



2022 ANNUAL REPORT 23

Vote 33



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

Houses,
Security & Comfort



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PART A

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

Physical Address

Department of Human Settlements
 Govan Mbeki House
 240 Justice Mahomed Street
 Sunnyside
 Pretoria

Postal Address

P/Bag X644
 Pretoria
 0001

Telephone Number

+27 12 421 1311

Fax Number

+27 12 341 8512

Email Address

info@dhs.gov.za

Website Address

www.dhs.gov.za

2. LIST OF ABBREVIATIONS/ ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South African
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BNG	Breaking New Ground
BP	Business Processes
CAE	Chief Audit Executive
CAP	Combined Assurance Plan
CARA	Criminal Asset Recovery Account
CCG	Consolidated Capital Grant
CCMR	Consumer Credit Market Report
CD	Chief Director
CEO	Chief Executive Officer
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CoE	Compensation of Employees
COGTA	Cooperative Governance and Traditional Affairs
COVID-19	Coronavirus Disease of 2019
CRU	Community Residential Units
CSOS	Community Schemes Ombud Services
DAG	Development Action Group
DDG	Deputy Director-General
DDM	District Development Model
DFI	Development Finance Institution
DG	Director-General
DHS	Department of Human Settlements

DIA	Directorate Internal Audit
DIRCO	Department of International Relations and Cooperations
DoRA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
EAAB	Estate Agency Affairs Board
EHW	Employee Health and Wellness
EHWP	Employee Health and Wellness Programme
EMT	Executive Management Team
EPMDS	Employee Performance Management Development Systems
EQAR	External Quality Assurance Review
ERMF	Risk Management Strategy/ Enterprise Risk Management Framework
ESIEID	Economic Sector, Investment, Employment and Infrastructure Development
FHF	First Home Finance
FLISP	Finance Linked Individual Subsidy Programme
FY	Financial Year
GC	General Conformance
GCIS	Government Communication and Information System
GDP	Growth Domestic Product
GEHS	Government Employees Housing Scheme
GEMS	Government Employees Medical Scheme
GEPF	Government Employees Pension Fund
GP	Gauteng Province
GRPBMEA	Gender Responsive Planning Budget, Monitoring, Evaluation and Auditing Framework
HDA	Housing Development Agency
HDI	Historically Disadvantaged Individual
HIV	Human Immuno Deficiency Virus
HLAMDA	Home Loans and Mortgage Disclosure Act
HSDB	Human Settlements Development Bank
HSDG	Human Settlements Development Grant
HSS	Housing Subsidy System

ICT	Information and Communication Technology
ICTS	International Cooperation, Trade & Security
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IMS	Information Management System
IRDP	Integrated Residential Development Programme
ISUPG	Informal Settlement Upgrading Partnership Grant
IT	Information Technology
JBMC	Joint Branch Management Committee
KZN	KwaZulu-Natal
MBSA	Master Builders South Africa
MCS	Modified Cash Standard
MEHG	Municipal Emergency Housing Grant
MinMec	Minister and Members of Executive Council
MPC	Monetary Policy Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MVHP	Military Veterans Housing Programme
MYDP	Multi-Year Development Plans
NC	Northern Cape
NDHS	National Department of Human Settlements
NDP	National Development Plan
NHBRC	National Home Builders Registration Council
NHFC	National Housing Finance Corporation
NPC	Non-Profit Company
NPTT	National Policy Task Team
NT	National Treasury
NUSP	National Upgrade Support Programme
NW	North West
OAG	Office of the Accountant General
OHS	Occupational Health and Safety

OPSCAP	Operation Capital Subsidy Programme
OSD	Occupation Specific Dispensation
PDA s	Priority Development Areas
PEHG	Provincial Emergency Housing Grant
PFMA	Public Finance Management Act
PHDA s	Priority Housing Development Areas
PHP	People’s Housing Process
PIE	Prevention of Illegal Eviction
PPRA	Property Practitioners Regulatory Authority
PQs	Parliamentary Questions
PRT	Professional Resource Team
PSCBC	Public Service Co-ordinating Bargaining Council
PSETA	Public Service Sector Education and Training
PTSC	Property Transactional Support Centres
RCF	Risk Champion Forum
RFQ	Requests for Quotations
RMC	Risk Management Committee
RMIP	Risk Management Implementation Plan
RSA	Republic of South Africa
SA	South Africa
SAHF	South African Housing Fund
SARB	South African Reserve Bank
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SEIAS	Socio-Economic Impact Assessment System
SHI	Social Housing Institutions
SHRA	Social Housing Regulatory Authority
SITA	State Information Technology Agency
SLA	Service Level Agreements
SMMEs	Small Medium and Micro Enterprises

SMS	Senior Management Services
SOP	Standard Operating Procedure
SPLUMA	Spatial Planning and Land Use Management Act
TB	Tuberculosis
ToR	Terms of Reference
TRU	Temporary Residential Units
UISP	Upgrading of Informal Settlements Programme
UN	United Nations
USDG	Urban Settlement Development Grant
WC	Western Cape
WEGE	Women Empowerment and Gender Equality

3. FOREWORD BY THE MINISTER



MS MT KUBAYI
MINISTER

The construction sector is a contributor to the Gross Fixed Capital Formation (GFCF) of our country. Slow economic growth, which was exacerbated by the COVID-19 pandemic and the July 2021 riots, which disrupted local supply chains, have a negative impact on the construction sector. Regrettably, for the financial year under review, the construction sector, including the residential subsector, recorded zero growth as a percentage of the Gross Domestic Product. The decline of the construction sector started before the pandemic, mainly because of the declining economic growth. Expectedly, in 2022, construction remained 23,1% smaller than what it was before the pandemic, which marked construction's sixth consecutive year of economic decline - which is also reflected on the decline of the GFCF.

It is within this context that the performance of the Human Settlements Department, in the year under review, must be understood. The work of the Department contributes immensely to the overall

economic performance of the country. Both in terms of creating economic activities in which construction value chains are activated and employment opportunities are created and by creating a spatial development pattern that places communities closer to economic opportunities and social amenities that increase their chances for meaningful economic participation.

As a driver of the largest housing programme for the poor in the world, the Department has done well in serving the poor, the elderly and child headed households. Admittedly, there are still many challenges to be overcome but since the dawn of democracy, more than 3 million new housing units have been

built for households earning less than R3 500 per month. In the year under review, a total of R14.255 billion, under Human Settlements Development Grant (HSDG), was transferred and the expenditure by Provinces amounted to R13.598 billion, representing 93% of the total available funds. Close to 95% of the HSDG is spent on building more housing units for impoverished households.

Over time, the gap market, individuals who do not qualify for subsidy houses and do not qualify for home loans, has grown in leaps and bounds. The phenomenon of urbanisation, which is no longer an exclusive activity of metropolitan municipalities, has now become a pressure point for secondary or intermediate cities and small towns. In fact, statistics have shown that the rate of urbanisation in intermediate cities and small towns has surpassed that of major metropolitan cities. This means that small towns are finding themselves under pressure to provide accommodation or housing. What we are finding is that many of the people who move to urban areas and are employed do not qualify for free housing and they fall within what we call the Gap market.

The rapid growth of informal settlements is a direct result of the growth in the housing needs of the gap market. Our response is two-fold. Through the Informal Settlement Upgrading Partnership Grant (ISUPG) provided to Provinces and Metropolitan Municipalities, we upgrade informal settlements through phases, to be habitable and have access to basic services and in the end, convert them into sustainable human settlements. In the year under review, a total of R4.121 billion was transferred to provinces and their expenditure amounted to R3.928 billion, representing 89% of the total available funds. A total amount of R4.180 billion was transferred Metropolitan Municipalities and a total of R1.915 billion was spent, which represents 45% of the total available funds.

The expenditure by municipalities is very poor on the ISUP grant. The poor performance of municipalities can be attributed to the instability of the leadership caused by the formation of coalition governments. In municipalities that are led by coalitions, mayors have been recalled, members of mayoral council responsible for human settlements have also been frequently changed. This has led to municipal plans staying unapproved for long periods of time, which means money allocated for various services including human settlements, cannot be spent. This also leads to loss of critical skills that are needed to implement these plans. If this instability continues, the urban housing crisis will only get worse. There is a need to

find ways in which the administrations of the municipalities can be insulated from the leadership changes.

The second form of our response to the Gap Market, is through the creation of affordable housing stock. By declaring 136 Priority Human Settlements and Housing Development Areas (PHSHDAs) across the country, the Department created spaces in which affordable housing projects can be developed in a manner that in the end, they collectively will alter and disrupt the apartheid spatial configuration of human settlements. The Housing Development Agency (HDA) is responsible for preparing these integrated implementation programmes for PDAs and in the year under review, 42 plans were achieved against a target of 40 which is an overachievement. However, the target of 40% of the USDG and ISUPG (metros) invested in PDAs was not achieved.

Through the SHRA and the NHFC we have put together investment products for the development of social housing stock or residential units for the gap market. The SHRA currently provides the grant component and NHFC provides the load component for private sector institutions to develop social housing projects. This is another way in which we are crowding-in private sector capital to co-invest in affordable housing. The implementation of the Government Employees Housing Scheme (GEHS) and expansion of the First Home Finance (FHF) will also go a long way in alleviating the plight of the Gap market. The system of delivery of affordable housing requires significant improvement by way of size and inclusivity. The funding needs to be expanded and extended to previously disadvantaged groups. Similarly, the accreditation of developers, which is the regulatory side of the sector needs to be inclusive so that as the sector grows it also transforms to be a sector that economically benefits a wider spectrum of South Africans.

Indeed, the human settlements delivery system should persist with the continuous improvement path. Together with its entities, the Department continues to find ways in which each aspect of its mandate is discharged in a manner that improves the delivery to all its stakeholders but more importantly, contribute to the economic growth of the country. From development, through training to regulation, we will strive to find greater alignment in the mandates of all the entities so that we create clusters of excellence. We will also undertake a capacitation process that will place the right skills in the right places in the Department and its entities. This will also include the appointment of a permanent Director-General and all critical positions in the financial year 2023/24.

A well-coordinated, capacitated and well-managed human settlements delivery system will also enable us to respond adequately to natural disasters which leave people homeless and vulnerable. With increasing incidents of gale winds, floods, thunderstorms and heavy rains it has become urgent for the department to develop a housing solution that will be quick to deploy, affordable and climate change resilient. It is for this

reason that we introduced innovative alternative building technologies as part of our disaster response.

Human settlements is an important social and economic sector in our country. Improved performance in this sector has a direct impact on the creation of a better life for all.

Let me take this opportunity to thank the Deputy Minister, Pam Tshwete, for her support and commitment to pursue the mandate we have been given. I extend my gratitude to the Departmental staff, led by Acting Director-General Sindisiwe Ngxongo and Siyabonga Zama and the CFO Ms Lucy Bele, for the hard work and commitment.



MT Kubayi, MP

Minister of Human Settlements

Date: 26 September 2023

4. DEPUTY MINISTER STATEMENT



MS P TSHWETE
DEPUTY MINISTER

During the financial year 2022/23, through the Presidential Task Team (PTT) led by the former Deputy President, Mr. David Mabuza, we embarked on Provincial Roadshows which focused on dealing with challenges faced by military veterans. The housing programme of military veterans has been lagging behind due to several reasons, ranging from the lack of a verified beneficiary list and the identification of suitable land to slow procurement processes. The PTT has been formed to deal with the challenges and we have been making progress through the engagements with provincial military veteran structures.

We have also seen tremendous improvement with the inclusion of women, youth and persons with disabilities within the built environment. In the financial year in question, we can boast of four provinces that have even exceeded the 40% set-aside allocation for women. These provinces are Limpopo, KwaZulu-Natal, Northwest and

Mpumalanga. We are confident that with the plans on the current Annual Performance Plans for 2023/24 on sector transformation, we will continue to improve on the capacitation of the designated groups.

Through the Community Schemes Ombud Services (CSOS), we are supporting our people in community residential schemes by providing a regulatory environment for all parties. As the Department of Human Settlements (DHS), we have invested a lot of work in ensuring that the property sector is transformed through our regulatory agency, the Property Practitioners' Regulatory Authority (PPRA), previously known as the Estate Agency Affairs Board (EAAB). Our entities have indeed been stabilised, with functional Boards in place, and on course to deliver on their respective mandates.

In August this year, we will be handing over 80 houses to destitute families at the Harry Gwala District in KwaZulu-Natal. This project is being executed by a 100% woman-owned construction company.

Provinces are beginning to appreciate and have confidence in women contractors within this male dominated industry. We have women that are focusing in different areas of the construction value chain, be it plumbing, roofing, material supply, project management and even the construction of houses and social housing units. As the National Department, we will continue to advocate for the inclusion of the designated groups within this space. The housing of destitute cases remains high on our agenda as this remains one of the priority areas pronounced by Minister Kubayi. Great strides have also been made in the Eastern Cape, where we continue to assist in the acceleration of housing for destitute cases.

The disasters that occurred, some due to climate change, continue to plague us as some provinces are severely affected. We have devised a pro-active approach in dealing with disaster prone areas. For instance, when the disaster occurs, even roads, electricity and water supply are affected. This then makes it difficult for the province to provide efficient support to the affected families. The matter of moving families to community halls poses other risks as we found that families are put in one big hall where, men, women and children share the same space.

The Temporary Emergency Accommodation (TEA) piloted by KwaZulu-Natal, have proven to be a practical option but not cost effective, as they are an expensive exercise for a temporary solution. The disasters will now be dealt with directly by the National Department using the Emergency Housing Response Fund which has taken over from the Provincial Emergency Housing Grant and the Municipal Emergency Housing Grant. We are therefore cutting off on the time wasted with applications for the grant to be transferred while the families are waiting for urgent support to be provided. As a result, our response time will be greatly improved.

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 and the property development space. The countries in our continent are using South Africa as a case study and benchmarking on our work. We will continue with our quest to fulfil the mandate of delivering a better life for all.

P Tshwete, MP

Deputy Minister of Human Settlements

Date: 26 September 2023

5. REPORT OF THE ACCOUNTING OFFICER



MR S ZAMA

Accounting Officer Department of Human Settlements

Introduction

Just as South Africa was beginning to recover from the devastating effects of the COVID-19 pandemic, the geopolitical tensions escalated into a full-blown war between Russia and Ukraine in February 2022. The global implications of the war translated into rising inflation, subdued economic growth, exponential price increases in commodities, such as wheat, sunflower oil, fertilizer and crude oil. Domestically, the constraints in the supply of electricity, the increment in the cost of building materials constitute some of the most significant factors that adversely impacted the number of human settlements opportunities that could be delivered during the 2022/23 financial year. The provinces had to respond by delivering individual subsidies where beneficiaries identified existing stock that is available for resale.

Affordable Housing Programme

During the reporting period under assessment, Department of Human Settlements (DHS) implemented the First Home Finance Programme as a programme that was designed to ensure sustainability and affordability for first-time home buyers earning between R3 501 and R22 000 a month.

In February 2023, the DHS launched the First Home Finance programme as a revamped version of the erstwhile Finance Linked Individual Subsidy Programme (FLISP), a move that will see more people gain easy access to help finance their first homes.

During the 2022/23 financial year, a total of 5 811 households received financial assistance and were able to purchase their very first homes through this programme.

Our Medium Term Strategic Framework (MTSF) target for this programme is 20 000, and since its inception, the DHS assisted 19 029 beneficiaries to buy their homes, which translates into a 95% overall achievement.

With respect to the Social Housing Programme, a new Consolidated Capital Grant (CCG) quantum of R328 687 both institutional and subsidy and Restructuring Capital Grant was implemented on 1 of April 2022. The income band for Social Housing beneficiaries was also increased from R15 000 to R22 000.

These adjustments are important for purposes of addressing the problem of blocked and financially unsustainable projects and are designed to accelerate the scale and pace of delivering social housing for qualifying citizens in the gap market. During the current performance cycle, we delivered 3 182 social housing units in Priority Development Areas (PDAs) and cumulatively we delivered 10 819 units over the MTSF period.

In addition to the above, we have approved new norms and standards for comprehensive rental housing which include health, safety and hygiene, and living conditions including basic services, affordability, overcrowding and size conditions of the lease agreement.

Serviced Sites

The delivery of serviced sites is an important programme through which low to middle income earning households are afforded an opportunity to realise their right to housing as they are given stands/plots with access to portable water, sanitation services, electricity and the like. Out of the MTSF target of 300 000 serviced sites, we have delivered a total of 173 392 of which 3 871 were delivered in the 2022/23 reporting period.

Blocked And Incomplete Projects

We have developed a National Unblocking Programme as an instrument through which we identify housing projects that are blocked and incomplete to the extent that no expenditure has been incurred on the same after more than 12 months and more, while the intended beneficiaries are waiting to be allocated. A total of 3 445 blocked and incomplete projects were identified in collaboration with provinces, of which 103 projects were resuscitated and placed back in the Business Plans of the relevant provinces during the 2022/23 reporting cycle. The balance of the projects are earmarked for unblocking in the 2023/24 and 2024/25 financial years. In instances where unblocking will not be workable, the predetermined beneficiaries will be allocated to new and current projects.

Title Deeds Programme

The performance of this programme has been notably less than projected, in that we planned to deliver 397 562 title deeds, but only 25 235 could be achieved. The poor performance can be attributed to factors, such as:

- Outstanding township establishment plans
- Family disputes amongst qualifying beneficiary estates
- Provinces planning more than they can deliver
- Inadequate budgeting by Provinces
- Deceased estates
- Illegal occupants
- Untraceable beneficiaries.
- The NDHS is consulting provinces with the view to develop intervention measures that will be responsive to the prevailing challenges.

Office of Disclosure

The information below is in respect of the lending patterns 1 January to 31 December 2021.

In July 2022 the Minister appointed the new Members of the Office of Disclosure (Board) in terms of Section 4 of the Home Loans and Mortgage Disclosure Act, 2000 (Act No. 63 of 2000) with its functions in terms of Section 5. The key function of the Board is to enforce the Act and its objectives which are amongst others; to promote fair lending practices, (which require financial institutions to disclose information regarding the provision of home loans); to establish an Office of Disclosure; and to provide for matters connected therewith. During this period the Act was enforced with its supporting HLAMDA Regulations. The Office of Disclosure received information from financial institutions, analysed the same and prepared quarterly and annual reports.

The current analysis of data reveals a significant improvement, namely that 1 809 642 applications for mortgage loans were received which is significantly higher than the previous year (2020) which was 1 341 408. Out of the total applications received (1 809 642), a total of 1 598 846 (88.3%) was scored/

assessed and 930 818 were approved, representing a 51.4% approval rate on scored applications.

It was further noted that there was an increase in the pension-backed loan applications for home improvements, rather than for the purchase of new homes. The Office of Disclosure also observed that the average size of pension-backed loans are relatively small as compared to mortgages. Of the total pension-backed loan applications received (597 933), a total of 502 049 (83.9%) were scored, while 404 119 (67.5%) was approved.

The Office of Disclosure has noted a growing pattern in the use of unsecured loans for the purposes of home improvements. A total 794 655 unsecured loan applications were received of which 713 289 (89,7%) were scored and 440 069 were approved, representing a 55,3% approval rate.

Departmental receipts

The Department does not trade. Its receipts only emanate from administrative activities and include commission earned on the payroll withholdings, staff members' car parking fees, telephone usage refunds and the sale of some obsolete assets. 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	2022/23			2021/22		
	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	220	334	(114)	208	205	3
Transfers received			-			-
Fines, penalties and forfeits			-			-
Interest, dividends and rent on land	110	210	(100)	26	30	(4)
Sale of capital assets	0	514	(514)			-
Transactions in financial assets and liabilities	312	784	(472)	678	830	(152)
Total	642	1 842	(1 200)	912	1 065	(153)

The department over-collected in respect of interest, dividends and rent on land. This was mainly due to the following:

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

More than expected interest was earned on unspent grant funds deposited by provinces and one of the Department's public entities into the account of the Department. Some of these funds were deposited without references and could not, as a result, be immediately transferred to the National Revenue Fund resulting in more interest being earned.

- **Sales of Capital Assets**

Two vehicles previously used by the Minister and the Deputy Minister were disposed of as they

had reached five years, or 120 000 kilometres as prescribed by the Guide for Members of the Executive. In addition, a batch of obsolete Information Technology (IT) equipment was disposed of.

- **Transactions in financial assets and liabilities**

A higher number of staff members unfortunately breached their bursary obligations and were as a result compelled to refund the Department. In addition, funds were recouped from the School of Government for staff training that was cancelled.

Bad debts are written off in terms of the Debtors Management Policy of the Department. During the year under review, debts amounting to R6 000 were written off.

Programme Expenditure

Expenditure by Programme: Table 2

Programme Name	2022/23			2021/22		
	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	562 592	482 516	80 076	495 613	416 746	78 867
Integrated human settlements planning and development	22 028 756	21 971 570	57 186	21 235 777	21 179 706	56 071
Informal settlements	9 344 697	8 914 656	430 041	8 422 805	7 972 670	450 135
Rental and social housing	947 558	906 894	40 664	936 763	850 892	85 871
Affordable housing	594 871	581 869	13 002	588 829	539 520	49 309
Total	33 478 474	32 857 505	607 967	31 679 787	30 959 534	670 944

The Department's total expenditure for the period ending 31 March 2022 was R32.8 billion, representing approximately 98.1% of the allocated funds. The underspending of R607.9 million translates into 1.8% of the total allocation.

Reason for underspending

Programme 1: Administration

The programme underspent by R80 million or 14.2% of the adjusted allocation of R562.5 million. On current payments, the underspending is due to the following:

Compensation of Employees (COE):

Delays in recruitment processes and in finalising the microstructure of the Department negatively impacted the filling of vacant positions. Critical positions could not all be filled by the end of the financial year.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department's procurement plan, which was negatively impacted by the National Treasury's moratorium on all procurement above R30 000.00. Although the Department applied for a deviation from complying with Broad-Based Black

Economic Empowerment (B-BBEE) regulations, National Treasury's approval was not immediate. Even though the moratorium was later lifted, it proved difficult to catch up on the implementation of the procurement plan. Furthermore, delays in filling vacant positions contributed to lower-than-expected personnel-related Goods and Services expenditures.

Expenditure for Capital Assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from some business units. In addition, there was delayed delivery by service providers due to a worldwide shortage of components used to build personal computing devices.

Programme 2: Integrated Human Settlements Planning and Development

The underspending of R57.1 million or 0.3% of the adjusted allocation includes underspending on current payments of which underspending is due to the following:

Compensation of Employees:

Delays in recruitment processes and in finalising the microstructure of the Department negatively impacted the filling of vacant positions. Critical positions could not all be filled by the end of the financial year.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department's procurement plan, which was negatively impacted by the National Treasury's moratorium on all procurement above R30 000.00. Although the Department applied for a deviation from complying with B-BBEE regulations, National Treasury's approval was not immediate. Even though the moratorium was later lifted, it proved difficult to catch up on the implementation of the procurement plan. Furthermore, delays in filling vacant positions contributed to lower-than-expected personnel-related Goods and Services expenditures. In addition, expenditure relating to the Housing Subsidy System is lower than expected due to the State Information Technology Agency (SITA) not providing required services as per the service level agreements (SLAs).

Expenditure for Capital Assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from some business units. In addition, there was delayed delivery by service providers due to a worldwide shortage of components used to build personal computing devices.

Programme 3: Informal Settlements

The programme underspent by R430 million or 4.6% of the adjusted allocation.

Underspending is due to the following:

Compensation of Employees:

Delays in recruitment processes and in finalising the microstructure of the Department negatively impacted the filling of vacant positions. Critical positions could not all be filled by the end of the financial year.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department's procurement plan, which was negatively impacted by the National Treasury's moratorium on all procurement above R30 000.00. Although the Department applied for a deviation from complying with B-BBEE regulations, National Treasury's approval was not immediate. Even though the moratorium was later lifted, it proved difficult to catch up on the implementation of the procurement plan. Furthermore, delays in filling vacant positions contributed to lower-than-expected personnel-related Goods and Services expenditures.

Transfer and Subsidies:

The Emergency Housing Grants were schedule 7 a and b grants and were requested-based grants. The funds were allocated to be utilised for emergency relief by provinces (schedule 7 a) or Municipalities (schedule 7 b). The funds were thus disbursed after the completion of an administrative process. This process commenced with an application for funding by a Province or Municipality, followed by a verification process by the National Department, whereafter approval was granted and further approval by National Treasury was secured before a transfer was affected. The Department did not receive applications for the remaining amounts on the grants.

Expenditure for Capital Assets

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from some business units. In addition, there was delayed delivery by service providers due to a worldwide shortage of components used to build personal computing devices.

Programme 4: Rental and Social Housing

The programme underspent by R40.6 million or 4.3% of the adjusted allocation. The reasons for underspending are as follows:

Compensation of Employees:

Delays in recruitment processes and in finalising the microstructure of the Department negatively impacted the filling of vacant positions. Critical positions could not all be filled by the end of the financial year.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department's procurement plan, which was negatively impacted by the National Treasury's moratorium on all procurement above R30 000.00. Although the Department applied for a deviation from complying with B-BBEE regulations, National Treasury's approval was not immediate. Even though the moratorium was later lifted, it proved difficult to catch up on the implementation of the procurement plan. Furthermore, delays in filling vacant positions contributed to lower-than-expected personnel-related Goods and Services expenditures.

Transfer and Subsidies:

The entire budget was transferred to entities and recipients as planned.

Expenditure for capital assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from some business units. In addition, there was delayed delivery by service providers due to a worldwide shortage of components used to build personal computing devices.

Programme 5: Affordable Housing

The programme underspent by R13 million or 2.2% of the adjusted allocation. The reasons for underspending are as follows:

Compensation of employees:

Delays in recruitment processes and in finalising the microstructure of the Department negatively impacted the filling of vacant positions. Critical positions could not all be filled by the end of the financial year.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department's procurement plan, which was negatively impacted by the National Treasury's moratorium on all procurement above R30 000.00. Although the Department applied for a deviation from complying with B-BBEE regulations, National Treasury's approval was not immediate. Even though the moratorium was later lifted, it proved difficult to catch up on the implementation of the procurement plan. Furthermore, delays in filling vacant positions contributed to lower-than-expected personnel-related Goods and Services expenditures.

Transfer and subsidies:

The entire budget was transferred to entities and recipients as planned.

Expenditure for capital assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from some business units. In addition, there was delayed delivery by service providers due to a worldwide shortage of components used to build personal computing devices.

Virements and Rollovers**Rollovers**

No rollover was approved.

Virements after Adjustment Budget Estimate

Virements after Adjustment Budget Estimate: Table 3

From	To	Amount	Reason
Programme 2: Integrated Human Settlements Planning and Development – R22.5 million Programme 3: Informal Settlements – R11 million Programme 4: Rental and Social Housing – R15.2 million	Programme 1: Administration	R48.7 million	To fund shortfalls on the following: Consultations with members of the public on the Property Practitioner’s Act Consumer education sessions with various communities Ministerial events Building leasing costs Software licences

Fruitless and wasteful expenditure

The table below refers to incidents that were referred to Internal Audit for determination of outcome

Incident	Disciplinary steps taken/ criminal proceedings	R’000
Interest on late payment of arbitration award B.T Radebe 2022/23	Referred to Internal Audit for determination	16
Interest on arrear payment of the Government Employees Pension Fund (GEPF) contributions – M Moodley 2022/23	Referred to Internal Audit for determination	9
Locksmith services for lost safe keys 2022/23	Referred to Internal Audit for determination	3
Interest on late payment of arbitration award W. Hugo	Referred to Internal Audit for determination	3
Total		31

Future Plans of the Department

The following are the Department’s future plans:

- Continue efforts of improving the Department’s audit outcomes until the Department achieves a clean audit/improve audit outcomes
- Invest more in unlocking blocked projects, particularly in Gauteng and Free State Provinces/Find

solutions to unblock blocked projects

- Continue finding ways to enhance our responsiveness to human settlements-related disasters
- Prioritise the removal of asbestos as it remains a health risk for households
- Continue to accelerate the planning and implementation of the Informal Settlements Upgrading Programme
- Accelerate the issuing of title deeds
- Operationalise the Human Settlements Bank
- Finalise the drafting and promulgation of the following:
 - o Home Loan and Mortgage Disclosure
 - o Amendment Bill, 2018 (HLAMDA)
 - o Housing Consumer Protection Bill, 2017
 - o Human Settlements Development Bank Bill, 2017
 - o Human Settlements Bill
 - o Prevention of Illegal Eviction and Unlawful
 - o Occupation Amendment Bill.
- Strengthen the monitoring of grants to ensure that transferred funds are used for intended purposes;
- Where necessary provide technical support to Provinces and Metros, particularly to address 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 (SCM)

- 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
 - o SCM Policy, Standard Operating Procedures, internal SCM Circulars, Financial Delegations, Instruction Notes
 - o Bid Committees (Specification, Evaluation and Adjudication) are in place and members are

- o appointed in writing by the Accounting Officer or her delegate
- o Approval for the creation of a purchase order is preceded by a check list to ensure compliance with prescripts and prevent irregular expenditure
- o When irregular expenditure is discovered and assessed, determined, investigated (when there is a need), reported and recorded to the relevant authority in terms of the National Treasury Instruction Note 2 of 2019/20 on Irregular Expenditure.
- The following are challenges experienced in SCM and how they were resolved:
 - o The quality of the bid specifications or terms of reference (ToR) were not always in line with acceptable standards. In order to manage this the Department has ensured that all bid specifications or ToR are tabled before the Bid Adjudication Committee for review and quality control and are recommended for approval by that committee. Furthermore, every Bid Specification Committee meeting is supported by legal and supply chain management representatives for support and advice. In addition, the Department has arranged training sessions with the School of Government for all managers
 - o Late or non-submission of some projects for inclusion into the procurement plan. This has necessitated amendments of the said procurement plan during the financial year. Follow-up SCM circulars were issued to managers
 - o Attempts by a criminal syndicate posing as our Department and sending out fake requests for quotation to service providers. A warning message was published on the Department's website and a media statement was issued to the members of the public
 - o Retirement of highly experienced officials who were all in lower, middle and senior management positions within a short period of time. The Department recruited and filled most of the positions.

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 is 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 2023.

Yours faithfully



S Zama

Accounting Officer: Department of Human Settlements

Date: 26 September 2023

7. Strategic Overview



Vision

A nation housed in sustainable Human Settlements.



Mission

To facilitate the creation of Sustainable Human Settlements and Improved Quality of Household Life.



Values

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

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

8. LEGISLATIVE AND OTHER MANDATES

The mandate of the Department emanates from Section 26 of the Constitution of the Republic of South Africa (RSA), 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:

- Part 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.
- 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 table below provides a list of policies, legislation and strategies that shape the development of human settlements reforms:

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.

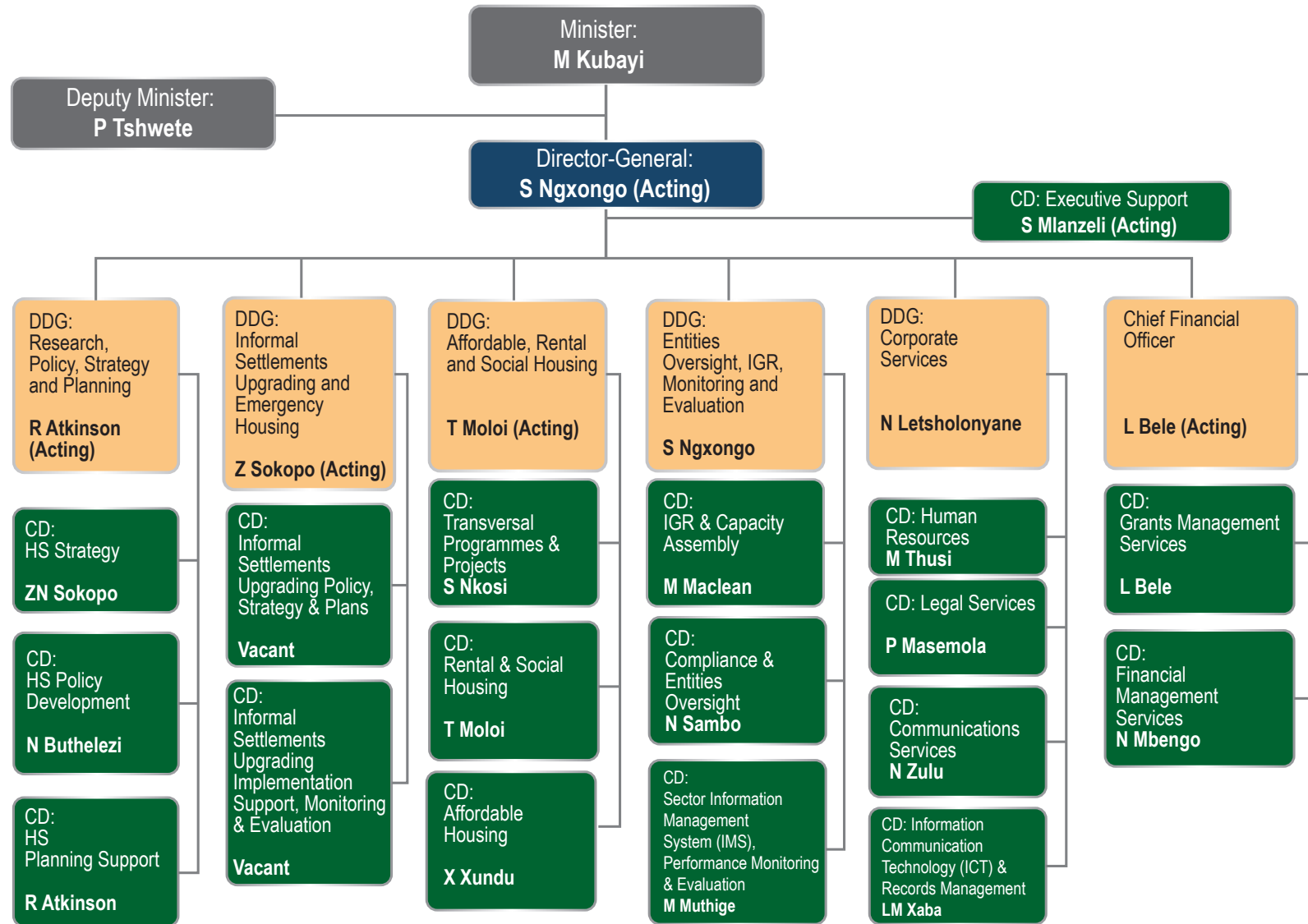
General Proclamation Notice No. 1570 of 2009, signed off by the President of the Republic of South Africa, created the DHS as a successor to the Department of Housing. This notice, together with the Comprehensive Plan for the Creation of Sustainable Human Settlements, which was adopted by Cabinet in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

Chapter 8 of the National Development Plan (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
Constitution of the RSA, Act of 1996	Requires the state to take reasonable legislative and other measures within its available resources to achieve the progressive realisation of the right to have access to adequate housing and to prohibit arbitrary evictions
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 were 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 and 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
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

Policy or Legislation	Purpose
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, regulates 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 Women Empowerment and Gender Equality (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.
Prevention of Illegal Eviction from Unlawful Occupation of Land Act of 1998	To prevent arbitrary evictions

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Property Practitioners Regulatory Authority (PPRA)	Regulate, educate and transform the property practitioners' industry	The PPRA is empowered in terms of the enabling legislation to raise fees and levies from property practitioners	Regulator
Home Builders Registration Council (NHBC)	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 NHBC 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 First Home Finance Programme	The Department provides NHFC with operational funding assistance and subsidy grant funding to implement the First home Finance Programme In addition, the entity has been appointed as the implementing agent for the Debt Relief 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 In addition, the entity has been appointed as the implementing agent for the Rent Relief Programme	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

1. AUDITOR – GENERAL'S REPORT

Predetermined Objectives

(refer to pages 152 to 156)

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Macro-Economic Outlook

1. Global Economic Outlook

According to the International Monetary Fund (October, 2022), the global growth was forecast to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global economic activity is experiencing a broad-based and sharper than expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia - Ukraine conflict, weigh heavily on the outlook.

2. Domestic Outlook

In his speech (February 2023), Minister of Finance indicated that the consolidated fiscal deficit is projected at 4.2% of Growth Domestic Product (GDP) for 2022/23, and this will reach 3.2% in 2025/26. In general, government debt is high. The gross debt stock was projected to increase from R4.73 trillion in 2022/23 to R5.84 trillion in 2025/26. This high debt will lead to high debt-service costs.

3. GDP Growth

According to the South African Reserve Bank (SARB), December 2021 Quarterly Bulletin, South Africa's economic activity increased in the third quarter of 2022, following a decrease in the second quarter of 2022 due to flooding in KwaZulu-Natal (KZN) and electricity load shedding. The GDP expanded by 1.6% in the third quarter of 2022 following a contraction of 0.7% in the second quarter.

Real economic activity increased in the finance, insurance, real estate and business service sectors as well as the transport, storage and communication services sectors, while the real output of the commerce and general government services sectors increased, following decreases in the second quarter. After rallying in the third quarter of 2022, South African GDP declined by 1.3% in the fourth quarter of 2022 dragged largely by finance, trade, mining, agriculture, manufacturing and general government services plus an intense load shedding.

4. Construction Sector Hardest Hit

The economy remains characterised by sluggish growth, high unemployment rate and elevated inflationary environment. The construction sector reflected a slow recovery during this period, mainly due to depressed business confidence and construction mafias do impact negatively on the sector (public and private) which affects delivery. This had seen a visible withdrawal of established developers. This has had a negative impact with respect to the service delivery especially supply side. The fourth quarter GDP report by Statistics South Africa showed that the construction was the worst in shape, remaining 23.1% smaller than what it was before the COVID-19 pandemic. The construction sector woes started way before the COVID-19 pandemic. In 2022, the construction sector activity marked its sixth consecutive year of economic decline according to Statistics South Africa. During 2023/23 financial year, input costs for construction continues to increase, forcing the Department to adjust the subsidy quantum by 29.7%.

5. Unemployment Rate

On employment activity, total household-surveyed employment increased further by 204 000 in the third quarter of 2022 as measured by Statistics South Africa's Quarterly Labour Force Survey. Formal sector employment increased by 235 000 (2.2%), while the informal sector gained 6 000 jobs. The number of unemployed South Africans decreased by 269 000 7 (3.4%) to 7.73 million in the third quarter of 2022, resulting in the official unemployment rate decreasing to 32.9% from 33.9% in the second quarter of 2022.

While in the third quarter of 2022, most unemployed persons were new entrants (45.7%) to the labour market followed by job losers (26.4%), while those who had previously worked five years ago represented 22.3% of the officially unemployed. Re-entrants and job leavers accounted for only 3.0% and 2.6% respectively of the total number of unemployed. The youth unemployment rate (those aged 15–24 and actively searching for work) remained above 60% for eight consecutive quarters before it receded to 59.9% in the third quarter of 2022.

6. Rising Interest Rates

On interest rates, the South African Reserve Bank's Monetary Policy Committee (MPC) raised its benchmark repo rate by 25 basis points to 7.25% at its January 2023 meeting. This marked the eighth consecutive rate hike since policy normalisation started in November 2021. The MPC indicated that the move was to anchor inflation expectations more firmly around the mid-point of the target band of 3-6% and achieve the inflation target in 2024 as risks to the inflationary outlook remain skewed to the upside.

Important to note is that interest rate in South Africa averaged 11.94% from 1998 until 2023, reaching an all-time high of 24% in June of 1998 and a record low of 3.50% in July of 2020 at the height of COVID-19 pandemic. The January 2023, the MPC's decision to have interest rates increased for the eighth consecutive time since the Committee started its rate-hiking cycle in November 2021 has brought the prime lending rate to 10.75%, its highest level since 2009.

7. Mortgage Market Activity

On mortgage advances, the National Credit Regulator (NCR) September 2022 Consumer Credit Market Report (CCMR) showed that the rand value of mortgage agreements granted increased by 9.53% for the quarter ended September 2022. The majority (89.16%) of mortgage agreements granted during the September 2022 quarter were in excess of R700 000. Total mortgages granted on a year-on-year basis decreased by 4.79%. The number of mortgage agreements entered into increased by 7.21% for the quarter ended September 2022. The majority (68.17%) of mortgages were granted in favour of larger sized credit agreements of more than R700 000.

On a year-on-year basis, mortgage agreements decreased by 7.51%. Regarding mortgages granted by level of income, figures demonstrated that the majority of mortgages granted for the quarter ended September 2022 remained in favour of individuals with a gross monthly income of greater than R15 000 a month for both rand values and number of accounts. The rand value of the gross debtors book for mortgages showed an increase of R22.93 billion (2.01%) on a quarter-on-quarter and of R80.48 billion

(7.41%) on a year-on-year basis.

8. Residential Property Market

According to the Centre for Affordable Housing Finance in Africa/Lightstone report, the residential property market is the largest component of the South African property market, accounting for most property assets, and a crucial source of household wealth. In 2021, there were 6.7 million residential properties on South Africa's deeds registry. Of the total properties, more than half (3 470 338) were valued under R600 000. Residential properties valued under R300 000, which are presumed to be government subsidised properties made up a sizable portion of 2 012 550 of all residential properties. This indicates the impact of the massive investment of the National Government Housing Programme over the years.

9. Unsecured Credit

With respect to unsecured credit, unsecured credit agreements with a repayment period of "3.1-5 years" dominated rand values and agreements with a repayment period of "7-12 months" dominated numbers. Unsecured credit granted for agreements in excess of R15 000 dominated both in rand values and numbers at 90.95% and 53.15% respectively for the quarter ended September 2022. There was an increase in the share of rand value of unsecured credit agreements granted to individuals with a gross monthly income of greater than R15 000 from 73.94% to 75.04% for the same period. This illustrates lenders willingness to extend unsecured credit as it is a short-term credit contract with healthy returns and easily accessible by borrowers.

10. Developmental Credit

While the developmental credit extension indicates that the number of developmental credit agreements granted to individuals with a gross monthly income of R10 000 to R15 000 had the largest share of 64.15%, the rand value of developmental credit agreements granted to individuals with a gross monthly income of R10 000 to R15 000 had the largest share of 94.03%. The mortgage advances deceleration negatively impacts the activity in the residential property market.

11. Responsive Policy Frameworks

Part of the Department’s strategic priorities is to create an enabling environment through responsive policies, programmes and strategies to increasing the delivery of affordable housing. Government realised that broadly there is an increased need to address the affordable housing market constraints. The market often referred to as ‘Gap Housing Market’ whose income exceeds the maximum limit for a full subsidy house but earns too little to acquire a mortgage loan, typically this refers to those earning between R3 500 to R22 000.

This market has largely been shut out of credit markets. The established basis that a large majority of low and moderate-income households are unable to access mortgage linked loans is attributable to the following:

- (i) High levels of indebtedness
- (ii) Impaired credit record
- (iii) Lack of collateral security
- (iv) High debt-to-income ratio.

Accordingly, the Department had during this financial year, reviewed and remodelled several policies and programmes as part of the sector intervening mechanisms towards responding to structural challenges as well as implementation blockages. Furthermore, the policy analyses and reformulation is linked directly to the realisation of the Departments’ strategic thrusts and priorities as referenced in the Medium Term Strategic Framework (MTSF:2019-2024).

2.2 Service Delivery Improvement Plan

According to Department of Public Service and Administration (DPSA) Circular No. 14 of 2022 (Section 4), a recommendation was made regarding the extension of time given by the DPSA on the submission of the approved Service Delivery Improvement Plans (SDIPs) and support to be provided to strengthen the critical SDIP building blocks that will enable departments to produce realistic, effective and credible SDIPs. To this effect, the Department of Human Settlements submitted the draft SDIP on 30 April 2023. The Department is in constant communication with the DPSA in order to improve the SDIP document so that it meets the required standard as set out in the circular above.

The tables below highlight the service delivery plan and the achievements to date.

Main services and standards (Not applicable)

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement

Batho Pele arrangements with beneficiaries (Consultation access, etc.) (Not applicable)

Current/actual arrangements	Desired arrangements	Actual achievements

Service delivery information tool (Not applicable)

Current/actual information tools	Desired information tools	Actual achievements

Complaints mechanism (Not applicable)

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements

2.3 Organisational Environment

Although the Department is still busy with the process of aligning the approved Macro organisational structure to the Objective Based Budget Structure as well as the Micro organisational structure, vacant Senior Management Service (SMS) positions were prioritised for filling, considering the reduction of the Compensation of Employees (CoE) budget which is affecting the entire Public Service in general. Interim measures to manage the impact of the vacant positions included appointment in acting capacity, encouraging existing employees to apply for internal transfers and the direction to perform other functions. Successes include the filling of six the vacant SMS positions.

The filling of the above positions has assisted with the Employment Equity targets as the female representation at SMS level as at 31 March 2023 is 47%. The Department continued with the implementation of reasonable accommodation by providing assistive devices for employees with disabilities.

Although there were several strike actions that were embarked upon during the year in the Public Service, no employees participated, hence the operations of the Department were not affected during such industrial actions.

The Department finalised the bid process for the appointment of an external service provider to conduct a Departmental-wide Skills Audit exercise for a period of six months commencing in the 2023/24 financial cycle. The Skills Audit exercise/process will assist the Department to develop a Departmental Competency Framework to identify the required functional and technical skills and competencies for the Department to achieve its strategic objectives.

To further ensure that the Department is supported to deliver on its Strategic Plan and Annual Performance Plan, the corporate governance of ICT was strengthened by appointing an external Chairperson of the ICT Steering Committee and conduct meetings on a quarterly basis. The Electronic Document and Records Management aimed at automation of Records Management processes for improved efficiency in the Department was implemented. The Protection of Personal Information Act (POPIA) compliance measures were implemented in the Department and the Business Continuity Plan to ensure continuity of services during disruptions was developed.

A total of 90% availability of server and network infrastructure was achieved, 20% of ICT infrastructure services were migrated to the Cloud, ICT Security Awareness newsletters/posters/emails/communique were circulated, two ICT Disaster Recovery Exercises were conducted successfully. More than 95% of registered IT Support Calls were resolved within the agreed SLA.

2.4 Key Policy Development and Legislative Changes

1.1 Policy Foundation for Housing and Human Settlements (White Paper)

The department has initiated a process of developing the White Paper Human Settlements to respond to the changing Macro planning environment. It will further reconcile the mandate of the department with the other sector departments. This process will lead to the development of a Human Settlements Act.

1.2 Consumer and Borrower Education Policy

The introduction of the Consumer and Borrower Education Policy for the residential property market aims at increasing access to housing finance and enhance access to homeownership for those viewed as a high credit risk borrowers. This policy is aimed at assisting a large majority of households, whom are statistically unable to access credit due to: (i) High levels of indebtedness (ii) Impaired credit records

(iii) Lack collateral security; and (iv) With high debt-to income ratio. And also, to assist the heavily indebted Government Employees Housing Scheme (GEHS) beneficiaries to enable them to access the First Home Finance (FHF) subsidy.

1.3 Employer Assisted Housing Policy

The purpose of the Employer Assisted Housing Policy is to remodel a structured partnership approach between employers, governments, developers, financial institutions and communities. The strategic intent is to increase employees' access to affordable housing, by formulating and advocating for a policy framework that supports the affordable housing initiatives for low-income households and to stimulate social and economic activity within these neighbourhoods.

1.4. Norms and Standards for Affordable Housing Policy

The purpose of the Norms and Standards for Affordable Housing Market Policy is to ensure the application of the defined norms and standards in Agri-village developments and that are within the National Building Regulations as well as the prescripts and guidelines of the National Home Builders Registration Council (NHBRC).

1.5 Procurement Policy for Housing and Human Settlements

The overall purpose of Procurement Policy for Housing and Human Settlements is to provide for detailed description of the nature of procurement processes in the Provinces, identify and describe the challenges that Provincial Departments of Human Settlements encounter.

1.6 Upgrading of Informal Settlements Policy Programme

The overall purpose of the Upgrading of Informal Settlements Policy Programme is to guide the implementation by advocating for the structured in-situ upgrading type of informal settlements as opposed to a complex process.

1.7 Rent to Buy Policy Programme

The overall purpose of the Rent to Buy Policy Programme is to model an accessible and affordable form of tenure option that broadens ownership reach in a deferred manner while the prospective seller's rights are secured.

1.8 Small-Scale Rental Policy Programme

The overall purpose of the Small-Scale Rental Policy Programme is to promote the rental housing sub-sector whose housing delivery system is based on contracts between the landlords and tenants and exists on privately owned land.

1.9 Reformed Social Housing Policy Programme

The overall purpose of the Reformed Social Housing Policy Programme is to support the need to ensure the financial sustainability of the social housing programme, and engineer instruments that will stimulate and boost the social housing sub-sectors activity.

In addition, the Department has, during the period under review, developed the First Home Finance (FHF) implementation guidelines whose purpose is to support the effective implementation of the FHF policy with respect to rolling-out of non-mortgage-based subsidy products. mainly to address the ever-increasing building costs.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

For this financial year, the Department has through its current institutional architecture that involves the three spheres of government and entities; managed to contribute to transforming the functioning of human settlements and the workings of the space economy. Amongst others, the achievements of the Department includes the following:

- Supported Provinces to implement housing programmes and special interventions
- Responded to housing emergencies
- Provided support to Provinces to finalise a majority of the PHDA implementation plans
- Analysed investments made in key programmatic interventions
- Monitored projects and the MTSF sector standardised indicators
- Engaged stakeholders

- Reached a level of understanding regarding implementation
- Deployed capacity and evaluated programmes.

All implemented Human Settlements Programmes have contributed to Priority 5 of the government outcomes with visible physical elements and services provided to improve the quality of household lives.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Below is information on programme performance. The Department did not re-table the APP for 2022/23.

Overall achievement towards achieving Department's Outcomes

The 2019-2024 Medium Term Strategic Framework for human settlements prioritised three outcomes whose objectives are to transform human settlements into equitable spaces with citizens living in areas closer to their areas of work with access to infrastructure, basic services and social amenities.

The outcomes referred to include:

1. Spatial Transformation through multi- programme integration in priority development areas
2. Adequate housing and improved quality living environments
3. Security of Tenure

In working towards the realisation of these outcomes, 136 Priority Areas of Development (PDA's) were identified and declared. The declaration of PDAs was aimed at consolidating public sector investments for maximum impact, thus, transforming human settlements into livable spaces with citizens living in strategically located areas with access to necessary infrastructure, basic services, social and economic amenities. Institutional arrangements in the form of a spatial planning forum were established to strengthen intergovernmental planning and coordination with sector departments, state entities and local government. The establishment of the spatial planning forum also intended to ensure the prioritisation of human settlements investments by all sector stakeholders and completion of area based multi-year development plans for each priority development area in accordance with the District Development Model.

As part of the efforts towards spatial transformation, the Department increased the rezoning of land within the Priority Development Areas and land and buildings acquired near the Priority Development Areas. This includes land acquired from the Department of Public Works and Infrastructure and buildings from the South African Broadcasting Corporation building located in Sea Point Cape Town and two Eskom buildings, one located in Braamfontein in Johannesburg and the other in Kimberly. The acquisition of these buildings was part of the efforts by the Department to regenerate inner cities while ensuring access to adequate housing.

The Department also focused on the provision of serviced sites to qualifying beneficiaries, thus, accelerating land reform and ownership with respect to human settlements.

In addition to various programmes that the Department implements in its efforts towards the provision of adequate housing, the Breaking New Ground (BNG) units and the Upgrading of Informal Settlements is among the top priority of human settlements and that of the government. The programme seeks to ensure that poor households who have migrated to metropolitan areas, towns and cities have (1) secure tenure, (2) access to basic services through the provision of affordable and sustainable engineering infrastructure, (3) and are empowered through participative processes in addressing the broader social needs of communities.

In terms of the outcome for adequate housing and improved quality living environments, the Department has been able to deliver housing units contributing to improved livelihoods of the beneficiaries in both urban and rural areas. Significant delivery has been realised in the delivery of gap housing to first time homeowners through the First Home Finance (previously known as FLISP) programme where home loans were issued across the nine Provinces.

As part of the efforts towards ensuring security of tenure, the Department through the Title Deeds Programme registered and issued title deeds to beneficiaries. The title deeds contribute significantly to addressing asset poverty. Asset ownership indirectly contributes towards economic upliftment and poverty reduction.

Although efforts have been made to issue title deeds to beneficiaries in order to ensure security of tenure, the programme has faced several challenges in terms of missing beneficiaries, inconclusive succession, projects implemented where there is no requisite bulk infrastructure and in other areas where there has been delays in the establishment and registration of townships.

4.1 Programme 1: Administration

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

Sub-programmes: Departmental Management: Executive Support, Financial Management, Risk Management Human Resources Management, Communication Services and Information Management System (IMS)

Outputs, Output Indicators, Targets and Actual Achievements

Executive Support

Meetings of the Departmental governance structures (MinMEC, Technical MinMEC, Minister and Top Management (MINTOP), Executive Management Team (EMT), were coordinated as per the schedule of meetings to facilitate decision-making to enable the implementation of programmes and projects as well as providing assurance by the oversight bodies (Risk Management Committee and Audit Committee).

Strategic Planning, Monitoring and Reporting

The Department complied with the legislation requirements on submission of the organisational performance reports and related plans (Annual Performance Plan and Annual Operational Plan). Furthermore, the Department provided oversight on the implementation of the sector standardised indicators.

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, asset and financial transactions.

Challenges

One of the biggest challenges the unit faced is the partial implementation of the procurement plan.

Grants Management

1) Human Settlements Development Grant

- The grants allocation processes for Human Settlements Development Grant (HSDG) in the 2022/23 financial year were finalised and approved. The initial voted funds for HSDG amounted to R14.255 billion. The approved rollover from the previous financial year (2021/22) amounting to R315 million resulted in an increased total available funds of R14.571 billion.
- A total of R14.255 billion was transferred and the expenditure by Provinces amounted to R13.598 billion, representing 93% of the total available funds. An amount of R200 million was stopped in terms of Section 18 of the Division of Revenue Act (DoRA) from Free State (R100 million) and Limpopo (R100 million) Provinces. These funds were reallocated in terms of Section 19 of DoRA to Mpumalanga (R100 million) and Northern Cape (R100 million) Provinces.

2) Informal Settlement Upgrading Partnership Grant-Provinces

- The grants allocation processes for Informal Settlement Upgrading Partnership Grant-Provinces (ISUPG) in the 2022/23 financial year were finalised and approved. The initial voted funds for ISUPG amounted to R4.121 billion. The approved rollover from the previous financial year (2021/22) amounting to R298 million resulted in an increased total available funds to R4.419 billion.
- The expenditure by Provinces amounted to R3.928 billion representing 89% of the total available funds. A total of R4.121 billion was transferred to Provinces. An amount of R294.7 million was stopped in terms of Section 18 of the Division of Revenue Act (DoRA) from Free State (R50 million), Gauteng (R200 million) and Limpopo (R44.7 million) Provinces. These funds were reallocated in terms of Section 19 of DoRA to Mpumalanga (R200 million) and Northern Cape (R94.7 million) Provinces.

3) Provincial Emergency Housing Grant

The grant initial total voted funds amounted to R325.7 million and had upward adjusted allocation to R795.7 million after conversion from Municipal Emergency Housing Grant (MEHG) of R120 million and additional funding during mid-term adjustment of R350 million as well as the approved rollover of R20 million for Mpumalanga Province.

The funds were approved for two Provinces, KwaZulu-Natal (R342 million) and Eastern Cape (R84 million). The Provinces reported expenditure of R405.7 million – KwaZulu-Natal (R318 million), Eastern

Cape (R67 million) and Mpumalanga (R20 million). The transferred and unspent funds amounted to R40.7 million and it is expected that the Provinces will forward their rollover applications to their respective relevant Provincial Treasuries.

This grant will not be in existence for the 2023/24 financial year going forward and will instead be replaced by a system wherein Provinces can access emergency response assistance directly from the National Department.

4) Urban Settlements Development Grant

- The Urban Settlements Development Grant (USDG) to Metropolitan Municipalities had initial voted funds of R7.352 billion and increased to R7.478 billion inclusive of an approved rollover amount of R125.9 million. As at 31 March 2023, R7.352 billion was transferred. Municipalities spent a total of R3.6 billion, which represents 49% of the total available funds.
- An amount of R200 million was stopped from City of Ekurhuleni (R100 million) and eThekweni (R100 million). The stopped funds were reallocated to City of Johannesburg (R200 million).

5) Informal Settlement Upgrading Partnership Grant -Metropolitan Municipalities

- The Informal Settlement Upgrading Partnership Grant to Metropolitan Municipalities had initial voted funds of R4.180 billion and increased to R7.285 billion inclusive of an approved rollover amount of R12.4 million. As at 31 March 2023, R4.180 billion was transferred. Municipalities spent a total of R1.915 billion, which represents 45% of the total available funds.
- An amount of R111 million was stopped from Nelson Mandela Bay (R36 million) and Mangaung (R75 million). The stopped funds were reallocated to City of Cape Town (R111 million).

6) Municipal Emergency Housing Grant

The grant initial total voted funds amounted to R175 million and had downward adjusted allocation to R55.4 million after conversion to the Provincial Emergency Housing Grant (PEHG) of R120 million.

The funds were approved to the following Municipalities:

- i). Uphongolo – R15.5 million was approved and transferred with a reported expenditure of R6.5 million
- ii). Alfred Nzo – R16.6 million was approved and transferred with a reported expenditure of R8.2 million
- iii). Theewaterskloof – R4.6 million approved and R2.3 million transferred with a reported expenditure

of R1.6 million

- iv). City of Johannesburg – R13.488 million approved and transferred with a reported expenditure of R2.9 million
- v). City of Cape Town – R5 million approved and transferred with a reported expenditure of R4.9 million.

An amount of R55.2 million was approved and transferred funds amounted to R52.8 million. The Municipalities have jointly reported expenditure of R24.2 million leaving R30 million still unspent with two months remaining for the current financial year. It is expected that Municipalities will apply for the rollover of any unspent funds.

This grant will not be in existence for the 2023/24 financial year going forward and will instead be replaced by a system wherein Provinces can access emergency response assistance directly from the National Department.

Major highlights towards the achievement of the outcomes

Financial Management

For the 2021/22 financial year, the Department received a clean audit on financial statements in that there were no material findings on the financial statements. Although there is always a room for improvement, these results are a reflection of a functional financial administration that needs to improve efficiencies and integration, such that:

- The late payment of invoices is eliminated.
- Account management on systems goes beyond financial systems, but also includes other systems e.g., Persal that impact on financial administration. This will need improved teamwork with other sub-programmes.
- Migration from manual driven systems to computerised systems continues. To this end, the computerised distribution of pay slips was successfully installed during this financial year.
- Optimal allocation of the available resources is achieved. To this end, the Budget Management Policy was reviewed during the financial year.
- All budget processes related documents were submitted within the timelines as set by National Treasury.
- Current levels of compliance are sustained and improved, where there is need.

Grants Management

As part of its contribution to the achievement of the Department's outcomes, there were several initiatives undertaken to support this achievement. The sector's financial and non-financial performance is not yet at an ideal stage, however, the Department has put in initiatives aimed at not improving performance but ensuring that the actual reported performance does exist on the ground. The initiatives undertaken include the following:

- The allocated grant funds were fully disbursed in line with the Division of Revenue Act
- The disasters in KwaZulu-Natal and Eastern Cape Provinces were responded to with requested funding by the two affected Provinces
- Improved relations with National Treasury enabled the tracking of transferred funds by Provinces to other state organs
- The review of the Grant Framework was more consultative and continues to improve on an annual basis
- Initiated ongoing relations with the South African Local Government Association (SALGA) and other stakeholders assisted in improving delivery performance of basic services especially in municipal areas
- Focused on Provinces and Metros with reporting and also those with compliances challenges
- Continued to reward performing Provinces and Metros with additional funding to ensure improved service delivery from Provinces and Metros that were underperforming
- Assisted Provinces and Metros with policy directives
- Initiated a one-on-one engagement with Provinces and Municipalities to ensure correct utilisation of grant funds
- Employed qualified and registered engineers to assist with project verification and performance as reported by Provinces and Metros.

Corporate Services

In supporting the achievement of the Department's outcomes, the Department filled six critical posts at Senior Management Service level. These appointments did not only assist with the achievement of the Departmental performance targets but also prioritised the appointment of women at Senior Management Level as four of the six officials are women.

During the 2022/23 financial year and in support of the National priority on alleviating unemployment, 36 interns were appointed according to budget allocation. All interns were provided with tools of the trade

and quarterly meetings are held to monitor their progress. As at the end of 2022/23 financial year, three interns resigned owing to other work opportunities thus, 33 interns remain.

As at 31 March 2023, the percentage of employees with disabilities was at 1.7% which is still less than the prescribed 2%. The Department is still working towards achieving the target through the recruitment processes. The Department continues with the implementation of reasonable accommodation by providing assistive devices for employees with disabilities.

Table 2.4.4.2: Programme 1

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Sub-programme: Departmental Management								
Functional, efficient and integrated government	Compliant Statutory Reports	Percentage compliance with statutory tabling and prescripts	81% compliance with statutory tabling and prescripts	60% compliance with statutory prescripts	100% compliance with statutory prescripts	74% compliance with statutory prescripts	-26% compliance with statutory prescripts Parliament and Cabinet Committees (Parliamentary questions) Some of the invoices were not paid within 30 days as per NT regulation	A number of parliamentary questions (PQs) required information that could only be sourced from Provinces thus, delayed the finalisation of parliamentary questions within the 10-day turnaround time. Invoices were paid after 30 days because there was a delay in processing the payments due to
								the payment being captured incorrectly and had to be reversed to correct the error
	Internal Audit Reports	Percentage implementation of the approved Internal Audit Plan	91% implementation of the approved Internal Audit Plan	96% of the approved Internal Audit Plan implemented	100% implementation of the approved Internal Audit Plan	100% implementation of the approved Internal Audit Plan	100% implementation of the approved Internal Audit Plan	None Not applicable

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
	Anti-Fraud and Corruption Reports	Percentage execution 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	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 Implementation Plan	100% implementation of the approved Risk Management Implementation Plan	100% implementation of the approved Risk Management Implementation Plan	None	Not applicable
Sub-programme: Corporate Services								
Functional, efficient and integrated government	HR Implementation Report	Percentage implementation of the HR Implementation Plan	54% implementation of the HR Plan	76% implementation of the Annual Human Resource Implementation Plan	100% implementation of the Human Resource Implementation Plan	93% implementation of the Human Resource Implementation Plan	-7% implementation of the Human Resource Implementation Plan Director-General's submission of performance agreement to Department of Planning, Monitoring and Evaluation (DPME)	Performance agreement was not finalised due to the imminent transfer of the Director-General
	Report on the annual ICT Plan	Percentage implementation of the approved annual ICT Plan	New target	98% implementation of approved annual ICT Plan	100% implementation of the approved annual ICT Plan	100% implementation of the approved annual ICT Plan	None	Not applicable
	Report on the Communication Plan	Percentage implementation of approved Communication Plan	New target	100% implementation of the approved Communication Strategy	100% implementation of the approved Communication Plan	100% implementation of the approved Communication Plan	None	Not applicable
Sub-programme: Financial Management								

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Functional, Efficient and Integrated Government	Annual Financial Statements free from errors and misstatements	Unqualified audit opinion with no material findings	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	2021/22 unqualified audit opinion with no material findings	2021/22 unqualified audit opinion with no material findings	None	Not applicable
Sub-programm: Grant Management								
Adequate Housing and improved quality living environment	A Gazetted Human Settlements Grants Framework	2023/24 Human Settlements Grants Framework approved	Approved Human Settlements Grants Framework	2022/23 Human Settlement Grants Framework approved	2023/24 Human Settlements Grants Framework approved	Approved 2023/24 Human Settlements Grants Framework	None	Not applicable
	Human Settlements Grants assessed (HSDG & USDG)	Number of quarterly assessments conducted on Human Settlements Grants	12 quarterly performance assessments conducted for Human Settlement Grants (HSDG, USDG & TRG)	8 quarterly assessments conducted on Human Settlements Grants (HSDG & USDG)	8 quarterly assessments conducted on Human Settlements Grants (HSDG & USDG)	8 quarterly assessments conducted on Human Settlements Grants (HSDG & USDG)	None	Not applicable
	Quarterly financial performance analyses conducted on ISUPG	Number of quarterly financial performance analysis conducted on ISUPG	New target	8 quarterly financial performance analysis conducted on ISUPG	8 quarterly financial performance analyses conducted on ISUPG	8 quarterly financial performance analyses conducted on ISUPG	None	Not applicable

Linking Performance with Budgets

This programme allocation consists mostly of compensation of employees and the procurement of goods and services. For the 2021/22 financial year, the programme spent 84% of its budget. For the 2022/23 financial year, the programme spent 86% of its budget. For reasons for underspending please refer to notes on the Appropriation Statement which is part of the Annual Financial Statements. The programme achieved 50% of its targets while partially achieving 50% in 2021/22 financial year. In the 2022/23 financial year, it achieved 73% of its targets and partially achieved 27%.

Expenditure by Sub-programme

Programme 1 Administration						
Sub-programme Name	2022/23			2021/22		
	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	69 077	65 159	3 918	60 640	55 890	4 750
Departmental Management	89 064	75 561	13 503	75 074	55 584	19 490
Corporate Services	280 310	233 676	46 634	235 903	197 518	38 385
Property Management	53 232	53 226	6	55 348	51 547	3 801
Financial Management	70 909	54 894	16 015	68 648	56 207	12 441
Total	562 592	482 516	80 076	495 613	416 746	78 867

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

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.

Sub-programmes: Macro Sector Planning, Macro-Policy and Research, Monitoring and Evaluation, Public Entity Oversight, Grant Management and Capacity Building and Sector Support

Outputs, Output Indicators, Targets and Actual Achievements

MTSF Priorities

Historically, the management of South African human settlements has been driven by the ideology of ‘separate development’ rather than by a concern to create a healthy and viable settlement. This legacy has produced a complex set of spatial and physical challenges created by weak spatial planning instruments, resulting in poverty traps in both urban and rural areas.

Despite the progressive policies and spatial initiatives introduced by government resulting in a massive increase in both housing stock and individual ownership, these developments have entrenched spatial patterns by relegating subsidised housing provision to the periphery of urban systems and amenities.

The National Department of Human Settlements published a Government Gazette No. 43316 (Volume 659), on 15 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).

One of the outcomes of the 2019-2024 Medium Term Strategic Framework (MTSF) for human settlements is to ensure spatial transformation through multi-programme integration in Priority Development Areas (PDA)). The indicators that respond to this outcome are the following and is the responsibility of the Chief Directorate:

- Priority Development Areas integrated implementation programmes
- Investments in Priority Development Areas
- Land rezoning in Priority Development Areas

The Department is in its fourth year of the MTSF 2019-2024 period, and such, necessitates that the

Department highlights significant achievements with regard to the contribution toward the 2019-2024

Medium Term Strategic Framework as shown in the table below (Table 1).

Table 1: MTSF Targets

MTSF Outcome	Output Indicator	2020/21	2021/22	2022/23
Spatial transformation through multi-programme integration in Priority Development Areas	94 integrated implementation programmes prepared	7 completed	47 completed	42 completed
	Invest in 94 Priority Development Areas (PDAs)	45 PDAs	103 PDAs	85 PDAs
	Rezone 100% of land acquired in 2014-2019 that falls within the PDAs for human settlement development	HDA was expected to rezone about 16.3395ha of land to reach the MTSF target of 30% , however, 0% was rezoned during this period	0	0,7706 Ha of land was rezoned

2022/23 Outputs, Output Indicators, Targets And Actual Achievements

In the year under review, the Department through the Human Settlements Planning unit was responsible for the performance indicators in the approved Annual Performance Plan 2022/23 outlined below.

Analysis report for implementation programmes for Priority Development Areas (PDA)s completed.

The objective of this target was to determine the programmatic interventions in each of the Priority Development Areas informed by municipal SDFs and Integrated Development Plans (IDPs). Accordingly, the target is to prepare ninety-four (94) integrated implementation programmes for each of the PDAs.

The target for the 2022/23 financial year was 40 integrated implementation programmes for Priority Development Areas and the Department together with the Housing Development Agency (HDA) is responsible for preparing these integrated implementation programmes for PDAs. In view of this target, there was a significant achievement of 42 plans which is an over achievement on the target of 40.

In achieving this target, the Department oversees the process and the HDA is responsible for procurement and provides support to Provinces and Municipalities towards the development of the Integrated Implementation Programmes for Priority Development Areas.

Number of analysis reports completed on the total Human Settlements allocation in Priority Development Areas

The objective of this target was to determine the extent of funding allocated to the PDAs from the National Department as well as sector departments. The success of Priority Development Areas is premised on utilizing public sector investments to leverage private sector investments against defined targets and objectives within the PDAs.

The approved Departmental APP annual target is 40% investment in the PDAs from each of the four grants (Human Settlements Development Grant (HSDG), Informal Settlements Upgrading Grant (ISUPG) for Provinces and Metros and the Urban Settlements Development Grant (USDG) Business Plans.

- USDG and ISUPG for Metros - The target of 40% of the USDG and ISUPG (metros) invested in PDAs was not achieved. The non-achievement is as a result of the Municipal financial year ending at 30 June 2023, and the audited expenditure through the ISUPG (Metros) and USDG Grants by 30 March 2023 could not be determined.

Human Settlements Development Grant (HSDG) - The total investment in the PDAs for the 2022/23 financial year is R5 292 094 313, representing 38.1% of the total HSDG allocation of R13 857 905 000 (Table 2). The Provinces invested in 85 Priority Development Areas and the programmes funded in the PDAs range from the Integrated Residential Development Programme (IRDP) Phase 1 and 2, Rural, NHBRC, Rectification, FLISP, Accreditation of Municipalities, People’s Housing Process (PHP), Land Acquisition and Operation Capital Subsidy Programme (OPSCAP).

Table 2: Human Settlements Development Grant (HSDG) investments in PDAs

HSDG Investment in PDAs 2022/23													
Province	No of PDAs Invested in	Q1		Q2		Q3		Q4		Annual Total Investment		DoRA Allocation	% Allocation to Expenditure
		Planned Budget	Expenditure	Planned Budget	Expenditure	Planned Budget	Expenditure	Planned Budget	Expenditure	Planned Budget	Expenditure		
Eastern Cape	11	62 276 014	15 348 024	80 326 620	58 520 663	133 675 218	58 310 184	53 956 736	178 554 391	330 234 588	310 733 263	1 542 022 000	20,2
Free State	8	45 927 313	26 578 848	75 044 148	22 544 737	63 434 293	47 069 754	144 493 763	11 736 134	328 899 517	107 929 472	813 041 000	13,3
Gauteng	25	133 759 343	14 483 015	405 026 904	44 312 965	362 431 949	224 006 666	666 324 356	264 041 771	1 567 542 552	546 844 417	3 955 284 000	13,8
KwaZulu Natal	11	86 228 673	43 858 783	119 794 551	96 947 241	154 695 544	66 274 723	251 303 788	139 533 901	612 022 556	346 614 648	2 537 519 000	13,7
Limpopo	7	81 095 988	122 816 402	157 818 074	71 635 516	186 333 533	28 562 689	286 723 176	12 813 649	711 970 771	235 828 256	906 953 000	26,0
Mpumalanga	4	11 236 706	9 038 382	16 845 552	0	13 736 705	1 889 950	42 319 310	0	84 138 273	10 928 332	924 416 000	1,2
Northern Cape	3	34 296 241	6 354 972	21 300 000	832 642	15 673 328	47 612 418	834 816	27 559 216	72 104 385	82 359 248	273 541 000	30,1
North West	0					0	0	0	0	0	0	1 276 712 000	–
Western Cape	16	147 464 289	76 837 218	188 633 223	16 730 222	959 892 023	79 129 295	289 192 135	11 546 741	1 585 181 671	184 243 475	1 628 418 000	11,3
Total	85	602 284 566	315 315 645	1 064 789 073	311 523 986	1 889 872 593	552 855 678	1 735 148 081	645 785 803	5 292 094 313	1 825 481 111	13 857 905 000	13,17

The planned investment in Priority Development Areas through the Informal Settlements Upgrading Partnership Grant was R1 593 927 497 which is 38.6% of the total ISUPG allocation (Table 3). However, only R689 632 233 which is 16.73% of the total ISUPG (Provincial) allocation of R4 121 089 000 was invested. The Provinces invested in 48 Priority Development Areas through the ISUPG.

Table 3: Informal Settlements Upgrading Grant (ISUPG) Investments in PDAs

Provincial ISUPG Investment in PDAs 2022/23					
Province	No of PDAs Invested in	Annual Total Investment		Allocation	% Allocation to Expenditure
		Planned Budget	Expenditure		
Eastern Cape	0	0	0	458 151 000	–
Free State	2	102 733 590	6 230 438	241 563 000	2,58
Gauteng	6	380 834 711	0	1 175 155 000	–
Kwa Zulu Natal	8	572 436 541	262 814 175	756 868 000	34,72
Limpopo	2	38 171 089	6 654 755	269 465 000	2,47
Mpumalanga	5	149 777 192	3 127 123	274 653 000	1,14
Northern Cape	2	81 272 030	99 148 609	81 272 000	122,00
North West	11	268 392 872	218 773 068	379 324 000	57,67
Western Cape	12	309 473	92 884 067	484 638 000	19,17
Total	48	1 593 927 497	689 632 233	4 121 089 000	16,73

Number of analysis reports completed on land acquired during 2014-2019 within Priority Development Areas re-zoned

The objective of this target was to ensure that all land acquired by the HDA as well as Provinces and Municipalities during the period 2014-2019 was rezoned for human settlements development. During 2014-2019, a total of 1786.2852 hectares of land was acquired within the Priority Development Areas (PDAs) rezoning application.

Various challenges were experienced including the concern that the HDA has no control over the funding arrangements as the budgeting for the properties resides with the Municipal and Provincial spheres. Furthermore, the HDA does not have the mandate or locus standi over some of the properties which makes the fast tracking of the rezoning process problematic.

Due to the various challenges experienced to rezone the parcels of land, the Department in collaboration with the Department of Agriculture and Rural Development established a working group to find ways in fast tracking the rezoning of land.

It is anticipated that with the assistance of the working team and the inclusion of the target as part of the Sector Standardised Indicators that was included in the APPs of provinces, the remainder of the target could be achieved in the 2023/24 financial year. The Department further monitors the progress through the Quarterly Provincial Performance reviews and the Human Settlements Spatial Planning Forum. Notable is that the land parcels within the Priority Development Areas in four Provinces, which is, the Eastern Cape, Free State, Limpopo and Mpumalanga were all fully rezoned which is 87.7% of the set target. A total of 629ha must still be rezoned which is 12.3%. The total achievement for the 2022/23 financial year was 0,7706 of land rezoned in the Khayelitsha Corridor. The Department has committed to continue to engage respective Provinces to allocate funding and commence with rezoning through intergovernmental relations (IGR) arrangements.

2023/24 National Human Settlements Development Plan

The National Human Settlements Development Plan (HSDG Business Plan) consist of a consolidation of the nine Provincial HSDG Business Plans 2023/24 developed and submitted for approval by 31 March 2022. The Plan serves as a key document providing project level information and programmatic planning inclusive 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 Priority Development Areas and project information for use towards implementation of the District Development Model (DDM). In line with the Housing Act and the Human Settlements Development Grant Framework, Provinces are required to submit a Multi-Year Development Plan (MYDP). The existing MYDP Framework was reviewed to address the major priorities, outputs and outcomes of the National Department.

In addition, the Department also received eight final Urban Settlements Development Plans for the 2022/23 financial year as well as the first drafts for 2023/24 financial year.

Research

For the 2022/23 financial year, the target was to complete three research projects which are: (1) a research study on the exploration of Indigenous Knowledge Systems for active community participation in self-help housing; (2) research on the extent of housing support provided to beneficiaries of 1996;

and (3) the economic impact of housing and human settlements programme. Due to unforeseen delays in the procurement processes, the third project was not achieved, and will be finalised in the upcoming financial year. An additional research project to review the housing and human settlements allocation formulae was undertaken.

Policy:

The core business of the Policy Development unit in the Department is to review and develop responsive policies and programmes as part of the sector intervening mechanisms to unlock implementation challenges. Furthermore, the policy analyses and reformulation is linked directly towards the realisation of the Department's strategic thrusts and priorities as referenced in the Medium Term Strategic Framework (MTSF:2019-2024).

During the period under review, the Department achieved its target of developing a total of nine policy frameworks. All the crafted policies have been subjected to the Socio-Economic Impact Assessment System (SEIAS) at Presidency and have also been presented to the National Policy Task Team (NPTT) and the Department's Joint Branch Management Committee (JBMC) forum.

The following are series of policy instruments that have been drafted and consulted upon during 2022/23. These will be concluded in the 2023/24 financial year.

1.1 Policy Foundation for Housing and Human Settlements (White Paper)

The overall purpose of the White Paper is to respond to the macro-planning environment and is reconciled to the extended mandate of the Department including the roles, responsibilities and functions of different spheres of government. This systematic and expansive evaluation of policy, legislation and programme process will fundamentally result in the re-formulation of the White Paper and provide a rationale for the new Human Settlements Development Act.

1.2 Consumer and Borrower Education Policy

The introduction of the Consumer and Borrower Education Policy for the residential property market aims at increasing access to housing finance and enhance access to homeownership for those viewed as high credit risk borrowers. The aim is to assist a large majority of households whom are as statistically unable to access credit due to: (i) High levels of indebtedness (ii) Impaired credit records (iii) Lack collateral security; and (iv) With high debt-to income ratio. And also, to assist the heavily indebted GEHS beneficiaries to enable them to access to FHF subsidy.

1.3 Employer Assisted Housing Policy

The purpose of the Employer Assisted Housing Policy is to remodel a structured partnership approach between employers, governments, developers, financial institutions and communities. The strategic intent is to increase employees' access to affordable housing by formulating and advocating for a policy framework that supports the affordable housing initiatives for low-income households and to stimulate social and economic activity within these neighbourhoods.

1.4. Norms and Standards for Affordable Housing Policy

The purpose of the Norms and Standards for Affordable Housing Market Policy is to ensure the application of the defined norms and standards in Agri-village developments and that are within the National Building Regulations as well as the prescripts and guidelines of the National Home Builders Registration Council (NHBC).

1.5 Procurement Policy for Housing and Human Settlements

The overall purpose of Procurement Policy for Housing and Human Settlements is to provide for detailed description of the nature of procurement processes in the Provinces, identify and describe the challenges that Provincial Departments of Human Settlements encounter. Thus, the policy also includes the guideline for advancing the participation of the disadvantaged group,s namely, woman, youth and people with disability in to the human settlements sector.

1.6 Upgrading of Informal Settlements Policy Programme

The overall purpose of the Upgrading of Informal Settlements Policy Programme is to guide the implementation by advocating for the structured in-situ upgrading type of informal settlements as opposed to a complex process.

1.7 Rent to Buy Policy Programme

The overall purpose of the Rent to Buy Policy Programme is to model an accessible and affordable form of tenure option that broadens ownership reach in a deferred manner while the prospective seller's rights are secured.

1.8 Small-Scale Rental Policy Programme

The overall purpose of the Small-Scale Rental Policy Programme is to promote this rental housing sub-sector whose housing delivery system is based on contracts between the landlords and tenants and exists on privately owned land.

1.9 Reformed Social Housing Policy Programme

The overall purpose of the Reformed Social Housing Policy Programme is to support the need to ensure the financial sustainability of the social housing programme, and engineer instruments that will stimulate and boost the social housing sub-sectors activity.

In addition, the Department has, during the period under review, developed the First Home Finance implementation guidelines whose purpose is to support the effective implementation of the First Home Finance Policy with respect to rolling-out of non-mortgage-based subsidy products, mainly to address the ever-increasing building costs.

The Department also reviewed and adjusted upwardly the subsidy quantum by 29.7% for 2023/24 financial year for First Home Finance, military veterans' units, BNG services and top structures and

housing units for persons with disabilities. The intent is to accelerate the pace of housing and human settlements delivery and to respond to the increase in construction costs, the energy challenges as well as the impact of natural disasters as a result of climate change.

Entities oversight

During the period under review, various entities highlighted the need to reconfigure and capacitate the organisational structures. This was necessary to optimise the execution of organisational strategy and performance. As a result, the Department processed applications from the Property Practitioners Regulatory Authority (PPRA), the Housing Development Agency (HDA), the National Home Builders Registration Council (NHBRC), and the Community Schemes Ombud Service (CSOS) for approval by the Executive Authority. Furthermore, the Department provided support for the restoration of strategic leadership at Executive level. In this regard, the Department facilitated the appointment of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the HDA, the CEO of the NHBRC, NHFC as well as the SHRA. In an effort to ensure compliance with Section 18(2) of the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011), the Department facilitated the appointment of the Advisory Council by the Minister to review the CSOS Act, 2011 (Act No. 9 of 2011) and Sectional Titles Management Act. This will assist in strengthening the governance and compliance of all role players in the sector.

Monitoring and Evaluation

The Department monitored and verified the performance of all National Human Settlements Programmes and Projects in the nine Provinces and eight Metropolitan Municipalities. During the year under review, the Department focussed on projects that incurred expenditure as reflected in the Housing Subsidy System (HSS). The purpose of monitoring was to keep track of progress made in the implementation of projects and programmes with reference to activities and outputs against the targets as per the approved Business Plans.

The Department also monitored the performance of the Medium Term Strategic Framework (MTSF) 2019-2024 which was approved by Cabinet in October 2019. The MTSF 2019-2024, covers the five-year period from 2019 to 2024, and outlines the implementation priorities across South Africa's national development priorities for the sixth administration. In terms of human settlements, the MTSF 2019-2024 focuses on three interrelated outcomes:

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

During the period under review, the Department embarked on two key evaluation studies on the implementation of the Operational Capital Programme (OPSCAP) and the Design and Implementation of the Informal Settlements Upgrading Grant (ISUPG). The evaluation studies were aimed at assessing whether the programmes are implemented as intended and are achieving the outcomes. By the end of the financial year, the Department had produced draft reports. The work entailed sourcing literature, interviewing sector stakeholders and drafting the reports. The evaluations are very critical for improving performance and policy review. They are aimed at assessing the efficacy of key housing and human settlements interventions.

Strategy to mitigate under performance.

- The Department has since outsourced the work and will carry the work into the new financial year.

Intergovernmental Relations

Over and above project and programme monitoring, the Department undertook several intergovernmental stakeholders' engagements which took the form of Ministerial community outreach special interventions where there was interaction with beneficiaries about service delivery issues over and above the interaction with officials. Some of the discussions included private sector, civil society organisations, local, provincial, national sector departments and entities. The discussions revealed that there are several breakdowns that occur in the delivery of housing and human settlements, amongst others, these include intergovernmental relations coordination, inadequate planning and lack of alignment between plans of provinces, entities, municipalities and sector departments. These engagements yielded better understanding regarding project obstacles, crafted solutions which included agreements on various matters including financing, planning for bulk infrastructure, basic services, etc. Over and above that, the Department had to assemble additional capacity and deploy war room technical experts and professional resource teams (PRT) from the panel of 105 PRTs to intervene in agreed technical areas.

Sector Transformation

On sector transformation, the Department conducted an analysis on performance of Provinces and entities in respect of the allocation of 40% budget to entities owned by designated groups, namely, women, youth and persons with disabilities. There is still room for improvement in respect of this target as the Department was affected by the interpretation of the Constitutional Court ruling on preferential procurement. The Department attended workshops where the correct interpretation was provided to articulate a firm position on set aside. The set aside was presented in quarterly performance reviews

and in the majority of the approval structures. On the Human Settlements Development Grant, the top performing Provinces are Mpumalanga and Limpopo whilst on the Urban Settlements Development Grant, the top performing metros are City of Johannesburg and Nelson Mandela Bay Metropolitan Municipality.

Strategy to mitigate underperformance.

- The Department will increase its capacity to undertake the analysis and host capacity building/hand holding workshops with Provinces and entities.

Major highlights towards the achievement of the outcomes

Public Entity Oversight

Adequate housing and improved quality living environments.

The Department continued to provide an oversight role over the Human Settlements Entities, particularly in relation to performance planning, performance monitoring, compliance and corporate governance matters. Analyses reports on the entities performance tracks the performance of the entities on a quarterly basis against the quarterly performance output targets as contained in the quarterly reports of the respective entities. Feedback on the analyses was provided to the entities on a quarterly basis where deviations have been detected, in order for the entities to implement remedial actions with a view to improve performance.

Table 2.4.4.4: Programme 2

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	** Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Sub-programme: Macro Sector Planning								
Spatial Transformation through multi-programme integration in Priority Development Areas	Analysis reports completed on integrated implementation programmes for PDAs	Number of analysis reports completed per year on integrated implementation programmes for PDAs	19 integrated implementation programmes completed for PDAs	49 integrated implementation programmes for PDAs prepared	2 analysis reports completed per year on integrated implementation programmes for PDAs	2 analysis reports completed per year on integrated implementation programmes for PDAs	None	Not applicable
	Analysis reports completed on the total human settlements allocation in PDAs	Number of analysis reports completed on the total human settlements allocation in PDAs	New target	15.54% of Human Settlements Grants invested in PDAs	2 analysis reports completed on the total human settlements allocation in PDAs	2 analysis reports on the total human settlements allocation in PDAs were completed, however, sector investments could not be verified	The 3 sources of grants are HSDG, USDG and sector investments The information for sector investments was not obtained	** The sector investment data could not be verified against a credible source
	Analysis reports completed on land rezoned for land that was acquired during 2014-2019 within PDAs rezoned	Number of analysis reports completed on land acquired during 2014-2019 within PDAs rezoned	New target	0% of land acquired within the PDAs re-zoned	2 analysis reports completed on land acquired during 2014-2019 within PDAs rezoned	2 analysis reports completed on land acquired during 2014-2019 within PDAs rezoned	None	Not applicable
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)	2022/23 National Human Settlements Development Plan developed	2023/24 National Human Settlements Development Plan developed	2023/24 National Human Settlements Development Plan not developed	2023/24 National Human Settlements Development Plan developed	Not all the Business Plans were approved by 31 March 2023

** This information refers to submissions from sector departments that did not submit information to confirm alignment of investments to PDAs. Only COGTA shared the information relating to Municipal Infrastructure Grant (MIG) on the PDAs. However this information could not be validated for correctness during the financial year.

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Sub-programme: Policy and Research								
Adequate housing in improved quality living environments	Research reports completed	Number of research reports completed	<p>Review of Conceptual Policy Framework for human settlements is in process</p> <p>Draft Conceptual Community Scheme Ombuds Services (CSOS) Policy Framework was developed and</p> <p>Draft Conceptual Inclusionary Housing for Social Housing was also developed</p> <p>Baseline on Rental Policy Framework developed</p>	<p>Draft report on the use of alternative technology and community participation in informal settlements</p> <p>Draft report on Socio-Economic Survey on Informal Settlements</p>	<p>3 research reports completed:</p> <ul style="list-style-type: none"> • Exploration of Indigenous Knowledge Systems and Alternative Technology in the Provision of Enhanced Peoples Housing Process in the rural South Africa • Economic Impact of Housing Programme • Research on the extent of housing support provided to beneficiaries of 1996 	<p>2 research reports completed, that is, Report on exploration of Indigenous Knowledge Systems and Alternative Technology in the Provision of Enhanced Peoples Housing Process in the rural South Africa and the research report on the extent of housing support provided to beneficiaries of 1996</p>	The research report on Economic Impact of Housing Programme was not done	The research report on Economic Impact of Housing Programme could not be completed within the period under review due to delays in procurement processes

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Adequate housing in improved quality living environments	Policies developed		<p>Review of Conceptual Policy Framework for Human Settlements is in process.</p> <p>Draft Conceptual Community Scheme Ombuds Services (CSOS) Policy Framework was developed and draft Conceptual Inclusionary Housing for Social Housing was also developed</p> <p>Baseline on Rental Policy Framework developed</p>	<p>1 research report completed : Agri-villages and Rain Water Harvesting</p> <p>1 research report not completed: Exemption of Holding Cost for State Land Earmarked for Housing Development</p>				

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Adequate housing in improved quality living environments	Policies developed		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	1 research report on Affordable Housing completed: Feasibility of Mortgage Default Insurance				
Adequate housing in improved quality living environments	Policies developed	Number of policies developed	New target	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	9 policies developed: Policy Foundation for Housing and Human Settlements developed Procurement Policy for Housing and Human Settlements developed	Policy Foundation for Housing and Human Settlements developed Procurement Policy for Housing and Human Settlements developed	None None	Not applicable Not applicable

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Adequate housing in improved quality living environments	Policies developed			A draft Property Transactional Support Centres (PTSC) Policy	Policy Programme on Upgrading of Informal Settlements developed	Policy Programme on Upgrading of Informal Settlements developed	None	Not applicable
				Informal Settlements Upgrading Macro Policy	Rent to Buy Policy Programme developed	Rent to Buy Policy Programme developed	None	Not applicable
Adequate housing in improved quality living environments	Policies developed		<p>Review of Conceptual Policy Framework for Human Settlements is in process</p> <p>Draft Conceptual Community Scheme Ombuds Services (CSOS) Policy Framework was developed</p> <p>Draft Conceptual Inclusionary Housing for Social Housing was also developed</p> <p>Baseline on Rental Policy Framework developed</p>	Policy Framework on Rental Housing developed	Small-Scale Rental Policy Programme developed	Small-Scale Rental Policy Programme developed	None	Not applicable

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Adequate housing in improved quality living environments	Policies developed			Programmes for the entities	Reformed Social Housing Policy Programme developed	Reformed Social Housing Policy Programme developed	None	Not applicable
					Consumer Education Policy Programme	Consumer Education Policy Programme developed	None	Not applicable
					Norms and Standards for Affordable Housing	Norms and Standards for Affordable Housing developed	None	Not applicable
					Employer Assisted Housing Policy Programme	Employer Assisted Housing Policy Programme developed	None	Not applicable
Sub-programme: Public Entity Oversight								
Adequate housing and improved quality living environment	Entities performance monitored	Number of reports on entities performance monitored	93% compliance with statutory tabling and prescripts	100% of entities programme performance monitored	4 reports on entities performance monitored	4 reports on entities performance monitored	None	Not applicable
	40% of budget allocated to entities owned by designated groups monitored	Number of monitoring reports on the set aside for the designated groups	New target	40% of budget allocated to entities owned by the designated group partially monitored	4 monitoring reports on the set aside for designated groups	0 report on the set aside for designated groups	4 monitoring reports on the set aside for designated groups	** Inaccurate reporting which could not be verified

** In respect of set aside for the designated group, under performance was due to Inaccurate reporting which could not be verified. The verification for KZN was not done properly as it was against the expenditure instead of the allocation.

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Sub-programme: Monitoring and Evaluation								
Adequate housing and improved quality living environment	Project monitoring report	Number of reports on projects monitored as per approved Business Plans	100% of projects under implementation monitored (HSDG, USDG and TRG)	100% of projects under implementation monitored (HSDG, USDG)	4 reports on projects monitored as per approved Business Plans	4 reports on projects monitored as per approved Business Plans	None	Not applicable
		Number of reports on blocked projects monitored	New target	New target	4 reports on blocked projects monitored	4 reports on blocked projects monitored	None	Not applicable
		Number of reports on the monitoring of MTSF Sector Indicators	New target	New target	4 reports on the monitoring of MTSF Sector Indicators	4 reports on the monitoring of MTSF Sector Indicators	None	Not applicable

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
	Evaluation Study report	Number of Evaluation Studies completed	1 UISP Evaluation Study not conducted	1 UISP Baseline Evaluation Study completed	Evaluation Studies completed: Implementation Evaluation of the Operational Capital Programme (OPSCAP)	Draft report on Evaluation Studies completed: Implementation Evaluation of the Operational Capital Programme (OPSCAP)	Evaluation Study not completed: Implementation Evaluation of the Operational Capital Programme (OPSCAP)	Late appointment of the service provider
					1 design and implementation for ISUPG Evaluation Study completed	1 design and implementation for ISUPG Evaluation study not completed The Draft Inception report was done	1 design and implementation for ISUPG Evaluation Study not completed	Late appointment of the service provider
			2 conceptual frameworks not developed	1 Evaluation Study completed: Rental Housing Tribunal				
			Social and Rental Housing Programme: Draft ToRs	1 Evaluation Study completed • Implementation of FLISP				
Sub-programme: Capacity Building and Sector Support								
Adequate housing in improved quality living environments	Implementation of Intergovernmental Relations Programmes	Number of reports on Intergovernmental Relations Programmes implemented	None	None	4 reports on Intergovernmental Relations Programmes implemented	4 reports on Intergovernmental Relations Programmes implemented	None	Not applicable

Linking Performance with Budgets

This programme allocation consists mostly of transfer payments 99.5% of the allocation. These transfer payments consist of the following:

- Transfer to public entities – Housing Development Agency and the Community Schemes Ombuds Services.
- Conditional grants – Human Settlements Development Grant and the Urban Settlements Development Grant.

For the 2021/22 and the 2022/23 financial years, the programme spent 99.7% of its budget, a balance of R56 million in 2021/22 and R57.1 million in 2022/23. Regarding reasons for underspending, please refer to notes on the Appropriation Statement which is part of the Annual Financial Statements. In the 2021/22 financial year, the programme achieved 46% of its targets, partially achieved 42% and did not achieve 13% of its targets. In the 2022/23 financial year, it achieved 77% of its targets and partially achieved 23%.

Expenditure by Sub-programme

Programme 2 Integrated Human Settlements Planning and Development

Sub-programme Name	2022/23			2021/22		
	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	3 759	913	2 846	3 660	1 671	1 989
P2: Macro sector planning	16 753	12 623	4 130	18 926	11 564	7 362
P2: Macro policy and research	47 800	35 147	12 653	50 031	39 250	10 781
P2: Monitoring and evaluation	50 817	37 449	13 368	62 953	44 730	18 223
P2: Public entity oversight: (HDA, CSOS, EAAB, NHBRC)	267 533	267 533	-	259 401	259 401	-
P2: Grant management: (HSDG, USDG, TRG)	21 607 883	21 607 883	-	20 807 672	20 807 672	-
P2: Capacity building and sector support: (PMU, Title Deeds programme)	34 211	10 022	24 189	33 134	15 418	17 716
Total	22 028 756	21 971 570	57 186	21 235 777	21 179 706	56 071

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

See Annexure B on standardised performance

4.3 Programme 3: Informal Settlements Upgrading Programme

Purpose of Programme: 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

Sub-programmes: Policy and Research, Monitoring and Evaluation, Grant Management and Capacity Building and Sector Support

Outputs, Output Indicators, Targets and Actual Achievements

Overview

The Government of the Republic of South Africa is party to the United Nations Millennium Development Goals, which provide for the significant improvement in the lives of at least 100 million slum dwellers. In addition to these conventions, South Africa adheres to the following declarations under the United Nations Habitat Programme: The Vancouver Declaration on Human Settlements (1976), the Istanbul Declaration on Cities and Other Human Settlements (1996) and the Habitat Agenda (1996), the focus of which is to address the plight of persons without adequate housing. The Upgrading of Informal Settlements Programme (UISP) is consistent with the above conventions with its primary objective being to cater for the special development requirements of informal settlements.

This section deals with the process and procedure for the in-situ upgrading of informal settlements as it relates to the provision of grants to a Municipality to carry out the upgrading of informal settlements within its jurisdiction in a structured manner. The UISP funding is provided to assist the Municipality in fast-tracking the provision of security of tenure, basic municipal services, social and economic amenities and the empowerment of residents in informal settlements to take control of housing development directly applicable to them. The programme includes, as a last resort, in exceptional circumstances, the possible relocation and resettlement of people on a voluntary and co-operative basis as a result of the implementation of upgrading projects.

The programme is instituted in terms of Section 3(4) (g) of the Housing Act, 1997 (Act No.107 of 1997), (The Housing Act) and is referred to as the National Housing Programme: Upgrading of Informal Settlements.

Policy Intent

The key objective of this programme is to facilitate the structured in-situ upgrading of informal settlements as opposed to relocation to achieve the following complex and interrelated policy objectives:

- **Tenure Security:** to enhance the concept of citizenship, incorporating both rights and obligations, by recognising and formalising the tenure rights of residents within informal settlements;
- **Health and Security:** to promote the development of healthy and secure living environments by facilitating the provision of affordable and sustainable basic municipal engineering infrastructure to the residents of informal settlements. This must allow for scaling up in the future; and

- **Empowerment:** to address social and economic exclusion by focusing on community empowerment and the promotion of social and economic integration, building social capital through participative processes and addressing the broader social needs of communities.

1. About Informal Settlements Programme

- **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. 2022/23 Outputs, Output Indicators, Targets and Actual Achievements

The Informal Settlements Branch's 2022-23 annual performance focused on providing support to nine Provinces and eight Metros for planning in the upgrading of informal settlements and monitoring and reporting progress on the Informal Settlements Upgrading projects in the nine Provinces and all eight Metros.

The targets were embarked on through pursuing the following interventions:

Support Provided to Nine Provinces and Eight Metros for Planning in the Upgrading of Informal Settlements

2022/23 Informal Settlements Upgrading Partnership Grant Business Plans Received from nine Provinces and eight Metros

- All eight Metropolitan Municipalities and nine Provincial Departments were guided to develop credible Business Plan.

Assessment of Final 2023/24 Informal Settlements Upgrading Partnership Grant Business Plans received from Provinces and Metropolitan Municipalities

- All nine provincial ISUPG 2023/24 final Business Plans were received from Provinces and Metros and, were assessed against the ISUP Grant Framework to satisfy whether they meet the requirements. The Business Plans were assessed on alignment with the (a) Upgrading of Informal Settlements Programme (UISP); (b) Informal Settlements Upgrading Partnership Grant (ISUPG)

Framework; and (c) the distribution of allocated ISUPG funding.

Approval of 2022/23 Informal Settlements Upgrading Partnership Grant Business Plans to Provinces and Metropolitan Municipalities. Approval letters were signed by the Director-General and Minister based on the above assessment and circulated to the different Provinces and Metropolitan Municipalities.

Monitor and Report Progress of Informal Settlements Upgrading Projects in nine Provinces and eight Metros.

Support provided to Provinces and Metro Municipalities in upgrading of informal settlements to Phase 3 of UISP:

A sample of informal settlements were selected from the 2022/23 Business Plans and where monitoring was conducted, progress reports were developed through project site visits. In total, 135 informal settlements were visited during the 2022/23 financial year, and among those, some projects were visited more than once to track/monitor progress. Phase 3 of the Informal Settlement Upgrading Projects, which involved installing long-term municipal engineering services like water, sewer, sanitation, power, roadways and storm water management, was the stage that was visited.

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/rollover and other technical issues contributing to delays in non-expenditure. Some details in terms of **key challenges** identified, are as follows:

- **Planning** – lack of compliance with planning standards and regulations such electrical poles that are constructed inside the roads and encroachment on the sewer lines, necessity to re-design and amend layout plans, etc.
- **Construction** –high water table on site, shortage of quality material, theft of construction material, outstanding variation order for the construction of an elevated tank and pump station.
- **Infrastructure** – absence of bulk infrastructure connection which affect connection on stands.
- **Procurement** – outstanding supply chain matters regarding appointment of contractors.
- **Labour disputes** – agreements of the hourly rate of payment for workers.

Remedial Actions:

- **Planning** – Communication with the pertinent Municipality is done on the encroachment issues, such as electricity poles on the road.
- **Construction** – Removal of 34 pipes will be done and a decision on the variation order is planned to be done. HDA to assist some of the provinces.
- **Infrastructure** – Finalisation of the Terms of References (ToRs) for bulk sewer connection.
- **Procurement** –There are preparations in place to address outstanding appointment of contractors.

- **Labour** – the contractor is in negotiation with the community on disputed labour payment matters. An extension of the contract to deal with outstanding work (Evidence: Monitoring Progress Report).

List of Projects Visited during 2022/23 Financial Year

2.1 Key challenges with regards to Planning and Implementation of ISUPG in the Province and Metros

Some of the challenges that have been experienced by the department in the process of implementing informal settlements upgrading programme include:

- The basic understanding of the programme and what the grant can buy
- Late submission of business plans which delayed approval and procurement processes
- Deviation by provinces and metros from the approved business plans
- Land invasion which puts strain on the fiscal resources across the sector as this requires the government to provide emergency services to unplanned informal settlements
- Lack of planning and poor performance of appointed service providers/contractors which results in Provinces and Metros not being able to spend the allocated budget. Late appointment of contractors/service providers which also results in poor performance of Provinces and Metros.

Major highlights towards the achievement of the outcomes

In the 2022/23 financial year, the informal settlements branch focused on “providing support to nine Provinces and eight Metros for the upgrading of informal settlements to Phase 3 of UISP.”

The set target was “Support provided to nine Provinces and eight Metros in the Upgrading of Informal Settlements to Phase 3 of UISP”.

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 ISUPG (Q:1) Business Plans: All eight Metropolitan Municipalities were guided to develop a credible business plan. The Business Plans were assessed against the 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 project site visits and monitoring and reporting of progress on the Informal Settlements Upgrading Projects in Phase 3, in all nine Provinces and eight Metros. Monitoring was also done through submission of quarterly reports, participation in informal settlements upgrading workshops and individualised one-on-one support. The focus of these were project-based performance monitoring and support.
- c. Provide implementation support: Outdated UISP tools/plans including new Business Plan templates 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/rollover and other technical issues contributing to delays in non-expenditure, and non-financial reporting challenges and mitigation measures.
- d. Seminar/workshop-based support: During the year under review, various workshops and discussions were held. These include pipeline planning for upgrading and other business planning focused workshops.
- e. Challenges experienced: Some challenges experienced include the 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.

Table 2.4.4.6: Programme 3

Sub-programme: Capacity Building and Sector Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Adequate housing in improved quality living environments	Support provided in the upgrading of informal settlements to Phase 3 of UISP	Number of Provinces and Metros provided with support in the upgrading of informal settlements to Phase 3 of UISP	Upgrading of informal settlements programme was partially managed in 9 Provinces	14 informal settlements upgraded to Phase 3 of UISP	Support provided to 9 Provinces and 8 Metros in the upgrading of informal settlements to Phase 3 of UISP	9 Provinces and 8 Metros were supported for planning in the upgrading of informal settlements through the assessment of the draft Provincial Business Plans and giving feedback to provinces, however, the Business Plans were not approved	Letters for the approval of Business Plans were submitted after the end of the quarter, except for 3 Provinces (EC, GP & FS)	The Provincial Business Plans were not ready for approval by the end of Quarter 4

Linking Performance with Budgets

This programme allocation consists mostly of transfer payments which makes up 99.2% of the allocation. These transfer payments consist of Conditional Grants – Informal Settlements Upgrading Partnership Grants to Provinces and Municipalities as well as the Emergency Grants to Provinces and Municipalities. For the 2021/22 financial year, the programme spent 94.7% of its budget, leaving a balance of R450.1 million. For the 2022/23 financial year, the programme spent 95.4% of its budget leaving a balance of R430 million. The underspending can be attributed to the Emergency Housing Grants which are schedule 7 a and b grants and are request-based grants. The funds are allocated to be utilised 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 an application by a Province or Municipality and the Department verifying the application, whereupon approval is given and transfer is affected. The Department did not receive applications for the remaining amounts on the grants. For other reasons for underspending please refer to notes on the Appropriation Statement which is part of the Annual Financial Statements. In the 2021/22 financial year, the programme achieved 63% of its targets, partially achieved 25% and did not achieve 13% of its targets. In the 2022/23 financial year, it partially achieved all its targets.

Expenditure by Sub-programme

Programme 3 Informal Settlements

Sub-programme Name	2022/23			2021/22		
	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	4 674	1 312	3 362	5 186	2 866	2 320
P3: Grant management: (ISUPG, emergency housing)	9 271 617	8 894 648	376 969	8 345 049	7 930 426	414 623
P3: Capacity building and sector support: (NUSP)	68 406	18 696	49 710	72 570	39 378	33 192
Total	9 344 697	8 914 656	430 041	8 422 805	7 972 670	450 135

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

See Annexure B on standardised performance

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

Sub-programmes: Policy and Research, Monitoring and Evaluation, Public Entity Oversight (SHRA) and Capacity Building and Sector Support

Outputs, Output Indicators, Targets and Actual Achievements

During the 2022/23 financial year, the Rental Housing Programme prioritised the National Rental Housing Plan. This was after realising that despite the Rental Programme being identified as a catalyst programme to economic opportunities and as a programme to provide affordable and adequate housing to the Gap Market; the programme has not done as well as it was hoped. The development of the Rental Housing Plan was to allow the stakeholders in the rental space to engage with the purpose of agreeing on processes that would contribute in enhancing delivery of rental opportunities in line with the MTSF priorities. The main objective of the National Rental Housing Plan was to consolidate all the priorities within the rental housing space, to have better coordination, and enhance delivery of rental housing priorities, amongst other things. Over the years, since at least 2014, the sector has been struggling to meet the set targets; failing to reach targets for both 2014/19 and 2019/24 MTSF periods. The Rental Housing Plan will further allow the stakeholders in the rental space to influence the development and monitoring of the 2024-2029 Rental Housing MTSF priorities.

Despite failing to achieve the targets since 2019 (the beginning of the 2019-2024 MTSF period), 2022/23 marks the first year that the social housing target was achieved when 3 182 units were delivered against the annual target of 3 000. To date, the sector through the SHRA has delivered 10 819 units against the target of 18 000 while the community residential units (CRU) programme through the Provinces delivered 2 457 units against a target of 5 000. It must however be stated that the revised 2019-2024 MTSF targets for social housing units and community residential units are unlikely to be achieved.

In conclusion it must be stated that despite all the achievements and challenges, the programme managed to supported the Pprovinces to ensure that all Provinces have fully functional rental tribunals. The tribunals have played a critical role of ensuring that the rights of both tenants and landlords are protected at no cost to either party.

Table 2.4.4.8: Programme 4

Sub-programme: Capacity Building and Sector Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Adequate housing in improved quality living environments	National Rental Housing Plan	National Rental Housing Plan implemented	New target	New target	National Rental Housing Plan developed	National Rental Housing Plan developed	None	Not applicable

Linking Performance with Budgets

This programme allocation consists mostly of transfer payments 97.8% of the allocation. These transfer payments consist of the transfer to the Social Housing Regulatory Authority.

For the 2021/22 and the 2022/23 financial years, the programme spent 90.8% of its budget leaving a balance of R85.8 million in 2021/22 and R40.6 million in 2022/23. For reasons for underspending

please refer to notes on the Appropriation Statement which is part of the Annual Financial Statements. In the 2021/22 financial year, the programme achieved 83% of its targets, partially achieved 17%. In the 2022/23 financial year, it achieved all its targets.

Expenditure by Sub-programme**Programme 4 Rental and Social Housing**

Sub-programme Name	2022/23			2021/22		
	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	4 878	3 224	1 654	4 751	3 433	1 318
P4: Public Entity Oversight: (SHRA)	887 416	887 416	-	857 619	806 119	51 500
P4: Capacity Building and Sector Support	55 264	16 254	39 010	74 393	41 340	33 053
Total	947 558	906 894	40 664	936 763	850 892	85 871

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

See Annexure B on standardised performance

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.

Sub-programmes: Policy and Research, Monitoring and Evaluation, Public Entity Oversight, Grant Management and Capacity Building and Sector Support

Outputs, Output Indicators, Targets and Actual Achievements

The Department under this programme, delivered the following:

The Department had embarked on the implementation support for the delivery of the People's Housing Process (PHP) in six Provinces, namely, Kwa-Zulu Natal, Eastern Cape, Western Cape, Mpumalanga, Free State and North West. The programme delivered 1 173 units.

The Military Veterans Housing Programme (MVHP) has delivered 701 housing units. This target was reduced drastically from the planned delivery of 1 860.

The eradication of uninhabitable mud houses and blocked projects were identified as key Ministerial priority interventions. During the 2022/23 reporting period, five Provinces had collectively planned to eradicate mud houses (9 760) and 8 262 units were eradicated. Most of the mud houses eradicated

were in the rural Provinces of Limpopo, Northwest and the Free State. With regards to the blocked projects, the Department embarked on a diagnostic evaluation of all blocked projects with at least 12 months of non-expenditure or non-financial performance. A total of 3 445 projects were identified as a baseline of which 649 projects for the programme will be implemented over the next two financial years (2022/23–2023/24). The blocked projects that were approved in the in the 2022/23 Business Plans had targeted to deliver 1 873 BNG units across all provinces, however, the 925 BNG units were delivered.

In respect of the FHF, the NHFC had projected to disburse subsidies to 3 824 households during the 2022/23 financial year, and at the end of the term, 4 129 households received financial assistance and purchased units through FHF. The performance represents 108% of the annual target. The Provinces had projected to assist 3 553 households with FHF during the 2022/23 financial year and allocated R315 million. A total of 2 708 households received financial assistance from various Provinces and purchased units from FHF.

The performance represents 76% of the projection for the year while the expenditure represents 56% of the allocated budget. In terms of the MTSF target; as at the end of 2022/23 financial year, 20 262 households received financial assistance and this figure represents 101% of the MTSF targets. This is indicative of significant performance of the project as the MTSF target of 20 000 households to be assisted was achieved.

The members of the Office of Disclosure Board were appointed in terms of Section 6 of the Home Loans and Mortgage Disclosure Act (2000). The Office of Disclosure had continued engagements with financial institutions on disclosure requirements and amendments to Act.

The Revitalisation of Distressed Mining Communities Programme requires greater alignment of the various economic and social players. In this regard, engagements between government role players and mining companies are on-going, to identify partnership projects for the joint delivery of integrated human settlements. In the 2022/23 financial year, two partnership projects were identified. The first project is the Greater Marikana Project for joint implementation by Government and Sibanye Stillwater in Rustenburg and Madibeng Local Municipalities. The second project is the Northam Integrated Project

for joint implementation by Government, Anglo American Platinum and Northam Platinum mining companies, in Thabazimbi Local Municipality. Memoranda of Understanding (MOUs) and Partnership Delivery Agreements have been jointly developed by the Parties to be effected in the 2023/24 financial year.

Delivery on title deeds was 24 092 across the nine provinces and in four categories against an annual target of 66 041. Delivery against the pre-1994 title deeds is affected largely by the number of cases affected by inconclusive succession matters that are resolved through the Office of the Master of the High Court. A process is currently underway to resolve this issue with the Department of Justice through the Cooperation Agreement with Operation Vulindlela. Provincial performance has further been hampered by conveyancing panels not being in place at the start of the financial year. The bulk of the title deeds backlog is in the post-1994 category and is impacted negatively by missing beneficiaries and incomplete township establishments. Provinces have embarked on processes to augment their conveyancing capacity in order to fast tract title deeds processing and issuance.

Table 2.4.4.10: Programme 5

Sub-programme: Capacity Building and Sector Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Adequate housing and improved quality living environment	Affordable Housing Programme for mining communities implemented in 6 provinces	Affordable housing mining implementation plans implemented	Revitalisation of distressed mining communities' programmes managed in 6 provinces	Programme for Revitalisation of Distressed Mining Communities implemented in 6 provinces	6 affordable housing programme agreements for mining communities developed	2 affordable housing programme agreements for mining communities developed However, the memorandums of understanding were not inclusive of all the Municipalities in line with the technical indicator description	6 affordable housing programme agreements for mining communities were not developed	The Department did not have the additional capacity to achieve the target

Sub-programme: Capacity Building and Sector Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
Security of tenure	Quarterly reports on title deeds registered	Number of quarterly reports on title deeds registered	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 partially supported to eradicate the title deed backlog	4 Quarterly Reports on title deeds registered	4 Quarterly Reports on title deeds registered were completed, however, some of the provinces did not submit the performance information	Sufficient portfolio of evidence from provinces	The provinces did not submit despite follow-up request for information
			Support provided to 9 Provincial Departments to register pre-1994 title deeds	Progress reported on 3 052 pre-1994 title deeds registered				
			New target	Progress reported on 12 857 post-1994 title deeds registered				
			Support provided to 9 Provincial Departments to register new title deeds (2019-2024 MTSF)	Progress reported on 5 592 post-2014 title deeds registered				
			New target	Progress reported on 978 new title deeds registered				
Adequate housing and improved quality living environment	National Unblocking Programme	National Unblocking Programme implemented	None	None	National Unblocking Programme (NUP) developed	National Unblocking Programme (NUP) developed	None	Not applicable

Sub-programme: Capacity Building and Sector Support

Outcome	Output	Output Indicator	Audited Actual Performance 2020/2021	Audited Actual Performance 2021/2022	Planned Annual Target 2022/2023	**Actual Achievement 2022/2023	Deviation from Planned Target to Actual Achievement 2022/2023	Reasons for Deviations
	Jobs created in the delivery of housing and human settlements	Number of reports on job opportunities created	None	None	4 Quarterly Reports on the number of job opportunities created	0 Quarterly Report on the number of job opportunities created	4 Quarterly Reports on the number of job opportunities created	Inaccurate reporting which could not be verified

Linking Performance with Budgets

This programme allocation consists mostly of transfer payments 87.4% of the allocation. These transfer payments consist of the transfer to the National Housing Finance Corporation. For the 2021/22 and the 2022/23 financial years, the programme spent 91.6% of its budget, leaving a balance of R49.3 million in 2021/22 and R13 million in 2022/23. For reasons for underspending, please refer to notes on the

Appropriation Statement which is part of the Annual Financial Statements. In the 2021/22 financial year, the programme achieved 86% of its targets and partially achieved 14%. In the 2022/23 financial year, the programme achieved 50% of its targets, partially achieved 25% and did not achieve 25%.

Expenditure by Sub-programme

Programme 5 Affordable Housing

Sub-programme Name	2022/23			2021/22		
	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	5 625	4 706	919	3 988	2 793	1 195
P5: Public Entity Oversight: (NHFC/HSDB)	511 797	508 585	3 212	492 197	489 552	2 645
P5: Capacity Building and Sector Support	77 449	68 578	8 871	92 644	47 175	45 469
Total	594 871	581 869	13 002	588 829	539 520	49 309

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

See Annexure B on standardised performance

5. 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"> 100% registration of community schemes that submitted scheme registration documents 95% of disputes conciliated within 90 days 95% of disputes adjudicated within 90 days 80 of training and education sessions conducted for schemes executives and owners 12 training sessions conducted for adjudicators and conciliators 12 stakeholder information sessions conducted 25 previously disadvantaged individuals trained as executive managing agents 40% procurement spend on businesses owned by women 20% procurement spend on businesses owned by youth 5% procurement spend on businesses owned by persons with disabilities 	Operational Grant: R24 million	Operational Grant: R24 million	<ul style="list-style-type: none"> 100% (265) registration of community schemes that submitted scheme registration documents 99% of disputes conciliated within 90 days 95.6% of disputes adjudicated within 90 days 116 of training and education sessions conducted for schemes executives and owners 17 training sessions conducted for adjudicators and conciliators 42 stakeholder information sessions conducted 4 previously disadvantaged individuals trained as executive managing agents 30.4% procurement spend on businesses owned by women 17% procurement spend on businesses owned by youth 0.89% procurement spend on businesses owned by persons living with disability
Property Practitioners Regulatory Authority (PPRA)	<ul style="list-style-type: none"> 80% of consumer queries resolved within 90 days 75% of completed investigations that result in disciplinary hearings 70% of youth candidate practitioners in the One Learner One Property Practitioner Programme 2 000 candidate practitioners placed with property industry host employers through the One Learner One Property Practitioner Programme 9 000 property practitioners registered on the database of the PPRA per annum 100% of all compliant new registrations processed within 30 days 300 black women supported to achieve principal status through the Principalisation Programme 	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"> 79.5% of consumer queries resolved within 90 days 63% of completed investigations that resulted in disciplinary hearings. 38% retention rate of youth candidate practitioners in the One Learner One Property Practitioner Programme 361 candidate practitioners placed with property industry host employers through the One Learner One Property Practitioner Programme 5 544 property practitioners registered on the database of the PPRA per annum 100% of all compliant new registrations processed within 30 days 75 black women supported to achieve principal status through the Principalisation Programme

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
Housing Development Agency (HDA)	<ul style="list-style-type: none"> • 1 500 of hectares of land located within Priority Human Settlements Housing Development Areas (PHSHDA's) acquired • 1 000 hectares of land rezoned for human settlements development • 750 hectares of well-located land acquired or released for human settlements development • 200 informal settlements supported for upgrading to Phase 3 of the UISP • 50 priority projects provided with implementation support • 6 provinces provided with planning and implementation support for Revitalisation of Distressed Communities • 3 428 housing units delivered • 4 517 serviced sites delivered • 1 590 title deeds registered • 1 000 asbestos roofs replaced 	R242.7 million (Operational Grant)	R242.7 million (Operational Grant)	<ul style="list-style-type: none"> • 772.96 hectares of land located within PHSHDA's acquired • 1 034.79 hectares of land rezoned for human settlements development • 1 659.48 of hectares of well-located land acquired or released for human settlements development • 241 informal settlements supported for upgrading to Phase 3 • 50 priority projects provided with implementation support • 6 provinces provided with planning and implementation support for Revitalisation of Distressed Communities • 1 433 housing units delivered • 4 839 of serviced sites delivered • 1598 title deeds registered • 1 000 asbestos roofs replaced
National Housing Finance Corporation (NHFC)	<ul style="list-style-type: none"> • R111 million social housing loan disbursements • R80 million private rental disbursements • R178 million affordable housing: strategic investments • R604 million bridging affordable housing disbursements • R190 million incremental housing disbursements • 4 780 First Home Finance subsidy applications approved • R478 million First Home Finance subsidy approvals • R359 million First Home Finance subsidy disbursements • R1 912 million leveraged from financial institutions through the First Home Finance Programme • R357 million disbursements targeted towards B-BBEE compliant – Level 4,3,2,1 contributor • R476 million of disbursements targeted towards designated groups 	R497.5 million First Home Finance Operational Grant: R19.6 million First Home Finance Subsidy Grant: R478 million)	R446.5 million First Home Finance Operational Grant: R22.4 million First Home Finance Subsidy Grant: R424.1 million	<ul style="list-style-type: none"> • R152 million social housing loans disbursed • R71 million private rental loan disbursements • R178 million affordable housing: strategic investments • R468 million bridging affordable housing disbursements • R36 million incremental housing disbursements • 4 283 First Home Finance subsidy applications approved • R285 million First Home Finance subsidy approvals • R221 million First Home Finance subsidy disbursements • R2 257 million leveraged from financial institutions through the First Home Finance Programme • R674 million disbursements targeted towards B-BBEE compliant – Level 4,3,2,1 contributor • R274 million of disbursements targeted towards designated groups

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
National Home Builders Registration Council (NHBRC)	<ul style="list-style-type: none"> 2 920 home builders registered 100% of homes inspected: non-subsidy 100% of homes inspected: subsidy 100% of disputes resolved within 90 days 2 000 homebuilders trained 1 600 youth trained 1 800 women trained 150 military veterans trained 200 people with disabilities trained 700 technical professionals trained 600 artisans trained 100% of enrolment applications approved – subsidy 100% of subsidy project enrolment applications approved 100% of enrolment applications approved – non subsidy 	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"> 3 535 of home builders registered 100% of homes inspected: non-subsidy 100% of homes inspected: subsidy 100% of disputes resolved within 90 days 2 045 homebuilders trained 1 848 youth trained 1 888 women trained 170 military veterans trained 261 people with disabilities trained 933 technical professionals trained 805 artisans trained 100% of enrolment applications approved – subsidy 100% of subsidy project enrolment applications approved 100% of enrolment applications approved – non subsidy
Social Housing Regulatory Authority (SHRA)	<ul style="list-style-type: none"> 3 500 of subsidised social housing units' tenancy audits conducted 30 subsidised housing projects' safety and security audits conducted 80% of new project accreditation applicants that are black majority owned or controlled 40% of Institutional Investment Grant (IIG) recipients are from the designated groups 3 000 social housing units completed 3 529 social housing units tenanted 40% of CCG awarded to enterprises that are majority owned or controlled by women 20% of CCG awarded to enterprises that are majority owned or controlled by youth 5% of CCG awarded to enterprises that are majority owned or controlled by people with disabilities 6 646 job opportunities created through projects implemented 	R887.4 million (Operational Grant: R72.7 million Institutional Investment Grant: R23.5 million Consolidated Capital Grant: R791.1 million)	R856.9 million (Operational Grant: R75.7 million Institutional Investment Grant: R11.7 million Consolidated Capital Grant: R769.5 million)	<ul style="list-style-type: none"> 3 525 of subsidised social housing units' tenancy audits conducted 30 subsidised housing projects' safety and security audits conducted 97% of new project accreditation applicants that are black majority owned or controlled 41% of Institutional Investment Grant (IIG) recipients are from the designated groups 3 182 social housing units completed 2 598 social housing units tenanted 22% of CCG awarded to enterprises that are majority owned or controlled by women 3% of CCG awarded to enterprises that are majority owned or controlled by the youth 0% of CCG awarded to enterprises that are majority owned or controlled by people with disabilities 3 858 job opportunities created through projects implemented

5.2 Transfer payments to other organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the Department 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: United Nations (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 523		No underspending
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 services		R1 597		No underspending
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 211		Underspending can be attributed to delays by universities to register students due to the Fees Must Fall campaigns

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023 but no transfer payments were made. (Not applicable)

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred

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	<ul style="list-style-type: none"> Nine Provinces
Purpose of the grant	<ul style="list-style-type: none"> To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements
Expected outputs of the grant	<ul style="list-style-type: none"> Number of residential units delivered in relevant housing programmes Number of serviced sites delivered in relevant housing programmes Number of informal settlements upgraded in-situ and/or relocated Number of title deeds registered to beneficiaries Hectares of well-located land acquired for development of housing opportunities Hectares of well-located land acquired (and zoned) Number of socio-economic amenities delivered in human settlements Number of integrated residential development projects planned, approved, funded and implemented Number of township registers opened in respect of pre- and post-1994 title deeds backlog beneficiaries confirmed as legitimate in registered townships in respect of pre- and post-1994 Number of beneficiaries confirmed as legitimate in registered townships in respect of pre- and post-1994 title deeds backlog Number of ownership disputes logged and resolved in respect of pre- and post-1994 title deeds backlog Number of implementation programmes for Priority Housing Development Areas

Actual outputs achieved	<ul style="list-style-type: none"> Refer to attached Annexure A
Amount per amended DoRA (R'000)	<ul style="list-style-type: none"> R14 570 748
Amount transferred (R'000)	<ul style="list-style-type: none"> R14 255 610
Reasons if amount as per DoRA not transferred	<ul style="list-style-type: none"> An amount of R200 million was stopped from Free State (R100 million) and Limpopo (R100 million). The stopped funds were reallocated to Mpumalanga and Northern Cape with R100 million each N/A
Amount spent by the Department/Municipality (R'000)	<ul style="list-style-type: none"> R13 598 013
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> Late appointment of service providers Late submission of invoices Community unrest Slow procurement processes Non-availability of bulk infrastructure Property invasions by unlawful occupants Lack of proper beneficiary management systems/processes Unavailability of project management systems Late of approval of plans Poor/slow performance by contractors and cash flow management Delays in the certifying/submission of claims

Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> 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 where Provinces 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 Recruited registered engineers to undertake project management oversight work, inclusive of project verification and project
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Conditional Grant 2: Informal Settlements Upgrading Partnership Grant (Provinces)

Department/Municipality to whom the grant has been transferred	<ul style="list-style-type: none"> Nine Provinces
Purpose of the grant	<ul style="list-style-type: none"> The creation of sustainable and integrated human settlements that enable improved quality of household life
Expected outputs of the grant	<ul style="list-style-type: none"> The grant shall fund the outputs defined in Phases 1–3 of the Upgrading of Informal Settlements Programme (UISP) in the National Housing Code of 2009: <ul style="list-style-type: none"> Phase 1 <ul style="list-style-type: none"> Number of pre-feasibility studies conducted Phase 2 <ul style="list-style-type: none"> Feasibility studies: <ul style="list-style-type: none"> number of environmental impact assessments undertaken number of geotechnical studies conducted number of any other relevant studies conducted Land acquisition: <ul style="list-style-type: none"> hectares of land acquired for in-situ upgrading hectares of land acquired for relocation hectares of land transferred and registered hectares of land availed in terms of land availability/development agreement Number of settlements supplied with bulk infrastructure Number of settlements benefitting from interim municipal engineering services and/or any other alternative engineering services

Phase 3	<ul style="list-style-type: none"> Number of settlements provided with permanent municipal engineering services and/or any other alternative engineering services Number of serviced sites developed Number of social and economic amenities. The specific types of amenities must only be provided in collaboration with municipality and the community Number of sites transferred to end-users Number of households provided with secure tenure Number of engineering designs: water, sewer, roads and storm water drainage concluded Number of layout plans approved Number of settlements provided with rudimentary service
Actual outputs achieved	<ul style="list-style-type: none"> As per table below
Amount per amended DoRA (R'000)	<ul style="list-style-type: none"> R4 419 331
Amount transferred (R'000)	<ul style="list-style-type: none"> R4 121 088
Reasons if amount as per DoRA not transferred	<ul style="list-style-type: none"> An amount of R294.7 million was stopped from Free State (R50 million), Gauteng (R200 million) and Limpopo (R44.7 million) in terms of section 18 of DoRA. The stopped funds were reallocated to Mpumalanga (R200 million) and Northern Cape (R94.7 million)
Amount spent by the Department/Municipality (R'000)	<ul style="list-style-type: none"> R3 928 469
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 where Provinces 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	<ul style="list-style-type: none"> 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 where 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 Recruited registered engineers to undertake project management oversight work inclusive of project verification and project
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Conditional Grant 3: Provincial Emergency Housing Grant

Department/Municipality to whom the grant has been transferred	<ul style="list-style-type: none"> Two Provinces
Purpose of the grant	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Emergency and short-term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> provision of temporary shelter temporary relocation of households to safer accommodation and/or shelter repairs to damaged houses following a disaster
Actual outputs achieved	<ul style="list-style-type: none"> Refer to attached Annexure A
Amount per amended DoRA (R'000)	<ul style="list-style-type: none"> R795 764
Amount transferred (R'000)	<ul style="list-style-type: none"> R426 242

Reasons if amount as per DoRA not transferred	<ul style="list-style-type: none"> The grant is a schedule 7A and therefore unallocated. The transfers are request based and for the 2022/23 financial year, it was Eastern Cape and KwaZulu-Natal Provinces that requested assistance with funding for disasters encountered in their Provinces
Amount spent by the Department/Municipality (R'000)	<ul style="list-style-type: none"> R405.8 million
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> Late submission of claims Unavailability of suitable land Socio-economic issues towards resettlement of flood victims Unavailability of services on identified sites (sewer, water and road access) The required planning processes prior to construction delays in the immediate construction of TRUs Local business forums disrupting the appointed service providers
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> Submission of monthly and quarterly DoRA Expenditure Reports by the receiving officer/province Site visits by the National Department

Conditional Grant 4: Urban Settlements Development Grant

Department/Municipality to whom the grant has been transferred	<ul style="list-style-type: none"> • Eight Metropolitan Municipalities
Purpose of the grant	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • The following outputs should be funded by the grant to support the improvement of the overall built environment: <ul style="list-style-type: none"> o increase in municipal bulk and link infrastructure o construction/provision of internal engineering services, including backyarders and densification overlay zones o increase in the number of serviced sites o increase in the provision of individual connections o increase in land provision for informal settlement upgrading, subsidised housing, or mixed-use developments in support of approved human settlements and other urban developments o increase in access to public and socio-economic amenities o increase in the number of interim basic services o increase in number of community agreements
	<p>Response to the COVID-19 pandemic</p> <ul style="list-style-type: none"> • Number of Municipal-owned facilities identified for quarantine sites that are repaired (limited to repairs to existing facilities, not modifications and operational costs) • Number of public facilities (by category) sanitised • Number of hand-washing dispensers installed • Litres of sanitiser procured • Number of temperature scanners procured • Number of municipal workers provided with personal protective equipment
Actual outputs achieved	<ul style="list-style-type: none"> • Annexure A
Amount per amended DoRA	<ul style="list-style-type: none"> • R7 478 173

Amount transferred (R'000)	<ul style="list-style-type: none"> • R7 352 273
Reasons if amount as per DoRA not transferred	<ul style="list-style-type: none"> • An amount of R200 million was stopped from City of Ekurhuleni (R100 million) and eThekweni (R100 million). The stopped funds (R200 million) were reallocated to City of Johannesburg
Amount spent by the Department/Municipality (R'000)	<ul style="list-style-type: none"> • R3 622 980
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> • Delays in supply chain processes • Late appointment and poor performance of contractors and service providers • Non-performance of contractors leading to termination of those contracts • Land invasion, vandalism and theft • Work stoppages by Small Medium and Micro Enterprises (SMMEs) • Unfavourable weather conditions
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Conduct quarterly performance reviews with the Municipalities • Undertake oversight visits in order to assess and, where possible, address challenges with Municipalities • One-on-one engagement with Metropolitan Municipalities • Conduct project level monitoring visits at the Municipalities • Recruited registered engineers to undertake project management oversight work inclusive of project verification and project performance analysis

Conditional Grant 5: Informal Settlements Upgrading Partnership Grant-Metros

Department/Municipality to whom the grant has been transferred	<ul style="list-style-type: none"> Eight Metropolitan Municipalities
Purpose of the grant	<ul style="list-style-type: none"> To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements
Expected outputs of the grant	<ul style="list-style-type: none"> The grant shall fund the outputs defined in Phases 1–3 of the Upgrading of Informal Settlements Programme (UISP) in the National Housing Code of 2009: <ul style="list-style-type: none"> Phase 1 <ul style="list-style-type: none"> Number of pre-feasibility studies conducted Phase 2 <ul style="list-style-type: none"> Feasibility studies: <ul style="list-style-type: none"> Number of environmental impact assessments undertaken Number of geotechnical studies conducted Number of any other relevant studies conducted Land acquisition: <ul style="list-style-type: none"> hectares of land acquired for in-situ upgrading hectares of land acquired for relocation hectares of land transferred and registered hectares of land availed in terms of land availability/development agreement Number of settlements supplied with bulk infrastructure Number of settlements benefitting from interim municipal engineering services and/or any other alternative engineering services Phase 3 <ul style="list-style-type: none"> Number of settlements provided with permanent municipal engineering services and/or any other alternative engineering services Number of serviced sites developed Number of social and economic amenities. The specific types of amenities must only be provided in collaboration with the municipality and the community Number of sites transferred to end-users Number of households provided with secure tenure Number of engineering designs: water, sewer, roads and storm water drainage concluded Number of layout plans approved Number of settlements provided with rudimentary service

Actual outputs achieved	<ul style="list-style-type: none"> Refer to attached Annexure A
Amount per amended DoRA	<ul style="list-style-type: none"> R4 285 036
Amount transferred (R'000)	<ul style="list-style-type: none"> R4 180 530
Reasons if amount as per DoRA not transferred	<ul style="list-style-type: none"> An amount of R111 million was stopped from Nelson Mandela (R36 million) and Mangaung (R75 million). These amounts were relocated to the City of Cape Town
Amount spent by the Department/Municipality (R'000)	<ul style="list-style-type: none"> R1 915 776
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> members Slow procurement processes Late submission of invoices Non-availability of bulk infrastructure Property invasions by unlawful occupants Late of approval of plans Community unrest by local business forums and community Poor/slow performance by contractors and cash flow management Inclement weather/unfavourable weather conditions Hard rock on the projects caused some delays Late appointment and poor performance of contractors and service providers Land invasion, vandalism and theft Work stoppages by SMMEs
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> Conduct performance quarterly reviews with the Municipalities Undertake oversight visits in order to assess and, where possible, address challenges with Municipalities One-on-one engagement with Metropolitan Municipalities Conduct project level monitoring visits at the Municipalities Recruited registered engineers to undertake project management oversight work inclusive of project verification and project performance analysis

Conditional Grant 6: Municipal Emergency Housing Grant

Department/Municipality to whom the grant has been transferred	<ul style="list-style-type: none"> Five Municipalities
Purpose of the grant	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Emergency and short-term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> provision of temporary shelter temporary relocation of households to safer accommodation and/or shelter repairs to damaged houses following a disaster
Actual outputs achieved	<ul style="list-style-type: none"> Refer to attached Annexure A
Amount per amended DoRA (R'000)	<ul style="list-style-type: none"> R55 412
Amount transferred (R'000)	<ul style="list-style-type: none"> R52 888
Reasons if amount as per DoRA not transferred	<ul style="list-style-type: none"> The grant is a schedule 7B and therefore unallocated. The transfers are request based and for the 2022/23 financial year, it was only Uphongolo Local Municipality, Alfred Nzo Municipality, Theewaterskloof Municipality, City of Johannesburg and City of Cape Town that made requests
Amount spent by the Department/Municipality (R'000)	<ul style="list-style-type: none"> R24 201
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> 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
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> Recruited registered engineers to undertake project management oversight work inclusive of project verification and project performance analysis 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

6.2 Conditional Grants and earmarked funds received

Not applicable

7. DONOR FUNDS

7.1 Donor Funds Received

There were no donor funds received during the period under review.

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

The Department does not have capital investments.





PART C
GOVERNANCE

1. INTRODUCTION

The Department of Human Settlements is committed to principles of good governance in the management of the organisation and implementation of human settlements programmes. This is aimed at ensuring accountability, transparency and compliance with applicable legislation and policy prescripts. The Accounting Officer of the Department takes responsibility for implementing Enterprise Risk Management in accordance with the DHS Risk Management Framework, as informed by the National Treasury Public Sector Risk Management Framework. The Accounting Officer carry's out her Risk Management responsibilities through the Risk Management Committee, chaired by an independent person.

Risk Management is integrated into the plans, day-to-day operations of the Department and quarterly reporting processes. The Executive Management Team is responsible for the management of risks and continuously review the strategic risks, control environment and risk mitigations to ensure effective management of risks.

2. RISK MANAGEMENT

The Department has an established Risk Management Directorate which operates with the approved Risk Management 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 within the approved Risk Management Committee Charter. The implementation of activities in the approved Risk Management Implementation Plan are reported on a quarterly basis to the committee. The RMC is responsible for monitoring the implementation of the system of risk management within the Department, in line with the Risk Implementation Plan approved by the Accounting Officer. The RMC is chaired by external Independent Chairperson.

The Risk Management Committee consists of the Risk Owners who are Deputy Directors General, an independent standing member of the Audit Committee and Chairperson of the ITC Steering Committee, Director: Internal Audit and Director Risk and Integrity who are all standing invitees.

The Risk Management Committee carries out its obligations through the Department's Risk Champions Forum (RCF). The forum operates within the Terms of Reference approved by the Accounting Officer. The forum is composed of two senior managers per branch, appointed by Risk Owners who are knowledgeable of the objectives and operations of the branch. The RCF sits on monthly basis to deliberate on risk management matters, however, it reports all its activities directly to the Risk Management Committee on a quarterly basis.

During the reporting period, the Risk Management Directorate facilitated both strategic and operational risk identification and assessment processes. The Directorate conducted ongoing monitoring on the implementation of risk mitigation plans for both the strategic and operational risks. It further conducted risk awareness on quarterly basis throughout the Department through foyer TV screens, posters and emails communicated to all Departmental employees.

Internal Audit evaluate the overall system of risk management on an annual basis and also conducts the follow-up reviews on the implementation of agreed management responses to the previous evaluation 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 the Risk Management Committee tables the overall risk management report to the Audit Committee on a quarterly basis. The Audit Committee provides overall oversight over risk management system.

RISK MANAGEMENT COMMITTEE (RMC) MEETINGS CONDUCTED IN 2022/23 FINANCIAL YEAR

EXTERNAL MEMBERS		NO OF MEETINGS	NO OF MEETINGS ATTENDED
NAME	REPRESENTATIVITY		
Mr. N Mhlongo	Chairperson	5	5
Dr. M Neluheni	Audit Committee Representative	5	5

INTERNAL MEMBERS			
RISK OWNER	REPRESENTATIVITY		
Ms. L Bele	Acting CFO	5	4
Ms. N Letsholonyane	DDG: Corporate Services	5	5
Ms. S Ngxongo	DDG: Entity Oversight, IGR, Monitoring and Evaluation	5	5
Dr. Z Sokopo	Acting DDG: Informal Settlements & Emergency Housing	5	5
Ms. R Atkinson	Acting DDG: Research, Policy, Strategy & Planning	5	4
Mr. X Xundu	CD: Office of the DG	5	4

NOTE: Ex Officio members shall remain permanent members of the Risk Management Committee (RMC) in lieu of their responsibilities of being the Risk Owners (Branch Managers/ Deputy Director-Generals).

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 plan was reviewed and implemented. 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 Risk and Integrity 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.

Implementation of the financial disclosures

Sixty-two members of the Senior Management Services (SMS) disclosed their financial interests by 30 April 2022 which was equivalent to 94% compliance rate. Four SMS members did not disclose their financial interest which translated to 6% non-compliance rate. Three officials were unregistered. The report was sent to the Public Service Commission and consequence management measures were instituted against the non-compliant officials.

Anti-fraud and corruption awareness

The anti-fraud and corruption awareness is aimed at sensitising 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, anti-fraud and corruption awareness posters on conflict of interest, ethics and integrity, and the declaration of financial interest were developed and distributed to the National Department of Human Settlements staff members and the public, 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 was updated from the first quarter to the fourth quarter of 2021/22 financial year.

Detection of fraudulent and corrupt activities

The Department conducted a fraud detection review on Bas payments, subsistence and travel payments in order to detect any irregularities, non-compliance with applicable policies of the Department and other legislative prescripts and two reports with findings and recommendations were issued.

Eleven 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 11 cases were registered on the Departmental fraud and corruption database and/or registered for investigation and resolution.

There has been a noticeable increase in the housing scams, prospective beneficiaries are scammed in their communities despite the many alerts issued by the Department warning the public about the housing scams in their communities. The Department assist the victims to open criminal cases with the South African Police Services (SAPS) and always follow-up on these cases to determine progress.

The Department liaises with the provinces in resolving complaints, such as delays in the allocation of low-income houses or misallocation of low-income houses and illegal evictions.

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, that they have disclosed.

All members of the Bid Committees must declare their interest in respect of matters that the committees deal with. A Declaration of Interest Form must be completed and signed by all those in attendance on each meeting.

All Supply Chain Management practitioners have, as required in terms 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.

During the year under review, there was no situation where a conflict of interest was identified.

5. CODE OF CONDUCT

The Constitution of South Africa and the Public Service Code of Conduct are the two documents being used as the guiding documents on ethical conduct of public servants.

The primary purpose of the Code of Conduct is a positive one, viz., to promote exemplary conduct. The Code acts as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and assist to ensure confidence in the public service.

Therefore, on a quarterly basis, the Directorate: Labour Relations embarks on an information sharing session, whereby it invites employees of the Department to attend a presentation on the Code of Conduct, either by officials from the said Directorate or the Office of the Public Service Commission, who are the custodians of the Code of Conduct.

The Code of Conduct forms the main basis on which pro-active, corrective and even disciplinary action rests. If an employee contravenes any provision of the Code of Conduct, an employee shall be guilty of misconduct and may be dealt with in accordance with the relevant collective agreement, Resolution 1 of 2003, Disciplinary Procedures for Employees in the Public Service and/or Chapter 7 of the SMS Handbook.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has an established Occupational Health and Safety (OHS) system in place, inclusive of a functional OHS Committee composed of appointed Health and Safety representatives. OHS audits were conducted by a contracted service provider on a quarterly basis, and the findings thereof were addressed through routine facility maintenance.

There is a marked improved in the Department's compliance to the OHS Act regulations. One employee was awarded compensation for injury on duty, due to an accident and four claims were submitted to the Compensation Office.

7. PORTFOLIO COMMITTEES

Cabinet, Parliament and Cluster Support Annual Report 2022/2023

Table A: Meetings of Parliamentary Committees and other Related Interaction: Interface of the Department of Human Settlements with Parliament during the Period 1 April 2022–31 March 2023

Date	Subject	Committee Issues	Response by Department/Key Decisions
20 April 2022 [am]	<ul style="list-style-type: none"> Briefing of the Portfolio Committee on Human Settlements by the Department of Human Settlements on the Budget Vote 33, Strategic Plan and Annual Performance Plan 2022/23 financial year 	<ul style="list-style-type: none"> Sought clarity in terms of intergovernmental relations (IGR) vis-à-vis, the District Development Model (DDM) and whether the DDM was aligned to the Department of Monitoring and Evaluation Framework for the purpose of reporting Clarity sought on unblocking of projects during the current financial year; whether the Department had received plans from provinces on the unblocking of projects as this would allow the Committee to monitor progress Concern expressed that some of the listed priorities were not specific with respect to the number of mud houses, houses with asbestos roofing, target of serviced sites, and timeframes for digitisation of the housing beneficiary list; for the Committee, the issue of both mud houses and asbestos eradication has to be approached on two fronts, namely, through the Rural Development Programme as well as through the Emergency Housing Fund, respectively Clarity sought on the issue of issuance of title deeds/backlog with respect to the pre-199 vis-à-vis post- 1994 housing stock 	<ul style="list-style-type: none"> On the issue of the IGR vis-à-vis DDM, there exists no contradiction between the IGR and the DDM but the two were considered to be complementary The Department to adopt a phased-in approach with respect to unblocking projects over a three-year period as was highlighted in the Annual Performance Plan On the issue of eradication of mud houses, this was a programme under the Rural Development Framework, and it was under prioritisation and there was no misalignment in terms of policy. It was simply being flagged under the Rural Development Programme and was to be included in the Provincial Business Plans Furthermore, the Department indicated that the use of asbestos was prohibited due to its health hazard implications. It further stated that the use of asbestos had been inherited from the previous dispensation together with the related asbestosis which has both health and financial implications. It also stated that with respect to the pre-1994 stock, this was not a moving stock, hence there needs to be a concrete plan to dispose of this stock, and that there has to be collaboration with the Department of Employment and Labour and the Department of Fisheries, Forestry and Environment The Department indicated that it had adopted a stand against construction of housing on unsuitable land in order to mitigate the effects of climate change, including unlawful occupation of land On the issue of the 40% set aside for designated groups, the Department indicated that the emphasis was on women, youth and persons living with disabilities ownership of business and this had been endorsed by the MinMEC

Date	Subject	Committee Issues	Response by Department/Key Decisions
		<ul style="list-style-type: none"> Nature of the benefit in respect of the 40% set aside for designated groups, measures to see that this was implemented, and why it has not been factored in terms of the Division of Revenue Act No exact target on the contribution of the construction sector on job creation Time frame for the implementation of national priorities Any measures to deal with unlawful occupation of land, illegal selling of subsidy houses before the expiry of the so-called pre-emptive clause, and the illegal occupation of houses Any measures to prevent construction of homes and settling of people on unsuitable land such as river banks, floodplains and wetlands 	<ul style="list-style-type: none"> On the issue of digitisation of the housing beneficiary list, it was stated that the National Housing Needs Register requires to be automated in order to ensure both transparency and accountability. It also indicated that the maintenance of the data was critical and that part of the process of digitising was the managing and updating of data throughout the three spheres in order to have credible beneficiary data. In terms of time frames, it indicated that the Department was seized during the current financial year with planning and feasibility study of the envisaged ICT system and business processes With respect to unlawful occupation and invasion of land, the Department indicated it was imperative to act within 48 hours to deal with such, and that the Prevention of Illegal Eviction (PIE) Act regulates as well as talks to the enforcement of by-laws, including the issue of illegal occupation of land
20 April 2022 [pm]	<ul style="list-style-type: none"> Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> Briefing by National Home Builders Registration Council; Housing Development Agency and Social Housing Regulatory Authority on Budget, their respective Strategic and Revised Annual Performance Plans 2022/23 	<ul style="list-style-type: none"> Apparent lack of movement in respect of some of the required action plans to deal with audit matters, absence of Internal Audit Committee at NHBRC and the vacant position of a CEO at CSOS Repeat audit findings at some of the entities 	<ul style="list-style-type: none"> Department undertook to strengthen oversight of its entities Ensure that vacant posts are filled Strengthen internal controls
21 April 2022	<ul style="list-style-type: none"> Meeting of the Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> Briefing by National Housing Finance Corporation, Property Practitioners Regulatory Authority and Community Schemes Ombud Services on Budget, their respective Strategic and Revised Annual Performance Plans 2022/23 	<ul style="list-style-type: none"> NHFC – Whether the incubator programme partnership with the City of Cape Town is to be rolled out in other Metropolitan Municipalities as well as the number of jobs to be created through such a partnership PPRA – Clarity sought on timeframes for the recruitment process for filling critical vacant executive positions CSOS – Empowerment of the previously disadvantaged and strategy to improve awareness about the entity 	<ul style="list-style-type: none"> NHFC – An incubator programme with the City of Cape Town in the process of being rolled out and to present number of jobs created. The incubator programme to be rolled out in other Metropolitan Municipalities PPRA – In the process of designing a new organisational structure in accordance with the new mandate from the erstwhile Estate Agency Affairs Board to the Property Practitioners Regulatory Authority CSOS – To embark on public awareness campaigns, including the use of various media outlets

Date	Subject	Committee Issues	Response by Department/Key Decisions
3 May 2022	<ul style="list-style-type: none"> Briefing of Select Committee on Cooperative Governance and Traditional Affairs on the Department's 2022/23 Annual Performance Plan 	<ul style="list-style-type: none"> Criteria used in allocating grants to each province Clarity sought on new targets that had since been set Unblocking of projects where there was unlawful occupation of land; Concern with respect to what appears to be the increasing use of consultants for each year, and whether there was any plan to curtail this Any plan to deal with the issue of illegal occupation of the Breaking New Ground houses Any progress with respect to the issuance of title deeds Any plans for the Finance-Linked Institutional Subsidy Programme (FLISP) and Social Housing to be implemented within rural areas Extent of mud houses earmarked for eradication Role Municipalities and Provinces in the digitisation of the housing beneficiary list, including timeframes for the process Process of appointing new functional boards at Human Settlements Entities 	<ul style="list-style-type: none"> The Department indicated that with respect to the allocation criteria of the various grants to provinces, reference was made to the 2013 MinMEC resolution as well as the 2011 Census data which informs the allocation formula on the basis of three criteria, namely: <ul style="list-style-type: none"> Inadequate housing (70%) Population size (10%) Extent of poverty (20%) Going forward, the Department is to use the latest 2022 Census data when allocating grants to provinces The Department to re-examine the role of Metropolitan Municipalities in allocating budgets Regarding new targets that had been set, the Department indicated that it was funding specific targets within specific time frames and that some of the provinces were still at the planning stage It was reported that that the issue to unblock projects was a Ministerial priority to be accomplished within three years. It further stated that an analysis had been done and as part of the Business Plans, the Human Settlements Development Grant was geared towards unblocking specific set of projects for the current financial year It was also indicated that some of the blocked projects were due to lack of bulk infrastructure, township establishment, illegal occupation of subsidy (BNG) houses, etc.

Date	Subject	Committee Issues	Response by Department/Key Decisions
		<ul style="list-style-type: none"> Plans to support all communities affected by the recent natural disasters, including floods Preventative measures put in place to ensure resources earmarked for disaster relief are not squandered diverted, or siphoned but used for their intended purpose The Committee indicated that it intended to visit some of the Department's projects, and that the initial focus was to be Mpumalanga and the Western Cape, and the purpose was to evaluate and analyse what has been done to date 	<ul style="list-style-type: none"> On the purported use of consultants, the Department indicated that savings have been made in this regard and these were to be reflected during Fourth Quarter Report presentation; Regarding progress and plans with respect to the issuance of title deeds, the Department admitted that the matter remains a challenge, however, reported to have put together a comprehensive plan with Municipalities and other sector departments plus mandatory directives requiring the house key be handed over simultaneously with the issuing of the title deed to a beneficiary. It was further pointed out that the issue over house ownership by families involving deceased estates remains a challenge, including that of township establishment With regards to the eradication of mud houses, it was reported that Provinces had undertaken provisional assessments and part of the plan was to replace mud structures, particularly in KwaZulu-Natal and Eastern Cape With regard to digitisation of the housing beneficiary list, it was indicated that this was in the process of being refined as it seeks to ensure transparency with regard to the housing data base Filling of posts at the entities is to entail appointment of new boards, executive and management posts in order to capacitate entities On measures to ensure funds for relief are spent for their intended purpose, the Committee was informed of joint monitoring of the relief funds together with the involvement of the Auditor-General under the Chairpersonship of the Director-General in the Presidency
11 May 2022	<ul style="list-style-type: none"> Meeting of Portfolio Committee on Human Settlements – Briefing by Department on: Finance-Linked Individual Subsidy Programme <ul style="list-style-type: none"> Implementation of District Development Mode; Intervention and relief efforts to assist communities affected by flooding disaster (April 2022 Flood Disaster) 	<ul style="list-style-type: none"> No clear time frames on intervention and relief efforts to assist affected communities (due flooding) Provision of starter kits in the interim to flood victims How to ensure that spatial developments happen as planned, in terms of catalytic projects, densification, and integration The Committee welcomed the District Development Model's alignment to spatial transformation and emphasised that the 136 Priority Development Areas have to ensure that spatial development has to take place as planned. 	<ul style="list-style-type: none"> Department to share policy documents on various subsidy categories being provided Provide emergency assistance to victims of recent flood disasters, including starter kits To present an updated list of Priority Development Areas

Date	Subject	Committee Issues	Response by Department/Key Decisions
18 May 2022	<ul style="list-style-type: none"> • Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> ◦ Presentation by Department of Human Settlements on Third and Fourth Quarter Reports 2021/22. 	<ul style="list-style-type: none"> • Provincial departments to be invited to explain challenges faced contributing to the failure to meet set targets in the issuing of title deeds, as well as explain failure to spend their respective budgets • To invite Department of Agriculture, Land Reform and Rural Development's Registrar of Deeds Office to present on process and procedure on the issuance of title deeds • Failure to utilise emergency grant set aside for disaster • To concretise issue of the 40% set aside for designated groups by both Municipalities and Provinces. 	<ul style="list-style-type: none"> • Department undertook to submit a list of all grant transfers • To provide a detailed report on the funds transferred towards the KwaZulu-Natal flood disasters
25 May 2022	<ul style="list-style-type: none"> • Briefing of Portfolio Committee on Human Settlements by: <ul style="list-style-type: none"> ◦ Special Investigating Unit on findings on Talana Temporary Residential Units (TRUs) and on Duncan Village Housing Project. • Department of Human Settlements and Housing Development Agency on progress to address audit outcomes 	<ul style="list-style-type: none"> • The disjuncture among the three spheres of government which was said to make difficult if not impossible to hold councillors and provincial officials accountable by the National Government • Whether the Housing Development Agency was adequately capacitated to carry out its mandate and functions • Need to ensure adherence to project management principles by the Housing Development Agency • Of concern, irregularities and corrupt activities by appointed contractors • Failure to monitor the utilisation of transferred funds • How funds were recovered from contractors that failed to perform • Role of Internal Audit Committees and whether they possess requisite financial audit skills 	<ul style="list-style-type: none"> • The Committee was informed that criminal action was in the process of being instituted against the service provider involved in the Talana matter and that both the Limpopo province and the Housing Development Agency were assisting the Special Investigation Unit (SIU) • The capacity of the HDA was reported to vary from province to province, for instance, in Kwa-Zulu Natal, Western Cape, and Northern Cape, the HDA was said to be performing as expected with all the necessary infrastructure. On the other hand, in provinces such as Limpopo and North West they were still struggling to have the right capacity • The Committee was further informed of the recently appointed CEO at the HDA with all the necessary expertise and skills that will certainly steer the entity in the right direction • Some of the complications in relation to TRUs was the fact that TRUs were by definition temporary structures; therefore, were not enrolled with the NHBRC. Compounding the matter was the fact that there was no requirement for the service provider to be registered in the provisions of TRUs

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27 May 2022	<ul style="list-style-type: none"> Briefing of Portfolio Committee on Human Settlements on progress to implement recommendations of oversight visit to Gauteng province conducted on 24-28 January 2022 	<ul style="list-style-type: none"> The two reports to be integrated into a single report in order to beef up the consolidated report that should include the issue of sinkholes at Khutsong Provision of social amenities have to be part of all human settlements developments, including mega projects Consolidated report to also include the issue of unlawful invasion of completed houses Committee expressed its appreciation for the process being pursued in respect of title deeds, particularly, the process to be followed with respect of township establishment. However, expressed concern with regards to the failure of communities to collect their title deeds from their respective Municipalities To report back on reasons advanced by communities for refusing to heed court orders to vacate illegally occupied houses To address the issue of illegal sale of government-subsidised houses, the Committee resolved that there needs to be ongoing consumer education; that the first port of call for the sale of such houses must be to the government, and that there also needs to be naming and shaming of those doing so fraudulently 	<ul style="list-style-type: none"> The Gauteng Provincial Department in its presentation indicated that it submitted 2 reports, one of which was a supplementary report; the reports to be combined and consolidated into a single report; it reported it was attending to the issue of sinkholes at Khutsong, however, there was a reluctance to accept BNG houses by some of the households/homeowners with much bigger houses Proposed legislation, the Housing Consumers Protection Bill to assist in addressing some of the issues surrounding the role of contractors Provincial departments to be assisted in expediting the process to digitise the housing beneficiary list; Provincial department was reported to be engaged with other sister departments that should provide some of the social amenities The provincial department indicated that illegal house invasions and occupations were orchestrated and constitute a criminal act. To thwart and prevent these, the provincial department reported that it was working quite closely with the South African Police Services, Hawks, communities and courts, as eviction notices continue to be issued, as the provincial department's response had to be within 48 hours The provincial department was also mindful not to set a wrong precedent whenever there is an illegal or unlawful occupation of houses or land, the Department has to provide alternative land or accommodation for what it deems to be a criminal act On the issue of illegal sale of subsidy houses, the provincial department indicated that the exchange of the public housing stock was taking place illegally between locals and foreigners, involving legitimate beneficiaries and not only officials

Date	Subject	Committee Issues	Response by Department/Key Decisions
8 June 2022	<ul style="list-style-type: none"> Presentation to Portfolio Committee on Human Settlements of Updates on the Establishment of the Human Settlements Development Bank (HSDB) 	<ul style="list-style-type: none"> How the National Housing Finance Corporation (NHFC) was addressing the Auditor-General findings prior to the operationalisation of the HSDB Whether there will be any Service Level Agreements with other banks The Committee requested explanations/reasons for the possible exemption from the Banks Act; what necessitates the request for exemption from the applicable legislation, namely, the Banks Act including the difficulty with complying with the applicable legislation and other applicable conditions The Committee welcomed the objectives of establishing the HSDB and expressed its support for, among others, increasing the scale of delivery, improving funding for housing, et. Of concern, is how the envisaged entity was going to be capitalised within the context of the current structural problems associated with the current housing delivery model How the HSDB was going to improve housing access for those who do not qualify for the BNG houses in the context of the failure associated with the Finance-Linked Institutional Subsidy (FLISP) For the Committee, the rationale for the establishment of the HSDB was clear, however, compliance issues need to include sustainability of the proposed entity. Furthermore, there is a need for clear principles of sustainability and that it should be a bank built into the future to provide solutions into the future, and requested that it be provided with the business case once consultation with the National Treasury has taken place 	<ul style="list-style-type: none"> In respect of the audit findings at the NHFC, it was indicated that this was previously presented to the Committee. For instance, it was reported that the Supply Chain Manager had since been dismissed; that systems were in place to effect payments within 10 days and that the payment process was being expedited particularly for the Small Medium and Micro Enterprises (SMMEs) The Department reported that negotiations were afoot to conclude Service Level Agreements with other financial institutions. Furthermore, the new FLISP policy has since broadened the scope to cover or include more financing institutions The Department indicated that the issue of exemption by the South African Reserve Bank was necessitated by the use of the term “bank”. Since the envisaged entity was not going to be a deposit-taking bank, it has to apply for exemption and that has since been submitted With regard to structural challenges encountering the value chain in the delivery of housing and whether the Department was coming up with a new ownership model, the Department indicated that it was in its interest to have the workshop for the Committee in order to unpack all the pertinent issues involved for the establishment of the HSDB in order to discuss products and services to be provided by the proposed entity The Department also reported that the NHFC was playing a much bigger role in social housing, however, where the Department seeks to scale-up was in the gap housing market. The envisaged HSDB has to assume more risk without compromising its sustainability. It was also stated that by their very nature, Development Finance Institutions (DFIs) have to participate in capital markets, and expected to maintain a balancing act The Department undertook to return to the present the business case as well as share comments by other strategic stakeholders On the issue of capitalisation, the Department indicated that it had to top-slice an amount of R30 bn required but the decision was the Minister’s, since the National Treasury had made it clear that it will not capitalise the HSDB until such time there is an act in place

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		<ul style="list-style-type: none"> • With respect to capitalisation, the Committee expressed the view that the process plan will assist in terms of indicating when the capitalisation is to be effected, once the Act of Parliament is in place • The Department needs to ensure that there is proper expertise for the proper management of the envisaged bank 	<ul style="list-style-type: none"> • It was imperative for the Department to address the huge housing backlog, hence the imperative to appoint construction companies that can deliver at scale. It was also indicated that the establishment of the HSDB was rooted in the need to begin to do things differently, and seeks to address the issue of market failure • In respect of the required expertise, the Department indicated that the need to retain existing expertise was clear

Date	Subject	Committee Issues	Response by Department/Key Decisions
10 August 2022	<ul style="list-style-type: none"> Briefing of Select Committee on Appropriations – Hearing on Informal Settlements Upgrading Grant: Presentation by the National Treasury 7 presentation by the Department of Human Settlements. 	<ul style="list-style-type: none"> The Committee indicated that it intends to conduct oversight visits to verify/confirm what has been presented and in order to ascertain service delivery on the ground; Whether there were any measures in place to mitigate failure to spend transferred funds Inconsistencies in reporting Whether there were any specific steps to deal with incoherence in relation to the IDPs of Municipalities What was being done by Provincial Departments and Municipalities in the context of IGR to pre-empt any unnecessary delays in the implementation of projects and fast-tracking of service delivery In terms of the budget cycle requiring time for planning, whether there are any plans to assist Municipalities Concern expressed on the issue of unlawful land occupation, including the difficulty for Municipalities to comply with the PIE Act; Whether the Grant allows for the procurement of land for human settlements development 	<ul style="list-style-type: none"> National Treasury indicated that it was in the process of reviewing all grants and in due course it was going to indicate to the Select Committee what has been done It also agreed with the Select Committee that entities and metropolitan Municipalities are to be invited to appear before the Select Committee On the issue of inconsistencies in reporting, National Treasury indicated that no sector analysis had been conducted on the issue, however, inconsistencies in numbers were due to the fact that numbers change consistently until the audit has been completed; With regard to rollovers and the failure to spend, the Committee was informed that National Treasury does allow for such but rollovers have to follow the Division of Revenue Act process Poor performance was due to poor planning, since projects are being approved but without bulk services/infrastructure The Department of Human Settlements indicated the following: <ul style="list-style-type: none"> Review of grants to be undertaken To enhance monitoring and evaluation – stricter monitoring to become the norm Each and every Metropolitan Municipality and province to present regular performance reports The Department to provide technical support to struggling Municipalities On the issue of unlawful occupation of land, this phenomenon has to be stopped, and that the role of courts to issue interdicts against unlawful land occupiers has to be utilised as it was imperative to begin to deal and hold those responsible accountable since land invasions were denying the Department the opportunity and latitude to carry out proper planning The Department does provide for land acquisition, and that 14 000 hectares of state land was set to be transferred for human settlements development With respect to infrastructure development and provision of bulk services, the Department was set to tap into the Infrastructure Fund and that the Development Bank of Southern Africa has also been brought on board

Date	Subject	Committee Issues	Response by Department/Key Decisions
31 August 2022	<ul style="list-style-type: none"> • Briefing of Portfolio Committee on Human Settlements by the Department and Provincial Departments of the Eastern Cape, Free State and Gauteng on: <ul style="list-style-type: none"> o Shifting of funds from province to province o Plans to remove asbestos roofs and eradicate mud houses o Unblocking of blocked projects 	<ul style="list-style-type: none"> • More detail sought on the process of shifting funds and re-allocating of funds from province to another due to non-performance • What the impact has been on citizens from which funds have been shifted • What was delaying the removal of asbestos roofs, mud houses and financial implications on the unblocking of blocked projects • Any funds that were recovered from contractors that had abandoned projects • Update on informal settlements upgrading 	<ul style="list-style-type: none"> • The process of shifting of funds due to non-performance from province to province was undertaken in terms of the Division of Revenue Act (DoRA) which sets out criteria to be considered, including timeframe to be considered during which the re-allocation is to be effected, as well as provincial recovery plans • Regarding impact on citizens of the affected province, reference was made to various provisions of the DoRA (Act No. 5 of 2002) which provides for the shifting and re-allocating of funds. for a Department's failure to perform certainly had an impact on service delivery • It was further explained that it was imperative for provinces to which funds are to be re-allocated to have the ability to absorb the funds re-allocated • Regarding removal of asbestos roofs, the national framework was gazetted in 2020, process is to be undertaken over a three-year period and the Department is to report on the removal on a quarterly basis • On the eradication of mud houses, the Committee was informed of the Ministerial directive to undertake assessment in three months' time, which includes the impact of climate change and to have every mud house included in the data base • On unblocking of blocked projects, some of the projects require township establishment • Committee was informed of a Restrictive Authority Committee being set up to allow for the blacklisting of contractors responsible for shoddy workmanship and incomplete or abandoned projects • On informal settlements upgrading, it was reported that data was available on informal settlements which have been mapped by the Housing Development Agency and the National Department, and these were at various stages of being upgraded
7 Sept 2022	<ul style="list-style-type: none"> • Briefing of Portfolio Committee on Human Settlements by the Department and Provincial Departments of KwaZulu-Natal, Limpopo and Mpumalanga on: <ul style="list-style-type: none"> o Shifting of funds from province to province o Plans to remove asbestos roofs and eradicate mud houses o Unblocking of blocked projects 	<ul style="list-style-type: none"> • Need to fast-track implementation of the issuance of title deeds • Prioritisation of bulk infrastructure as part of unblocking projects • Need to devise a strategy to deal with construction mafia which contributes to projects being stalled or blocked 	<ul style="list-style-type: none"> • To fast-track strategy for the implementation of the issuance of the title deeds and registration • Provinces to conduct audits of private land that may be considered for human settlements development • Issue of construction mafia is a criminal matter and has to be dealt with as such, and hence the need for the involvement of the security cluster, particularly the police and related security agencies

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14 September 2022	<ul style="list-style-type: none"> • Briefing of Portfolio Committee on Human Settlements by the Department and Provincial Departments of North West, Northern Cape and Western Cape on: <ul style="list-style-type: none"> o Shifting of funds from province to province o Plans to remove asbestos roofs and eradicate mud houses; o Unblocking of blocked projects 	<ul style="list-style-type: none"> • Need to fast-track implementation of the issuance of title deeds • Prioritisation of bulk infrastructure as part of unblocking projects • Need to devise a strategy to deal with construction mafia which contributes to projects being stalled or blocked 	<ul style="list-style-type: none"> • To fast-track strategy for the implementation of the issuance of the title deeds and registration • Provinces to conduct audits of private land that may be considered for human settlements development • Issue of construction mafia is a criminal matter and has to be dealt with as such, and hence the need for the involvement of the security cluster, particularly the police and related security agencies
16 September 2022	<ul style="list-style-type: none"> • Briefing of Joint Meeting of Portfolio Committee on Labour and Employment as well the Portfolio Committee on Agriculture, Land Reform and Rural Development by the Department of Human Settlements on: <ul style="list-style-type: none"> o Living and working conditions in farming areas of South Africa. 	<ul style="list-style-type: none"> • General recognition that there are still high-levels of socio-economic challenges facing rural dwellers, particularly those living and working on farms • Implementation of National Housing Programme for housing assistance for farm residents • Strategies and mechanisms to track and monitor evictions from farms in order to respond to housing needs and to protect victims of evictions in collaboration with other relevant government agencies • Criteria for allocation 	<ul style="list-style-type: none"> • The National Programme seeks to provide a practical approach to the housing needs of farm residents through various development options, provision for rental as well as ownership options • Protection of land and other rights • Farm Residents Subsidy provided and granted to individual households within the context of a project-based approach • Farm Residents Subsidy seeks to provide access to adequate housing, including basic services and secure tenure • There is a need to conduct an evaluation of the current programme in partnership with the Department of Planning, Monitoring and Evaluation • Beneficiaries to be afforded digital platforms to register their needs, in the interim to be encouraged to register their housing needs on the existing National Needs Register • Qualification criteria also provided

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21 September 2022	<ul style="list-style-type: none"> • Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> o Update on Breede Valley Petition 	<ul style="list-style-type: none"> • The Committee cautioned against clouding issues but called for the need to focus on issues raised in the petition • That the National Department should monitor developments as per the petition • The National and Provincial Department of Western Cape to provide quarterly updates to the Committee • The Committee noted the progress to date and requested both National and Provincial Departments of Human Settlements to provide progress updates on a quarterly basis • However, two issues that have to be dealt with differently and decisively, namely: <ul style="list-style-type: none"> o Land hunger attributed to the apartheid spatial planning, and that the Committee was not in any way condoning unlawful occupation of land and land invasion, but there has to be provision of serviced sites expeditiously o Need for mutual agreement with the local law enforcement agencies in order to deal decisively with matters of security 	<ul style="list-style-type: none"> • The Deputy Minister had sought to intervene in the matter by consulting the Councillor who had submitted the petition, visited the area as well as held follow-up meetings • The Western Cape Provincial Department indicated that a Project Steering Committee, among others, had been established, including packaging and costing of the project which had since been elevated to the status of a catalytic project expected to yield approximately 8 000 housing units • The National Department of Human Settlements to continue to work collaboratively with both the Breede Valley Municipality and the Western Cape Provincial Department of Human Settlements including holding of regular intergovernmental interactions. The Provincial Department also undertook to factor in its business plan reasons why projects are delayed
12 October 2022 [am]	<ul style="list-style-type: none"> • Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> o Office of the Auditor-General of South Africa briefed the Committee on Audit findings and outcomes in assessing financial and non-financial performance of the Department and its entities for the 2021/22 financial year 	<ul style="list-style-type: none"> • AGSA: Three years into the current administration, the human settlements sector has demonstrated no sign of improvement in its overall audit outcomes, performance targets, consequence management and coordination • DPME: Lack of performance in the issuance of title deeds and need to establish a new set of operational and institutional arrangements to the development of an appropriate funding mechanism for Human Settlements Programmes 	<ul style="list-style-type: none"> • Regarding the Auditor-General's findings, the Department to formulate a strategy, including an action plan to deal with these • To improve on monitoring and evaluation of performance

Date	Subject	Committee Issues	Response by Department/Key Decisions
12 October 2022 [pm]	<ul style="list-style-type: none"> Department of Human Settlements briefed the Portfolio Committee on Human Settlements on its Annual Report for 2021/22 	<ul style="list-style-type: none"> Commitment by the Department was required to provide feedback on matters raised by the Auditor-General on a quarterly basis There was a need to tighten up on governance issues in order to prevent recurrence of issues raised by the Auditor-General 	<ul style="list-style-type: none"> In relation to the provincial Business Plans, signing off of these was now a Ministerial undertaking as part of the accountability mechanism together with the standardisation of indicators in the Annual Performance Plan and Strategic Plan, including the validation process of the indicators
14 October 2022	<ul style="list-style-type: none"> Briefing of Portfolio Committee on Human Settlements by Human Settlements Entities (NHBRC, NHFC and SHRA) on their respective audit outcomes 	<ul style="list-style-type: none"> National Home Builders Registration Council – Provide progress update on audit findings National Housing Finance Corporation – Provide progress update on audit findings Social Housing Regulatory Authority – Provide progress update on audit findings 	<ul style="list-style-type: none"> NHBRC – the entity was working towards a clean audit, filling of vacant executive positions, including all issues raised by the Auditor-General NHFC – A new Board in place as of the end of March 2022, management has put in place a plan to deal with all issues raised by the Auditor-General while also working towards achieving a clean audit and the establishment of the Human Settlements Development Bank SHRA – commenced with an organisational review and redesign
19 October 2022	<ul style="list-style-type: none"> Briefing of Portfolio Committee on Human Settlements Entities (HDA, PPRA and CSOS) on their respective audit outcomes 	<ul style="list-style-type: none"> Housing Development Agency – Progress update and compliance with the Audit Action Plan Property Practitioners Regulatory Authority – Implementation of Management Action Plan to address 2022/21 audit outcome findings Community Schemes Ombud Services – Update on the filling of critical executive positions 	<ul style="list-style-type: none"> HDA – The Board with the support of the Executive expedited the appointment of critical executive positions (CEO and CFO); conclusion of organisational structure, strengthening of internal controls including supply chain and financial management PPRA – Transformation programme funded by SETA which will enable the entity to drive youth employment and public education programmes. The entity is also seized with upgrading its IT system, and procurement function has been enhanced, is transparent in order to avoid fruitless and wasteful expenditure CSOS – All key executive positions in the process of being filled including populating of the new organogram
11 November 2022	<ul style="list-style-type: none"> Meeting of Portfolio Committee on Human Settlements to consider Petition on Loss of Houses submitted to Parliament by Four Residents of Ga-Rankuwa and Mabopane 	<ul style="list-style-type: none"> Lack of a formal process to hand over of the houses following the pronouncement by the then Minister of Housing Failure by the City of Tshwane to open a case against officials that had sold houses belonging to the petitioners instead of challenging the Public Protector’s remedial action as well as taking the Public Protector’s report on review Need to explore other options to address concerns of the petitioners, including claim and compensation for damages/losses in respect of business opportunities suffered 	<ul style="list-style-type: none"> Department expressed its commitment to look into the matter including what appropriate interventions are required for the petitioners to receive restitution and restorative justice Department to provide a progress report on the resolution of the matter in three months’ time The Minister to be briefed on the matter

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30 November 2022	<ul style="list-style-type: none"> • Meeting of Portfolio Committee on Human Settlements: • Briefing by the Office of the Chief Registrar on the process and procedures in the issuance of title deeds 	<ul style="list-style-type: none"> • Role of the Office of Registrar of Deeds • Duties of the Registrar of Deeds • Whether title deeds were issued for communal land • Whether there is such a thing called a family title deed 	<ul style="list-style-type: none"> • Role of the Office of Registrar of Deeds was explained to the Committee, that it was not to issue title deeds, but to register (registration of title deeds) • It was also explained that communal land was deemed to fall under the authority of traditional leaders and that access to communal land was on the basis of Permission to Occupy • It was further explained that there was no provision for a family title deed, hence the family has to decide on a person to be the registered owner of the family home
8 February 2023	<ul style="list-style-type: none"> • Meeting of Portfolio Committee on Human Settlements: • Briefing on the digitisation of beneficiary list <ul style="list-style-type: none"> o Strategy to transform the apartheid urban spatial design o Strategy for the issuance of title deeds 	<ul style="list-style-type: none"> • Clarity sought on investment on Priority Development Areas • Need to ensure mixed-use developments • For the Committee spatial transformation should include improving of new housing opportunities as well as ensure access to better-located housing opportunities that includes development of historically under-developed communities • Strategy to improve the issuance of title deeds 	<ul style="list-style-type: none"> • The Department has seized with the process of digital transformation and digitisation of Housing and Human Settlements Delivery Chain • Still on digitisation, the Department has been in consultation with the State Information and Technology Agency (SITA) on the development of the digitisation process of the housing beneficiary list • Transformation of the apartheid urban spatial design requires all three spheres of government • The issue of mixed-use and integrated developments are mandatory as Municipalities and Provinces are required to submit programmes that are aligned to Priority Development Areas • On strategy to fast-track issuance of title deeds, this is to be expedited in collaboration with both Municipalities and Provincial Departments
22 February 2023	<ul style="list-style-type: none"> • Briefing of Portfolio Committee on Human Settlements by City of Cape Town and Ekurhuleni on: <ul style="list-style-type: none"> o Utilisation of Urban Settlements Development Grant (USDG) o Informal Settlements Upgrading o Serviced Sites o Unlawful Land Occupation/Land Invasion 	<ul style="list-style-type: none"> • Concern expressed in relation to the decision by the National Treasury to withhold the USDG due to non-performance • Failure to spend was as a consequence of the failure to plan • Provisions of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (PIE Act) requiring review • Workshop on procurement processes including the Public Finance Management Act • Role of law enforcement agencies in dealing with unlawful occupation of land, as well as with the so-called Business Fora/construction mafia 	<ul style="list-style-type: none"> • Decision to withhold the Grant was taken in order to ensure value for money • Political instability in some of the Metropolitan Municipalities leading to the failure to pass Budget Adjustment, thus impacting on service delivery as well as loss of time in respect of project implementation • In relation to the proposal to review the PIE Act, this was in relation to the issue of timeframes to evict unlawful occupiers of land; • A workshop on procurement processes including the Public Finance Management Act (PFMA) to be convened with all Metropolitan Municipalities • In terms of safe-guarding land earmarked for human settlements development from unlawful occupation, the challenge was the capacity on the part of Metropolitan Municipalities when unlawful occupation of land happens on a large scale, hence the need for the intervention of the security cluster and adequate resourcing of law-enforcement agencies. The need for forward planning including project pipeline planning were both required and are to be encouraged

Date	Subject	Committee Issues	Response by Department/Key Decisions
1 March 2023	<ul style="list-style-type: none"> • Meeting of Portfolio Committee on Human Settlements by: • Briefing by North West Housing Corporation and City of Tshwane on progress made in respect of the petition of Ga-Rankuwa and Mabopane residents <ul style="list-style-type: none"> o Briefing by Western Cape Department of Human Settlements and Breede Valley Municipality on the Breede Valley Petition 	<ul style="list-style-type: none"> • Report presented by North West Housing Corporation was said to be regressive, misleading and undermining, hence it was rejected • Expressed displeasure that petitioners were being offered plots on paper and yet the North West Housing Corporation had committed itself to provide suitable land for consideration by the petitioners • Committee also took issue with the City of Tshwane for its decision to take on review the report of the Public Protector and its recommendations • On the Breede Valley Petition, both the Breede Valley Municipality and Western Cape Provincial Department to specify timeframes on what each sphere is to do 	<ul style="list-style-type: none"> • Department of Human Settlements to interact with the North West Provincial Department to arrange for possible viewing by petitioners of sites being offered • City of Tshwane to provide a report on any investigation undertaken on the matter pertaining to the sale of the petitioners' houses • Progress Report on the matter to be presented on 26 March 2023 • Department to be part of the next visit of the Committee to Breede Valley Municipality • Department's officials responsible for Business Plans and Informal Settlements Upgrading to convene a meeting with the Western Cape Provincial Department and the Breede Valley Municipality
8 March 2003	<ul style="list-style-type: none"> • Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> o Briefing by Buffalo City Metropolitan Municipality, Nelson Mandela Bay Metropolitan Municipality and Ethekwini Metropolitan Municipality on Utilisation of USDG, Informal Settlements Upgrading, serviced sites, unlawful land occupation/land invasion 	<ul style="list-style-type: none"> • The Committee noted that all the Metropolitan Municipalities were calling for the review of the Act • National Department to determine what land National Government has at its disposal, particularly land that belongs to the Department of Human Settlements • Department to provide a report on land expropriation and why no expropriation of any land for human settlement purposes, particularly within the inner city, and whether there are any pieces of land parcels that the Municipalities had requested the Minister to expropriate for human settlements • Committee also noted that some people were compelled to move to informal settlements as well as resort to unlawful land occupation after waiting for housing assistance for far too long 	<ul style="list-style-type: none"> • Metropolitan Municipalities proposed an amendment to the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act in an effort to curb unlawful land occupation/land invasion • Both the COVID-19 pandemic and recent flood disasters had an impact on service delivery • Service delivery is also being impacted negatively by construction mafia • Need for a uniform strategy to deal with land invasion/unlawful land occupation • Project pipeline planning to be factored into Business Plans • Department to submit a register of what was being done with acquired land by the Housing Development Agency • Establishment of War Rooms across all provinces • Transformation and upgrading of informal settlements being undertaken in terms of the United Nations Urban Agenda • Also indicated that the cost drivers for informal settlements upgrading bulk infrastructure (bulk services and social amenities) • Department of Human Settlements undertook to respond in writing on the issue of land expropriation particularly, within the city

Date	Subject	Committee Issues	Response by Department/Key Decisions
15 March 2023	<ul style="list-style-type: none"> • Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> ◦ Department of Human Settlements presented its Second and Third Quarter Reports (July to September 2022 and October to December 2022) 	<ul style="list-style-type: none"> • National Treasury be invited to brief the Committee on Provinces that have had funds withdrawn and those that have been recipients of re-allocated funds • Non-performance on the issuing of title deeds • Report on tenders awarded to designated groups in provinces that were recipients of re-allocated funds; 	<ul style="list-style-type: none"> • Department of Human Settlements is required to follow-up once funds have been transferred to provinces, as it was duty-bound to ensure that the funds were utilised for their intended purpose • Reported that stopping and re-allocation of funds was a decision taken with the National Treasury and that the final approval rests with the National Treasury • On the issuing of title deeds non-performance, a variety of challenges were at play including land planning and township establishment – planned meetings to engage champions of District Development Model on the issue of title deeds
		<ul style="list-style-type: none"> • Update on the removal asbestos roofs in the Western Cape as there was no information on the need for the removal of asbestos roofing within the Province in terms of the Province’s Business Plan; • Whether there were any recovery plans to assist Municipalities on the non-performance of the Urban Settlements Development Grant? 	<ul style="list-style-type: none"> • Department reported it was actively participating in the District Development Model and on the issue of title deeds, reported of the partnership concluded with the Vulindlela Project that seeks to deal with the eradication of the title deeds backlog • In terms of the Division of the Revenue Act, the Department as the transferring authority, plays a monitoring role on a monthly basis as provided by the Grant Framework for managing the grant and the flow of funds was conditional on the approval of Business Plans
22 March 2023	<ul style="list-style-type: none"> • Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> ◦ Briefing by Property Practitioners Regulatory Authority (PPRA) on progress in implementing recommendations of the Auditor-General of South Africa ◦ Briefing by National Housing Finance Corporation (NHFC) on the implementation of the Finance-Linked Individual Subsidy (FLISP) 	<ul style="list-style-type: none"> • In respect-of the PPRA – Timeline for the conclusion of the CCMA process currently underway in respect of the erstwhile CEO • PPRA – What was being done to resolve IT challenges and SCM challenges • PPRA – Process of implementing consequence management for irregular appointments • NHFC – Need to publicise the FLISP and suggested to consider partnering with organised labour (trade unions) • NHFC – Any plan to assist indebted people in terms of the FLISP 	<ul style="list-style-type: none"> • PPRA undertook to maintain the momentum of its Action Plan, however, indicated that on the matter that is currently at the CCMA, it was not in a position to provide an answer on the timeframe for conclusion of the matter as this was out of the control of the entity • PPRA – Regarding IT systems, the entity was in the process of procuring a new system via the transversal procurement process which adheres to the SCM Further, it was indicated that it had ensured a proper diagnostic process and adherence to proper SCM procedures. Still on IT system, it was indicated that an application had previously been created but was not fit for purpose, and that an amount that had been paid to a service provider responsible was in the process of being recouped by the entity • PPRA – the entity was in the process of implementing consequence management for the irregular appointments due to the previous recruitment process, and that the disciplinary process was set to be concluded on 25 March 2023 • NHFC – The entity indicated that it was receptive to the suggestion to partner with organised labour (trade unions) even at the level of the federation • NHFC – With regard to debt rehabilitation, there is a need for a two-pronged strategy, one that entails financial education and awareness and one that involves or entails the role of financial institutions to work with employers at both public and private institutions in an effort to assist the indebted

Date	Subject	Committee Issues	Response by Department/Key Decisions
16–19 August 2022	<ul style="list-style-type: none"> Joint oversight visit by select Committee on Security and Justice; and Select Committee on Cooperative Governance and Traditional Affairs; and Water, Sanitation and Human Settlements to Free State Province 	<ul style="list-style-type: none"> Assessment of housing delivery and provision of housing benefits to military veterans Poor workmanship including structural defects Some units not connected to the main sewer line 	<ul style="list-style-type: none"> Local Municipality to attend to all service delivery challenges including all the issues observed during the joint oversight visit Department of Military Veterans to assist the Free State in the verification of the database for military veterans
14–18 November 2022	<ul style="list-style-type: none"> Taking Parliament to the People – KwaZulu-Natal 	<ul style="list-style-type: none"> Issue of housing allocation Shoddy workmanship Provision of bulk infrastructure Intervention following flood disaster Provision of suitable housing for the disabled persons Eradication of mud houses and asbestos roofs 	<ul style="list-style-type: none"> Provincial Department of Human Settlements to introduce People’s Housing Process to expedite development and provision of housing, prioritising the disabled and the elderly To continue to provide temporary residential units as a temporary measure in response to flood disasters To prioritise replacement of mud houses and removal of asbestos roofs over a three-year period
27–31 March 2023	<ul style="list-style-type: none"> Portfolio Committee on Human Settlements conducted oversight visits to Northern and North West Provinces 	<ul style="list-style-type: none"> The objective of the oversight visits was to hold briefing sessions with Provincial Departments of the two respective provinces, including Municipalities to be visited as well as other relevant stakeholders in relation to the implementation of human settlements strategic plans, projects and programmes Progress report on the petition of Ga-Rankuwa and Mabopane residents 	<ul style="list-style-type: none"> Site visits to various housing projects were conducted in order to assess progress, challenges and feedback from beneficiaries and communities. In attendance were officials from both the national department as well as from the respective Provincial Departments North West Housing Corporation together with the North West Provincial Department of Human Settlements, City of Tshwane, Gauteng Provincial Department of Human Settlements and the Housing Development Agency to expedite the construction of top structures at the various sites set aside for the petitioners while also ensuring that township establishment is expedited for the issuing of title deeds

- The Portfolio Committee on Human Settlements further embarked on Public Hearings on the Housing Consumer Protection Bill [B10 -2021] section 76 visiting all nine provinces as indicated below. (the Department of Human Settlements was also in attendance at all the Public Hearings including further engagements in the aftermath of the Public Hearings). The Housing Consumer Protection Bill seeks to provide for the protection of housing consumers, and among others, to provide for the continuance of the National Home Builders Registration Council (NHBRC). In an effort to facilitate public participation on the Bill, the Committee conducted nation-wide, in person public hearings in three districts per province in all nine provinces, between 22 April and 6 November 2022. Furthermore, the Committee conducted virtual Public Hearings on 9 November 2022, and the Committee received oral submissions from the Master Builders South Africa (MBSA) and Development Action Group (DAG). The Department of Human Settlements responded to the

issues raised during the Public Hearings on 11 November 2022.

- o **22–24 April 2022:** Eastern Cape Province (King Sabata Dalindyebo District Municipality, Buffalo City Metropolitan Municipality and Nelson Mandela Metropolitan Municipality)
- o **13–15 May 2022:** Free State Province (Mangaung Metropolitan Municipality, Thabo Mofutsanyane District and Fezile Dabi District)
- o **27–29 May 2022:** Gauteng Province (City of Tshwane Metropolitan Municipality, City of Ekurhuleni Metropolitan Municipality and City of Johannesburg Metropolitan Municipality)
- o **3–5 June 2022:** KwaZulu-Natal Province (King Cetshwayo District Municipality, uMgungundlovu Municipality and eThekweni Metropolitan Municipality)
- o **26–28 August 2022:** Limpopo Province (Mopani District Municipality, Capricorn District Municipality and Sekhukhune District Municipality)

- o **9–11 September 2022:** Mpumalanga Province (Ehlanzeni District Municipality, Gert Sibande District Municipality and Nkangala District Municipality)
- o **16–18 September 2022:** Northern Cape Province (ZF Mgcawu District Municipality, John Taolo Gaetsewe District Municipality and Francis Baard District Municipality)
- o **21–23 October 2022:** North West Province (City of Matlosana Local Municipality, Mahikeng Local Municipality and Rustenburg Local Municipality)
- o **4–5 November 2022:** Western Cape Province (George Local Municipality, Breede Valley Municipality and Imizamo Yethu)
- o **9 November 2022:** The Portfolio Committee on Human Settlements further held Public Hearings on the Housing Consumer Protection Bill virtually in Parliament with the following organisations:
 - o Master Builders South Africa
 - o Development Action Group
- **11 November 2022:** Meeting of Portfolio Committee on Human Settlements at which the Department of Human Settlements responded to issues raised during Public Hearings on the Housing Consumer Protection Bill [B10 – 2021]
- **16 November 2022:** Meeting of Portfolio Committee on Human Settlements during which the Committee considered the Motion of Desirability of the Housing Consumer Protection Bill [B10 – 2021]
- **18 November 2022:** Meeting of Portfolio Committee on Human Settlements to consider the Housing Consumer Protection Bill, clause-by-clause
- **23 November 2022:** Meeting of Portfolio Committee on Human Settlements to further consider clause-by-clause the Housing Consumer Protection Bill including the Draft A-List
- **25 November 2022:** Meeting of Portfolio Committee on Human Settlements to consider the B-version of the Housing Consumer Protection Bill
- **30 November 2022:** Meeting to Portfolio Committee on Human Settlements to consider both the A and B versions of the Housing Consumer Protection Bill [B10 – 2021].

To note:

- The Portfolio Committee on Human Settlements having considered the Housing Consumer Protection Bill [B10 – 2021] (National Assembly – section 76), adopted the report on the Bill with amendments. The Bill has since been passed by the National Assembly and transmitted for concurrence to the National Council of Provinces.
- The Department of Human Settlements did not appear before the Standing Committee on Public Accounts (SCOPA) during the period under review.

B. Cabinet and Its Committees

B.1 The following Cabinet Memoranda were tabled at Cabinet and its Committees on behalf of the Department of Human Settlements:

- B.1.1 Memorandum on the Appointment of Chief Executive Officer of the Housing Development Agency
- B.1.2 Memorandum on the Appointment of Chief Financial Officer of the Housing Development Agency
- B.1.3 Memorandum on the Appointment of Members of the Office of Disclosure of the Home Loan and Mortgage Disclosure
- B.1.4 Memorandum on the National Report on Implementing the New Urban Agenda
- B.1.5 Memorandum on the Appointment of the Chief Executive Officer for Social Housing Regulatory Authority (SHRA)

- B.1.6 Memorandum on the Development of the White Paper on Human Settlements which incorporates the Housing Delivery Models and Addresses Elimination of Policy Contradictions
- B.1.7 Memorandum on the Appointment of New Members to Serve on the Sectional Title Schemes Management Advisory Council
- B.1.8 Memorandum on the Report on Progress made on Interventions Emanating from April 2022 Disaster in KwaZulu-Natal, including the Adopted Strategy for moving people out of the Mass Care Centres or Shelters
- B.1.9 Memorandum on the Launch of the Global Action Plan Framework on Informal Settlements and Slums
- B.1.10 Memorandum on the Appointment of Non-Executive Board Members of the National Housing Finance Corporation (NHFC).

C. Parliamentary Questions

- C.1 Total number of questions for written reply received from National Assembly during period April 2022–March 2023 = 132
- C.2 Total number of questions for oral reply received from National Assembly during period April 2022–March 2023 = 14
- C.3 Total number of questions for written reply received from National Council of Provinces during period April 2022–March 2023 = 43
- C.4 Total number of questions for oral reply received from National Council of Provinces during period April 2022–March 2023 = 5.

Grand total number of questions received from Parliament during the period 1 April 2022–31 March 2023 = 194.

D. Tablings

- D.1 **The following Annual Reports were submitted for tabling in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999):**
 - Report and Financial Statement of Vote 33 – Department of Human Settlements for 2021/22, including the Report of the Auditor-General on the Financial Statements and

Performance Information for 2021/22

- Integrated Report and Financial Statements of the National Housing Finance Corporation SOC Ltd (NHFC) for 2021/22, including the Report of the Auditor-General on the Financial Statements for 2021/22
- Report and Financial Statements of the Thubelisha Homes NPC (in Liquidation) for 2021/22, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2021/22
- Report and Financial Statements of the Community Scheme Ombud Services (CSOS) for 2021/22, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2021/22
- Report and Financial Statements of the Social Housing Regulatory Authority (SHRA) for 2021/22, including the Report of the Independent on the Financial Statements and Performance Information for 2021/22
- Report and Financial Statements of the National Housing Finance Corporation (NHFC) for 2021/22, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2021/22
- Report and Financial Statements of the Property Practitioners Regulatory Authority (PPRA) for 2021/22, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2021 – 22
- Report and Financial Statements of the National Home Builders Registration Council (NHBRC) for 2021/22, including the Report of the Auditor-General on the Financial Statements for 2021/22
- Report and Financial Statements of the Housing Development Agency (HDA) for 2021-22, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2021/22.

- D.2 **The following reports were submitted to the Speaker of the National Assembly for tabling and referral to the Portfolio Committee on Human Settlements in terms of section 10 of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009):**
 - Annual Performance Plan of the Department of Human Settlements for 2023/24
 - Annual Performance Plan of the National Home Builders Registration Council (NHBRC)

for 2023/24

- Annual Performance Plan of the National Housing Finance Corporation (NHFC) SOC Ltd for 2023/24
- Annual Performance Plan of the Social Housing Regulatory Authority (SHRA) for 2023/24
- Annual Performance Plan of the Housing Development Agency (HDA) for 2023/24
- Annual Performance Plan of the Community Schemes Ombud Service (CSOS) for 2023/24
- Annual Performance Plan of the Property Practitioners Regulatory Authority (PPRA) (formerly known as the Estate Agency Affairs Board) for 2023/24.

D.3 The following reports were submitted to the Speaker of the National Assembly for referral to the Portfolio Committee on Human Settlements:

- Digitisation process of housing beneficiary lists
- Progress in aligning Departmental Plans with the District Development Model.

E.1 Cluster Support:

- Monthly meetings of the Economic Sectors, Investment, Employment and Infrastructure Development (ESIEID) Cluster were held with a particular focus on Economic Recovery and Reconstruction Programme
- Further, a workshop was held for the ESIEID Cluster on 17–18 November 2023 at which the Department participated
- One Strategic Planning Workshop for the International Cooperation, Trade and Security (ICTS) Cluster was held on 20 October 2022, which the Department of Human Settlements participated in.

8. SCOPA RESOLUTIONS

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 Internal Control Unit is the custodian of the Action Plan and thus monitored implementation of planned actions. Responsible managers updated the Action Plan and submitted their inputs to the Internal Control Unit. These inputs were consolidated by the Internal Control Unit and an updated document was submitted to Internal Audit for verification of progress.

Internal Auditors verified the progress on implementation of the planned actions as reported on in 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 Officer'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 channelled through the Internal Control Unit for submission to the Office of the Auditor-General.
- Played the role of a custodian of the External Audit Action Plan. In doing this, the Unit:

- o Co-ordinated the development of the Action Plan
- o Collected input from responsible managers on progress achieved in implementing planned actions
- o Consolidated all input received from responsible managers and produced an updated document
- Served as a custodian of all supporting documentation for all payments processed
- Fulfilled the role of Secretariat to the Loss Control Committee
- Managed the following registers:
 - o Losses incurred by the Department
 - o Irregular expenditure
 - o Fruitless and wasteful expenditure
- Conducted compliance reviews in respect of expenditure incurred during the financial year.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit

The objective of the Directorate Internal Audit (DIA) 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 requirements, the Directorate developed the risk-based Internal Audit Plan and the rolling three-year plan.

The DIA successfully completed the approved the Internal Audit Plan and furthermore, a part of the consulting services the Internal Audit Unit completed six Ad-hoc/management requests which include irregular, fruitless and wasteful expenditure reviews. The Unit further satisfactory co-ordinated eight Audit Committee meetings and facilitated the Combined Assurance activities.

The Directorate is tasked with responsibility to facilitate and co-ordinate the combined assurance activities and during the period under review, the Unit developed a Combined Assurance Plan (CAP) for the 2022/23 financial year that is aligned with the Strategic Enterprise-wide Risk Register of the

Department. The unit reported bi-annually to the governance structure (Executive Management, RMC and Audit Committee) progress in the implementation of the CAP.

During the period under review, the DIA has undergone the External Quality Assurance Review (EQAR) required under the International Standards for the Professional Practice of Internal Auditing (Standards 1312) and achieved the General Conformance (GC) outcome this means that the Unit has a Charter, policies and processes that are judged to be in conformance with the Standards and the Code of Ethics in all material respects.

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

- Review of the Strategic Plan and Annual Performance Plan
- Data Analytics Review (Transversal Systems and Housing Subsidy System)
- Follow-up on the Auditor-General Action Plan
- Division of Revenue (DoRA) Reviews
- Performance Audit on Human Resources Management
- Performance Audit on FHF
- Performance Audit on Rental and Social Housing Programme
- IT Security Review
- Application Controls Review on the e-Submission System.

12. AUDIT COMMITTEE REPORT – 2022/23

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

The Committee is pleased to present its report for the year ended 31 March 2023.

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.

Audit Committee members and attendance

The Committee comprises five (5) independent members. During the financial year ended 31 March 2023, the committee held eight [8] meetings. The Committee is required to meet at least four [4] times per annum as per its approved terms of reference and also hold special meetings where necessary.

Name	Qualifications	Date Appointed	No. of meetings attended
Ms. Nontlaza Sizani – Chairperson	<ul style="list-style-type: none"> Bachelor of Accounting Science Honours Bachelor of Commerce Senior Teachers Diploma Post Graduate Diploma in Management Certificate in the Theory of Accountancy (CTA) AGA (SA) Cert. Director (IODSA) 	01 Oct 2018*	8
Dr. Malindi Neluheni	<ul style="list-style-type: none"> Doctor of Philosophy (Architecture-Engineering Minor) Master's Degree in Urban and Regional Planning Bachelor of Arts Honours in Geography Bachelor of Arts Primary Teacher's Certificate Member of the Institute of Directors (South Africa) 	01 Oct 2018*	8

Name	Qualifications	Date Appointed	No. of meetings attended
Dr. Charles Motau	<ul style="list-style-type: none"> Doctor Technologiae: Computer Science and Data Processing Master's Degree in Business Leadership [MBL] Master's Degree in Information Technology Bachelor of Commerce Higher Diploma in Computer Auditing Certificate in IT Projects Management Certificate in Executive Leadership Certificate in Human Resource Management Certificate in Digital Transformation Strategy 	01 Oct 2018*	8
Dr. Sipehelele Zulu	<ul style="list-style-type: none"> PhD in Human Resource Management LLM – Masters in Law: Labour Studies Masters Degree in Human Resource Management Bachelors of Social Science Honours in Industrial Relations Bachelor of Education Honours in Education HDE (Post-Graduate Diploma) Bachelor of Arts 	01 Aug 2021**	8
Ms. Keitumetse Mahlangu	<ul style="list-style-type: none"> B PROC LLB LLM: Corporate Commercial Management Advanced Programme (MAP) Certificate in Fraud Examination 	01 Aug 2021**	8

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

The Effectiveness of Internal Control

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 system internal controls, risk management and governance processes 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:

1. Payments were made before services were received, in contravention of treasury regulation 15.10.1.2(c).
2. Proper control systems were not in place at the department to ensure the safeguarding of assets, as required by treasury regulation 10.1.1(a).
3. The material misstatements reported with the regard to performance information in the following programme Integrated Human Settlements Planning and Development Programme and Affordable Housing Programme which were subsequently corrected

Effectiveness of Internal Audit

The Department has a functional internal audit function which has been established in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) and the prevailing Treasury Regulations. Internal audit reports functional to the audit committee and administratively to the Accounting Officer. During the period under review, the internal audit has discharged its role and responsibilities as required in terms of Treasury Regulations and the approved Internal Audit Charter.

The Audit Committee commend the Internal Audit function in line with the standards, for establishing an effective internal quality assurance programme which has been confirmed during the external quality assessment review, as the unit has been rated a “general conformance” which means that the unit conforms to the standards as well as the code ethics and therefore the unit can now use the statement that it “conforms with the international standards for the professional practice of internal auditing”.

The committee has approved the risk based, three-year rolling, strategic internal audit plan and an annual audit coverage plan [1 April 2022 to 31 March 2023] and the committee reviewed the Internal Audit work, which was reported to the committee on a quarterly basis of which that work conducted highlighted deficiencies in system of internal controls, risk management and governance processes, 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 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 the department’s policies on risk management, risk registers and the reports from the risk committee, and is generally satisfied with the maturity of the risk management process.

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 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 reviewed the Annual Financial Statements prepared by the entity before submission to the Auditor General of South Africa and consequently also the audited Annual Financial Statements and discussed the audited Annual Financial Statements, to be included in the annual report, with the Auditor-General of South Africa and the Accounting Officer and is satisfied that the accounting policies used are appropriate. The Annual Financial Statements were reviewed with the following focus:

- 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 commend management for good quality annual financial statements submitted for audit.

Auditor-General's Report

The Committee, in consultation with the Accounting Officer, agreed to the terms of the Auditor General South Africa's engagement letter, audit strategy and audit fees in respect of the 2022/2023 financial year.

The Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements and annual performance information report be accepted and read together with the report of the Auditor General South Africa. The Committee furthermore strongly recommends interaction between the Committee and the management team to discuss and agree on the way forward on the implementation plan for an improved internal control environment within the Entity, thereby addressing the current internal control environment shortcomings of the entity.

Appreciation

The Audit Committee expresses its appreciation to the Accounting Officer, Senior Management team, Internal Audit and the Auditor-General of South Africa, all levels of management and staff of the department for their continued support, cooperation and dedication during the 2022-23 financial year.

Chairperson of the Audit Committee

Department: Human Settlements

Date: 21 August 2023

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBEE requirements of the BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes/No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The National Department of Human Settlements does not issue licences, concessions or other authorisations in respect of economic activity in terms of any law
Developing and implementing a preferential procurement policy?	Yes	The Department has developed and is implementing the Preferential Procurement Policy.
Determining qualification criteria for the sale of state-owned enterprises?	No	The National Department of Human Settlements does 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 partnerships with private sector during the period under review.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The National Department of Human Settlements does not award incentives, grants and investment schemes





PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. OVERVIEW OF HUMAN RESOURCES

The status of human resources in the Department:

During the 2022/23 financial year, the Department continued embarking on the process to review its organisational structure. The proposed organisational structure is not 100% aligned to the Objective Based Budget Structure, however, it is aligned to it as all programmes and sub-programmes outlined in the Objective Based Budget Structure are catered for in the proposed 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 also been taken into consideration in the development of this proposed structure.

Human resource priorities for the year under review and the impact of these:

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 and the Constitution. The process will entail the alignment of the Macro organisational structure to the Objective Based Budget Structure as well as the Micro organisational structure. It is envisaged that the reviewed organisational structure will be implemented within six months after the completion of the project.

While finalising the process of reviewing the organisational structure, there has been stability at Senior Management Service (SMS) level of the Department due to the migration of SMS members to the approved Macro organisational structure. All funded positions at SMS level were advertised within six

months of being vacant and the process of filling these posts is at different stages. Additional support and expertise were also acquired by appointing officials additional to the establishment while the Department is addressing some of the gaps and challenges identified in the review processes.

Filling of prioritised vacant and funded SMS positions

The Department experienced a high rate of staff exits and losses mostly on 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 prescript, and administrative limitations and dynamics.

The cut in the Compensation of Employees (CoE) budget and the review and re-alignment of the Departmental organisational structure at Micro level during the Medium Term Expenditure Framework (MTEF) period was one of the constraints in the Department's endeavour to build capacity to deliver on its mandate. Notwithstanding this, the Department filled the following posts:

- At the beginning of 2022/23 financial year, 15 SMS positions were prioritised and approved to be filled from the original CoE budget
- Four of these SMS positions were advertised and filled and two were filled through transfers from other government departments. The process of filling the other remaining posts will be finalised in the 2023/24 financial year.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce:

The Department continues to enhance skills through the implementation of Human Resource Development Programmes and the Departmental Bursary Programme ensuring that the Department is committed to government's Agenda of a developmental state.

Training and development interventions included Executive Development, Emerging Management Development and Compulsory Induction Programmes which catered for employees at SMS levels up to and including employees appointed on Salary Levels 2-12, inclusive training on Project Khaedu and Business Continuity interventions.

Furthermore, Departmental bursaries were awarded to employees to ensure that they are equipped with the necessitated qualifications to enhance departmental performance and improve service delivery.

The Department finalised the bid process for the appointment of an external service provider to conduct a Departmental-wide Skills Audit exercise for a period of six months commencing in the 2023/24 financial cycle. The Skills Audit exercise/process will assist the Department to develop a Departmental Competency Framework to identify the required functional and technical skills and competencies for the Department to achieve its strategic objectives.

Employee performance management:

The Department complied with the DPSA Circulars 50 and 52 of 2022 on Improvement in Conditions for Employees on Salary Levels 2-12, those covered by the Occupation Specific Dispensation (OSD) and Members of the Senior Management Service (SMS) whereby only notch progression was implemented for qualifying officials within the Department for 2021/22 performance cycle.

Employee wellness programmes:

The Employee wellness programme served as an intervention that enhanced employee productivity, through the:

- Provision of confidential 365/24/7 short-term counselling and referral services internally and externally
- Coordination of health promotion interventions inclusive of quarterly onsite Wellness Days in partnership with Government Employees Medical Scheme (GEMS), where health screenings and HIV counselling and testing is conducted

- There has been a significant improvement in the Department's compliance rate to the OHS Act regulations. The OHS management system is in order, inclusive of a functional OHS Committee
- OHS audits were conducted on a quarterly basis and the findings were addressed through routine facility maintenance.

Future human resource plans/goals:

- Finalisation of the organisational structure review process, and implement a Departmental organisational structure aligned to the Objective Based Budget Structure
- Finalisation of the Skills Audit exercise and implementation of the outcomes of the process.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

Personnel related expenditure

The following tables summarises 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.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2022 and 31 March 2023

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)
DHS: Administration	488 150	221 782	0	0	45.4	563
DHS: Affordable Housing Programme	582 204	47 707	0	0	8.2	59
DHS: Human Settlements Policy Strategic & Plan	0	0	0	0	0	0
DHS: Human Settlement Delivery Support	0	0	0	0	0	0
DHS: Informal Settlements Upgrading Programme	8 914 607	33 236	0	0	0.4	39
DHS: Integrated Human Settlements Planning & Development Programme	21 971 579	57 394	0	0	.30	68
DHS: Rental & Social Housing Programme	906 818	10 592	0	0	1.2	9
Total	32 863 348	370 711	0	0	1.1	569

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
02 Skilled (Levels 3-5)	25 430	6.8	90	282 556
03 Highly skilled production (Levels 6-8)	57 759	15.4	119	485 37
04 Highly skilled supervision (Levels 9-12)	165 037	44.1	201	821 080
05 Senior management (Levels >= 13)	84 953	22.7	63	1 348 46
10 Contract (Levels 1-2)	587	0.2	16	36 688
11 Contract (Levels 3-5)	2 781	0.7	9	309 000
12 Contract (Levels 6-8)	4 941,00	1.3	13	380 077
13 Contract (Levels 9-12)	6 716	1.8	8	839 500
14 Contract (Levels >= 13)	22 659	6.1	16	1 416 188
18 Contract Other	1 212	0.3	34	35 647
Total	372 074	99.5	569	653 909

Table 3.1.3 Salaries, overtime, home owners allowance and medical aid by programme for the period 1 April 2022 and 31 March 2023

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
HS: Affordable Housing Programme	41 151	85.7	246	0.5	914	1.9	1 186	2.5
DHS: Informal Settlements Prog	28 675	86.6	0	0	598	1.8	928	2.8
DHS: Integ Hum Set Plan & Dev Prog	49 645	85.4	166	0.3	1 073	1.8	1 463 000	2.5
DHS: Rental & Social Housing Prog	9 514.	89	0	0	87	0.8	99	0.9
PROG 1: Administration	186 274	83.2	3 693	1.6	5 014	2.2	8 874	4
Total	315 259	84.3	4 105	1.1	7 686	2.1	12 550	3.4

Table 3.1.4 Salaries, overtime, home owners allowance and medical aid by salary band for the period 1 April 2022 and 31 March 2023

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
02 Skilled (Levels 3-5)	17 880	70.1	659	2.6	1 589	6.2	2 986	11.7
03 Highly skilled production (Levels 6-8)	43 497	75.1	1779	3.1	2 129	3.7	4 928	8.5
04 Highly skilled supervision (Levels 9-12)	141 476	85	1 614	1	2 327	1.4	4 070	2.5
05 Senior management (Levels >= 13)	75 219	88.1	0	0	1641.	1.9	51	0.5
10 Contract (Levels 1-2)	586	99.8	0	0	0	0	0	0
11 Contract (Levels 3-5)	2 541	91.2	18	0.6	0	0	41	1.5
12 Contract (Levels 6-8)	4 923	99.1	17	0.3	0	0	0	0
13 Contract (Levels 9-12)	6 310	92.3	0	0	0	0	73	1.1
14 Contract (Levels >= 13)	21 635	94.6	0	0	0	0	0	0
18 Contract Other	1 191	96.2	17	1.4	0	0	0	0
Total	315 259	84.3	4 105	1.1	7 686	2.1	12 550	3.4

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).

Departments have identified critical occupations that need to be monitored. 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 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
DHS: Affordable Housing Programme	70	59	15.7	2
DHS: Informal Settlements Prog	52	39	25	3
DHS: Integ Hum Set Plan & Dev Prog	102	68	33.3	2
DHS: Rental & Social Housing Prog	13	9	30.8	
PROG 1: Administration	467	394	15.6	75
Total	704	569	19.2	82

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
02 Skilled (Levels 3-5), Permanent	114	90	21.1	0
03 Highly Skilled Production (Levels 6-8), Permanent	147	119	19	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	262	201	23.3	0
05 Senior Management (Levels >= 13), Permanent	85	63	25,9	0
09 Other, Permanent	34	34	0	34
10 Contract (Levels 1-2), Permanent	16	16	0	16
11 Contract (Levels 3-5), Permanent	9	9	0	9
12 Contract (Levels 6-8), Permanent	13	13	0	5
13 Contract (Levels 9-12), Permanent	8	8	0	6
14 Contract (Levels >= 13), Permanent	16	16	0	12
Total	704	569	19.2	82

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Administrative related, Permanent	132	99	25	6
Cleaners in offices, workshops, hospitals, etc., Permanent	46	42	8.7	20
Client inform clerks (switchb receipt inform clerks), Permanent	18	16	11.1	0
Communication and information related, Permanent	3	3	0	0
Community development workers, Permanent	1	1	0	0
Economists, Permanent	9	8	11.1	0
Engineering sciences related, Permanent	3	3	0	0
Engineers and related professionals, Permanent	6	6	0	0
Finance and economics related, Permanent	54	39	27.8	0
Financial and related professionals, Permanent	46	36	21.7	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Financial clerks and credit controllers, Permanent	38	28	26.3	0
Food services aids and waiters, Permanent	4	4	0	1
General legal administration & rel. Professionals, Permanent	7	3	57.10	0
Head of Department/ Chief Executive Officer, Permanent	1	1	0	0
Household food and laundry services related, Permanent	2	2	0	1
Human resources & organisat developm & relate prof, Permanent	50	48	4	34
Human resources clerks, Permanent	16	16	0	0
Human resources related, Permanent	12	9	25	0
Librarians and related professionals, Permanent	1	1	0	0
Library mail and related clerks, Permanent	6	4	33.3	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Logistical support personnel, Permanent	20	20	0	0
Material-recording and transport clerks, Permanent	10	9	10	1
Messengers porters and deliverers, Permanent	6	5	16.7	2
Other administrat & related clerks and organisers, Permanent	25	21	16	0
Other administrative policy and related officers, Permanent	1	1	0	0
Other information technology personnel, Permanent	9	6	33.3	0
Other occupations, Permanent	4	4	0	2
Risk management and security services, Permanent	6	5	16.7	0
Secretaries & other keyboard operating clerks, Permanent	67	50	25.4	5
Security guards, Permanent	3	3	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Security officers, Permanent	20	19	5	0
Senior managers, Permanent	77	56	27.3	10
Trade/industry advisers & other related professions, Permanent	1	1	0	0
Total	704	569	19.2	82

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

The tables in this section provides 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 2023

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100	0	0
Salary Level 16	3	3	100	0	0
Salary Level 15	9	5	55.55	4	44.44
Salary Level 14	20	15	75	5	25
Salary Level 13	68	55	80.88	13	19.11
Total	101	79	78.21	22	21.78

Table 3.3.2 SMS post information as on 30 September 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	100
Salary Level 16	3	3	100	0	100
Salary Level 15	9	5	55.55	4	44.44
Salary Level 14	20	15	75	5	25
Salary Level 13	68	55	80.88	13	19.11
Total	101	79	78.21	22	21.78

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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	4	1	1
Salary Level 14	7	0	3
Salary Level 13	4	0	1
Total	15	1	5

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
Delays in concluding the Job Description of the post.
Reasons for vacancies not filled within twelve months
Interviews conducted and no suitable candidates identified for appointment.
Re-advertising of positions at SMS level due to varying reasons.
Non-availability of the selection panels and the cancellations of scheduled shortlisting an interview processes.
Expiry of contract of the service provider that assisted the Department with security checks.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months
The Department is in the process of aligning the organisational structure to the mandate of the Department.
Non-availability of the Job Evaluation system to grade positions before advertising.
Reasons for vacancies not filled within six months
Interviews conducted and no suitable candidates identified for appointment.
Re-advertising of positions at SMS level due to varying reasons.
Non-availability of the selection panels and the cancellations of scheduled shortlisting an interview processes.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant Executive Authority or Head of Department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

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 2022 and 31 March 2023

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
02 Skilled (Levels 3-5)	114	0	0	0	0	0	0
03 Highly Skilled Production (Levels 6-8)	147	0	0	1	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	262	0	0	2	0	0	0
05 Senior Management Service Band A	57	5	8.77	0	0	0	0
06 Senior Management Service Band B	19	5	26.32	0	0	0	0
07 Senior Management Service Band C	7	4	57.14	0	0	0	0
08 Senior Management Service Band D	2	0	0	0	0	0	0
09 Other	34	0	0	0	0	0	0
10 Contract (Levels 1-2)	16	0	0	0	0	0	0
11 Contract (Levels 3-5)	9	0	0	0	0	0	0
12 Contract (Levels 6-8)	13	0	0	0	0	0	0
13 Contract (Levels 9-12)	8	0	0	0	0	0	0
14 Contract Band A	11	0	0	0	0	0	0
15 Contract Band B	1	0	0	0	0	0	0
16 Contract Band C	2	0	0	0	0	0	0
17 Contract Band D	2	0	0	0	0	0	0
Total	704	14	1.99	3	0	0	0

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 2022 and 31 March 2023

Employees whose positions were upgraded due to their posts being upgraded						None
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	None
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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 2022 and 31 March 2023

Employees with salary levels higher than those determined by job evaluation					None
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	
Female	0	0	0	0	
Male	0	0	0	0	
Employees with salary levels higher than those determined by job evaluation					0
Percentage of total employed					0

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 2022 and 31 March 2023

Total number of employees whose salaries exceeded the grades determined by job evaluation	None
---	------

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	7	1	0	0	8
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Total number of employees whose salaries exceeded the grades determined 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 2022 and 31 March 2023

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
02 Skilled (Levels 3-5), Permanent	88	6	2	2.3
03 Highly Skilled Production (Levels 6-8), Permanent	119	2	3	2.5
04 Highly Skilled Supervision (Levels 9-12), Permanent	203	6	8	3.9
05 Senior Management Service Band A, Permanent	43	1	0	0
06 Senior Management Service Band B, Permanent	13	2	2	15.4
07 Senior Management Service Band C, Permanent	3	0	0	0
08 Senior Management Service Band D, Permanent	2	0	0	0
09 Other Permanent		36	0	0
09 Other Permanent	0	0	2	0
10 Contract (Levels 1-2), Permanent	1	15	0	0
11 Contract (Levels 3-5), Permanent	19	4	14	73.7
12 Contract (Levels 6-8), Permanent	14	8	9	64.3

Salary band	Number of employees at beginning of period-1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
13 Contract (Levels 9-12), Permanent	8	2	2	25
14 Contract Band A, Permanent	8	6	4	50
15 Contract Band B, Permanent	2	0	1	50
16 Contract Band C, Permanent	1	2	1	100
17 Contract Band D, Permanent	3	0	1	33.3
Total	527	90	49	9.3

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

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
Administrative related, Permanent	104	6	11	10.6
Cleaners in offices, workshops, hospitals, etc., Permanent	27	16	1	3.7
Client inform clerks (switchb, recept, inform clerks), Permanent	20	9	14	70
Communication and information related, Permanent	300	0	0	0

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
Community development workers, Permanent	1	0	0	0
Economists, Permanent	7	1	0	0
Engineering sciences related, Permanent	3	0	0	0
Engineers and related professionals, Permanent	6	0	0	0
Finance and economics related, Permanent	37	0	0	0
Financial and related professionals, Permanent	38	1	0	0
Financial clerks and credit controllers, Permanent	28	2	2	7.1
Food services aids and waiters, Permanent	6	0	2	33.3
General legal administration & rel. Professionals, Permanent	3	0	1	33.3
Head of Department/ Chief Executive Officer, Permanent	1	0	0	0

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
Household food and laundry services related, Permanent	1	3	2	200
Housekeepers, laundry and related workers, Permanent	1	0	0	0
Human resources & organisat developm & relate prof, Permanent	14	36	2	14.3
Human resources clerks, Permanent	15	2	1	6.7
Human resources related, Permanent	9	0	0	0
Librarians and related professionals, Permanent	1	0	0	0
Library mail and related clerks, Permanent	4	0	0	0
Logistical support personnel, Permanent	17	3	0	0
Material-recording and transport clerks, Permanent	8	0	0	0
Messengers, porters and deliverers, Permanent	7	0	1	14.3

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
Other administrat & related clerks and organisers, Permanent	23	0	1	4.3
Other administrative policy and related officers, Permanent	1	0	0	0
Other information technology personnel, Permanent	7	0	1	14.3
Other occupations, Permanent	4	0	0	0
Risk management and security services, Permanent	5	0	0	0
Secretaries & other keyboard operating clerks, Permanent	52	0	2	3.8
Security guards, Permanent	3	0	0	0
Security officers, Permanent	18	0	0	0
Senior managers, Permanent	52	11	8	15.4
Trade/industry advisers & other related professions, Permanent	1	0	0	0
Total	527	90	49	9.3

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2022 and 31 March 2023

Termination Type	Number	% of Total Resignations
02 Resignation, Permanent	15	2.6
03 Expiry of contract, Permanent	30	5.3
09 Retirement, Permanent	4	0.7
Total	49	8.6
Total number of employees who left as a % of total employment	8.6	91.4

Table 3.5.4 Promotions by critical occupation for the period 1 April 2022 and 31 March 2023

Occupation	Employees 1 April 2022	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	104	4	3.8	53	51
Cleaners in offices, workshops hospitals, etc.	27	0	0	20	74.10
Client inform clerks (switchboard receipt inform clerks)	20	0	0	5	25
Communication and information related	3	0	0	0	0
Community development workers	3	0	0	0	0
Economists	7	0	0	3	42.9
Engineering sciences related	3	0	0	2	66.7
Engineers and related professionals	6	0	0	4	66.7
Finance and economics related	37	3	8.10	24	64.9
Financial and related professionals	38	1	2.6	21	55.3

Occupation	Employees 1 April 2022	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
Financial clerks and credit controllers	28	2	7.1	13	46.4
Food services aids and waiters	6	0	0	3	50
General legal administration & related professionals	3	0	0	1	33.3
Head of Department/Chief Executive Officer	1	0	0	0	0
Household food and laundry services related	1	0	0	0	0
Housekeepers, laundry and related workers	1	0	0	0	0
Human resources & organisational development & related professionals	14	0	0	8	57.1
Human resources clerks	15	1	6.7	9	60
Human resources related	9	0	0	6	66.7
Librarians and related professionals	1	0	0	1	100

Occupation	Employees 1 April 2022	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
Library mail and related clerks	4	0	0	3	75
Logistical support personnel	17	0	0	7	41.2
Material-recording and transport clerks	8	1	12.5	6	75
Messengers, porters and deliverers	7	0	0	4	57.1
Other administrat & related clerks and organisers	23	0	0	15	65.2
Other administrative policy and related officers	1	0	0	1	100
Other information technology personnel	7	0	0	4	57.1
Other occupations	400	0	0		
Risk management and security services	5	0	0	5	100
Secretaries & other keyboard operating clerks	52	0	0	38	73.1
Security guards	3	0	0	3	66.7
Security officers	18	0	0	12	66.7

Occupation	Employees 1 April 2022	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
Senior managers	52	1	1.9	22	42.3
Trade/industry advisers & other related professions	1	0	0	1	100
Total	527	13	2.5	293	55.6

Table 3.5.5 Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary band	Employees 1 April 2022	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
02 Skilled (Levels 3-5), Permanent	88	0	0	69	78.4
03 Highly Skilled Production (Levels 6-8), Permanent	119	4	3.4	64	53.8
04 Highly Skilled Supervision (Levels 9-12), Permanent	203	7	3.4	123	60.6
05 Senior Management (Levels >= 13), Permanent	61	1	1.6	30	49.2

Salary band	Employees 1 April 2022	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
10 Contract (Levels 1-2), Permanent	1	0	0	1	100
11 Contract (Levels 3-5), Permanent	19	0	0	1	5.3
12 Contract (Levels 6-8), Permanent	14	0	0	2	14.3
13 Contract (Levels 9-12), Permanent	8	0	0	2	25
14 Contract (Levels >= 13), Permanent	14	1	7.1	1	7.1
Total	527	13	2.5	293	55.6

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 – Senior officials and managers	22		1	1	29	2	2	2	59
02 – Professionals	60	1	1	3	88	6	1	6	133
03 – Technicians and associate professionals	60				53	2	3	2	120
04 – Clerks	380	1		3	86	4	4	8	114
05 – Service shop and market sales workers	13	0	0	0	15	0	1	0	29
09 – Labourers and related workers	12	0	0	0	38	1	0	0	51
Total	205	2	2	2	309	15	11	18	536
Employees with disabilities	3	0	0	0	4	0	1	0	8

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	0	0	0	1	3	0	1	0	5
02 Senior Management, Permanent	24	0	1	1	27	2	1	2	58
03 Professionally qualified and experienced specialists and mid-management, Permanent	84	1	1	4	93	6	3	9	201
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	32	1		1	69	4	5	7	119
05 Semi-skilled and discretionary decision-making, Permanent	31	0	0	0	57	1	1	0	90
07 Not Available, Permanent	11	0	0	0	23	0	0	0	34
08 Contract (Top Management), Permanent	3	0	0	0	1	0	0	0	4
09 Contract (Senior Management), Permanent	7	0	0	0	5	0	0	0	12
10 Contract (Professionally Qualified), Permanent	2	0	0	0	6	0	0	0	8
11 Contract (Skilled Technical), Permanent	7	0	0	0	4	2	0	0	13
12 Contract (Semi-Skilled), Permanent	2	0	0	0	7	0	0	0	9
13 Contract (Unskilled), Permanent	2	0	0	0	14	0	0	0	16
Total	205	2	2	7	309	15	11	18	569

Table 3.6.3 Recruitment for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	2	0	0	0	1	0	0	0	3
03 Professionally qualified and experienced specialists and mid-management, Permanent	4	0	0	0	1	1	0	0	6
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	2	0	0	0	2
05 Semi-skilled and discretionary decision-making, Permanent	1	0	0	0	5	0	0	0	6
07 Not Available, Permanent	12	0	0	0	24	0	0	0	36
08 Contract (Top Management), Permanent		0	0	0	2	0	0	0	2
09 Contract (Senior Management), Permanent	5	0	0	0	1	0	0	0	6
10 Contract (Professionally qualified), Permanent	10	0	0	0	1	0	0	0	2
11 Contract (Skilled technical), Permanent	4	0	0	0	2	2	0	0	8
12 Contract (Semi-skilled), Permanent	0	0	0	0	4	0	0	0	4
13 Contract (Unskilled), Permanent	2	0	0	0	13	0	0	0	15
Total	31	0	0	0	56	3	0	0	90
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	10	0	1	1	16	1		2	31
03 Professionally qualified and experienced specialists and mid-management, Permanent	54	0	0	4	61	2	2	7	130
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	19	1	0	0	42	2	2	2	68
05 Semi-skilled and discretionary decision-making, Permanent	20	0	0	0	47	1	1		69
09 Contract (Senior Management), Permanent	0	0	0	0	2	0	0	0	2
10 Contract (Professionally qualified), Permanent	0	0	0	0	2	0	0	0	2
11 Contract (Skilled technical), Permanent	1	0	0	0	1	0	0	0	2
12 Contract (Semi-skilled), Permanent	1	0	0	0	0	0	0	0	1
13 Contract (Unskilled), Permanent	0	0	0	0	1	0	0	0	1
Total	105	1	1	5	172	6	5	11	306
Employees with disabilities	3				4		1		8

Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
02 Senior Management, Permanent	2	0	0	0	0	0	0	0	2
03 Professionally qualified and experienced specialists and mid-management, Permanent	3	0	0	0	4	0	0	1	8
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	0	1	0	0	0	3
05 Semi-skilled and discretionary decision-making, Permanent		0	0	0	2	0	0	0	2
07 Not Available, Permanent	1	0	0	0	0	0	0	0	2
08 Contract (Top Management), Permanent	0	0	1	0	1	0	0	0	2
09 Contract (Senior Management), Permanent	5	0	0	0	0	0	0	0	5
10 Contract (Professionally qualified), Permanent	1	0	0	0	0	1	0	0	2
11 Contract (Skilled technical), Permanent	4	0	0	0	3	2	0	0	9
12 Contract (Semi-skilled), Permanent	4	0	0	0	10	0	0	0	14
Total	22		1		22	3		1	49
Employees with disabilities	3	0	0	0	4	0	1	0	8

Table 3.6.6 Disciplinary action for the period 1 April 2022 to 31 March 2023

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Progressive Disciplinary Action	16	1	0	1	18		1	3	40
Formal Disciplinary Action	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills development for the period 1 April 2022 to 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	87	3	2	5	133	2	10	11	253
Professionals	15	0	0	2	16	1	0	1	35
Technicians and associate professionals	25	1	0	0	27	2	4	5	64
Clerks	47	0	0	0	97	2	1	2	149
Service and sales workers	9	0	0	0	17	0	0	0	26
Skilled agriculture and fishery workers	1	0	0	0	0	0	0	0	1
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	3	0	0	0	0	0	0	0	3
Elementary occupations	7	0	0	0	0	0	0	0	38
Total	194	4	2	7	320	8	15	19	569
Employees with disabilities	3	0	0	0	4	0	1		8

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	0	0
Salary Level 16	0	0	0	0
Salary Level 15	5	3	3	100
Salary Level 14	15	12	10	83
Salary Level 13	55	47	43	91
Total	76	63	56	89

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year, all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2022.

Table 3.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 May 2022

Reasons
Relocation of SMS members to the new Macro Structure as from 2021.
The delay in finalising the placements of some SMS members on the revised Macro Structure affected reporting lines whereby some SMS members were not placed OR managers of SMS members were not placed which led to a delay in finalising and submitting Employee Performance Management Development Systems (EPMDS) documents.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

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

Reasons
Letters on non-compliance issued to officials who did not comply to EPMDS requirements.
Non-implementation of performance rewards including Notch Progression for officials who did not comply with EPMDS requirements.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

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 2022 to 31 March 2023

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	0	507	0	0	0
Male	0	202	0	0	0
Female	0	305	0	0	0
Asian	1	12	8.3	11.14	11 144
Male	1	2	50	11.14	11 144
Female	0	10	0	0	0
Coloured	0	17	0	0	0
Male	0	2	0	0	0
Female	0	15	0	0	0
White	1	25	4	7.96	7 956
Male	1	7	14.3	0	0
Female	0	18	0	0	0
Employees with a disability	0	8	0	0	0
Total	2	569	0.35	19.1	19 100

Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 to 31 March 2023

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	
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	90	0	0	0	0
Highly skilled production (Levels 6-8)	0	119	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	201	0	0	0	0
09 Other	0	34	0	0	0	0
10 Contract (Levels 1-2)	0	16	0	0	0	0
11 Contract (Levels 3-5)	0	9	0	0	0	0
12 Contract (Levels 6-8)	0	13	0	0	0	0
13 Contract (Levels 9-12)	0	8	0	0	0	0
Total	0	490	0	0	0	0

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2022 to 31 March 2023

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Financial clerks and credit controllers	0	28	0	0	0
Household food and laundry services related	0	2	0	0	0
Human resources clerks	0	16	0	0	0
Security officers	0	19	0	0	0
Human resources & organisat developm & relate prof	0	48	0	0	0
Messengers, porters and deliverers	0	5	0	0	0
Risk management and security services	0	5	0	0	0
Logistical support personnel	0	20	0	0	0
Finance and economics related	0	39	0	0	0
Other administrat & related clerks and organisers	0	21	0	0	0
Other occupations	0	4	0	0	0
Financial and related professionals	0	36	0	0	0
Administrative related	0	99	0	0	0
Communication and information related	0	3	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Secretaries & other keyboard operating clerks	0	50	0	0	0
Cleaners in offices, workshops, hospitals, etc.	0	42	0	0	0
Library mail and related clerks	0	4	0	0	0
Human resources related	0	9	0	0	0
Trade/industry advisers & other related professions	0	1	0	0	0
Head of Department/ Chief Executive Officer	0	1	0	0	0
General legal administration & related professionals	0	3	0	0	0
Material-recording and transport clerks	0	9	0	0	0
Other administrative policy and related officers	0	1	0	0	0
Senior managers	2	56	3.6	19.1	9 550
Client inform clerks (switchb receipt inform clerks)	0	16	0	0	0
Economists	0	8	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Engineers and related professionals	0	6	0	0	0
Other information technology personnel	0	6	0	0	0
Engineering sciences related	0	3	0	0	0
Security guards	0	3	0	0	0
Food services aids and waiters	0	4	0	0	0
Community development workers	0	1	0	0	0
Librarians and related professionals	0	1	0	0	0
Total	2	569	0.35	19.1	9 550

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	0	55	0	0	0	65 968.20
Band B	0	15	0	0	0	22 716.05
Band C	1	5	20	7.96	7 955.5	8 522.73
Band D	1	4	2.5	11.14	11 144.1	11 054.77
Total	2	79	2.5	19.1	19 099.96	108 261.75

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 2022 and 31 March 2023

Salary band	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Skilled (Levels 3-5)	0	0	0	0	0	0
Total	0	0	0	0	0	0

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 2022 to 31 December 2022

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Contract (Levels 13-16)	36	100	5	1.6	7	180
Contract (Levels 3-5)	29	96.6	2	0.6	15	22
Contract (Levels 6-8)	3	100	1	0.3	3	5
Contract (Levels 9-12)	11	100	1	0.3	11	33
Contract Other	1	0	1	0.3	1	
Highly skilled production (Levels 6-8)	670	81.3	88	27.5	8	1 079
Highly skilled supervision (Levels 9-12)	1 059.00	82.2	139	43.4	8	3007
Senior management (Levels 13-16)	266	9170	33	10.3	8	1 288
Skilled (Levels 3-5)	482.50	90.6	50	15.6	10	432
Total	2 557.5	85	320	100	8	6 047

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Elementary occupations	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Highly skilled production (Levels 9-12)	100	100	3	50	33	245
Skilled (Levels 3-5)	371	100	3	50	124	288
Total	471	100	6	100	79	533

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council (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 2022 to 31 December 2022

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Contract (Levels 1-2)	8	1	8
Contract (Levels 13-16)	122	18	7
Contract (Levels 3-5)	112	17	7
Contract (Levels 6-8)	105	12	9
Contract (Levels 9-12)	90	9	10
Contract Other	93	30	3
Highly skilled production (Levels 6-8)	3 235	126	26
Highly skilled supervision (Levels 9-12)	4 907	207	24
Senior management (Levels 13-16)	1 292	64	20
Skilled (Levels 3-5)	1 991.25	91	22
Total	11 955.25	575	21

Table 3.10.4 Capped leave for the period 1 January 2022 to 31 December 2022

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 2023
Contract (Levels 1-2)	0	0	0	0
Contract (Levels 13-16)	0	0	0	0
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	0
Contract (Levels 9-12)	0	0	0	0
Contract Other	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	13
Highly skilled supervision (Levels 9-12)	0	0	0	37
Senior management (Levels 13-16)	0	0	0	11
Skilled (Levels 3-5)	0	0	0	0
Total	0	0	0	61

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 2022 and 31 March 2023

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Annual – discounting with resignation (work days)	290	10	29 000
Annual – discounting: contract expiry (work days)	83	10	8 300
Annual – gratuity: death/retirement/ medical retirement (work days)	267	3	89 000
Capped – gratuity: death/retirement/ medical retirement (work days)	263	2	131 500
Total	904	25	257 800

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
Hygiene services officials are at high risk of contracting HIV and related diseases	Promotion of the usage of appropriate Personal Protective Equipment such as: gloves Awareness sessions conducted

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		Director: Organisational Transformation and Integrated Employee Health & Wellness

Question	Yes	No	Details, if yes
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 The unit utilises the budget of the CD: HRM
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		<ul style="list-style-type: none"> Provision of onsite and offsite short-term counselling to employees and their immediate family members Health promotion, through awareness sessions and article dissemination as per the Health Calendar Health screenings, during quarterly Wellness Days Trauma debriefing 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 Department is in a process of reconfiguring the Wellness Committee
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	

Question	Yes	No	Details, if yes
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.	Yes		Disciplinary measures are in place for stigmatisation and discrimination against employees living with HIV
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		On average, 15% of employees underwent HIV 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.	Yes		Number of employees who know their HIV status Number of employees screened for Tuberculosis (TB) and referred for clinical diagnosis Number of reported cases of HIV & TB stigma

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2022 and 31 March 2023

Total number of collective agreements	None
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Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Total number of disciplinary hearings finalised	None
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	% of total
None	0	0
Total	0	0

Table 3.12.4 Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of total
Number of grievances resolved	17	81
Number of grievances not resolved	4	19
Total number of grievances lodged	21	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of Total
Number of disputes upheld	2	25
Number of disputes dismissed	1	12
Number of disputes continuing	5	63
Total number of disputes lodged	8	100

Table 3.12.6 Strike actions for the period 1 April 2022 and 31 March 2023

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 2022 and 31 March 2023

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

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	153	0	37	11	48
	Male	125				
Professionals	Female	16	0	5	2	7
	Male	10				
Technicians and associate professionals	Female	38	0	14	8	22
	Male	26				
Clerks	Female	102	1	18	7	26
	Male	42				
Service and sales workers	Female	19	0	0	4	4
	Male	11				
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male	1				
Craft and related trades workers	Female		0	0	0	0
	Male					
Plant and machine operators and assemblers	Female		0	0	0	0
	Male	2				
Elementary occupations	Female	20	0	0	0	0
	Male	4				
Sub-total	Female	348	1	74	0	74
	Male	221				
Total		569	1	74	32	107

Training needs identified for the period under review is on the number of interventions identified for both males and females within occupational categories.

Table 3.13.2 Training provided for the period 1 April 2022 and 31 March 2023

Occupational category	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	153	0	23	13	36
	Male	125				
Professionals	Female	16	0	4	6	10
	Male	10				
Technicians and associate professionals	Female	38	0	4	44	48
	Male	26				
Clerks	Female	102	2	4	12	18
	Male	42				
Service and sales workers	Female	19	0	1	8	9
	Male	11				
Skilled agriculture and fishery workers	Female		0	0	0	0
	Male	1				
Craft and related trades workers	Female		0	0	0	0
	Male					
Plant and machine operators and assemblers	Female		0	0	0	0
	Male	2,00				
Elementary occupations	Female	20	0	1	1	2
	Male	4				
Sub-total	Female	348	2	37	84	123
	Male	221				
Total		569	2	37	84	123

Training provided for the period under review is on the number of interventions implemented for both males and females within occupational categories.

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2022 and 31 March 2023

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
Total	0	0

3.14 Utilisation of Consultants

The following tables relates to 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:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- 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 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None	0	0	0
Total	0	0	0

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
None	0	0	0
Total	0	0	0

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0
Total	0	0	0

Table 3.15.3 Report on consultant appointments using donor funds for the period 1 April 2022 and 31 March 2023

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
None	0	0	0
Total	0	0	0

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
None	0	0	0
Total	0	0	0

Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2022 and 31 March 2023

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None	0	0	0
Total	0	0	0

13.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2022 and 31 March 2023

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





PART E

PFMA COMPLIANCE

REPORT

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

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023	2021/2022	2020/2021
	R'000	R'000	R'000
Opening balance	7 472	4 170	5 243
Prior Period Errors		237	1 255
As Restated	7 472	4 407	6 498
Add: Irregular expenditure confirmed	1 375	3 065	553
Less: Irregular expenditure condoned	-	-	-295
Less: Irregular expenditure not condoned and removed	-1 525	-	-2 586
Less: Irregular expenditure recoverable	-	-	-
Less: Irregular expenditure not recovered and written off	-	-	-
Closing balance	7 322	7 472	4 170

Prior period errors: *2021/22 – R237 322,68 relates to an appointment in an unadvertised post that was under stated in prior years (2010-2012) [Internal Audit Report 31/03/2022] **2020/21 – R1 255 221,25 [R402 954,25 relates to non-compliance – HNM Attorneys confirmed during 2022/23 financial year, incurred during 2020/21 financial year + R852 267,00 relates to SBD 4 confirmed during 2022/23 financial year, incurred during 2020/2021 financial year].

b) Reconciling notes to the Annual Financial Statement disclosure

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22		-
Irregular expenditure that relates to 2021/22 and identified in 2022/23		
Irregular expenditure for the current year	1 375	3 065
Total	1 375	3 065

c) Details of current and previous year irregular expenditure (under assessment, determination and investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure under assessment	17 049	16 871
Irregular expenditure under determination	1 375	3 065
Irregular expenditure under investigation	-	-
Total	18 424	19 936

Include discussion here where deemed relevant.

Determination: Included in the R3 065 (The amount of R1 826 892 was reflected in the previous financial year for SBD 4, however, only R974 625,00 relates to the 2021/22 financial year, the remaining R852 267 relates to 2020/21 financial year).

d) Details of current and previous year irregular expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

e) Details of current and previous year irregular expenditure removed – (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-1 525	–
Total	-1 525	–

The amount of R1 524 758,00 (VMWare licences) was removed during the 2022/23 financial year. However, it relates to 2021/22 financial year.

f) Details of current and previous year irregular expenditure recoverable

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	–
Total	–	–

Include discussion here where deemed relevant.

g) Details of current and previous year irregular expenditure not recoverable and written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure written off	-	–
Total	-	–

Include discussion here where deemed relevant.

Additional disclosure relating to Inter-Institutional Arrangements**h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)**

Description	
None	
Total	-

Include discussion here where deemed relevant.

i) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
Total	-	-

Include discussion here where deemed relevant.

j) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Description	2022/2023	2021/2022
	R'000	R'000
Disciplinary action was taken for VMWare licences		1 525
Total		1 525

Disciplinary action was taken during 2022/23 for VMWare licences expenditure that was incurred during 2021/22 financial year.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023	2021/2022	2020/2021
	R'000	R'000	R'000
Opening balance	1 233	1 262	14
Prior Period Errors			
As Restated	1 233	1 262	14
Add: Fruitless & Wasteful expenditure confirmed	31	3	1 248
Less: Fruitless & Wasteful expenditure condoned	-	-	-
Less: Fruitless & Wasteful expenditure not condoned and removed	-	-	-
Less: Fruitless & Wasteful expenditure recoverable	48	14	-
Less: Fruitless & Wasteful expenditure not recovered and written off	52	18	-
Closing balance	1 164	1 233	1 262

b) Reconciling notes to the Annual Financial Statement disclosure

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless & Wasteful Expenditure that was under assessment in 2021/22	-	-
Fruitless & Wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless & Wasteful expenditure for the current year	31	3
Total	31	3

c) Details of current and previous years fruitless and wasteful expenditure (under assessment, determination and investigation)

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless & Wasteful Expenditure under assessment	-	-
Fruitless & Wasteful Expenditure under determination	31	3
Fruitless & Wasteful Expenditure under investigation	-	-
Total	31	3

The expenditure R954 077,11 (Catering for staff meeting that was cancelled R43 750,00 + Human Settlements Summit cancelled R910 327,11) was incurred during 2018/19 but still under investigation with the Special Investigations Unit (SIU).

d) Details of current and previous years fruitless and wasteful expenditure condoned

Description	2022/2023	2021/2022
	R'000	R'000
N/A	-	-
Total	-	-

e) Details of current and previous years fruitless and wasteful expenditure removed - (not condoned)

Description	2022/2023	2021/2022
	R'000	R'000
N/A	-	-
Total	-	-

f) Details of current and previous years fruitless and wasteful expenditure recoverable

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless & Wasteful Expenditure recovered	48	14
Total	48	14

Include discussion here where deemed relevant.

g) Details of current and previous years fruitless and wasteful expenditure not recoverable and written off (irrecoverable)

Description	2022/2023	2021/2022
	R'000	R'000
Fruitless & Wasteful Expenditure written off	52	18
Total		

Include discussion here where deemed relevant.

Additional disclosure relating to Inter-Institutional Arrangements

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description	
None	
Total	-

Include discussion here where deemed relevant.

i) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2022/2023	2021/2022
	R'000	R'000
N/A	-	-
Total	-	-

Include discussion here where deemed relevant.

j) Details of current and previous years disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Description	2022/2023	2021/2022
	R'000	R'000
None	-	-
None	-	-
Total		1 525

Include discussion here where deemed relevant.

1.3 Unauthorised expenditure

The department did not incur unauthorised expenditure during the year under review.

1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/2023 R'000	2021/2022 R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

Include discussion here where deemed relevant.

b) Details of other material losses

Nature of other material losses	2022/2023 R'000	2021/2022 R'000
<i>(Group major categories, but list material items)</i>		
None	-	-
Total	-	-

c) Other material losses recovered

Nature of losses	2022/2023 R'000	2021/2022 R'000
<i>(Group major categories, but list material items)</i>		
None	-	-
Total	-	-

Include discussion here where deemed relevant.

d) Other material losses written off

Nature of losses	2022/2023 R'000	2021/2022 R'000
<i>(Group major categories, but list material items)</i>		
None	-	-
Total	-	-

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	5 224	428 078
Invoices paid within 30 days or agreed period	5 108	355 229
Invoices paid after 30 days or agreed period	31	4 412
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	85	68 437

Invoices were paid late due to:

A system error as the system did not disburse these payments as it was supposed to.

Delays in the approval processes.

Invoices were under dispute, due to:

- Suppliers invoiced the Department for services not yet rendered.
- The Department of Public Works and Infrastructure invoiced the Department for a period prior to occupation of office space.
- The Department had already paid up to the prescribed limit in terms of the Cell Phone Policy.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Rand Show Exhibition	Dogan Trading	Deviation-Sole Supplier		R 278 530,00
Outside broadcasts and TV live crossings for Habitat Executive Director visit to RSA	South African Broadcasting Corporation	Deviation-Sole Supplier		R525 988,50
Radio Broadcast	MSG GROUP – Power FM	Deviation-Sole Supplier		R253 000,00
Radio Broadcast	MSG GROUP – Power FM	Deviation-Sole Supplier		R287 500,00
Total				R1 345 018,50

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Delivery of facilities services (i.e., cleaning and hygiene services for 36 months)	BOTHO MARK GROUP	Expansion		R7 647 770,72		R637 770,72
Appointment of a professional resource team to conduct partnership scoping and prepare a development plan and package a multi-year project pipeline for GA-Segonyane Local Municipality in the Northern Cape	ZUTARI (PTY)LTD	Expansion of 1 month period only		R591 941,01		N/A
Total						R637 770,72





PART F: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR-GENERAL

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 financial statements of the National Department of Human Settlements set out on pages 168 to 227, which comprise the appropriation statement, statement of financial position as at 31 March 2023, 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 2023, and its financial performance and cash flows for the year then ended in accordance with the 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 5 of 2022 (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the 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.

Other matter

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

National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 24 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of National Department of Human Settlements. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Unaudited supplementary schedule

8. The supplementary information set out on pages xx to xx 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

9. 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.

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

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

11. 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.
12. 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

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Integrated Human Settlements Planning and development Programme	41	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 partnership with stakeholders.
Informal Settlements Programme	57	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.
Rental and Social Housing Programme	62	Promote the provision of affordable rental housing and develop capabilities in the rental housing sector through intergovernmental collaboration and evidence-based research
Affordable Housing Programme	64	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.

15. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
16. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives.
 - the indicators are well defined and verifiable to ensure that they are easy to understand

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and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

18. I did not identify any material findings on the reported programmes.

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

21. The department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
<p><i>Informal Settlements Programme</i> <i>Targets achieved: 0%</i> <i>Budget spent: 95.4%</i></p> <p>Although the target achieved is 0%, the budget spent of 95.4% relates to informal settlements grants that were transferred by the department to provinces and metros to the value of R8,3 billion. This programme has only 1 indicator for the monitoring and support in the implementation of the upgrading of the informal settlements in metros and provinces.</p>		
Number of provinces and Metros provided with support in the upgrading of informal settlements to phase 3 of UISP	Support provided to 9 provinces and 8 Metros in the upgrading of informal settlements to phase 3 of the UISP	9 Provinces and 8 Metros were supported for planning in the upgrading of informal settlements through the assessment of the draft Provincial business plans and giving feedback to provinces however the business plans were not approved.
<p><i>Affordable Housing Programme</i> <i>Targets achieved: 25%</i> <i>Budget spent: 97.8%</i></p> <p>This programme consists of 4 indicators however only 1 indicator relates to the key service delivery (i.e. registration of title deeds). The budget spent of 97.8% (for the other 3 indicators) includes various grants that were transferred by the department to its entities in the implementation of the affordable housing programmes to the value of R502 million. The national department monitors and support provinces in the registration of title deeds.</p>		
Number of quarterly reports on title deeds registered	4 quarterly reports on title deeds registered	4 quarterly reports on title deeds registered were completed, however some of the provinces did not submit the performance information

Material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Integrated Human Settlements Planning and Development Programme and Affordable Housing Programme. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

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

Expenditure management

27. Payments were made before services were received, in contravention of treasury regulation 15.10.1.2(c).

Asset management

28. Proper control systems were not in place at the department to ensure the safeguarding of assets, as required by treasury regulation 10.1.1(a).

Other information in the annual report

29. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. The other information I obtained prior to the date of this auditor's report are report of the accounting officer, human resource management report and deputy minister statement, and the foreword by the minister and audit committee report are expected to be made available to us after 31 July 2023.
33. 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.
34. When I do receive and read the foreword by the minister 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

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
36. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
37. Non-compliance with PFMA and Treasury regulations was not prevented in the current year and this resulted in instances of non-compliance being identified. This could have been prevented had compliance been properly reviewed and monitored by the department.
38. Financial and performance management: Prepare regular, accurate and complete financial reports for assets that are supported and evidenced by reliable information. This could result in the asset register and the annual financial statements being misstated.

Pretoria

31 July 2023



Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Sections 1; 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(4); 44; 44(1) and (2); 45(b)

Legislation	Sections or regulations
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 8.1.1; 8.2.1; 8.2.2; 8.2.3; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 12.5.1; 15.10.1.2(c); 16A3.1; 16A3.2; 16A 3.2(a); 16A6.1; 16A6.2(a), (b) & (e); 16A6.3(a); 16A6.3(a)(i); 16A6.3(b); 16A6.3(c); 16A6.3(d); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A7.7; 16A8.2(1) and (2); 16A8.3; 16A8.3(d); 16A8.4; 16A9; 16A9.1; 16A9.1(b)(ii); 16A9.1(c); 16A9.1(d); 16A9.1(e); 16A9.2; 16A9.2(a)(ii) & (iii); 16A9.1(f); 17.1.1; 18.2; 19.8.4
Public Service Regulation (PSR)	Regulations 13(c); 18; 18(1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Sections 29; 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB Regulations 17; 25(1); 25(5) & 25(7A)
Preferential Procurement Policy Framework Act No 5 2000 (PPPFA)	Sections 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations 2017 (PPR)	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2; 12.1 and 12.2
Preferential Procurement Regulations 2022 (PPR)	Regulations 3.1; 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act No 88 of 1998 (SITA)	Sections 7(3); 7(6)(b); 20(1)(a)(l)
State Information Technology Agency regulations	Regulations 8.1.1(b); 8.1.4; 8.1.7; 9.6; 9.4; 12.3; 13.1(a); 14.1; 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraphs 3.1; 3.3(b); 3.3(c); 3.3(e); 3.6
National Treasury (NT) Instruction No.1 of 2015/16	Paragraphs 3.1; 4.1; 4.2

Legislation	Sections or regulations
NT SCM Instruction Note 03 2021/22	Paragraphs 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4(c) - (d); 4.6; 5.4;7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Paragraphs 5.5.1(vi); 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4(a) and (b); 3.9; 6.1; 6.2; 6.7
NT SCM Instruction note 2 of 2021/22	Paragraphs 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2; 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraphs 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraphs 3.2; 4.3.2 and 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 – Annexure A	Paragraphs 5.5.1(iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraphs 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 2020/21	Paragraphs 1; 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraphs 3.1; 3.1(b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act No. 103 of 1994	Section 30 (1)

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33
ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

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NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

APPROPRIATION STATEMENT *for the year ended 31 March 2023*

Appropriation per programme									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	513,892	-	48,700	562,592	482,516	80,076	85,8%	495,613	416,749
2. Integrated Human Settlements Planning and Development	22,051,256	-	(22,500)	22,028,756	21,971,570	57,186	99,7%	21,235,777	21,179,706
3. Informal Settlements	9,355,697	-	(11,000)	9,344,697	8,914,656	430,041	95,4%	8,422,805	7,972,666
4. Rental and Social Housing	962,758	-	(15,200)	947,558	906,894	40,664	95,7%	936,763	850,892
5. Affordable Housing	594,871	-	-	594,871	581,869	13,002	97,8%	588,829	539,519
Subtotal	33,478,474	-	-	33,478,474	32,857,505	620,969	98,1%	31,679,787	30,959,532

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

APPROPRIATION STATEMENT for the year ended 31 March 2023

	2022/23				2021/22	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	1,842	-			1,065	-
Aid assistance	-	-			942	-
Actual amounts per statement of financial performance (total revenue)	33,480,316				31,681,794	
ADD						
Aid assistance		431				1,118
Actual amounts per statement of Financial Performance (total expenditure)		32,857,936				30,960,650

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

APPROPRIATION STATEMENT for the year ended 31 March 2023

Appropriation per economic classification									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	947,323	(5,326)	-	941,997	705,572	236,425	74,9%	907,592	679,091
Compensation of employees	422,473	-	-	422,473	370,810	51,663	87,8%	410,922	359,297
Goods and services	524,824	(5,330)	-	519,494	334,734	184,760	64,4%	496,666	319,791
Interest and rent on land	26	4	-	30	28	2	93,3%	4	3
Transfers and subsidies	32,515,658	1,451	-	32,517,109	32,141,744	375,365	98,8%	30,747,068	30,272,455
Provinces and municipalities	30,852,784	-	-	30,852,784	30,480,735	372,049	98,8%	29,121,481	28,719,361
Departmental agencies and accounts	1,652,487	-	-	1,652,487	1,652,487	-	100,0%	1,596,832	1,545,332
Foreign governments and international organisations	3,946	174	-	4,120	4,120	-	100,0%	17,870	2,168
Households	6,441	1,277	-	7,718	4,402	3,316	57,0%	10,885	5,594
Payments for capital assets	15,284	3,867	-	19,151	10,015	9,136	52,3%	24,597	7,472
Machinery and equipment	15,284	3,867	-	19,151	10,015	9,136	52,3%	15,253	7,472
Intangible assets	-	-	-	-	-	-	-	9,344	-
Payments for financial assets	209	8	-	217	174	43	80,2%	530	514
Total	33,478,474	-	-	33,478,474	32,857,505	620,969	98,1%	31,679,787	30,959,532

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

APPROPRIATION STATEMENT for the year ended 31 March 2023

Programme 1: Administration									
Sub programme	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Ministry	59,596	9,481	-	69,077	65,159	3,918	94.3%	60,640	55,891
2. Departmental Management	99,773	(10,709)	-	89,064	75,561	13,503	84.8%	75,074	55,585
3. Corporate Services	230,276	1,334	48,700	280,310	233,676	46,634	83.4%	235,903	197,521
4. Property Management	53,332	(100)	-	53,232	53,226	6	100.0%	55,348	51,545
5. Financial Management	70,915	(6)	-	70,909	54,894	16,015	77.4%	68,648	56,207
Total for sub programmes	513,892	-	48,700	562,592	482,516	80,076	85.8%	495,613	416,749
Economic classification									
Current payments	502,302	(3,410)	48,700	547,592	473,082	74,510	86.4%	473,162	409,044
Compensation of employees	253,041	-	-	253,041	221,875	31,166	87.7%	244,509	213,911
Goods and services	249,235	(3,414)	48,700	294,521	251,179	43,342	85.3%	228,649	195,130
Interest and rent on land	26	4	-	30	28	2	93.3%	4	3
Transfers and subsidies	595	818	-	1,413	1,282	131	90.7%	1,879	1,862
Households	595	818	-	1,413	1,282	131	90.7%	1,879	1,862
Payments for capital assets	10,828	2,585	-	13,413	8,020	5,393	59.8%	20,289	5,572
Machinery and equipment	10,828	2,585	-	13,413	8,020	5,393	59.8%	20,289	5,572
Intangible assets	-	-	-	-	-	-	-	9,344	-
Payments for financial assets	167	7	-	174	132	42	75.9%	283	271
Total	513,892	-	48,700	562,592	482,516	80,076	85.8%	495,613	416,749

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

APPROPRIATION STATEMENT for the year ended 31 March 2023

Programme 2: Integrated Human Settlements Planning and Development									
Sub programme	202/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Management for Integrated Human Settlements Planning and Development	3,759	-	-	3,759	913	2,846	24,3%	3,660	1,671
2. Macro Sector Planning	19,753	-	(3,000)	16,753	12,623	4,130	75,3%	18,926	11,564
3. Macro Policy and Research	51,700	-	(3,900)	47,800	35,147	12,653	73,5%	50,031	39,250
4. Monitoring and Evaluation	66,417	-	(15,600)	50,817	37,449	13,368	73,7%	62,953	44,730
5. Public Entity Oversight	267,533	-	-	267,533	267,533	-	100,0%	259,401	259,401
6. Grant Management	21,607,883	-	-	21,607,883	21,607,883	-	100,0%	20,807,672	20,807,672
7. Capacity Building and Sector Support	34,211	-	-	34,211	10,022	24,189	29,3%	33,134	15,418
Total for sub programmes	22,051,256	-	(22,500)	22,028,756	21,971,570	57,186	99,7%	21,235,777	21,179,706
Economic classification									
Current payments	172,916	(380)	(22,500)	150,036	94,812	55,224	63,2%	166,120	111,351
Compensation of employees	71,447	-	-	71,447	57,394	14,053	80,3%	68,991	57,704
Goods and services	101,469	(380)	(22,500)	78,589	37,418	41,171	47,6%	97,129	53,647
Transfers and subsidies	21,875,790	30	-	21,875,820	21,875,815	5	100,0%	21,067,675	21,067,647
Provinces and municipalities	21,607,883	-	-	21,607,883	21,607,883	-	100,0%	20,807,672	20,807,672
Departmental agencies and accounts	267,533	-	-	267,533	267,533	-	100,0%	259,401	259,401
Households	374	30	-	404	399	5	98,8%	602	574
Payments for capital assets	2,550	350	-	2,900	943	1,957	32,5%	1,949	678
Machinery and equipment	2,550	350	-	2,900	943	1,957	32,5%	1,949	678
Payments for financial assets	-	-	-	-	-	-	-	33	30
Total	22,051,256	-	(22,500)	22,028,756	21,971,570	57,186	99,7%	21,235,777	21,179,706

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

APPROPRIATION STATEMENT for the year ended 31 March 2023

Programme 3: Informal Settlements									
Sub programme	202/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Management for Informal Settlements	5,454	(780)	-	4,674	1,312	3,362	28,1%	5,186	2,866
2. Grant Management	9,276,862	1,755	(7,000)	9,271,617	8,894,648	376,969	95,9%	8,345,049	7,930,422
3. Capacity Building and Sector Support	73,381	(975)	(4,000)	68,406	18,696	49,710	27,3%	72,570	39,378
Total for sub programmes	9,355,697	-	(11,000)	9,344,697	8,914,656	430,041	95,4%	8,422,805	7,972,666
Economic classification									
Current payments	110,453	(752)	(11,000)	98,701	41,463	57,238	42,0%	108,610	60,706
Compensation of employees	36,775	-	-	36,775	33,235	3,540	90,4%	37,269	32,213
Goods and services	73,678	(752)	(11,000)	61,926	8,228	53,698	13,3%	71,341	28,493
Transfers and subsidies	9,244,901	70	-	9,244,971	8,872,852	372,119	96,0%	8,313,899	7,911,779
Provinces and municipalities	9,244,901	-	-	9,244,901	8,872,852	372,049	96,0%	8,313,809	7,911,689
Households	-	70	-	70	-	70	-	90	90
Payments for capital assets	343	682	-	1,025	341	684	33,3%	296	181
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	343	682	-	1,025	341	684	33,3%	296	181
Total	9,355,697	-	(11,000)	9,344,697	8,914,656	430,041	95,4%	8,422,805	7,972,666

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

APPROPRIATION STATEMENT for the year ended 31 March 2023

Programme 4: Rental and Social Housing									
Sub programme	202/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Management for Rental and Social Housing	4,878	-	-	4,878	3,224	1,654	66,1%	4,751	3,433
2. Public Entity Oversight	887,416	-	-	887,416	887,416	-	100,0%	857,619	806,119
3. Capacity Building and Sector Support	70,464	-	(15,200)	55,264	16,254	39,010	29,4%	74,393	41,430
Total for sub programmes	962,758	-	(15,200)	947,558	906,894	40,664	95,7%	936,763	850,892
Economic classification									
Current payments	74,986	(320)	(15,200)	59,466	19,093	40,373	32,1%	78,700	44,651
Compensation of employees	12,162	-	-	12,162	10,599	1,563	87,1%	13,321	11,293
Goods and services	62,824	(320)	(15,200)	47,304	8,494	38,810	18,0%	65,379	33,358
Transfers and subsidies	887,416	319	-	887,735	887,733	2	100,0%	857,619	806,119
Departmental agencies and accounts	887,416	-	-	887,416	887,416	-	100,0%	857,619	806,119
Households	-	319	-	319	317	2	99,4%	-	-
Payments for capital assets	356	-	-	356	68	288	19,1%	427	105
Machinery and equipment	356	-	-	356	68	288	19,1%	427	105
Payments for financial assets	-	1	-	1	-	1	-	17	17
Total	962,758	-	(15,200)	947,558	906,894	40,664	95,7%	936,763	850,892

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

APPROPRIATION STATEMENT for the year ended 31 March 2023

Programme 5: Affordable Housing									
Sub programme	202/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Management for Affordable Housing	4,754	871	-	5,625	4,706	919	83,7%	3,988	2,793
2. Public Entity Oversight	512,179	(382)	-	511,797	508,585	3,212	99,4%	492,197	489,552
3. Capacity Building and Sector Support	77,938	(489)	-	77,449	68,578	8,871	88,5%	92,644	47,174
Total for sub programmes	594,871	-	-	594,871	581,869	13,002	97,8%	588,829	539,519
Economic classification									
Current payments	86,666	(464)	-	86,202	77,122	9,080	89,5%	81,000	53,339
Compensation of employees	49,048	-	-	49,048	47,707	1,341	97,3%	46,832	44,176
Goods and services	37,618	(464)	-	37,154	29,415	7,739	79,2%	34,168	9,163
Transfers and subsidies	506,956	214	-	507,170	504,062	3,108	99,4%	505,996	485,048
Departmental agencies and accounts	497,538	-	-	497,538	497,538	-	100,0%	479,812	479,812
Foreign governments and international organisations	3,946	174	-	4,120	4,120	-	100,0%	17,870	2,168
Households	5,472	40	-	5,512	2,404	3,108	43,6%	8,314	3,068
Payments for capital assets	1,207	250	-	1,457	643	814	44,1%	1,636	936
Machinery and equipment	1,207	250	-	1,457	643	814	44,1%	1,636	936
Payments for financial assets	42	-	-	42	42	-	100,0%	197	196
Total	594,871	-	-	594,871	581,869	13,002	97,8%	588,829	539,519

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme:

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Administration	R'000	R'000	R'000	%
Current Payment	547,592	473,082	74,510	14%
Transfers and Subsidies	1,413	1,282	131	9%
Expenditure for capital assets	13,413	8,020	5,393	40%
Financial assets	174	132	42	24%

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2023

Under spending is due to following:**Compensation Of Employees (COE):**

Delays in recruitment processes and challenges in finalizing the microstructure of the Department negatively impacted the filling of vacant positions. Consequently, the Department only filled identified critical positions. In addition, the COE budget cuts necessitated that the Department exercise caution when filling vacant positions in order to mitigate the risk of appointing more officials than the department can afford or will need in the future, when the organizational structure is finalized.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department's procurement plan, which has been negatively impacted by the National Treasury's moratorium on procurement over R30 000.00. The department secured a deviation from National Treasury however the approval for deviation was delayed. Even though the moratorium was lifted, delays were experienced in catching up on the implementation of the procurement plan. Additionally, expenditure relating to the Housing Subsidy System is low due to SITA not providing required services as per the service level agreement.

Expenditure for capital assets:

The underspending is primarily due to Cost Centers' slow requests for Information, Communication, and Technology (ICT) equipment and the inability to implement the project to upgrade network equipment.

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Integrated Human Settlements Planning and Development				
Current Payment	150,036	94,812	55,224	37%
Transfers and Subsidies	21,875,820	21,875,815	5	0%
Expenditure for Capital Assets	2,900	943	1,957	67%

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE APPROPRIATION STATEMENT *for the year ended 31 March 2023*

Under spending is due to the following:

Compensation of employees:

Delays in recruitment processes and difficulties in finalizing the microstructure of the organization had a negative impact on the filling of vacant positions. Thus, the Department prioritized filling identified critical posts. In addition, the MTEF COE budget cuts necessitated that the Department exercise caution when filling vacant positions in order to mitigate the risk of appointing more officials than the department will be able to afford in future.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department’s procurement plan, which has been negatively impacted by the National Treasury’s moratorium on procurement over R30 000.00. The department secured a deviation from National Treasury however the approval for deviation was delayed. Even though the moratorium was lifted, delays were experienced in catching up on the implementation of the procurement plan.

Expenditure for capital assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from business units.

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Informal Settlements				
Current Payment	98,701	41,463	57,238	58%
Transfers and Subsidies	9,244,971	8,872,852	372,119	4%
Expenditure for Capital Assets	1,025	341	684	67%

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2023

Under spending is due to the following:**Compensation of employees:**

Recruitment delays and challenges in finalization of the organizational microstructure hampered the filling of vacant positions. Therefore, The Department prioritized filling identified critical vacant posts. Additionally, The COE budget constraints also required the Department to be cautious when filling vacant jobs to avoid appointing more officials than it could afford in future.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department's procurement plan, which has been negatively impacted by the National Treasury's moratorium on procurement over R30 000.00. The department secured a deviation from National Treasury however the approval for deviation was delayed. Even though the moratorium was lifted, delays were experienced in catching up on the implementation of the procurement plan. Additionally, expenditure relating to the Housing Subsidy System is low due to SITA not providing required services as per the service level agreement.

Transfer and subsidies:

The Emergency Housing Grants are schedule 7 a and b grants and are request based grants. The funds are allocated to be utilized 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 an application by Province or Municipality and the Department verifying the application where after approval is given and transfer is effected. The Department did not receive applications for the remaining amounts on the grants.

Expenditure for capital assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from business units.

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Rental and Social Housing				
Current Payment	59,466	19,093	40,373	68%
Transfers and Subsidies	887,735	887,733	2	0%
Expenditure for capital assets	356	68	288	81%
Financial assets	1	-	1	100%

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE APPROPRIATION STATEMENT *for the year ended 31 March 2023*

Reasons for under spending are as follows:

Compensation of employees:

Delays in recruitment processes and challenges in finalizing the organizational microstructure negatively affected filling of vacant positions. Thus, the Department prioritized filling of identified critical posts. Additionally, The COE budget reductions required the Department to exercise caution when filling vacant positions to manage the risk of appointing more officials than the department can afford in the future.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department’s procurement plan, which has been negatively impacted by the National Treasury’s moratorium on procurement over R30 000.00. The department secured a deviation from National Treasury however the approval for deviation was delayed. Even though the moratorium was lifted, delays were experienced in catching up on the implementation of the procurement plan. Additionally, expenditure relating to the Housing Subsidy System is low due to SITA not providing required services as per the service level agreement.

Transfer and Subsidies:

The entire budget was transferred to entities and recipients as planned.

Expenditure for capital assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from business units.

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Affordable Housing				
Current Payment	86,202	77,122	9,080	11%
Transfers and Subsidies	507,170	504,062	3,108	1%
Expenditure for capital assets	1,457	643	814	56%
Financial assets	42	42	-	0%

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE APPROPRIATION STATEMENT *for the year ended 31 March 2023***Reasons for under spending are as follows:****Compensation of employees:**

Some of the vacant positions could not be filled due to delays in the recruitment process and challenges with finalisation of the organisational micro structure. Furthermore, the Department had to exercise caution in filling vacancies due to uncertainty regarding the existence of certain vacant positions when the organizational structure is finalized. In addition, budget cuts in the 2021 MTEF allocation have necessitated that the department exercise caution when filling positions in order to avoid appointing more officials than it can afford in the future.

Goods and Services:

Under spending was mainly as a result of the delay in the implementation of the Department's procurement plan which has been adversely affected by National Treasury's moratorium on procurement above R30 000.00. The department secured a deviation from National Treasury and moratorium was subsequently lifted. However, delays are experienced in catching up on the implementation of the procurement plan. Delays in procurement processes to appoint professional resource teams contributed to the underspending.

Transfer and subsidies:

The entire budget was transferred to entities and recipients as planned.

Expenditure for capital assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from business units.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2023

4.2 Per economic classification:

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Per economic classification:	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	422,473	370,810	51,663	12%
Goods and services	519,494	334,734	184,760	36%
Interest and rent on land	30	28	2	7%
Transfers and subsidies				
Provinces and municipalities	30,852,784	30,480,735	372,049	1%
Departmental agencies and accounts	1,652,487	1,652,487	-	0%
Foreign governments and international organizations	4,120	4,120	-	0%
Households	7,718	4,402	3,316	43%
Payments for capital assets				
Machinery and equipment	19,151	10,015	9,136	48%
Payments for financial assets	217	174	43	20%

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE APPROPRIATION STATEMENT *for the year ended 31 March 2023***Reasons for under spending are as follows:****Compensation of employees:**

Vacant positions could not be filled on time due to delays in the recruitment process and challenges in finalizing the organizational microstructure. Caution has to be exercised in filling vacant positions as there is no certainty as to whether some of the existing vacant positions will still be part of the new structure. In addition, reductions in the 2021 MTEF allocation necessitate the department to exercise caution when filling positions in order to avoid appointing more officials than it can afford in the future.

Goods and Services:

Underspending was mainly due to a delay in the implementation of the Department's procurement plan, which has been negatively impacted by the National Treasury's moratorium on procurement over R30 000.00. The department secured a deviation from National Treasury however the approval for deviation was delayed. Even though the moratorium was lifted, delays were experienced in catching up on the implementation of the procurement plan. Additionally, expenditure relating to the Housing Subsidy System is low due to SITA not providing required services as per the service level agreement.

Transfers 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 entails a request from a Province or Municipality, followed by the department's verification of the request, approval by National Treasury and then transfer will be made. The Department did not receive request for the remaining amounts on the grants

Expenditure for capital assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from business units.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE APPROPRIATION STATEMENT *for the year ended 31 March 2023*

4.3 Per conditional grant

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Approp.
Per conditional grant	R'000	R'000	R'000	%
<i>Human Settlements Development Grant</i>	14,255,610	14,255,610	-	0%
<i>Informal Settlement upgrading Grants - Provinces</i>	4,121,089	4,121,087	2	0%
<i>Provincial Emergency Housing Grant</i>	795,764	426,241	369,523	46%
<i>Urban Settlements Development Grant</i>	7,352,273	7,352,273	-	0%
<i>Informal Settlement upgrading Grants - Municipalities</i>	4,272,636	4,272,636	-	0%
<i>Municipal Emergency Housing Grant</i>	55,412	52,888	2,524	5%

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33
STATEMENT OF THE FINANCIAL PERFORMANCE *as at 31 March 2023*

	Note	2022/23	2021/22
		R'000	R'000
REVENUE			
Annual appropriation	1	33,478,474	31,679,787
Departmental revenue	2	1,842	1,065
Aid assistance		-	942
TOTAL REVENUE		33,480,316	31,681,794
EXPENDITURE			
Current expenditure		706,003	680,209
Compensation of employees	4	370,810	359,297
Goods and services	5	334,734	319,791
Interest and rent on land	6	28	3
Aid assistance	3	431	1,118
Transfers and subsidies		32,141,744	30,272,455
Transfers and subsidies	8	32,141,744	30,272,455
Expenditure for capital assets		10,015	7,472
Tangible assets	9	10,015	7,472
Unauthorised expenditure approved without funding			
Payments for financial assets	7	174	514
TOTAL EXPENDITURE		32,857,936	30,960,650
SURPLUS/(DEFICIT) FOR THE YEAR		622,380	721,144
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		620,969	720,255
Annual appropriation		620,969	720,255
Departmental revenue and NRF receipts	15	1,842	1,065
Aid assistance	3.3	(431)	(176)
SURPLUS/(DEFICIT) FOR THE YEAR		622,380	721,144

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

STATEMENT OF FINANCIAL POSITION as at 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
ASSETS			
Current assets		621,604	721,454
Cash and cash equivalents	10	619,945	708,300
Prepayments and advances	11	335	11,860
Receivables	12	1,324	1,294
Non-current assets		2,366,017	2,365,855
Investments	13	2,364,239	2,364,239
Receivables	12	1,778	1,616
TOTAL ASSETS		2,987,621	3,087,309
LIABILITIES			
Current liabilities		622,689	722,524
Voted funds to be surrendered to the Revenue Fund	14	620,760	720,255
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	25	96
Payables	16	942	780
Aid assistance unutilised	3	962	1,393
Non-current liabilities			
TOTAL LIABILITIES		622,689	722,524
NET ASSETS		2,364,932	2,364,785
Represented by:			
Capitalisation reserve		2,364,239	2,364,239
Recoverable revenue		693	546
Unauthorised expenditure		-	
TOTAL		2,364,932	2,364,785

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

STATEMENT OF CHANGES IN NET ASSETS *as at 31 March 2023*

	Note	2022/23	2021/22
		R'000	R'000
Capitalisation reserves			
Opening balance		2,364,239	2,364,239
Closing balance		2,364,239	2,364,239
Recoverable revenue			
Opening balance		546	81
Transfers:		147	465
Debts recovered (included in departmental revenue)		(471)	(208)
Debts raised		618	673
Closing balance		693	546
TOTAL		2,364,932	2,364,785

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

CASH FLOW STATEMENT for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		33,479,474	31,681,794
Annual appropriation funds received	1.1	33,478,265	31,679,787
Departmental revenue received	2	999	1,035
Interest received	2.2	210	30
Aid assistance received	3	-	942
Net (increase)/decrease in net working capital		11,657	(196,221)
Surrendered to Revenue Fund		(722,168)	(302,475)
Current payments		(705,975)	(680,206)
Interest paid	6	(28)	(3)
Payments for financial assets		(174)	(514)
Transfers and subsidies paid		(32,141,744)	(30,272,455)
Net cash flow available from operating activities	17	(78,958)	229,920
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(10,015)	7,472
Proceeds from sale of capital assets	2.4	633	-
(Increase)/decrease in non-current receivables	12	(162)	314
Net cash flow available from investing activities		(9,544)	(7,158)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		147	465
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		147	465
Net increase/(decrease) in cash and cash equivalents		(88,355)	223,227
Cash and cash equivalents at beginning of period		708,300	485,073
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	18	619,945	708,300

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *for the year ended 31 March 2023***PART A: ACCOUNTING POLICIES****Summary of significant accounting policies**

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

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

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

1. Basis of preparation

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

2. Going concern

The financial statements have been on a going concern basis.

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information**6.1 Prior period comparative information**

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

6.2. Current year comparison with budget

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

7. Revenue**7.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

Appropriated funds are measured at the amounts receivable.

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

7.2 Departmental revenue

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

Departmental revenue is measured at the cash amount received.

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

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

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes

to the financial statements when:

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

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

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

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

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

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

9. Aid assistance

9.1 Aid assistance received

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

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

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

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS *for the year ended 31 March 2023*

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

10. Cash and cash equivalents

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

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

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

11. Prepayments and advances

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&T) are expensed once the S&T claim is authorised on the system.

12. Loans and receivables

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

13. Investments

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

14. Financial assets**14.1 Financial assets (not covered elsewhere)**

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

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

14.2 Impairment of financial assets

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

15. Payables

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

16. Capital assets**16.1 Immovable capital assets**

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

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

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

16.2 Movable capital assets

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

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

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.

16.3 Intangible capital assets

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

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

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

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

16.4 Project costs: Work-in-progress

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

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

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

17. Provisions and contingents

17.1 Provisions

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

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Capital commitments

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

18. Unauthorised expenditure

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS *for the year ended 31 March 2023*

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

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

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

19. Fruitless and wasteful expenditure

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

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

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

20. Irregular expenditure

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

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

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

21. Changes in accounting estimates and errors

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

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

22. Events after the reporting date

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

23. Principal-Agent arrangements

All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24. Departures from the MCS requirements

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

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

25. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received. The Department did not deviate from the modified cash standard requirements.

26. Recoverable revenue

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

27. Related party transactions

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

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

28. Inventories

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

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

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

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

29. Public-Private Partnerships

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

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

30. Employee benefits

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

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

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

31. Transfer of functions

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.

32. Mergers

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

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.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

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

Programmes	2022/23				2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received		Final Budget	Appropriation Received	Funds not requested / not received
	R'000	R'000	R'000		R'000	R'000	R'000
Administration	513,892	513,725	167		495,613	495,613	-
Integrated Human Settlements Planning and Development	22,051,256	22,051,256	-		21,235,777	21,235,777	-
Informal Settlements	9,355,697	9,355,697	-		8,422,805	8,422,805	-
Rental and Social Housing	962,758	962,758	-		936,763	936,763	-
Affordable Housing	594,871	594,829	42		588,829	588,829	-
Total	33,478,474	33,478,265	209		31,679,787	31,679,787	-

An amount of R 209 thousand was erroneously not requested.

2. Departmental revenue

	Note	2022/23	2021/22
		R'000	R'000
Sales of goods and services other than capital assets	2.1	215	205
Interest, dividends and rent on land	2.2	210	30
Sales of capital assets	2.3	633	-
Transactions in financial assets and liabilities	2.4	784	830
Total revenue collected		1,842	1,065
Total		1,842	1,065

	Note	2022/23	2021/22
		R'000	R'000
2.1. Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		211	202
Sales by market establishment		55	54
Administrative fees		-	-
Other sales		156	148
Sales of scrap, waste, and other used current goods		4	3
Total	2	215	205
2.2. Interest, dividends and rent on land.			
Interest		210	30
Total	2	210	30
2.3. Sales of capital assets			
Tangible capital assets		633	-
Machinery and equipment		633	-
Total	2	633	-
2.4. Transactions in financial assets and liabilities			
Other receipts including Recoverable Revenue		784	830
Total	2	784	830
3. Aid assistance			
Opening balance		1,393	1,569
As restated		1,393	1,569
Transferred from statement of financial performance	3.3	(431)	(176)
Closing balance	3	962	1,393

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
3.1. Analysis of balance by source			
Aid assistance from other sources		962	1,393
Closing balance	3	962	1,393
3.2. Analysis of balance			
Aid assistance unutilised		962	1,393
Closing balance	3	962	1,393
3.3. Aid assistance expenditure per economic classification			
Current		431	1,118
Total aid assistance expenditure	3	431	1,118
4. Compensation of employees			
4.1. Analysis of balance			
Basic salary		247,064	237,864
Performance award		51	2,023
Service based		412	846
Compensative/circumstantial		8,460	8,129
Other non-pensionable allowances		71,774	69,615
Total		327,761	318,477
4.2. Social contributions			
Employer contributions			
Pension		30,374	28,870
Medical		12,615	11,893
Bargaining council		60	57
Total		43,049	40,820
Total compensation of employees		370,810	359,297
Average number of employees		567	534

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
5. Goods and services			
Administrative fees		8,337	1,362
Advertising		5,335	10,521
Minor assets	5.1	187	266
Bursaries (employees)		1,029	1,237
Catering		23,024	19,135
Communication		15,970	10,592
Computer services	5.2	50,754	46,791
Consultants: Business and advisory services		28,826	70,902
Legal services		2,858	2,332
Contractors		20,033	10,616
Agency and support / outsourced services		6	227
Entertainment		25	97
Audit cost - external	5.3	10,857	9,404
Fleet services		1,812	1,991
Consumables	5.4	4,106	3,838
Operating leases		43,713	43,101
Property payments	5.5	14,310	11,971
Travel and subsistence	5.6	63,080	35,922
Venues and facilities		35,251	36,143
Training and development		965	912
Other operating expenditure	5.7	4,256	2,431
Total		334,734	319,791

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
5.1. Minor assets			
Tangible capital assets		187	266
Machinery and equipment		187	266
Total	5	187	266
5.2. Computer services			
SITA computer services		30,636	38,251
External computer service providers		20,118	8,540
Total	5	50,754	46,791
5.3. Audit cost - external			
Regularity audits		10,857	9,404
Total	5	10,857	9,404
5.4. Consumables			
Consumable supplies		2,155	1,555
Uniform and clothing		403	206
Household supplies		1,296	735
IT consumables		117	119
Other consumables		339	495
Stationery, printing, and office supplies		1,951	2,283
Total	5	4,106	3,838

	Note	2022/23	2021/22
		R'000	R'000
5.5. Property payments			
Municipal services		6,146	4,731
Property management fees		-	212
Property maintenance and repairs		444	147
Other		7,720	6,881
Total	5	14,310	11,971
5.6. Travel and subsistence			
Local		52,454	35,828
Foreign		10,626	94
Total	5	63,080	35,922
5.7. Other operating expenditure			
Professional bodies, membership, and subscription fees		22	23
Resettlement costs		118	117
Other		4,116	2,291
Total	5	4,256	2,431
6. Interest and rent on land.			
Interest paid		28	3
Total		28	3
7. Payments for financial assets			
Other material losses written off	7.1	168	514
Debts written off	7.2	6	-
Total		174	514

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
7.1. Other material losses written off.			
Nature of losses			
<i>Group major categories, but list material items</i>			
Damages		164	329
Irrecoverable debt (Water and Sanitation)		-	185
No show		4	-
Total	7	168	514
7.2. Debts written off			
Nature of debts written off			
Bad debts		6	-
Total debt written off	7	6	-
8. Transfers and subsidies			
Provinces and municipalities	32,33 Annex 1A,	30,480,735	28,719,361
Departmental agencies and accounts	Annex 1B	1,652,487	1,545,332
Foreign governments and international organisations	Annex 1E	4,120	2,168
Households	Annex 1G	4,402	5,594
Total		32,141,744	30,272,455
8.1. Donations made in kind (not include in the main note)			
<i>List in-kind donations made</i>			
Departmental of Education (Various schools)	Annex 1J	2,137	-
Total		2,137	-

	Note	2022/23	2021/22
		R'000	R'000
9. Expenditure for capital assets			
Tangible capital assets		10,015	7,472
Machinery and equipment	27	10,015	7,472
Total		10,015	7,472

9.1. Analysis of funds utilised to acquire capital assets - Current year

Name of entity	2022/23		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	10,015	-	10,015
Machinery and equipment	10,015	-	10,015
Total	10,015	-	10,015

The difference of R 435 thousand, between additions of R7,7 million (Note 27) and R8,1 million excluding finance leases (Note 9) on machinery equipment are assets received prior year and paid in current financial year.

9.2. Analysis of funds utilised to acquire capital assets - Prior year

Name of entity	2021/22		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	7,472	-	7,472
Machinery and equipment	7,472	-	7,472
Total	7,472	-	7,472

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
9.3. Finance lease expenditure included in Expenditure for capital assets			
Tangible capital assets			
Machinery and equipment		1,827	2,373
Total		1,827	2,373
10. Cash and cash equivalents			
Consolidated Paymaster General Account		619,834	708,205
Disbursements		16	-
Cash on hand		95	95
Total		619,945	708,300
<i>There is no significant amount of cash and cash equivalent balances held by the department that is not available for use.</i>			
<i>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</i>			
11. Prepayments and advances			
Travel and subsistence		3	18
Prepayments (Not expensed)	11.1	279	-
Advances paid (Not expensed)	11.2	53	11,842
Total		335	11,860
Analysis of Total Prepayments and advances			
Current Prepayments and advances		335	11,860
Total		335	11,860

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *for the year ended 31 March 2023*

11.1. Advances paid (Not expensed)

	Note	2022/23				
		Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
		R'000	R'000	R'000	R'000	R'000
National departments		11,842	(924)	(12,576)	1,711	53
Total	11	11,842	(924)	(12,576)	1,711	53

	Note	2021/22				
		Amount as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount 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
Total	11	5,428	(5,552)	(215)	12,181	11,842

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

11.2. Prepayments (Not expensed)

	Note	2022/23				
		Amount as at 1 April 20YY	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepayments	Amount as at 31 March 20ZZ
		R'000	R'000	R'000	R'000	R'000
Goods and services		-	-	-	279	279
Total	11	-	-	-	279	279

12. Receivables

	Note	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	103	4	107	10	31	41
Recoverable expenditure	12.2	195	110	305	573	135	708
Staff debt	12.3	978	487	1,465	697	287	984
Other receivables	12.4	48	1,177	1,225	14	1,163	1,177
Total		1,324	1,778	3,102	1,294	1,616	2,910

12.1. Claims recoverable.

	Note	2022/23	2021/22
		R'000	R'000
National departments		107	41
Total	12	107	41

	Note	2022/23	2021/22
		R'000	R'000
12.2. Recoverable expenditure			
<i>Group major categories, but list material items</i>			
Disallowance Miscellaneous		101	-
Damage Vehicles		109	613
Motswako trading		95	95
Total	12	305	708
12.3. Staff debt			
<i>Group major categories, but list material items</i>			
Ex -Employee		38	20
Study		652	432
Vehicles		370	126
Cellphone		28	12
No Show		5	5
SARS Debt		27	26
Leave without pay		22	22
Salaries		251	265
Laptop		66	70
Petty cash		6	6
Total	12	1,465	984

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
12.4. Other receivables			
Suppliers		1,162	1,162
Fruitless and wasteful expenditure		63	15
Total	12	1,225	1,177
12.5. Impairment of receivables			
Estimate of impairment of receivables		1,806	1,572
Total	12	1,806	1,572
13. Investments			
Non-current			
Shares and other equity			
<i>List investments at cost</i>			
National Housing Finance Corporation		2,363,635	2,363,635
SERVCON	13.1	604	604
Total		2,364,239	2,364,239
Total non-current investments		2,364,239	2,364,239
Analysis of non-current investments			
Opening balance		2,364,239	2,364,239
Closing balance		2,364,239	2,364,239

	Note	2022/23 R'000	2021/22 R'000
13.1. Impairment of investments			
Estimate of impairment of investments		604	604
Total	13	604	604
14. Voted funds to be surrendered to the Revenue Fund			
Opening balance		720,255	301,485
As restated		720,255	301,485
Transferred from statement of financial performance (as restated)		620,969	720,255
Voted funds not requested/not received	1.1	(209)	-
Paid during the year		(720,255)	(301,485)
Closing balance		620,760	720,255
15. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		96	21
As restated		96	21
Transferred from statement of financial performance (as restated)		1,842	1,065
Paid during the year		(1,913)	(990)
Closing balance		25	96
16. Payables - current			
Clearing accounts	16.1	681	468
Other payables	16.2	261	312
Total		942	780

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
16.1. Clearing accounts			
Description			
<i>Identify major categories, but list material items</i>			
Sal:Income Tax		313	420
Sal:GEHS Refund Control		363	47
Sal: Pension Fund		5	1
Total	16	681	468
16.2. Other payables			
Description			
Unspent Funds (North West Provincial Department of Human Settlements)		-	308
Ceta fund		259	-
Salary Disallowance		2	4
Total	16	261	312
17. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		622,380	721,144
Add back non-cash/cash movements not deemed operating activities		(701,338)	(491,224)
(Increase)/decrease in receivables		(30)	(437)
(Increase)/decrease in prepayments and advances		11,525	(6,432)
Increase/(decrease) in payables - current		162	(189,352)
Proceeds from sale of capital assets		(633)	-
Expenditure on capital assets		10,015	7,472
Surrenders to Revenue Fund		(722,168)	(302,475)
Voted funds not requested/not received		(209)	-
Net cash flow generating		(78,958)	229,920

	Note	2022/23	2021/22
		R'000	R'000
18. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		619,834	708,205
Disbursements		16	-
Cash on hand		95	95
Total		619,945	708,300

19. Contingent liabilities and contingent assets**19.1. Contingent liabilities**

Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	105	105
Claims against the department		Annex 3B	1,825,679	1,663,385
Intergovernmental payables		Annex 5	-	416
Other		Annex 3B	68,437	69,529
Total			1,894,221	1,733,435

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

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000

20. Capital commitments.

Machinery and equipment		43	2,640
Total		43	2,640

21. Accruals and payables not recognised.**21.1. Accruals**

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		16,081	2,422	18,503	20,398
Transfers and subsidies		-	-	-	279
Capital assets		54	3	57	47
Total		16,135	2,425	18,560	20,724
Listed by programme level					
Administration				12,358	15,773
Integrated Human Settlements Planning and Development				2,032	1,309
Informal Settlements				352	2,067
Rental and Social Housing				102	734
Affordable Housing				3,716	841
Total				18,560	20,724

21.2. Payables not recognised.

	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Listed by economic classification					
Goods and services		209	91	300	1,554
Transfers and subsidies		-	2,481	2,481	-
Capital assets					451
Total		209	2,572	2,781	2,005

	Note	2022/23	2021/22
		R'000	R'000
Listed by programme level			
Administration		137	980
Integrated Human Settlements Planning and Development		144	2
Rental and Social Housing		-	259
Affordable Housing		2,500	764
Total		2,781	2,005

Included in the above totals are the following:

Confirmed balances with other departments	Annex 5	461	853
Confirmed balances with other government entities	Annex 5	312	-
Total		773	853

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
22. Employee benefits			
Leave entitlement		19,621	21,174
Service bonus		8,680	8,297
Capped leave		4,334	4,283
Other		343	184
Total		32,978	33,938

Disclosed under other Employees Benefits is an amount of 84 thousand for provision of Long Service Award to be paid during 2023/24 Financial year and amount of R 259 thousand is for Overtime not claimed as at 31 March 2023.

The full leave entitlement become due on the first day of each leave cycle (January-December). In addition to the leave entitlement provision, there are negative leave credits to the value of R168 thousand, which relates to leave taken in excess of the accrued leave credits as at 31 March 2023.

23. Lease commitments**23.1. Finance leases**

	2022/23				
	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	-	-	-	2,522	2,522
Later than 1 year and not later than 5 years	-	-	-	999	999
Total lease commitments	-	-	-	3,521	3,521
	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
Total lease commitments	-	-	-	3,743	3,743

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

There are no assets that are sub-leased.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
24. Unauthorised, Irregular and Fruitless and wasteful expenditure			
Irregular expenditure - current year		1,375	3,065
Fruitless and wasteful expenditure - current year		31	3
Total		1,406	3,068

Unauthorized, Irregular, and fruitless and wasteful expenditure for the current financial year includes:

- amounts incurred and confirmed in that financial year.

Unauthorised, irregular, and fruitless and wasteful expenditure for the previous financial year include:

- amounts incurred and confirmed in that financial year; and /or
- amounts confirmed in that financial year;
- amounts that were under assessment in that financial year and confirmed in the current financial year
- amounts that were not identified and confirmed in the current financial year.

25. 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).

26. Key management personnel

Political office bearers (provide detail below)		4,612	4,487
Officials:			
Level 15 to 16		15,047	18,298
Level 13 to 14		25,211	22,306
Total		44,870	45,091

27. Non-adjusting events after reporting date

	2022/23
	R'00
	-
Total	-

Changes in oversight: Subsequent to year-end on the 20th of April 2023 the services of the DDG: Corporate Services were terminated.

	Note	2022/23	2021/22
		R'000	R'000

28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	111,086		7,753	15,230	103,609
Transport assets	5,108		771	2,006	3,873
Computer equipment	64,977		5,592	7,911	62,658
Furniture and office equipment	22,275		855	619	22,511
Other machinery and equipment	18,726		535	4,694	14,567
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	111,086		7,753	15,230	103,609

Movable Tangible Capital Assets under investigation

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

Machinery and equipment		199	2,702
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The difference of R 435 thousand, between additions of R7,7 million (Note 27) and R8,1 million excluding finance leases (Note 9) on machinery equipment are assets received prior year and paid in current financial year.

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

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

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	107,400	331	5,821	2,466	111,086
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	331	888	-	18,726
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	107,400	331	5,821	2,466	111,086

28.1.1. Prior period error

Nature of prior period error	Note	2021/22
		R'000
Relating to 2021/22 [affecting the opening balance]		331
Total prior period errors		331

During 2021/22 financial year assets classified as Finance leases to the value of R13,3million were removed from the asset register however included on the list of removed assets were assets to the value of R331 thousand which should not have been removed from the asset register.

28.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,294	13	14,979	-	16,286
Additions	-	-	-	187	-	187
Disposals	-	-	-	1,889	-	1,889
Total Minor assets	-	1,294	13	13,277	-	14,584

Minor capital assets under investigation

	Note	Number	Value
			R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Machinery and equipment		844	1,239

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

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

	2021/22					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,290	13	15,792	-	17,095
Prior period error	-	-	-	-	-	-
Additions	-	4	-	267	-	271
Disposals	-	-	-	1,080	-	1,080
Total Minor assets	-	1,294	13	14,979	-	16,286

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	6,224	-	-	6,224
MASTHEADS AND PUBLISHING TITLES	36	-	-	36
TOTAL INTANGIBLE CAPITAL ASSETS	6,260	-	-	6,260

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

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	6,224	-	-	-	6,224
MASTHEADS AND PUBLISHING TITLES	36	-	-	-	36
TOTAL INTANGIBLE CAPITAL ASSETS	6,260	-	-	-	6,260

29.1.1. Prior period error

Nature of prior period error	Note	2021/22
		R'000
Relating to 20WW/XX [affecting the opening balance]		-
Relating to 2021/22		
Operational expenditure incorrectly classified as capital expenditure		104
Total prior period errors		104

During 2021/22 financial year Operational expenditure to the value of R104 thousand was incorrectly classified as intangible capital expenditure.

30. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	236	-	-	236
Other fixed structures	236	-	-	236
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	236	-	-	236

30.1. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	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
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	236	-	-	-	236

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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

31. Prior period errors**31.1. Correction of prior period errors**

	Note	2021/22		
		Amount bef error correction	Prior period error	Restated
		R'000	R'000	R'000
Expenditure				
Software		6,328	(104)	6,224
Net effect		6,328	(104)	6,224

During 2021/22 financial year Operational expenditure to the value of R104 thousand was incorrectly classified as intangible capital expenditure.

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

	2021/22				
	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/(Less): Adjustments to prior year balances					
Add: Additions/Purchases - Cash	12				12
Add: Additions/Purchases - Non-cash					
(Less): Disposals					
(Less): Issues	(12)				(12)
Add/(Less): Received current, not paid (Paid current year, received					
Add/(Less): Adjustments	(1)				(1)
Closing balance	-				-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

33. Statement of grants paid to the provinces.

Name of Province / Grant	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				Division of Revenue Act / Provincial grants	Actual transfers
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department		
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	2,084,282	50,744	-	2,135,026	2,084,282	-	-	2,135,026	2,028,069	106,957	95%	1,923,647	1,923,647
Free State	1,054,604	26,639	-	1,081,243	904,604	(150,000)	-	931,243	285,483	645,760	31%	1,014,255	1,000,506
Gauteng	5,130,438	170,106	-	5,300,544	4,930,438	(200,000)	-	5,100,544	5,092,618	7,926	100%	4,934,153	4,914,153
Kwazulu-Natal	4,034,225	-	-	4,034,225	4,034,225	-	-	4,034,225	3,617,759	416,466	90%	3,169,396	3,173,198
Limpopo	1,176,418	287,285	-	1,463,703	1,031,711	(144,706)	-	1,318,997	1,194,898	124,099	91%	1,131,408	1,111,408
Mpumalanga	1,199,069	40,017	-	1,239,086	1,499,069	-	300,000	1,539,086	1,534,126	4,960	0%	1,153,193	1,153,193
Northern Cape	354,813	-	-	354,813	549,519	-	194,706	549,519	549,513	6	0%	341,237	401,237
North West	1,656,036	53,634	-	1,709,670	1,656,036	-	-	1,709,670	1,703,104	6,566	100%	1,592,676	1,592,676
Western Cape	2,113,056	5,196	-	2,118,252	2,113,056	-	-	2,118,252	1,902,992	215,260	90%	2,032,714	2,032,714
TOTAL	18,802,941	633,621	-	19,436,562	18,802,940	(494,706)	494,706	19,436,562	17,908,562	1,528,000		17,292,679	17,302,732
Summary by grant													
HSDG	14,255,610	315,138	-	14,570,748	14,255,610	(200,000)	200,000	14,570,748	13,592,329	978,419	93%	13,402,961	13,402,961
ISUPG	4,121,089	298,242	-	4,419,331	4,121,088	(294,706)	294,706	4,419,331	3,910,468	508,863	88%	3,889,718	3,889,718
PEHG	426,242	20,241	-	446,483	426,242	-	-	446,483	405,765	40,718	91%	-	10,053
TOTAL	18,802,941	633,621	-	19,436,562	18,802,940	(494,706)	494,706	19,436,562	17,908,562	1,528,000		17,292,679	17,302,732

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

Name of Province / Grant	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				Division of Revenue Act / Provincial grants	Actual transfers
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
32.1 HSDG													
Eastern Cape	1,542,022	50,744	-	1,592,766	1,542,022	-	-	1,592,766	1,592,762	4	100%	1,491,219	1,491,219
Free State	813,041	26,639	-	839,680	713,041	(100,000)	-	739,680	244,902	494,778	33%	786,254	786,254
Gauteng	3,955,283	17,094	-	3,972,377	3,955,283	-	-	3,972,377	3,964,494	7,883	100%	3,824,974	3,824,974
Kwazulu-Natal	2,935,224	-	-	2,935,224	2,935,224	-	-	2,935,224	2,574,884	360,340	88%	2,455,021	2,455,021
Limpopo	906,953	189,487	-	1,096,440	806,953	(100,000)	-	996,440	991,734	4,706	100%	877,072	877,072
Mpumalanga	924,416	-	-	924,416	1,024,416	-	100,000	1,024,416	1,020,426	3,990	0%	893,960	893,960
Northern Cape	273,541	-	-	273,541	373,541	-	100,000	373,541	373,541	-	0%	264,528	264,528
North West	1,276,712	31,174	-	1,307,886	1,276,712	-	-	1,307,886	1,304,740	3,146	100%	1,234,648	1,234,648
Western Cape	1,628,418	-	-	1,628,418	1,628,418	-	-	1,628,418	1,524,846	103,572	94%	1,575,285	1,575,285
TOTAL	14,255,610	315,138	-	14,570,748	14,255,610	(200,000)	200,000	14,570,748	13,592,329	978,419		13,402,961	13,402,961
32.2 ISUPG													
Eastern Cape	458,151	-	-	458,151	458,151	-	-	458,151	368,059	90,092	80%	432,428	432,428
Free State	241,563	-	-	241,563	191,563	(50,000)	-	191,563	40,581	150,982	21%	228,001	208,001
Gauteng	1,175,155	153,012	-	1,328,167	975,155	(200,000)	-	1,128,167	1,128,124	43	100%	1,109,179	1,089,179
Kwazulu-Natal	756,868	-	-	756,868	756,868	-	-	756,868	724,592	32,276	96%	714,375	714,375
Limpopo	269,465	97,798	-	367,263	224,758	(44,706)	-	322,557	203,164	119,393	63%	254,336	234,336
Mpumalanga	274,653	19,776	-	294,429	474,653	-	200,000	494,429	493,466	963	0%	259,233	259,233
Northern Cape	81,272	-	-	81,272	175,978	-	94,706	175,978	175,972	6	0%	76,709	136,709
North West	379,324	22,460	-	401,784	379,324	-	-	401,784	398,364	3,420	99%	358,028	358,028
Western Cape	484,638	5,196	-	489,834	484,638	-	-	489,834	378,146	111,688	77%	457,429	457,429
TOTAL	4,121,089	298,242	-	4,419,331	4,121,088	(294,706)	294,706	4,419,331	3,910,468	508,863		3,889,718	3,889,718

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Name of Province / Grant	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				Division of Revenue Act / Provincial grants	Actual transfers
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
32.3 PEHG													
Eastern Cape	84,109	-	-	84,109	84,109	-	-	84,109	67,248	16,861	80%	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	6,251
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	342,133	-	-	342,133	342,133	-	-	342,133	318,283	23,850	93%	-	3,802
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	20,241	-	20,241	-	-	-	20,241	20,234	7	100%	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	426,242	20,241	-	446,483	426,242	-	-	446,483	405,765	40,718	-	-	10,053

HSDG - In terms of DORA 2022 Section 14(1)(a) Total amount of R 14 255 610 000 was transferred to the Provinces (b) An amount of R100 000 000 from Free State Province and R100 000 000 from Limpopo Province were stopped in terms of section 18 of DoRA (c) All transfers were made according to the payment schedule or amended payment schedule (d) Funds amounting to R200 000 000 were reallocated to Northern Cape Province R100 000 000 and Mpumalanga Province R100,000,000 as per section 19 (e) Funds were deposited into the Provinces' primary bank account (f) No funds were used for administration of the allocation by the receiving officer.

PEHG - In terms of DORA 2022 Section 14(1)(a) Total amount of R 426 242 000 was transferred to KwaZulu Natal Province and Eastern Cape Province (b) No transfer was stopped in terms of section 17 or 18 of DoRA (c) All transfers were made according to the payment schedule or amended payment schedule (d) No funds were reallocated by National Treasury as per section 19 (e) Funds were deposited into the Provinces' primary bank account (f) No funds were used for administration of the allocation by the receiving officer.

ISUPG - In terms of DORA 2022 Section 14(1)(a) Total amount of R 4 121 089 000 was transferred to the Provinces (b) An amount of R50 000 000 from Free State Province R200 000 000 from Gauteng Province and Limpopo Province R44 706 000 were stopped in terms of section 18 of DoRA (c) All transfers were made according to the payment schedule or amended payment schedule (d) Funds amounting to R200 000 000 were reallocated to Mpumalanga Province and R94 706 000 were reallocated to Northern Cape Province by National Treasury as per section 19 (e) Funds will be deposited into the Provinces' primary bank account (f) No funds were used for administration of the allocation by the receiving officer.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

34. Statement of conditional grants and other transfers paid to municipalities.

34.1 Urban Settlements Development Grant

Name of municipality	2021/23							2021/22	
	GRANT ALLOCATION				TRANSFER			DORA and other transfers	Actual transfer
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Buffalo City	496,166	-	-	496,166	496,166	-	-	499,705	499,705
Nelson Mandela Bay	588,945	-	-	588,945	588,945	-	-	593,145	593,145
Mangaung	491,760	125,900	-	617,660	491,760	-	-	495,269	795,269
City of Ekurhuleni	1,282,202	-	-	1,282,202	1,182,202	(100,000)	-	1,291,347	1,041,347
City of Johannesburg	1,204,509	-	-	1,204,509	1,404,509	-	200,000	1,213,099	1,163,099
City of Tshwane	1,044,111	-	-	1,044,111	1,044,111	-	-	1,051,557	1,051,557
eThekwini	1,279,036	-	-	1,279,036	1,179,036	(100,000)	-	1,288,158	1,288,158
City of Cape Town	965,544	-	-	965,544	965,544	-	-	972,431	972,431
TOTAL	7,352,273	125,900	-	7,478,173	7,352,273	(200,000)	200,000	7,404,711	7,404,711

In terms of DORA 2022 Section 14(1)(a) Total amount of R 7 352 273 000 was transferred to the Metros) (b) An amount of R100 000 000 from City of Ekurhuleni Metropolitan Municipality and R100 000 000 from eThekwini Metropolitan Municipality were stopped in terms of section 18 of DoRA (c) All transfers were made according to the payment schedule or amended payment schedule (d) Funds amounting to R200 000 000 were reallocated to City of Johannesburg by National Treasury as per section 19 (e) Funds were deposited into the municipalities' bank account (f) No funds were used for administration of the allocation by the receiving officer.

34.2 Informal Settlements Upgrading Partnership Grant-Metros

Name of municipality	2022/23							2021/22	
	GRANT ALLOCATION				TRANSFER			DORA and other transfers	Actual transfer
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buffalo City	282,122	-	-	282,122	282,122	-	-	266,258	238,258
Nelson Mandela Bay	334,876	-	-	334,876	298,876	-	(36,000)	316,045	283,045
Mangaung	279,616	-	-	279,616	204,617	-	(75,000)	263,893	213,893
City of Ekurhuleni	729,065	7,000	-	736,065	729,065	-	-	688,066	672,899
City of Johannesburg	684,888	-	-	684,888	684,888	-	-	646,375	629,375
City of Tshwane	593,686	-	-	593,686	593,685	-	-	560,301	560,301
eThekwini	727,265	-	92,106	819,371	819,371	-	-	686,369	829,536
City of Cape Town	549,012	5,400	-	554,412	660,012	-	111,000	518,140	518,140
TOTAL	4,180,530	12,400	92,106	4,285,036	4,272,636	-	-	3,945,447	3,945,447

In terms of DORA 2022 Section 14(1)(a) Total amount of R 4 272 636 000 was transferred to the Metros (b) An amount of R36 000 000 from Nelson Mandela Metropolitan Municipality and R75 000 000 from Mangaung Metropolitan Municipality were stopped in terms of section 18 of DoRA (c) All transfers were made according to the payment schedule or amended payment schedule (d) Funds amounting to R111 000 000 were reallocated to City of Cape Town by National Treasury as per section 19 (e) Funds were deposited into the municipalities' bank account (f) No funds were used for administration of the allocation by the receiving officer.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2023

	Note	2022/23	2021/22
		R'000	R'000
34. COVID 19 Response expenditure			
Compensation of employees			
Goods and services		30	957
Total	Annex 11	30	957

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				DORA and other transfers	Actual transfers
	DoRA and Other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
Uphongolo Local Municipality	15,498	-	-	15,498	15,500	-	-	15,500	6,509	8,991	0%	30,996	15,498
John Taolo Gaetsewe District Municipality	-	39,400	-	39,400	-	-	-	-	-	-	-	50,973	50,973
City of Johannesburg	13,458	-	-	13,458	13,458	-	-	13,458	2,950	10,508	-	-	-
Alfred Nzo District Municipality	16,626	-	-	16,626	16,626	-	-	16,626	7,215	-	-	-	-
Theewaterskloof Local Municipality	4,600	-	-	4,600	2,300	-	-	2,300	1,916	384	83%	-	-
City of Cape Town	5,004	-	-	5,004	5,004	-	-	5,004	4,988	16	-	-	-
TOTAL	55,186	39,400	-	94,586	52,888	-	-	52,888	23,578	19,899	-	81,969	66,471

MEHG - In terms of DORA 2022 Section 14(1)(a) Total amount of R 52 888 000 was transferred to Uphongolo Municipality - R15 500 000 City of Johannesburg R13 458 000 Alfred Nzo Municipality R 16 626 000, Theewaterskloof Municipality R2 300 000 and City of Cape Town R5 004 000 (b) No transfer was stopped in terms of section 17 or 18 of DoRA (c) All transfers were made according to the payment schedule or amended payment schedule (d) No funds were reallocated by National Treasury as per section 19 (e) Funds were deposited into the Provinces' primary bank account (f) No funds were used for administration of the allocation by the receiving officer.

R175 412 was unallocated less R120 000 which was reallocated to PEHG gazetted, the total available is R55 412

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing Development Agency	242,716	-	-	242,716	242,716	100%	235,379	235,379
Social Housing Regulatory Authority	-	-	-	-	-	-	806,119	806,119
Community Schemes Ombuds	24,817	-	-	24,817	24,817	100%	24,022	24,022
National Housing Finance Corporate (FLISP)	478,028	-	-	478,028	478,028	100%	479,812	479,812
National Housing Finance Corporate (FLISP ADMIN)	19,510	-	-	19,510	19,510	100%	-	-
Housing Development Agency (Property)	-	-	-	-	-	-	51,500	-
Social Housing Regulatory Authority (CGC)	791,144	-	-	791,144	791,144	100%	-	-
Social Housing Regulatory Authority (INST INV)	23,534	-	-	23,534	23,534	100%	-	-
Social Housing Regulatory Authority (OPERATION)	72,738	-	-	72,738	72,738	100%	-	-
TOTAL	1,652,487	-	-	1,652,487	1,652,487		1,596,832	1,545,332

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ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Foreign government / International organisation								
Transfers								
Habitat Foundation Membership Fees	2,523	-	-	2,523	2,523	100%	17,150	2,168
Cities Alliance	1,597	-	-	1,597	1,597	100%	720	-
TOTAL	4,120	-	-	4,120	4,120		17,870	2,168

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Household								
Transfers								
Leave Gratuity	1,822	-	-	1,822	1,677	92%	2,027	1,983
Bursaries (non-employees)	5,298	-	-	5,298	2,211	42%	8,220	2,974
Donations and Gifts (Cash)	28	-	-	28	-	0%	-	-
H/H Claims against the state	570	-	-	570	514	90%	-	-
Retirements Benefits	-	-	-	-	-	-	638	637
TOTAL	7,718	-	-	7,718	4,402	-	10,885	5,594

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ANNEXURE

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
Received in cash						
PSETA	Funding of learnership	533	-	-	-	533
CETA	Skills development initiative	860	-	431	-	429
TOTAL		1,393	-	431	-	962

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2022/23	2021/22
	R'000	R'000
<i>(Group major categories but list material items including name of organisation)</i>		
Made in kind		
Department of Education (Various schools)	2,137	-
TOTAL	2,137	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 22/23	% Held 21/22	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaranteed
						R'000		R'000		R'000		
				2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	Yes/No
National / Provincial Public entity												
National Housing Finance Corporation	Schedule 3A	100	100	84,187,332	84,187,332	2,363,635	2,363,635	4,988,635	4,805,251	199,301	86,040	No
SERVCON	Schedule 3A	100	100	100	100	604	604	-	-	-	-	No
TOTAL				84,187,432	84,187,432	2,364,239	2,364,239	4,988,635	4,805,251	199,301	86,040	

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2022	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2023	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2023
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Nedbank	Housing	-	75	-	-	-	75	-	-
First Rand Bank	Housing	-	24	-	-	-	24	-	-
Old Mutual	Housing	-	6	-	-	-	6	-	-
TOTAL		-	105	-	-	-	105	-	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
Nature of liability	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 6 others	30,000	-	-	-	30,000
Mokgale AT vs Tshwane Metro Municipality and 6 others	1,000,000	-	-	-	1,000,000
Mjayeli Security (PTY) LTD vs The Director General: Human Settlements	3,129	-	-	-	3,129
Reagile Consulting Service 7 Projects CC vs National Department of Human Settlements	60	-	-	-	60
Jibeng Investments (PTY) LTD vs Minister of Human Settlements and others	288,919	-	-	-	288,919
Honono Ongezwa vs Minister of Human Settlements	3,000	-	-	-	3,000
Mbangata Vuyokazi vs 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 HDA	840	-	-	-	840
Kolesky A & Another/ Thaba Chweu Municipality and Others	560	-	560	-	-
Dainah And Joyce Business Enterprises Cc/ The Minister Of Human Settlements And 2 Others	-	961	-	-	961
F Matlatsi Vs Department Of Human Settlements And Others	-	5,935	-	-	5,935
Nu-Ways Housing Development (Pty)Ltd	-	150,000	-	-	150,000
Tawana Business Project (PTY) LTD	-	6,448	-	-	6,448
Subtotal	1,663,385	168,344	1,050	-	1,825,679

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

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Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Other					
SITA	7,106	4,149	169	-	11,086
Public Works Department	56,954	-	-	-	56,954
Bontle Ke Botho (Bothomark Group)	221	-	-	-	221
MTN	132	-	-	-	132
Magong	4	-	4	-	-
Vodacom	44	89	116	-	17
TWF Johannesburg	5,068	-	5,068	-	-
Government Printing Works	-	15	-	-	15
Evolution Technology Group	-	12	-	-	12
Subtotal	69,529	4,265	5,357	-	68,437
TOTAL	1,732,914	167,609	6,407	-	1,894,116

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ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 20YY/ZZ *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Water & Sanitation	-	7	14	-	14	7	-	-
DIRCO	-	-	4	4	4	4	-	-
COGTA	-	26	-	1	-	27	-	-
National School of Government	-	-	6	3	6	3	-	-
Department of Public works	-	-	35	-	35	-	-	-
Department of Health	-	-	41	-	41	-	-	-
Department of Tourism	-	-	7	-	7	-	-	-
Subtotal	-	33	107	8	107	41	-	-
Other Government Entities								
TOTAL	-	33	107	8	107	41	-	-

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ANNEXURE

ANNEXURE 5

INTERGOVERNMENT PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 20YY/ZZ *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Current								
Department of Justice and Constitutional Development	461	783	-	416	461	1,199	-	-
Department of Tourism	-	70	-	-	-	70	-	-
							-	-
Subtotal	461	853	-	416	461	1,269	-	-
Total Departments								
OTHER GOVERNMENT ENTITIES								
Current								
National School of Government	312	-	-	-	312	-	-	-
Total Other Government Entities	312	-	-	-	312	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	773	853	-	416	773	1,269	-	-

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)
Closing balance	-	-	-	-	-

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ANNEXURE

ANNEXURE 8A

INTERENTITY ADVANCES PAID (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
GCIS	-	-	35	11,842	35	11,842
National School of Government	-	-	18	-	18	-
TOTAL	-	-	53	11,842	53	11,842

ANNEXURE 11

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and services	23	6	-	1	30	957
<i>List all applicable SCOA level 4 items</i>						
Contractors	6	5	-	-	11	102
Agency and support/outsourced service	6	-	-	-	6	227
Consumables Supplies	11	1	-	1	13	628
TOTAL COVID 19 RESPONSE EXPENDITURE	23	6	-	1	30	957

Report of the auditor-general to Parliament on South African Housing Fund

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the South African Housing Fund set out on pages 234 to 238, which comprise the statement of financial position as at 31 March 2023, cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

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 2023 and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP).

Basis for opinion

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Liquidation/Going Concern

As disclosed in note 1 to the financial statements, the financial statements are prepared on the liquidation basis since the entity no longer conduct 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

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.

In preparing the financial statements, the accounting officer is responsible for assessing the 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.

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

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

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

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.

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

Reporting on performance information

As the Fund was dormant for the year under review, no work was performed on the audit of performance information.

Report on compliance with legislation

As the Fund was dormant for the year under review, no work was performed to test compliance with key legislation.

Other information

The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor’s report.

My opinion on the financial statements does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

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.

I obtained the other information prior to the date of this auditor’s report except for the Minister’s report and Deputy Minister’s report which are expected to be made available to us after 31 July 2023.

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.

When I do receive and read the Minister’s report and Deputy Minister’s 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

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.

Pretoria
31 July 2023



Annexure to the auditor's report:

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

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.

conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the

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

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

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

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.

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

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

ASSETS			
Current Assets			
	Cash and Cash Equivalents	5	
	TOTAL ASSETS		
EQUITY AND LIABILITIES			
Capital and Reserves			
	Accumulated profits/(Losses)		
Current Liabilities			
	Trade and other payables	3	
	TOTAL EQUITY AND LIABILITIES		

	32,585	32,585
	32,585	32,585
	32,585	32,585
	31,958	31,958
	31,958	31,958
	627	627
	627	627
	32,585	32,585

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SOUTH AFRICAN HOUSING FUND *for the year ended 31 March 2023*

	Note	2022/23	2021/22
		R'000	R'000
CASH FLOW STATEMENT			
CASH FLOWS FROM FINANCE ACTIVITIES:			
(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
Cash and cash equivalents at end of period	5	32 585	32 585

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 conduct 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 recognized at cost.

1.2 Administration Costs

All administration costs are borne by Department of Human Settlements

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33
SOUTH AFRICAN HOUSING FUND *for the year ended 31 March 2023*

	Note	2022/23	2021/22
		R'000	R'000
NOTES TO THE STATEMENT OF FINANCIAL POSITION			
NO.			
2. TRADE AND OTHER RECEIVABLES			
Debtors		421	421
Less: Provision for bad debt		(421)	(421)
Total		-	-
3. TRADE AND OTHER PAYABLES			
Post office account		627	627
Total		627	627

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
Total	32 585	32 585

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 utilizes 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

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ANNEXURE

Annexure A - USDG Service Delivery Outputs

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
Spatial Development and the Built Environment								
Land Release Programme/Human Settlements Development/Informal Settlements Upgrading/security of tenure								
Hectares of land procured and suitable for Greenfields development	BCM	-	-	-	-	0		
	NMB	-	-	-	-	0		
	MAN	-	-	-	-	0		
	COE	-	-	-	-	0		
	COJ	4	-	-	0	0		
	COT	-	-	-	-	0		
	ETM	300	13.20	8.95	0	22.15		
	CCT	10	-	10	10	10		
	TOTAL	314	13.20	18.95	10	32.15		
Number of IS targeted for Upgrading	BCM	46	46	46	46	46		
	NMB	0	0	0	0	0		
	MAN	20	0	0	1	2		
	COE	-	0	0	-	0		
	COJ	10	8	0	1	1		
	COT	0	0	0	0	0		
	ETM	22	5	5	0	10		
	CCT	497	18	0	18	615		
	TOTAL	549	77	51	55	674		
Number of households living in informal settlements targeted for upgrading	BCM	42, 923	42,923	42,923	42, 923	42,293		
	NMB	0	0	0	0	0		

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Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	MAN	5,850	0	48	3,248	3,868		
	COE	-	0	0	-	0		
	COJ	21	0	0	0	0		
	COT	0	0	0	0			
	ETM	822	216	346	0	562		
	CCT	196, 849	0	0	-	237,837		
	TOTAL	246,465	43,139	43,269	42, 923	284,360		
Number of informal settlements upgraded (services provided) in-situ	BCM	0	139	0	0	0		
	NMB	2	0	0	0	2		
	MAN	20	1	1	1	1		
	COE	1, 014	139	0	139	139		
	COJ	-	-	-	-	-		
	COT	0	0	0	0	0		
	ETM	1085	153	94	0	153		
	CCT	18	0	0	0	19		
	TOTAL	2117	431	95	140	453		
	Number of Sites Serviced	BCM	850	139	448	757	1066	
NMB		1,386	0	0	0	0		
MAN		420	0	0	0	0		
COE		4, 050	320	640	960	1280		
COJ		1, 400	0	0	0	0		
COT		0	0	0	0	0		
ETM		1085	0	0	0	0		
CCT		3, 800	714	1274	1363	2640		
TOTAL		12,991	2,362	2362	3080	4986		

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
Number of Title deeds transferred to eligible beneficiaries	BCM	1, 000	0	0	139	139		
	NMB	1, 400	0	0	0	0		
	MAN	2, 000	0	0	0	0		
	COE	4, 050	816	1,677	1, 677	1,677		
	COJ	3, 000	700	1,910	2,134	3,722		
	COT	0	0	0	0	0		
	ETM	1000	181	601	0	782		
	CCT	1, 900	662	921	921	2,372		
	TOTAL	14, 350	2,359	5,109	4,871	8, 692		
Roads and Stormwater								
Kilometers of municipal road lanes resurfaced and resealed	BCM	15	3	10	15	24	-	-
	NMB	0	0	0	0	0	-	-
	MAN	10	0	2	2	2	-	-
	COE	0	0	0	21.31	4.966	-	-
	COJ	122	47	76.34	122.8	241.8	-	-
	COT	0	0	0	0	3	-	-
	ETM	80	0	18	18	18	-	-
	CCT	0	0	0	136	0	-	-
	TOTAL	227	100	106,34	313,11	290,766	n/a	n/a
KMs of new graveled roads to be built	BCM	6	0	2	3	28	-	-
	NMB	0	0	0	0	0	-	-

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report		
							Reasons for variance	Remedial Action	
	MAN	0	0	0	0	0	-	-	
	COE	3, 96	0	0	0	3.96	-	-	
	COJ	0	0	0	21, 84	0	-	-	
	COT	10	0	0	0	0	-	-	
	ETM	0	0	0	0	0	-	-	
	CCT	0	0	0	0	0	-	-	
	TOTAL	19, 96	0	2	23,84	31.96	n/a	n/a	
Kilometers of surfaced municipal road lanes	BCM	0	0	0	8.4	0	-	-	
	NMB	0	2,846.9	2,846.9	2, 846.9	0	-	-	
	MAN	0	1,600	0	1, 600	1,600	-	-	
	COE	0	0	0	8, 245.54	8245.54	-	-	
	COJ	0	46.98	12,046	12, 046	0	-	-	
	COT	0	0	0	0	16, 323	-	-	
	ETM	0	0	0	0	0	-	-	
	CCT	0	0	0	10, 264	10, 264	-	-	
		TOTAL	0	4,493.58	12,048.85	33,148	36,433	n/a	n/a
	KMs of new paved roads to be built	BCM	15	0	3	11	30	-	-
NMB		0	13	0	0	0	-	-	
MAN		5	0	0	0	0	-	-	
COE		53, 3	0	13	13	0	-	-	
COJ		15	3.34	3.34	7, 01	8.01	-	-	
COT		0	0	0	0	0	-	-	
ETM		0	0	0	0	0	-	-	
CCT		0	0	0	0	0	-	-	
		TOTAL	88.3	16,34	16.34	20, 01	38.01	n/a	n/a

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
KMs of storm water drainage installed in addition to current ones	BCM	0	0	0	0	0	-	-
	NMB	0	0	0	0	0	-	-
	MAN	5	0	0	0	5	-	-
	COE	14	0	0	0	14	-	-
	COJ	2.7	0	0	0	2.7	-	-
	COT	0	0	0	0	0	-	-
	ETM	0	0	0	0	0	-	-
	CCT	0.1	0	0.14	0.14	0.14	-	-
	TOTAL	21.8	0	0.14	0.14	21.84	n/a	n/a
	The number of properties below eThekweni defined level of service provided with storm water solutions	BCM	0	0	0	0	0	-
NMB		0	0	0	0	0	-	-
MAN		0	0	0	0	0	-	-
COE		0	0	0	0	0	-	-
COJ		0	0	0	0	0	-	-
COT		0	0	0	0	0	-	-
ETM		0	0	0	0	0	-	-
CCT		0	0	0	0	0	-	-
Total		0	0	0	0	0		
Transport								
Number of new bus terminals or taxi ranks to be constructed	BCM	3	0	1	1	2	-	-
	NMB	0	0	0	0	0	-	-
	MAN	0	0	0	0	0	-	-
	COE	0	0	0	0	0	-	-

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	COJ	0	0	0	0	0	-	-
	COT	0	0	0	0	0	-	-
	ETM	0	0	0	0	0	-	-
	CCT	0	0	0	0	0	-	-
	Total	3	0	1	1	2	n/a	n/a
KMs of new pedestrian walkways to be constructed	BCM	3	0	0	0	0	-	-
	MNB	0	0	0	0	0	-	-
	MAN	0	0	0	0	0	-	-
	COE	0	0	0	0	0	-	-
	COJ	2	0	0	0	0	-	-
	COT	0	0	0	0	0	-	-
	ETM	0	0	0	0	0	-	-
	CCT	9	0	4.2	4.2	10.51	-	-
	Total	14	0	4.2	4.2	10.51	n/a	n/a
	Sanitation Services							
Number of new sewer connections meeting minimum standards	BCM	312	0	0	364	364	-	-
	NMB	2,000	0	867	982	1,056	-	-
	MAN	1,850	0	49	49	49	-	-
	COE	1,000	0	0	351	500	-	-
	COJ	2,252	0	115	115	115	-	-
	COT	1,000	0	274	274	2,254	-	-
	ETM	1,500	0	2,494	2,494	9,319	-	-
	CCT	8,533	0	0	6,857	6,857	-	-
	Total	18,447	0	3,799	11,004	20,514	n/a	n/a

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
Number of additional sanitation service points (toilets) to be installed for informal settlement dwellers	BCM	119	0	0	0	127	-	-
	NMB	0	698	0	0	0	-	-
	MAN	0	49	0	0	0	-	-
	COE	0	689	0	0	0	-	-
	COJ	2,252	931	1,987	1,987	2,317	-	-
	COT	0	0	0	0	0	-	-
	ETM	0	0	0	0	0	-	-
	CCT	2,500	1,689	1,801	4,070	5,276	-	-
	Total	4,752	3,171	2,732	6,802	7,720		
	Number of additional households to be provided with sewer connections	BCM	300	0	0	0	364	
NMB		2,000	0	867	982	1,056		
MAN		3,546	0	0	0	0		
COE		0	0	0	351	0		
COJ		0	931	115	115	0		
COT		0	0	0	0	0		
ETM		2,252	0	0	0	9319		
CCT		2,500	0	1,841	2,787	3,661		
Total		6,752	931	2,823	4,005	14,400		
Percentage of households with access to AT LEAST a basic level of sanitation		BCM	0	0	0	0	0	
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	0	0	0	0	0		
	Total	0	0	0	0	0		
Water Services								
Number of new water connections meeting minimum standards	BCM	300	0	0	19	19		
	NMB	2,000	698	867	982	1,056		
	MAN	1,850	0	238	238	838		
	COE	1,000	689	0	689	607		
	COJ	1,478	0	877	1,648	0		
	ETH	2,000	799	1,695	2,512	9,319		
	COT	3,000	358	1,404	1,822	3,940		
	CCT	2,794	855	0	2,700	2,700		
	Total	14,422	2,649	5,081	8,788	18,477		
Number of new water connections to piped (tap) water	BCM	1,000	0	0	19	19		
	NMB	0	0	0	0	0		
	MAN	0	49	49	49	669		
	COE	0	689	0	351	607		
	COJ	0	358	877	877	-		
	COT	0	0	0	0	3,042		
	ETM	0	0	0	0	0		
	CCT	2,700	855	0	2,787	2,787		

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	Total	3,700	2,649	926	4,083	7,124		
Percentage of households with access to AT LEAST a basic level of water	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	0	0	0	0	0		
	Total	0	0	0	0	0		
	Percentage of estimated indigent households with access to free basic services: water	BCM	0	0	0	0	0	
NMB		0	0	0	0	0		
MAN		0	0	0	0	0		
COE		0	0	0	0	0		
COJ		0	0	0	0	0		
COT		0	0	0	0	0		
ETM		0	0	0	0	0		
CCT		0	0	0	0	0		
TOTAL		0	0	0	0	0		
Number of additional water service points to be installed for informal settlement dwellers within a 200m radius		BCM	0	0	0	0	0	
	NMB	0	0	0	0	0		

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	MAN	14	0	0	0	0		
	COE	200	750	847	750	0		
	COJ	1,478	437	874	874	1,926		
	COT	1,939	0	0	531	0		
	ETM	0	0	0	0	0		
	CCT	700	202	254	254	769		
	Total	4,331	1,389	1,128	2,409	2,695		
Number of additional households to be provided with water connections	BCM	300	0	160	160	313		
	NMB	2,000	698	867	982	1,056		
	MAN	9,972	0	0	0	0		
	COE	0	12	0	12	12		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	2,000	799	1,695	2,512	9,319		
	CCT	0	653	1,841	1,841	3,661		
	Total	14,272	2,162	4,563	7,019	14,361		
	Solid Waste							
Percentage of known informal settlements receiving basic refuse removal services	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	ETM	0	0	0	0	0		
	CCT	0	0	0	0	0		
	Total	0	0	0	0	0		
Number of households living in informal areas with solid waste removal service	BCM	160	0	160	160	160		
	NMB	0	0	0	0	0		
	MAN	2,250	0	0	0	0		
	COE	733,591	733,591	0	733, 591	733, 591		
	COJ	169,000	169,000	169,000	169, 000	169,000		
	COT	0	0	0	0	0		
	ETH	778,742	739,805	739,805	739,805	739,805		
	CCT	278,000	0	0	CCT: 0	218,156		
	Total	2,397 287	942,751	1,316 319	1,860,712	1,860,712		
	Number of additional households provided with access to weekly refuse removal	BCM	160	160	160	160	160	
NMB		0	0	0	0	0		
MAN		67,674	0	0	26,054	55,594		
COE		733, 591	733,591	733,591	733,591	733, 591		
COJ		1, 449, 824	1,449 842	1, 449 824	1, 449, 824	1,700,00		
COT		0	0	0	0	0		
ETM		1,207 536	1,147,159	1,147 159	1,147 159	1,147 159		
CCT		500	0	0	0	5,269		
Total:		3, 459,285	3,330,752	2,597,143	2, 623,197	4,375,364		

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
Number of waste minimisation projects initiated/ upgraded	BCM	4	0	0	0	3		
	NMB	0	0	0	0	0		
	MAN	1	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	3	1	2	2	2		
	COT	0	0	0	0	0		
	ETM	8	0	0	21	23		
	CCT	1	0	0	0	1		
	Total	13	1	2	23	27		
	Percentage of households with access to a basic level refuse removal service once a week	BCM	0	0	0	0	0	
NMB		0	0	0	0	0		
MAN		0	0	0	0	0		
COE		0	0	0	0	0		
COJ		0	0	0	0	0		
COT		0	0	0	0	0		
ETM		0	0	0	0	0		
CCT		0	0	0	0	0		
TOTAL		0	0	0	0			
Percentage of estimated indigent households with access to refuse removal service once a week		BCM	0	0	0	0	0	
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	0	0	0	0	0		
	TOTAL	0	0	0	0			
WASTE RECYCLED as a % of total waste disposed at municipal land fill sites	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	0	0	0	0	0		
	TOTAL	0	0	0	0	0		
Electrification								
Number of dwellings provided with connections to mains electricity supply by the municipality	BCM	400	0	0	160	160		
	NMB	1,386	619	1,138	1,177	1,177		
	MAN	100	0	0	0	212		
	COE	2,700	554	0	554	649		
	COJ	3,200	303	975	2,450	2450		
	COT	5,100	0	582	4,940	2,168		
	ETH	3,500	931	2,287	4,457	5,446		
	CCT	3,156	0	0	0	0		

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report		
							Reasons for variance	Remedial Action	
	Total	19,542	2,407	4,982	13, 738	12,262			
Number of additional households living in formal areas provided with electricity connections	BCM	400	0	0	160	343			
	NMB	0	0	0	0	0			
	MAN	200	0	0	168	168			
	COE	2,700	554	544	544	544			
	COJ	3,200	303	975	2, 450	5,800			
	COT	2,520	0	0	1, 135	1,135			
	ETH	4,500	931	1,837	1,691	5,446			
	CCT	0	0	0	0	0			
		Total	13,520	1,788	2,812	8, 598	13,436		
	Number of additional households provided with access to Free Basic Electricity	BCM	0	0	0	0	0		
NMB		0	0	0	0	0			
MAN		31,398	31,398	32,476	32,299	32,299			
COE		0	0	0	0	0			
COJ		84,994	105,921	104,838	128, 345	132,720			
COT		0	0	0	222	222			
ETH		10,000	0	6,515	6, 515	6,515			
CCT		1,500	0	984	984	2,440			
		Total	222,086	105,921	176,211	199, 940	174,196		
Number of additional high mast lights installed		BCM	6	0	0	6	6		

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	NMB	0	0	0	0	0		
	MAN	10	10	10	10	10		
	COE	40	2	4	4	4		
	COJ	0	0	0	0	0		
	COT	400	0	101	101	101		
	ETM	6	0	1	1	3		
	CCT	10	0	0	0	0		
	Total	474	2	114	114	124		
Number of additional street lights installed	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	140	0	213	213	213		
	COJ	850	53	332	886	1,194		
	COT	400	0	101	101	101		
	ETH	1,200	0	550	1,170	2,385		
	CCT	1,364	0	1,529	1,529	1,921		
	Total	3,954	53	2,725	3,345	5,814		
Number of connections energized and captured on Ellipse, for provision of electricity to residential dwellings by eThekweni municipality	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	0	0	0	0	0		
	TOTAL	0	0	0	0	0		
Percentage of estimated indigent households with access to free basic services: Electricity	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	0	0	0	0	0		
	TOTAL	0	0	0	0	0		
Job Creation								
Number of work opportunities provided by the municipality through the Expanded Public Works Programme	BCM	5, 621	1,007	1,007	3, 647	5,415		
	NMB	7, 059	0	0	7, 568	4,951		
	MAN	5,562	78	1,320	1,524	2,766		
	COJ	17,504	2,743	4,218	7,568	13,554		
	COE	14, 000	3,344	0	3, 344	4,993		
	COT	17,504	0	1,743	1,785	4,106		
	ETM	16,876	0	8,438	8,438	8438		
	CCT	35, 000	14,873	25,854	25, 854	36,378		

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ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	Total:	103,564	32,552	41,412	66, 750	80,601		
Social Amenities								
Community Halls	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	1	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	4	0	2	2	3		
	CCT	3	0	0	0	10		
	TOTAL	4	0	2	2	13		
Sports Fields/stadiums	BCM	2	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	4	0	1	2	2		
	CCT	10	0	0	0	9		
	TOTAL	16	0	1	2	11		
Parks	BCM	6	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	COT	0	0	0	0	0		
	ETM	4	0	2	2	2		
	CCT	6	0	0	0	9		
	Total	10	0	2	2	11		
Clinics	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	6	0	0	0	23		
	Total	6	0	0	0	23		
Swimming Pools	BCM	1	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	3	0	0	0	18		
	Total	3	0	0	0	18		
Libraries	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	4	0	0	0	4		
	Total	0	0	0	0	4		
Museums	BCM	0	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	0	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	0	0	0	0	0		
	Total	0	0	0	0	0		
Cemeteries	BCM	5	0	0	0	0		
	NMB	0	0	0	0	0		
	MAN	1	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	1	0	0	0	1		
	Total	1	0	0	0	1		
Fire/safety/emergency facilities	BCM	1	0	0	0	0		
	NMB	0	0	0	0	0		

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

Performance Indicator	Metropolitan Municipality	Planned Annual Target (2-22/23 FY)	Output: Q1	Output: Q2	Output: Q3	Output: Q4	Narrative Report	
							Reasons for variance	Remedial Action
	MAN	1	0	0	0	0		
	COE	0	0	0	0	0		
	COJ	0	0	0	0	0		
	COT	0	0	0	0	0		
	ETM	0	0	0	0	0		
	CCT	0	0	0	0	0		
	Total	0	0	0	0	0		

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

ANNEXURE B

		WC	EC	GP	KZN	MP	NW	NC	FS	LP	Total
Number of integrated implementations plans for PDAs completed	Target	5	2	10	4	16	5	5	2	2	51
	Output	5	2	0	0	6	14	5	4	11	47
Percentage of investment of the total Human Settlements allocation in PDAs	Target	62%	1%	40%	33%	8%	53%	30%	32%	20%	
	Output	62%	8,14%	18.07%	21%	71%	64,75%	71,40%	13%	27%	
Percentage of land acquired during 2014-2019 within the PDA's rezoned	Target	45,16%	1%	40%	33%	30%	10,00%	100%		0%	
	Output	0%	0%	0%	23%	180.82 ha	0%	0%		0%	
Number of Breaking New Ground (BNG) houses delivered	Target	6 213	7 666	8 421	12 891	50	4 879	2 74	2 156	4 973	47 249
	Output	3 672	5 344	6 625	9 265	2	3 614	152	152	5 066	33 892
Number of serviced sites delivered	Target	2 747	6 205	8 019	11 031	3 820	6 364	2 097	6 530	6 055	52 868
	Output	1 230	4 352	1 753	0	3 830	7 245	3 832	2 701	379	25 322
Number of households that received subsidies through FLISP	Target	2 000	243	20	594	200	65	20	80	50	3 272
	Output	1 436	274	0	487	18	83	21	135	76	2 530
Number of rental social housing units delivered	Target		210		200			70			480
	Output		0		0			0			0
Number of Community Residential Units (CRU) delivered	Target				650	300			35	44	1 029
	Output				438	52					490
Number of informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP)	Target	6	115	1	2	7	3	6	13	2	155

NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

ANNEXURE

		WC	EC	GP	KZN	MP	NW	NC	FS	LP	Total
	Output	1	0	0	0	4	3	7	4	2	21
Number of Pre-1994 title deeds registered	Target	150	750	1150	1 879	400	1 098	500	800	30	6 757
	Output	331	70	18	499	921	22	59	68	52	2 040
Number of Post- 1994 title deeds registered	Target	4 500	3 500	11 828	4 163	1 000	5 172	3 700	2 775	836	3 7474
	Output	1880	2 145	3 089	862	358	5 124	20	105	1009	14 592
Number of Post- 2014 title deeds registered	Target	4 500	2 500	1 662	620	3 500	1 821	650	1 618	150	17 021
	Output	973	6	1 825	359	1 354	157	44	941	753	6 412
Number of New title deeds registered	Target	1 000	1 250	1 000	1 485	100	2 112	150	250	984	8 331
	Output	543	394	0	682	112	1 275	0	0	111	3 117

