These include Pipeline planning for upgrading; and Alternative Sanitation Solution for Informal Settlements.
- e. Challenges experienced: Some challenges experienced include late procurement and understanding of the Informal Settlements Upgrading Partnership Grant Framework and Upgrading of Informal Settlements Programme. The basic understanding of the programme and what the grant can buy remains a challenge. This includes the utilisation of chemical toilets and informal settlements perpetually in Phase 2.

Some challenges experienced include late procurement and understanding of the Informal Settlements Upgrading Partnership Grant Framework and Upgrading of Informal Settlements Programme. The basic understanding of the programme and what the grant can buy remains a challenge. This includes the utilisation of chemical toilets and informal settlements perpetually in Phase 2.

## 5. SUMMARY OF PERFORMANCE

### a. UISP National Performance: Provinces

PROVINCE	UISP PHASE 1	UISP PHASE 2	UISP PHASE 3	COMMENTS
Eastern Cape	19	89	11	
Free State	3	15	19	2 completed Phase 3
Gauteng	37	36	0	
KwaZulu-Natal	64	50	23	
Limpopo	5	5	17	4 completed Phase 3
Mpumalanga	1	24	10	
Northern Cape	1	14	19	4 completed Phase 3
North West	11	49	22	20 IS with township proclamation
Western Cape	24	27	15	10 completed phase 3
	165	309	136	

### b. UISP National Performance: Metropolitan Municipalities

Metropolitan Municipality	UISP PHASE 1	UISP PHASE 2	UISP PHASE 3
Buffalo City	0	13	37
City of Cape Town	18	12	18
City of Ekurhuleni	0	67	40
City of Johannesburg	0	14	33
City of Tshwane	2	5	15
Ethekwini	0	217	21
Mangaung Metro	0	0	19
Nelson Mandela Bay	7	2	12
<b>TOTAL</b>	<b>27</b>	<b>330</b>	<b>195</b>

## 6. SUMMARY OF PERFORMANCE PER PROVINCE

### a. Summary: Eastern Cape Province UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end if 2021/22 financial year	19
Phase 2	Number of settlements in phase 2 at end if 2021/22 financial year	89
Phase 3	Number of settlements in phase 3 at end if 2021/22 financial year	11
	Number of settlements completed phase 3	0

### b. Summary: Free State Province UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end of 2021/22 financial year	2
Phase 2	Number of settlements in phase 2 at end of 2021/22 financial year	15
Phase 2	Number of settlements in phase 3 at end of 2021/22 financial year	17
	Number of settlements completed phase 3	2

### c. Summary: Gauteng Province UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end if 2021/22 financial year	37
Phase 2	Number of settlements in phase 2 at end if 2021/22 financial year	36
Phase 3	Number of settlements in phase 3 at end if 2021/22 financial year	0
	Number of settlements completed phase 3	0

### d. Summary: Kwazulu-Natal Province UISP Performance

PHASE	OUTPUT	PROGRESS	COMMENTS
Phase 1	Number of settlements in phase 1 at end of 2021/22 financial year	10	
Phase 2	Number of settlements in phase 2 at end of 2021/22 financial year	50	(7 new approvals happened in the financial year to be in the 22/23 business plan
Phase 3	Number of settlements in phase 3 at end if 2021/22 financial year	23	
	Number of settlements completed phase 3	0	

### e. Summary: Limpopo Province UISP Performance

PHASE	OUTPUT	PROGRESS	COMMENTS
Phase 1	Number of settlements in phase 1 at end if 2021/22 financial year	0	
Phase 1	Number of settlements in phase 2 at end if 2021/22 financial year	04	
Phase 3	Number of settlements in phase 3 at beginning if 2021/22 financial year	17	
	Number of settlements in phase 3 at end if 2021/22 financial year	1	Some areas were not ready for infrastructure implementation, as a result 10 new projects were adopted to replace the blocked ones
	Number of settlements completed phase 3	04	

### f. Summary: Mpumalanga Province UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end of 2021/22 financial year	1
Phase 2	Number of settlements in phase 2 at beginning if 2021/22 financial year	24
	Number of settlements in phase 2 at end of 2021/22 financial year	18
Phase 3	Number of settlements in phase 3 at beginning of 2021/22 financial year	10
	Number of settlements in phase 3 at end of 2021/22 financial year	10
	Number of settlements completed phase 3	0

### g. Summary: Northern Cape Province UISP Performance

PHASE	OUTPUT	PROGRESS
PHASE 1	Number of settlements in phase 1 at beginning if 2021/22 financial year	1
	Number of settlements in phase 1 at end if 2021/22 financial year	0
PHASE 2	Number of settlements in phase 2 at beginning if 2021/22 financial year	14
	Number of settlements in phase 2 at end if 2021/22 financial year	1
PHASE 3	Number of settlements in phase 3 at beginning if 2021/22 financial year	19
	Number of settlements in phase 3 at end if 2021/22 financial year	15
	Number of settlements completed phase 3	4

## 7. UISP PERFORMANCE: METROPOLITAN MUNICIPALITIES

### h. Summary: North West Province UISP Performance

PHASE	OUTPUT	PROGRESS
PHASE 1	Number of settlements in phase 1 at beginning if 2021/22 financial year	11
	Number of settlements in phase 1 at end if 2021/22 financial year	3
PHASE 2	Number of settlements in phase 2 at beginning if 2021/22 financial year	49
	Number of settlements in phase 2 at end if 2021/22 financial year	
PHASE 3	Number of settlements in phase 3 at beginning if 2021/22 financial year	22
	Number of settlements in phase 3 at end if 2021/22 financial year	22
	Number of settlements completed phase 3	0

### i. Summary: Western Cape Province UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end of 2021/22 financial year	24
Phase 2	Number of settlements in phase 2 at end of 2021/22 financial year	27
Phase 3	Number of settlements in phase 3 at beginning of 2021/22 financial year	15
	Number of settlements in phase 3 at end of 2021/22 financial year	5
	Number of settlements completed phase 3	10

### a. Summary Buffalo City Metro UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end if 2021/22 financial year	0
Phase 2	Number of settlements in phase 2 at end if 2021/22 financial year	13
Phase 3	Number of settlements in phase 3 at end if 2021/22 financial year	37
	Number of settlements completed phase 3	

### b. Summary: City of Cape Town UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end if 2021/22 financial year	18
Phase 2	Number of settlements in phase 2 at end if 2021/22 financial year	12
Phase 3	Number of settlements in phase 3 at end if 2021/22 financial year	18
	Number of settlements completed phase 3	

### c. Summary: City of Johannesburg UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end if 2021/22 financial year	14
Phase 2	Number of settlements in phase 2 at end if 2021/22 financial year	31
Phase 3	Number of settlements in phase 3 at beginning if 2021/22 financial year	0
	Number of settlements in phase 3 at end if 2021/22 financial year	0
	Number of settlements completed phase 3	

d. Summary: Ekurhuleni Metro UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end of 2021/22 financial year	0
Phase 2	Number of settlements in phase 2 at end of 2021/22 financial year	67
Phase 3	Number of settlements in phase 3 at end of 2021/22 financial year	40
	Number of settlements completed phase 3	0

c. Summary: Mangaung Metro UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end of 2021/22 financial year	Did not budget for Phase 1
Phase 2	Number of settlements in phase 2 at end of 2021/22 financial year	Did not budget for Phase 2
Phase 3	Number of settlements in phase 3 at end of 2021/22 financial year	19
	Number of settlements completed phase 3	

e. Summary: Nelson Mandela Bay UISP Performance

PHASE	OUTPUT	PROGRESS
Phase 1	Number of settlements in phase 1 at end of 2021/22 financial year	7
Phase 2	Number of settlements in phase 2 at end of 2021/22 financial year	2
Phase 3	Number of settlements in phase 3 at end of 2021/22 financial year	12
	Number of settlements completed phase 3	

Programme 3: Informal Settlements Upgrading Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate Housing in improved quality living environments	Two Research reports on Upgrading of Informal Settlements completed	Number of research reports on informal settlements upgrading completed	Policy Framework for Human Settlements developed Human Settlements Ombudsman	Review of Conceptual Policy Framework for Human Settlements is in process. Draft Conceptual Community Scheme Ombuds Services (CSOS) policy framework was developed and Draft conceptual inclusionary housing for social housing was also developed  Baseline on rental policy framework developed	Two (2) research reports on Informal Settlements Upgrading completed:  The use of technology and community participation in informal settlements  A socio-economic survey on informal settlements	Draft report on the use of alternative technology and community participation in informal settlements.  Draft report on socio economic survey on informal settlements	- 2 Draft research reports.	Slow process of appointing service providers to do field work and conclude the research
	Policy Frameworks on Informal Settlements Upgrading Developed	Number of Policies on informal settlements upgrading developed	New target	New target	Two (2) policies on Informal Settlement Upgrading developed:  Policy no 1: A draft policy on Social Facilitation  Policy no 2: A policy on Empowerment of designated groups developed	Two (2) policies on Informal Settlement Upgrading developed:  Policy no 1: A draft policy on Social Facilitation  Policy no 2: A policy on Empowerment of designated groups developed	None	Not applicable
	40% of the Budget allocated to entities owned by designated groups	A percentage of budget allocated to entities owned by designated groups	New Target	New Target	40% of the budget allocated to entities owned by a designated group monitored	40% of the budget allocated to entities owned by a designated group monitored	None	Not applicable



Programme 3: Informal Settlements Upgrading Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate Housing in improved quality living environments	Projects monitoring reports	Percentage of projects under implementation monitored (UISP)	New Target	75% of UISP projects under implementation monitored (HSDG and USDG)	100% of projects under implementation monitored (UISP)	100% of projects under implementation monitored (UISP)	None	Not applicable
	Evaluation study report	Number of evaluation studies completed	Two evaluation studies completed: · Rapid appraisal of Outcome 8: The impact of the Housing Chapters of the IDP and UISP three-year impact still at data collection phase	1 UISP evaluation study not conducted  Evaluation study was initiated whilst inception report was developed and Literature review report produced	1 UISP baseline evaluation study completed	1 UISP baseline evaluation study completed	None	Not applicable
Adequate Housing in improved quality living environments	8 quarterly financial performance analyses conducted on ISUPG	Number of quarterly financial performance analysis conducted on ISUPG	New target	New target	8 quarterly financial performance analysis conducted on ISUPG	8 quarterly financial performance analysis conducted on ISUPG	None	Not applicable

Programme 3: Informal Settlements Upgrading Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate Housing in improved quality living environments	A capacitated Informal Settlements Upgrading Programme	Percentage implementation of the Human Settlements Capacity Assembly Programme  (Informal Settlements Programme)	The 2020/25 human settlements sector capacity development strategy was developed	Human Settlements Sector Capacity development programme Developed	100% implementation of the UISP Capacity Assembly Programme	85% implementation of the UISP Capacity Assembly Programme	-15% implementation of the UISP Capacity Assembly Programme  Submit a Capacity assessment report to the DHS and PDHS  Submit a report on the performance of deployed professional and practitioners	Capacity assessment findings were not communicated to DHS and PDHS due to the fact that the assessment was concluded right at the end of the quarter due to slow responses from PDHS on information requests & the postponements of planned engagements by the PDHS  The process to appoint built environment professional on the DHS database was delayed and approval was granted by an ADHOC after the end of the quarter on the 12 <sup>th</sup> of April 2022.  There were no professionals that were deployed during Q4 and therefore no monitoring was conducted  A report on the Capacity Assessment of 8 metros was submitted. The SOP output is to compile a report on the capacity assessment of metros.
	1500 Informal settlements upgraded to Phase 3 of UISP	Number of Informal settlements upgraded to Phase 3 of UISP	A total of 117 informal settlements upgrading plans developed	Upgrading of informal settlements programme was partially managed in 9 Provinces	130 informal settlements upgraded to Phase 3 of UISP	14 informal settlements upgraded to Phase 3 of UISP	-116 informal settlements upgraded to Phase 3 of UISP	116 informal settlements were not upgraded to Phase 3 of UISP. Majority of informal settlements projects are multi - year projects and are in different stages of completion ranging from 50% to 90%.

Programme 3 Informal Settlements

Sub-Programme Name	2021/22			2020/21		
	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
P3: Management for Informal settlements programme	5 186	2 866	2 320	5 227	4 737	490
P3: Grant management: (ISUPG, emergency housing)	8 345 049	7 930 426	414 623	582 244	471 235	111 009
P3: Capacity building and sector support: (NUSP)	72 570	39 378	33 192	46 188	35 239	10 949
Total	8 422 805	7 972 670	450 135	633 659	511 211	122 448

## 4.4 Programme 4: Rental and Social Housing

### Purpose of Programme

Promote the provision of affordable rental housing, monitor the performance of the Social Housing Regulatory Authority (SHRA), and develop capabilities in the rental housing sector through intergovernmental collaboration and evidence-based research

### List of Sub-Programme

- Policy and Research

### Purposes of the Sub-programme

- Purpose for Policy and Research: To provide foundation on the development of policy foundation to support delivery Human Settlements
- Purpose of Grant Management: To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements

List the institutional outcomes that each programme contributes.

- Adequate housing and improved quality living environments

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department managed to deliver the following:

- A Rental Housing Policy Framework: This policy is designed to provide a regulatory mechanism that would encompass and equally ensure that the provision for both public and private resources are combined, and aligned to achieve a common developmental objective of access to affordable basic services, and affordable and adequate rental housing in areas where there is demand.
- The policy contends that there should be clear regulated roles for public and private parties, including putting into place instruments and mechanisms for, inter alia, ensuring that the release of land to municipal and national spheres of government is linked to planning functions that will take into account the relationship between economic development, and housing and human settlements, that the usage of municipal and publicly owned assets are used to provide the essential ingredients to kick-start affordable rental accommodation projects, and that there are clear regulated roles of all private sector parties in relation to funding, delivery and management of rental housing, etc.

Programme 4: Rental and Social Housing Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate Housing in quality living environments	Policies on rental housing developed	Policy framework on Rental Housing developed	Policy Framework for Human Settlements developed Human Settlements Ombudsman	Review of Conceptual Policy Framework for Human Settlements is in process. Draft Conceptual Community Scheme Ombuds Services (CSOS) policy framework was developed and  Draft conceptual inclusionary housing for social housing was also developed  Baseline on rental policy framework developed	Policy framework on Rental Housing developed	Policy framework on Rental Housing developed	None	Not applicable

Programme 4: Rental and Social Housing Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
	40% Budget allocated to entities owned by designated groups monitored	Percentage of the budget allocated to entities owned by designated groups monitored	New Target	New Target	40% of the budget allocated to entities owned by designated group monitored	40% of the budget allocated to entities owned by designated group monitored	None	Not applicable
Adequate Housing in improved quality living environments	Projects monitoring reports	Percentage of projects under implementation monitored in the Rental Housing Programme	New target	100% of Social and Rental Housing Projects under implementation monitored	100% of projects under implementation monitored in the Rental Housing Programme	100% of projects under implementation monitored in the Rental Housing Programme	None	Not applicable
	Evaluation studies reports	Number of evaluation studies completed	Two evaluation studies completed: · Rapid appraisal of Outcome 8 · The impact of the Housing Chapters of the IDP; and UISP three-year impact still at data collection phase	2 conceptual frameworks not developed  Social and Rental Housing Programme: Draft TORs	1 evaluation study completed -: Rental Housing Tribunal	1 evaluation study completed -: Rental Housing Tribunal	None	Not applicable
Adequate Housing in improved quality living environments	Entities programme performance monitored	Percentage of entities programme performance monitored	New target	100 % compliance with statutory tabling and prescripts	100% of entities programme performance monitored	100% of entities programme performance monitored	None	Not applicable



Programme 4: Rental and Social Housing Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate Housing in improved quality living environments	A capacitated Rental and Social Housing programme	Percentage implementation of the Human Settlements Capacity Assembly Programme  (Rental and Social Housing Programme)	The 2020/25 human settlements sector capacity development strategy was developed	A Human Settlements Sector Capacity development programme developed	100% implementation of the Human Settlements Capacity Assembly Programme (Rental and Social Housing Programme)	85% implementation of the Human Settlements Capacity Assembly Programme (Rental and Social Housing Programme)	-15% implementation of the Human Settlements Capacity Assembly Programme (Rental and Social Housing Programme)  Submit a Capacity assessment report to the DHS and PDHS  Submit a report on the performance of deployed professional and practitioners	Capacity assessment findings were not communicated to DHS and PDHS due to the fact that the assessment was concluded right at the end of the quarter due to slow responses from PDHS on information requests & the postponements of planned engagements by the PDHS  The process to appoint built environment professional on the DHS database was delayed and approval was granted by an ADHOC after the end of the quarter on the 12 <sup>th</sup> of April 2022.  There were no professionals that were deployed during Q4 and therefore no monitoring was conducted  A report on the Capacity Assessment of 8 metros was submitted. The SOP output is to compile a report on the capacity assessment of metros.

Programme 4 Rental and Social Housing

Sub- Programme Name	2021/22			2020/21		
	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
P4: Management For Rental And Social Housing Programme	4 751	3 433	1 318	4 485	3 087	1 398
P4: Public Entity Oversight: (SHRA)	857 619	806 119	51 500	1 117 520	1 117 520	-
P4: Capacity Building And Sector Support	74 393	41 340	33 053	62 591	41 650	20 941
<b>Total</b>	<b>936 763</b>	<b>850 892</b>	<b>85 871</b>	<b>1 184 596</b>	<b>1 162 257</b>	<b>22 339</b>

#### 4.5 Programme 5: Affordable Housing Programme

##### Purpose of Programme

Facilitate the provision of affordable housing finance, monitor market trends, and develop research and policies that respond to demand. Oversee housing finance entities that report to the Minister

##### List of Sub-Programmes:

- Policy and Research
- Grant Management

##### Purposes of the Sub-programme

- Purpose for Policy and Research: To provide foundation on the development of policy foundation to support delivery Human Settlements
- Purpose of Grant Management: To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements

##### List the institutional outcomes that each programme contributes.

- Adequate housing and improved quality living environments

##### Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

##### The Department under this programme delivered the following:

- Policy for Affordable Housing: This policy seeks to address the embedded policy impediments, legislative gaps, institutional inefficiencies and fragmentation, including programme design weaknesses in the existing policies that are implemented by human settlements entities in pursuit of affordable housing. The Department undertook a process of identifying and engaging robustly about the underlying limitations of the Entities Programme limitations with an intent of encoding them to the Housing and Human Settlements Code.

- Financial-Linked Individual Subsidy Programme: The Department comprehensively revised the FLISP policy and also renamed the Programme to 'Help Me Buy a Home Subsidy Programme'. The Programme has been remodelled to effectively address the Gap Housing Market whose income exceeds maximum limit for a full subsidy house but earn too little to acquire a mortgage loan, typically those earning between R3501 to R22 000. The programme now accommodate a range of non-mortgage product offerings and alternative tenure options. These amongst others includes housing or housing related loan secured through; (a) Pension and provident funds; (b) Cooperative or community-based savings schemes; (c) Supported by a PTO right; (d) Employer Assisted Housing Schemes and (e) Supported by an unsecured loan. The diversification of products offerings and finance instruments will upscale the delivery of housing impact, broaden access to finance and enhance affordability for low income households.

##### The Department also conducted research on the following:

- Feasibility of a Mortgage Default Insurance (MDI) for low-income households. This was an important exercise designed to establish the risks and benefits of the product to low and moderate income households. The research established that MDI is likely to expand housing accessibility and affordability to a segment of the population that has the capacity to pay for housing, but which, however, has had limited access to housing finance. The objective would then be to offer an insurance product that would manage credit risks, uncertainty and exposure while at the same time stimulates and expand housing finance activities. It will contribute to the prudent development and advancement of the South African mortgage market. Consequently, a strong MDI product is likely to offer opportunities for lenders to confidently and efficiently manage their credit risks. It would also allow lenders or financiers to offer mortgage lending products to a broader range of prospective borrowers, and thus directly address accessibility and affordability.

##### Finance Linked Individual Subsidy Programme (FLISP)

In respect of the Finance Linked Individual Subsidy Programme (FLISP) Provinces and NHFC projected to

assist 8 158 households (2 396 by Provinces while 5 762 by NHFC) with FLISP during the 2021/22 financial year. At the end of the financial year, overall, Provinces overachieved on their set target as they managed to assist 2 985 households as at the end of the financial year. On the other hand, NHFC underperformed and managed to assist 3 268 households out of the targeted 5 762.

In terms of the performance for Gauteng, the Province rely solely on NHFC for the implementation of this programme following a five-year implementation protocol the Province signed with NHFC in October 2019. A total of 47 households were assisted with FLISP by NHFC on behalf of Gauteng Province in term of the implementation protocol during financial year.

Overall, a total of 6 253 households have received financial assistance and purchased units through FLISP during the year under review.

The MTSF target is 20 000 households that received financial assistance and purchased units through FLISP. In terms of year-to-date performance, 13 414 households have received financial assistance and purchased units through FLISP.

#### COVID-19 Interventions:

- **COVID-19 RESIDENTIAL RENT RELIEF:** In responding to COVID-19 pandemic, the Department approved a Revised Residential Rent Relief Programme (RRRP) that was allocated R300 million to SHRA to cater for the qualifying individuals/tenants in the social housing space. The relief only applied to social housing programme that is regulated by the Social Housing Regulatory Authority. The purpose of the Residential Rent Relief Programme (RRRP) was to provide temporary financial relief for low-to-medium income tenants. The Scheme was administered in circumstances where tenants would have been unable, or are unable to meet their rental obligations as a consequence of financial distress associated with the COVID-19 lockdown. While the assistance is targeted to the tenant, rental relief payment would have been made to the landlord on behalf of the tenant, and therefore, the landlord will receive a secondary benefit in the form of security of income. Additionally, the funding allocated also served an additional purpose of protecting the long-term sustainability of the Social Housing Programme. This was done to ensure that the objectives of the programme are not undermined
- **COVID 19 DEBT RELIEF FOR THE NHFC:** The Department also developed a debt relief programme as one of several government financial measures introduced to deal with COVID-19 pandemic. The Programme was allocated R300 million which was directed to NHFC to offset the debt incurred by its clients. The purpose of the Debt Relief Scheme was to provide a once-off financial relief to offset the debt incurred by the clients of the NHFC as a result of the clients' inability to honour loan obligations due to COVID-19. It was also intended to provide a special recovery intervention that will stabilize the functioning of the affordable housing programme. The Programme covered the period of COVID -19 commencing from April 2020 to March 2021.
- The Programme applied to the clients of the NHFC that provide Project Finance for the affordable Housing RA as non-profit making organizations that develop, manage and maintain social housing units; (b) Property Practitioners/ Land Lords who develop projects for ownership or rental housing purposes; including inner-city renewal developments; (c) Retail Financial Intermediaries as wholesale finance to increase and sustain lending in the gap housing market space; and (d) Strategic partners that mobilize

funding in the affordable human settlement space from the broadest range of institutions and broaden access to innovative housing finance products and government housing subsidy. The rolling out of both these programmes has not been as envisaged owing to more stringent policy requirements.

#### Strategies dealing with under performance

Having Identified underperformance in a number of areas the Departments is currently embarking on a process of appointing additional capacity to assist with research and policy development.

Programme 5: Affordable Housing Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate Housing in quality living environments	A Research Report on Affordable Housing completed	Number of research reports on Affordable Housing completed	Policy Framework for Human Settlements developed Human Settlements Ombudsman	Review of Conceptual Policy Framework for Human Settlements is in process. Draft Conceptual Community Scheme Ombuds Services (CSOS) policy framework was developed and  Draft conceptual inclusionary housing for social housing was also developed  Baseline on rental policy framework developed	One (1) research report on Affordable Housing completed:  Feasibility of Mortgage Default Insurance	One (1) research report on Affordable Housing completed:  Feasibility of Mortgage Default Insurance	None	Not applicable
	Policy on Affordable Housing developed	Number of policies on affordable housing developed	Policy Framework for Human Settlements developed	Policy framework for Human Settlements developed	One (1) policy on affordable housing developed: Programmes for the entities	One (1) policy on affordable housing developed: Programmes for the entities	None	Not applicable
Adequate Housing in improved quality living	100% of projects under implementation monitored in the Affordable Housing Programme	Percentage of projects under implementation monitored in the Affordable Housing Programme	New target	100% of FLISP subsidies disbursed monitored	100% of projects under implementation monitored in the Affordable Housing Programme	100% of projects under implementation monitored in the Affordable Housing Programme	None	Not applicable
	Evaluation studies reports	Number of evaluation studies conducted (Affordable Housing)	One evaluation study (UISP three-year impact) not completed  One evaluation study not initiated (as per three-year plan); and  Terms of reference approved	1 evaluation study conducted	1 Evaluation study completed  • Implementation of FLISP	1 Evaluation study completed  • Implementation of FLISP	None	Not applicable

Programme 5: Affordable Housing Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Adequate Housing in improved quality living	Entities programme performance monitored	Percentage of entities programme performance monitored	New target	100% compliance with statutory tabling and prescripts	100% of entities programme performance monitored	100% of entities programme performance monitored	None	Not applicable
Adequate Housing in improved quality living environments	Quarterly performance assessments on FLISP subsidies disbursed	Number of quarterly performance assessments on FLISP subsidies disbursed monitored	4 quarterly performance assessments on FLISP conducted	4 quarterly performance assessments on number of household that received financial assistance and purchased units through FLISP	4 quarterly performance assessments on FLISP subsidies disbursed.	4 quarterly performance assessments on FLISP subsidies disbursed	None	Not applicable



Programme 5: Affordable Housing Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved implementation capacity	Capacity to implement the Affordable Housing programme assembled	Percentage implementation of the Human Settlements Capacity Assembly Programme  (Affordable Housing Programme)	New target	2020/25 Human Settlements Sector Capacity Development Strategy developed	100% implementation of the Human Settlements Capacity Assembly Programme (Affordable Housing Programme)	85% implementation of the Human Settlements Capacity Assembly Programme (Affordable Housing Programme)	-15% implementation of the Human Settlements Capacity Assembly Programme (Affordable Housing Programme)  Submit a Capacity assessment report to the DHS and PDHS  Submit a report on the performance of deployed professional and practitioners	Capacity assessment findings were not communicated to DHS and PDHS due to the fact that the assessment was concluded right at the end of the quarter due to slow responses from PDHS on information requests & the postponements of planned engagements by the PDHS  The process to appoint built environment professional on the DHS database was delayed and approval was granted by an ADHOC after the end of the quarter on the 12 <sup>th</sup> of April 2022.  There were no professionals that were deployed during Q4 and therefore no monitoring was conducted  A report on the Capacity Assessment of 8 metros was submitted. The SOP output is to compile a report on the capacity assessment of metros

\*There is an error on the assessment of FLISP's TID. It does not have means of verification as it was mistakenly omitted in the APP. Performance is presented as if the TID is correctly captured in the APP

Programme 5 Affordable Housing

	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
P5: Management For Affordable Housing Programme	3 988	2 793	1 195	3 702	1 926	1 776
P5: Public Entity Oversight: (NHFC/HSDB)	492 197	489 552	2 645	663 741	656 589	7 152
P5: Capacity Building And Sector Support	92 644	47 175	45 469	75 151	42 419	32 732
<b>Total</b>	<b>588 829</b>	<b>539 520</b>	<b>49 309</b>	<b>742 594</b>	<b>700 934</b>	<b>41 660</b>

## 8. TRANSFER PAYMENTS

### 5.1. Transfer payments to public entities

Name of Public Entity	Key Outputs of the Public Entity	Amount transferred to the Public Entity	Amount spent by the Public Entity	Achievements of the Public Entity
Community Schemes Ombud Service (CSOS)	<ul style="list-style-type: none"> <li>100% registration of community schemes that have submitted scheme registration documents</li> <li>R239.3 million in Levies collected</li> <li>85% of disputes conciliated within 90 days</li> <li>85% of disputes adjudicated within 90 days</li> <li>20 of training and education sessions conducted for schemes executives and owners</li> <li>8 training sessions conducted for adjudicators and conciliators</li> <li>12 stakeholder information sessions conducted</li> <li>20 previously disadvantaged individuals trained as executive managing agents</li> </ul>	Operational Grant: R24 million	Operational Grant: R24 million	<ul style="list-style-type: none"> <li>100% (274) registration of community schemes that have submitted scheme registration documents</li> <li>R258.7 million in Levies collected</li> <li>73% (2146/2438) of disputes conciliated within 90 days</li> <li>27.04% (38/605) of disputes adjudicated within 90 days</li> <li>86 of training and education sessions conducted for schemes executives and owners</li> <li>14 training sessions conducted for adjudicators and conciliators</li> <li>17 stakeholder information sessions conducted</li> <li>23 previously disadvantaged individuals trained as executive managing agents</li> </ul>
Estate Agency Affairs Board (EAAB)	<ul style="list-style-type: none"> <li>100% of compliant new registrations processed within 21 days</li> <li>80% of compliant renewals processed against those received within 5 days</li> <li>95% of disciplinary hearings held completed investigations and outcomes enforced</li> <li>9% Increase in percentage Retention rate of Estate Agents enrolled for PDE 4 professional designations</li> <li>90% Increase of Estate Agents who are registered for CPD and have met CPD requirements in full</li> <li>2 000 Interns placed with Real Estate industry host employers through the One Learner - One Estate Agency" programme</li> <li>45% Retention rate of youth interns placed with property industry host employers through the "One Learner - One Estate Agency" Programme through the one-learner One Estate Agency programme</li> <li>280 of principals established through the implementation of the Principalisation Programme</li> <li>Minimum of R800,000 or equivalent raised for transformation funding initiatives</li> <li>90% of fully compliant claims paid within six months</li> </ul>	The EAAB did not receive financial assistance from the NDHS	The EAAB did not receive financial assistance from the NDHS	<ul style="list-style-type: none"> <li>99.64% (560/562) Processed within 21 days in Jan 2022.</li> <li>64% compliant renewals processed against those received within 5 days</li> <li>83% of disciplinary hearings held completed investigations and outcomes enforced</li> <li>96% Increase in percentage Retention rate of Estate Agents enrolled for PDE 4 professional designations</li> <li>60% Increase of Estate Agents who are registered for CPD and have met CPD requirements in full</li> <li>2 799 Interns placed with Real Estate industry host employers through One Learner - One Estate Agency" programme</li> <li>23% Retention rate of youth interns placed with property industry host employers through the "One Learner - One Estate Agency" Programme</li> <li>530 of Principals established through the implementation of the Principalisation Programme</li> <li>R11.3 million raised for transformation funding initiatives</li> <li>75% of fully compliant claims paid within six months</li> </ul>

Property Practitioners Regulatory Authority (PPRA)	<ul style="list-style-type: none"> <li>9 000 of property practitioners registered on the database of the PPRA per annum</li> <li>100% of all compliant new registrations processed within 30 days</li> <li>15% increase in CPD registered property practitioners that have fully met CPD requirements</li> <li>300 of black women supported to achieve principal status through the Principalisation Programme</li> </ul>	The PPRA did not receive financial assistance from the NDHS	The PPRA did not receive financial assistance from the NDHS	<ul style="list-style-type: none"> <li>1 500 of property practitioners registered on the database of the PPRA per annum</li> <li>100% of all compliant new registrations processed within 30 days</li> <li>15.5% increase in CPD registered property practitioners that have fully met CPD requirements</li> <li>79 of black women supported to achieve principal status through the Principalisation Programme</li> </ul>
Housing Development Agency (HDA)	<ul style="list-style-type: none"> <li>1500 hectares of land located within PSHDA's acquired</li> <li>1000 hectares of land rezoned for human settlements development</li> <li>750 hectares of well-located land acquired or released for human settlements development</li> <li>375 informal settlements supported for upgrading to phase 3</li> <li>50 catalytic projects provided with implementation support</li> <li>23 municipalities provided with technical and implementation support for distressed mining communities</li> <li>1463 housing units delivered</li> <li>2513 of serviced sites delivered</li> <li>1200 Title deeds registered</li> </ul>	R286.8 million (Operational Grant: R235.3 million Property Grant: R51.5 million)	R235.3 million (Operational Grant: R235.3 million Property Grant: R0)	<ul style="list-style-type: none"> <li>1275.5482 hectares of land located within PSHDA's acquired</li> <li>721.5896 hectares of land rezoned for human settlements development.</li> <li>3249.1093 of hectares of well-located land acquired or released for human settlements development</li> <li>316 informal settlements supported for upgrading to phase 3</li> <li>50 catalytic projects provided with implementation support</li> <li>23 municipalities provided with technical and implementation support for distressed mining communities</li> <li>766 housing units Delivered</li> <li>1253 of serviced sites delivered</li> <li>53 HS Projects managed by the HDA</li> <li>1206 Title deeds registered</li> </ul>
National Housing Finance Corporation (NHFC)	<ul style="list-style-type: none"> <li>R95 million social housing loan disbursements</li> <li>R124 million private rental disbursements</li> <li>R143 million affordable housing: strategic investments</li> <li>R180 million bridging affordable housing disbursements</li> <li>R183 million incremental housing disbursements</li> <li>7100 subsidy applications approved</li> <li>R460 million FLISP grant approvals</li> <li>R346 million FLISP grant disbursements</li> <li>R3 220 million leveraged from financial institution</li> <li>R284 million disbursements targeted towards B-BBEE compliant – Level 4,3,2,1 contributor</li> <li>R243 million of disbursements targeted towards designated groups included in above total</li> </ul>	R479.7 million (FLISP Operational Grant: R18.8 million FLISP Subsidy Grant: R460.9 million)	R185.6 million (FLISP Operational Grant: R12.2 million FLISP Subsidy Grant: R173.3 million)	<ul style="list-style-type: none"> <li>R71 million social housing loans disbursed.</li> <li>R45 million private rental loan disbursements.</li> <li>R17 million affordable housing: strategic investments</li> <li>R467 million bridging affordable housing disbursements</li> <li>R224 million incremental housing disbursements</li> <li>2935 subsidy applications approved</li> <li>R166 million FLISP grant approvals</li> <li>R173 million FLISP grant disbursements</li> <li>R455 million leveraged from financial institution</li> <li>R367 million disbursements targeted towards B-BBEE compliant – Level 4,3,2,1 contributor</li> <li>R124 million of disbursements targeted towards designated groups included in above total</li> </ul>

National Home Builders Registration Council (NHBRC)	<ul style="list-style-type: none"> <li>• 2370 of home builders registered</li> <li>• 100% Inspection of homes non-subsidy</li> <li>• 100% Inspection of homes subsidy</li> <li>• 90% of disputes resolved within 90 days</li> <li>• 1700 of homebuilders trained</li> <li>• 1500 youth trained</li> <li>• 1400 women trained</li> <li>• 100 military veterans trained</li> <li>• 200 people with disabilities trained</li> <li>• 690 technical professionals trained</li> <li>• 600 artisans trained</li> <li>• 100% of enrolment applications approved – subsidy</li> <li>• 100% of subsidy project enrolment applications approved</li> <li>• 100% of enrolment applications approved – non subsidy</li> </ul>	The NHBRC did not receive financial assistance from the NDHS	The NHBRC did not receive financial assistance from the NDHS	<ul style="list-style-type: none"> <li>• 3595 of home builders registered</li> <li>• 100% Inspection of Homes non-subsidy</li> <li>• 100% Inspection of Homes subsidy</li> <li>• 95% of disputes resolved within 90 days</li> <li>• 2664 of homebuilders trained</li> <li>• 1834 youth trained</li> <li>• 1546 women trained</li> <li>• 115 military veterans trained</li> <li>• 242 people with disabilities trained</li> <li>• 801 technical professionals trained</li> <li>• 781 artisans trained</li> <li>• 100% of enrolment applications approved – subsidy</li> <li>• 100% of subsidy project enrolment applications approved</li> <li>• 100% of enrolment applications approved – non subsidy</li> </ul>
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Social Housing Regulatory Authority (SHRA)	<ul style="list-style-type: none"> <li>• 3300 of subsidised social housing units' tenancy audits conducted</li> <li>• 10 subsidised housing projects tenant satisfaction surveys conducted</li> <li>• 15 subsidised housing projects' safety and security audits conducted</li> <li>• 85% of new project accreditation applicants that are black majority owned or controlled</li> <li>• 40% of new project accreditation applicants that are majority owned or controlled by the designated groups</li> <li>• 85% of Institutional Investment Grant (IIG) recipients that are majority black owned or controlled</li> <li>• 40% of Institutional Investment Grant (IIG) recipients that are from the designated groups</li> <li>• 33% of participants in the incubation programme that are women or youth owned or controlled</li> <li>• 3500 social housing units completed</li> <li>• 4000 social housing units tenanted</li> <li>• 95% expenditure of the approved annual Consolidated Capital Grant (CCG) cash flow projection</li> <li>• 75% of CCG awarded to black majority owned or controlled enterprises</li> <li>• 30% of CCG awarded to enterprises that are majority owned or controlled by the designated groups</li> <li>• 20% spent by grant recipients on main contractors and professional teams that are from</li> </ul>	R806 million  (Operational Grant: R70.2 million Institutional Investment Grant: R22.7 million Consolidated Capital Grant: R713.1 million)	R828 million  (Operational Grant: R74.4 million Institutional Investment Grant: R8.7 million Consolidated Capital Grant: R744.7 million)	<ul style="list-style-type: none"> <li>• 4532 of subsidised social housing units' tenancy audits conducted</li> <li>• 11 subsidised housing projects tenant satisfaction surveys conducted</li> <li>• 22 subsidised housing projects' safety and security audits conducted</li> <li>• 80% of new project accreditation applicants that are black majority owned or controlled</li> <li>• 28% of new project accreditation applicants that are majority owned or controlled by the designated groups</li> <li>• 94% of Institutional Investment Grant (IIG) recipients that are majority black owned or controlled</li> <li>• 48% of Institutional Investment Grant (IIG) recipients that are from the designated groups</li> <li>• 77% of participants in the incubation programme that are women or youth owned or controlled</li> <li>• 2771 social housing units completed</li> <li>• 2057 social housing units tenanted</li> <li>• 97% expenditure of the approved annual Consolidated Capital Grant (CCG) cash flow projection</li> <li>• 93% of CCG awarded to black majority owned or controlled enterprises</li> <li>• 34% of CCG awarded to enterprises that are majority owned or controlled by the designated groups</li> <li>• 23% spent by grant recipients on main contractors and professional teams that are from the designated groups</li> </ul>
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## 5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Sub Fees: UN Membership Fees	International Organisation	The budget allocation for membership fees supports the work of the United Nations Human Settlements Programme through annual contributions to the Habitat Foundation. This is a contribution on behalf of the country.	Yes	R2 974		
UN: Cities Alliance		The budget allocation for support of the Cities Alliance as per the agreement between South Africa and the United Nations office for project service		R0		
Scholarship Programme	Households	This Programme supports young scholars to access scarce skills training opportunities for housing occupations at undergraduate, diploma and B-Tech levels.	Yes	R2 974		Underspending can be attributed to delays by universities to register students due to the fees must fall campaigns



## 6. CONDITIONAL GRANTS

### 6.1. Conditional grants and earmarked funds paid

The table below detail/s the conditional grants and earmarked funds paid by the Department.

Conditional Grant 1: Human Settlements Development Grant

Department/ Municipality to whom the grant has been transferred	Nine Provinces
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	<p>Number of residential units delivered in relevant housing programmes</p> <p>Number of serviced sites delivered in relevant housing programmes</p> <p>Number of informal settlements upgraded in situ and/or relocated</p> <p>Number of title deeds registered to beneficiarie</p> <p>Hectares of well-located land acquired for development of housing opportunities</p> <p>Hectares of well-located land acquired (and zoned)</p> <p>Number of socio-economic amenities delivered in human settlements</p> <p>Number of integrated residential development projects planned, approved, funded and implemented</p> <p>Number of township registers opened in respect of pre and post 1994 Title Deeds Backlog beneficiaries confirmed as legitimate in reg</p> <p>tered townships in respect of pre and post 1994 Title Deeds Backlog</p> <p>Number of ownership disputes resolved in respect of pre and post 1994 Title Deeds Backlog</p> <p>Number of Priority Housing Development Areas (PHDAs) planned for</p>
Actual outputs achieved	Refer to attached Annexure A
Amount per amended DORA (R'000)	R13 402 961
Amount transferred (R'000)	R13 402 961
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/ Municipality (R'000)	R13 317 488
Reasons for the funds unspent by the entity	<p>Late appointment of service providers</p> <p>Late submission of invoices</p> <p>Community unrest</p> <p>Slow procurement processes</p> <p>Non-availability of Bulk Infrastructure</p> <p>Property invasions by unlawful occupants</p> <p>Lack of proper beneficiary management systems/processe</p> <p>Unavailability of project management systems</p> <p>Late of approval of plans</p> <p>Poor/slow performance by contractors and Cash flow managemen</p> <p>Delays in the certifying/submission of claims</p> <p>Applicants do not qualify for loans (FLISP)</p>
Monitoring mechanism by the transferring Department	<p>On a monthly and quarterly basis, reports are analysed on the spending patterns of Provinces and that the outputs are as per the Grant Framework.</p> <p>Quarterly performance reviews are being held whereby Provinces have to account for their performances in the form of presentations on what the grant had been spent on.</p> <p>Provinces are also requested to submit non-financial informatio . This information is analysed to verify if the grant is achieving its objectives and outputs.</p>

Conditional Grant 2: Informal Settlements Upgrading Partnership Grant (Provinces)

Department/ Municipality to whom the grant has been transferred	Nine Provinces
Purpose of the grant	The creation of sustainable and integrated human settlements that enable improved quality of household life
Expected outputs of the grant	<p>Programmatic Province-wide informal settlements upgrading strategy</p> <p>Number of approved individual informal settlements upgrading plans prepared in terms of the National Upgrading Support Programme (NUSP)</p> <p>Number of social compacts or agreements concluded with communities and/or community resource organisations outlining their role in the upgrading process</p> <p>Number of informal settlements designated for upgrading in terms of the municipal Spatial Development Framework (SDF) and Spatial Planning and Land Use Management Act (SPLUMA) and municipal by-laws enacted in this regard</p> <p>Number of households provided with secure tenure</p> <p>Number of households provided with individual municipal engineering services (water services, sanitation solutions and electricity – grid and non-grid)</p> <p>Number of informal settlements provided with interim and permanent municipal engineering services (public lighting, roads, storm water, refuse removal and bulk connections for water, sanitation and electricity)</p> <p>Number of households benefited from interim services x Hectares of land acquired for relocation of category B2 and category C settlements (categories in terms of NUSP methodology)</p> <p>Hectares of land acquired for in situ upgrading for category B1 settlements</p> <p>Number of in situ individually serviced sites developed</p> <p>Value of funds leveraged</p>
Actual outputs achieved	As per table below
Amount per amended DORA (R'000)	R3 889 718
Amount transferred (R'000)	R3 889 718
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/ Municipality (R'000)	R408 020
Reasons for the funds unspent by the entity	An amount of R60 million was stopped from Free State (R20 million), Gauteng (R20 million) and Limpopo Province (R20 million) in terms of section 18 of DoRA. The R60 million was reallocated to Northern Cape Province in terms of section 19 of DoRA.
Monitoring mechanism by the transferring Department	On a monthly and quarterly basis, reports are analysed on the spending patterns of Provinces and that the outputs are as per the Grant Framework. Quarterly performance reviews are being held whereby Provinces have to account for their performances in the form of presentations on what the grant had been spent on. Provinces are also requested to submit non-financial information. This information is analysed to verify if the grant is achieving its objectives and outputs.
Reasons for the funds unspent by the entity	<p>Community unrest by local business forums and community members</p> <p>Slow procurement processes</p> <p>Late appointment of service providers</p> <p>Late submission of invoices</p> <p>Non-availability of Bulk Infrastructure</p> <p>Property invasions by unlawful occupants</p> <p>Late of approval of plans</p> <p>Poor/slow performance by contractors and Cash flow management</p> <p>Rainfall delays</p> <p>Hard rock on the projects caused some delays</p>

Conditional Grant 3: Provincial Emergency Housing Grant

Department/ Municipality to whom the grant has been transferred	Nine Provinces
Purpose of the grant	To provide funding to Provinces for provision of temporary shelter assistance to households affected by disasters or a housing emergency To provide funding to Provinces to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter
Expected outputs of the grant	Emergency and short-term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> <li>- provision of temporary shelter</li> <li>- temporary relocation of households to safer accommodation and/or shelter</li> <li>- repairs to damaged houses following a disaster</li> </ul>
Actual outputs achieved	Refer to attached Annexure A
Amount per amended DORA (R'000)	R311 118
Amount transferred (R'000)	R10 053
Reasons if amount as per DORA not transferred	The grant is a schedule 7A and therefore unallocated. The transfers are request based and for the 2021/22 financial year, it was only Free State Provinces that requested assistance with funding for disasters encountered in their Province. The funds transferred to KwaZulu-Natal Province amounting to R3.8 million was the second tranche after the Province managed to fully expend their first tranche in 2021/22 financial year.
Amount spent by the Department/ Municipality (R'000)	R196.3 million
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring Department	Incomplete and incorrect submission of funds requests by Provinces Misinterpretation of the grant framework by Provinces Resistance by community members for erection of temporary shelters and temporary relocation Disputes regarding beneficiary verification Delays with procurement processes Newly erected temporary shelters occupied by unlawful and undeserving occupants

Conditional Grant 4: Urban Settlements Development Grant

Department/ Municipality to whom the grant has been transferred	Eight Metropolitan Municipalities
Purpose of the grant	To supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development
Expected outputs of the grant	<p>The outcomes to be realised in order to promote integrated sustainable human settlements and improved quality of household life are:</p> <p>increase in bulk and link infrastructure o construction/provision of internal engineering services</p> <p>increase in the number of serviced sites o increase in the provision of individual connections</p> <p>increase in land provision for informal settlement upgrading, subsidised housing, or mixed-use developments in support of approved human settlements and other urban developments</p> <p>increase in access to public and socio-economic amenities o increase in the number of interim basic services</p> <p>Response to the COVID-19 pandemic</p> <p>Number of municipal-owned facilities identified for quarantine sites that are repaired (limited to repairs to existing facilities, not modifications and operational costs)</p> <p>Number of public facilities (by category) sanitised</p> <p>Number of hand-washing dispensers installed</p> <p>Litres of sanitiser procured</p> <p>Number of temperature scanners procured</p> <p>Number of municipal workers provided with personal protective equipment</p>
Actual outputs achieved	
Amount per amended DORA	R7 404 711
Amount transferred (R'000)	R7 404 711
Reasons if amount as per DORA not transferred	An amount of R300 million was stopped from City of Ekurhuleni (R250 million) and City of Johannesburg (R50 million). The stopped funds (R300 million) were reallocated to Mangaung
Amount spent by the Department/ Municipality (R'000)	R4 151 936
Reasons for the funds unspent by the entity	<p>Delays in supply chain processes.</p> <p>Late appointment and poor performance of contractors and service providers.</p> <p>Non-performance of contractors leading to termination of those contracts</p> <p>Land invasion, vandalism and theft</p> <p>Work stoppages by SMME's.</p> <p>Unfavourable weather conditions.</p> <p>Projects currently on hold awaiting for the outcome of PPPFA final decisio</p>
Monitoring mechanism by the transferring Department	<p>Conduct quarterly reviews with the municipalities</p> <p>Undertake oversight visits in order to assess and, where possible, address challenges with municipalities</p> <p>One-on-one engagement with metropolitan municipalities</p> <p>Conduct Project Level Monitoring visits at the municipalities</p>

Conditional Grant 5: Informal Settlements Upgrading Partnership Grant-Metros

Department/ Municipality to whom the grant has been transferred	Eight Metropolitan Municipalities
Purpose of the grant	To provide funding to facilitate a programmatic, inclusive and Municipality-wide approach to upgrading informal settlements
Expected outputs of the grant	<p>Programmatic Municipality-wide informal settlements upgrading strategy</p> <p>Number of approved individual informal settlements upgrading plans utilising the National Upgrading Support Programme</p> <p>Number of Sustainable Livelihoods Plans developed</p> <p>Number of social compacts or agreements concluded with communities outlining their role in the upgrading process</p> <p>Number of informal settlements designated for upgrading in terms of the municipal Spatial Development Framework and Spatial Planning and Land Use Management Act and by-laws enacted in this regard</p> <p>Number of approved upgrading plans implemented</p> <p>Number of households provided with secure tenure</p> <p>Number of households provided with individual municipal engineering services (water services, sanitation solutions and electricity – grid and non-grid)</p> <p>Number of informal settlements provided with interim and permanent municipal engineering services (public lighting, roads, storm water, refuse removal and bulk connections for water, sanitation and electricity)</p> <p>Hectares of land acquired for relocation of Category B2 and C settlements (categories in terms of NUSP methodology)</p> <p>Hectares of land acquired for in situ upgrading for Category B1 settlements</p> <p>Number of in situ individually serviced sites developed</p>
Actual outputs achieved	Refer to attached Annexure A
Amount per amended DORA	R3 945 447
Amount transferred (R'000)	R3 945 447
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/ Municipality (R'000)	R1 834 711
Section 15(2)(a) Reasons for withholding or stopping an allocation	An amount of R143 167 was stopped from Buffalo city (R28 000), Nelson Mandela (33 000), Mangaung (R50 000), City of Ekurhuleni (15 167) and City of Johannesburg (17 000). The stopped amount were relocated to eThekweni (R143 167).
Reasons for the funds unspent by the entity	<p>Community unrest by local business forums and community members</p> <p>Slow procurement processes</p> <p>Late submission of invoices</p> <p>Non-availability of Bulk Infrastructure</p> <p>Property invasions by unlawful occupants</p> <p>Late of approval of plans</p> <p>Poor/slow performance by contractors and Cash flow management</p> <p>Inclement weather/ Unfavourable weather conditions.</p> <p>Hard rock on the projects caused some delays</p> <p>Late appointment and poor performance of contractors and service providers.</p> <p>Land invasion, vandalism and theft</p> <p>Work stoppages by SMME's.</p> <p>Projects currently on hold awaiting for the outcome of PPPFA final decision</p>

Conditional Grant 6: Municipal Emergency Housing Grant

Department/ Municipality to whom the grant has been transferred	Eight Municipalities
Purpose of the grant	To provide funding to municipalities for provision of temporary shelter assistance to households affected by disasters or a housing emergency To provide funding to municipalities to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter
Expected outputs of the grant	Emergency and short-term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> <li>• provision of temporary shelter</li> <li>• temporary relocation of households to safer accommodation and/or shelter</li> <li>• repairs to damaged houses following a disaster</li> </ul>
Actual outputs achieved	Refer to attached Annexure A
Amount per amended DORA (R'000)	R167 526
Amount transferred (R'000)	R66 471
Reasons if amount as per DORA not transferred	The grant is a schedule 7B and therefore unallocated. The transfers are request based and for the 2021/22 financial year, it was only Uphongolo Local Municipality and John Taolo Gaetsewe District Municipality
Amount spent by the Department/ Municipality (R'000)	R9 473
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring Department	Incomplete and incorrect submission of funds requests by Provinces Misinterpretation of the grant framework by Provinces Resistance by community members for erection of temporary shelters and temporary relocation Disputes regarding beneficiary verification Delays with procurement processes Newly erected temporary shelters occupied by unlawful and undeserving occupants



## 7. DONOR FUND

Not applicable

## 8. CAPITAL INVESTMENT

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

The National Department of Human Settlements do not have capital projects







# PART C

## GOVERNANCE



## 1. INTRODUCTION

The Department is committed to principles of good governance in the management of the organisation and implementation of human settlements programs. This is aimed at ensuring accountability, transparency, compliance with applicable legislation and policy prescripts. The Department has an existing corporate governance framework aligned to the King IV report as part of enhancing its governance processes and systems. This ensures that there is consistency and uniformity in terms of application of the governance principles in the whole organisation. It is the Department view that the governance processes and systems are continuously, reassessed and strengthened to ensure its adequacy as well as effectiveness.



## 2. RISK MANAGEMENT

The Department has an established Risk Management Directorate which operates with the approved Riskmanagement Policy, Risk Management Strategy / Enterprise Risk Management Framework (ERMF) and Risk Management Implementation Plan (RMIP). The Accounting Officer appointed the Risk Management Committee (RMC) that operates with the approved Risk Management Committee Charter. The implementation of activities in the approved risk management implementation plan are reported on quarterly basis to the committee. The RMC is responsible for reviewing effectiveness of risk management systems within the Department and is chaired by external Independent Chairperson, an independent standing member from the Audit Committee as well as internal Risk

Owners (Deputy Directors General), head of Branches within the Department.

The Department has the Risk Champions Forum (RCF) the sub-committee/working committee. The forum is composed of two senior managers per branch appointed by Risk Owners who are knowledgeable of the branch. The RCF reports all its activities direct to the Risk Management Committee on quarterly basis. The forum work within the Terms of Reference approved by the Accounting Officer as it meets regularly on a monthly basis to deliberate on risk management matters. During the reporting period, the Risk Management Directorate facilitated both strategic operational risk identification and assessment processes. As a result, the ongoing monitoring and reporting on the following approved Risk Registers. Ongoing awareness has been conducted throughout the Department on a quarterly basis through foyer TV screens, posters and emails

communicated to all Departmental employees.

- Enterprise-Wide Strategic Risk Register;
- Ethics and Fraud Risk Register;
- IT Risk Register;
- Human Resources Risk Register and
- Supply Chain Management Risk Register

Internal Audit evaluate the overall system of risk management on an annual basis if not conducting a follow-up on implementation of agreed management responses to the previous evaluation being conducted. The Chief Audit Executive (CAE) facilitates integrated combined assurance services in which activities of combined assurance are firstly tabled and discussed at Risk Champions Forum before other internal structures. The Chairperson of Risk Management Committee tables the overall risk management report to the Audit Committee on a quarterly basis. The Audit Committee also provides assurance on the overall risk management system.



### 3. FRAUD AND CORRUPTION

The National Department of Human Settlements has an Anti-Fraud and Corruption Strategy in place and the Anti-fraud and Corruption Implementation Plan which is founded on the principle of “zero tolerance” towards fraud and corruption. During the period under review, the Strategy has been reviewed. The Department is committed to the establishment of a culture of fair and just administration and transparency and accountability which is aimed at achieving the highest ethical behaviour amongst its employees. During the reporting period the Department reviewed and approved the Anti-fraud and Corruption Strategy, Whistle Blowing, Fraud and Corruption Prevention Policies. These policies enable officials and third parties to report fraud and corruption anonymously. Employees are, through these mechanisms, encouraged to report illegal practices to the Directorate, their managers, the Presidency, National Anti-Corruption Hotline and other external government entities. During the year under review, the Department implemented an extensive Anti-Fraud and Corruption implementation plan incorporating the four Pillars of Departmental Anti-Fraud and Corruption Strategy which include: Prevention, Detection, Investigations and Resolution of corrupt activities.

#### Prevention of fraudulent and corrupt activities

#### Implementation of the financial disclosures

Seventy (61) out of seventy-two (68) Members of the Senior Management Services disclosed their financial interests by 30 April 2021 which was equivalent to 90% compliance rate. However, 100% of the financial disclosures by the SMS members were implemented by the end of third quarter. One hundred and fifty nine (159) out of one hundred and ninety four (194) employees have disclosed which is equivalent to 90% compliance rate by the other categories of employees and; The financial disclosures were verified and submitted electronically to the Office of the Public Service Commission for further scrutiny.

#### Anti-fraud and corruption awareness

The anti-fraud and corruption awareness is aimed at sensitizing and/or raising awareness to the employees of the Department of Human Settlements on issues of fraud and corruption. The anti-fraud and corruption awareness is also aimed at communicating the available channels for reporting the cases of fraud and corruption, therefore:

- Four (04) anti-fraud and corruption awareness posters on conflict of interest, ethics and integrity, the declaration of financial interest were developed and distributed to the National Department of Human Settlements Staff members and the awareness posters also incorporated the promotion of the Whistle Blowing Policy. The relevant channels for reporting the cases of fraud and corruption were communicated.

- A Request for Quotation (RFQ) scam alerts through pamphlets and flyers were distributed through email communications and the Departmental web page.
- Ethics and Fraud risks were identified and assessed and the register for 2021/22 was developed and approved by the Director General.
- The fraud risk monitoring tool were updated from the first quarter to fourth quarter of 2021/2022 financial year.

#### Detection of fraudulent and corrupt activities

- The Department conducted a fraud detection review on Bas Payments in order to detect any irregularities and a report with recommendations was issued.
- Sixteen (16) cases of fraud and corruption were reported to the Department through various channels including the Public Service Commission, Presidential Hotline, Walk-ins and the Call Centre.
- All the sixteen (16) cases were registered on the Departmental fraud and corruption database and/ or register.

#### Investigations and resolution

- Sixteen (16) cases were received during the period under review. Three (3) fraud (Scam) cases that were referred to SAPS for criminal Investigations, two (2) of tender scam and one (1) low-income house subsidy (RDP);
- Two (2) cases were investigated and finalized; and
- Eleven (11) cases are still under investigation.

## 4. MINIMISING CONFLICT OF INTEREST

All staff members and external parties who serve on Departmental structures must disclose any conflict of interest they may have in relation to matters dealt with by those structures. Where it is considered necessary such individuals are excused from discussions in relation to matters they have such disclosed.

All members of the Bid Committees have to declare their interest in respect matters the committees deal with. A declaration of interest form must be completed and signed on each meeting.

All Supply Chain Management practitioners have in line with the requirements of National Treasury Practice Note 4 of 2003, signed a declaration of confidentiality and impartiality.

The Department has in place a Procurement Policy which stipulates inter alia that:

- No official in the Department will execute any action in terms of delegated authority if he/she has formed part of a committee which recommended the execution of such action;
- Should an official be in a position where he/she had formed part of a bid committee where a recommendation is made to the delegate and he/she is the delegate, the decision making power must be elevated to the next higher level.

There has not been any instance where a conflict of interest was identified during the year under review.

## 5. CODE OF CONDUCT

The Code of Conduct for the Public Service was promulgated on 1997. The code is an important pillar in the establishment of good governance and ethical conduct of public servants. It is important to reiterate that the primary purpose of the Code is a positive one, namely to promote exemplary conduct. It also raises issues such as respect for human rights, the rule of law, accountability, transparency in government, personal conduct and private interests.

Section 195 (1) 9a) of the Constitution requires that "a high standard of professional ethics must be promoted and maintained" in public administration generally. In terms of the collective agreement, all the employees in the public service have the responsibility of complying with the prescribed Code of Conduct. As this forms the main basis on which proactive, corrective and even disciplinary action rests, the employer must do everything possible to ensure that the contents of the Code of Conduct are known to all employees.

The Directorate: Labour Relations has achieved this by having Human Resource Outreach Sessions on a quarterly basis. This is a two-day session where the contents of the Code of Conduct is shared with the employees.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department did comply satisfactorily with OHS prescripts despite the vacancy of DD: OHS within the unit.



## 7. PORTFOLIO COMMITTEES

### CABINET, PARLIAMENT & CLUSTER SUPPORT ANNUAL REPORT 2021/22

Table A: Meetings of Parliamentary Committees (The Portfolio Committee on Human Settlements, Water & Sanitation which was later reconstituted as the Portfolio Committee on Human Settlements), for the period 1 April 2021 – 31 March 2022

Date	Subject	Committee Issues	Response by Department/ Key Decisions
28 April 2021	Joint Meeting of Portfolio Committee on Human Settlements, Water & Sanitation with Select on Cooperative Governance & Traditional Affairs on Budget Vote 38, Revised Strategic Plan & Annual Performance of Department of Human Settlements.	The Department of Human Settlements had been asked to present a submission on the revised MTSF due to changing context & budgetary constraints.	Being asked to revise both Strategic & Annual Performance Plans provided an opportunity to ensure alignment of sector Strategic and Annual Performance Plans; The revised Plans were submitted to the Department of Performance Monitoring & Evaluation. Recommended that both parliamentary committees to note the revised 2021/25 Departmental Strategic Plan & 2021/22 Annual Performance Plan as presented.
28 April 2021	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation – Briefing by Human Settlements Entities (NHBRC & HDA) on Budget, Strategic & Revised Annual Performance Plans 2021/22	The Committee had asked for a situational analysis of entities of Human Settlements.	NHBRC – Situational analysis revealed the imperative to take into account challenging economic and construction environment; overall revenue generation business was declining and affecting financial sustainability and hence the review of the operating model and anticipated legislative review. HDA – Revised Strategic Plan allows the entity to fulfil its mandate as set out in the Act, realise Ministerial pronouncement for the entity to serve as a “fully-fledged property development agency”; approval of Business Case in support of the Ministerial Statement; ensure focused application of limited resources to gain maximum outcomes and impact; enable the entity to implement projects that are aligned to national, provincial and/or municipal Human Settlements Master Plans or other Spatial Development Plans; the entity to acquire and develop land for its own Human Settlements projects to be implemented with strategic private sector partners; strengthen the entity’s own balance sheet in order to reduce its dependency on the fiscus; and position the entity to be responsible for the full value chain of property developer services and thus to be fully accountable for the achievement of tangible outputs.
28 April 2021	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation – Briefing on Progress Report on Bonaero Park, Actonville & Breede Valley Community Issues.	The Committee asked both Departments (provincial & national) as well as Water & Sanitation to collaborate in monitoring how the transferred funds are spent & ensure that these were used to address the sewage overflow and spill.  The Committee also asked that Ekurhuleni Municipality has to address the issue with regard to the Wetlands Treatment Plant.	Department provided an update on its assistance rendered to the Ekurhuleni Municipality following finalisation of interaction with National Treasury to an amount of R300 million. Written communication addressed to Ekurhuleni Municipality to attend into the issue of the sewage spill into homes at Bonaero Park.

Date	Subject	Committee Issues	Response by Department/ Key Decisions
29 April 2021	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation – Briefing by Human Settlements Entities (SHRA, NHFC, EAAB, & CSOS) on Budget, Strategic & Revised Annual Performance Plans for 2021/22	<p>The Committee had asked for a situational analysis of the Human Settlements entities;</p> <p>The Committee sought an update on the process of establishing the Human Settlements Development Bank (HSDB).</p>	<p>SHRA – Situational analysis revealed that inter-business unit synergy has enhanced teamwork; implementation of Business Case Management System currently underway, approval of revised Monitoring &amp; Evaluation Framework, implementation of training programme with positive feedback from participants across all three spheres of government, implementation of Municipal Support &amp; Incubation Project, proven ability to spend allocated capital grants as well as improved working relations with construction companies.</p> <p>NHFC – Merger of the three Human Settlements finance entities namely National Housing Finance Corporation, Rural Housing Loan Fund &amp; National Urban Reconstruction &amp; Housing Agency (effective from 1 October 2018) constitutes a crucial step towards the formation of the envisaged Human Settlements Development Bank (HSDB). The envisaged HSDB seeks to deliver sustainable, equitable &amp; accessible value creation by effectively &amp; efficiently providing quality funding &amp; financial support for the development of integrated human settlements in South Africa.</p> <p>EAAB – Situational analysis revealed that in of the economic outlook, the country faced the possibility or threat of a downgrade; that in terms of the legal framework, the recent signing into law of the Property Practitioners Act offers an opportunity to bring new players into the property space, thereby increasing the regulatory mandate of the entity; in terms of social impact, recurring incidents racism &amp; anti-social discriminatory behaviour have continued within the real estate sector, and constitute a source of great concern to the entity.</p> <p>CSOS – Situational analysis revealed that with the increasing cost of living and other expenses, communal living remains one of the primary and most cost-effective ways of living, and the entity has to play a pivotal role of ensuring that community schemes provide a conducive environment; strategic intent is to meet the entity's legislative &amp; constitutional mandate to contribute to human dignity, achievement of equality, including advancement of human rights and freedom; in terms of the Act, the entity is empowered to create and facilitate orderly and well-managed community schemes, through dispute resolution, administration of schemes, governance documentation, and provision of regular training and education to all stakeholders; realisation of NDP goals demands a cooperative relationship across national, provincial and local governments and across social partners that includes the private sector, labour and civil society, increase in staff compliment as part of enhancing capacity.</p>

Date	Subject	Committee Issues	Response by Department/ Key Decisions
01 June 2021	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation Briefed by Department of Human Settlements on Housing Consumer Protection Bill [B10-2021].	The Committee had requested that it be briefed on what the Bill seeks to achieve.	<p>The Bills seeks to repeal the current the National Housing Consumers Protection Measures Amendment Act (Act 95 of 1998);</p> <p>It seeks to empower emerging contractors;</p> <p>It also seeks to provide a framework for the cover of the consumer;</p> <p>The Bill was submitted to Cabinet which had raised certain concerns for consideration and those have since been attended to;</p> <p>Public participation/consultation had taken place during 2018/19, and all comments received were to be submitted to the Committee together with the revised Bill.</p> <p>All 9 Provinces had been visited and that they were all in support of the Bill;</p> <p>The Bill was introduced to Parliament on 11 May 2021;</p> <p>Once the process has been finalised with the Joint Tagging Mechanism, the Bill is to be referred to the Committee;</p> <p>It was resolved that the Department is to facilitate a workshop on the Bill for the Committee in due course.</p>
10 November 2021	Department of Human Settlements briefed the Portfolio Committee on Human Settlements on its Annual Report 2020/2021 Financial Year.	<p>The Committee sought to know whether the COVID-19 pandemic had impacted the work of the Department;</p> <p>The Committee welcomed remedial action being undertaken by the Minister including specific interventions undertaken to stabilise entities;</p> <p>The Committee raised the issue of consequence management for transgressions related to incurring of irregular and fruitless expenditure;</p> <p>For the Committee the issue of Repeat Findings by the Auditor-General represent a call for better Key Performance Indicators;</p> <p>Evaluation of performance indicators of the Department together with those of its entities ought to be informed by reference to socioeconomic rights, court decisions involving rulings such as the Grootboom Case, and constitutional implications of such decisions;</p> <p>Setting of common norms and standards, including a proposal to have a session with all the three spheres of government for the purpose of forging a common understanding of issues;</p> <p>Need for customisation of performance indicators.</p> <p>Issue unallocated completed housing in Taung and have since been subjected to vandalism.</p>	<p>COVID-19 Pandemic was reported to have impacted the work of the Department in terms of delays which has led to failure to complete projects;</p> <p>The Department reported to be in a stable position regarding senior management positions;</p> <p>Migration from rural to urban areas was reported to be impacting the Department within the context of a constrained fiscal environment, which had also impacted targets with respect to the Medium-Term Strategic Framework;</p> <p>The Department was seeking to ensure that challenges around the beneficiary data base/beneficiary list are resolved and that this becomes transparent along the lines of the IEC's Voters' Roll;</p> <p>In to ensure accountability and transparency, Ministerial visits were undertaken to allow the Minister to see and understand the nature of work being undertaken;</p> <p>In order to ensure entity oversight including stabilisation of entities, the process of appointing boards was a first step undertaken;</p> <p>The Department is to strive for the improvement of corporate governance and continue to report to the Committee;</p> <p>Among others, to ensure the principle of ethical conduct in order to be above reproach while striving to build trust;</p> <p>To deal decisively against malfeasance, corruption and lack of accountability while improving the brand awareness;</p> <p>Department undertook to investigate the matter, and report back to the Committee.</p>

Date	Subject	Committee Issues	Response by Department/ Key Decisions
12 November 2021	Briefing of Portfolio Committee on Human Settlements by Human Settlements entities on their respective Annual Reports 2020/2021	The Committee referred to previous meetings at which concerns regarding the state of entities and challenges had been raised as well as suggestion to respond to action plans in response to the Auditor-General's recommendations.	<p>All the entities instructed to formulate and present Audit Action Plans in order to respond to the Auditor-General recommendations;</p> <p>The Department and the HDA were set to finalise investigation regarding the Talane and the Duncan Village TRUs matters as per the Special Investigating Unit;</p> <p>Following the signing into law of the Property Practitioners Act, the Department together with the EAAB were in the process to facilitate the implementation of the new Act;</p> <p>The new board for the foregoing entity is to ensure that there is stability at the EAAB.</p> <p>With regard to the CSOS the Department recognises the number of issues that needed immediate attention such as resignations, high vacancy rate, manipulation of the adjudication process and so on and these are set to be addressed with the appointment of the new board in place.</p>
1 December 2021	Briefing of Portfolio Committee on Human Settlements by Department of Human Settlements & Social Regulatory Authority on Rental Policy & Rental Relief.	<p>The Committee among others, inquired as the reasons for the delay in the application process, approval, and implementation of the Rental Relief Programme;</p> <p>Whether the Rental Relief Programme has succeeded in alleviating and preventing evictions in the social housing sector during 2020;</p> <p>Reasons for the low uptake with regard to applications across all Provinces;</p> <p>In terms of the Rental Policy, the Committee emphasised the requirement for policies to be anchored in the Constitution hence it is important to ensure that deserving people are not excluded from accessing government support in the form of the Rental Relief Programme.</p>	<p>The Social Housing Regulatory Authority to implement Residential Relief Programme for social housing beneficiaries affected by the COVID-19 pandemic;</p> <p>Social Housing Regulatory Authority undertook to improve communication in order to raise awareness of the Rental Relief Fund as well as to reach intended recipients of the grant and that more groundwork required to be done in order to ensure that the intended people access the relief grant.</p>

Date	Subject	Committee Issues	Response by Department/ Key Decisions
23 February 2022	Briefing by Human Settlements on Second Quarter Report (July – September 2021).	<p>Clarity sought on Affordable Housing Policy objectives, products &amp; mechanism to implement the policy as well as what the Department was hoping to achieve;</p> <p>Concern expressed with regard to the 19% vacancy rate in the Department;</p> <p>Clarity sought on municipal &amp; provincial emergency housing grants, particularly whether it covers emergency situations.</p> <p>Department should present its turnaround strategy for the issuance of title deeds;</p> <p>Department to present outcomes of at least 10 investigations it had undertaken with regards to fraud &amp; corruption;</p> <p>Department to present on the Finance-Linked Individual Subsidy;</p> <p>Issue of projects constructed without the necessary bulk infrastructure and social services that are supportive of human settlements.</p>	<p>The Department reported that it was working on the affordable housing policy with the primary focus on the income band of R3 500 – R22 000 with the intention to improve delivery of affordable housing.</p> <p>Department indicated that it was in the process of advertising in order to fill all the vacant positions in the Department</p> <p>It was indicated that in addition to government-provided subsidy, other sectors are set to provide/contribute in the form of housing allowances, citing the role of mining houses;</p> <p>The Department was also working on the micro-policy on affordable houses with various options whereby beneficiaries would be able to tap serviced sites as well as through the Finance-Linked Subsidy Programme;</p> <p>The Department reported that the KZN model on title deeds looked promising and that perhaps it was something to be emulated as it may offer some important lessons on the issuance of title deeds;</p> <p>With regards to emergency housing, the Department provided an explanation for conditions for the release of the emergency grant and stated that there was a need to expedite the process of application for municipal and provincial emergency housing grants particularly in the context of increasing disaster incidents;</p> <p>It was also stated that the Grant Framework in terms of an agreement with the National Treasury does provide that one does not necessarily has to follow the normal procurement process in order to deal with disaster or an emergency situation; however it was stressed that the Division of Revenue Act does not allow for funding earmarked for emergency purposes to utilised for something else;</p> <p>For the Department, there was need to standardise response to emergency situations and that in the context of climate change, it was imperative to move away from the provision of fire kits;</p> <p>The Department agreed that there were structural issues within the sector that impacted housing delivery. It was indicated that some projects were blocked due to a lack of bulk infrastructure and reference was made to a mega project in Gauteng that had no bulk infrastructure;</p> <p>The Department expressed the view that 30% of the Human Settlements Development Grant (HSDG) should be set aside for bulk infrastructure development in areas that lie outside metropolitan municipal areas;</p> <p>The Department indicated that it was grappling with the issue of concurrent functions; governance structures for managing of interDepartmental projects and the need for more intergovernmental cooperation and collaboration;</p> <p>The Department undertook to present its recovery strategy on the issuance of title deeds during the first quarter of the financial year starting in April 2022;</p> <p>With regard to Priority Development Areas, the Department indicated that the Housing Development Agency was set to rezone 4 227 hectares of land set aside for human settlements development.</p> <p>The Committee was informed of an agreement between the Minister of Human Settlements and that of Public Works and Infrastructure for the transfer of land for human settlements development purposes, which was reported as an outcome of the Inter-Ministerial Committee on Land Reform (that is, to transfer land from the Department of Public Works and Infrastructure to the Department of Human Settlements/Housing Development Agency).</p>
23 February 2022	Briefing by Social Housing Regulatory Authority (SHRA) on Policy on Home Finishes & Qualifying Criteria.	Possibility of changing funding model to allow social housing developers to have the option of developing high rise apartments in order to accommodate more people (densification).	<p>The Department indicated that it would strive to ensure for standardisation of common norms and standards;</p> <p>Densification was an integral part of the Department's policy to establish integrated sustainable development.</p>

Date	Subject	Committee Issues	Response by Department/ Key Decisions
02 March 2022	Briefing by Department of Human Settlements on Plans to Unblock Blocked Projects.	<p>Clarity sought in respect of budget allocation in relation to two Provinces namely Northern Cape &amp; Western Cape vis-à-vis units to be unblocked;</p> <p>Clarity sought on timeframes for resolution of land-related issues such as measures to prevent land invasion, township establishment as it impacts on title deeds issuance;</p> <p>Clarity sought on the issue of incomplete housing projects in and around the City of Cape Town such as the Siyahlala Project in Dunoon;</p> <p>Clarity sought on the role of the proposed political champions vis-à-vis the role and success rate of the National Rapid Response Task Team (NRTT);</p> <p>For the Committee the unblocking exercise should seek to mitigate as well as facilitate speedy service delivery to communities irrespective of the underlying causes behind projects being blocked.</p>	<p>It was indicated that what was being presented was work-in-progress, as work was reported to have started in earnest during 2021;</p> <p>It also reported that teams had been set up to conduct verification of lists provided by Provinces;</p> <p>It also pointed out that that it was alert to challenges involved in conducting verification and uncovering malfeasance in the process including the negative role of the so-called business for a that demand 30% of the work in a project;</p> <p>The Department was looking at various ways/interventions to deal with causes of project blockages such as the impact of the so-called Amadela-ngokubona/Construction Mafia, engineering shortcomings, lack of proper planning, lack of bulk infrastructure etc. The Department undertook to report on progress on a quarterly basis to the Committee.</p> <p>It was reported that the Department had also approached the Justice Cluster to be supportive of the Department's work;</p> <p>With regard to resolution of land-related issues, the Department indicated that it continues to be seized with land-related issues including resolution of subdivisions, township establishment as these were impacting the issuing of title deeds;</p> <p>The Department was in agreement with the Committee that there was a number of incomplete housing projects within the Western Cape including the Siyahlala Project situated in Dunoon and hence the imperative for verification of information provided by Provinces;</p> <p>With reference to the foregoing Siyahlala Project, it was reported to be a slow-moving project which had been invaded. Compounding matters was the erection of informal corrugated metal structures on the railway line that passes through the area, and this was said to be impacting on the provincial and national economy. In this respect, it was indicated that an InterDepartmental Technical Committee had been set up to resolve the issue and in this regard the Department of Transport had provided funding in order to allow for free passage of the railway line.</p>
9 March 2022	Facilitation of Workshop on the Housing Consumer Protection Bill [B10-2021] on Behalf of the Portfolio Committee on Human Settlements by Department of Human Settlements – the Bill seeks to repeal the National Housing Consumers Protection Measures Act (Act 95 of 1998) (As Amended).	<p>Identified deficiencies of the existin Act relate to inadequate protection of housing consumers, the transformation of the industry, the high risk of litigation, the inadequate enforcement mechanism, the ineffective alternative dispute resolution mechanism, the prolonged &amp; extended time it takes to enforce procedures.</p> <p>Committee among others, requested clarity on the role of the Member of the Mayoral Committee (MMC) vis-à-vis that of the Member of the Executive Council (MEC) since the MMC does not have executive authority mandate &amp; in fact is prohibited by law to get involved in the executive decisions of the Council. For the Committee Section 32 and 33 needed to be revisited since they were said to contribute to the creation of conditions for a politician to be responsible for the release of funds as well as to appoint a builder and thus creating an illegality.</p>	<p>Following approval for public participation and comment, the Bill was tabled in Parliament as the Housing Consumers Protection Bill [B10-2021] on 18 May 2021.</p> <p>The Bill was introduced in the National Assembly, tagged as a Section 76 Bill, which in essence means it would also be considered by the National Council of Provinces.</p>



Date	Subject	Committee Issues	Response by Department/ Key Decisions
16 March 2022	Briefing by Office of the Auditor – General on Second Special Report of the Auditor-General on Financial Management of Government's COVID-19 Initiatives	Committee sought clarity as to when the Special Investigating Unit is to be invited to present its findings pertaining to the National Home Builders Registration Council' Report on irregularities surrounding the Talana Temporary Relocation Units as well as on Lindokuhle Temporary Relocation Units.	<p>The Office of the Auditor-General reported that during the period late September – early October 2021, it had engaged with the Department of Human Settlements and a decision was taken that the Resettlement Initiative will no longer be part of the response to the COVID-19 Pandemic but would continue to be a normal programme of the sector.</p> <p>Further, the Office of the Auditor-General would no longer perform COVID-19 related initiatives instead is to present updates and follow-ups.</p> <p>The Auditor-General indicated that allocation of subsidy houses has to adhere to official processes and implemented according to official prescripts</p> <p>It was also stressed that the Accounting Officers should ensure that allocation was in accordance official processes which necessitate better coordination, customised indicators which have to be set in terms of the MTSF.</p> <p>The Department indicated that it was in the process of filling vacant positions within the Department;</p> <p>With regards to the provision of TRUs, Provinces have been instructed to assist beneficiaries with permanent housing solution as TRUs do not constitute a permanent or long term solution;</p> <p>On the issue of Talana in Limpopo, the Department indicated that it was still awaiting the outcome of the investigation conducted by the Special Investigating Unit.</p>
	Briefing by Department of Human Settlements on Implementation of Audit Outcomes of Community Schemes Ombud Services (CSOS) & National Housing Finance Corporation (NHFC)	<p>Committee expressed concern in relation to delays in the resolution of disputes by the CSOS;</p> <p>It welcome the appointment a new board at the CSOS, however requested that it be furnished with a report as to how funds got to be invested in the now defunct VBS Bank;</p> <p>With regard to the NHFC, the Committee asked that it be furnished with a report on the issue of the money that had gone missing from an ABSA account;</p> <p>NHFC asked to furnish a presentation/report stipulating a step-by-step process on the payment of invoices.</p>	<p>CSOS has since decided to introduce a Service Charter to improve services &amp; capacitation of the entity. It was also attending to historical realities of delays as well as non-responsiveness – thus the situation was in the process of being turned around; CSOS to provide a report on the VBS investment matter by end of April 2022;</p> <p>All appointed CSOS adjudicators possess the necessary expertise, qualifications as well as relevant experience</p> <p>Need for an enforcement mechanism (CSOS) the lack of which was attributed to weakness in the legislative framework;</p> <p>On the issue of Repeat Findings, CSOS was instituting internal controls in place including improving consequence management;</p> <p>CSOS is establishing an interactive web system model for registration purposes;</p> <p>NHFC to furnish a report on the matter of funds that went missing at ABSA by end of April 2022 (an amount which was reported to have since been returned to the entity);</p> <p>In an effort to deal with late payments the NHFC was setting up an email address to which invoices may be sent for payment (to expedite payments);</p> <p>A report to be furnished on the process of making payments to service providers within the 30-day timeframe;</p> <p>NHFC has set up a Lost Control Committee to address root causes of issues of concern and to ensure that there was consequence management for transgressions.</p>

Date	Subject	Committee Issues	Response by Department/ Key Decisions
23 March 2022	Briefing by Department on Interventions to Stabilise the Housing Development Agency & Property Practitioners Regulatory Authority.	<p>Both the Department &amp; Housing Development Agency are to be invited to brief the Committee on outcome of investigation with regards to the Talana TRU saga in Limpopo;</p> <p>The Committee enquired as to (HDA) whether there were any engagements with municipalities and Provinces with regards to spatial planning and efforts to transform the apartheid spatial landscape;</p> <p>The Committee raised the issue of Consequence Management implementation at the HDA;</p> <p>With regards to the PPRA, the Committee sought to understand the process of property valuation;</p> <p>Whether there was any budget attached to fund the process of transformation when the Act establishing the PPRA was passed;</p> <p>Concern expressed with regards to what appears to be preference of focusing attention by the PPRA more on Gauteng and Western Cape – for the Committee it was imperative to ensure that the rest of the other Provinces also benefit from the activities of the PPRA</p>	<p>Both entities have since been stabilised with the appointment of board members as of 1 November 2021 &amp; that chairpersons together with their respective board members have since been inducted;</p> <p>To ensure continued stability, the Department together with the entities are seeking to forge sound working relationships with stakeholders in order to mitigate the risk of litigation – commitment of ensuring good working relationship to ensure that disputes are resolved out of courts;</p> <p>In the process of appointing boards, it was stated assurance was made to appoint people who were active in the sector, practitioners as well as possess an understanding issues within the sector.</p> <p>On the issue of spatial planning and transformation of the apartheid spatial landscape, engagements were ongoing with both municipalities and Provinces, and reference was made the Departments' new human settlements development projects within Priority Development Areas;</p> <p>With regards to property valuation, it was stated that Property Valuers were regulated in terms of the Property Valuers Act which falls under the Department of Public Works &amp; Infrastructure. The Committee was also informed that it was not a statutory requirement to have property valuated in a private sale, and that the issue of property valuation did not fall within the mandate of the PPRA.</p>

#### B: Oversight by Portfolio Committee on Human Settlements

- The Department of Human Settlements coordinated and provided support to Oversight Visit by the Portfolio Committee on Human Settlements undertaken to the Gauteng Province from 24 – 28 January 2022;
- Compilation and tabling of a report in respect of the recommendations contained in the Portfolio Committee on Human Settlements' Budget Review and Recommendation Report during 2021/2022.

#### C: Standing Committee on Public Accounts (SCOPA) Resolutions

- The Department of Human Settlements was not invited to appear before the Standing Committee on Public Accounts during the 2021/2022 period.

#### D: Parliamentary Questions

- Total No of Questions for Written Reply received from the National Assembly: 75
- A grand total of 105 Parliamentary Questions received and processed during 2021/2022;
- Total No of Questions for Oral Reply received from the National Assembly: 14
- Total No of Questions for Written Reply from the National Council of Provinces: 16
- Total No of Questions for Oral Reply from the National Council of Provinces: No Questions for Oral Reply for the NCOP during this period.

#### E: Tablings

- Reports & Financial Statements of the Department of Human Settlements together with those of the following entities were tabled in Parliament in terms of section 65 of the Public Finance Management Act, 1999 (Act No 1 of 1999):
  - Estate Agency Affairs Board for 2019-2020;
  - National Housing Finance Corporation Limited;
  - Thubelisha Homes NPC (in Liquidation);
  - Community Schemes Ombud Services;
  - National Home Builders Registration Council;
  - Housing Development Agency;
  - Social Housing Regulatory Authority;
- In addition the following were also tabled in Parliament in 2021:
  - Revised Strategic Plan of the National Housing Finance Corporation for 2020/2021 – 2024/2025;

- Revised Annual Performance Plan of the National Housing Finance Corporation for 2020/2021-2023.
- In terms of Section 10 of the Money Bills Amendment Procedure Act and Related Matters Act, 200 (Act No 9 of 2009), Members of Cabinet, after the adoption of the financial framework, tabled updated Strategic and Annual Performance Plans of their Departments, public entities or institutions for consideration. In this regard, following Strategic and Annual Performance Plans were tabled in Parliament:
  - Department of Human Settlements – Annual Performance Plan for 2022/2023;
  - National Home Builders Registration Council – Annual Performance Plan for 2022 - 2023;
  - Housing Development Agency – Annual Performance Plan for 2022/23
  - Social Housing Regulatory Authority – Annual Performance Plan for 2022 - 2023;
  - Community Schemes Ombud Services – Annual Performance Plan for 2022 - 2023
  - Property Practitioners Regulatory Authority (formerly known as the Estate Agency Affairs Board) – Strategic Plan for 2020/2025
  - Property Practitioners Regulatory Authority – Annual Performance for 2021/22.
  - National Housing Finance Corporation SOC Ltd – Annual Performance Plan for 2022 -2023.

#### F: Cabinet & Its Committees

- Six (6) Cabinet Memoranda were tabled at Cabinet & its Committees:
  - Appointment of Board of Directors to the Community Schemes Ombud Service;
  - National Appointment of Board of Directors to the Property Practitioners Regulatory Authority;
  - National Appointment of Board of Directors to the National Home Builders Registration Council
  - National Appointment of Board of Directors to the Social Housing Regulatory Authority
  - National Appointment of Board of Directors to the Housing Development Agency
  - National Appointment of No-Executive Members of the National Finance Corporation;
- The Property Practitioners Act (Act No 22 of 2019) was signed into law and came into effect on 1 February 2022. The new Act repeals the Estate Agency Affairs Act (No 112 of 1976), providing for the establishment of the Property Practitioners Regulatory Authority.

#### G: Forum of South Africa's Directors – General Clusters

- Various Clusters of Directors'-General contributed inputs into the country's Economic Reconstruction and Recovery Plan within the context of the devastating impact of the global pandemic namely COVID-19 and against the backdrop of other major global events which impacted and some still continue to have impact on the domestic economy.

## 8. SCOPA RESOLUTIONS ISSUES

There were no SCOPA resolutions taken in relation to the Department during the period under review.

## 9. PRIOR MODIFICATIONS AUDIT REPORTS

An action plan was developed in relation to all findings by the Office of the Auditor General. The action plan was submitted to the Office of the Auditor General for concurrence. The Internal Control Unit monitored the implementation planned actions, requested and received monthly updates from responsible managers, updated the Action Plan and submitted it to Internal Audit.

Internal Auditors verified the progress on implementation of the planned actions as reported on the Action Plan and reported their findings to the Executive Management and Audit Committee.

## 10. INTERNAL CONTROL UNIT

The Internal Control Unit is positioned within the Chief Financial Office's Branch. During the financial year under review the unit:

- Served as a point of entry for all Requests for Information and Audit Findings from the Office of the Auditor General. All responses by the Department were also channeled through the Internal Control Unit for submission to the Office of the Auditor General.
- Co-ordinated the development of the Action Plan in respect of the Auditor General Audit report and Management letter.
- Monitored progress on the implementation of the planned actions to address prior year audit findings
- Continued to serve as a custodian of all payments supporting documentation
- Continued to fulfill its secretariat role to the Loss Control Committee.
- Continued its responsibility of managing the following registers:
  - Losses incurred by the Department
  - Irregular expenditure
  - Fruitless and wasteful expenditure
- Conducted compliance reviews in respect of expenditure incurred during the financial year.

## Basis for Qualified opinion

Matter of non-compliance	Progress made in clearing / resolving the matter*
Programme 2 – Integrated Human Settlements Planning and Development	
The planned targets for the following indicators were not specific in clearly identifying the nature and required level of performance and measurable:  Support provided on pre and post 1994 title deeds, post 2014 title deeds and new title deeds registered  Support provided on new title deeds registered	The indicators have been corrected in the 2022/23 Annual Performance Plan. The branch amended its indicators and targets in the revised 2021/22 Annual Performance Plan to remedy the finding. However the revisions were not approved.
Number of Provinces supported in the delivery of PHP/Zenzeleni. The planned target of 9 Provinces supported in the delivery of housing through PHP/Zenzeleni policy for this indicator was not specific in clearly identifying the nature and required level of performance. The achievement of 9 Provinces were supported in the delivery of housing through PHP/Zenzeleni policy was reported against the 9 Provinces supported in the delivery of housing through PHP/Zenzeleni policy in the annual performance report. However, the supporting evidence provided did not agree to the reported achievement and materially differed from the reported achievement.	The indicators were corrected in the 2022/23 Annual Performance Plan in line with the recommendations from AG office. The enhancements address the support to Provinces who have planned and budgeted for the implementation of PHP. In addition this target has been moved to the Operational Plan in the coming financial year, 2022/2023
AG unable to obtain sufficient appropriate audit evidence for the achievement of 100% of projects under implementation monitored (HSDG, USDG and TRG) reported against target 100% of projects under implementation monitored (HSDG, USDG and TRG) in the annual performance report, due to the lack of accurate and complete records. Furthermore, unable to confirm the reported achievement by alternative means. Consequently, AG was unable to determine whether any adjustments were required to the reported achievement	Monitoring of all projects that incurred expenditure is conducted on a quarterly basis. Alignment with the TID will be ensured. The supporting evidence will be compiled using Provincial performance reports and HSS inspection reports, in line with the TID.  The performance will be at 100% at the end of the financial year, when all projects can be accounted for the financial year.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### Internal Audit

The objective of the unit is to assist all levels of management by providing a professional service designed to add value, improve accountability and service delivery objectives. In line with the Standards and Treasury Regulations requirement the Directorate developed the risk-based internal audit plan and also the three year rolling plan.

As part of the consulting services the unit completed five [5] Ad-hoc/management requests concerning irregular, fruitless & wasteful expenditure. The unit further satisfactorily co-ordinated nine [9] audit committee meetings and facilitated Combined Assurance activities.

Audit work conducted during the period under review could be summarised as follows:

- Review of the Strategic Plan and Annual Performance Plan
- Data Analytics Reviews (Transversal Systems and Housing Subsidy System)

### General and Application Control Reviews

(Corporate Governance of ICT Review, Debtors System Review, Housing Subsidy System Review)

- Title Deeds Verification
- Follow-up on the AG action plan
- Division of Revenue (DoRA) Reviews
- Audit of Performance Information (AOPI) Reviews
- Compliance Reviews [Covid19]
- Performance Audits on Emergency Housing Programme (Temporary Residential Units)
- Risk Management Review
- Human Resource Management Reviews

## 12. AUDIT COMMITTEE REPORT – 2021/2022

The Audit Committee is established as an independent statutory committee in terms of the PFMA. The committee functions within approved terms of reference of its Audit Committee Charter. It further complies with relevant legislation, regulation and governance codes.

The Committee herewith presents its report for the year ended 31 March 2022 in accordance with Section 38(1) (a) (ii) of the Public Finance Management Act, (Act 1 of 1999) read with the Treasury Regulations 3.1.13.

### Audit Committee members and attendance

The Committee comprises five (5) independent members and during the financial year ended 31 March 2022, the committee met on nine [9] occasions (7 normal meetings and 2 ad hoc special meetings). The Committee is required to meet at least four times per annum as per its approved terms of reference and also hold special meetings where necessary.

Name	Qualification	Date Appointed	No. of meetings attended
Ms. Nontlaza Sizani - Chairperson	<ul style="list-style-type: none"> <li>Bachelor of Accounting Science Honours</li> <li>Bachelor of Commerce</li> <li>Senior Teachers Diploma</li> <li>Post Graduate Diploma in Management</li> <li>Certificate in the Theory of Accountancy (CTA)</li> <li>AGA (SA)</li> <li>Cert. Director (IODSA)</li> </ul>	01 Oct 2018*	9
Dr. Malindi Neluheni	<ul style="list-style-type: none"> <li>Doctor of Philosophy (Architecture-Civil Engineering Minor)</li> <li>Master's Degree in City and Regional Planning</li> <li>Bachelor of Arts Honours in Geography</li> <li>Bachelor of Arts</li> <li>Teacher's Certificat</li> </ul>	01 Oct 2018*	9
Dr. Charles Motau	<ul style="list-style-type: none"> <li>Doctor Technologiae: Computer Science and Data Processing</li> <li>Master's Degree in Business Leadership [MBL]</li> <li>Master's Degree in Information Technology</li> <li>Bachelor of Commerce</li> <li>Higher Diploma in Computer Auditing</li> <li>Certificate in I Projects Management</li> <li>Certificate in Executive Leadership</li> <li>Certificate in Human Resource Management</li> <li>Certificate in Digital Transformation Strategy</li> </ul>	01 Oct 2018*	9
Dr. Sipehelele Zulu	<ul style="list-style-type: none"> <li>PhD in Human Resource Management</li> <li>LLM – Masters in Law: Labour Studies</li> <li>Masters Degree in Human Resource Management</li> <li>Bachelors of Social Science Honours in Industrial Relations</li> <li>Bachelor of Education Honours in Education</li> <li>HDE (Post-Graduate Diploma)</li> <li>Bachelor of Arts</li> </ul>	01 Aug 2021**	6
Ms. Keitumetse Mahlangu	<ul style="list-style-type: none"> <li>B PROC</li> <li>LLB</li> <li>LLM: Corporate Commercial</li> <li>Management Advanced Programme (MAP)</li> <li>Certificate in Fraud Examinatio</li> </ul>	01 Aug 2021**	6

\*Re-appointed for 2nd term in line the AC Charter from 01 October 2021 \*\*Appointed with effect from 01 August 2021.

## 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 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference, has regulated its affairs in compliance with the Charter and has discharged all its responsibilities as contained therein.

## The Effectiveness of Internal Control

The systems of internal control are designed to provide cost effective assurance in achieving the Department's objectives by ensuring that assets are safeguarded, operations are effective and efficient, financial and performance information is reliable and there is compliance with the laws and regulations.

The Audit Committee provided oversight on the operations and business activities of the Department through the quarterly reporting processes by Management as well as the internal audit reviews as prioritised in the approved risk-based Annual Audit Operational Plan. The Committee acknowledges management's efforts to maintain effective and efficient internal controls in the Department, however, based on the results of the work conducted by the internal audit and external auditors, certain weaknesses were highlighted.

The Committee is concerned about the material findings on compliance as it relates to:

- Irregular Expenditure of R2,3m, majority of this amount caused by the Department not following the prescribed deviation processes;
- Payments made before services were received, in contravention of treasury regulations
- Non-compliance with Section 65(7) of the Public Service Regulations in filling vacant position (timeous filling of post)

Management has provided assurance that effective corrective action will be implemented in respect of all internal control weaknesses, and the Audit Committee will continue to monitor implementation of the recommendations and internal control measures going forward.

## Internal Audit Function

In line with the PFMA and the King IV Report requirements relating to Public Sector, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The IA unit has a functional reporting line to the Audit Committee (and an administrative reporting line to the DG). The Audit Committee, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from IA on a quarterly basis, assesses the effectiveness of IA function, reviews and approves the IA annual coverage and Three-Year Rolling Plans.

The Audit Committee is responsible for ensuring that the Department's IA function is independent and has the necessary resources, standing and authority within the Department to enable it to discharge its duties. The IA functions, IA Annual Coverage and Three-Year Rolling Plans were approved by the Audit Committee.

The committee has reviewed the Internal Audit work, which was based on the risk assessments conducted in the Department which revealed certain weaknesses, which were then raised with the Department and management has made commitment to address them.

The Audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department. The committee notes with satisfaction the independence and objectivity of Internal Audit function and ensures that Internal Auditors have unrestricted access to the Committee.

## Risk Management Function

The Audit Committee is responsible for the oversight of the risk management function. The risk management committee monitors, and oversees the process of risk identification throughout the Department and reports to the Audit Committee on a quarterly basis.

The Department assessed strategic and operational risks on a quarterly basis that could have an impact on the achievement of its objectives, both strategically and on a programme level. Risks were prioritised based on its likelihood and impact (inherent and residual) and additional mitigations were agreed upon to reduce risks to acceptable levels. New/emerging risks were identified during the quarterly review processes. Internal Audit also performed their own assessment of the risk environment of the Department and included the strategic and operational risks as part of this assessment.

The Audit Committee has reviewed Department's policies on risk management, the risk registers and the reports from the risk committee and is generally satisfied with the maturity of the risk management process, and concluded that there is a room for improvement in so far as Department's risk management is concerned.

## Information and Communication Technology (ICT) Governance

The Audit Committee reviewed the progress with respect to the ICT Governance in line with the ICT Policy Framework issued by the Department of Public Service and Administration. The Audit Committee is satisfied with the improvement in ICT Governance

Although the systems of ICT Internal Controls remain the same, the Audit Committee is concerned with non-compliance to policies. However, the Audit Committee will monitor the development in this area.



## In-Year Management and Monthly/Quarterly Report

The Department has been reporting on a monthly and quarterly basis to the National Treasury as required by the PFMA. The quarterly financial reports were also presented to the Audit Committee. The Audit Committee has reviewed the annual report of the Department to verify whether it is in line with the guidelines issued by the national treasury and the accuracy of the performance information reported in this annual report.

The Committee is satisfied that the Department has complied with the Public Finance Management Act by reporting to National Treasury on monthly and quarterly basis, including compliance with the Division of Revenue Act.

## Evaluation of Financial Statements

The Committee has reviewed and discussed the annual financial statements included in the annual report prior to audit and post audit, with both management and the accounting officer; including the Auditor General's report and management's response in relation to the financial statements and also reviewed the quality and timeline of the financial information available to the committee for oversight purposes during the year, including:

- Significant financial reporting judgements and estimates contained therein;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Changes in the Accounting Policies and Practices;
- Significant adjustments resulting from the Audit;
- Compliance with accounting standards and legal requirements;
- Explanation for the accounting treatment adopted; and
- Reasons for year-on-year fluctuations

The committee has noted the emphasis of matter raised in the AGSA audit report relating to re-statement of corresponding figures for 31 March 2021, as a result of an error in the financial statements of the Department for the year ended, 31 March 2022. Despite this matter, the Audit Committee is comfortable that the Annual Financial Statements have been prepared in terms of the required legislation.

## Auditor-General's Report

The Committee, in consultation with the Accounting Office, agreed to the terms of the Auditor General South Africa's engagement letter, audit strategy and audit fees in respect of the 2021/2022 financial year.

The committee is not satisfied that all prior year audit matters raised by external auditors Auditor-General South Africa (AGSA) were adequately resolved. The Committee concurs with and accepts the conclusion and audit opinion of the AGSA on the audited annual financial statements. The committee is of the view that the audited financial statement be accepted and read together with the report of AGSA. The committee also confirms that it has been thoroughly appraised of the issues giving rise to the audit opinion. The audit committee is not aware of any unresolved issues pertaining to the current year audit.

The Audit Committee wishes to express its appreciation to the Accounting office, Management, Internal Audit, Risk Management Committee and the Auditor-General South Africa for their support and co-operation during the period under review.



MS. NONTLAZA SIZANI

CHAIRPERSON OF THE AUDIT COMMITTEE  
DEPARTMENT: HUMAN SETTLEMENTS

### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Criteria	Response Yes/No	Discussion (include a discussion on your response and indicate what measures have
Determining qualification criteria for the issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law?	No	The National Department of Human Settlements does not issue licenses, co concessions or other authorisations in respect of economic activity.
Developing and implementing a preferential procurement policy?	Yes	The Department's procurement policy provides for the implementation of preferential procurement. All quotations/ bids above R30 000 up to R50 000 000 per case (all applicable taxes included) are evaluated using the 80/20 Preference Point System. Bids above R50 000 000 are evaluated using the 90/10 Preference Point System.
Determining qualification criteria for the sale of state – owned enterprises?	No	The National Department of Human Settlements does/ did not sell state – owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	The National Department of Human Settlements did not enter into a partnership with the private sector during the reporting period.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	The National Department of Human Settlements' procurement policy make provision for sub-contracting 30% of the contract value for all contracts from R50 000 000 and above in support of Broad Based Black Economic Empowerment.



# **PART D**

## **HUMAN RESOURCE MANAGEMENT**



## 1. INTRODUCTION

The Department implemented its MTEF Human Resource Plan (HRP) for 2018 -2021 MTEF period as well as its Annual 2018-2021 Human Resource Implementation Plan, which both comprised the following Human Resource Management Priorities:

- Secure the right quantity and quality of personnel;

- Enhance implementation of the Employee Performance and Development System (EPMDS) policy;
- Enhance implementation of Employee Health and Wellness Programme; and
- Ensure sound Labour Relations in the Department.



## 2. OVERVIEW OF HUMAN RESOURCES

During the 2020/21 financial year the Department was involved in the process of reviewing its organisational structure, The roles, responsibilities and functions of National, Provincial and Local Government in the Human Settlements Sector as outlined in the Housing Act 107 of 1997, as amended, have been taken into consideration in the development of this proposed structure.

In March 2021, the Minister for Public Service and Administration gave concurrence to the macro organisational revised structure for the Department. In summary the revised structure:

- Addresses the functional splits and functional duplications to ensure functional alignment, and as a result inter-related functions have been group together resulting in the re-configuration of existing Programmes, Chief Directorates and Directorates.
- Ensures that full alignment to the mandate of the Department of Human Settlements as defined in Chapter 10 of the Constitution and the Public Service Act, 1994.

### Review and Re-alignment of the Departmental Organisational Structure

The Department undertook an organisational review process which sought to ensure the full alignment of the structure to the mandate of the Department in with the Constitution and the Public Service Act. By the end of the current financial year, the Department has achieved the following:

- The proposed changes at Macro-Level (SMS) of the Organisational Structure have been concurred by MPSA for implementation.
- The Matching and Placing of SMS members into positions in the revised Macro organisational structure has been concluded pending Minister and Director-General's approval of the recommendations.
- The MPSA has given the Department three (3) months within which the Micro structure should have been finalized.
- Consultations with all stakeholders to be conducted on a regular basis until the review of the Micro structure is finalized

### Prioritise Filling of vacant and funded positions'

The Department experienced a high rate of staff exits due to resignations, retirements and promotional transfers, with a hindered ability for immediate replacements, due to several administrative and climate dynamics, thus contributing to the Departmental inability to meet all its planned targets, including critical Top Management positions in key core portfolios. The Department also struggled to secure the desired competent candidates for the advertised strategic positions, due to several prescripts, and administrative

limitations and dynamics. It is also considered that, the implemented contract appointments additional to the establishment partially contributed to the increased vacancy rate, which has since been reversed to 19.2%.

In view of the high vacancy post and insufficient capacity in the Department to perform critical functions towards achieving the Departmental mandate, the Department took a decision to fill all funded and vacant posts on a permanent basis. The cut in the Compensation of Employees (CoE) budget during the MTEF period was one of the constrains in the Department's endeavour to build capacity to deliver on its mandate.

### Notwithstanding this, the Department filled the following posts:

- Original SMS positions to be filled were approved by the Minister from the original CoE budget of R 17 Million which was later adjusted to R 26,5 Million;
- 18 SMS positions are to be filled at a cost of R 19,7 Million, which leaves the Department with only R 6,7 Million to fill all other remaining positions
- Line managers to decide and re-prioritise which vacant positions must be filled with the remaining R 6,7 Million from the R 26,5 Million earmarked for filling positions within the MTEF.
- There were fruitful efforts however in clearing long inactive positions, especially those made Additional to the Establishment, including conducting a staff Head Count, filling all contracts positions on a permanent basis, thus correctly aligning with CoE budget allocation by National Treasury.
- Ensure full compliance to Statutory Requirements
- Sustained consistent application of prescript provisions for various administrative processes including human resources conditions, with positive AG ratings; Timeous reporting to the Department of Public Service and Administration on Quarterly and Annual reports;

### Employee Health and Wellness Programme

The Employee Health and Wellness Programme (EHWP) served as an effective intervention to enhance employee productivity, through the:

- Provision of confidential 365/24/7 short term counselling services, by an internal EHW practitioner and as well externally by a contracted service provider.
- Coordination of health promotion interventions inclusive of quarterly onsite Employee Wellness Days in partnership with GEMS, whereby health assessments and HIV counselling and testing (HCT) are conducted.

- In response to the President's declaration of National State of Disaster due to the corona virus pandemic, the EHW unit coordinated COVID-19 case management inclusive of daily COVID-19 symptoms screenings, facilitation on COVID-19 testing sponsored by the Department, liaison with self-isolated and self-quarantined employees and their immediate line managers; maintenance of statistics and reporting to relevant structures internally and externally

### **Implementation of the Employee Performance Management & Development System (EPMDS) Policy**

The Department complied with the DPSA EPMDS Directive for payment of approved and applicable performance incentives within the prescribed 1.5% for Salary Levels 2-12 and SMS members (Directors and Chief Directors), however the moderation of Top Management (Deputy Directors-General) was not achieved during the current financial cycle.

Notable achievements included:

- The implementation of the approved Departmental Workplace Skills Plan;
- Timeous conclusion of Annual Performance (EPMDS) moderations for staff, including SMS, including appeals, with all staff qualifying for an incentive duly paid within the 2019/20 budget; and
- Appointment and implementation of the Departmental Internship Programme, where 37 Interns were appointed within the Department for a period of twenty-four (24 months).

### **3.1 Personnel related expenditure**

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.
- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 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)	Emploment (Including Periodical – and abnormal appointment)
DHS: Administration	425 631.00	213965.00	0.00	0.00	50.30	608.00	352.00
DHS: Affordable Housing Programme	539 207.00	40 176.00	0.00	0.00	8.20	775.00	57.00
DHS: Informal Settlements Programme	7 972 750.00	32 213.00	0.00	0.00	0.40	871.00	37.00
DHS: Integrated Human Settlements Plan & Development Programme	21 178 624.00	57 704.00	0.00	0.00	0.30	836.00	69.00
DHS: Rental & Social Housing Programme	843 160.00	11 293.00	0.00	0.00	1.30	941.00	12.00
DHS: Human Settlements Policy, Strategy & Plan	0.00	00.00	0.00	0.00	0.00	0.00	0.00
DHS: Human Settlements Delivery Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>30 959 372.00</b>	<b>359 351.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.20</b>	<b>682.00</b>	<b>527.00</b>



**Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled (level 3-5)	24 867.00	6.90	88.00	282 580.00
Highly skilled production (levels 6-8)	56 736.00	15.70	119.00	476 773.00
Highly skilled supervision (levels 9-12)	159 658.00	44.10	203.00	786 493.00
Senior and Top management (levels 13-16)	80 450.00	22.20	61.00	1 318 852.00
Contract (Level 1-2)	178.00	0.00	1.00	178 000.00
Contract (Level 3-5)	3 682.00	1.00	19.00	193 789.00
Contract (Level 6-8)	5 368.00	1.50	14.00	383 429.00
Contract (Level 9-12)	6 736.00	1.90	8.00	842.000.00
Contract (Level >13)	22 465.00	6.20	14.00	1 604 643.00
Contract other	893.00	0.20	0.00	0.00
<b>Total</b>	<b>361 034.00</b>	<b>99.70</b>	<b>527.00</b>	<b>685 074.00</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Programme
	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	
DHS: Affordable Housing Programme	38 647.00	86.80	71.00	0.20	783.00	1.80	1 051.00	2.40	44 540.00
DHS: Informal Settlements Programme	27 966.00	86.60	4.00	0.00	584.00	1.80	874.00	2.70	32 298.00
DHS: Integrated Human Settlements Plan & Development Programme	50 294.00	86.00	124.00	0.20	1 027.00	1.80	1 398.00	2.40	58 492.00
DHS: Rental & Social Housing Programme	10 295.00	90.80	0.00	0.00	83.00	0.70	112.00	1.00	11 332.00
Programme 1: Administration	180 109.00	83.70	3 606.00	1.70	4 849.00	2.30	8 284.00	3.80	215 308.00
<b>Total</b>	<b>307 311.00</b>	<b>84.90</b>	<b>3 806.00</b>	<b>1.10</b>	<b>7 326.00</b>	<b>2.00</b>	<b>11 718.00</b>	<b>3.20</b>	<b>361 969.00</b>

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 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 (level 1-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (level 3-5)	17 810.00	71.60	651.00	2.60	1 446.00	5.80	2 753.00	11.10
Highly skilled production (levels 6-8)	42 796.00	75.30	1 979.00	3.50	2 040.00	3.60	4 668.00	8.20
Highly skilled supervision (levels 9-12)	137 860.00	86.10	1 077.00	0.70	2 112.00	1.30	3 787.00	2.40
Senior management (level 13-16)	71 008.00	88.00	0.00	0.00	1 661.00	2.10	451.00	0.60
Contract (Levels 1-2)	178.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	3 522.00	95.30	60.00	1.60	0.00	0.00	25.00	0.70
Contract (Levels 6-8)	5 336.00	98.80	7.00	0.10	0.00	0.00	8.00	0.10
Contract (Levels 9-12)	6 263.00	92.80	3.00	0.00	67.00	1.00	25.00	0.40
Contract (Levels>13)	21 816.00	96.80	0.00	0.00	0.00	0.00	0.00	0.00
Contract other	721.00	79.90	29.00	3.20	0.00	0.00	0.00	0.00
<b>Total</b>	<b>307 311.00</b>	<b>84.90</b>	<b>3 806.00</b>	<b>1.100</b>	<b>7326.00</b>	<b>2.00</b>	<b>11 718.00</b>	<b>3.20</b>

### 3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme

- salary band
- critical occupations (see definition in notes below)

In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

**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
DHS: Affordable Housing Programme	66.00	57.00	13.60	0.00
DHS: Informal Settlements Programme	48.00	37.00	22.90	0.00
DHS: Integrated Human Settlements Plans & Development Programme	99.00	69.00	30.30	0.00
DHS: Rental & Social Housing Programme	14.00	12.00	14.30	1.00
Prog 1: Administration	429.00	352.00	17.90	37.00
<b>Total</b>	<b>656.00</b>	<b>527.00</b>	<b>19.70</b>	<b>38.00</b>

**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
Lower skilled ( 1-2)	0.00	0.00	0.00	0.00
Skilled(3-5)	115.00	88.00	23.50	00.00
Highly skilled production (6-8)	144.00	119.00	17.40	0.00
Highly skilled supervision (9-12)	257.00	203.00	21.00	0.00
Senior management (13-16)	84.00	61.00	27.40	0.00
Other (Interns)	0.00	0.00	0.00	0.00
Contract (Levels 1-2)	1.00	1.00	0.00	1.00
Contract (Levels 3-5)	19.00	19.00	0.00	18.00
Contract (Levels 6-8)	14.00	14.00	0.00	6.00
Contract (Levels 9-12)	8.00	8.00	0.00	6.00
Contract (Levels >13)	14.00	14.00	0.00	7.00
<b>Total</b>	<b>656.00</b>	<b>527</b>	<b>19.70</b>	<b>38.00</b>

**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
Engineers and Related Professional	9.00	9.00	0.00	0.00
Financial and Related Professionals	135.00	103.00	23.70	0.00
Legal Administration & Related Professionals	7.00	3.00	57.10	0.00
<b>Total</b>	<b>151</b>	<b>115</b>	<b>23.84</b>	<b>0.00</b>

### 3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

**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	0	0	0	0	0
Salary Level 15	6	3	50	3	50
Salary Level 14	21	18	85.71	3	14.28
Salary Level 13	64	45	70.31	19	29.68
<b>Total</b>	<b>92</b>	<b>69</b>	<b>75</b>	<b>25</b>	<b>27.17</b>

**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	0	0	0	0	0
Salary Level 15	6	3	50	3	50
Salary Level 14	21	18	85.71	3	14.28
Salary Level 13	64	45	70.31	19	29.68
<b>Total</b>	<b>92</b>	<b>69</b>	<b>75</b>	<b>25</b>	<b>27.17</b>

**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 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ 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	2	0	0
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022**

**Reasons for vacancies not advertised within six months**

Finalisation of the review and alignment of the Departmental Organisational Structure to the Departmental Mandate and outstanding approval thereof as well as non-suitability of shortlisted and interviewed candidates. There are instances where the candidates decline offers for the job.

**Reasons for vacancies not filled within twelve months**

Delays in approval of proposed revised and aligned Department Organisational Structure. Reduction of the CoE budget as allocated by National Treasury. The inability to secure skilled and competent candidates in the Build Environment.

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022**

**Reasons for vacancies not advertised within six months**

None, as reasons were structural and candidate dependant. Furthermore, the Department was still in the process of finalizing the review and alignment of the Departmental Organisational Structure.

**Reasons for vacancies not filled within six months**

None, as reasons were structural and candidate dependant.

### 3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 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 evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	115	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	144	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	249	0	0	0	0	0	0
Senior Management Service Band A	58	0	0	0	0	0	0
Senior Management Service Band B	24	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	4	0	0	0	0	0	0
<b>Total</b>	<b>599</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022**

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

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
All Occupations were not evaluated	0	0	0	None
Total number of employees whose salaries exceeded the level determined by job evaluation				3
Percentage of total employed				0.5%

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.



**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 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

Notes: If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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### 3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the Department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	Number of employees at beginning of period-1 April 2021	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled ( Levels 1-2)	0.00	0.00	0.00	0.00
Skilled (Levels3-5)	91.00	6.00	3.00	3.30
Highly skilled production (Levels 6-8)	122.00	2.00	5.00	4.10
Highly skilled supervision (Levels 9-12)	196.00	13.00	4.00	2.00
Senior Management Service Bands A (SL 13)	43.00	2.00	2.00	4.70
Senior Management Service Bands B (SL 14)	12.00	1.00	1.00	8.30
Senior Management Service Bands C (SL 15)	3.00	0.00	0.00	0.00
Senior Management Service Bands D (SL16)	2.00	0.00	0.00	0.00
Other	33.00	37.00	39.00	118.20
Contract (Level 1-2)	1.00	0.00	0.00	0.00
Contract (Level 3-5)	10.00	15.00	5.00	50.00
Contract (Level 6-8)	15.00	18.00	12.00	80.00
Contract (Level 9-12)	10.00	9.00	10.00	100.00
Contract Band A	4.00	7.00	3.00	75.00
Contract Band B	0.00	2.00	0.00	0.00
Contract Band C	2.00	2.00	3.00	150.00
Contract Band D	5.00	2.00	3.00	60.00
<b>Total</b>	<b>549.00</b>	<b>116.00</b>	<b>90.00</b>	<b>16.40</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022**

Critical occupation	Number of employees at beginning of period-April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Engineers and Related Professionals	9.00	0.00	0.00	0.00
Financial and Related Professionals	104.00	7.00	10.00	9.62
General Legal Administration & Rel. Professionals	3	0.00	0.00	0.00
<b>TOTAL</b>	<b>116</b>	<b>7.00</b>	<b>10.00</b>	<b>8.62</b>

The table below identifies the major reasons why staff left the Department.

**Table 3.5.3 Reasons why staff left the Department for the period 1 April 2021 and 31 March 2022**

Termination Type	Number	% of Total Resignations
Death	3.00	3.30
Resignation	10.00	11.10
Expiry of contract	72.00	80.00
Dismissal – operational changes	0.00	0.00
Dismissal – misconduct	0.00	0.00
Dismissal – inefficiency	0.00	0.00
Discharged due to ill-health	0.00	0.00
Retirement	5.00	5.60
Transfer to other Public Service Departments	0.00	0.00
Other	0.00	0.00
Total	90.00	
<b>Total number of employees who left as a % of total employment</b>		<b>17.10</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022**

Occupation	Employees 1 April 2021	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
Engineers and Related Professionals	9.00	0.00	0.00	9.00	100.00
Financial and Related Professionals	104.00	5.00	4.81	106.00	102.00
General Legal Administration & Related Professionals	3.00	0.00	0.00	3.00	100.00
<b>TOTAL</b>	<b>116</b>	<b>5.00</b>	<b>4.31</b>	<b>118</b>	<b>101.72</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022**

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( Levels 1-2)	0.00	0.00	0.00	0.00	0.00
Skilled (Levels3-5)	91.00	0.00	0.00	89.00	97.80
Highly skilled production (Levels 6-8)	122.00	2.00	1.60	121.00	99.20
Highly skilled supervision (Levels 9-12)	196.00	3.00	1.50	207.00	105.60
Senior Management (Level 13-16)	60.00	2.00	3.30	59.00	98.30
Other	33.00	0.00	0.00	0.00	0.00
Contract (level 1-2)	1.00	0.00	0.00	1.00	100.00
Contract (level 3-5)	10.00	0.00	0.00	20.00	200.00
Contract (level 6-8)	15.00	0.00	0.00	15.00	100.00
Contract (level 9-12)	10.00	0.00	0.00	7.00	70.00
Contract (level >=13)	11.00	0.00	0.00	18.00	163.60
<b>Total</b>	<b>549.00</b>	<b>7.00</b>	<b>1.30</b>	<b>537</b>	<b>97.80</b>

### 3.6 Employment Equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	3	2	29	2	1	2	71
Professionals	56	0	1	4	60	7	3	5	139
Technicians and associate professionals	67	3	0	1	113	6	5	10	205
Clerks	31	0	0	1	67	1	1	0	101
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	1	0	0	0	1
<b>Total</b>	<b>163</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>270</b>	<b>16</b>	<b>10</b>	<b>17</b>	<b>517</b>
Employees with disabilities	4		1	1	3		2		10

**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	5	0	1	1	4	0	1	0	12
Senior Management	27	0	2	1	25	2	0	2	59
Professionally qualified and experienced specialists and mid-management	56	0	1	4	60	7	3	8	139
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	67	3	0	1	113	6	5	10	205
Semi-skilled and discretionary decision making	37	0	0	1	61	1	1	0	101
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>186</b>	<b>3</b>	<b>4</b>	<b>8</b>	<b>264</b>	<b>16</b>	<b>9</b>	<b>20</b>	<b>517</b>

**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	
Legislators, senior officials and managers	9	0	3	2	29	2	1	2	71
Professionals	56	0	1	4	60	7	3	5	139
Technicians and associate professionals	67	3	0	1	113	6	5	10	205
Clerks	31	0	0	1	67	1	1	0	101
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	1	0	0	0	1
<b>Total</b>	<b>163</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>270</b>	<b>16</b>	<b>10</b>	<b>17</b>	<b>517</b>
Employees with disabilities	4		1	1	3		2		10

**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	5	0	1	1	4	0	1	0	12
Senior Management	27	0	2	1	25	2	0	2	59
Professionally qualified and experienced specialists and mid-management	56	0	1	4	60	7	3	8	139
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	67	3	0	1	113	6	5	10	205
Semi-skilled and discretionary decision making	37	0	0	1	61	1	1	0	101
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>186</b>	<b>3</b>	<b>4</b>	<b>8</b>	<b>264</b>	<b>16</b>	<b>9</b>	<b>20</b>	<b>517</b>

**Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2021**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	
Senior Management									
Professionally qualified and experienced specialists and mid-management	2	0	0	0	5	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making									
Contract (Top Management)	1	0	1	0	0	0	0	0	2
Contract Senior Management	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified)	1	0	0	0	0	2	0	0	3
Contract (Skilled Technical)	3	1	0	0	2	0	0	0	6
Contract Semi-skilled	2	0	0	0	4	0	0	0	6
<b>Total</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	19	0	1	1	18	2	0	2	43
Professionally qualified and experienced specialists and mid-management	49	0	0	2	52	2	2	3	110
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	23	0	0	1	38	2	2	2	68
Semi-skilled and discretionary decision making	19	0	0	1	45	1	1	0	67
Unskilled and defined decision making									
Contract professionally qualified	2	0	0	0	6	2	0	0	10
Contract Skilled Technical	0	0	0	0	5	0	0	0	5
Contract Semi-skilled	2	0	0	0	0	0	0	0	2
Total	114	0	1	5	164	9	5	7	305
Employees with disabilities									

**Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	1	0	0	0	0	0	1
Senior Management	4	0	0	0	1	0	0	0	5
Professionally qualified and experienced specialists and mid-management	1	0	0	0	0	0	0	2	3
Skilled technical and academically qualified workers junior management, supervisors, foreman and superintendents	1	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	1	2
Contract Senior Management	1	0	0	0	2	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract Professional Qualified	5	0	0	0	6	0	0	0	11
Contract Skilled Technical	5	1	0	0	4	0	0	0	10
Contract Semi-skilled	2	0	0	0	2	0	0	0	4
Total	19	1	1	0	19	0	0	3	43
Employees with Disabilities									



**Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Progressive	2								2
Formal disciplinary hearing	1				1		1		3

**Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	15	0	1	1	4	1	1	0	23
Professionals	33	0	0	0	41	0	1	1	76
Technicians and associate professionals	9	0	0	1	20	1	1	2	34
Clerks	27	1	0	0	81	1	0	0	110
Service and sales workers	40	0	0	0	13	0	0	0	17
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
<b>Total</b>	<b>88</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>159</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>260</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

### 3.6 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes.

Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

### 3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes.

Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

**Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022**

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	5	5	5	100%
Salary Level 15	3	3	3	100%
Salary Level 14	14	14	13	92%
Salary Level 13	49	51	50	96%
<b>Total</b>	<b>72</b>	<b>74</b>	<b>72</b>	<b>97%</b>

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021**

Reasons
1. Migration of SMS from the old Organisational Structure to the approved Macro structure.
2. Staff worked on rotational schedules based on COVID-19 protocols and social distancing.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021**

Reasons
1. Non-compliance letters issued requesting reasons for non-submission.
2. SMS members were moderated however no performance incentives were implemented due to non-compliance.

### 3.8 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below)

**Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 to 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	190	463	41,00	1 666,41	8 770,51
Male	69	192	35,00	659,17	9 553,00
Female	121	271	44,00	1 007,24	8 324,00
Asian	5	13	38,00	42 610,00	6 087,14
Male	0	3	0	0,00	0,00
Female	5	10	50,00	42 61,00	8 522,00
Coloured	8	17	47,00	104,85	19 282,00
Male	1	2	50	5,02	5 021,00
Female	7	15	46,00	99, 83	14 261,00
White	11	26	42,00	159,47	8 770,51
Male	2	7	28,00	62,57	31 297,00
Female	9	19	47,00	96,90	10 767,00
Employees with a disability	2	8	25,00	12,30	6 149,00
<b>Total</b>	<b>216</b>	<b>527</b>	<b>40,00</b>	<b>1 985,64</b>	<b>9 193,00</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 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	
02) Skilled (level 3-5)	51,00	88,00	58,00	160,99	3 157,00	0,5
03) Highly Skilled production (level 6-8)	71,00	119,00	59,70	414,24	5 834,00	0,5
04) Highly skilled supervision (level 9-12)	82,00	203,00	40,40	1 176,90	14 352,00	0,5
09) Other	0,00	0,00	0,00	0,00	0,00	0,5
10) Contract (level 1-2)	1,00	1,00	100,00	2,000	1 999,00	0,5
11) Contract (level 3-5)	1,00	19,00	5,30	6,14	6 138,00	0,5
12) Contract (level 6-8)	1,00	14,00	7,10	8,83	8 833,00	0,5
13) Contract (level 9-12)	2,00	8,00	25,00	31,97	15 985,00	0,5
<b>Total</b>	<b>209,00</b>	<b>452,00</b>	<b>46,20</b>	<b>1 801,07</b>	<b>8 618,00</b>	<b>0,5</b>

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 to 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	22,00	28,00	78,60	125,97	5 726,00
Household food and laundry services related	0,00	1,00	0,00	0,00	0,00
Human resources clerks	5,00	15,00	33,30	25,73	5 147,00
Security officers	14,00	18,00	77,80	43,42	3 101,00
Human resources & organisational development & related professionals	5,00	14,00	35,70	46,50	9 299,00
Messengers porters and deliverers	2,00	7,00	28,60	8,39	4 193,00
Risk management and security services	3,00	5,00	60,00	18,78	6 261,00
Finance and economics related	19,00	37,00	51,40	189,07	9 951,00
Logistical support personnel	10,00	17,00	58,80	54,06	5 406,00
Other administrative & related clerks and organisers	9,00	23,00	39,10	84,03	9 336,00
Housekeepers laundry and related workers	1,00	1,00	100,00	3,44	3 438,00
Other occupations	0,00	4,00	0,00	0,00	0,00
Financial and related professionals	19,00	38,00	50,00	224,89	11 836,00
Administrative related	34,00	104,00	32,70	471,29	13 862,00
Communication and information related	0,00	3,00	0,00	0,00	0,00
Secretaries & other keyboard operating clerks	24,00	52,00	46,20	133,32	5 555,00
Cleaners in offices workshops hospitals etc.	15,00	27,00	55,60	40,00	2 667,00
Library mail and related clerks	1,00	4,00	25,00	7,17	7 169,00
Human resources related	1,00	9,00	11,10	10,17	10 172,00
Trade/industry advisers & other related profession	0,00	1,00	0,00	0,00	0,00
Head of Department/chief executive officer	0,00	1,00	0,00	0,00	0,00
General legal administration & rel. Professionals	2,00	3,00	66,70	11,31	5 685,00
Material-recording and transport clerks	3,00	8,00	37,5	11,44	3 815,00
Other administrative policy and related officers	1,00	1,00	100,00	15,87	15 869,00
Senior managers	5,00	52,00	9,60	163,83	32 766,00
Client inform clerks (switchboard reception information clerks)	3,00	20,00	15,00	13,34	4 448,00
Economists	3,00	7,00	42,90	44,73	14 910,00
Engineers and related professionals	5,00	6,00	83,30	109,95	21 990,00
Other information technology personnel.	6,00	7,00	85,70	45,77	7 629,00
Engineering sciences related	2,00	3,00	66,70	77,64	38 819,00

Security guards	1,00	3,00	33,30	3,49	3 490,00
Food services aids and waiters	1,00	6,00	16,70	2,00	1 999,00
Community development workers	0,00	1,00	0,00	0,00	0,00
Librarians and related professionals	0,00	1,00	0,00	0,00	0,00
<b>Total</b>	<b>216,00</b>	<b>527,00</b>	<b>41,00</b>	<b>1 985,64</b>	<b>9 193,00</b>

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 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	5,00	51,00	9,80	130,42	26 083,30	0,20
Band B	2,00	15,00	13,30	54,16	27 081,60	0,30
Band C	0,00	4,00	0,00	0,00	0,00	0,00
Band D	0,00	5,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>7,00</b>	<b>75,00</b>	<b>0,00</b>	<b>184,58</b>	<b>26 368,50</b>	<b>0,20</b>

### 3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (Level 3-5)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Lev. 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Lev. 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 3-5)	0.00	0.00	1.00	100.00	1.00	100.00
Contract (level 9-12)	0.00	0.00	0.00	0.00	0.00	0.00
Contract (level 13-16)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>	<b>100.00</b>	<b>1.00</b>	<b>100.00</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022**

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupation	0.00	0.00	1.00	100	1.00	100.00

### 3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

**Table 3.10.1 Sick leave for the period 1 January 2021 to 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)
Lower Skills (Level 1-2)	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	162.00	76.50	41.00	16.00	4.00	142.00
Highly skilled production (levels 6-8)	275.00	77.10	66.00	25.80	4.00	427.00
Highly skilled supervision (levels 9 -12)	397.00	77.10	92.00	35.90	4.00	1108.00
Top and Senior management (levels 13-16)	118.00	92.40	20.00	7.80	6.00	553.00
Contracts (Level 3-5)	5.00	20.00	3.00	1.20	2.00	5.00
Contracts (Level 6-8)	18.00	72.20	5.00	2.00	4.00	25.00
Contracts (Level 9-12)	32.00	75.00	11.00	4.30	3.00	77.00
Contracts (Level 13-16)	46.00	100.00	3.00	1.20	15.00	316.00
Contract other	52.00	65.40	15.00	5.90	3.00	15.00
<b>Total</b>	<b>1105.00</b>	<b>78.60</b>	<b>256.00</b>	<b>100.00</b>	<b>4.00</b>	<b>2668.00</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 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)
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	16.00	100.00	1	20.00	16.00	11.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Levels 9-12)	33.00	100.00	2.00	40.00	17.00	74.00
Senior management (Levels 13-16)	13.00	100.00	1.00	20.00	13.00	56.00
Contract (Level 13-16)	145.00	100.00	1	20.00	145.00	1100.00
<b>Total</b>	<b>207.00</b>	<b>100.00</b>	<b>5.00</b>	<b>100.00</b>	<b>41.00</b>	<b>1241.00</b>



The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0.00	0.00	0.00
Skilled Levels 3-5)	1493.00	95.00	16.00
Highly skilled production (Levels 6-8)	2140.00	122.00	18.00
Highly skilled supervision(Levels 9-12)	3451.00	195.00	18.00
Senior management (Levels 13-16)	1194.00	66.00	18.00
Contract (level 1-2)	4.00	1.00	4.00
Contract (level 3-5)	80.00	10.00	8.00
Contract (level 6-8)	153.00	18.00	9.00
Contract (level 9-12)	215.00	21.00	10.00
Contract (level 13-16)	131.00	9	15.00
Contract Other	447.84	35.00	13.00
<b>Total</b>	<b>9308.84</b>	<b>572.00</b>	<b>16.00</b>

**Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled Levels 3-5)	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	28.00
Highly skilled supervision(Levels 9-12)	0.00	0.00	0.00	31.00
Senior management (Levels 13-16)	0.00	0.00	0.00	36.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32.00</b>

The following table summarise payments made to employees as a result of leave that was not taken.

**Table 3.10.5 Leave payouts for the period 1 April 2021 and 31 March 2022**

Reason	Total Estimated amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2020/21 due to non-utilisation of leave for the previous cycle	205.00	2.00	102 500.00
Capped leave payouts on termination of service for 20YY/ZZ	119.00	3.00	39 667.00
Current leave payout on termination of service for 20YY/ZZ	1395.00	31.00	45000.00
<b>Total</b>	<b>1719.00</b>		

### 3.11 HIV/AIDS & Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk

**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.	Yes		Palesa Mokalapa Director: Organisational Transformation & Employee Wellness
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.	Yes		The Department has an Employee Health & Wellness unit at the level of Sub-directorate with two permanent officials. The EHW Coordinator is at a Deputy-Director level, who is a registered professional nurse and an internal EHW practitioner at Assistant-Director level, who is a registered Social Worker
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.	Yes		Provision of onsite and offsite counselling to employees and their dependents on various psychosocial problems, training services on health promotion, including wellness days and Health Calendar events, and trauma debriefing services and bereavement support.
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.		No	The unit is in the process of re-establishing the Departmental Employee Wellness Committee with new members
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.		No	
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.		No	
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.		Yes	On average, 10% of employees underwent Voluntary Counselling and Testing, during the quarterly Wellness Days, to know their HIV status
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		No	

#### Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022**

Total number of Collective agreements	None
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Notes: If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None
---------------------------------------	------

The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling		
Verbal warning		
Written warning		
Final written warning		
Suspended without pay		
Fine		
Demotion		
Dismissal	1	33.3
Not guilty		
Case withdrawn / closed	2	66.6
<b>Total</b>	<b>3</b>	<b>100</b>

Notes: If there were no agreements, keep the heading and replace the table with the following:

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022**

Type of misconduct	Number	% of total
Absenteeism	1	33.3
Absenteeism, misplaced DM's belongings, poor performance	1	33.3
Gross financial misconduct, gross insubordination, gross dishonesty, gross misrepresentation, gross violation of prescripts, gross negligence, Financial misconduct	1	33.3
<b>Total</b>	<b>3</b>	<b>100</b>

**Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022**

Grievances	Number	% of Total
Number of grievances resolved	3	75
Number of grievances not resolved	1	25
Total number of grievances lodged	4	100

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022**

Disputes	Number	% of Total
Number of disputes upheld	2	20
Number of disputes dismissed	6	60
Number of disputes not finalized	2	20
Total number of disputes lodged	10	

**Table 3.12.6 Strike actions for the period 1 April 2021 to 31 March 2022**

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

**Table 3.12.7 Precautionary suspensions for the period 1 April 2021 to 31 March 2022**

Number of people suspended	1
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	730
Cost of suspension(R'000)	R3 428 144

## Skills Development

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

**Table 3.13.1 Training needs identified for the period 1 April 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			
			Internship	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	31	0	47	4	51
	Male	24	0	5	4	9
Professionals	Female	76	0	6	0	6
	Male	56	0	6	0	6
Technicians and associate professionals	Female	63	0	12	0	12
	Male	59	0	2	0	2
Clerks	Female	106	27	64	9	100
	Male	44	9	21	2	32
Service and sales workers	Female	15	0	0	1	1
	Male	13	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	28	0	2	0	2
	Male	12	0	2	0	2
Sub Total	Female	319	27	131	14	172
	Male	208	9	36	6	51
<b>Total</b>		<b>527</b>	<b>36</b>	<b>167</b>	<b>20</b>	<b>223</b>

**Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022**

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Internship	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	31	0	5	1	6
	Male	24	0	14	3	17
Professionals	Female	76	0	39	4	43
	Male	56	0	30	3	33
Technicians and associate professionals	Female	63	0	21	3	24
	Male	59	0	10	0	10
Clerks	Female	106	27	53	2	82
	Male	44	9	18	1	28
Service and sales workers	Female	15	0	12	1	13
	Male	13	0	3	1	4
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	28	0	0	0	0
	Male	12	0	0	0	0
Sub Total	Female	319	27	130	11	168
	Male	208	9	75	8	92
<b>Total</b>		<b>527</b>	<b>36</b>	<b>205</b>	<b>19</b>	<b>260</b>

### 3.12. Injury on duty

The following tables provide basic information on injury on duty.

**Table 3.12.1 Injury on duty for the period 1 April 2021 and 31 March 2022**

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

### 3.12 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the Department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a Department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a Department.

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022**

BID number	Project title	Company / Consultants Name	Contract Value	Duration (work days)	Total number of consultants that worked on project	Company B-BBEE Status Level
DH-026989	Debtors Programming System	Dimension Data	R2 600 000.00	252 Days	3	Level 2
VA50/369	Rapid Appraisal of the National Human Settlements Upgrading Support Programme (NUSP)	Plan Associates Development Planners	R460 000.00	26 Weeks	5	Level 3
VA49/713	Render Travel,Accommodation, Transport and Conference arrangements to the Department of Human Settlements	Travel With Flair	R3 133 372.00	36 Months	2	Level 1
VA49/716	Implementation Evaluation of the Finance Linked Individual Subsidy Programme (FLISP)	TJ Dynamic Development Practices	R418 600.00	22 Weeks	4	Level 1
VA49/717	Baseline Evaluation of Informal Settlements Targeted for Upgrading in the 2019 / 2024 MTSF	Data World (Pty) Ltd	R1 133 842.50	6 Months	Unspecified	Level 3
VA50/368	Rapid Appraisal of the Consultation of the Regulations Part of the NHBRC, CSOS, SHRA and EAAB	Cadre Plan (Pty) Ltd	R484 925.00	27 Days	4	Level 1
VA49/719	Conduct Informal Settlements Enumeration and Socio-economic Surveys in the City of Johannesburg Region A and Reception Area	Gudhuza Development Solutions	R4 160 000.00	12 Weeks	4	Level 1
VA49/684	Development of the Rental Housing Tribunal Governance Framework	Cadre Connect Strategies	R636 429.78	3 Months	3	Level 1
VA50/382	Design and Implementation Evaluation of the Rental Housing Tribunal in Provinces	SMEC South Africa (Pty) Ltd	R502 320.00	16 Weeks	3	Level 1
VA50/383	Specialist Occupational Health and Safety Provider	Safe Working Practice SA	R320 000.00	24 Months	1	Level 2
VA50/388	Conduct Forensic Audit of the Estate Agency Affairs Board (EAAB)	Grant Thornton Advisory (Pty) Ltd	R787 362.45	12 Weeks	Unspecifie	Level 1
VA50/389	Conduct Forensic Audit of the Community Schemes Ombud Service (CSOS)	Grant Thornton Advisory (Pty) Ltd	R787 362.45	12 Weeks	Unspecifie	Level 1
VA49/613	Render Cleaning and Hygiene Services	Bontle ke Botho	R7 647 770.72	36 Months	27	Level 1
VA49/638	Provision of Media Monitoring to the NDHS	Sticfire Media (Pty) Lt	R1 484 181.14	24 Months	Unspecifie	Level 1
VA49/640	Rendering Employee Wellness Programme	Careways Wellness (Pty) Ltd	R1 348 011.60	36 Months	Unspecifie	Level 2
VA49/683	Development of the Provisional Strategy Informal Settlements Upgrading Management Plan for the Gauteng Department of Human Settlements	Shisaka Development Management Services	R1 949 250.00	22 Weeks	Unspecifie	Level 4

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022 (Not applicable)**

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



Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022 (Not applicable)

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022 (Not applicable)

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

### 3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 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)	0.00	0.00	0.00	0.00
Skilled Levels 3-5)	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	0.00	0.00	0.00	0.00
Highly skilled supervision(Levels 9-12)	0.00	0.00	0.00	0.00
Senior management (Levels 13-16)	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

#### HR OVERSIGHT April 2021 to March 2022 - National Departments - Human Settlements

TABLE 14.1 - Report on consultant appointments using appropriated funds

Unit	Project Title	Duration: Work days	Contract value in Rand	Bid/ Contract Number	Total number of consultants that worked on the project
1	Approval for the Publication of the Request for proposals (RFP) calling Private Developers seeking to partner with Government in the Development of Integrated Residential Settlements Projects	3 months	R345 000,00	VA 49/741	5
2	Appointment of a Service provider to conduct Research to Support Policy Development and Implementation of Agri-Villages with Multiple Outcomes as well as Water Wise and other Service Innovation Interventions	6 months	R797 374,35	VA 49/722	not indicated
3	Development and Implementation of Business Continuity Management	24 months	R791 872,00	VA 49/727	5
4	Appointment of a Professional Resource Team (PRT) TO Conduct Partnership Scoping and prepare a Development Plan and package a Multi- Year Project Pipeline for Mogalakwena Local Municipality in Limpopo Province	3 months	R500 869,00	VA 49/739	not indicated

5	Appointment of a PRT to Conduct Partnership Scoping and Prepare a Development Plan and Package a Multi- Year Project Pipeline for Rustenburg Local Municipality in the North West Province	3 months	R396 750,00	VA 49/740	4
6	Renewal of VMWARE Software License	12 months	R1 524 758,00	DH-027614	not indicated
7	Advertisement for a Call for Nomination of Non - Executive Members to Serve on the Board of the Department of Human Settlements Entities	3 years	R1 293 504,00	DH-027689/ DH-027704	not indicated
8	Conduct Protection of Personal Information Impact Assessment and Implement Protection of Personal Information Act (POPIA) Compliance Measures for 12 months	12 months	R1 021 710,60	VA 50/398	5
9	Conduct Partnership Scoping and Prepare a Development Plan and Package a Multi- Year Project Pipeline for Ga- Segonyane Local Municipality in the Northern Cape Province	12 weeks	R591 941,01	VA 49/744	5
10	Rendering Security Guarding Services in the Department of Human Settlements	36 months	R11 671 788,00	VA 49/724	20
11	Conduct due Diligence on Old Stock Previously held by Nu-Way Developments (Pty) Ltd under the South African Housing Trust Limited ( SAHTL)	not indicated	R841 400,00	VA 50/ 400	not indicated
12	Programme Delivery Facilitator: Distressed Mining Communities Programme	36 months (40 hrs week)	Salary Band 14	VA 49/605	1
13	Programme Delivery Facilitator: Informal Settlements Upgrading Programme	36 months (40 hrs week)	Salary Band 14	VA 49/605	2
14	Programme Delivery Facilitator: Title Deeds Restoration Programme	36 months (40 hrs week)	Salary Band 14	VA 49/605	4
15	Programme Delivery Facilitator: Inter- Governmental Delivery	36 months (40 hrs week)	Salary Band 14	VA 49/605	1
16	Infrastructure Development and Planning	36 months (40 hrs week)	Salary Band 14	VA 49/605	3
17	National Priority Projects Programme (Catalytic Projects)	36 months (40 hrs week)	Salary Band 14	VA 49/605	2
18	Programming services for the Debtors System	12 months	R2 600 000,00	DH- 027519	3
19	Assist Risk Management Directorate in Implementing Risk Management Processes within the Department for a period of three (3) years	36 months	R12 891 960,00	VA 49/725	not indicated
20	Employee Wellness Assistance Programme	3 years	R1 348 011,60	VA 49/ 640	3
21	Server and Database Administration (HSS) – SITA Service Level Agreement	12 months	R2 139 105,57	DH-027572	not indicated
22	Media Monitoring	24 months	R1 438 187,14	VA 49/638	not indicated
23	Assist Risk Management Directorate in Implementing Risk Management Processes within the Department for a period of three (3) years	36 months	R2 335 000,00	VA 49/730	2
24	Acquisition of Business Analyst to Improve Efficiency Through Business Process Management (BPM) in the National Department of Human Settlements for 24 months	24 months	R2 866 950,00	VA 49/ 711	7
25	Supply and Installation of Handheld Assets Barcode Scanners and training at the Department of Human Settlements	once off procurement	R598 000,00	QA2278/21	not indicated
26	Advertising of Internship positions and Response Handling	once off procurement	R1 039 850,58	DH-027755	12

Unit	Project Title	B-BBEE Status Level	Percentage Women ownership	Number of Consultants from designated groups who work on the project
1	Approval for the Publication of the Request for proposals (RFP) calling Private Developers seeking to partner with Government in the Development of Integrated Residential Settlements Projects	Level 3	51,00	1
2	Appointment of a Service provider to conduct Research to Support Policy Development and Implementation of Agri- Villages with Multiple Outcomes as well as Water Wise and other Service Innovation Interventions	Level 2	TBC	not indicated
3	Development and Implementation of Business Continuity Management	Level 1	10,32	5
4	Appointment of a Professional Resource Team (PRT) TO Conduct Partnership Scoping and prepare a Development Plan and package a Multi- Year Project Pipeline for Mogalakwena Local Municipality in Limpopo Province	Level 1	0,00	not indicated
5	Appointment of a PRT to Conduct Partnership Scoping and Prepare a Development Plan and Package a Multi- Year Project Pipeline for Rustenburg Local Municipality in the North West Province	Level 1	100,00	3
6	Renewal of VMWARE Software License	Level 1	0,00	not indicated
7	Advertisement for a Call for Nomination of Non - Executive Members to Serve on the Board of the Department of Human Settlements Entities	Level 1	100,00	not indicated
8	Conduct Protection of Personal Information Impact Assessment and Implement Protection of Personal Information Act (POPIA) Compliance Measures for 12 months	8,57	0,00	4
9	Conduct Partnership Scoping and Prepare a Development Plan and Package a Multi- Year Project Pipeline for Ga- Segonyane Local Municipality in the Northern Cape Province	1,00	8,57	2
10	Rendering Security Guarding Services in the Department of Human Settlements	Level 1	0,00	20
11	Conduct due Diligence on Old Stock Previously held by Nu-Way Developments (Pty) Ltd under the South African Housing Trust Limited ( SAHTL)	Level 2	51,00	not indicated
12	Programme Delivery Facilitator: Distressed Mining Communities Programme	not indicated	not Aindicated	1
13	Programme Delivery Facilitator: Informal Settlements Upgrading Programme	not indicated	not indicated	2
14	Programme Delivery Facilitator: Title Deeds Restoration Programme	not indicated	not indicated	4
15	Programme Delivery Facilitator: Inter- Governmental Delivery	not indicated	not indicated	1
16	Infrastructure Development and Planning	not indicated	not indicated	3
17	National Priority Projects Programme (Catalytic Projects)	not indicated	not indicated	2
18	Programming services for the Debtors System	72,36	38,89	not indicated
19	Assist Risk Management Directorate in Implementing Risk Management Processes within the Department for a period of three (3) years	Level 2	TBC	not indicated
20	Employee Wellness Assistance Programme	Level 2	30,00	2
21	Server and Database Administration (HSS)	Level 2	0,00	not indicated
22	Media Monitoring	Level 1	0,00	not indicated
23	Assist Risk Management Directorate in Implementing Risk Management Processes within the Department for a period of three (3) years	Level 1	50,00	not indicated
24	Acquisition of Business Analyst to Improve Efficiency Through Business Process Management (BPM) in the National Department of Human Settlements for 24 months	level 2	0,00	4





# PART E

## FINANCIAL INFORMATION

## Report of the Auditor-General to Parliament on Vote no. 33: National Department of Human Settlements

### Report on the audit of the financial statements

#### Opinion

1. I have audited the separate financial statements of the National Department of Human Settlements set out on pages 131 to 204 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, the financial statements present fairly, in all material respects, the financial position of the National Department of Human Settlements as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) prescribed by National Treasury (NT) 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 opinion

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

#### Emphasis of matters

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

#### Restatement of corresponding figures

7. As disclosed in note 29.1.1 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.

#### Other matters

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

#### Unaudited supplementary schedule

9. The supplementary information set out on pages 206 - 217 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

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

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

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

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



## Report on the audit of the annual performance report

### Introduction and scope

14. In accordance with the Public Audit Act 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 programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the 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.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the Department's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 2: Integrated Human Settlements Planning and Development	32 –43

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify material findings on the usefulness and reliability of the reported performance information for Programme 2: Integrated Human Settlements Planning and Development.

### Other matters

19. I draw attention to the matters below.

### Achievement of planned targets

20. Refer to the annual performance report on pages 32 to 61 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

### Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 2: Integrated Human Settlements Planning and Development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

### Report on the audit of compliance with legislation

#### Introduction and scope

22. 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.
23. The material findings on compliance with specific matters in key legislation are as follows:

#### Expenditure management

24. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R2.3 million, as disclosed in note 24 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 the Department not following the prescribed deviation processes.
25. Payments were made before services were received, in contravention of treasury regulation 15.10.1.2(c).

#### Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the minister foreword, deputy minister's statement, accounting officer's report, audit committee report and human resources 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.
27. 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.



28. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
29. The other information I obtained prior to the date of this auditor's report are the accounting office's report and the human resources report. The minister's report, deputy minister's report and audit committee report are expected to be made available to us after 31 July 2022.
30. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
31. When I do receive and read the minister's report, deputy minister's report and audit committee report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

32. 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. I did not identify any significant deficiencies in internal control.
33. The Department did not have sufficient monitoring controls to ensure the proper implementation of the overall process of planning and reporting as the reported underlying data used to determine the amounts on annual performance report was not reviewed appropriately to ensure that the correct amounts have been used on the annual performance report.
34. Instances of non-compliance with the PFMA and National Treasury regulations were identified in the current year. Non-compliance could have been prevented had compliance been properly reviewed and monitored.

*Auditor-General*

Pretoria

31 July 2022



## 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 programme and on the Departments’ 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 national Department of Human Settlements 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, 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.

**Audited Annual Financial Statements For National Department Of Human Settlements**

For the year ended 31 March 2022

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VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **APPROPRIATION STATEMENT** FOR THE YEAR ENDED 31 MARCH 2022

Appropriation per programme

Programme	2021/22						2020/21		
	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	495,613	-	-	495,613	416,749	78,864	84.1%	483,399	399,184
2. Integrated Human Settlements Planning and Development	21,235,777	-	-	21,235,777	21,179,706	56,071	99.7%	26,034,771	26,001,951
3. Informal Settlements	8,422,805	-	-	8,422,805	7,972,666	450,139	94.7%	633,659	511,211
4. Rental and Social Housing	936,763	-	-	936,763	850,892	85,871	90.8%	1,184,596	1,162,257
5. Affordable Housing	588,829	-	-	588,829	539,519	49,310	91.6%	742,594	700,934
<b>TOTAL</b>	<b>31,679,787</b>	<b>-</b>	<b>-</b>	<b>31,679,787</b>	<b>30,959,532</b>	<b>720,255</b>	<b>97.7%</b>	<b>29,079,019</b>	<b>28,775,537</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **APPROPRIATION STATEMENT** FOR THE YEAR ENDED 31 MARCH 2022

			2021/22	2020/21	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	Actual Expenditure
<b>TOTAL (brought forward)</b>					
<b>Reconciliation with statement of financial performance</b>					
ADD					
Departmental receipts	1,065		365		
NRF Receipts	-		-		
Aid assistance	942		1,406		
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>31,681,794</b>		<b>29,080,790</b>		
<b>ADD</b>					
<b>Aid assistance</b>		1,118		1,406	
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>30,960,650</b>		<b>28,776,943</b>	

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **APPROPRIATION STATEMENT** FOR THE YEAR ENDED 31 MARCH 2022

Appropriation per economic classification

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>923,341</b>	<b>(15,749)</b>	-	<b>907,592</b>	<b>678,987</b>	<b>228,605</b>	<b>74.8%</b>	<b>799,640</b>	<b>626,330</b>
Compensation of employees	410,922	-	-	410,922	359,297	51,625	87.4%	397,264	352,497
Goods and services	512,419	(15,753)	-	496,666	319,687	176,979	64.4%	402,376	273,833
Interest and rent on land	-	4	-	4	3	1	75.0%	-	-
<b>Transfers and subsidies</b>	<b>30,745,011</b>	<b>2,057</b>	-	<b>30,747,068</b>	<b>30,272,455</b>	<b>474,613</b>	<b>98.5%</b>	<b>28,263,272</b>	<b>28,141,494</b>
Provinces and municipalities	29,121,481	-	-	29,121,481	28,719,361	402,120	98.6%	26,185,391	26,080,915
Departmental agencies and accounts	1,596,832	-	-	1,596,832	1,545,332	51,500	96.8%	2,048,406	2,048,406
Foreign governments and international organisations	17,870	-	-	17,870	2,168	15,702	12.1%	17,595	3,455
Households	8,828	2,057	-	10,885	5,594	5,291	51.4%	11,880	8,718
<b>Payments for capital assets</b>	<b>11,435</b>	<b>13,162</b>	-	<b>24,597</b>	<b>7,575</b>	<b>17,021</b>	<b>30.8%</b>	<b>16,038</b>	<b>7,651</b>
Buildings and other fixed structure									
Machinery and equipment	11,435	3,818	-	15,253	7,471	7,782	49.0%	15,579	7,651
Intangible assets	-	9,344	-	9,344	104	9,240	1.1%	459	-
<b>Payments for financial assets</b>	<b>-</b>	<b>530</b>	-	<b>530</b>	<b>514</b>	<b>16</b>	<b>97.0%</b>	<b>69</b>	<b>62</b>
<b>Total</b>	<b>31,679,787</b>	<b>-</b>	<b>-</b>	<b>31,679,787</b>	<b>30,959,532</b>	<b>720,255</b>	<b>97.7%</b>	<b>29,079,019</b>	<b>28,775,537</b>



VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Programme 1: Administration

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Ministry	60,640	-	-	60,640	55,891	4,749	92.2%	65,074	57,122
2. Departmental Management	86,095	(11,021)	-	75,074	55,585	19,489	74.0%	79,888	56,307
3. Corporate Services	228,733	7,170	-	235,903	197,521	38,382	83.7%	219,803	181,796
4. Property Management	51,497	3,851	-	55,348	51,545	3,803	93.1%	52,100	51,688
5. Financial Management	68,648	-	-	68,648	56,207	12,441	81.9%	66,534	52,271
<b>Total for sub programmes</b>	<b>495,613</b>	<b>-</b>	<b>-</b>	<b>495,613</b>	<b>416,749</b>	<b>78,864</b>	<b>84.1%</b>	<b>483,399</b>	<b>399,184</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>487,508</b>	<b>(14,346)</b>	<b>-</b>	<b>473,162</b>	<b>408,940</b>	<b>64,222</b>	<b>86.4%</b>	<b>471,985</b>	<b>392,959</b>
Compensation of employees	244,509	-	-	244,509	213,911	30,598	87.5%	239,382	216,749
Goods and services	242,999	(14,350)	-	228,649	195,026	33,623	85.3%	232,603	176,210
Interest and rent on land	-	4	-	4	3	1	75.0%	-	-
<b>Transfers and subsidies</b>	<b>108</b>	<b>1,771</b>	<b>-</b>	<b>1,879</b>	<b>1,862</b>	<b>17</b>	<b>99.1%</b>	<b>1,113</b>	<b>1,107</b>
Households	108	1,771	-	1,879	1,862	17	99.1%	1,113	1,107
<b>Payments for capital assets</b>	<b>7,997</b>	<b>12,292</b>	<b>-</b>	<b>20,289</b>	<b>5,676</b>	<b>14,613</b>	<b>28.0%</b>	<b>10,268</b>	<b>5,089</b>
Machinery and equipment	7,997	2,948	-	10,945	5,572	5,373	50.9%	9,809	5,089
Intangible assets	-	9,344	-	9,344	104	9,240	1.1%	459	-
<b>Payments for financial assets</b>	<b>-</b>	<b>283</b>	<b>-</b>	<b>283</b>	<b>271</b>	<b>12</b>	<b>95.8%</b>	<b>33</b>	<b>29</b>
<b>Total</b>	<b>495,613</b>	<b>-</b>	<b>-</b>	<b>495,613</b>	<b>416,749</b>	<b>78,864</b>	<b>84.1%</b>	<b>483,399</b>	<b>399,184</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Programme 2: Integrated Human Settlements Planning and Development

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management for Integrated Human Settlements Planning and Development	3,660	-	-	3,660	1,671	1,989	45.7%	3,739	1,637
2. Macro Sector Planning	18,926	-	-	18,926	11,564	7,362	61.1%	16,760	9,420
3. Macro Policy and Research	50,031	-	-	50,031	39,250	10,781	78.5%	52,666	36,523
4. Monitoring and Evaluation	62,953	-	-	62,953	44,730	18,223	71.1%	42,225	34,988
5. Public Entity Oversight	259,401	-	-	259,401	259,401	-	100.0%	281,201	281,201
6. Grant Management	20,807,672	-	-	20,807,672	20,807,672	-	100.0%	25,626,997	25,627,001
7. Capacity Building and Sector Support	33,134	-	-	33,134	15,418	17,716	46.5%	11,183	11,181
<b>Total for sub programmes</b>	<b>21,235,777</b>	<b>-</b>	<b>-</b>	<b>21,235,777</b>	<b>21,179,706</b>	<b>56,071</b>	<b>99.7%</b>	<b>26,034,771</b>	<b>26,001,951</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>166,735</b>	<b>(615)</b>	<b>-</b>	<b>166,120</b>	<b>111,351</b>	<b>54,769</b>	<b>67.0%</b>	<b>124,336</b>	<b>92,447</b>
Compensation of employees	68,991	-	-	68,991	57,704	11,287	83.6	66,735	55,224
Goods and services	97,744	(615)	-	97,129	53,647	43,482	55.2%	57,601	37,223
<b>Transfers and subsidies</b>	<b>21,067,537</b>	<b>102</b>	<b>-</b>	<b>21,067,675</b>	<b>21,067,647</b>	<b>28</b>	<b>100.0%</b>	<b>25,908,319</b>	<b>25,908,320</b>
Provinces and municipalities	20,807,672	-	-	20,807,672	20,807,672	-	100.0%	25,626,997	25,627,001
Departmental agencies and accounts	259,401	-	-	259,401	259,401	-	100.0%	281,201	281,201
Households	500	102	-	602	574	28	95.3%	121	118
<b>Payments for capital assets</b>	<b>1,469</b>	<b>480</b>	<b>-</b>	<b>1,949</b>	<b>678</b>	<b>1,271</b>	<b>34.8%</b>	<b>2,087</b>	<b>1,156</b>
Machinery and equipment	1,469	480	-	1,949	678	1,271	34.8%	2,087	1,156
<b>Payments for financial assets</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>33</b>	<b>30</b>	<b>3</b>	<b>90.9%</b>	<b>29</b>	<b>28</b>
<b>Total</b>	<b>21,235,777</b>	<b>-</b>	<b>-</b>	<b>21,235,777</b>	<b>21,179,706</b>	<b>56,071</b>	<b>99.7%</b>	<b>26,034,771</b>	<b>26,001,951</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **APPROPRIATION STATEMENT** FOR THE YEAR ENDED 31 MARCH 2022

**Programme 3: Informal Settlements**

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management for Informal Settlements	5,186	-	-	5,186	2,866	2,320	55.3%	5,227	4,737
2. Policy and Research	-	-	-	-	-	-	-	-	-
3. Monitoring and Evaluation	-	-	-	-	-	-	-	-	-
4. Grant Management	8,345,049	-	-	8,345,049	7,930,422	414,627	95.0%	582,244	471,235
5. Capacity Building and Sector Support	72,570	-	-	72,570	39,378	33,192	54.3%	46,188	35,239
<b>Total for sub programmes</b>	<b>8,422,805</b>	<b>-</b>	<b>-</b>	<b>8,422,805</b>	<b>7,972,666</b>	<b>450,139</b>	<b>94.7%</b>	<b>633,659</b>	<b>511,211</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>108,750</b>	<b>(140)</b>	<b>-</b>	<b>108,610</b>	<b>60,706</b>	<b>47,904</b>	<b>55.9%</b>	<b>73,671</b>	<b>56,988</b>
Compensation of employees	37,269	-	-	37,269	32,213	5,056	86.4%	36,030	30,938
Goods and services	71,481	(140)	-	71,341	28,493	42,848	39.9%	37,641	26,050
<b>Transfers and subsidies</b>	<b>8,313,809</b>	<b>90</b>	<b>-</b>	<b>8,313,899</b>	<b>7,911,779</b>	<b>402,120</b>	<b>95.2%</b>	<b>558,474</b>	<b>453,972</b>
Provinces and municipalities	8,313,809	-	-	8,313,809	7,911,689	402,120	95.2%	558,394	453,914
Households	-	90	-	90	90	-	100.0%	80	58
<b>Payments for capital assets</b>	<b>246</b>	<b>50</b>	<b>-</b>	<b>296</b>	<b>181</b>	<b>115</b>	<b>61.1%</b>	<b>1,514</b>	<b>251</b>
Machinery and equipment	246	50	-	296	181	115	61.1%	1,514	251
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>8,422,805</b>	<b>-</b>	<b>-</b>	<b>8,422,805</b>	<b>7,972,666</b>	<b>450,139</b>	<b>94.7%</b>	<b>633,659</b>	<b>511,211</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Programme 4: Rental and Social Housing

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management for Rental and Social Housing	4,751	-	-	4,751	3,433	1,318	72.3%	4,485	3,087
2. Policy and Research	-	-	-	-	-	-	-	-	-
3. Monitoring and Evaluation	-	-	-	-	-	-	-	-	-
4. Grant Management	857,619	-	-	857,619	806,119	51,500	94.0%	1,117,520	1,117,520
5. Capacity Building and Sector Support	74,393	-	-	74,393	41,430	33,053	55.6%	62,591	41,650
<b>Total for sub programmes</b>	<b>936,763</b>	<b>-</b>	<b>-</b>	<b>936,763</b>	<b>850,892</b>	<b>85,871</b>	<b>90.8%</b>	<b>1,184,596</b>	<b>1,162,257</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>78,717</b>	<b>(17)</b>	<b>-</b>	<b>78,700</b>	<b>44,651</b>	<b>34,049</b>	<b>56.7%</b>	<b>60,115</b>	<b>38,085</b>
Compensation of employees	13,321	-	-	13,321	11,293	2,028	84.8%	9,837	9,441
Goods and services	65,396	(17)	-	65,379	33,358	32,021	51.0%	50,278	28,644
<b>Transfers and subsidies</b>	<b>857,619</b>	<b>-</b>	<b>-</b>	<b>857,619</b>	<b>806,119</b>	<b>51,500</b>	<b>94.0%</b>	<b>1,123,906</b>	<b>1,123,905</b>
Provinces and municipalities									
Households	857,619	-	-	857,619	806,119	51,500	94.0%	1,117,520	1,117,520
	-	-	-	-	-	-	-	6,386	6,385
<b>Payments for capital assets</b>	<b>427</b>	<b>-</b>	<b>-</b>	<b>427</b>	<b>105</b>	<b>322</b>	<b>24.6%</b>	<b>573</b>	<b>266</b>
Machinery and equipment	427	-	-	427	105	322	24.6%	573	266
<b>Payments for financial assets</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>17</b>	<b>17</b>	<b>-</b>	<b>100.0%</b>	<b>2</b>	<b>1</b>
<b>Total</b>	<b>936,763</b>	<b>-</b>	<b>-</b>	<b>936,763</b>	<b>850,892</b>	<b>85,871</b>	<b>90.8%</b>	<b>1,184,596</b>	<b>1,162,257</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **APPROPRIATION STATEMENT** FOR THE YEAR ENDED 31 MARCH 2022

**Programme 5: Affordable Housing**

2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1.Management for Affordable Housing	3,988	-	-	3,988	2,793	1,195	70.0%	3,702	1,926
2. Policy and Research	-	-	-	-	-	-	-	-	-
3. Monitoring and Evaluation	-	-	-	-	-	-	-	-	-
4.Public Entity Oversight	492,197	-	-	492,197	489,552	2,645	99.5%	663,741	656,589
5.Grant Management	-	-	-	-	-	-	-	-	-
6.Capacity Building and Sector Support	92,644	-	-	92,644	47,174	45,470	50.9%	75,151	42,419
<b>Total for sub programmes</b>	<b>588,829</b>	<b>-</b>	<b>-</b>	<b>588,829</b>	<b>539,519</b>	<b>49,310</b>	<b>91.6%</b>	<b>742,594</b>	<b>700,934</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>81,631</b>	<b>(631)</b>	<b>-</b>	<b>81,000</b>	<b>53,339</b>	<b>27,661</b>	<b>65.9%</b>	<b>69,533</b>	<b>45,851</b>
Compensation of employees	46,832	-	-	46,832	44,176	2,656	94.3%	45,280	40,145
Goods and services	34,799	(631)	-	34,168	9,163	25,005	26.8%	24,253	5,706
<b>Transfers and subsidies</b>	<b>505,902</b>	<b>94</b>	<b>-</b>	<b>505,996</b>	<b>485,048</b>	<b>20,948</b>	<b>95.9%</b>	<b>671,460</b>	<b>654,190</b>
Provinces and municipalities									
Departmental agencies and accounts	479,812	-	-	479,812	479,812	-	100.0%	649,685	649,685
Higher education institutions									
Foreign governments and international organisations	17,870	-	-	17,870	2,168	15,702	12.1%	17,595	3,455
Households	8,220	94	-	8,314	3,068	5,246	36.9%	4,180	1,050
<b>Payments for capital assets</b>	<b>1,296</b>	<b>340</b>	<b>-</b>	<b>1,636</b>	<b>936</b>	<b>700</b>	<b>57.2%</b>	<b>1,596</b>	<b>889</b>
Buildings and other fixed structures									
Machinery and equipment	1,296	340	-	1,636	936	700	57.2%	1,596	889
<b>Payments for financial assets</b>	<b>-</b>	<b>197</b>	<b>-</b>	<b>197</b>	<b>196</b>	<b>1</b>	<b>99.5%</b>	<b>5</b>	<b>4</b>
<b>Total</b>	<b>588,829</b>	<b>-</b>	<b>-</b>	<b>588,829</b>	<b>539,519</b>	<b>49,310</b>	<b>91.6%</b>	<b>742,594</b>	<b>700,934</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022**

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**  
Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.
2. **Detail of specificall and exclusively appropriated amounts voted (after Virement):**  
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
3. **Detail on payments for financia assets**  
Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.
4. **Explanations of material variances from Amounts Voted (after Virement):**

**4.1 Per programme**

<b>Administration</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Current Payment	473,162	408,941	64,221	14%
Transfers and subsidies	1,879	1,862	17	1%
Expenditure for capital assets	20,289	5,675	14,614	72%
Financial assets	283	271	12	4%

**On current payments the under spending is due to following:**

Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions so as to manage the risk of appointing more officials than the department will afford in the future

Goods and Services: Under spending was mainly as a result of the Covid 19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly affected activities were travel, training of officials and other personnel related expenditure. Delay in filling of positions also resulted in underspending of the advertising and the resettlement budgets.

Expenditure for capital assets: The underspending can be attributed to suppliers that were not able to deliver due to stock shortages in the country as a result of the pandemic.



Integrated Human Settlements Planning and Development	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Current Payment	166,120	111,351	54,769	33%
Transfers and subsidies	21,067,675	21,067,647	28	0%
Expenditure for capital assets	1,949	678	1,271	65%
Financial assets	33	30	3	9%

**Under spending is due to following:**

Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions so as to manage the risk of appointing more officials than the department will afford in the future.

Goods and Services: Under spending was mainly as a result of the Covid 19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly affected was travel and other personnel related expenditure as well delays in the procurement processes. Another contributing factor is the underspending on the Housing Subsidy System budget due to SITA not providing the required services as per the service level agreement. A further contributing factor is that the contract for the professional resource team appointed to assist the Department with the Title Deeds Restoration Project contract come to an end. There were also delays in the procurement process to appoint a professional resource team.

Expenditure for capital assets: The underspending can be attributed to suppliers that were not able to deliver due to stock shortages in the country as a result of the pandemic.

Informal Settlements	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Current Payment	108,610	60,706	47,904	44%
Transfers and subsidies	8,313,899	7,911,779	402,120	5%
Expenditure for capital assets	296	181	115	39%
Financial assets	-	-	-	0%

**Under spending is due to following:**

**Under spending is due to following:**

Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions so as to manage the risk of appointing more officials than the department will afford in the future

Goods and Services: Under spending was mainly as a result of the Covid 19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly effected was travel and other personnel related expenditure as well delays in the procurement processes. A further contributing factor is that the contract for the professional resource team appointed to assist the Department with the National Upgrading Support Programme contract came to an end and there were also delays in the procurement process to appoint a new professional resource team.

**Transfer and subsidies:**

The Emergency Housing Grants is schedule 7 a and b grants and is request based grants. The funds are unallocated and is to be used for emergency relief by province (schedule 7 a) or municipality (schedule 7 b). The funds are disbursed after completion of an administrative process. This process consists of a request made by Province or Municipality and the Department verifying the claim where after approval is given and payment is made.

**Expenditure for capital assets**

The underspending can be attributed to suppliers that were not able to deliver due to stock shortages in the country as a result of the pandemic.

Rental and Social Housing	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Current Payment	78,700	44,651	34,049	43%
Transfers and subsidies	857,619	806,119	51,500	6%
Expenditure for capital assets	427	105	322	75%
Financial assets	17	17	-	0%

**Under spending is due to following:**

Reasons for under spending are as follows:

Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions so as to manage the risk of appointing more officials than the department will afford in the future

Goods and Services: Under spending was mainly as a result of the Covid 19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly affected was travel and other personnel related expenditure as well as delays in the procurement processes. A further contributing factor is that the contract for the professional resource team who were appointed to assist the Department with the Provincial and Municipal support contract came to an end. There were also delays in the procurement process to appoint a new professional resource team.

Transfer and subsidies:

The Department obtained approval from National Treasury to reprioritise R51.5 million from Social Housing Regulatory Authority (SHRA) to the Housing Development Agency (HDA) to fund the acquisition of a property in Cape Town. The transfer could not be effected as the HDA was unable to provide the required Section 38(j) PFMA certificate to enable the department to process the transfer.

Expenditure for capital assets: The underspending can be attributed to suppliers that were not able to deliver due to stock shortages in the country as a result of the pandemic.

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

Affordable Housing	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Current Payment	81,000	53,339	27,661	34%
Transfers and subsidies	505,996	485,048	20,948	4%
Expenditure for capital assets	1,636	936	700	43%
Financial assets	197	196	1	1%

**Under spending is due to following:**

**Reasons for under spending are as follows:**

Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions so as to manage the risk of appointing more officials than the department will afford in the future.

Goods and Services: Under spending was mainly as a result of the Covid 19 pandemic which resulted in a continued curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly affected was travel and other personnel related expenditure as well as delays in the procurement processes.

**Transfer and subsidies:**

Underspending on the transfers and subsidies is due to:

- Funds provided additionally to the UN Habitat for the UN Habitat Partnership on leading sustainable inclusive urban transformation in the decade of action could not be transferred as the Department experienced delays in inter-departmental administrative processes in relation to international agreements.
- CITIES Alliance – R720 000.00. The payment was made in the last week of March 2022 and was rejected a number of times on the system, due to the complexity in the processing of foreign payments. The payment was only made in the first week of April 2022 thereby reflecting in 2022/23 financial year.
- There was no intake of new students as the Department's scholarship programme being phased out, in line with government response to the fees must fall campaign. This resulted in savings.

Expenditure for capital assets: The underspending can be attributed to suppliers that were not able to deliver due to stock shortages in the country as a result of the pandemic.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	410,220	359,294	50,926	12%
Goods and services	497,368	319,691	177,677	36%
Interest and rent on land	4	3	1	25%
<b>Transfers and subsidies</b>				
Provinces and municipalities	29,121,481	28,719,361	402,120	1%
Departmental agencies and accounts	1,596,832	1,545,332	51,500	3%
Higher education institutions				
Public corporations and private enterprises				
Foreign governments and international organisations	17,870	2,168	15,702	88%
Non-profit institution				
Households	10,885	5,594	5,291	49%
<b>Payments for capital assets</b>				
Buildings and other fixed structure				
Machinery and equipment	15,253	7,471	7,782	51%
Heritage assets				
Specialised military assets				
Biological assets				
Land and subsoil assets				
Intangible assets	9,344	104	9,240	99%
<b>Payments for financial assets</b>				
	530	514	16	3%

**Under spending is due to following:**

**Compensation of employees:**

Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Although the Macro Structure was finalised during the financial year there has been delays in finalising the micro structure of the department. Caution had to be exercised in filling vacant positions as there was no certainty as to whether some of the existing vacant positions will still be on the new structure. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions so as to manage the risk of appointing more officials than the department will afford in the future.

**Goods and Services:**

Under spending was mainly as a result of the Covid 19 pandemic which resulted in the declaration of the national state of disaster. As a result of this Departmental activities were curtailed to ensure compliance to DPSA directives. Mostly affected was travel and other personnel related expenditure. A further contributing factor is that a number of contracts have come to an end and delays were experienced in the procurement processes to appoint new service providers. Underspending on the Housing Subsidy System budget also contributed due to SITA not providing the required services as per the service level agreement.

**Transfer and subsidies. Underspending on the transfers and subsidies is due to:**

- The Emergency Housing Grants are schedule 7 a and b grants and are request based grants. The funds are allocated to be used for emergency relief by province (schedule 7 a) or municipality (schedule 7 b). The funds are thus disbursed after completion of an administrative process. This process consists of a request made by Province or Municipality and the Department verifying the request where after approval is given and transfer is effected.
- Housing Development Agency (HDA) – Approval was obtained from National Treasury to reprioritise R51.5 million from SHRA to HDA to fund the acquisition of a property in Cape Town. The transfer could not be effected as the HDA did not provide the required Section 38(j) PFMA certificate to enable the department to process the transfer.
- UN Habitat – R2.168 million. An amount of R14.1 million could not be transferred to the UN Habitat as the Department experienced delays in inter-departmental administrative processes in relation to international agreements.
- City Alliance – R720 000.00: The payment was made in the last week of March 2022 and was rejected a number of times on the system, due to the complexity in the processing of a foreign payment. The payment was only made in the first week of April 2022 thereby reflecting in 2022/23 financial year

**Expenditure for capital assets:**

The underspending can be attributed to suppliers that were not able to deliver due to stock shortages in the country as a result of the pandemic.



4.3 Per conditional grant

Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Human Settlements Development Grant	13,402,961	13,402,961	-	0%
Upgrading Informal Settlements Grants-Provinces	3,889,718	3,889,718	-	0%
Provincial Emergency Housing Grant	311,118	10,053	301,065	97%
Urban Settlements Development Grant	7,404,711	7,404,711	-	0%
Upgrading Informal Settlements Grants-Municipalities	3,945,447	3,945,447	-	0%
Municipal Emergency Housing Grant	167,526	66,471	101,055	60%

The Emergency Housing Grants are schedule 7 a and b grants and are request based grants. The funds are allocated to be used for emergency relief by province (schedule 7 a) or municipality (schedule 7 b). The funds are thus disbursed after completion of an administrative process. This process consists of a request made by Province or Municipality and the Department verifying the request where after approval is given and transfer is effected.

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2022

REVENUE	Note	2021/22 R'000	2020/21 R'000
Annual appropriation	1	31,679,787	29,079,019
Departmental revenue	2	1,065	365
Aid assistance		942	1,406
<b>TOTAL REVENUE</b>		<b>31,681,794</b>	<b>29,080,790</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	359,297	352,496
Goods and services	5	319,687	273,832
Interest and rent on land	6	3	-
Aid assistance	3	1,118	1,406
<b>Total current expenditure</b>		<b>680,105</b>	<b>627,734</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	30,272,455	28,141,495
<b>Total transfers and subsidies</b>		<b>30,272,455</b>	<b>28,141,495</b>
<b>Expenditure for capital assets</b>			
Tangible assets	9	7,472	7,652
Intangible assets	9	104	-
<b>Total expenditure for capital assets</b>		<b>7,576</b>	<b>7,652</b>
<b>Payments for financial assets</b>	7	514	62
<b>TOTAL EXPENDITURE</b>		<b>30,960,650</b>	<b>28,776,943</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>721,144</b>	<b>303,847</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **STATEMENT OF FINANCIAL PERFORMANCE** FOR THE YEAR ENDED 31 MARCH 2022

Reconciliation of Net Surplus/(Deficit) for the year	2021/22	2020/21
Voted funds	720,255	303,482
Annual appropriation	720,255	303,482
Departmental revenue and NRF Receipts	15 1,065	365
Aid assistance	3 (176)	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>721,144</b>	<b>303,847</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2022

ASSETS	Note	2021/22 R'000	2020/21 R'000
<b>Current assets</b>		<b>721,454</b>	<b>491,358</b>
Cash and cash equivalents	10	708,300	485,073
Prepayments and advances	11	11,860	5,428
Receivables	12	1,294	857
<b>Non-current assets</b>		<b>2,365,855</b>	<b>2,366,169</b>
Investments	13	2,364,239	2,364,239
Receivables	12	1,616	1,930
<b>TOTAL ASSETS</b>		<b>3,087,309</b>	<b>2,857,527</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>722,524</b>	<b>493,207</b>
Voted funds to be surrendered to the Revenue Fund	14	720,255	301,485
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	96	21
Payables	16	780	190,132
Aid assistance unutilised	3	1,393	1,569
<b>TOTAL LIABILITIES</b>		<b>722,524</b>	<b>493,207</b>
<b>NET ASSETS</b>		<b>2,364,785</b>	<b>2,364,320</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **STATEMENT OF FINANCIAL POSITION** FOR THE YEAR ENDED 31 MARCH 2022

**Represented by:**

Capitalisation reserve  
Recoverable revenue

2,364,239
546

2,364,239
81

**TOTAL**

<b>2,364,785</b>
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<b>2,364,320</b>
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VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **STATEMENT OF CHANGES IN NET ASSETS** FOR THE YEAR ENDED 31 MARCH 2022

<b>Capitalisation Reserves</b>	<b>Note</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		2,364,239	2,364,239
<b>Closing balance</b>		<b>2,364,239</b>	<b>2,364,239</b>
Recoverable revenue			
Opening balance		81	109
Transfers:		465	(28)
Debts recovered (included in departmental receipts)		(208)	(44)
<b>Debts raised</b>		<b>673</b>	<b>16</b>
Closing balance		<b>546</b>	<b>81</b>
<b>TOTAL</b>		<b>2,364,785</b>	<b>2,364,320</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **CASH FLOW STATEMENT** FOR THE YEAR ENDED 31 MARCH 2022

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>2021/22</b>	<b>2020/21</b>
Receipts		31,681,794	29,078,792
Annual appropriated funds received	1.1	31,679,787	29,077,021
Departmental revenue received	2	1,035	335
Interest received	2.2	30	30
Aid assistance received	3	942	1,406
Net (increase)/decrease in working capital		(196,221)	66,805
Surrendered to Revenue Fund		(302,475)	(516,762)
Surrendered to RDP Fund/Donor			
Current payments		(680,102)	(627,734)
Interest paid	6	(3)	-
Payments for financial assets		(514)	(62)
Transfers and subsidies paid		(30,272,455)	(28,141,495)
<b>Net cash flow available from operating activities</b>	<b>17</b>	<b>230,024</b>	<b>(140,456)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Distribution/dividend received			
Payments for capital assets	9	(7,576)	(7,652)
(Increase)/decrease in non-current receivables	12	314	51
<b>Net cash flows from investing activities</b>		<b>(7,262)</b>	<b>(7,601)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		465	(28)
Increase/(decrease) in non-current payables			
<b>Net cash flows from financing activities</b>		<b>465</b>	<b>(28)</b>
Net increase/(decrease) in cash and cash equivalents		223,227	(148,085)
Cash and cash equivalents at beginning of period		485,073	633,158
Cash and cash equivalents at end of period	18	708,300	485,073



**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**Summary of significant accounting policies**

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

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

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

1	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p><b>Presentation currency</b></p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p><b>Foreign currency translation</b></p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p><b>Comparative information</b></p>
6.1	<p><b>Prior period comparative information</b></p> <p>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.</p>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

6.2	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p><b>Revenue</b></p>
7.1	<p><b>Appropriated funds</b></p> <p>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.</p> <p>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.</p>
7.2	<p><b>Departmental revenue</b></p> <p>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.</p>
7.3	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p>
8	<p><b>Expenditure</b></p>
8.1	<p><b>Compensation of employees</b></p>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

8.1.1	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
8.2	<p><b>Other expenditure</b></p> <p>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.</p>
8.3	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	<p><b>Leases</b></p>
8.4.1	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>

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8.4.2	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
9	<p><b>Aid Assistance</b></p>
9.1	<p><b>Aid assistance received</b></p> <p>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.</p> <p>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.</p>
9.2	<p><b>Aid assistance paid</b></p> <p>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.</p>
10	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>

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11	<p><b>Prepayments and advances</b></p> <p>The Department is transferring funds (advances) to the Government Communication information System (GCIS) and Officials for travelling.</p> <p>These advances are expensed once the respective department(s) paid the accounts on behalf of the department and provide the necessary source documents to the department. Subsistence and Travel advances(S&amp;T) are expensed once the S&amp;T claim is authorised on the system.</p>
12	<p><b>Loans and receivables</b></p> <p>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.</p>
13	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p><b>Financial assets</b></p>
14.1	<p><b>Financial assets (not covered elsewhere)</b></p> <p>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.</p> <p>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.</p>
14.2	<p><b>Impairment of financial assets</b></p> <p>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.</p>
15	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p><b>Capital Assets</b></p>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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16.1	<p><b>Immovable capital assets</b></p> <p>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.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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16.3	<p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>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.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p><b>Provisions and Contingents</b></p>
17.1	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>



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17.2	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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20	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p><b>Changes in accounting estimates and errors</b></p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p><b>Principal-Agent arrangements</b></p> <p>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.</p>
24	<p><b>Departures from the MCS requirements</b></p> <p>The Department did not deviate from the modified cash standard requirements.</p>
25	<p><b>Capitalisation reserve</b></p> <p>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.</p>

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26	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p><b>Related party transactions</b></p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
28	<p><b>Inventories</b></p> <p>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.</p>
29	<p><b>Public-Private Partnerships</b></p> <p>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.</p>
30	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
31	<p><b>Transfer of functions</b></p> <p>Transfer 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. Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p><b>Mergers</b></p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**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:

	2021/22			2020/21		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	495,613	495,613	-	483,399	481,401	1,998
Integrated Human Settlements Planning and Development	21,235,777	21,235,777	-	26,034,771	26,034,771	-
Informal Settlements	8,422,805	8,422,805	-	633,659	633,659	-
Rental and Social Housing	936,763	936,763	-	1,184,596	1,184,596	-
Affordable Housing	588,829	588,829	-	742,594	742,594	-
<b>Total</b>	<b>31,679,787</b>	<b>31,679,787</b>	<b>-</b>	<b>29,079,019</b>	<b>29,077,021</b>	<b>1,998</b>

**2. Departmental revenue**

	Note	2021/22 R'000	2020/21 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	205	206
Interest, dividends and rent on land	2.2	30	30
Transactions in financial assets and liabilities	2.3	830	129
Total revenue collected		<b>1,065</b>	<b>365</b>
<b>Departmental revenue collected</b>		<b>1,065</b>	<b>365</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

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

	Note	2021/22	2020/21
	2	R'000	R'000
Sales of goods and services produced by the department		202	205
Sales by market establishment		54	61
Other sales		148	144
Sales of scrap, waste and other used current goods		3	1
<b>Total</b>		<b>205</b>	<b>206</b>

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

	Note	2021/22	2020/21
	2	R'000	R'000
Interest		30	30
<b>Total</b>		<b>30</b>	<b>30</b>

**2.3 Transactions in financial assets and liabilities**

	Note	2021/22	2020/21
	2	R'000	R'000
Other Receipts including Recoverable Revenue		830	129
Gains on GFECRA			
<b>Total</b>		<b>830</b>	<b>129</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**3. Aid assistance**

	Note	2021/22 R'000	2020/21 R'000
Opening Balance		1,569	1,569
Prior period error			
As restated		<u>1,569</u>	<u>1,569</u>
<b>Transferred from statement of financial performance</b>		<b>(176)</b>	<b>-</b>
<b>Paid during the year</b>			
<b>Closing Balance</b>		<b><u>1,393</u></b>	<b><u>1,569</u></b>

**3.1 Analysis of balance by source**

	Note	2021/22 R'000	2020/21 R'000
Aid assistance from other sources		1,393	1,569
Closing balance	3	<u>1,393</u>	<u>1,569</u>

**3.2 Analysis of balance**

	Note	2021/22 R'000	2020/21 R'000
Aid assistance unutilised		1,393	1,569
Closing balance	3	<u>1,393</u>	<u>1,569</u>

**3.3 Aid assistance expenditure per economic classification**

	Note	R'000	R'000
Current		1,118	1,406
<b>Total aid assistance expenditure</b>		<b><u>1,118</u></b>	<b><u>1,406</u></b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**4. Compensation of employees**

**4.1 Salaries and Wages**

	Note	2021/22 R'000	2020/21 R'000
Basic salary		237,864	238,553
Performance award		2,023	2,238
Service Based		846	826
Compensative/circumstantial		8,129	9,131
Other non-pensionable allowances		69,615	61,885
<b>Total</b>		<b>318,477</b>	<b>312,633</b>

**Refer to Note 31**

**4.2 Social contributions**

	Note	2021/22 R'000	2020/21 R'000
<b>Employer contributions</b>			
Pension		28,870	28,486
Medical		11,893	11,322
UIF			
Bargaining council		57	55
<b>Total</b>		<b>40,820</b>	<b>39,863</b>
<b>Total compensation of employees</b>		<b>359,297</b>	<b>352,496</b>
Average number of employees		534	551



**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**5. Goods and services**

	Note	2021/22 R'000	2020/21 R'000
Administrative fees		1,362	159
Advertising		10,521	15,533
Minor assets	5.1	266	115
Bursaries (employees)		1,237	1,055
Catering		19,135	11,387
Communication		10,592	8,939
Computer services	5.2	46,791	31,872
Consultants: Business and advisory services		70,798	66,046
Legal services		2,332	2,785
Contractors		10,616	8,691
Agency and support / outsourced services		227	731
Entertainment		97	123
Audit cost – external	5.3	9,404	7,684
Fleet services		1,991	1,161
Consumables	5.4	3,838	6,654
Operating leases		43,101	43,259
Property payments	5.5	11,971	11,592
Travel and subsistence	5.6	35,922	25,017
Venues and facilities		36,143	27,993
Training and development		912	512
Other operating expenditure	5.7	2,431	2,524
<b>Total</b>		<b>319,687</b>	<b>273,832</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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**5.1 Minor assets**

	Note	2021/22	2020/21
	5	R'000	R'000
Tangible assets		266	115
Machinery and equipment		266	115
<b>Total</b>		<u><u>266</u></u>	<u><u>115</u></u>

**5.2 Computer services**

	Note	2021/22	2020/21
	5	R'000	R'000
SITA computer services		38,251	20,171
External computer service providers		8,540	11,701
<b>Total</b>		<u><u>46,791</u></u>	<u><u>31,872</u></u>

**5.3 Audit cost – External**

	Note	2021/22	2020/21
	5	R'000	R'000
Regularity audits		9,404	7,684
<b>Total</b>		<u><u>9,404</u></u>	<u><u>7,684</u></u>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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**5.4 Consumables**

	Note	2021/22	2020/21
	5	R'000	R'000
Consumable supplies		1,555	4,656
Uniform and clothing		206	96
Household supplies		735	480
Communication accessories		-	2
IT consumables		119	55
Other consumables		495	4,023
Stationery, printing and office supplies		2,283	1,998
<b>Total</b>		<b>3,838</b>	<b>6,654</b>

**5.5 Property payments**

	Note	2021/22	2020/21
	5	R'000	R'000
Municipal services		4,731	5,638
Property management fees		212	-
Property maintenance and repairs		147	-
Other(cleaning services ,security services)		6,881	5,954
<b>Total</b>		<b>11,971</b>	<b>11,592</b>

**5.6 Travel and subsistence**

	Note	2021/22	2020/21
	5	R'000	R'000
Local		35,828	24,912
Foreign		94	105
<b>Total</b>		<b>35,922</b>	<b>25,017</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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**5.7 Other operating expenditure**

	Note	2021/22	2020/21
	5	R'000	R'000
Professional bodies, membership and subscription fees		23	104
Resettlement costs		117	84
Other		2,291	2,336
<b>Total</b>		<u><u>2,431</u></u>	<u><u>2,524</u></u>

**6. Interest and rent on land**

	Note	2021/22	2020/21
		R'000	R'000
Interest paid		3	-
<b>Total</b>		<u><u>3</u></u>	<u><u>-</u></u>

**7. Payments for financial assets**

	Note	2021/22	2020/21
		R'000	R'000
Other material losses written off	7.1	514	35
Debts written off	7.2	-	27
<b>Total</b>		<u><u>514</u></u>	<u><u>62</u></u>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**7.1 Other material losses written off**

	Note	2021/22	2020/21
	7	R'000	R'000
Nature of losses			
Damages		329	35
Irrecoverable debt (Water and Sanitation)		185	-
<b>Total</b>		<b>514</b>	<b>35</b>

**7.2 Debts written off**

	7	R'000	R'000
Nature of debts written off			
Other debt written off			
Bad debts		-	27
Total		-	27
<b>Total debt written off</b>		<b>-</b>	<b>27</b>

**8. Expenditure for capital assets**

	Note	2021/22	2020/21
		R'000	R'000
Provinces and municipalities	<i>34, 35 and Annexure 1A</i>	28,719,361	26,080,914
Departmental agencies and accounts	<i>Annexure 1B</i>	1,545,332	2,048,406
Foreign governments and international organisations	<i>Annexure 1E</i>	2,168	3,456
Households	<i>Annexure 1G</i>	5,594	8,719
<b>Total</b>		<b>30,272,455</b>	<b>28,141,495</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**9. Expenditure for capital assets**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>Tangible assets</b>		<b>7,472</b>	<b>7,652</b>
Machinery and equipment	29	7,472	7,652
<b>Intangible assets</b>		<b>104</b>	<b>-</b>
Software	30	104	-
<b>Total</b>		<b><u>7,576</u></b>	<b><u>7,652</u></b>

**9.1 Analysis of funds utilised to acquire capital assets – 2021/22**

	<b>Voted funds R'000</b>	<b>Aid assistance R'000</b>	<b>Total R'000</b>
<b>Tangible assets</b>	<b>7,472</b>	<b>-</b>	<b>7,472</b>
Machinery and equipment	7,472	-	7,472
<b>Intangible assets</b>	<b>104</b>	<b>-</b>	<b>104</b>
Software	104	-	104
<b>Total</b>	<b><u>7,576</u></b>	<b><u>-</u></b>	<b><u>7,576</u></b>

The difference of R722 thousand, between additions of R5,099,000 excluding Finance leases (Note 9) and R 5,821,000 (Note 29) on machinery and equipment are assets received from Department of Tourism amounting to R287 thousand and Asset received not yet paid amounting to R435 thousand.

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**9.2 Analysis of funds utilised to acquire capital assets – 2020/21**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>7,652</b>	<b>-</b>	<b>7,652</b>
Machinery and equipment	7,652	-	7,652
<b>Total</b>	<b>7,652</b>	<b>-</b>	<b>7,652</b>

**9.3 Finance lease expenditure included in Expenditure for capital assets**

	Note	2021/22	2020/21
		R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment		2,373	2,102
<b>Total</b>		<b>2,373</b>	<b>2,102</b>



**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**10. Cash and cash equivalents**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General Account		708,205	484,978
Cash on hand		95	95
<b>Total</b>		<b>708,300</b>	<b>485,073</b>

There is no significant amount of cash and cash equivalent balances held by the department that is not available for use.

There are no amounts of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities; and the amount and nature of restricted cash balances.

**11. Prepayments and advances**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Staff advances		18	-
Advances paid (Not expensed)	11.1	11,842	5,428
<b>Total</b>		<b>11,860</b>	<b>5,428</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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11.1 Advances paid (Not expensed)

	<i>Note</i>	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
National departments		5,428	(5,552)	(215)	12,181	11,842
<b>Total</b>		<b>5,428</b>	<b>(5,552)</b>	<b>(215)</b>	<b>12,181</b>	<b>11,842</b>

	<i>Note</i>	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
National departments		509	(12,979)	(10)	17,908	5,428
<b>Total</b>		<b>509</b>	<b>(12,979)</b>	<b>(10)</b>	<b>17,908</b>	<b>5,428</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**12. Receivables**

	<i>Note</i>	2021/22			2020/21		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	10	31	41	448	189	637
Recoverable expenditure	12.2	573	135	708	320	323	643
Staff debt	12.3	697	287	984	89	255	344
Fruitless and wasteful expenditure	12.5	14	1	15	-	1	1
Other receivables	12.4	-	1,162	1,162	-	1,162	1,162
<b>Total</b>		<b>1,294</b>	<b>1,616</b>	<b>2,910</b>	<b>857</b>	<b>1,930</b>	<b>2,787</b>

**12.1 Claims recoverable**

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
National departments	12	41	637
<b>Total</b>		<b>41</b>	<b>637</b>

**12.2 Recoverable expenditure (disallowance accounts)**

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Disallowance Miscellaneous		-	35
Damage Vehicles		613	608
Motswako trading		95	-
<b>Total</b>		<b>708</b>	<b>643</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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**12.3 Staff debt**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
	12	<b>R'000</b>	<b>R'000</b>
Ex-Employees (Cellphone)		20	-
Study		432	14
Vehicle		126	106
Cellphone		12	9
No Show		5	5
SARS Debt		26	8
Leave without pay		22	22
Salaries		265	108
Laptop		70	66
Petty cash		6	6
<b>Total</b>		<b>984</b>	<b>344</b>

**12.4 Other receivables**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
	12	<b>R'000</b>	<b>R'000</b>
Suppliers		1,162	1,162
<b>Total</b>		<b>1,162</b>	<b>1,162</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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**12.5 Fruitless and wasteful expenditure**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
	12	<b>R'000</b>	<b>R'000</b>
Opening balance		1	1
Transfers from note 32 Fruitless and Wasteful Expenditure		14	-
<b>Total</b>		<b>15</b>	<b>1</b>

**12.6 Impairment of receivables**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Estimate of impairment of receivables		1,572	1,769
<b>Total</b>		<b>1,572</b>	<b>1,769</b>

**13. Investments**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
<b>Non-Current</b>			
National Housing Finance Corporation		2,363,635	2,363,635
SERVCON		604	604
<b>Total</b>		<b>2,364,239</b>	<b>2,364,239</b>
<b>Total non-current</b>		<b>2,364,239</b>	<b>2,364,239</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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	2021/22	2020/21
	R'000	R'000
<b>Analysis of non-current investments</b>		
Opening balance	2,364,239	2,364,239
<b>Closing balance</b>	<b>2,364,239</b>	<b>2,364,239</b>

**13.1 Impairment of investments**

	2021/22	2020/21
	R'000	R'000
<i>Note</i>		
Estimate of impairment of impairment	604	604
<b>Total</b>	<b>604</b>	<b>604</b>

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

	2021/22	2020/21
	R'000	R'000
<i>Note</i>		
Opening balance	301,485	516,361
As restated	301,485	516,361
Transfer from statement of financial performance (as restated)	720,255	303,482
Voted funds not requested/not received	-	(1,998)
Paid during the year	(301,485)	(516,360)
<b>Closing balance</b>	<b>720,255</b>	<b>301,485</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**15. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		21	58
As restated		21	58
Transfer from Statement of Financial Performance (as restated)		1,065	365
Paid during the year		(990)	(402)
<b>Closing balance</b>		<b>96</b>	<b>21</b>

**16. Payables – current**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Clearing accounts	16.1	468	2,490
Other payables	16.2	312	187,642
<b>Total</b>		<b>780</b>	<b>190,132</b>



**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**16.1 Clearing accounts**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
	16	<b>R'000</b>	<b>R'000</b>
Sal: Income Tax		420	2,383
Sal:GEHS Refund Control		47	33
Sal:Pension Fund		1	74
<b>Total</b>		<b>468</b>	<b>2,490</b>

**16.2 Other payables**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
	16	<b>R'000</b>	<b>R'000</b>
<b>Description</b>			
Unkown Fund		308	-
Unspent Fund (CSOS)		-	103,800
Unspent Fund (Gauteng Provincial Department of Human Settlements)		-	40,930
Unspent Fund (North West Provincial Department of Human Settlements)		-	42,907
Salary Disallowance		4	5
<b>Total</b>		<b>312</b>	<b>187,642</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**17. Net cash flow available from operating activities**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		721,144	303,847
Add back non cash/cash movements not deemed operating activities		(491,120)	(444,303)
(Increase)/decrease in receivables		(437)	(166)
(Increase)/decrease in prepayments and advances		(6,432)	(4,885)
Increase/(decrease) in payables – current		(189,352)	71,856
Expenditure on capital assets		7576	7,652
Surrenders to Revenue Fund		(302,475)	(516,762)
Voted funds not requested/not received		-	(1,998)
<b>Net cash flow generated by operating activities</b>		<b>230,024</b>	<b>(140,456)</b>

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

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account		708,205	484,978
Cash on hand		95	95
<b>Total</b>		<b>708,300</b>	<b>485,073</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**19. Contingent liabilities and contingent assets**

**1.1 Contingent liabilities**

		<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
			<b>R'000</b>	<b>R'000</b>
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	<i>Annex 3A</i>	105	105
Claims against the department	Employees	<i>Annex 3B</i>	1,663,385	1,658,185
Intergovernmental payables (unconfirmed balances)		<i>Annex 5</i>	416	433
Other		<i>Annex 3B</i>	69,529	64,980
<b>Total</b>			<b><u>1,733,435</u></b>	<b><u>1,723,703</u></b>

It is premature for the Department to state whether the cases in which the Minister has been cited can or cannot be won. It must be noted that in all these cases the Minister is not the first respondent. The Department is defending these cases and will continue to do so until finality. Should the verdict be in the complainant's favour, all spheres of government will be affected as all spheres are cited. It must also be noted that in terms of Schedule four (4) of the constitution, housing is a concurrent function.

There is no reimbursement expected by the Department.

All the contingent liabilities known to the Department have been disclosed.

**20. Capital commitments**

	<b>Note</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Machinery and equipment		2,640	630
<b>Total</b>		<b><u>2,640</u></b>	<b><u>630</u></b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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21. **Accruals and payables not recognised**

21.1 **Accruals**

			2021/22	2020/21
			R'000	R'000
<b>Listed by economic classification</b>				
	30 Days	30+ Days	Total	Total
Goods and services	12,227	8,171	20,398	14,125
Transfers and subsidies	193	86	279	3
Capital assets	47		47	90
<b>Total</b>	<b>12,467</b>	<b>8,257</b>	<b>20,724</b>	<b>14,218</b>

	Note	2021/22	2020/21
		R'000	R'000
<b>Listed by programme level</b>			
Administration		15,773	7,349
Integrated Human Settlements Planning and Development		1,309	3,811
Informal Settlements		2,067	649
Rental and Social Housing		734	2,208
Affordable Housing		841	201
<b>Total</b>		<b>20,724</b>	<b>14,218</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**21.2 Payables not recognised**

			2021/22	2020/21
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1,253	301	1,554	839
Transfers and subsidies	-	-	-	8
Capital assets	451		451	51
Other	-	-	-	11
<b>Total</b>	<b>1,704</b>	<b>301</b>	<b>2,005</b>	<b>909</b>

	Note	2021/22	2020/21
		R'000	R'000
Listed by programme level			
Administration		980	130
Integrated Human Settlements Planning and Development		2	88
Informal Settlements		-	228
Rental and Social Housing		259	462
Affordable Housing		764	1
<b>Total</b>		<b>2,005</b>	<b>909</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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	Note	2021/22	2020/21
Included in the above totals are the following:		R'000	R'000
Confirmed balances with other departments	Annex 5	853	-
<b>Total</b>		<b>853</b>	<b>-</b>

22. **Employee benefits**

	Note	2021/22	2020/21
		R'000	R'000
Leave entitlement		21,174	26,186
Service bonus		8,297	8,040
Performance awards		-	2,167
Capped leave		4,283	4,834
Other( Long terms service awards, Overtime)		184	-
<b>Total</b>		<b>33,938</b>	<b>41,227</b>

Disclosed under other Employees Benefit is an amount of R130 thousand for Overtime not claimed as at 31 March 2022 and the amount of R54 thousand for provision of Long Service Awards to be paid during 2022/23 Financial year.

Included under leave entitlement is an amount of R 4 thousand that employees owes the Department.

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**23. Lease commitments**

**23.1 Finance leases \*\***

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	2,484	2,484
Later than 1 year and not later than 5 years	-	-	-	1,259	1,259
<b>Total lease commitments</b>	-	-	-	<b>3,743</b>	<b>3,743</b>

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1,879	1,879
Later than 1 year and not later than 5 years	-	-	-	1,694	1,694
Later than five years					
<b>Total lease commitments</b>	-	-	-	<b>3,573</b>	<b>3,573</b>

The Department's financial leases comprise leasing of multi-function copiers and cell phone contracts.

There are no assets that are sub-leased.



**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**24. Irregular expenditure**

**24.1 Reconciliation of irregular expenditure**

<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
	<b>R'000</b>	<b>R'000</b>
Opening balance	2,915	5,243
As restated	2,915	5,243
Add: Irregular expenditure – relating to prior year	237	553
Add: Irregular expenditure – relating to current year	2,090	-
Less: Prior year amounts condoned	-	(295)
Less: Prior year amounts not condoned and removed	-	(2,586)
<b>Closing balance</b>	<b>5,242</b>	<b>2,915</b>

**Analysis of closing balance**

Current year	2,090	-
Prior years	3,152	2,915
<b>Total</b>	<b>5,242</b>	<b>2,915</b>

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

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2021/22</b>
		<b>R'000</b>
Non compliance-VMWarelicences		1,525
Appointment made in unadvertised posts		237
Non compliance-URS		562
Non compliance-Encrypted Bits		3
<b>Total</b>		<b>2,327</b>

*Include discussion here where deemed relevant*

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**24.3 Details of irregular expenditures under assessment (not included in the main note)**

<b>Incident</b>	<b>2021/22</b>
	<b>R'000</b>
SITA-SLA not signed by delegated official(contract valueR11,110,882.31	6,761
Non compliance recruitment process	7,758
Non compliance-SBD 4 Shiskhaka	1,949
Non compliance-Harris Nupen Molebatsi	403
<b>Total</b>	<b>16,871</b>

**25. Fruitless and wasteful expenditure**

**25.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		1,262	14
As restated		1,262	14
Fruitless and wasteful expenditure – relating to prior year		-	1,151
Fruitless and wasteful expenditure – relating to current year		3	97
Less: Amounts recoverable	15.6	(14)	-
Less: Amounts written off		(18)	-
<b>Closing balance</b>		<b>1,233</b>	<b>1,262</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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**25.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)**

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
Interest overdue Telkom account		3
<b>Total</b>		<b>3</b>

**25.3 Details of fruitless and wasteful expenditure written off**

Incident	2021/22 R'000
Cancellation of bus services	18
<b>Total</b>	<b>18</b>

**26. Related party transactions**

The following entities are reporting to the Minister of Department of Human Settlements: South African Housing Fund, National Home Builders Registration Council, National Housing Finance Corporation, Thubelisha Homes, Housing Development Agency, Social Housing Regulatory Authority, Community Scheme Ombuds Service, Property Practitioners Regulatory Authority (PPRA) and SERVCON.

The Department of Water and Sanitation was reporting to the previous Minister until August 2021.

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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**27. Key management personnel**

	No. of Individuals	2021/22 R'000	2020/21 R'000
Political office bearers (provide detail below)	3	4,487	4,379
Officials:			
Level 15 to 16	12	18,298	17,146
Level 13 to 14	19	22,306	25,864
Family members of key management personnel		-	17
<b>Total</b>		<b>45,091</b>	<b>47,406</b>

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

Changes in oversight: The Minister placed the accounting officer of the department on a special leave after the financial year-end.

**29. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>107,400</b>		<b>5,821</b>	<b>2,466</b>	<b>110,755</b>
Transport assets	5,108		-	-	5,108
Computer equipment	62,392		3,385	800	64,977
Furniture and office equipment	22,393		1,548	1,666	22,275
Other machinery and equipment	17,507		888	-	18,395
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>107,400</b>		<b>5,821</b>	<b>2,466</b>	<b>110,755</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
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The difference of R722 thousand, between additions of R 5,099,000 excluding Finance leases(Note 9) and R 5,821,000 (Note 29) on machinery and equipment are assets received from the Department of Tourism amounting to R287 thousand and Assets received not yet paid amounting to R435 thousand.

**Movable Tangible Capital Assets under investigation**

	<b>Number</b>	<b>Value R'000</b>
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	226	5,484

Assets under investigations are assets that were not found during verification due to a continuous unauthorised movement of assets by users.

**29.1 Movement for 2020/21**

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Opening balance R'000</b>	<b>Prior period error R'000</b>	<b>Additions R'000</b>	<b>Disposals R'000</b>	<b>Closing Balance R'000</b>
<b>MACHINERY AND EQUIPMENT</b>	<b>113,456</b>	<b>(13,352)</b>	<b>7,552</b>	<b>(256)</b>	<b>107,400</b>
Transport assets	5,108	-	-	-	5,108
Computer equipment	57,266	-	5,266	(140)	62,392
Furniture and office equipment	22,209	-	184	-	22,393
Other machinery and equipment	28,873	(13,352)	2,102	(116)	17,507
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>113,456</b>	<b>(13,352)</b>	<b>7,552</b>	<b>(256)</b>	<b>107,400</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
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29.1.1 Prior period error

	Note	2020/21 R'000
<b>Nature of prior period error</b>		
		(13,352)
Finance leases		(13,352)
<b>Total prior period errors</b>		<b>(13,352)</b>

Opening balance for Machinery and Equipment had to be adjusted as previously expenditure for finance lease was erroneously capitalised.

29.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1,290	13	15,792	-	17,095
Additions	-	4	-	267	-	271
Disposals	-	-	-	1,080	-	1,080
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>1,294</b>	<b>13</b>	<b>14,979</b>	<b>-</b>	<b>16,286</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
ENDED 31 MARCH 2022

**Minor Capital Assets under investigation**

	Number	Value R'000
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	808	1,178

Assets under investigations are assets that were not found during verification due to a continuous unauthorised movement of assets by users.

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance		1,290	9	15,689		16,988
Additions			4	107		111
Disposals	-	-	-	(4)		(4)
<b>TOTAL MINOR ASSETS</b>		<b>1,290</b>	<b>13</b>	<b>15,792</b>		<b>17,095</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**30. Intangible Capital Assets**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	6,224	104	-	6,328
MASTHEADS AND PUBLISHING TITLES	36	-	-	36
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>6,260</b>	<b>104</b>	<b>-</b>	<b>6,364</b>

**30.1 Movement for 2021/22**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	6,224	-	-	-	6,224
MASTHEADS AND PUBLISHING TITLES	36	-	-	-	36
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>6,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,260</b>

Include discussion here where deemed relevant



**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

**31. Immovable Tangible Capital Assets**

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	236	-	-	236
Non-residential buildings				
Other fixed structures	236	-	-	236
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>236</b>

Refurbishment and upgrading of two buildings in Pretoria and Cape Town office. The immovable tangible capital asset will be transferred to Public Works after the completion of Joint verification.

**31.1 Movement for 2020/21**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	236	-	-	-	236
Other fixed structures	236	-	-	-	236
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

**32. Prior period errors**

32.1 Correction of prior period errors

	Note	Amount before error correction	Prior period error	Restated
Amount		2020/21 R'000	2020/21 R'000	2020/21 R'000
Expenditure:				
Compensation of employees( Service Based)	4	16,936	(16,110)	826
Compensation of employees(Compensative/circumstantial)		17,248	(8,117)	9,131
Compensation (Other non-pensionable allowance)		37,658	24,227	61,885
<b>Net effect</b>		<b>71,842</b>	<b>-</b>	<b>71,842</b>

The Department noted that in the prior years some of the items under compensation of employees were not correctly classified in accordance with SCOA. Therefore, those items had to be reclassified for 2020/21 financial year to align to the correct classification of 2021/22 financial year. Items that were reclassified are as follows: Service bonus was taken from Service Based to Other non-pensionable allowance, Leave Discounting from Compensative/circumstantial to Service Based and Housing allowance from Compensative/circumstantial to Other non-pensionable allowance.

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

**33. Inventories**

32.1 Correction of prior period errors

**Inventories for the year ended 31 March 2022**

	Stationery R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance	1	-	-	-	1
Add: Additions/Purchases – Cash	12	-	-	-	12
(Less): Issues	(12)	-	-	-	(12)
Add/(Less): Adjustments	(1)	-	-	-	(1)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Inventories for the year ended 31 March 2021**

	Stationery R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance	1	-	-	-	1
Add: Additions/Purchases – Cash	9	-	-	-	9
(Less): Issues	(9)	-	-	-	(9)
<b>Closing balance</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

**34. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES**

**1. HUMAN SETTLEMENTS DEVELOPMENT GRANT**

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Eastern Cape	1 491 219	270 494	-	1 761 713	1 491 219	-	-	1 761 713	1 706 784	54 929	97%	1 803 294	1 274 085
Free State	786 254	22 036	-	808 290	786 254	-	-	808 290	781 651	26 639	97%	950 798	749 981
Gauteng	3 824 974	60 278	-	3 885 252	3 824 974	-	-	3 885 252	3 868 158	17 094	100%	4 625 448	4 234 994
Kwazulu-Natal	2 455 021	-	-	2 455 021	2 455 021	-	-	2 455 021	2 455 022	(1)	100%	3 379 057	3 020 763
Limpopo	877 072	-	-	877 072	877 072	-	-	877 072	624 062	253 010	71%	1 060 622	898 160
Mpumalanga	893 960	-	-	893 960	893 960	-	-	893 960	893 949	11	100%	1 081 044	1 104 417
Northern Cape	264 528	48 312	-	312 840	264 528	-	-	312 840	312 840		100%	319 888	519 888
North West	1 234 648	42 677	-	1 277 325	1 234 648	-	-	1 277 325	1 036 519	240 806	81%	1 493 031	1 234 719
Western Cape	1 575 285	-	-	1 575 285	1 575 285	-	-	1 575 285	1 575 285	-	100%	1 907 552	1 855 286
<b>TOTAL</b>	<b>13 402 961</b>	<b>443 797</b>	<b>-</b>	<b>13 846 758</b>	<b>13 402 961</b>	<b>-</b>	<b>-</b>	<b>13 846 758</b>	<b>13 254 270</b>	<b>592 488</b>		<b>16 620 734</b>	<b>14 892 293</b>

In terms of Section (14)(1) (a) Total amount of R13,402,961,000 was transferred to the provinces. (b) No funds were stopped/withheld. (c) Transfers were made in accordance with the payment schedule. (d) No funds were reallocated. (e) Funds were transferred into the primary bank account of the provincial departments. (f) The Human Settlements Development Grant (HSDG) was not utilised for other administrative purposes.

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

**2. Title Deeds Restoration Grant**

Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	64,254	22,240
Free State	-	-	-	-	-	-	-	-	-	-	-	-	33,860	11,124
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	164,795	57,040
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	106,146	36,740
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	37,790	13,080
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	38,483	9,650
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	11,383	3,940
North West	-	-	-	-	-	-	-	-	-	-	-	-	53,160	8,545
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	67,952	200
	-	-	-	-	-	-	-	-	-	-	-	-	<b>577,823</b>	<b>162,559</b>

**3. INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT - PROVINCES**

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Eastern Cape	432 428	-	-	432 428	432 428	-	-	432 428	432 427	1	100%	-	-
Free State	228 001	-	-	228 001	208 001	-20 000	-	208 001	207 695	306	100%	-	-
Gauteng	1 109 179	-	-	1 109 179	1 089 179	-20 000	-	1 089 179	852 222	236 957	78%	-	-
Kwazulu-Natal	714 375	-	-	714 375	714 375	-	-	714 375	714 375	-	100%	-	-
Limpopo	254 336	-	-	254 336	234 336	-20 000	-	234 336	136 538	97 798	58%	-	-
Mpumalanga	259 233	-	-	259 233	259 233	-	-	259 233	239 457	19 776	92%	-	-
Northern Cape	76 709	-	-	76 709	136 709	-	60 000	136 709	136 709	-	0%	-	-
North West	358 028	-	-	358 028	358 028	-	-	358 028	335 568	22 460	94%	-	-
Western Cape	457 429	-	-	457 429	457 429	-	-	457 429	427 343	30 086	93%	-	-
<b>TOTAL</b>	<b>3 889 718</b>	<b>-</b>	<b>-</b>	<b>3 889 718</b>	<b>3 889 718</b>	<b>-60 000</b>	<b>60 000</b>	<b>3 889 718</b>	<b>3 482 334</b>	<b>407 384</b>		<b>-</b>	<b>-</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

In terms of Section (14)(1) (a) Total amount of R3,889,718 000 was transferred to the provinces. (b) An amount of R60,000,000 was stopped/withheld from Free State ( R20, 000, 000), Gauteng (R20, 000, 000 and Limpopo (R20, 000, 000) Provinces. (c) Transfers were made in accordance with the payment schedule. (d) An amount of R6,0 000, 000 was reallocated to Northern Cape Province. (e) Funds were transferred into the primary bank account of the provincial departments. (f) The Informal Settlements Upgrading Partnership Grant (ISUPG- Provinces) was not utilised for other administrative purposes.

**4. PROVINCIAL EMERGENCY HOUSING GRANT**

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Provincial Emergency Housing Grant (R311,118 Million )													
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	6 251	-	-	6 251	-	6 251	0%	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
KwaZulu-Natal	-	-	102 590	102 590	3 802	-	-	106 392	106 392	-	0%	-	102 590
Limpopo	-	-	2 311	2 311	-	-	-	2 311	-	2 311	0%	-	2 312
Mpumalanga	-	-	40 984	40 984	-	-	-	40 984	20 742	20 242	51%	-	40 984
Northern Cape	-	69 123	-	69 123	-	-	-	69 123	-	69 123	0%	-	70 885
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	70 885
<b>Total</b>	-	<b>69 123</b>	<b>145 885</b>	<b>215 008</b>	<b>10 053</b>	-	-	<b>225 061</b>	<b>127 134</b>	<b>97 927</b>		-	<b>287 656</b>

In terms of Section (14)(1) (a) Total amount of R10,053,000 was transferred to the provinces. (b) No funds were stopped/withheld. (c) Transfers were made in accordance with the payment schedule. (d) No funds were reallocated. (e) Funds were transferred into the primary bank account of the provincial departments. (f) The Provincial Emergency Housing Grant (PEHG) was not utilised for other administrative purposes.

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

35. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

**1. URBAN SETTLEMENT DEVELOPMENT GRANT**

NAME OF PROVINCE / GRANT	2021/22				2020/21			2020/21					
	GRANT ALLOCATION				TRANSFER								
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Municipality	Amount received by Municipality	Amount spent by Municipality	Unspent funds	% of available funds spent by Municipality	Division of Revenue Act	Actual Transfer
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Buffalo City	499,705	-	-	499,705	499,705	-	-	499 705	269 040	230 665	54%	887,121	887,121
Nelson Mandela Bay	593,145	-	-	593,145	593,145	-	-	593 145	284 454	308 691	48%	1,205,880	1,205,880
Mangaung	495,269	4,092	-	499,361	795,269	-	300,000	795 269	390 419	404 850	49%	381,019	381,019
City of Ekurhuleni	1,291,347	3,097	-	1,294,444	1,041,347	(250,000)	-	1 041 347	533 907	507 440	51%	2,075,670	2,075,670
City of Johannesburg	1,213,099	-	-	1,213,099	1,163,099	(50,000)	-	1 163 099	746 441	416 658	64%	1,368,076	1,368,076
City of Tshwane	1,051,557	-	-	1,051,557	1,051,557	-	-	1 051 557	551 024	500 533	52%	1,545,948	1,545,948
eThekweni	1,288,158	-	-	1,288,158	1,288,158	-	-	1 288 158	736 388	551 770	57%	1,771,286	1,771,286
City of Cape Town	972,431	52,242	-	1,024,673	972,431	-	-	972 431	640 263	332 168	66%	1,337,145	1,337,145
<b>TOTAL</b>	<b>7,404,711</b>	<b>59,431</b>	<b>-</b>	<b>7,464,142</b>	<b>7,404,711</b>	<b>(300,000)</b>	<b>300,000</b>	<b>7 404 711</b>	<b>4 151 936</b>	<b>3 252 775</b>		<b>10,572,145</b>	<b>10,572,145</b>

In terms of DORA 2021 Section 14(1)(a) Transfers has been made to the Metros amounting R7,404,711,000 (b) The amount of R 300 000 000 was stopped/withheld from City of Ekurhuleni (R250 000 000) and City of Johannesburg(R50 000 000). (c) Transfers were made according to the payment schedule. (d) An amount of R300 000 000 was re-allocated to Mangaung Metro. (e) Funds were deposited into the municipalities' primary bank account (f) No funds were used for administration of the allocation by the receiving officer.

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

**2. INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT-METROS**

NAME OF PROVINCE / GRANT	2021/22				TRANSFER			2020/21				Division of Revenue Act	Actual Transfer
	GRANT ALLOCATION				Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Municipality	Amount received by Municipality	Amount spent by Municipality	Unspent funds	% of available funds spent by Municipality		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available									
Buffalo City	266 258	-	-	266 258	238 258	-28 000	-	238 258	67 463	170 795	28%	-	-
Nelson Mandela Bay	316 045	-	-	316 045	283 045	-33 000	-	283 045	39 291	243 754	14%	-	-
Mangaung	263 893	-	-	263 893	213 893	-50 000	-	213 893	43 281	170 612	20%	-	-
City of Ekurhuleni	688 066	-	-	688 066	672 899	-15 167	-	672 899	373 897	299 002	56%	-	-
City of Johannesburg	646 375	-	-	646 375	629 375	-17 000	-	629 375	326 084	303 291	52%	-	-
City of Tshwane	560 301	-	-	560 301	560 301	-	-	560 301	340 095	220 206	61%	-	-
eThekwini	686 369	-	-	686 369	829 536	-	143 167	829 536	368 266	461 270	44%	-	-
City of Cape Town	518 140	-	-	518 140	518 140	-	-	518 140	276 334	241 806	53%	-	-
<b>TOTAL</b>	<b>3 945 447</b>	<b>-</b>	<b>-</b>	<b>3 945 447</b>	<b>3 945 447</b>	<b>-143 167</b>	<b>143 167</b>	<b>3 945 447</b>	<b>1 834 711</b>	<b>2 110 736</b>		<b>-</b>	<b>-</b>

In terms of DORA 2021 Section 14(1)(a) Total amount of R3,945,447 was transferred to the Metros. (b) An amount of R143,167 000 was stopped/withheld from Buffalo City ( R28 000 000), Nelson Mandela Bay (R33 000 000), Mangaung (R50 000 000), City of Ekurhuleni (R15 167 000), and City of Johannesburg (R 17 000 000) Metros. (c) Transfers were made according to the payment schedule (d) An amount of R143 167 000 was reallocated to eThekwini Metro. (e) Funds were deposited into the municipalities' primary bank account (f) No funds were used for administration of the allocation by the receiving officer.



**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 MARCH 2022**

**3. MUNICIPAL EMERGENCY HOUSING GRANT**

NAME OF PROVINCE / GRANT	2021/22				2020/21			2020/21					
	GRANT ALLOCATION				TRANSFER								
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Municipality	Amount received by Municipality	Amount spent by Municipality	Unspent funds	% of available funds spent by Municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Allocation to Municipality Emergency Housing Grants (R167,526)	-	-	-	-	-	-	-	-	-	-	-	-	-
Uphongolo Local Municipality	30 996			30 996	15 498	-	-	15 498	3 676	11 822	24%	-	-
John Taolo Gaetsewe District Municipality	50 973			50 973	50 973			50 973		50 973	0%		
Mtubatuba Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	29 772
Jozini Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	17 721
City of Johannesburg	-	-	-	-	-	-	-	-	-	-	-	-	71 336
Sakhisizwe Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	2 384
Kagisano Molopo Municipality	-	-	-	-	-	-	-	-	-	-	-	-	3 351
OR Tambo District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	41 693
<b>Total</b>	<b>81 969</b>	<b>-</b>	<b>-</b>	<b>81 969</b>	<b>66 471</b>	<b>-</b>	<b>-</b>	<b>66 471</b>	<b>3 676</b>	<b>62 795</b>		<b>-</b>	<b>166 257</b>

In terms of DORA 2021 Section 14(1)(a) A total amount of R66,471,000 was transferred to Municipalities. (b) No funds were stopped/withheld. (c) Funds were transferred in accordance with the payment schedule (d) There were no reallocations (e) Transfers were made into primary bank accounts of the municipalities (f) No funds were used for the administration of the allocation by the receiving officer.

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **NOTES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE YEAR  
**ENDED 31 MARCH 2022**

36. COVID 19 Response Expenditure

	Note	2021/22	2020/21
	Annexure 11	R'000	R'000
Goods and services		957	4,689
<b>Total</b>		<b>957</b>	<b>4,689</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF PROV- INCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Tranfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
<b>Allocation for Municipal Emergency Housing Grant (R 167,526)</b>													
Uphongolo Local Municipality	30,996	-	-	30,996	15,498	-	-	15,498	3,676	11,822	24%	-	-
John Taolo Gaetsewe Distict Municipality	50,973	-	-	50,973	50,973	-	-	50,973	-	50,973	-	-	-
Mtubatuba Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	29,772
Jozini Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	17,721
City Of Johannesburg	-	-	-	-	-	-	-	-	-	-	-	-	71,336
Sakhisizwe Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	2,384
Kagisano Molopo Municipality	-	-	-	-	-	-	-	-	-	-	-	-	3,351
OR Tambo District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	41,693
<b>TOTAL</b>	<b>81,969</b>	<b>-</b>	<b>-</b>	<b>81,969</b>	<b>66,471</b>	<b>-</b>	<b>-</b>	<b>66,471</b>	<b>3,676</b>	<b>62,795</b>		<b>-</b>	<b>166,257</b>

In terms of DORA 2021 Section 14(1)(a) Transfers has been made to the Metros amounting R7,404,711,000 (b) The amount of R 300 000 000 was stopped/withheld from City of Ekurhuleni (R250 000 000) and City of Johannesburg(R50 000 000). (c) Transfers were made according to the payment schedule. (d) An amount of R300 000 000 was re-allocated to Mangaung Metro. (e) Funds were deposited into the municipalities' primary bank account (f) No funds were used for administration of the allocation by the receiving office .

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

In terms of DORA 2021 Section 14(1)(a) A total amount of R66,471,000 was transferred to Municipalities. (b) No funds were stopped/withheld. (c) Funds were transferred in accordance with the payment schedule (d) There were no reallocations (e) Transfers were made into primary bank accounts of the municipalities (f) No funds were used for the administration of the allocation by the receiving officer.

**ANNEXURE 1B**

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing Development Agency	235,379	-	-	235,379	235,379	100%	233,604
Social Housing Regulatory Authority	806,119	-	-	806,119	806,119	100%	1,117,520
Community Schemes Ombuds Service	24,022	-	-	24,022	24,022	100%	23,597
National Housing Finance Corporate	479,812	-	-	479,812	479,812	100%	649,685
Estate Agency Affairs Board	-	-	-	-	-	-	24,000
Housing Development Agency (Property)	51,500	-	-	51,500	-	0%	-
<b>TOTAL</b>	<b>1,596,832</b>	<b>-</b>	<b>-</b>	<b>1,596,832</b>	<b>1,545,332</b>		<b>2,048,406</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

**ANNEXURE 1E**

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Transfers</b>							
Habitat Foundation Membership Fees	17,150	-	-	17,150	2,168	13%	16,695
United Nations Membership Fees	720	-	-	720	-	0%	900
<b>TOTAL</b>	<b>17,870</b>	<b>-</b>	<b>-</b>	<b>17,870</b>	<b>2,168</b>	<b>13%</b>	<b>17,595</b>

**ANNEXURE 1G**

STATEMENT OF TRANSFERS TO HOUSEHOLDS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Transfers</b>							
Leave Gratuity	2,027	-	-	2,027	1,983	98%	1,316
Bursaries (non employee)	8,220	-	-	8,220	2,974	36%	4,078
Claims against the state	-	-	-	-	-	-	6,486
Retirements Benefits	638	-	-	638	637	100%	-
<b>TOTAL</b>	<b>10,885</b>	<b>-</b>	<b>-</b>	<b>10,885</b>	<b>5,594</b>		<b>11,880</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

**ANNEXURE 1I**

STATEMENT OF AID ASSISTANCE RECEIVED

Name of Donor	Purpose	Opening Balance		Revenue	Expenditure	Paid back on /By 31 MARCH	Closing Balance
		R'000	R'000	R'000	R'000	R'000	R'000
<b>Received in cash</b>							
PSETA	Funding of learnership		533	-	-	-	533
CETA	Skills development initiative		1,036	942	1,118	-	860
<b>TOTAL</b>			<b>1,596</b>	<b>942</b>	<b>1,118</b>	<b>-</b>	<b>1,393</b>

**ANNEXURE 2A**

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31March)	% Held 21/22	% Held 20/21	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaran-teeed  Yes/No
				2021/22	2020/21	R'000		R'000		R'000		
						2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
National/Provincial Public Entity												
National Housing Finance	Schedule 3A	100	100	84,187,332	84,187,332	2,363,635	2,363,635	4,805,251	4,719,212	86,040	89,999	NO
	Schedule 3A	100	100	100	100	604	604	-	-	-	-	NO
<b>TOTAL</b>				<b>84,187,432</b>	<b>84,187,432</b>	<b>2,364,239</b>	<b>2,364,239</b>	<b>4,805,251</b>	<b>4,719,212</b>	<b>86,040</b>	<b>89,999</b>	

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS** FOR THE  
YEAR ENDED 31 MARCH 2022

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2021	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2022	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2022
	Housing								
Nedbank	Housing	-	75	-	-	-	75	-	-
First Rand Bank	Housing	-	24	-	-	-	24	-	-
Old Mutual	Housing	-	6	-	-	-	6	-	-
<b>TOTAL</b>		<b>-</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105</b>	<b>-</b>	<b>-</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

**ANNEXURE 3B**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022**

Nature of Liability	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Tsoga ka Bohlaswa Trading Enterprise	401	-	-	-	401
Pasco Risk Management vs EAAB & 3 Others	490	-	-	-	490
Sunjith Singh vs Minister of Human Settlements & NHBRC	327,586	-	-	-	327,586
Angelina B Pitso vs Human Settlements and 5 others	30,000	-	-	-	30,000
Mokgale AT vs Tshwane Metro Municipality and 6 others	1,000,000	-	-	-	1,000,000
Mjayeli Security (PTY) LTD/ The Director General: Human Settlements	3,129	-	-	-	3,129
Reagile Consulting Services 7 Projects CC/ National Department of Human Settlements	60	-	-	-	60
Jibeng Investments (PTY) LTD/ Minister of Human Settlements and others	288,919	-	-	-	288,919
Honono Ongezwa// Minister of Human Settlements	3,000	-	-	-	3,000
Mbangata Vuyokazi// Minister of Human Settlements	4,600	-	-	-	4,600
Kruishoek Properties (PTY) LTD vs Minister of Human Settlements & 3 Others	-	3,800	-	-	3,800
Bestsaid Rovhanga vs Minister of Human Settlements and HAD	-	840	-	-	840
Mninathoko Trading CC/ Minister of Human Settlements	-	1,057	1,057	-	-
Ndobela Lamola Incorporate//National Dept of Human Settlements	-	416	416	-	-
Kolesky A & Another/ Thaba Chweu Municipality And 5 Others	-	560	-	-	560
<b>Subtotal</b>	<b>1,658,185</b>	<b>6,673</b>	<b>1,473</b>	<b>-</b>	<b>1,663,385</b>



**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

Other					
SITA	6,879	227	-	-	7,106
Public Works Department	56,954	-	-	-	56,954
Bontle Ke Botho(( Bothomark Group)	221	-	-	-	221
MTN	834	-	(702)	-	132
Konika	46	-	(46)	-	-
Evolution	-	1	(1)	-	-
Gudhluza	-	1,090	(1,090)	-	-
Magong	-	4	-	-	4
Shisaka	-	989	(989)	-	-
Tebgaf Trading and Projects	-	69	(69)	-	-
Zutari	-	509	(509)	-	-
JTP Consortium	-	384	(384)	-	-
Vodacom	-	44	-	-	44
TWF Johannesburg	-	5,068	-	-	5,068
<b>Subtotal</b>	<b>64,934</b>	<b>8,385</b>	<b>(3,790)</b>	<b>-</b>	<b>69,529</b>
<b>TOTAL</b>	<b>1,723,119</b>	<b>15,058</b>	<b>(5,263)</b>	<b>-</b>	<b>1,732,914</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

**ANNEXURE 4**

**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance out-standing		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22*		Closing Balance 31 March 2022	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Payment date up to six (6) working days before year end	Amount
	R'000		R'000		R'000		R'000		R'000	R'000
Department										
Department of Water & Sanitation		7	-	-		-	562		7	562
DIRCO		-	-	-		4	4		4	4
Gauteng Department of Human Settlements		-	-	-		-	41		-	41
COGTA		26	-	-		1	30		27	30
National School of Government		-	-	-		3	-		3	-
<b>TOTAL</b>		<b>33</b>	<b>-</b>	<b>-</b>		<b>8</b>	<b>637</b>		<b>41</b>	<b>637</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

**ANNEXURE 5**

**INTER-GOVERNMENT PAYABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22*		Closing Balance 31 March 2022	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Payment date up to six (6) working days before year end	Amount
	R'000		R'000		R'000		R'000		R'000	R'000

DEPARTMENTS

Current

South African Police Service	-	-	-	39	-	39
Department of Justice and Constitutional Development	783	-	416	383	1,199	383
Department of Tourism	70	-	-	-	70	-
Subtotal	853	-	416	422	1,269	422

OTHER GOVERNMENT ENTITY

Current

Government Printing Works	-	-	-	11	-	11
Subtotal	-	-	-	11	-	11

<b>TOTAL INTERGOVERNMENT PAYABLES</b>	<b>853</b>	<b>-</b>	<b>416</b>	<b>433</b>	<b>1,269</b>	<b>433</b>
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**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

**ANNEXURE 6**

**INVENTORIES**

Inventories for the year ended 31 March 2022	Stationery	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	TOTAL
	R'000	R'000	R'000	R'000	R'000
Opening balance	1	-	-	-	1
Add: Additions/Purchases – Cash	12	-	-	-	12
(Less): Issues	(12)	-	-	-	(12)
Add/(Less): Adjustments	(1)	-	-	-	(1)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Inventories for the year ended 31 March 2021	Stationery	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	TOTAL
	R'000	R'000	R'000	R'000	R'000
Opening balance	1	-	-	-	1
Add: Additions/Purchases – Cash	9	-	-	-	9
(Less): Issues	(9)	-	-	-	(9)
<b>Closing balance</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS **ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE**  
**YEAR ENDED 31 MARCH 2022**

**ANNEXURE 8A**

**INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
GCIS	-	-	11,842	5,428	11,842	5,428
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>11,842</b>	<b>5,428</b>	<b>11,842</b>	<b>5,428</b>

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2022**

**ANNEXURE 11**

**COVID 19 RESPONSE EXPENDITURE**

Per quarter and in total

Expenditure per economic classification	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
<b>Goods and services</b>	<b>194</b>	<b>256</b>	<b>318</b>	<b>189</b>	<b>957</b>	<b>4,689</b>
List all applicable SCOA level 4 items						
Contractors	86	-	-	16	102	-
Agency and support/outsourced services	43	13	54	117	227	731
Consumable Supplies	65	243	264	56	628	3,924
Minor Assets	-	-	-	-	-	34
+						
<b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>	<b>194</b>	<b>256</b>	<b>318</b>	<b>189</b>	<b>957</b>	<b>4,689</b>

## VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS SOUTH AFRICAN HOUSING FUND FOR THE YEAR ENDED 31 MARCH 2022

### REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SOUTH AFRICAN HOUSING FUND

#### Report on the audit of the financial statements

##### Opinion

1. I have audited the financial statements of the South African Housing Fund set out on pages 220 to 223, which comprise the statement of financial position as at 31 March 2022, cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Housing Fund as at 31 March 2022, and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP).

##### Basis for opinion

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

##### Emphasis of matter

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

##### Liquidation/Going concern

7. As disclosed in note 1 to the financial statements, the financial statements are prepared on the liquidation basis since the entity no longer conducts its function in terms of the National Housing Act and is awaiting to be disestablished and the Housing Act to be amended accordingly.

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

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the South African Housing Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

##### Performance information reporting

12. As the Fund was dormant for the year under review, no work was performed on the audit of performance information.

**Audit of compliance with legislation**

13. As the Fund was dormant for the year under review, no work was performed on the audit of compliance with legislation.

**Other information**

14. The South African Housing Fund accounting officer is responsible for the other information. The other information comprises the information included in the annual report, the audit committee's report. The other information does not include the financial statements and the auditor's report.
15. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
16. 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, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
17. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

**Internal control deficiencies**

18. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Pretoria

31 July 2022





**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.

**Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in the 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 Fund's internal control
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting office .
  - Conclude on the appropriateness of the accounting office '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 South African Housing Fund 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 the auditor's report. However, future events or conditions may cause a Fund 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.

## VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS SOUTH AFRICAN HOUSING FUND FOR THE YEAR ENDED 31 MARCH 2022

### 1. General review of the state of financial affairs

The change in focus in housing delivery to quality housing and a shift to alternative forms of housing tenure have formed the background against which sustainable housing delivery was achieved. As reported in 2003/04, changes in the financial management legislative environment precipitated a need to review the funds flow mechanisms to provinces. On 15 August 2003, MINMEC approved the disestablishment of the South African Housing Fund (SAHF). The final disestablishment of the SAHF can only be effected through the repeal of the Housing Act, Act 107 of 1997. The SAHF was delisted from the Public Finance Management Act with effect from 18 November 2003.

### 2. Accounting Authority's emoluments

In terms of section 11(5)(a) of the Housing Act (Act No 107 of 1997) the Director-General: Human Settlements is the accounting officer of the South African Housing Fund.

No emoluments were paid to the accounting authority from the funds of the South African Housing Fund since the accounting officer is being remunerated by the Department of Human Settlements (previously Department of Housing).

### 3. Auditors

In terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1998) read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 11(8) of the Housing Act, 1997 (Act No. 107 of 1997) the Auditor-General has the responsibility to audit the books and statements of account and balance sheet of the South African Housing Fund. The Office of the Auditor-General will continue to perform the statutory audit of the South African Housing Fund.

### 4. Approval of financial statements

The financial statements for the South African Housing Fund were approved by the accounting officer

## STATEMENT OF FINANCIAL POSITION

	Notes	2021/22 R'000	2020/21 R'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	32,585	32,585
<b>TOTAL ASSETS</b>		<b>32,585</b>	<b>32,585</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Accumulated profits/(Losses)		31,958	31,958
<b>Current Liabilities</b>			
Trade and other payables	3	627	627
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,585</b>	<b>32,585</b>

VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS SOUTH AFRICAN HOUSING FUND FOR THE YEAR ENDED 31 MARCH 2022

CASH FLOW STATEMENT

	Note	2021/22 R'000	2020/21 R'000
<b>CASH FLOWS FROM FINANCE ACTIVITIES:</b>			
(Increase)/Decrease in financial instruments		-	-
Net cash inflow/(outflow) from investing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		32 585	32 585
<b>Cash and cash equivalents at end of period</b>	<b>5</b>	<b>32 585</b>	<b>32 585</b>

## VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS SOUTH AFRICAN HOUSING FUND FOR THE YEAR ENDED 31 MARCH 2022

### ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below.

#### 1. Basis of Preparation

The financial statements are prepared on the liquidation basis as set out below since the entity no longer conducts its function in terms of the National Housing Act and is awaiting to be disestablished and the Housing Act to be amended accordingly.

##### 1.1 Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables and creditors.

##### Measurement

Financial instruments are initially measured at cost. Subsequent to initial recognition these instruments are measured as set out below.

##### Trade and other receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

##### Cash and cash equivalents

**Cash and cash equivalents are measured at cost.**

##### Financial liabilities

Financial liabilities are recognised at cost.

##### 1.2 Administration Costs

All administration costs are borne by the Department of Human Settlements.

### NOTES TO THE STATEMENT OF FINANCIAL POSITION

NO.

#### 2. Trade and other receivables

	2019/2020 R'000	2018/2019 R'000
Debtors	421	421
Less: Provision for bad debt	(421)	(421)
<b>Total</b>	-	-

#### 3. Trade and other payables

Post office account	627	627
<b>Total</b>	<b>627</b>	<b>627</b>

#### 4. Disestablishment of the SA Housing Fund

The final disestablishment of the SAHF will be effected upon the promulgation of the Human Settlements Act.

The SAHF was delisted from the Public Finance Management Act with effect from 18 November 2003.

### NOTES TO THE CASH FLOW STATEMENT

#### 5. Cash and cash equivalents

Cash with CPD	32 585	32 585
<b>Total</b>	<b>32 585</b>	<b>32 585</b>

In terms of an enquiry to National Treasury, the SAHF does not earn any interest on its CPD deposit. National Treasury indicated that funds (to the credit of the SAHF) should not have been paid to the SAHF. It was furthermore indicated that National Treasury borrows funds in all CPD accounts at 0% interest and utilises such funds to fund its daily cash flows, hence interest earned on the deposit at CPD is not disclosed as income earned.

The National Department of Human Settlements is a related party to the South African Housing Fund.

**VOTE 33 NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS**  
**ADDENDUM: PERFORMANCE ON ESTIMATES NATIONAL EXPENDITURE INDICATORS FOR THE YEAR ENDED 31 MARCH 2022**

2021/22

**Performance indicators by programme and related priority**

Indicator	Programme	MTSF Priority		
	<b>Target</b>	<b>Performance</b>		
Number of integrated implementation plans for priority development areas completed per year	Integrated Human Settlements Planning and Development	<b>Priority 5: Spatial integration, human settlements and local government</b>	50	<b>49</b>
Number of fully subsidised houses delivered per year	Integrated Human Settlements Planning and Development		100 381	28351
Number of title deeds registered for new (post-2014) developments per year	Integrated Human Settlements Planning and Development		129 368	5 592
Number of informal settlements upgraded to phase 3 per year	Informal Settlements		400	14
Number of serviced sites delivered per year	Informal Settlements		60 000	42 046 (HSDG & USDG)
Number of affordable rental units delivered per year	Rental and Social Housing		6 000	-
Number of community residential units delivered per year	Rental and Social Housing		2 400	767
Number of finance-linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Affordable Housing		4 000	6 249





## **DEPARTMENT OF HUMAN SETTLEMENTS ANNUAL REPORT 2021-2022**

houses | security | comfort

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