



2020-2021  
human settlements  
ANNUAL REPORT  
Vote 33





## human settlements

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

MT KUBAYI (MP), MINISTER  
DEPARTMENT OF HUMAN SETTLEMENTS

I have the honour of submitting the Annual Report  
of the Department of Human Settlements for the period  
01 April 2020 to 31 March 2021  
for tabling in the National Assembly on  
30 September 2021.

A handwritten signature in black ink, appearing to read 'SM Tshangana'.

SM TSHANGANA  
Director-General  
Date: 31 August 2021

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An aerial photograph of a large residential complex, possibly a university campus, featuring several multi-story apartment-style buildings with reddish-brown roofs. The buildings are arranged in a somewhat circular or U-shaped pattern around a central paved area with parked cars. The complex is surrounded by dense green trees and vegetation. In the background, a residential neighborhood with smaller houses is visible on a hillside under a cloudy sky. A prominent red border frames the entire scene, and a white oval with a red border is centered in the upper portion, containing the text 'PART A GENERAL INFORMATION'.

PART A  
GENERAL  
INFORMATION

## 1. Department General Information

### PHYSICAL ADDRESS:

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## 2. List of Abbreviations /Acronyms

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

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

### 3. Foreword by the Minister

Our Constitution provides that everyone shall have the right of access to adequate housing. Since the dawn of democracy our government has been making every effort to ensure the majority of South Africans, who for the longest of time had been denied this right, get access to housing. However, the housing needs have over the years been growing faster than the supply. The supply side of the housing market has experienced multiple challenges subjective and objective. Subjective challenges include weaknesses of housing project implementation and objective challenges include the availability of well-located land for housing development projects, dwindling fiscal resources, and now the Covid-19 pandemic.

The 2020-21 financial year presented significant service delivery challenges for the Department of Human Settlements and its entities due to the catastrophic impact of the Corona virus (COVID-19) pandemic. The pandemic has devastated almost all the sectors of the economy and it continues ravage South Africa and the rest of the global community. The necessary interventions, in particular national lockdown, which formed part of the national response in the fight against COVID-19 forced many Human Settlements projects to come to a halt countrywide. This means the construction sector was compelled to re-evaluate contractual provisions and obligations, including incorporating health and safety measures to comply with the pandemic.

We must however acknowledge that most of the challenges in the human settlement portfolio predates the advent of COVID-19. Government and the Department of Human Settlements and its entities in particular, has the singular responsibility of making sure that the estimated 2.2 million households still residing in informal settlements have decent shelter. Inevitably, this puts a spotlight on the capacity of the state without which we will never be able to respond to the growing housing needs. It behoves us to put more effort in streamlining the housing delivery systems through better implementation strategies and closer coordination of the three spheres of government.

In the three years preceding the COVID-19 pandemic, there has been a cumulative reduction of some R15 billion from the Human Settlements capital budget, whilst the number of people living in informal settlements continues to rise. Despite the dwindling resources over five (5) million housing opportunities



delivered since 1994, which is a world first according to the United Nations. As a result of this work over twenty-one (21) million South Africans are currently accommodated in government subsidised housing.

Whilst the budget reductions were driven by the constrained fiscus, the human settlements portfolio can do more to reduce under expenditure. In this regard, we need to strengthen the monitoring and support processes at the National Department, stabilise the operational capabilities of the entities and their governance structures to ensure that focus on service delivery is maintained. In this regard, the team is assessing the technical capability within the portfolio and whether it is efficiently deployed to expedite service delivery. We have a responsibility to ensure that we deploy our resources effectively and efficiently. Simply put, we need to learn to do more with less.

The process to strengthen the Boards and Council of the entities has commenced. In order to improve our planning capabilities, the human settlements portfolio country-wide, must have standardised monitoring and evaluation systems to better manage and intervene, when necessary, on settlements developments. This capability will also give both the human settlements sector and the beneficiaries the ability to track progress on the milestones of each human settlements projects. Over the years, it is concerning that there has been a growing number of blocked or incomplete projects. The national department, in collaboration with the provinces, municipalities and all other stakeholders, is working on eliminating the obstacles that hinder the completion of these projects.

As we battled to continue our work during the year under review, we had to find creative ways of delivering sustainable housing and improving the quality of household life. The Human Settlements Development Bank has now been established and its role, amongst others, is to assist first time homebuyers and people who have lower incomes, to purchase their own houses. The Finance Linked Individual Subsidy Programme (FLISP), targeting people earning between R3 501 and R22 000 a month, encourages home ownership for this segment of the population. Though currently underperforming, the FLISP programme has a potential to unlock and widen housing opportunities for the “Gap Market”, people who do not qualify for free Breaking New Ground (BNG) housing but also do not earn enough to

qualify for bank financing to purchase a house. A dedicated effort and other measures will be put in place to ensure that the FLISP programme meets all its targets going forward.

The Department also commenced our programme of releasing land, putting infrastructure in place to create Serviced stands thus allowing South Africans to build their own houses. The Department is of the view that this policy shift is long overdue and has thus taken advantage of the processes of land distribution to request that all urban state land should be released for the development of human settlements.

In the 2020-21 financial year, we announced that R2,4 billion and R2,2 billion would be allocated to Provinces and Metros, respectively, for the upgrading of informal settlements and the Department was left with the responsibility of ensuring that outputs are clearer as well as strengthening planning and implementation. Measures are underway to bring the economy of the country back on track and we anticipate that the Human Settlements sector will be able to improve service delivery in the next financial year.

I wish to convey my gratitude to Minister Lindiwe Sisulu, my predecessor, under whose guidance the work under review was done. I will try my level best to pick up where she left off and build upon the good foundation she has laid and the good work that has been done over the years.

Let me also take this opportunity to appreciate the support I have received from Deputy Minister Pam Tshwete in the short period that I have been with the department. To the Director-General Mr Mbulelo Tshangana, thank you for the leadership of the Department. To the Management and entire staff thank you for the hard work and dedication to serving the Republic and its people.



MT KUBAYI, MP

Minister of Human Settlements

## 4. Deputy Minister's Statement



Since the beginning of last year, South Africa and the world have been battered by the devastating effects of the COVID-19 pandemic. This has presented us with many challenges in accomplishing our work. Our budget was cut as the funds had to be reallocated to other competing needs in the country, in particular, the Department of Health, to enable it to deal with the pandemic. We also lost some of our colleagues in the sector and in our immediate families. We would like to convey our deepest condolences to all those who have lost family members and loved ones.

Consequently, and because of the total shutdown of the country in line with the National State of Disaster, we had to find alternative ways to conduct our business. During the shutdown we undertook our provincial roadshows where we met with organised women across the country.

It was our intention to use this exercise to assess and monitor the participation of women and youth contractors in the construction of houses through the implementation of the forty percent and ten percent rule of our total budget set aside for women and youth contractors, respectively. It was only later in the year, with the easing of the restrictions and adjustments of alert levels, that we could start conducting some of our planned programmes. Project construction sites also became operational again in the development of the much-needed human settlements and to address backlogs.

Emanating from information gleaned from the virtual roadshows, we learned that seven (7) out of the nine (9) provinces were not implementing the funds set aside for women and youth contractors as expected.

Mpumalanga and Limpopo provinces emerged as the only two (2) provinces who were committed in implementing the directive.

In my continuous pursuit to empower the women and youth, I met together with the heads of the National Home Builders Registration Council (NHBRC), the Construction Industry Development Board (CIDB) and the women representatives from Limpopo to discuss challenges around the registration and grading of women contractors. We agreed that the CIDB will expedite the grading of lower grade levels for women

and youth contractors to higher levels and that the NHBRC will attend to matters pertaining to the registration and development of women and youth contractors, going forward.

Through the NHBRC, we managed to train a total of 2270 women in various technical areas. In the current financial year, we will also be introducing a module on finance to capacitate women and youth contractors as this has been identified as a need.

Due to numerous challenges in the Military Veterans Government Programmes, a presidential task team, led by the Deputy President, Honourable David Mabuza, was established. I continue engaging with the Deputy Minister of the Department of Military Veterans (DMV) to ensure that the issues related to delivery of houses to Military Veterans' beneficiaries, are resolved amicably and speedily.

Country wide we have also noticed a slow pace of delivery in issuing title deeds, except for the recent improvement from Kwa Zulu-Natal, where a total of three thousand (3 000) title deeds were issued during the last quarter of the last financial year. We will have to ensure that all provinces are making progress in this area.

The District Development Model (DDM) principle was wonderfully demonstrated when I hosted a programme that involved Deputy Ministers from various departments, in March this year. This was done during my visit to Coffee Bay and Thafalehashe Village under the King Sabata Dalindyebo and Umbhashe local municipalities. This outreach programme was prompted by my initial visit to these areas, which took place in November 2020, where a number of challenges were raised during engagement with the community. It was proven that when the three spheres of government work together, service delivery can be fast tracked.

The cases of the destitute families continue to be our priority. We will endeavour to assist until the last destitute family has been housed. In the 2021 financial year, we intervened in and assisted destitute families. In the year under review, we also had the pressure of being invited to many provinces to hand over houses to destitute families and this will become one of our focus areas going forward.

Lastly, we would like to state that we are gratified by the identification of one thousand five hundred (1 500) informal settlements that will be upgraded to level three in the current Medium-Term Strategic Framework (MTSF) period. This programme is fully funded and is well planned for. The upgrading of informal settlements will also serve as another very important stream where women and youth contractors will participate, whilst significantly improving people's lives through the provision of necessary services, like serviced stands with electricity, water, ablution facilities as well as security of tenure.



P TSHWETE, MP

Deputy Minister for Human Settlements

## 5. Report of the Accounting Officer

The year under review marks the second year of the Medium-Term Strategic Framework (MTSF) which intends to ensure we foster spatial transformation through investment in specific areas that will ensure coordination and alignment of planning, budgets and implementation as well as attracting additional investment from the private sector.

In year one of the MTSF, we envisaged that in partnership with provinces and municipalities, we would select 94 Priority Development Areas; however, the eagerness to transform apartheid spatial form meant we had to increase these areas that are organising spaces for development not only by government but private sector too.

In year two of the MTSF, a proposal was submitted to DPME to revise downwards some MTSF targets because of economic performance of the country and the negative impact of COVID-19, which resulted in budget deductions.

The downward revision included a decrease in the number of Breaking New Ground TV production (BNG) episodes and affordable rental units while we intended intensive implementation of the provision of serviced sites through the Integrated Development Programme and Upgrading of Informal Settlements Programme.

The trade-offs would be (a) improved design of settlements, (b) investment in installation of infrastructure for water, energy, sanitation, roads, solid waste disposal, street lighting, communication, among others; and (c) investment in public spaces (walkways, public transport stops, streets, squares, parks, trading spaces, food gardens, and the like).

The Department of Human Settlements has experienced various reductions in its budget that has necessitated a review of targets while the overall strategy of transforming human settlements into liveable neighbourhoods through an infrastructure led development, remains intact.



Although the target on registration of title deeds has shown some progress, the challenge of an increasing backlog remains as developments continue without the legal processes of township establishment being undertaken.

The Finance Linked Individual Subsidy Programme (FLISP) targeting the GAP market is underperforming for various reasons. The GAP market is those citizens earning more than the threshold amount to qualify for a housing subsidy but too little to qualify for a bond. Increasing the upper limit will not resolve the problems of underperformance. Discussion on strategies to improve this programme must be undertaken.

Overall, the primary objective remains the transformation of human settlements into liveable and sustainable spaces through spatial targeting and consolidating investment. The Department of Human Settlements resolved to refocus its' programmes on:

- Informal Settlements Upgrading Programme (ISUP)
- Integrated Residential Development Programme (IRDP)
- Neighbourhood Infrastructure and amenities utilising programmes such as the Social and Economic Amenities
- Increase the rental housing stock.

The main strategy is to expedite the implementation of the IRDP and UISP by releasing service sites and to support beneficiaries to build, utilising a range of programmes such as the PHP, Individual Subsidy Programme, FLISP and so forth. The plan is to establish and /or enhance the existing housing support centres to focus on supporting matters related to real estate and housing construction.

## The socio-economic context

The year under review started during the countrywide lockdown precipitated by COVID-19 and an economy that was already in recession. The consequences were devastating for the construction sector as outlined in the foreword by the Minister of Human Settlements, Honourable Mmamoloko Kubayi.

## The strategic focus for human settlements

Targeted infrastructure investment is critical for economic growth as well as contributing towards social protection and community development. The focus is on infrastructure development to support economic growth and enhance social protection. The human settlements strategy is grounded on the following:

- Amassing government investment through investment in identified areas
- Infrastructure development to support both economic growth and enhance social protection
- Improve neighbourhood design to contribute to a better quality of health and wellbeing of households
- Investment in public spaces (walkways, public transport stops, streets, squares, parks, trading spaces, food gardens and the like)
- Supporting the South African construction industry and the real estate industry
- Supporting job creation and transformation through the appointment of local labour and setting asides<sup>100</sup> for designated groups
- Evidence – based directed and big data management.

## Informal settlements upgrading

In the past few years of implementing the informal settlements upgrading programme we determined that informal settlements were mainly upgraded through relocation, instead of in situ, as envisaged in the policy. Unfortunately, in 2020/21 the performance of the programme was unsatisfactory. This was due to still being in the window period of anticipating the informal settlements upgrading grant, subsequent to announcing a dedicated informal settlements upgrading grant, necessitated by the rapid growth of informal settlements in all major cities and towns.

## Relief measures to reduce the negative impact of COVID-19

Various interventions were carried out to assist the sector mitigate the impact of COVID-19. This included relief for estate agencies to make sure there were no penalties for late submission of audited statements.

An amicable and evolving plan, permitting rearrangements for affordable housing loan repayments by borrowers who were indebted to the NHFC, which includes penalty free capital loan repayment holidays for up to six months, was announced during the year under review.

During the said year, we were mindful that the social and rental housing market would be the hardest hit, during the hard lockdown. We therefore proclaimed that evictions were prohibited, including legal notice to evict due to arrears of rental, during the hard lockdown. Government furthermore introduced a compensation scheme in the form of Residential Rental Relief Scheme for tenants in affordable rental housing.

However, there was an unavoidable delay in this programme as we had to assess its legality because it excluded a great number of the most vulnerable tenants, especially in the informal rental market sector. We had to seek legal opinion, which confirmed that for legality and constitutionality of the relief programme, the promulgation had to cater for the most vulnerable tenants, too. Hence the delay, while policy was developed to ensure this compliance.

## Human Settlements' enabling legislation

The Department successfully tabled, in both the Cabinet and Parliament, respectively, the following pieces of legislation aimed at advancing both the transformation and consumer protection within our sector. These include, inter alia:

### **Housing Consumer Protection Bill 2021**

The Bill was approved by Cabinet for introduction into Parliament in March 2021 following the public comments process. Currently, both Parliamentary Portfolio Committees are currently proceeding the Bill in accordance with the joint rules of the National Assembly and the National Council of Provinces.

### **Human Settlements Development Bank Bill, 2021**

The Bill was tabled at FOSAD and consequently recommended by the cluster for tabling before Cabinet Committees. After approval by Cabinet, the Bill will be published for public comments and the Department will also hold information sessions with all stakeholders and the public at large. Once approved by Parliament this piece of legislation will bring about access to affordable financial opportunities to the public within the Republic of South Africa.

### **Property Practitioners Act and Regulations 2020**

The Act was assented by the State President in December 2019 after approval by all political parties represented at the National Assembly. We have now finalised the Regulations after public comments to give effect to the commencement of the Act. The Proclamation on the Commencement of this Act will soon be sent to the State President for assent.

### **Prevention of Illegal Eviction Amendment Bill 2020**

The draft Bill has been finalised in consultation with the Office of the Chief State Law Advisors and the consultation with the National Department of Rural Development and Land Reform regarding the alignment thereof with the Extension of Security of Tenure Act and the Labour Tenant Act. The Bill will be drafted in accordance with the recommendations of the Kgalema Motlanthe Panel Report on Land Expropriation. Thereafter, the Bill will be recommended by the Minister for submission to Cabinet, and for public comment.

The next financial year will see a doubling of our efforts to improve the performance of the Department in achieving its' mission and objectives.

## Overview of the financial results of the Department

### Departmental receipts

The department does not trade. Its receipts emanate solely from its' administrative activities and include commission earned on the payroll withholdings, staff members' car parking fees, telephone usage refunds. 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:

Table 1: Departmental Receipts

Departmental receipts	2020/21			2019/20		
	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 licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	220	206	74	205	203	2
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	118	30	88	115	136	(21)
Sale of capital assets	-	-	-	-	-	-
Transactions in financial assets and liabilities	-	129	-129	408	341	67
<b>Total</b>	<b>338</b>	<b>305</b>	<b>33</b>	<b>728</b>	<b>680</b>	<b>48</b>

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

- Interest, dividends and rent on land
  - More interest than expected was earned on unspent grant funds deposited by provinces into the account of the department. These funds were deposited without references and as a result, could not be immediately transferred to the National Revenue Funds.
- Bad debts are written off in terms of the Debtors Management Policy of the Department. During the year under review, debts amounting to R27 000 were written off.

## Programme Expenditure

Table 2: Expenditure by Programme

Programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/ Under Collection	Final Appropriation	Actual Expenditure	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	483 399	399 181	84 218	469 257	428 416	40 841
2. Integrated Human Settlements Planning and Development	26 034 771	26 001 951	32 820	31 778 681	31 373 090	405 591
3. Informal settlements	633 659	511 211	122 448	513 920	465 886	48 034
4. Rental and social housing	1 184 596	1 162 257	22 339	863 863	861 748	2 115
5. Affordable housing	742 594	700 934	41 660	236 193	216 413	19 780
<b>Total</b>	<b>29 079 019</b>	<b>28 775 534</b>	<b>261 825</b>	<b>33 861 914</b>	<b>33 345 553</b>	<b>496 581</b>

The Department's total expenditure for the period ending 31 March 2021 was R28.7 billion, representing approximately 98.9% of the allocated funds. The underspending of R261.8 million translates into 0.9% of the total allocation.

### Reasons for underspending

#### Programme 1: Administration

The programme underspent by R84.2 million or 17.4% of the adjusted allocation of R483.3 million. On current payments the underspending is due to following:

- Compensation of employees

Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will still be on the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the

department's organisational structure as there was a need to ensure that there is close alignment. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions to manage the risk of appointing more people than the department will afford in the future.

- Goods and Services

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

- Expenditure for capital assets

Underspending can be attributed to over estimation of costs related to procuring and replacing computer equipment to enable staff to work remotely.

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

The underspending of R32.8 million or 0.1% of adjusted allocation. On current payments the underspending is due to following:

- Compensation of employees

Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will still be on the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the department's organisational structure as there was a need to ensure that there is close alignment. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions to manage the risk of appointing more people than the department will afford in the future.

- Goods and Services

Underspending was mainly due to the COVID-19 pandemic which resulted in a national lockdown and subsequent curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly effected was travel and other personnel related expenditure as well delays in the procurement processes. Another contributing factor is the underspending on the Housing Subsidy System budget due to SITA not providing the required services as per the service level agreement.

- Expenditure for capital assets

The underspending can be attributed to over estimation of costs of procuring and replacing of computer equipment to enable staff to work remotely.

### Programme 3: Informal settlements

The programme underspent by R122.4 million or 19.3% of the adjusted allocation. On current payments the underspending is due to following:

- Compensation of employees

Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will still be on the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the department's organisational structure as there was a need to ensure that there is close alignment. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions to manage the risk of appointing more people than the department will afford in the future.

- Goods and Services

Under spending was mainly because of the COVID-19 pandemic which resulted in a national lockdown and subsequent curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly effected was travel and other personnel related expenditure as well delays in the procurement processes.

- Transfer and subsidies

Underspending on the transfers and subsidies is due to the partial transfer of the Provincial and Municipal Emergency Housing Grants. The Emergency Housing Grants are intended to provide temporary shelter assistance to households affected by disasters. These grants are transferred on approval of an application by a province or a municipality. Where no application is received and approved, funding cannot be transferred to any province or municipality and thus remains unspent.

- Expenditure for capital assets

The underspending can be attributed to over estimation of costs of procuring and replacing of computer equipment to enable staff to work remotely.

#### **Programme 4: Rental and social housing**

The programme underspent by R22.3 million or 1.9% of the adjusted allocation. The reasons for underspending are as follows:

- Goods and Services

Under spending was mainly due to the Covid 19 pandemic, which resulted in the national lockdown and subsequent curtailing of activities within the Department to ensure compliance to DPSA directives. Mostly effected was travel and other personnel related expenditure as well delays in the procurement processes.

- Expenditure for capital assets

The underspending can be attributed to over estimation of costs of procuring and replacing of computer equipment to enable staff to work remotely.

#### **Programme 5: Affordable housing**

The programme underspent by R41.6 million or 0.9% of the adjusted allocation. Reasons for underspending are as follows:

##### Current Payments

- Compensation of employees:

Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will still be on the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the department's organisational structure as there was a need to ensure that there is close alignment. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution on filling positions to manage the risk of appointing more people than the department will afford in the future.

- Goods and Services:

Underspending occurred in the main due to the COVID- 19 pandemic, which resulted in the national lockdown and subsequent curtailing of activities within the Department to ensure compliance to DPSA directives. The area mostly affected was travel and other personnel related expenditure as well delays in the procurement processes.

- Transfer and subsidies

Underspending on the transfers and subsidies was due to:

Funds provided additionally to the UN Habitat for the UN Habitat Partnership on leading sustainable inclusive urban transformation in the decade of action could not be transferred as the agreement

between the Department and the United Nations could not be finalised on time. Initially an administrative agreement signed by the Accounting Officer was envisaged but the Department was informed by the Department of International Relations that due to the amount involved a political agreement signed by the Executive Authority is required, which delayed the agreement being finalise.

The fact that the Department's scholarship programme for non-employees is being phased out, in line with government response to the fees must fall campaign, resulted in savings.

- Expenditure for capital assets

The underspending can be attributed to over estimation of costs of procuring and replacing of computer equipment to enable staff to work remotely.

## Virements and Rollovers

A rollover of R390.2 million was approved for the Urban Settlements Development grant.

### Virements after Adjustment Budget Estimate

From	To	Amount R'000	Reason
Programme 4: Rental and social housing	Programme 4: Rental and social housing	R6.3 million	Funding of a court order in relation to the invasion of the Aloe Ridge social housing project
Programme 3: Informal settlements	Programme 2: Integrated human settlements planning and development	R24 million	Providing COVID 19 related relief funds for the Estate Agency Affairs Board (EAAB)
Programme 3: Informal settlements	Programme 5: Affordable housing	R14 million	Funding for the UN Habitat to fund the UN Habitat Partnership on leading sustainable inclusive urban transformation in the decade of action

### Fruitless and Wasteful Expenditure

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
Late payment of employee and employer pension fund contribution	Still under investigation	13
<b>Total</b>		<b>13</b>

## Future Plans of the Department

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

In addition, the department also intends to:

- Accelerate the planning and implementation of the informal settlements upgrading programme. To this end, National Treasury approved the introduction of Informal Settlements grants
  - Accelerate the issuing of title deeds
  - Operationalise the Human Settlements Bank. To this end all Human Settlements development finance institutions have been merged into one entity
  - Strengthen Human Settlements public entities and position them as a key force in driving the human settlements expansion
  - Drive a robust campaign with the sole intention of “unlocking land to house South Africa”. This will include constructive engagement of various public entities, government departments, private landowners as well as developers and civil society
  - Fast-track the implementation of catalytic projects
  - Design and implement an Incubation Programme for Small Contractors, especially women and youth contractors
- Enhance the department's responsiveness in relation to human settlement-related disasters
  - Finalise the drafting and promulgation of the following:
    - Property Practitioners Bill of 2018
    - Home Loan and Mortgage Disclosure Act, Act No. 63 of 2000
    - Amendment Bill of 2018 (HLAMDA)
    - Housing Consumers Protection Measures Amendment Act, 2007
    - Human Settlements Development Bank Bill of 2017
    - Human Settlements Bill
    - Prevention of Illegal Eviction and Unlawful Occupation of land Act, Act No.19 of 1998
    - Occupation Amendment Bill
  - Strengthen the monitoring of grants to ensure that transferred funds are used for intended purposes
  - Provide technical support to other spheres of government, particularly where there is underperformance, before invoking provisions of the Division of Revenue Act.

## Public Private Partnerships

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

## Discontinued activities/activities to be discontinued

No discontinued activities during the year under review.

## New or proposed activities

There were no new or proposed activities.

## Supply Chain Management (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:
  - Internal SCM Circulars, financial delegations, policies, instruction notes.
  - Bid committees (Specification, Evaluation and Adjudication) are in place and members are appointed in writing by the Accounting Officer or his delegate.
  - Every request for the procurement of goods and services is verified against a check list to ensure compliance with prescripts and prevent irregular expenditure.
  - When irregular expenditure is discovered and assessed, determined, investigated (when there is a need) and reported to the relevant authority in terms of the National Treasury Instruction Note 2 of 2019/20 on Irregular Expenditure.

- When irregular expenditure is discovered, it is recorded, investigated and reported to the relevant authority for a formal response.

- The following indicates challenges experienced in SCM and how they were resolved:
  - The quality of the bid specifications or terms of reference (ToR) were not always in line with acceptable standards. This was resolved through the tabling of all bid specifications or ToR to the Bid Adjudication Committee meeting for review and quality control. Furthermore, every Bid Specification Committee meeting is supported by legal and supply chain management representatives for support and advice.
  - Late or non-submission of some projects for incorporation into the procurement plan, resulting in late amendments of the said plan during the financial year. Branch heads and Chief Directorates are followed up through a SCM circular reminding them to submit their planned projects to Supply Chain Management for incorporation into the procurement plan.
  - Attempts by a criminal syndicate posing as our department and sending out fake requests for quotation to Service Providers. A warning message was placed on the department's website warning the public about these criminal syndicates and informing the public to confirm the authenticity of the bids or orders they receive from any source, with the department.



SM TSHANGANA  
 Director-General  
 Accounting Officer  
 Date: 31 August 2021

## 6. Statement of responsibility and confirmation of accuracy of the annual report

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

- a. All information and amounts disclosed throughout the annual report are consistent.
- b. The annual report is complete, accurate and is free from any omissions.
- c. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- d. The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- e. The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- f. The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- g. The external auditors are engaged to express an independent opinion on the annual financial statements.
- h. In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2021.

Yours faithfully



Accounting Officer: Department of Human Settlements  
SM TSHANGANA  
Date: 31 August 2021

## 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

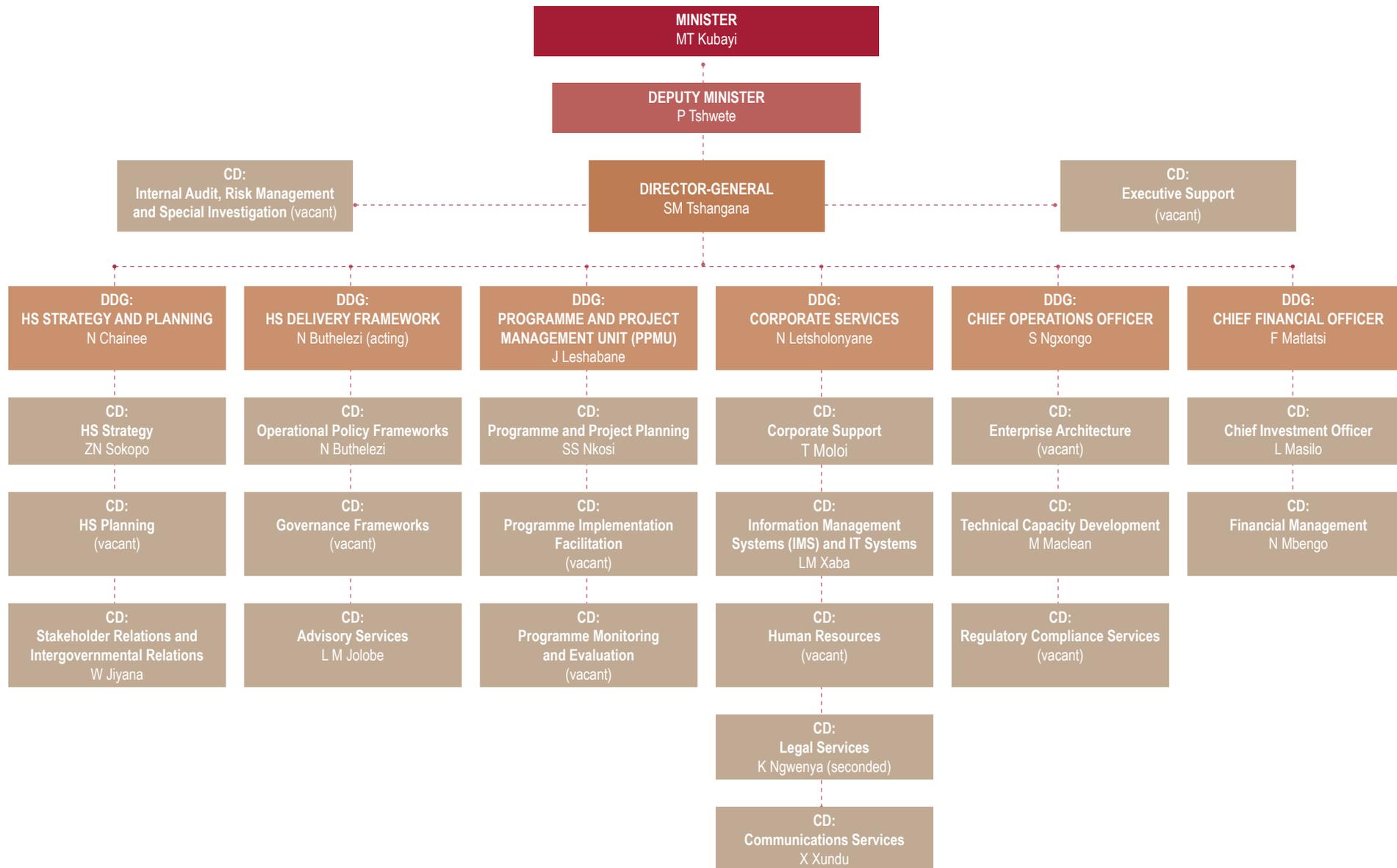
The core values guiding and regulating the Department are based on the Constitution of the Republic of South Africa and supporting legislation, and include: Accountability; Fairness and Equity; Choice, Quality and Affordability; Sustainability; Innovation; and Batho Pele Principles.

## 8. Legislative and other mandates

### Acts administered by the Department of Human Settlements

- Housing Act 107 of 1997
- Pie Act 1998
- Housing Development Agency Act 23 of 2008
- Social Housing Act 16 of 2008
- Community Schemes Ombud Service Act 9 of 2011
- Estate Agency Affairs Act 112 of 1976
- Home Loan and Mortgage Disclosure Act 63 of 2000
- Housing Consumers Protection Measures Act 95 of 1998
- Sectional Titles Scheme Management Act 8 of 2011
- Rental Housing Act 50 of 1999
- Rental Housing Amendment Act 35 of 2014

## 9. Organisational Structure



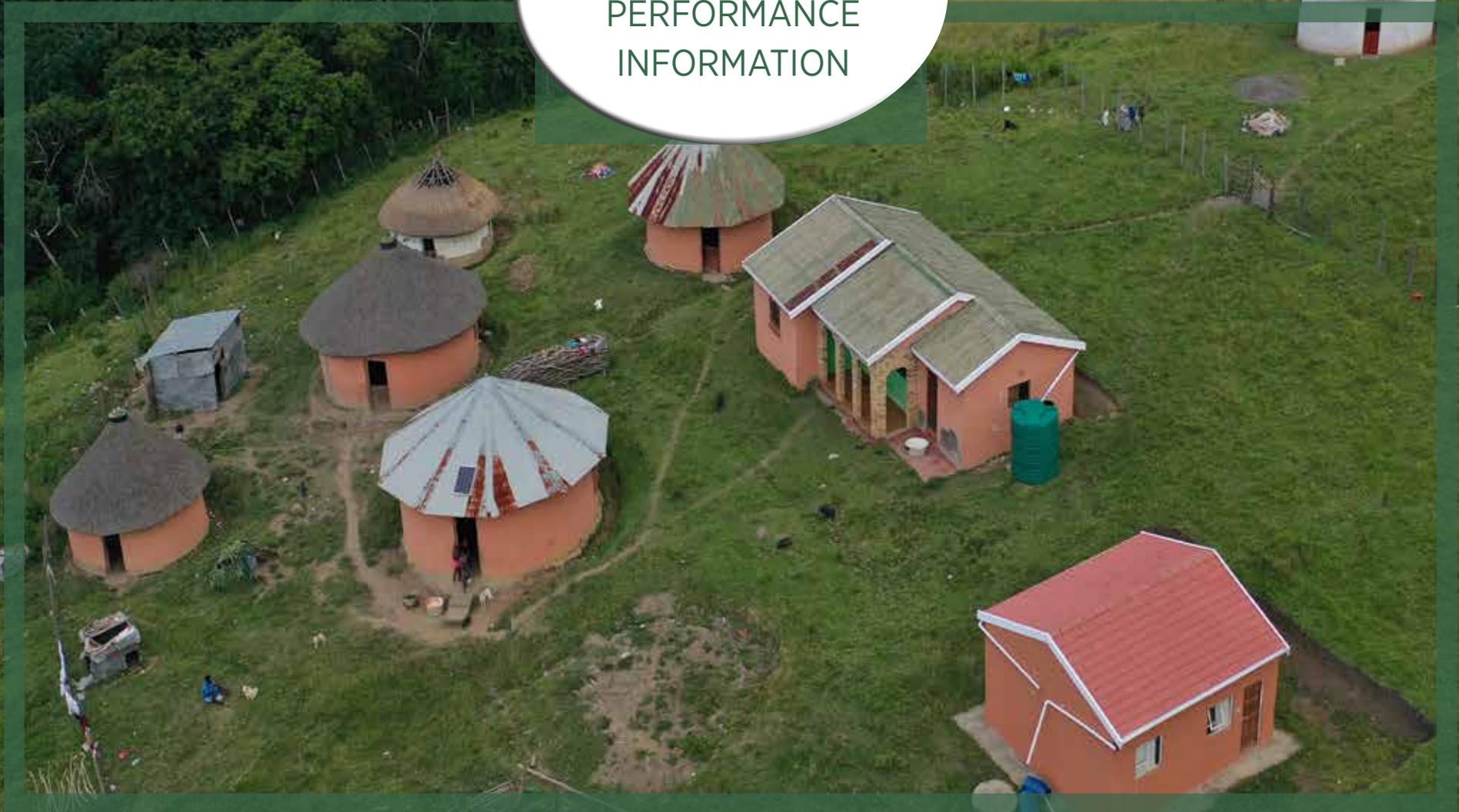
## 10. Entities reporting to the Minister

The information furnished in this section should correlate with information provided elsewhere in the annual report; for example, in the related party transactions disclosure note to the financial statements and the information on the entities. The table below indicates the entities that report to the Minister/MEC.

Table 3: Entities that report to the Minister/MEC

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Estate Agency Affairs Board (EAAB) 	To regulate, maintain and promote the standard of conduct of estate agents; issue fidelity fund certificates to qualifying applicants; prescribe the standard of education and training of estate agents; investigate complaints lodged against estate agents; manage the Estate Agents Fidelity Fund	The EAAB is empowered in terms of the enabling legislation to raise fees and levies from estate agents	Regulator
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; 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
Housing Development Agency (HDA) 	To 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 operational funding to the HDA to defray overhead and operational costs, the HDA also charges fees for development services rendered to public sector clients on a cost recovery basis	Service Delivery Agency
National Housing Finance Corporation (NHFC) 	To mobilise funding into the human settlements space in partnership with a broad range of institutions, while also providing wholesale finance, and to act as a fund and risk manager and the implementing agent for the Finance-Linked Individual Subsidy Programme (FLISP)	The Department provides NHFC with operational funding assistance and subsidy grant funding to implement the FLISP programme  Other programme expenditure is funded by the entity from interest and fees derived from the lending activities	Development Finance Institution
National Home Builders Registration Council (NHBRC) 	To provide housing consumers with warranty protection against defects in new homes and protection against any failure of builders to comply with their obligations in terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998)	The NHBRC is empowered to raise registration and enrolment fees in terms of the enabling legislation	Regulator
Social Housing Regulatory Authority (SHRA) 	To regulate and support the social housing sector in order to accelerate the delivery of sustainable and financially viable social housing projects; responsible for the disbursement of institutional investment and capital grants to social housing institutions	The Department provides SHRA with operational grant funding, the Institutional Investment Grant and the Restructuring Capital Grant	Regulator

PART B  
PERFORMANCE  
INFORMATION



1. Auditor-General's Report:  
Predetermined Objectives (refer to page 142)

## 2. Overview of Departmental Performance

### 2.1 Service Delivery Environment

The period under which the department and the South African government operated was one of the most difficult periods across the globe. This has mainly been due to COVID-19, lockdown restrictions and its devastating impact on world economies. All businesses had to close operations and this affected economic activity, interest rates, access to finance, level of indebtedness, employment and the performance of all sectors, including this one.

**Economic Activities:** South African economic activity decreased by 7,0% in 2020 for the entire year as compared with 2019. Due to poor economic performance, annual consumer price inflation deteriorated to 3.1%.

**Interest Rates:** Interest rates dropped from 9.75% in January 2020 to 7% in January 2021 thereby improving chances of mortgage affordability by 22.4%. Despite lower interest rates, the total number of consumers in good standing decreased to 16.80 million (National Credit Regulator). This was mainly due to the lockdown, which was a major contributor to loss of employment and or a dramatic loss of income for individuals as well as businesses of all descriptions in both the formal and informal sectors and their owners and employees. Unfortunately, this affected all workers including the beneficiaries of the affordable housing market.

**Rate of unemployment:** The unemployment rate rose by 1.7% to 32.5% in the fourth quarter of 2020, youth unemployment (15-24yrs) climbed to 63.2% in the same period, while the expanded unemployment rate remained high at 42.6%. This became a clear warning that more individuals needed support from the state and non-state actors and even more so in the affordable housing market.

**The decline in credit applications:** The rate of unemployment contributed to the high rejection rate in terms of credit applications. The rejection rate for credit applications was reported at 63%, which signalled a high level of indebtedness. The reports by TransUnion Credit Bureau's South Africa Industry also revealed that during the third quarter of 2020, a high number of consumers missed three or more payments. The consumer demand for new credit also fell, while lenders continued to adjust their risk appetite and took a cautious approach to funding new credit.

**Decrease in household income:** TransUnion's Financial Hardship Survey in South Africa also showed that almost four in five (80%) consumers reported that their household income had been negatively impacted by COVID-19. The survey also revealed concerns about consumers' ability to pay bills and loans, which remained high at 85%, with 29% expecting to run into a shortfall within one month.

**Failure to pay affordable rental:** Generally, the affordable market was severely affected. This included both formal and informal rental sector where tenants were unable to pay rent. This contributed to the evident increase in the number of land invasions and evictions from backyards, shared buildings and flats.

This impacted the designated groups comprising women, the aged and persons with disabilities. The report on a 50 % decline in informal activity (a sector dominated by women) was cited as one of the contributory factors to the increase in the total number of reported cases of domestic violence and abuse in the country.

**Provision of temporary shelter:** As a result, the sector had to reprioritise its funding allocations and to deal with an increase in the number of requests for temporary shelter, too. The provision of shelter even went beyond this to include people with special housing needs or people who are unable to live independently as well as those that find themselves homeless as a result of declared and undeclared disasters. Most beneficiaries were persons residing in informal settlements, hostels and other densely populated areas.

**Other sector-specific COVID-19 Interventions and strategies:** The Department had to create strategies for identifying densely populated settlements, densify informal settlements, declare temporary residential areas (TRA's) and develop special measures including affordable rent relief support for the affordable rental market that is administered by the NHFC, debt relief to offset the debt incurred by the clients of the NHFC and come up with special support interventions for housing and human settlements contractors.

**Stakeholder Dialogues:** Special dialogues had to be convened to find appropriate solutions and create appropriate responses. The Women in Construction Summit was hosted on the 5<sup>th</sup> November 2020 and several discussions were undertaken with civil society as communities battled adapting to the human settlements manner of responding to the pandemic.

The economic landscape will continue to have a considerable impact on the Department and its implementing agents, and delivery in the sector on the supply side. This has shown itself in the decline in the delivery figures over the year. Towards the end of the third quarter of 2020/21 financial year, the Department had to initiate its economic recovery strategies. However, the impact of these strategies could not show any visible impact by the end of the 2020/21 financial year.

It is anticipated that the inability to acquire credit will continue to hamper the incremental building approach as credit forms part of the building process which begins to force the sector to focus on demand-driven interventions which would include programmes such as a land programme for human settlements, an individual owner-builder voucher programme, consolidation subsidies, people's housing processes, material supply strategy whose implementation would be made possible through the preparation of land assembly programmes.

### Empowerment of the Designated Groups

The Department performed very well in terms of mainstreaming the programme of sector transformation and empowerment of designated groups. The mainstreaming included the following:

- **Reforms on the implementation of the Set-aside Policy:** The department implemented its policy on set-aside and began to sensitise the sector and its stakeholders about the pronouncements made by the Honourable President of the Republic of South Africa, Mr Ramaphosa, on a target of 40% total budget set aside that must be allocated to the entities owned by women. This target includes women in other categories of designated groups too, such as youth and persons with disabilities.
- **Monitor the performance of Provinces and Municipalities on the implementation of set aside:** The Department monitored the performance of the sector in the implementation of set aside policy. Regrettably, throughout the 2020/21 financial year, the performance of both provinces and municipalities when it comes to the implementation of the 30% budget set aside allocation declined significantly as compared to the 2019/2020 financial year. Such a performance could only be attributed to the impact of the COVID-19 and the incorrect interpretation of the Supreme Court ruling on the Preferential Procurement Regulations, 2017. The regulations were declared invalid, and the implementation of the court ruling was suspended for 12 months.

- **Diagnostic Assessments:** The Department conducted two assessments that sought to identify challenges experienced by both provinces and municipalities and check the capabilities of companies owned by the designated groups to access government contracts and to successfully deliver in those contracts. The inputs from the diagnostic assessments reports will contribute to the crafting of reformed policies and strategies.
- **Partnerships with Stakeholders on Women Empowerment Programmes:** As part of the capacity support, the department began discussions with the other partners including the National Empowerment Fund to build strategic partnerships that will strengthen the implementation of the programmes of empowerment and support to the business of entities owned by designated groups.
- **Youth and Training:** The Department facilitated youth development through coordinating projects that transfer technical skills to youth through training and mentorship. This was done through partnerships with the NHBRC and the NYDA. A total cumulative number of two thousand two hundred and eighty-one (2281) youth was trained in various fields including Bricklaying; Occupational Health and Safety; Technical Homebuilding Skills; Innovative Building Technologies; Housing Development Value Chain; Form Work; Materials Estimation; Storm Water; and Safety Induction. In addition to the Skills Training programmes above, Artisan Development was rolled out for 600 Youth at Technical Vocational Education and Training (TVET) Colleges.
- **Women and Training:** The Department coordinated a Women empowerment training through a special partnership with NHBRC. Three hundred and nineteen (319) women were trained on: Plumbing Skills; Innovative Building Technologies; Housing Development Value Chain; Material Estimation; Storm Water; Technical Homebuilding Skills; and Occupational Health and Safety.
- **Persons with Disabilities and training:** The Department made concerted efforts to reach and train people with disabilities. The NHBRC became a major partner in the rollout process and as a result, about three hundred and fourteen (314) were trained across all provinces.

The Department will in the near future strengthen the structured programme of sector transformation and monitor compliance to policies.

## 2.2 Service Delivery Improvement Plan

The Department conducted advocacy on the Batho Pele principles, in order to build a client-oriented culture within the Department.

### Main Services and Standards

Main Services	Beneficiaries	Current/Actual Standard of Service	Desired Standard of Service	Actual Achievement
100% of reported fraud and corruption cases investigated and concluded within the prescribed timeframes (90 days)	Housing beneficiaries	Reduction of fraud and corrupt activities	100% fraud and corruption cases investigated and resolved	19% of cases of fraud and corruption reported were investigated

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

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
Various reporting mechanisms, including walk-ins, Anti-Corruption Hotline, Presidential Hotline	Case management system	19% of cases of fraud and corruption reported were investigated

### Service Delivery Information Tool

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

## 2.3 Organisational Environment

The Department has been embarking on the process of reviewing its organisational structure since the middle of the Fifth 5th administration term and has carried this over to the Sixth 6th Administration.

The organizational structure was approved by the MPSA in March 2021, with the Macro Structure implementation date set for 1 April 2021 and Micro Structure by the 01 July 2021. The Migration Framework outlining the transitional processes into the newly approved structure has been approved and the draft migration plan and the matching and placement of all Senior Managers has been finalized as of the 31 March 2021. The process has taken into consideration the placement in line with the Skills Audit

conducted and to ensure stability at the management level, while ensuring that there is skills retention in critical core programme positions.

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

In 2020/21, the corporate operations of the Department were greatly impacted by the Coronavirus and the resultant declaration of a National State of Disaster by the President effective from the 26 March 2020. The Department has been able to deal with the reduction of the Coronavirus in the workplace through an established COVID-19 Steering Committee, that ensured that a detailed COVID-19 risk mitigation strategy is developed, implemented and monitored. The committee also ensured that internal standard operating procedures and protocols; remote work and business continuity strategies, compliance risk monitoring tools, continuous COVID-19 awareness and provision of PPE are operationalized in compliance with the National State of Disaster Management, DPSA and National Treasury Guidelines and Directives for the mitigation of COVID-19 in the public sector.

As of the 31 March 2021 the Department had recorded 48 COVID-19 positive cases with the last case reported on the 30 January 2021. There were 2 reported deaths due to the coronavirus infection.

Due to the pandemic, the Department had to ensure business continuity through putting in place remote working arrangements to ensure 100% productivity. Processes were put in place to ensure upgrading of the Departmental ITC system to support remote work arrangements. As such the Department has commenced in the Procurement of various IT systems that would support remote work and business continuity and these include but not limited to the Electronic Documents and Records Management System, the Business Continuity Planning and Management system, Business Mapping Processes, upgrading of the HSS System and the Human Resources Management systems.

## 2.4 Key Policy Developments and Legislative Changes

Several policy and legislative changes occurred during the 2020/21 financial year. These included the following::

- **The Housing Consumer Protection Amendment Bill (HCPAB):** The Department hosted several discussions leading to the referral of the Consumer Housing Amendment Bill to Cabinet
- **The Human Settlements Development Bank (HSDB) Bill:** The Department ensured that the Bill was granted a Final Impact Assessment Certificate following the SEIAS assessment by the Presidency's Department of Planning, Monitoring and Evaluation (DPME). This enabled the process of submitting the Bill to the Cabinet Clusters for approval

- **Norms and Standards for Rental:** The Department developed norms and standards for rental and gazetted them in line with the provisions of the Rental Amendment Act of 2014
- **Finance Linked Individual Subsidy Programme:** The Department has comprehensively remodelled the Finance-Linked Subsidy Programme (FLISP) policy to ensure that the subsidy instrument is efficient and achieves the intended redistributive policy objective and impacts positively on the overall affordable housing market in South Africa
- **Informal Settlements De-densification Strategy:** Furthermore, the Department also embarked on several policy dialogues that led to the endorsement of the de densification strategy as a mechanism of dealing with COVID-19 pandemic during the period of the hard lockdown restrictions
- **COVID-19 Rent Relief for Social Housing:** The Department also developed the COVID-19 Rental Relief Programme for the affordable housing as administered by Social Housing Regulatory Authority. This has been identified to target the affordable housing rental market comprised of households earning below R15 000 and will mainly focus on rental that is subsidized by government
- **COVID-19 Debt Relief for National Housing Finance Cooperation:** This was created to assist the NHFC to offset the debt incurred by its clients on the loan book
- **COVID-19 Human Settlements Contractor Relief Programme:** Furthermore, to mitigate the aftermath of COVID-19 impact the Department crafted the COVID-19 Human Settlements Contractor Support intervention to cushion the housing and human settlements contractors who were affected during the hard lockdown
- **Chapters of the White Paper on Human Settlements:** In addition, the Department crafted two draft macro policy frameworks that will enable the Department to finalise the White Paper on Human Settlements
- **Land Assembly Policy Framework:** The assembly policy for human settlements is aimed at increasing access to well-located land for low-income households by supporting and expediting a diverse range of housing delivery options and advancing the security of tenure for our people

- **Draft Rental Policy Framework:** The policy chapter includes the Rental Policy Framework which will provide key principles for the revision of different rental programmes such as social housing, community residential units programme, small scale rental, rent to buy scheme and so forth
- **Policy Memorandum on the Housing Act of 1997:** The Department assessed the Housing Act of 1997 and its subsequent amendments and reflected on the housing and human settlements environment. This then resulted in a draft memorandum that identifies areas that require a policy change. The memorandum when complemented by various policy chapters including the macro policy on informal settlements upgrading and the post-BNG housing designs (work to be initiated in the new financial year) will assist the department in finalising its key policies and the principal legislation
- **Sector Transformation Policy:** The department also undertook several policy reform dialogues which sought to steer the sector towards the development of demand-driven strategies that empower and elevate the role of non-governmental organisations, the designated groups (i.e. Women, Youth and Persons with disabilities and other special groups) in the delivery of sustainable human settlements and the recovery of the South African economy
- **Guidelines for the preparation of regulation for determining housing benefits for the identified victims of the Truth and Reconciliation Commission:** The Department also formulated the TRC guidelines together with the Department of Justice and Constitutional Development. The programme will commence once regulations are promulgated .

### 3. Achievement of institutional impacts and outcomes

This revised 2020/21 Strategic Plan and Annual Performance Plan is aimed at achieving the following outcomes:

- A functional, efficient and integrated government
- Spatial transformation through multi-programme integration in priority development areas
- Adequate housing and improved quality living environments
- Responsive policies
- Improved programme performance projects
- Improved expenditure outcomes
- Improved sector capacity.

## 4. Institutional Programme Performance Information

### 4.1 Programme 1: Administration

#### Purpose

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

**Sub-Programmes: Departmental Management 2:** Enterprise Architecture, Financial Management, Executive Support, Corporate Support, Risk Management, Internal Audit, Special Investigations and Corporate Support.

**Sub-Programmes 3:** Corporate Services: Human Resources (HR) Management, Information Management Systems (IMS), Infrastructure Management Services and Communications.

#### Institutional outcome

- Functional, efficient and integrated governance

#### Outcomes, outputs, output indicators, targets and actual achievements

During the financial year 2020/2021, the Department held a sector strategic plan that includes Provincial Departments of Human Settlements and was able to comply with statutory tabling of prescripts relating to the submission of the revised Strategic Plan 2020-2025 and the 2021/2022 Annual Performance Plan. These corporate plans were duly monitored in line with the performance reporting requirements. These corporate plans were further submitted to oversight bodies. The achievement contributes to the outcome indicator on functional, efficient and integrated government.

The **Financial Management** 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.

The Department received a clean audit on financial statements for the 2019 /2020 financial year. All budget processes related documents were submitted within the timelines set by National Treasury. Financial reporting requirements in terms of legislation were adhered to. The Department managed to reduce the payment of invoices after 30 days from 276 invoices amounting to R11 million to 34 invoices amounting to R4.3 million, by instituting progressive disciplinary steps.

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

#### Executive Support

The purpose is to manage the Department's interface with Cabinet and Parliament, moreover it provides secretariat support to governance structures such as MinMEC , Executive Management Team (EMT), the Audit Committee and the like.

This Chief Directorate subscribes to the target, "100% compliance with statutory tabling and prescripts".

During the reporting period under review, the Chief Directorate achieved 75% of its annual target.

In quarters two and four, the Chief Directorate failed to submit Parliamentary Questions within the prescribed turnaround time: ten days in respect of questions for written replies and five days for questions that require oral replies.

It should be noted that there are inherent interdependencies in drafting replies to Parliamentary Questions as some information must be obtained from Provinces, Municipalities and Entities of the Department of Human Settlements, which makes it cumbersome to honour the set turnaround times.

The Chief Directorate will review the current Standard Operating Procedure (SOP) for Parliamentary Questions to meet the existing turnaround times so that quarterly targets can be attained.

#### Special Investigative Unit

The Special Investigations Directorate (hereinafter referred to as the SID) is chiefly mandated to manage and monitor the occurrence of fraud and corruption and, where such is detected, it must be duly investigated.

During the reporting period under review, the SID had an annual target couched as, “100% execution of the approved anti-fraud and corruption implementation plan”.

The SID managed to achieve eighty nine percent (89%) of its annual target; the failure to attain 100%, was mainly due to the delay in the approval of the 2020/2021 Fraud and Ethics Risk Register during the first quarter. As at quarter three, the SID failed to conduct preliminary investigations due to the unavailability of interviewees that were observing the COVID-19 regulations. The review of the Anti-Fraud and Corruption Strategy could not be finalised as the Department of Public Service and Administration (DPSA) had not concluded the review of its sector-wide Anti-fraud and Corruption Strategy.

Going forward, the SID has put in place the corrective measures listed below to achieve its annual target in the 2021/2022 financial year:

- Procuring the services of a panel of forensic investigators
- Temporarily utilising the said panel of forensic investigators from the Department of Water and Sanitation (DWS) to address the existing case backlog
- Filling the post of Deputy Director: Anti-Corruption Measures and Analysis
- Appointing a full complement of Ethics Officer
- Establishing a Departmental Ethics Committee
- Ensuring that the Fraud and Ethics Register as well as the Anti-Fraud and Corruption Implementation Plan is approved in the fourth quarter
- Reviewing the Anti-fraud and Corruption Strategy, Whistle Blowing Policy and the Anti-fraud and Corruption Policy.

### **Risk Management**

The purpose of this document is to report the annual performance of the department, based on risk management outcome of the Strategic and Operational Risk Registers. Moreover, it reports on other activities of Risk Management as per approved Risk Implementation Plan. During the period under

review, the RMC members demonstrated improvement regarding their attendance at and contributions to the meetings, resulting in achievement of all the planned targets. The working committee (Risk Champions Forum) also achieved all its goals. Risk awareness continued throughout the year. However, certain challenges arose regarding the mitigation of all risks due to COVID-19 and those risks have been included in the 2021/22 risk registers. While noting the improvement in Risk Management Implementation, a further concern is that of capacitating key leadership posts. This could pose a potential risk to the future performance of the Department, in particular, the rotation of acting branch heads (DDGs).

### **Corporate Services**

#### **Purpose**

Provide strategic leadership and administrative support services to the Department.

### **Sub-programmes and Strategic Objectives**

#### **Corporate Support:**

**The Chief Directorate coordinates provision of an efficient, effective and conducive administrative working environment.**

The Chief Directorate achieved its targets as per the approved 2020/21 Operational Plan, including:

- Subjecting all identified officers dealing with State classified information to vetting processes
- Conducting security personnel suitability checks and pre-employment screening on shortlisted candidates for all advertised posts with respective reports provided to Human Resources prior to appointments
- Conducting security checks on all companies and service providers recommended for provision of required goods and services
- Compilation, approval and submission of the annual User Asset Management Plan to National

Treasury and Department of Public Works and Infrastructure respectively, as per GIAMA requirements

- Rollout of COVID-19 compliance Regulations, with officials provided with COVID-19 PPE resources, cleaning conducted as required and social distancing always adhered to
- Appointment of Occupational Health and Safety Committee with quarterly meetings conducted
- Managed Departmental systematic classification, use, access, safe custody, care and preservation of corporate records as per provisions of the National Archives and Records Services Act No. 43 of 1996
- Completed audit, review and alignment of the File Plan amendments and additions, with subsequent submission of an application to NARS to endorse all the Amendments and Additions and allocate, approve and issue a Standing Disposal Authority on the File Plan
- User access facilitated to records in repository custody including for AG Audit purposes and as requested by the Zondo Commission
- Ensuring 100% compliance with the Promotion of Access to Information (PAIA) Act 2 of 2000
- Ensuring that the 2020/21 SOPs were aligned to 2020/21 APP Targets' TIDs
- Implementation of the Departmental Business Process Management in line with DPSA Operations Management Framework.

#### **Legal Services:**

**The purpose of the Chief Directorate is to ensure effective and efficient legal support.**

#### **Housing Consumer Protection Bill, 2021**

The most critical and fundamental principles underpinning the Bill are that it seeks to ensure adequate protection of housing consumers and effective regulation of the home building industry by *inter alia*, strengthening the regulatory mechanisms, strengthening the protection of housing consumers and introducing effective enforcement mechanisms as well as prescribing appropriate penalties or sanctions to deter non-compliance by homebuilders.

In addition, the other most important element of the Bill, is that it seeks to address the economic transformation of the industry through the introduction of provisions relating to the warranty fund surplus which may be utilised for developmental programmes for the homebuilding industry.

The Bill also seeks to create an enabling environment for new entrants into the home building industry through the introduction of contractual provisions that ensure their sustainability in the market. The Bill further seeks to align and create synergy with other relevant pieces in the Republic.

#### **Human Settlements Development Bank Bill, 2021**

The Human Settlements Development Bank (HSDB) will be the apex of the human settlements finance institution in South Africa, with its primary focus on facilitating and mobilising the provision of finance from the public and private sectors across the human settlement value chain. This is to enable it to address new and unmet needs of the underserved segments of the human settlements market. The bank is envisaged as being efficient and effective and able to deliver quality financial support for the development of sustainable and integrated human settlements in South Africa.

#### **Rationale**

As the apex human settlements financial institution, the HSDB aims to address the current market failure evident in both the supply and demand aspects, including that of an affordable housing value chain. The HSDB will be catalytic in crowding in the private sector to increase the provision of funding to intermediaries and developers operating in the affordable housing space. The intention is to increase collaboration across the entire affordable housing value chain to ensure the end-user has access to affordable, spatially adequate housing in quality environments. Additionally, the HSDB aims to address the lack of knowledge on this sector of the market for both the intermediaries and the end-user by playing an advisory, support, advocacy and educational role. With an estimated 2.7 million units [of] housing backlog, it is a necessity for an apex institution to address, not merely the funding needs of players in this market, but also to create an enabling environment to ensure their success.

### Human Resources:

**The purpose of the Chief Directorate is to ensure a capacitated and diverse workforce in a conducive working environment**

During the year under review, the Chief Directorate: Human Resources achieved several of the Department's Human Resource Plan (HRP) targets as well as the Annual Human Resources Implementation Plan targets. These were achieved in terms of the provision of required services through the Human Resource Administration, Human Resource Development, Organisational Transformation and Labour Relations Units.

### Management Information Systems & Information Technology :

**The Chief Directorate ensures that the ICT infrastructure is reliable, secure and available**

- During the reporting period the Chief Directorate: Management Information Systems and Information Technology Systems achieved all the agreed annual targets. The Chief Directorate aims to provide IT support for the Department as well as making the HSS Database systems available to the provincial departments
- In relation to our APP target of 90% availability of HSS Database systems to the provinces, the Chief Directorate managed to maintain an average of 98% availability of HSS Database systems to the provincial departments
- The mentioned 98% availability enabled other units within the Department to draw reports on a project level to determine actual expenditure and delivery during the reporting period related to their areas of responsibility
- The systems were also made available for users who were tasked to work overtime and over weekends to ensure that households are able to register their need for adequate shelter.

The credibility of the databases was maintained through following the change control directive where thirty-two (32) change requests were successfully deployed onto the live environment:

- Ten (10) focused training sessions were conducted successfully for the system users, further adding to the number of trained system users that maintain the credibility of the databases. The

Department changed the manner in which training sessions were held, with more virtual training conducted to ensure that users are continuously supported. These sessions also focused on areas per province that required improvement

- Three hundred and ninety (390) service requests logged by system users were resolved and one hundred and twenty-six (126) deletion requests were handled. The resolved service requests assisted the provinces to improve their utilisation of database systems and thus positively influenced reporting on expenditure and delivery information
- Servers were monitored to ensure that systems are performing within the expected range. A ninety percent (90%) network uptime was maintained.
- Two (2) disaster recovery tests were successfully conducted to ensure that the department can recover data, restore business critical applications and continue operations after an interruption of services
- Four (4) Information Security Awareness newsletters were developed and published in an effort to educate users on their responsibility to help protect the confidentiality, availability and integrity of the Department's information and information assets
- The ICT Cloud Policy and CGITPF were approved
- File services were successfully migrated from Novel to Microsoft
- The ICT unit reviewed TOR for ICT Operational Committee and ICT Steering Committee use, in an effort to try and strengthen ICT Governance
- The readiness of the network for the deployment of cloud services was measured by ICT Infrastructure assessment performance
- The determination/identification of gaps and risk associated with migration to the cloud was undertaken ICT Infrastructure assessment performance
- Two (2) risks on the ICT Operational Risk Register were resolved
- Two (2) findings on the AGSA findings resolved/closed.

**Communication Services:**

**The Chief Directorate provides media services, public information and marketing as well as corporate communications service to the Ministry and Department in line with its' overall communications strategy.**

During the period under review, Communication has extensively performed all its key performance areas even during lockdown Level 5 of the pandemic. Number of major events and Ministerial handovers were done successfully. Number of Human Settlements projects were undertaken during this period under review and are as follows:

- Communication has played a supportive role in Ministerial priority projects such as Emergency Housing in Masiphumelele and Duncan Village Housing development projects where a number of communities were settled in decent places and serviced sites were provided.
- Title Deeds through information Sessions were distributed to the rightful owners and this process brought confidence back to government as beneficiaries and their families receives Title Deeds.
- Under Social Housing, number of consumer education sessions was conducted with various sector stakeholders to educate the community on Human Settlements programmes such as: Help Me Buy a House through (FLISP) and Taking Care of Your House have been highlighted.
- Media tours were also conducted during this period to educate journalists on number of human settlements projects and Greening Challenge was also covered during media tours visits.
- More than nineteen (19) BNG: Breaking New Ground TV production episodes were flighted to educate and communicate the achievement of the department to its sector stakeholders and to all citizens on Wednesdays - repeats were done on Saturdays.

The Chief Directorate has performed in all its key areas based on the approved communication strategy, therefore no areas were underperformed.

## Programme 1: Administration

Table 2.4.4.2

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub-programme 2: Departmental Management: Enterprise Architecture, Risk Management, Internal Audit, Special Investigations, Corporate Support, Executive Support and Financial Management								
Functional, efficient and integrated Government	Unqualified audit	Audit action plan implemented	Unqualified Audit Report with an emphasis of matter on financial information and material findings on predetermined objectives	Unqualified Audit opinion with material findings	Unqualified audit opinion with no matters of emphasis	Unqualified audit opinion with no matters of emphasis on financial statements and material findings on performance information, programme 3	Material findings on performance information, programme 3	Material findings on the usefulness of the indicators
	Compliant Statutory Reports	Percentage of compliance with statutory tabling and prescripts	75% compliance with statutory tabling and prescripts Department's Strategic and Annual Performance Plans Quarterly performance reports Annual Performance Report 2017/18 Interim and Annual Financial Statements developed and submitted Estimated National Expenditure (ENE) and MTEF submission Monthly early warning system report Departmental Procurement Plan A schedule indicating the received and paid invoices Report on the implementation of MPAT processes and improvement plan	91% compliance with statutory tabling and prescripts	100 % compliance with statutory tabling and prescripts	81 % compliance with statutory tabling and prescripts	-19% compliance with statutory tabling and prescripts	Late responses on Parliamentary questions from Provinces and Municipalities.  Invoices were not processed on time due to COVID-19 as officials were self-isolated.

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub-programme 2: Departmental Management: Enterprise Architecture, Risk Management, Internal Audit, Special Investigations, Corporate Support, Executive Support and Financial Management								
	Internal Audit Reports	Percentage implementation of the approved internal audit plan	100% Implementation of the approved internal audit plan done	82% Implementation of the approved internal audit plan	100% Implementation of the approved internal audit plan	91% Implementation of the approved internal audit plan	-9% Implementation of the approved internal audit plan	Delay in verification of status of the Temporary Residential Units (TRUs) due to inconsistent status reports for TRU projects
	Anti-Fraud and Corruption Reports	Percentage of the approved anti-fraud and corruption implementation plan implemented	100% Implementation of the approved anti-fraud and corruption implementation plan	100% Execution of the approved anti-fraud and corruption implementation plan	100% of the approved anti-fraud and corruption implementation plan implemented	89% of the approved anti-fraud and corruption implementation plan implemented	-11% of the approved anti-fraud and corruption implementation plan implemented  Approved Strategy and Investigations	Preliminary investigation could not be conducted due to capacity constraint Anti-Fraud and Corruption Strategy was reviewed, but the same has not yet been presented for approval, because the DPSA has not yet concluded its sector-wide Anti-Fraud and Corruption Strategy. The DHS strategy must be aligned to that of the DPSA, before it is approved
	Risk Management Report	Percentage implementation of the approved risk management plan	100% implementation of the approved risk management plan done	100% implementation of the approved risk management plan	100% implementation of the approved risk management plan	100% implementation of the approved risk management plan	None	Not applicable
	HR Implementation Report	Percentage implementation of the Human Resource Plan	93% implementation of the Annual Human Resource Plan	68% implementation of the Annual Human Resource Implementation Plan	100% implementation of the Human Resource Implementation Plan	54% implementation of the Human Resource Implementation Plan	-46% implementation of the Human Resource Implementation Plan	The Department is still busy with the Departmental organisational structure review processes. (This has affected various activities in the implementation plan)

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub-programme 2: Departmental Management: Enterprise Architecture, Risk Management, Internal Audit, Special Investigations, Corporate Support, Executive Support and Financial Management								
	Reports on the development of legislation as per Legislative Programme	Number of reports on the development of legislation as per the approved legislative Programme	<p>Development of Human Settlement Legislation entails the following:</p> <ul style="list-style-type: none"> <li>The Human Settlements Development Bank Bill will be reworked by POLERT to conform to specific legal stipulations</li> <li>The Human Settlements Bill has been developed, but still needs to undergo appropriate approval structures</li> <li>The Property Practitioners Bill, 2018</li> <li>Bill [B21B-2018] was referred and debated at the National Council of Provinces and it was unanimously agreed to and voted on by all parties represented in Parliament and their respective Provinces.</li> </ul>	4 Reports on the development of Legislative framework submitted	4 Reports on the development of legislation as per the approved legislative Programme	4 Reports on the development of legislation as per the approved legislative Programme	None	Not applicable

## Reporting on the Institutional Response to the COVID-19 Pandemic

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

Budget Programme	Intervention	Geographic location (Province/District/local municipality where possible)	No. of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention (R'000)	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Internal COVID-19 Interventions	Provide PPE to all staff members in the form of sanitisers, masks, face shields, wet wipes, gloves, reception shields and step sanitisers	Pretoria and Cape Town offices	554 employees	No possible	R732 038.50	R732 038.50	Mitigation of the spread of the Coronavirus in the workplace	Lower cases of infections were reported
	Appointment of service providers for decontamination and cleaning services  Appointment of health workers for screening  Appointment of a service provider for COVID-19 testing  Procurement of equipment for 2 sick bays	Pretoria offices	554 employees	Decontamination of the 3 Departmental Office Buildings at 240 and 260 Justice Mohammed Street and the Struktura Building	R331 856.36	R331 856.36		
	Developed COVID-19 protocols and SOP	Pretoria and Cape Town	554 employees	Developed for all staff members based in the Pretoria and Cape Town Offices			Protocols for mitigation of the coronavirus in the workplace	Awareness of staff regarding the coronavirus and protocols to be followed to achieve the reduced levels of infection in the workplace

## Linking Performance with Budgets

### Expenditure by Sub-Programme

#### Programme 1 Administration

Sub-programme Name	2020/21			2019/20		
	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	65 074	57 119	7 955	73 687	69 662	4 025
Departmental Management	79 888	56 307	23 581	62 918	56 068	6 850
Corporate Services	219 803	181 796	38 007	210 265	193 712	16 553
Property Management	52 100	51 688	412	53 468	53 462	6
Financial Management	66 534	52 271	14 263	68 919	55 512	13 407
<b>Total</b>	<b>483 399</b>	<b>399 181</b>	<b>84 218</b>	<b>469 257</b>	<b>428 416</b>	<b>40 841</b>

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

### Purpose

**Programme purpose:** 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

**Sub-Programmes:** Management for IPDP: Macro Sector Planning, Macro Policy and Research, Monitoring and Evaluation (M&E), Public Entity Oversight, Grant Management, Capacity Building and Sector Support.

### Institutional Outcomes

- Spatial transformation through multi-programme integration in priority development areas
- Security of tenure
- Adequate housing and improved quality living environments
- Responsive policies
- Improved programme performance projects
- A functional, efficient and integrated government
- Improved expenditure outcomes
- Improved sector capacity
- Spatial transformation through multi-programme integration in PDAs

### Outcomes, outputs, output indicators, targets and actual achievements

The Informal Settlements Programme was managed in 9 provinces by guiding planning to metros in respect of USDG business plans, monitoring programme performance of provinces and metros based on approved business plans, Convening Weekly Human Settlements Command Centre and Operation Sub-Committee meetings and reporting on Programme performance.

- Setting programme delivery targets/ priorities
- Programme delivery targets/priorities were set by writing to the nine provincial Head of Departments and Metros Municipal Managers to submit 2021/22 Financial Year Business Plans based on Provincial grants allocations in Quarter 3 and Quarter 4 UISPG business plans were assessed.
- Guide planning to Provinces and Metros in respect of HSDG and USDG business plans:
- Previously UISP Grant was a component of HSDG and USDG and starting from April 2021 the grant will be a standalone UISPG. The UISPG business plans for both provinces and metros were assessed to guide planning in provinces and metros.
- Recommend funding approval for projects in Provinces and Municipalities

The UISPG business plans for both Provinces and Metros were assessed to recommend funding approval for projects in provinces and metropolitan municipalities.

- Monitor programme performance of provinces and metros based on approved business plans by:
  - Convening Quarterly Informal Settlements Upgrading Fora and project oversight visits
  - Quarterly informal settlements upgrading forums were held with Eastern Cape, Free State and Kwazulu-Natal Departments of Human Settlements and municipalities participating in National Upgrading Support Programme (NUSP). Over above the National Informal Settlements Upgrading Forum was held with the nine provincial department of human settlements and municipalities.
  - Support capacities of Provinces and Municipalities to implement approved plans

- The National Informal Settlements Upgrading Forum was held with the nine provincial department of human settlements and municipalities to support capabilities of provinces and municipalities to implement the UISP projects in the 2020/21 financial year UISPG business plans and giving technical advice for the two spheres of government to achieve the set targets.
- Reporting on Programme performance
- Grant Management and Monitoring & Evaluation reports for Quarter 3 submitted as evidence.

### National Human Settlements Programmes Monitoring and Evaluation

The Department monitored and evaluated the Human Settlements Programmes and Projects during the period under review, 2020/21 Financial Year.

The following performance indicators were achieved during the period under review:

- During the period under review 100% of projects under implementation were monitored and reported. This indicator reports on the percentage of projects under implementation (those that incurred expenditure during the quarters) funded through Human Settlements grants that were monitored and verified using available data sources such as reports, projects visits and data sets to confirm the accuracy of the reported information.
- The projects monitored were funded through the Human Settlements Development Grant (HSDG), the Urban Settlements Development Grant (USDG) and the Title Deeds Restoration Grant (TRG). The HSDG and TRG are allocated to the Provincial Housing Departments to deliver on the Human Settlements mandate.<sup>1</sup> The USDG is allocated to the Metropolitan Municipalities to supplement the municipalities' capital budgets to deliver on the Human Settlements mandate as well.
- During the period under review, the Provincial Housing Departments and Metropolitan Municipalities submitted their performance reports as prescribed by the Division of Revenue Act (DORA) which were analysed and consolidated. The Department undertakes Provincial/ Metropolitan Municipalities project visits to verify the reported performance on a quarterly basis, but during the period under review, the method of verification had to be adjusted in line with the COVID-19 regulations. The Department established a Human Settlements Command Centre that

<sup>1</sup> Please note that the means of verification provided for in support of performance are HSS, reports from provincial Departments of Human Settlements, reports from metros and provincial business plans.

served as a platform for verifying reported performance and holding provinces accountable for the expenditure reported versus the non-financial deliverables reported.

The Provincial Departments and Metropolitan municipalities were therefore presented with the Departmental analysis of their performance and where there was poor performance and under-expenditure, reasons for deviations were provided and recovery plans were submitted to the Department.

The monitoring exercises as indicated above were also carried out for:

- 100% of UISP projects under implementation (HSDG and USDG)
- 100% of Social and Rental Housing Projects under implementation, and
- 100% of FLISP subsidies disbursed

The monitoring exercise is aligned to the MTSF 2019/24 reporting process. During the period under review the cumulative Departmental performance for the MTSF 2019/24 period was reported as follows:

- In terms of investing in **94** PHDA's for spatial transformation and spatial justice, **136** PHDA's were declared by the Minister of Human Settlements for Human Settlements development
- In terms of the delivery for the adequate housing and improved quality living environments on sites and units, there is an achievement of **90 698** sites and **115 070** units, representing **30%** delivery on sites and **26%** units against the target of **300 000** sites and **450 000** units
- In terms of the number of informal settlements formalised/upgraded to Phase 3 of the Informal Settlements Upgrading Programme, progress to date can only be reported on the number of informal settlements that are targeted for upgrading during the MTSF period. The information is still being refined and validated and will be available for reporting in quarter 1 of 2021/22 financial year
- With regards to FLISP, there is an achievement of **6 327** against the target of **20 000** representing **32%** delivery on the intervention
- Delivery on Social Housing and Rental Housing Units in PHDA's achieved **3 463** against the target of **30 000**, representing **12%** achievement on the intervention. There are **614** newly constructed and **68** upgraded CRUs.
- The delivery of Title Deeds for pre and post-1994 recorded a delivery of **4 127** and **24 698** respectively against the target of **45 535** and **500 845** this represents **9%** achievement on the pre-1994 and **5%** achievement on the post-1994 category.

During the period under review, three evaluation studies were initiated as follows:

- Baseline Evaluation of Informal Settlements targeted TOR upgrading in the 2019-2024 MTSF
- Design and Implementation Evaluation of the Rental Housing Tribunals in Provinces
- Implementation Evaluation of the Finance Linked Individual Subsidy Programme (FLISP).

In terms of the Baseline Evaluation of Informal Settlements targeted TOR upgrading in the 2019-2024 MTSF, the Inception and the Literature Review Reports were produced. The study will be finalised in the 2021/22 financial year.

In terms of the Design and Implementation Evaluation of the Rental Housing Tribunals in Provinces, the Inception Report was produced. The study will be finalised in the 2021/22 financial year.

In terms of the Implementation Evaluation of the Finance Linked Individual Subsidy Programme (FLISP), the Inception and the Literature Review Reports were produced. The study will be finalised in the 2021/22 financial year.

Title deeds registration and delivery (i.e., hand-over)

- The National Project Office is responsible for the programme management of the Title Deeds Project. The indicator attached hereto measures the support the department provides to provinces towards the registration of Title Deeds. The support provided includes:
  - Planning & Implementation Support towards the delivery of business plan outputs, this includes operational and policy interpretation advice as well as providing the necessary templates and guidelines
  - Monitoring Provincial performance by coordinating the National Steering Committee where progress made is reported, as well as presenting project implementation and performance to all oversight bodies
  - Supporting Provinces in unblocking the challenges experienced by engaging other sector Departments and partners involved in the delivery of the programme in an attempt to resolve the challenges experienced.

- Over the reporting period the support was provided. Achievements by the provinces on the 5 deliverables of the Title Deed Project against the annual targets were:

- Pre-1994 Title Deeds	-	28%
- Post-1994 Title Deeds	-	44%
- Beneficiary verification	-	35%
- Township Establishment	-	53%
- Dispute Resolution	-	19%

Post-2014 Title Deed delivery was at 4 461 for the year, which indicates an ever-increasing recurring backlog as the title deed delivery on new project should match the annual output of new houses delivered. Overall Provincial expenditure was at 73% of total funds available, which included rollover amounts for two provinces.

- A turn-around strategy to improve performance on this programme was developed and approved by the EMT for implementation. Primary focus is now placed on formalising townships (Township Establishment) and ensuring Surveyor-General Plans are in place. Secondly, hand-over of registered Title Deeds to beneficiaries is amplified. A special case of some 30 000 properties held by the North West Housing Corporation has been isolated for resolution.

## Intergovernmental relations

### **Adequate housing and improved quality living environments: Provinces supported in the PHP/Zenzeleni**

The Department has successfully supported all provinces in the delivery PHP/Zenzeleni focusing on consultation and coordination of PHP Sector Support Agencies including Provinces, Municipalities and Civil Society, further provided support to civil society organisations in the upgrading of informal settlements and lastly facilitated collaboration between the PHP stakeholders for best practice and lessons learnt on the programme. The roll out and implementation of PHP in all 9 provinces, was achieved as follows:

- Actively supported the delivery of PHP projects in Eastern Cape; Western Cape; North West; KwaZulu-Natal Mpumalanga and Free State Provinces

- Delivered capacity development workshops and met with senior officials to market the PHP programme in Northern Cape, Gauteng and Limpopo provinces in preparation of rollout of future PHP projects.

### **Coordinated and developed the Partnership Engagement Framework and facilitated dialogue with the CSO's/NGO's:**

- Engaged the City of Cape Town to support the construction of the Wits and Emergency Ablution blocks using PHP methodology with WEBHSO PHP committee in Atlantis, Water Research Commission and private sector stakeholders
- Supported the Project Preparation Trust, Ethekwini Metro and LIMA to collaborate during the COVID-19 disaster to develop 150 alternative typology relocation units for de-densification utilizing PHP methods in Parkington, Ezimbeleni and Havelock, in KwaZulu-Natal
- Developed Terms of Reference for the assessment of the PHP Programme and to document the lessons learnt in implementing the Vulindlela Rural PHP project utilizing Cooperatives model that is being closed out
- Supported and did roadshows to market the National Housing Finance Corporation (NHFC) as the accounts administrator (financial CRO) in PHP projects in Eastern Cape, North West, Limpopo and the Free State Provinces
- Continued to assist the Federation of the Urban Poor and the Utshani fund to resolve its outstanding old debt, claims were recovered in KZN, Gauteng and the Eastern Cape, a National Task Team meeting was also convened with the Eastern Cape, Western Cape, KwaZulu-Natal and Gauteng
- Coordinated supported and participated in several meetings with the North West Province and Kgosi Mangope to discuss a new planned PHP project in Motswedi
- Coordinated an engagement between the Members of the Ministerial Advisory Panel (MAP), the Phillipi Women's Stokvel and the Housing Development Agency (HDA) in the Western Cape and concluded the Terms of References to inform the MOU between NDHS and Corobrik.

## Military Veterans Housing Programme

All the nine Provinces were supported in the delivery of the Military Veterans Housing Programme which delivered 137 units with happy letters.

### **Spatial transformation through multi-programme integration: 19 Priority development areas**

#### **Partnering Compacts Coordinated**

The Department of Human Settlements is committed to building partnerships for the accelerated Human Settlements delivery through consultative processes with all the relevant stakeholders. Building on the 2020 Human Settlements Indaba Declaration on Strengthening Strategic partnerships to transform human settlements for spatial justice and social cohesion, the Department developed a comprehensive Human Settlement Partnering Framework to give effect to a new partnering approach towards the realization of the 2019 – 2024 Medium Term Strategic Framework (MTSF). The Human Settlements Partnering Framework assists sector stakeholders to be able to identify overlapping interests, develop a common agenda and turn it into joint action. The partnering framework confirms a number of implementation work streams, namely:

1. PSHDA Intergovernmental Framework
2. PHP / Zenzeleni
3. Women and Youth
4. Financiers / Developers
5. Innovation and Transformative Technology and
6. Revitalised Mining Towns.

The new partnering framework will assist to combine collaboration in the 'top-down' mandating and authorising environment of government: politics, policies, powers, plans, people and budgets, with collaboration in the 'bottom-up' mobilising environment of business and civil society: activism, volunteerism, self-help, impact investment, entrepreneurs, local knowledge and ideas, to carry out the human settlements priorities in the 2020 Human Settlement Indaba Declaration.

The Human Settlements Partnering Framework will be used to guide the development of partnering compacts in the 139 Priority Human Settlements and Housing Development Areas declared by the Minister of Human Settlements, Water and Sanitation. In 2020/2021, the Department had planned to conclude nineteen (19) such Partnering Delivery Compacts, however the preparatory work clearly showed that these delivery compacts entail a complex set of elements to be resolved first. The elements include confirmation of the areas-based visions, conclusion of development plans, and signed confirmations by political leaders. The Department has been able to develop the implementation framework that is to guide the conclusion of the Partnering Delivery Compacts for each Priority Human Settlement and Housing Development Area. The Delivery Compacts themselves will take between two and three years to conclude. It is therefore projected that the compacts for each PSHDA will be concluded in the 2023/2024 financial year.

### Grants management (HSDG, TDRG & USDG)

#### **Human Settlements Development Grant**

The grants allocation processes for Human Settlements Development Grant (HSDG) in the 2020/21 financial year were finalised and approved. The initial voted funds for HSDG amounted to R16.6 billion. There was a downward adjustment of R1.7 billion as a result of COVID-19 pandemic which resulted in an adjusted total voted funds amounting to R14.9 billion.

The approved rollover from 2019/20 financial year amounted to R375.9 million and the total available funds to be spent by Provinces increased to R15.3 billion. A total of R14.9 billion was transferred to Provinces and spending was R14.7 billion, representing 96% of the total available funds. An amount of R588 million was stopped from Eastern Cape (R338 million), Free State (R100 million), Limpopo (R50 million) and North West (R100 million). These funds were reallocated to Gauteng (R100 million), Mpumalanga (R138 million), Northern Cape (R200 million) and Western Cape (R150 million).

#### **Title Deeds Restoration Grant**

The Title Deeds Restoration Grant (TDRG) to Provinces had total allocation of R577.8 million. An amount of R377.8 million was transferred to Provincial Emergency Housing Grant. An additional R37 million was reduced during the MTBPS and this resulted in the adjusted total voted funds of R162.5 million. The approved rollover amounted to R88.1 million increasing the total available funds to R250.6 million. The total amount of R162.5 million was transferred to Provinces and spending was R183.3 million representing 73% of the total adjusted voted funds.

### Urban Settlements Development Grant

The Urban Settlements Development Grant (USDG) to Metropolitan Municipalities had initial voted funds of R11.282 billion and was adjusted downwards to R10.572 billion inclusive of R390 million for Nelson Mandela Bay Metro. The approved rollover amounted to R1.082 billion resulting in an increased total available funds of R11.654 billion. As of 31 March 2021, R10.572 billion was transferred. Municipalities spent a total of R5.9 billion, which represents 50.7% of the total available funds.

An amount of R600 million was stopped from Mangaung (R300 million) and City of Johannesburg (R300 million). The stopped funds were reallocated to Buffalo City (R200 million), City of Ekurhuleni (R300 million) and City of Tshwane (R100 million). National Treasury lifted sanction of section 216(2) and this implied that the R390 million from the previous financial year was also transferred to Nelson Mandela Bay Municipality.

### Public entity oversight (HDA, CSOS, EAAB AND NHBRC)

The Department adopted a sector-wide planning approach to maximise the performance of the sector including its entities. This approach was aligned to all programmes of the Department linking with the programme structure of the Department. The Department continued to provide an oversight role over Human Settlements Entities particularly in relation to corporate planning, performance monitoring, compliance and corporate governance matters.

The CSOS, EAAB, NHBRC and HDA revised their 2020/25 and 2020/21 Corporate Plans in response to negative impact caused by the COVID-19 Pandemic. The revised Corporate Plans were tabled in Parliament on 8 February 2021. In preparation for the financial year 2021/22 the draft Corporate Plans of the CSOS, EAAB (PPRA), NHBRC and HDA were analysed in order to ensure compliance and alignment with the Revised Strategic and Annual Performance Plan Framework and the 2019 – 2024 Medium Term Strategic Framework (MTSF) targets. The outcome of this process was to ensure the integrated human settlements planning and a step closer towards the achievement of sector targets.

The performance and governance of the entities were monitored on a quarterly basis. Human Settlements Entities were further engaged on areas of concern in order

to improve their performance. In line with the requirements of the Public Finance Management Act the Department facilitated the tabling of the annual reports of the CSOS, EAAB and the NHBRC by the compliance date of 30 November 2020 for the year under review.

The Department continued to address all governance matters including appointments of the boards and filling of vacancies of both Executives and Management in order to address instability. In this regard, the Department successfully facilitated the initiation of the appointment process of the HDA and PPRA Boards and will be finalised in the next financial year. In terms of the filling of the Executives and Management vacancies, both the Chief Ombud and the CFO of the CSOS received Cabinet concurrence for appointment. In relation to the implementation of the Property Practitioners Act, 2019, the public hearings across the country were conducted on the regulations to give effect to the functioning to the Act. As an effort to enhancing the protection of housing consumers by NHBRC, the Housing Consumer Protection Bill achieved the milestone of being approved by Cabinet Committee for the introduction to Parliament.

In order to ensure accountability in the Human Settlements Entities, the Chief Executive Officers (CEOs) Forum was established, which is comprised of the CEOs of the entities and the Department. This Forum has provided a valuable platform to address strategic matters such as performance, compliance and governance for the benefit of the sector.

### Macro policy and research

The desktop and field study report on Integrated Human Settlements Planning and Development was developed. This report covered two components namely Hlano and Agri-village settlements.

- The Hlano report covers challenges about the old stock that was administered by the now disestablished South Africa Housing Trust Limited. The research revealed that the trust had two subsidiaries Khayaletu and Nu-Way. It also revealed that beneficiaries who had made loans to the government in the early days of the subsidy programme have not received Title Deeds and makes

a recommendation of creating a special dispensation policy that may require a reform of the current Title Deed Restoration Grant. This output is critical in terms of giving a right of ownership and restoring dignity to beneficiaries that have stayed for years without receiving proof of ownership

- The Agri-village research project entailed investigating the inefficiencies in the existing housing and human settlements policy measures. Such measures regulate the implementation of the National Housing Programmes and form the major component of the National Housing policy. Its findings revealed that there are serious shortcomings in the existing Norms and Standards and recommended an additional section in the current Norms and Standards. Its findings will be used to develop the post-BNG designs, detailed technical norms and standards for rainwater harvesting and grey water re-use devised. Such devices will be relevant in implementing housing projects in Agri-village settlements.

#### Capacity building and sector support (PMU & Title Deeds Programme)

- During the 2020/21 financial year the Chief Directorate conducted capacity assessments of the National and Provincial Departments of Human Settlements to identify capacity required to implement the programmes of the Human Settlements sector, as well as determine the existing gaps that need to be filled
- The process of assessing the capacity needs and gaps involved consultations with all relevant officials in the National and Provincial Department, including Programme owners responsible for the Integrated Human Settlement Planning and Development Programme, Upgrading of Informal Settlements Programme, Social and Rental Housing programme, and the Affordable Housing Programme
- Filled and vacant positions within the National and Provincial Departments of Human Settlements were also identified from the organisational structures
- The built environment skills under the purview of the Council for Built Environment were identified to provide an indication of whether the DHS would need other partners over and above the partnership with the CBE, to provide for the technical skills that are not under the CBE-aligned professions

- After the gaps were identified, solutions and/or capacity interventions were recommended to enhance the capacity of the Department and the Provinces to execute their responsibilities in the implementation of the Integrated Human Settlement Planning and Development Programme, Upgrading of Informal Settlements Programme, Social and Rental Housing programme, and the Affordable Housing Programme
- Flowing from these capacity assessments that were conducted, the Department developed a Capacity Development & Assembly Programme to ensure the availability of the required technical capacity in the National Departments and Provincial Departments
- For the 2021/22 financial year, the Department will focus on assembling and deploying capacity and skills to the areas where they are most needed
- During this financial year the Department will also conclude the capacity assessment of Metros and Human Settlements entities while assisting with deploying capacity in these entities and government sphere.

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

Table 2.4.4.1

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Sub-programme 2: Macro Sector Planning									
Security of tenure		Support provided on the pre-1994 Title Deeds registered	All nine Provinces supported in the implementation of the Title Deeds restoration programme (pre-and post-1994)	Support provided to Provincial Departments towards the registration of 25 768 pre- and post-94 Title Deeds	Support provided to 9 Provincial departments to register pre-1994 Title Deeds	Support provided to 9 provincial Departments to register pre-1994 Title Deeds	None	Not applicable	Four indicators were consolidated into two since the statutory prescripts that govern Title Deeds and township establishment is the same for pre, post-94, post-2014 and new Title Deeds.
		Support provided on post-1994 Title Deeds registered	All nine Provinces supported in the implementation of the Title Deeds restoration programme (pre- and post-1994)	Support provided to Provincial Departments towards the registration of 25 768 pre- and post-94 Title Deeds	Support provided to 9 Provincial Departments to register post-1994 Title Deeds	Support provided to 9 Provincial Departments to register post-1994 Title Deeds	None	Not applicable	
		Support provided on post 2014 Title Deeds registered	New target	New target	Support provided to 9 Provincial Departments to register post 2014 Title Deeds	Support provided to 9 Provincial Departments to register post 2014 Title Deeds	None	Not applicable	
		Support provided on new Title Deeds registered	All Nine provinces supported in the implementation of the Title Deeds programme (from April 2014)	Provinces supported in the implementation of the Title Deeds programme (from April 2014) to deliver 3 593 Title Deeds	Support provided to nine Provincial Departments to register new Title Deeds (2019-2024 MTSF)	Support provided to nine Provincial Departments to register new Title Deeds (2019-2024 MTSF)	None	Not applicable	

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Sub Programme 4: Monitoring and Evaluation									
	Evaluation studies reports	Number of evaluation studies conducted	1 evaluation study (UISP three year impact) not completed  1 evaluation study not initiated (as per 3 year)  The Terms of Reference has been approved	2 evaluation studies completed: • Rapid Appraisal of Outcome • The Impact of the Housing Chapters of the Integrated Development Plan (IDP) UISP 3-year impact: • It is still at data collection	4 evaluation studies conducted	Evaluation on Social and Rental Housing Intervention Implementation was not done	The indicator was removed because implementation period was too short	Not applicable	Social and Rental Housing Intervention Implementation study was removed due to limited implementation period
Sub Programme 6: Grant Management (HSDG, USDG & TRG)									
		Human Settlement Finance and Funding Model revised	No target	2 assessment reports on the status of the current finance and funding model for delivery of human settlements  Approved Human Settlements Finance and funding model as in the TID was not developed	Finance and Funding Model revised	No target for quarter 1	None	Not applicable	The indicator was removed due to budget reprioritisation

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Sub Programme 7: Capacity and Sector Support (NUSP)									
		Human Settlements Sector Capacity programme developed	New Target	2020/25 Human Settlements Sector Capacity Development Strategy developed by 31 March 2020	Human Settlements Sector Capacity Programme Developed	Assessment on the required sector capacity for the implementation of the programme was not done  Only 1 out of 9 Provinces' capacity was assessed	None	Not applicable	The target was revised due to the hard lockdown imposed on the country just before the beginning of the 1st quarter  This meant that we could not visit Provincial Departments to perform the assessment of their capacities as was planned for the 1st quarter

Table 2.4.4.2

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub-programme 2: Macro Sector Planning								
Spatial Transformation through Multi-Programme Integration in Priority Development Areas	Integrated implementation programmes for PDAs	Number of integrated implementation programmes for PDAs completed	New target	New target	19 integrated implementation programmes completed for PDAs	7 integrated implementation programmes completed for PDAs	12 integrated implementation programmes for PDAs	12 integrated implementation programmes for PDAs Municipalities were reviewed given funding constraints to ensure that existing plans does indeed cover the PSHDA, instead of preparing new plans
	Manage the HSDG Project Readiness Matrix programme	HSDG Project Readiness Matrix programme managed in a number of Provinces	The Project Readiness Matrix implemented in all 9 Provinces. The report on project readiness produced	Project Readiness Matrix implemented in 9 Provinces	HSDG Project Readiness Matrix programme managed in 9 Provinces	HSDG Project Readiness Matrix programme was managed in 9 Provinces	None	Not applicable
	Revitalised distressed mining communities	Revitalisation of distressed mining communities' programme managed in a number of provinces	Implementation support provided to the Revitalisation of Distressed Mining Communities' Programme	Programme implementation support for the revitalisation of Distressed Mining Communities in 23 Local Municipalities provided	Revitalisation of Distressed Mining Communities' Programmes managed in 6 provinces	Revitalisation of Distressed Mining Communities' Programme was managed in 6 provinces	None	Not applicable

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Security of tenure	Pre-1994 Title Deeds registered	Support provided on pre- and post- 1994 Title Deeds, post 2014 Title Deeds and new Title Deeds registered	All nine Provinces supported in the implementation of the Title Deeds restoration programme (pre- and post-1994)	Support provided to Provincial Departments towards the registration of 25 768 pre- and post-94 Title Deeds	Support provided to 9 Provincial Departments to register pre- and post-1994 Title Deeds, post 2014 Title Deeds and new Title Deeds	Support was partially provided to 9 Provincial Departments to register pre- and post-1994 Title Deeds, post 2014 Title Deeds and new Title Deeds	Reports from two service delivery facilitators from Limpopo and Mpumalanga	The contracts were not renewed due to COVID-19
	New Title Deeds registered	Support provided on new Title Deeds registered	All nine Provinces supported in the implementation of the Title Deeds programme (from April 2014)	Provinces supported in the implementation of the Title Deeds programme (from April 2014) to deliver 3593 Title Deeds	Support provided to nine Provincial Departments to register new Title Deeds (2019-2024 MTSF)	Support was partially provided to nine Provincial Departments to register new Title Deeds (2019-2024 MTSF)	Reports from two service delivery facilitators from Limpopo and Mpumalanga	The contracts were not renewed due to COVID-19
Adequate housing and improved quality living environments	PHP/Zenzeleni policy implementation supported in the Provinces	Number of Provinces supported in the delivery of PHP/ Zenzeleni Policy	Seven Provinces and Metros were supported in the implementation of PHP Policy	Nine (9) Provinces supported in the implementation of PHP Policy	Nine (9) Provinces supported in the delivery of housing through PHP/ Zenzeleni Policy	Nine (9) Provinces were supported in the delivery of PHP/ Zenzeleni Policy	None	Not applicable

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub Programme 3: Macro Policy and Research								
Responsive policies	Research conducted	Number of Research Reports and Policies on Integrated Human Settlement Planning and Development drafted	A Policy Framework for Human Settlements developed Human Settlements Ombudsman	<ul style="list-style-type: none"> <li>Review of Conceptual Policy Framework for Human Settlements is in process</li> <li>Draft Conceptual Community Scheme Ombuds Services (CSOS) Policy Framework was developed and</li> <li>Draft Conceptual Inclusionary Housing for Social Housing was also developed</li> <li>Baseline on rental policy framework developed</li> </ul>	One (1) research report on Integrated Human Settlement Planning and Development drafted	One (1) research report on Integrated Human Settlement Planning and Development drafted Hlano and Agri-village Research reports	None	Not applicable
Sub Programme 4: Monitoring and Evaluation								
Improved programme performance projects	Projects monitoring reports	Percentage of projects under implementation monitored (HSDG, USDG and TRG)	100% of projects under implementation monitored and verified (HSDG and USDG)	100% of projects under implementation monitored and verified (HSDG and USDG)	100% of projects under implementation monitored (HSDG, USDG and TRG)	100% of projects under implementation monitored (HSDG, USDG and TRG)	None	Not applicable
	Evaluation studies reports	Number of evaluation studies conducted	1 evaluation study (UISP three year impact) not completed 1 evaluation study not initiated (As per 3-year plan) and The Terms of Reference approved	2 evaluation studies completed: <ul style="list-style-type: none"> <li>Rapid Appraisal of Outcome 8</li> <li>The Impact of the Housing Chapters of the Integrated Development Plan (IDP) and UISP 3-year impact: It is still at data collection</li> </ul>	3 evaluation studies conducted	3 evaluation studies not conducted  Evaluation studies were initiated whilst 3 Inception reports were developed and 2 Literature Review reports were produced	-3 evaluation studies conducted	The Service providers were appointed late, and the studies will be completed in 2021/22 financial year

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub Programme 5: Public Entity Oversight (HDA, CSOS, EAAB and NHBRC)								
Functional, efficient and integrated Government	Compliant Statutory Reports	Percentage of compliance with statutory tabling and prescripts	New target	New target	100 % compliance with statutory tabling and prescripts	93% compliance with statutory tabling and prescripts	-7% compliance with statutory tabling and prescripts  The 2019/20 Annual Report of the HDA was tabled after the due date and only submitted on 4 December 2020	The HDA experienced delays with the finalisation of annual audit
Sub Programme 6: Grant Management (HSDG, USDG & TRG)								
Improved expenditure outcomes	Final Human Settlements Grants Frameworks gazette	Approved Human Settlements Grants Framework	Approved Human Settlements Grants Framework	Approved Human Settlements Grants Framework	Approved Human Settlements Grants Framework	Approved Human Settlements Grants Framework	None	Not Applicable
	Quarterly assessments conducted on Human Settlement Grants (HSDG, USDG & TRG)	Number quarterly assessments conducted on Human Settlement Grants	Eight (HSDG and USDG) quarterly performance assessments were conducted	Twelve (HSDG USDG and TDRG) quarterly performance assessments on conducted	Twelve Quarterly Performance Assessments conducted for Human Settlement Grants (HSDG, USDG & TRG)	Twelve Quarterly Performance Assessments conducted for Human Settlement Grants (HSDG, USDG & TRG)	None	Not Applicable
Sub Programme 7: Capacity Building and Sector Support (PMU & Title Deeds Programme)								
Improved sector capacity	Human Settlements Sector Capacity programme developed	Human Settlements Sector Capacity programme developed	New target	The 2020/25 Human Settlements Sector Capacity development strategy was developed	Human Settlements Sector Capacity Programme developed	Human Settlements Sector Capacity development	None	Not applicable
Spatial transformation through multi-programme integration in PDAs	Partnering Compacts	Number of PDAs partnering compacts coordinated	New target	A total of 136 priority development areas declared for human settlements development	19 PDAs partnering compacts coordinated	19 PDAs partnering compacts were not coordinated	-19 PDAs partnering compacts coordinated	Late conclusion of the PDAs plans delayed coordination of the PDAs partnering compacts

### Linking performance with budgets (Financial Management unit)

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

Sub-programme Name	2020/21			2019/20		
	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	3 739	1 637	2 102	3 088	2 120	968
P2: Macro sector planning	16 760	9 420	7 340	13 066	10 859	2 207
P2: Macro policy and research	52 666	36 523	16 143	49 457	44 956	4 501
P2: Monitoring and evaluation	42 225	34 988	7 237	49 108	41 473	7 635
P2: Public entity oversight: (HDA, CSOS, EAAB, NHBRC)	281 201	281 201	-	262 158	262 158	-
P2: Grant management: (HSDG, USDG, TRG)	25 626 997	25 627 001	(4)	31 372 901	30 982 627	390 274
P2: Capacity building and sector support: (PMU, Title Deeds programme)	11 183	11 181	2	28 903	28 897	6
<b>Total</b>	<b>26 034 771</b>	<b>26 001 951</b>	<b>32 820</b>	<b>31 778 681</b>	<b>31 373 090</b>	<b>405 591</b>

## 4.3 Programme 3: Informal Settlements Programme

### Purpose

**Programme Purpose:** Provide policy, planning and capacity support for upgrading informal settlements, and oversee implementation of the Informal Settlements Upgrading Programme in terms of volume 4, part 3 of the 2009 housing

**Sub-Programmes:** Management of the ISP, Policy Research, Monitoring & Evaluation, Grant Management, Capacity Building and Sector Support

### Institutional Outcomes

- Adequate housing and improved quality living environments
- Responsive policies
- Improved programme performance projects
- Improved sector capacity

**Outcomes, outputs, output indicators, targets and actual achievements**

## Programme 3: Management of Informal Settlements Upgrading Programme: 2020/21 financial year

### General Strategic Role fulfilled by the Programme

- The Programme's operations included participation, representation and programmatic contribution in the following fora:
  - the FOSAD Economic Cluster
    - Technical Inter-Ministerial Committee on Service delivery at District Level
    - Technical Inter-Ministerial Task Team on North West: co-ordination of section 100(1)(a) intervention in the Provincial Department of Human Settlements
    - Technical Inter-Ministerial Committee on Land Reform
    - Presidential Infrastructure Co-ordinating Council: Steering Committee for Gazetted Projects
    - Presidential Infrastructure Co-ordinating Council: Infrastructure SA
      - Chair of the HS Technical Working Group
    - Regular presentations and appearance before Parliamentary Committees in the National Assembly and the National Council of Provinces.

- Implementation of Emergency Housing Grant
  - Roadshows to Provinces on emergency housing grant of applications from Provincial and Municipalities
  - Site inspection to areas affected by disaster
  - Monitoring and verification of projects under implementation funded through the Emergency Housing Grants
  - Collaboration with the National Disaster Management Centre.
- Priority Projects
  - Alexandra Redevelopment Programme
  - Facilitate the Inter-Governmental Steering Committee (Implementation Protocol signed)
  - Establish the Intergovernmental Project Management Office (PMO)
  - Prepared Grand Development Plan (Old Alex, New Developments Greater Alex Area)
  - Informal Settlements Upgrading
  - Unblocking blocked and/or incomplete housing projects within Alex
  - Service delivery improvements: operations of the City of Johannesburg.

## 1. ASSESSMENT OF INFORMAL SETTLEMENTS (FEASIBILITY STUDIES CONDUCTED)

During the period under review, 115 informal settlements were assessed although the Department had targeted only 100.

**Quarter 2: 62** informal settlements assessed in Ekurhuleni (35), Mpofana (3), Mkhambathini (7) uMgeni (7) and uMshwathi (10) municipalities,

**Quarter 3: 31** informal settlements assessed in JB Marks (11), Kwadukuza (5) and Zululand District (15) and

**Quarter 4: 22** informal settlements assessed in Lekwa (13), Ray Nkonyeni (4) and Umdoni (5) municipalities.

## 2. MANAGEMENT OF THE INFORMAL SETTLEMENTS PROGRAMME IN 9 PROVINCES

The Informal Settlements Programme was managed in nine Provinces by guiding planning to Metros in respect of USDG business plans, monitoring programme performance of Provinces and Metros based on approved business plans, Convening Weekly Human Settlements Command Centre and Operation Sub-Committee meetings and reporting on Programme performance.

- Setting programme delivery targets/ priorities
  - Programme delivery targets / priorities were set by writing to the nine Provincial Head of Departments and Metros Municipal Managers to submit 2021/22 financial year Business Plans based on Provincial grants allocations in quarter 3 and quarter 4 UISPG business plans were assessed.
- Guide planning to Provinces and Metros in respect of HSDG and USDG business plans:
  - Previously UISP Grant was a component of HSDG and USDG and starting from April 2021 the grant will be a standalone UISPG. The UISPG business plans for both Provinces and Metros were assessed to guide planning in provinces and metros.

- Recommend funding approval for projects in Provinces and municipalities
  - The UISPG business plans for both Provinces and Metros were assessed to recommend funding approval for projects in provinces and metropolitan municipalities.
- Monitor programme performance of Provinces and Metros based on approved business plans by:
  - Convening Quarterly Informal Settlements Upgrading forum and projects oversight visits
 

Quarterly informal settlements upgrading forums were held with Eastern Cape, Free State and KwaZulu-Natal Departments of Human Settlements and municipalities participating in National Upgrading Support Programme (NUSP). Over and above this the National Informal Settlements Upgrading Forum was held with the nine Provincial Departments of Human Settlements and Municipalities
  - Support capacities of Provinces and Municipalities to implement approved plans
 

The National Informal Settlements Upgrading Forum was held with the nine Provincial Department of Human Settlements and Municipalities to support capabilities of provinces and municipalities to implement the (UISP) projects in the 2020/21 financial year UISPG business plans and giving technical advice for the two spheres of government to achieve the set targets
  - Reporting on Programme performance
 

Grant Management and Monitoring & Evaluation reports for Quarter 3 submitted as evidence

### 3. POLICY AND RESEARCH

The Department undertook desktop research on informal settlement upgrading. The research provided the details of the different approaches that could be used to implement informal settlement upgrading. These include the rights-based approach to development which will form a major component of the macro policy framework on informal settlements. The research also highlighted key pillars of the programme that must be included in the reformed informal settlement programme. In the new financial year, the Department will be drafting a macro policy framework and some of the information obtained from this research will be put together to formulate a vision for the informal settlements upgrading policy.

### Grants management

The Provincial Emergency Housing Grant (PEHG), with a purpose of providing funding to Provinces for provision of temporary shelter assistance to households affected by disasters, had initial voted funds of R294 million. An additional R377 million was taken from Title Deeds Restoration Grant during COVID-19 pandemic adjustment, however R273 million was deducted during the MTBPS and a further R100 million was converted to Municipal Emergency Housing Grant resulting in an adjusted total voted funds of R299 million. A total of R287.6 million was transferred to KwaZulu-Natal (R102.6 million), Limpopo (R2.3 million), Mpumalanga (R40.9 million), Northern Cape (R70.9 million) and Western Cape (R70.9 million). The reported expenditure from the Provinces amounted to R139.7 million which equates to 49% of transferred funds.

The Municipal Emergency Housing Grant (MEHG), with a purpose of providing funding to Municipalities for provision of temporary shelter assistance to households affected by disasters, had initial voted funds of R158.8 million. An amount of R100 million was added after conversion from Provincial Emergency Housing Grant and this resulted in an adjusted total available funds of R258.8 million. A total of R166.3 million was transferred to Jozini Municipality (R17.7 million), Mtubatuba (R29.7 million), City of Johannesburg (R71.3 million), Kagisano Molopo (R3.3 million), Sakhisizwe (R2.3 million) and OR Tambo District Municipality (R41.7 million). The reported expenditure amounted to R35.5 million which equates to 21% of transferred funds.

### 4. CAPACITY BUILDING AND SECTOR SUPPORT (PMU & TITLE DEEDS PROGRAMME)

The Department conducted capacity assessments of the National and Provincial Departments of Human Settlements to identify capacity required to implement the programmes of the Human Settlements sector, as well as determine the existing gaps that need to be filled. The process of assessing the capacity needs and gaps involved consultations with all relevant officials in the National and Provincial Departments, including Programme owners responsible for the Upgrading of Informal Settlements Programme.

Flowing from these capacity assessments, the Department developed a Capacity Development & Assembly Programme to ensure the availability of the required technical capacity in the National and Provincial Departments.

### Programme 3: Informal Settlements Programme

Table 2.4.4.1

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Sub Programme 7: Capacity and Sector Support (NUSP)									
Improved Sector Capacity	Human Settlements Sector Capacity programme	Human Settlements Sector Capacity programme developed	New target	The 2020/25 Human Settlements Sector Capacity development strategy was developed	Human Settlements Sector Capacity programme Developed	Assessment on the required Sector Capacity for the implementation of the informal settlements programme was not done  Only 1 out of 9 Provinces' capacity was assessed	None	Not applicable	The target was revised due to the hard lockdown imposed on the country just before the beginning of the 1st quarter  The hard lockdown meant that we could not visit provincial Departments to perform the assessment of their capacities as was planned for the 1st quarter

Table 2.4.4.2

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub-Programme 1: Management of the ISP								
Adequate housing and improved quality living environments	Upgrading of informal settlements programme managed in provinces	Upgrading of Informal settlements to programme managed in a number of provinces	A total of 319 informal settlements upgrading plans developed	A total of 117 informal settlements upgrading plans developed	Upgrading of informal settlements to programme managed in nine Provinces	Upgrading of informal settlements programme was partially managed in nine Provinces	Quarterly forums and oversight visits	Quarterly forums and oversight visits were partially conducted in the provinces due to the unavailability of stakeholders in Provinces because of the COVID-19 restrictions
		Number of informal settlements assessed	A total of 500 informal settlements assessed (feasibility studies conducted)	A total of 94 informal settlements assessed (feasibility studies conducted)	100 informal settlements assessed	115 informal settlements assessed	15+ informal settlements assessed	Over- achievement is due to additional informal settlements found after the Professional Resource Team went on site to do assessment
Sub Programme 3: Policy and Research								
Responsive policies	Research conducted	Number of research reports and policies on informal settlement upgrading drafted	A policy framework for human settlements developed: Human Settlements Ombudsman	Review of conceptual policy framework for Human Settlements in process  Draft conceptual Community Schemes Ombud Services (CSOS) policy framework developed  Draft conceptual inclusionary housing for social housing developed  Baseline on rental policy framework developed	One research report on informal settlement upgrading drafted	One research report on informal settlement upgrading drafted	None	Not applicable

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub Programme 4: Monitoring and Evaluation								
Improved programme performance projects	Projects monitoring reports	% of UISP projects under implementation monitored (HSDG and USDG)	New target	New target	100% of UISP projects under implementation monitored (HSDG and USDG)	75% of UISP projects under implementation monitored (HSDG and USDG)	-25% of UISP projects under implementation monitored (HSDG and USDG) Monitoring for Quarter 1 was not conducted	Monitoring of projects not conducted due to COVID -19 restrictions
	Evaluation study report	Number of evaluation studies conducted	One evaluation study (UISP three-year impact) not completed One evaluation study not initiated (as per three-year plan) and Terms of Reference approved	Two evaluation studies completed: • Rapid appraisal of Outcome 8 • The impact of the Housing Chapters of the IDP and UISP three-year impact still at data collection phase	1 UISP evaluation study conducted	1 UISP evaluation study not conducted Evaluation study was initiated whilst inception report was developed, and Literature Review report produced	-1 UISP evaluation study conducted	The service provider was appointed late, and the study will be completed in 2021/22 financial year
Sub Programme 7: Capacity Building and Sector Support ( NUSP)								
Improved sector capacity	Human Settlements Sector capacity programme	Human Settlements Sector Capacity programme developed	New target	The 2020/25 Human Settlements Sector Capacity development strategy was developed	Human Settlements Sector Capacity development programme developed	Human Settlements Sector Capacity programme developed	None	Not applicable

## Linking performance with budgets

### Programme 3 Informal Settlements

Sub-programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
P3: Management for Informal settlements programme	5 227	4 737	490	5 313	4 296	1 017
P3: Policy and research	-	-	-	-	-	-
P3: Monitoring and evaluation	-	-	-	-	-	-
P3: Grant management: (ISUPG, emergency housing)	582 244	471 235	111 009	450 721	413 828	36 893
P3: Capacity building and sector support: (NUSP)	46 188	35 239	10 949	57 886	47 762	10 124
<b>Total</b>	<b>633 659</b>	<b>511 211</b>	<b>122 448</b>	<b>513 920</b>	<b>465 886</b>	<b>48 034</b>

## 4.4 Programme 4: Social and Rental housing programme

### Purpose

**Programme Purpose:** 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

**Sub-Programmes:** Management for Rental and Social Housing Programme, Policy and Research, Monitoring and Evaluation, Public Entity Oversight (SHRA) Capacity Building and Sector Support

### Institutional Outcomes

- Adequate housing and improved quality of living environment
- Responsive policies
- Improved programme performance projects
- A functional, efficient and integrated government
- Improved sector capacity

### Outcomes, outputs, output indicators, targets and actual achievements

### Implementation of the rental and social housing programme

**The Rental and Social Housing Programme** was managed predominantly through the through the Human Settlement Command Centre due to COVID-19 restrictions. Meetings for the same purpose of the National Rental Housing Task Team meeting were held. The aim was to monitor programme performance based on the approved business plans where provinces, metros and entities present their performance, pipeline projects, and implementation challenges. Further meetings set delivery targets and business plans presented by the provinces according to the National Department's priorities, including alignment with SHRA, Provincial & Metro business plans.

Bilateral consultations regarding the business plans and project lists were held with the SHRA, in order to obtain project lists with location information (Province, Municipality, GIS Coordinates) to map the projects and determine Social Housing Investments in the PSHDAs.

Guide planning to provinces and metros in respect of social housing consolidated capital grant (CCG) Business Plans (Q1 –Q4)

Below are milestones on guidance provided by the National Department towards the planning process:

- New projects were presented and approved at SHRA Technical Executive Committee (TEC) wherein the National Department played an advisory role
- Assessed, approved and gazetted restructuring zones in the North West and Gauteng
- Provided advisory support during the workshop on the outcomes-based revised 2020/25 strategic and 2021/22 Annual Performance Plans of the Human Settlements entities, SHRA & NHFC
- Provided guidance to the SHRA, Provinces and Metros in respect of business plans for 2021/22 in alignment with the Departments priorities.

The Department provided guidance to the SHRA & NHFC on the revision of their business plans in line with the new rent relief fund scheme in all provinces. The purpose of the meeting was to provide guidance on the communication strategy for the rent relief scheme, assist in setting up monitoring systems and database, and provide clarity on the funding and payment requirements for SHRA & NHFC.

## Recommend Funding Approval for Social Housing Projects in Provinces (Q4)

Eight (8) Social Housing Projects were presented during the Provincial Steering Committee meetings for endorsement in the Eastern Cape and KwaZulu-Natal. The following projects were discussed and endorsed during the PSC meeting:

- Cornubia uMhlanga Hills
- Uluvo SH
- Silverton SH
- Florida Heights
- Qhama SH
- Albany Road SH
- Willowwest SH
- Kouga Ocean SH

There were no new projects that required endorsement from other provinces. However, there are currently Social Housing Projects in all nine Provinces that are currently running and have been approved and endorsed for funding through the CCG, a Progress Report is attached that gives a breakdown of all Social Housing Projects approved and endorsed in all nine Provinces and funding disbursed to date.

Monitor program performance of provinces based on approved business plans  
- convene a national rental task team

Provincial Steering Committee (PSC) meetings were attended virtually, to monitor programme performance in all nine Provinces as well embarking on a detailed project audit in all nine Provinces for Social Housing Projects as well as CCG-disbursed and debt funding by the NHFC to date.

Project site visits were undertaken for:

- Little Manhattan Gardens Social Housing Project in the City of Tshwane
- Aloe Ridge Social Housing at uMsunduzi Municipality, including the intervention by the Minister to find a lasting solution to addressing challenge of invaded 216 social housing units.

Support capabilities of provinces and metros to implement the approved business plans

**During the period under review, the Department** conducted a capacity development workshop in Mpumalanga, Witbank. The Province and eight Municipalities were re-trained on the roles and responsibilities of National, Provincial and Local Municipality in relation to rental housing programme and implement approved plans. The following Municipalities were in attendance:

- eMalaheni Municipality
- Steve Tshwete Local Municipality
- Lekwa Local Municipality
- Msukaligwa Local Municipality
- Emakhazeni Local Municipality
- Dr JS Local Municipality
- Chief Albert Luthuli Municipality
- Thembisile Hani Local Municipality
- Hantam Local Municipality
- Nama Khoi Local Municipality
- Siyathemba Local Municipality

- Kgatelopele Local Municipality
- Kai Garib Local Municipality
- Kheis Local Municipality
- Joe Morolong Local Municipality
- Gasegonyana Local Municipality
- Umsobomvu Local Municipality
- Sol Plaatje Local Municipality
- Frances Baard District Municipality
- Karoo Hoogland Local Municipality
- Dikgatlong Local Municipality
- Tsantsabane Local Municipality
- Gamagara Local Municipality
- Pixley Ka Seme District Municipality

The National Department provided support capacities of Provinces and Municipalities to implement the approved business plans by setting delivery targets for the sector and also assisted the SHRA, Provinces and Metros to align business plans with the National Department priorities for 2021/2022.

The National Rental Housing Task Team meeting held through the Human Settlement Command Council. The meeting was to set delivery targets and business plans presented by the Provinces according to the National Department's priorities. Human Settlements Command Council meetings were held on:

- 30 August 2020
- 07 October 2020

- 14 October 2020
- 28 October 2020
- 31 January 2021

#### Implementation of the CRU programme

The National Rental Housing Task Team held meetings through the Human Settlement Command Council held meeting for the same purpose of monitoring the implementation of the Community Residential Units (CRU) Programme. The meetings were to monitor programme performance-based on the approved business plans where Provinces, Metros and entities present their performance, pipeline projects, and implementation challenges.

- Support capacities of provinces and municipalities to implement approved plans
- Setting programme delivery targets/priorities
- Setting programme delivery targets/priorities
- Guide planning to provinces and metros in respect of CCG business plans
- Monitor programme performance of Provinces based on approved business plans
- Convene a national rental task team (NRTT)
- Support capabilities of Provinces and Metros to implement the approved business plans

#### Reporting on programme performance

- 654 units were completed during Quarter 3.

Progress report on programme managed on the implementation of the CRU programme to deliver CRU units in quarter 4

- Setting programme delivery targets/priorities
  - The programmes' delivery targets for 2021/22 were discussed and set. Letters were sent to all provinces to that effect.
- Guide planning to Provinces and Metros in respect of CCG business plans
- Recommend funding approval for CRU projects in Provinces
- Monitor programme performance of provinces based on approved business plans
- Convene a national rental task team (NRTT)
- Support capabilities of Provinces and Metros to implement the approved business plans
- Reporting on programme performance
  - 546 units were completed during quarter 4.

#### Public entity oversight (SHRA)

The Department adopted a sector-wide planning approach to maximise the performance of the sector including its entities. This approach was aligned to all programmes of the Department linking with the programme structure of the Department. The Department continued to provide an oversight role over Human Settlements Entities particularly in relation to corporate planning, performance monitoring, compliance and corporate governance matters.

The SHRA revised its Corporate Plan 2020/21 in response to negative impact caused by the COVID-19 Pandemic. The revised Corporate Plan was tabled in Parliament on 8 February 2021. In preparation for the Financial Year 2021/22 the draft Corporate Plan of the SHRA was analysed in order to ensure compliance and alignment with the Revised Strategic and Annual Performance Plan Framework and the 2019/24 Medium Term Strategic Framework (MTSF) targets. The outcome of this process was to ensure the integrated human settlements planning and a step closer towards the achievement of sector targets.

The performance and governance of the entity was monitored on a quarterly basis. The SHRA was further engaged on areas of concern in order to improve their performance. In line with the requirements

of the Public Finance Management Act the Department facilitated the tabling of the Annual Report of the SHRA by the compliance date of 30 November 2020 for the year under review.

The Department continued to address all governance matters including appointments of the boards in order to address instability of the entities. In this regard, the Department successfully facilitated the appointment of the SHRA Council. This process will be finalised in the next financial year.

In order to ensure accountability in the Human Settlements Entities, the Chief Executive Officers (CEOs) Forum was established, which is comprised of the CEOs of the entities and the Department. This Forum has provided a valuable platform to address strategic matters such as performance, compliance and governance for the benefit of the sector.

#### Policy and Research

The Department achieved the target of developing a Draft Rental Policy. Once finalised, this policy framework will serve as a macro-policy framework for Rental Policy and become a policy foundation for amending the Social Housing Act, social housing regulations and support the process of repealing the Housing Act of 1997. The draft policy provides key policy positions on all forms of rental namely social housing, hostel redevelopment, municipal rental, backyard rental, small scale private sector rental, social housing needs and large-scale rental. It also provides detailed norms and standards for rental as provided for in the Rental Amendment Act of 2014.

#### Capacity Building and Sector Support (PMU & Title Deeds Programme)

The Department conducted capacity assessments of the National and Provincial Departments of Human Settlements to identify capacity required to implement the programmes of the Human Settlements sector, as well as determine the existing gaps that need to be filled. The process of assessing the capacity needs and gaps involved consultations with all relevant officials in the National and Provincial Departments, including Programme owners responsible for the Rental and Social Housing Programme.

Flowing from these capacity assessments that were conducted, the Department developed a Capacity Development & Assembly Programme to ensure the availability of the required technical capacity in the National and Provincial Departments.

## Programme 4: Rental Social and housing programme

Table 2.4.4.1

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Sub Programme 4: Monitoring and Evaluations									
Improved programme performance projects	Evaluation studies reports	Number of evaluation studies conducted	One evaluation study (UISP three-year impact) not completed One evaluation study not initiated (As per three-year plan), and Terms of reference approved	Two evaluation studies completed: • Rapid appraisal of Outcome 8 • The impact of the Housing Chapters of the IDP, and UISP three-year impact still at data collection phase	2 evaluation studies conducted	2 conceptual frameworks not developed Social and Rental Housing Programme: Draft TORs	None	Not applicable	Social and Rental Housing Intervention Implementation study was removed due to limited implementation period
Sub Programme 7: Capacity and Sector Support									
Improved sector capacity	A Human Settlements Sector Capacity Programme	Human settlements Sector Capacity programme developed	New target	The 2020/25 Human Settlements Sector Capacity development strategy was developed	Human Settlements Sector Capacity programme developed	Assessment on the required sector capacity for the implementation of the programme was not done  Only 1 out of 9 Provinces' capacity was assessed	None	Not applicable	The target was revised due to the hard lockdown imposed on the country just before the beginning of the 1st quarter  The hard lockdown meant that we could not visit provincial Departments to perform the assessment of their capacities as was planned for the 1st quarter

Table 2.4.4.2

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub-Programme 1: Management for Rental and Social Housing Programme								
Adequate housing and improved quality living environment	Rental and Social housing programme managed in provinces	Rental and Social housing programme managed in a number of provinces	Provided support on the implementation of private affordable rental housing Provided support on the implementation of the social housing programme	Support to deliver 732 private affordable rental housing units not fully provided  Support provided on the implementation of the social housing programme to deliver 3044 units	Rental and Social Housing programme managed in 9 Provinces	Rental and Social Housing programme was partially managed in 9 Provinces	Support and Monitoring to Provinces and Municipalities was partially provided	Monitoring and Support to other Provinces and Municipalities not done due to COVID-19 restrictions
	Community residential units programme managed in provinces	CRU programme managed in a number of provinces	Provided support on the delivery of CRUs	Support provided on the implementation of the CRU programme to deliver 150 units	CRU programme managed in 9 Provinces	CRU programme was partially managed in 9 Provinces	Support and monitoring to Provinces and Municipalities not fully provided	Monitoring and Support to other provinces and Municipalities not done due to COVID-19 restrictions

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub-Programme 3: Policy and Research								
Responsive policies	Draft Policy Framework on social and rental interventions	Number of draft policies on social and rental interventions developed	A policy framework for human settlements developed: Human Settlements Ombudsman	Review of conceptual policy framework for human settlements in process  Draft conceptual Community Schemes Ombud Services (CSOS) policy framework developed  Draft conceptual inclusionary housing for social housing developed  Baseline on rental policy framework developed	1 draft policy framework on social and rental interventions developed	1 draft policy framework on social and rental interventions developed	None	Not applicable
Sub Programme 4: Monitoring and Evaluation								
Improved programme performance projects	Social and Rental Housing Projects monitoring reports	% of Social/ Rental Housing Projects under implementation monitored	New target	New target	100% of Social and Rental Housing Projects under implementation monitored	100% of Social and Rental Housing Projects under implementation was monitored	None	Not applicable
	Evaluation studies reports	Number of evaluation studies completed	One evaluation study (UISP three-year impact) not completed  One evaluation study not initiated (As per three-year plan) and  Terms of reference approved	Two evaluation studies completed: Rapid appraisal of Outcome 8  The impact of the Housing Chapters of the IDP UISP three-year impact still at data collection phase	1 Evaluation study conducted.	1 Evaluation study not conducted  1 Evaluation study initiated Inception report produced (Rental Housing Tribunal Evaluation)	- 1 evaluation study conducted	The service provider was appointed late, and the study will be completed in 2021/22 financial year

Sub Programme 5: Public Entity Oversight (SHRA)								
A Functional, Efficient and integrated government	Compliant Statutory Reports	Percentage of compliance with statutory tabling and prescripts	New target	New target	100 % compliance with statutory tabling and prescripts	100 % compliance with statutory tabling and prescripts	None	Not applicable
Sub-Programme 7: Capacity building and Sector Support								
Improved sector capacity	A Human Settlements Sector Capacity Programme	A Human Settlements Sector Capacity programme developed	New target	The 2020/25 Human Settlements Sector Capacity development strategy was developed	A Human Settlements Sector Capacity development programme developed	Human Settlements Sector Capacity programme developed	None	Not applicable

### Linking performance with budgets

#### Programme 3: Informal Settlements

Sub-programme Name	2020/21			2019/20		
	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	4 485	3 087	1 398	4 410	3 850	560
P4: Public Entity Oversight: (SHRA)	1 117 520	1 117 520	-	810 726	810 726	-
P4: Capacity Building and Sector Support	62 591	41 650	20 941	48 727	47 172	1 555
<b>Total</b>	<b>1 184 596</b>	<b>1 162 257</b>	<b>22 339</b>	<b>863 863</b>	<b>861 748</b>	<b>2 115</b>

## 4.5 Programme 5: Affordable Housing Programme

### Purpose

**Programme Purpose:** 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

**Sub-Programmes:** Management for Affordable Housing Programme, Policy and Research, Monitoring and Evaluation, Public Entity Oversight (NHFC/ HSDB), Grant Management (FLISP and other DSS) and Capacity Building and Sector Support

### Institutional Outcomes

- Responsive policies
- Improved programme performance projects
- A functional, efficient and integrated government
- Improved expenditure outcomes
- Improved sector capacity.

### **Outcomes, outputs, output indicators, targets and actual achievements**

A total of 6 314 households were targeted to be assisted through FLISP during the 2020/21 financial year of which 4 334 and 1 980 was by NHFC and Provinces respectively. As at the end of the financial year, NHFC managed to disburse subsidies to 1 136 households while provinces managed to assist 1 781, bringing the overall performance for the year to 2 917 households.

### Public Entity Oversight (NHFC/ HSDB)

The Department adopted a sector-wide planning approach to maximise the performance of the sector including its entities. This approach was aligned to all programmes of the Department linking with the programme structure of the Department. The Department continued to provide an oversight role over Human Settlements

Entities particularly in relation to corporate planning, performance monitoring, compliance and corporate governance matters.

The NHFC revised its Corporate Plan 2020/21 in response to the negative impact caused by the COVID-19 pandemic. The revised Corporate Plan was tabled in Parliament on 18 January 2021. In preparation for the financial year 2021/22 the draft Corporate Plan of the NHFC was analysed in order to ensure compliance and alignment with the Revised Strategic and Annual Performance Plan Framework and the 2019/24 Medium Term Strategic Framework (MTSF) targets. The outcome of this process was to ensure the integrated human settlements planning and a step closer towards the achievement of sector targets.

The performance and governance of the entities were monitored on a quarterly basis. Human Settlements Entities were further engaged on areas of concern in order to improve their performance. In line with the requirements of the Public Finance Management Act the Department facilitated the tabling of the annual report of the NHFC by the compliance date of 30 November 2020 for the year under review.

For the year under review the facilitation for the approval of the Human Settlements Development Bank Bill was achieved to the level of being recommended for tabling at Cabinet to give effect to the public comments process.

In order to ensure accountability in the Human Settlements Entities, the Chief Executive Officers (CEOs) Forum was established, which is comprised of the CEOs of the entities and the Department. This Forum has provided a valuable platform to address strategic matters such as performance, compliance and governance for the benefit of the sector.

### Policy and Research

The Department also achieved the target of developing a Research Report on Affordable Housing: the research focused on fundamentals regarding Transactional Support Centre (TSC). The study entailed both field and desktop investigation into the operations of the property transactional support centers. The content will form the basis of developing an overarching Human Settlements Property Transactional Support Centre Intervention Programme. The research has identified a need to focus on the entire value chain of human settlements client support. As anticipated, the contemplated programme will not be limited to government-subsidised property transactions services but focus on the entire life cycle of subsidised human settlement property.

## Capacity Building and Sector Support (PMU & Title Deeds Programme)

The Department conducted capacity assessments of the National and Provincial Departments of Human Settlements to identify the capacity required to implement the programmes of the Human Settlements sector, as well as determine the existing gaps that need to be filled. The process of assessing the capacity needs and gaps involved consultations with all relevant officials in the National and Provincial Departments, including Programme owners responsible for the Affordable Housing Programme.

Flowing from these capacity assessments that were conducted, the Department developed a Capacity Development & Assembly Programme to ensure the availability of the required technical capacity in the National and Provincial Departments.

## Programme 5: Affordable Housing Programme

Table 2.4.4.1

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Sub Programme 7: Capacity and Sector Support									
Improved sector capacity	Human Settlements Sector Capacity programme developed	Human Settlements Sector Capacity programme developed	New target	The 2020/25 Human Settlements Sector Capacity Development strategy was developed	Human Settlements Sector Capacity Development programme	Assessment on the required sector capacity for the implementation of the programme was not done  Only one out of 9 Provinces' capacity was assessed	None	Not applicable	The target was revised due to the hard lockdown imposed on the country just before the beginning of the 1st quarter.  This meant that we could not visit Provincial Departments to perform the assessment of their capacities as was planned for the 1st quarter

Table 2.4.4.2

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub Programme 3: Policy and Research								
Responsive policies	Research document on affordable housing	Number of research projects on affordable housing developed	A policy framework for human settlements developed: Human Settlements Ombudsman	Review of conceptual policy framework for human settlements in process Draft conceptual Community Schemes Ombud Services (CSOS) policy framework developed Draft Conceptual Inclusionary Housing for Social Housing developed Baseline on rental policy framework developed	One research report on affordable housing developed	One research report on affordable housing developed	None	Not applicable
Sub Programme 4: Monitoring and Evaluation								
Improved programme performance projects	FLISP subsidies disbursed monitoring reports	% of FLISP subsidies disbursed monitored	New target	New target	100% of FLISP subsidies disbursed monitored	100% of FLISP subsidies disbursed monitored	None	Not applicable
	Evaluation studies reports	Number of evaluation studies conducted	One evaluation study (UISP three-year impact) not completed  One evaluation study not initiated (As per three-year plan); and  Terms of Reference approved	Two evaluation studies completed: • Rapid appraisal of Outcome 8 • The impact of the Housing Chapters of the IDP; and • UISP three-year impact still at data collection phase	1 evaluation study conducted	1 evaluation study not conducted  1 evaluation study initiated  Inception report developed and  Literature Review Report produced (Finance linked individual subsidy programme)	-1 Final report on Evaluation study conducted	The service provider was appointed late, and the study will be completed in 2021/22 financial year

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Sub Programme 5: Public Entity Oversight (NHFC/ HSDB)								
A functional, efficient and integrated government	Compliant Statutory Reports	Percentage of compliance with statutory tabling and prescripts	New Target	New Target	100 % compliance with statutory tabling and prescripts	100 % compliance with statutory tabling and prescripts	None	Not applicable
Sub-Programme 6: Grant Management ( FLISP & other DSS)								
Improved expenditure outcomes	Quarterly performance assessments on number of households that received financial assistance and purchased units through FLISP	Number of quarterly performance assessments on number of households that received financial assistance and purchased units through FLISP	Four FLISP performance assessments were conducted	Four quarterly performance assessments on FLISP conducted	Four quarterly performance assessments on number of households that received financial assistance and purchased units through FLISP	Four quarterly performance assessments on number of households that received financial assistance and purchased units through FLISP	None	Not applicable
Sub-Programme 7: Capacity building and Sector Support								
Improved sector capacity	Human Settlements Sector Capacity Programme developed	Human Settlements Sector Capacity Programme developed	New target	The 2020/25 Human Settlements Sector Capacity Development Strategy developed	Human Settlements Sector Capacity Development Programme developed	Human Settlements Sector Capacity Programme developed	None	Not applicable

### Linking performance with budgets

#### Programme 3 Informal Settlements

Sub-programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
P5: Management for Affordable Housing Programme	3 702	1 926	1 776	3 916	2 671	1 245
P5: Public Entity Oversight: (NHFC/HSDB)	663 741	656 589	7 152	164 683	157 661	7 022
P5: Capacity Building and Sector Support	75 151	42 419	32 732	67 594	56 081	11 513
<b>Total</b>	<b>742 594</b>	<b>700 934</b>	<b>41 660</b>	<b>236 193</b>	<b>216 413</b>	<b>19 780</b>

## 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"> <li>5 000 Community schemes registered</li> <li>70% Quality Assured Schemes Governance documentation</li> <li>100% Compliance certificates issued on amended scheme documents</li> <li>50% of disputes conciliated within 90 days</li> <li>50% of disputes adjudicated within 90 days</li> <li>8 Training &amp; education sessions conducted for schemes executive and owners</li> <li>6 Training sessions conducted for adjudicators and conciliators</li> </ul>	Operational Grant: R32.8 million	Operational Grant: R32.8 million	<ul style="list-style-type: none"> <li>1 128 Community schemes registered</li> <li>73.5% Quality Assured Schemes Governance documentation</li> <li>100% Compliance certificates issued on amended scheme documents</li> <li>17.2% of disputes conciliated within 90 days</li> <li>38.6% of disputes adjudicated within 90 days</li> <li>23 Training &amp; Education sessions conducted for schemes executive and owners</li> <li>9 Training sessions conducted for adjudicators and conciliators</li> </ul>
Estate Agency Affairs Board (EAAB)	<ul style="list-style-type: none"> <li>70% of compliant new registrations processed within 21 days</li> <li>55% of disciplinary hearings held against those received within 5 days</li> <li>100% of Disciplinary outcomes enforced</li> <li>5% increase on the baseline of registered Estate Agents with professional designations</li> <li>2 000 Interns placed with Real Estate industry host employers through one learner-one estate agency programme</li> <li>70% of youth interns placed with property industry host employers through the one-learner One Estate Agency programme</li> <li>100% implementation of the investment strategy</li> </ul>	Continuous Professional Fee Waiver Grant: R24 million	Continuous Professional Fee Waiver Grant: R1.4 million	<ul style="list-style-type: none"> <li>99% of compliant new registrations processed within 21 days</li> <li>59% of disciplinary hearings held against those received within 5 days</li> <li>73% of disciplinary outcomes enforced</li> <li>5% increase on the baseline of registered Estate Agents with professional designations</li> <li>131 interns placed with real estate industry host employers through the one learner-one estate agency programme</li> <li>70% of youth interns placed with property industry host employers through the one-learner One Estate Agency programme</li> <li>100% implementation of the investment strategy</li> </ul>
National Housing Finance Corporation (NHFC)	<ul style="list-style-type: none"> <li>Social housing disbursements: R48 million</li> <li>Private rental disbursements: R31 million</li> <li>Affordable housing: Strategic investments: R130 million</li> <li>Bridging Affordable Housing disbursements: R97 million</li> <li>Bridging Subsidy Housing disbursements: R109 million</li> <li>Incremental housing disbursements: R102 million</li> <li>FLISP value of disbursements: R249 million</li> <li>FLISP value of approvals: R267 million</li> <li>FLISP 5-year business plan approved</li> </ul>	R649.6 million  (FLISP Operational Grant: R15.4 million FLISP Subsidy Grant: R334.2 million Rent Relief Grant: R300 million)	R67.3 million  (FLISP Operational Grant: R6.3 million FLISP Subsidy Grant: R61 million Rent Relief Grant: R0.00)	<ul style="list-style-type: none"> <li>Social housing disbursements: R89 million</li> <li>Private rental disbursements: R40 million</li> <li>Affordable housing: Strategic investments: R74 million</li> <li>Bridging Affordable Housing disbursements: R321 million</li> <li>Bridging Subsidy Housing disbursements: R133 million</li> <li>Incremental housing disbursements: R53 million</li> <li>FLISP value of disbursements: R61 million</li> <li>FLISP value of approvals: R111 million</li> <li>FLISP 5-year business plan approved</li> </ul>

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"> <li>• 1 000 Hectares of well-located land acquired for Human Settlement Development (targeting poor and middle- income households)</li> <li>• 1 500 hectares of land located within PSHSDAs acquired</li> <li>• 10% of acquired land during 2014-2019 rezoned falling within PSHSDA's</li> <li>• 1000 hectares of land rezoned for Human Settlements Development</li> <li>• 8 development plans for PSHSDA completed</li> <li>• 375 informal settlements supported for upgrading to phase 3</li> <li>• 23 Municipalities provided with technical and implementation support for distressed mining communities</li> <li>• 50 National / Provincial priority catalytic projects provided with implementation support</li> <li>• 9 256 serviced sites delivered</li> <li>• 7 058 Title Deeds registered</li> </ul>	Operational grant: R233.6 million	Operational grant: R166.9 million	<ul style="list-style-type: none"> <li>• 1222.0017 hectares of well-located land acquired for human settlement development (targeting poor and middle-income households)</li> <li>• 856.0608 hectares of land located within PSHSDAs acquired</li> <li>• 32% of acquired land during 2014-2019 rezoned falling within PSHSDA's</li> <li>• 42. 9945 hectares of land rezoned for human settlements development</li> <li>• 17 development plans for PSHSDA completed</li> <li>• 191 informal settlements supported for upgrading to phase 3</li> <li>• 36 National / Provincial priority catalytic projects provided with implementation support</li> <li>• 23 Municipalities provided with technical and implementation support for distressed mining communities</li> <li>• 4 270 serviced sites delivered</li> <li>• 825 Title Deeds registered</li> </ul>
National Home Builders Registration Council (NHBRC)	<ul style="list-style-type: none"> <li>• 100% of compliant enrolment applications approved within 15 days of receipt-subsidy homes enrolled</li> <li>• 100% of compliant enrolment applications approved within 15 days of receipt-non subsidy homes enrolled</li> <li>• 16 282 non-subsidy homes inspected</li> <li>• 23 961 subsidy homes inspected</li> <li>• 2 336 homebuilder registrations approved</li> <li>• 8 914 renewals of homebuilder registrations</li> <li>• 1 700 homebuilders trained</li> <li>• 1300 youth trained</li> <li>• 600 technical professionals trained</li> <li>• 600 artisans trained</li> <li>• 1 300 women trained</li> <li>• 90 Military Veterans trained</li> <li>• 90 people with disabilities trained</li> </ul>	The NHBRC does not receive financial assistance from NDHS	The NHBRC does not receive financial assistance from NDHS	<ul style="list-style-type: none"> <li>• 71% of compliant enrolment applications approved within 15 days of receipt-subsidy homes enrolled</li> <li>• 94% of compliant enrolment applications approved within 15 days of receipt: non- subsidy homes enrolled</li> <li>• 24 734 non-subsidy homes inspected</li> <li>• 23 631 subsidy homes inspected</li> <li>• 2 853 homebuilder registrations approved</li> <li>• 13 778 renewals of homebuilder</li> <li>• 2 812 homebuilders trained</li> <li>• 2 281 youth trained</li> <li>• 733 technical professionals trained</li> <li>• 600 artisans trained</li> <li>• 2 270 women trained</li> <li>• 171 Military Veterans trained</li> <li>• 314 people with disabilities trained</li> </ul>

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
Social Housing Regulatory Authority (SHRA)	<ul style="list-style-type: none"> <li>• 1 650 Subsidised Housing Unit Tenancy audits conducted</li> <li>• 1 000 Subsidised Housing Units Building Condition audits conducted</li> <li>• 4 institutional housing subsidy projects brought under regulation</li> <li>• 80% of projects in the pipeline from Capital Grant Applicants that are black majority owned and controlled</li> <li>• 3 870 social housing units delivered</li> <li>• 6 additional fully accredited social housing institutions</li> <li>• 7 000 Social Housing Units accredited</li> </ul>	R1 117.4 million (Operational Grant: R69.3 million Institutional Investment Grant: R22.4 million Consolidated Capital Grant: R725.7 million Rent Relief Grant: R300 million)	R597.8 million (Operational Grant: R63.8 million Institutional Investment Grant: R14 million Consolidated Capital Grant: R520 million Rent Relief Grant: R0.00 million)	<ul style="list-style-type: none"> <li>• 1 990 subsidised housing unit tenancy audits conducted</li> <li>• 1 795 subsidised housing units building condition audit conducted</li> <li>• 0 Institutional Housing Subsidy Projects brought under regulation</li> <li>• 89% of projects in the pipeline from capital grant applicants that are black majority owned &amp; controlled.</li> <li>• 997 Social Housing Units delivered</li> <li>• 0 additional fully accredited SHIs</li> <li>• 4 080 Social Housing Units accredited</li> </ul>

## 5.2 Transfer Payments to All Organisations Other than Public Entities

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Sub Fees: UN Membership Fees	International Organisation	The budget allocation for membership fees supports the work of the United Nations Human Settlements Programme through annual contributions to the Habitat Foundation. This is a contribution on behalf of the country	Yes	R2 755		
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		R700		
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	R953		Underspending can be attributed to delays by universities to register students due to the "Fees must fall" campaigns
UN Habitat	Foreign Entity	Membership Fees	N/A	2 755	N/A	N/A
Cities Alliance	Foreign Entity	Membership Fees	N/A	700	N/A	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2020 to 31 March 2021, but no transfer payments were made

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
UN Habitat	Funding for the UN Habitat Partnership Project on leading sustainable inclusive urban transformation in the decade of action	14 100	0	It emerged later in the year that the agreement has to be ratified by the Minister of International Relations and Cooperation thus resulting in a delay and ultimately a non-transfer

## 6. Conditional grants

### 6.1 Conditional Grants Received and Earmarked Funds Paid

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

#### Conditional Grant 1: Human Settlements Development Grant (HSDG)

<b>Department/ Municipality to whom the grant has been transferred</b>	Nine Provinces
<b>Purpose of the grant</b>	To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• Number of housing opportunities created may include the following:             <ul style="list-style-type: none"> <li>- number of residential units delivered in all housing programmes</li> <li>- number of serviced sites delivered in all housing programmes</li> </ul> </li> <li>• Number of households in informal settlements provided with access to basic services</li> <li>• Number of informal settlements upgraded on site and/or relocated</li> <li>• Number of Title Deeds registered to a beneficiary post 31 March 2014</li> <li>• Hectares of well-located land acquired for development of housing opportunities</li> <li>• Hectares of well-located land acquired for development of housing opportunities</li> <li>• Hectares of well-located land acquired (and zoned)</li> <li>• Number of socio-economic amenities delivered in human settlements</li> <li>• Number of integrated residential development projects planned, approved, funded and implemented</li> </ul>
<b>Actual outputs achieved</b>	As per table below, Annexure A – ENE Indicators
<b>Amount per amended DORA (R'000)</b>	R14 892 293
<b>Amount transferred (R'000)</b>	R14 892 293
<b>Reasons if amount as per DORA not transferred</b>	N/A
<b>Amount spent by the department/ municipality (R'000)</b>	R14 741 878
<b>Section 15(2)(a)-Reasons for withholding or stopping of all transfers to a Province or Municipality in terms of section 17 or 18</b>	<ul style="list-style-type: none"> <li>• An amount of 588 million was stopped from Eastern Cape (R338 million), Free State (R100 million), Limpopo (R50 million) and North West (R100 million). The stopped funds were reallocated to Gauteng (R100 million), Mpumalanga (R138 million), Northern Cape (R200 million) and Western Cape (R150 million)</li> </ul>
<b>Section 15(2)(b) The extent that compliance with this Act by Provinces or Municipalities was monitored</b>	<ul style="list-style-type: none"> <li>• Compliance checks are performed on a monthly and quarterly basis and structured visits to the Provinces are undertaken by the National Department</li> </ul>

<b>Section 15(2)(c) The extent that the allocation achieved its objectives and outputs</b>	<ul style="list-style-type: none"> <li>• Reports are analysed on a monthly and quarterly basis on the spending patterns of the Provinces to assess if the outputs are as per the grant framework</li> <li>• Quarterly performance reviews, considering COVID-19 implications, are conducted whereby the Provinces have to account for their performance in the form of presentations on what the grant had been spent on</li> <li>• The Provinces are also requested to submit non-financial information, which is analysed to verify if the grant is achieving its objectives and outputs</li> </ul>
<b>Section 15(2)(d) Any non-compliance with this Act and the steps taken to address the non-compliance</b>	<ul style="list-style-type: none"> <li>• On a monthly and quarterly basis, the National Department performs compliance checks, and in the case of non-compliance, compliance letters are sent to the Accounting Officers of the Provinces that do not comply with the requirements of DoRA</li> </ul>
<b>Reasons for the funds unspent by the entity</b>	<ul style="list-style-type: none"> <li>• Late transfer of additional/reallocated funds to Provinces and consistent fiscal dumping tendencies</li> <li>• Late submission of invoices</li> <li>• Social/Community unrest</li> <li>• Slow procurement processes</li> <li>• Non-availability of bulk infrastructure</li> <li>• Property invasions by unlawful occupants</li> <li>• Lack of proper beneficiary management systems/processes</li> <li>• Unavailability of project management systems</li> <li>• Late of approval of plans</li> <li>• Poor/slow performance by contractors and cash flow management</li> <li>• Delays in the certifying/submission of claims</li> <li>• Applicants do not qualify for loans (FLISP)</li> <li>• Delays in NHBRC enrolment and late finalization of enrolments</li> <li>• Delays in the appointment of replacement contractors and implementation agencies such as HDA and GPF</li> <li>• Inability by Provinces to implement Human Settlements projects early in the financial year</li> </ul>
<b>Monitoring mechanism by the transferring Department</b>	<ul style="list-style-type: none"> <li>• Analysing financial reports and provide feedback</li> <li>• Conducting quarterly reviews sessions to discuss performance matters</li> <li>• The performance reported to Executive Authority and MinMec for way forward</li> <li>• Provinces were monitored as outlined in DORA and HSDG Framework</li> <li>• DORA workshops conducted in conjunction with National Treasury and CFO forums to discuss regulatory and compliance matters</li> <li>• One on one performance engagements with Provinces through virtual platform</li> </ul>

## Conditional Grant 2: Title Deeds Restoration Grant

<b>Department/ Municipality to whom the grant has been transferred</b>	Nine Provinces
<b>Purpose of the grant</b>	To provide funding for the eradication of the pre-2014 Title Deeds registration backlog
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• Number of Title Deeds registered in favour of beneficiaries of government subsidised housing (pre-1994 and post-1994) for projects completed by 31 March 2014</li> <li>• Number of township registers opened</li> <li>• Number of beneficiaries confirmed as legitimate in registered townships</li> <li>• Number of ownership disputes resolved</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>• 2 124 pre 94 Title Deeds registered</li> <li>• 10 287 post 94 Title Deeds registered</li> <li>• 12 535 beneficiaries verified</li> </ul>
<b>Amount per amended DORA (R'000)</b>	R162 559: the total available funds increased to R250.651 million inclusive of approved rollover of R88.092 million (Eastern Cape – R32.509 million and Gauteng-R55.583 million)
<b>Amount transferred (R'000)</b>	R162 559
<b>Reasons if amount as per DORA not transferred</b>	N/A
<b>Amount spent by the department/ municipality (R'000)</b>	R183 294
<b>Section 15(2)(a)-Reasons for withholding or stopping of all transfers to a Province or Municipality in terms of section 17 or 18</b>	N/A
<b>Section 15(2)(b) The extent that compliance with this Act by Provinces or Municipalities was monitored</b>	<ul style="list-style-type: none"> <li>• Compliance checks are performed on a monthly and quarterly basis and structured visits to the Provinces are undertaken by the National Department</li> </ul>
<b>Section 15(2)(c) The extent that the allocation achieved its objectives and outputs</b>	<ul style="list-style-type: none"> <li>• Reports are analysed on a monthly and quarterly basis on the spending patterns of the Provinces to assess if the outputs are as per the grant framework</li> <li>• Quarterly performance reviews, considering COVID-19 implications, are conducted whereby the Provinces have to account for their performance in the form of presentations on what the grant had been spent on</li> <li>• The Provinces are also requested to submit non-financial information, which is analysed to verify if the grant is achieving its objectives and outputs</li> </ul>
<b>Section 15(2)(d) Any non-compliance with this Act and the steps taken to address the non-compliance</b>	<ul style="list-style-type: none"> <li>• On a monthly and quarterly basis, the National Department performs compliance checks, and in the case of non-compliance, compliance letters are sent to the Accounting Officers of the Provinces that do not comply with the requirements of DoRA</li> </ul>

**Reasons for the funds unspent by the entity**

- Family disputes amongst beneficiaries
- Estates not reported to the Magistrates Courts
- Beneficiaries not completing declaration forms
- Delays in obtaining of valuation certificates of properties amongst qualifying beneficiaries
- Outstanding township proclamations
- Lack of township establishment
- Delays in the SCM process for the appointment of panels of social facilitators and conveyance
- Disputes regarding beneficiary verification
- Property occupied by unlawful occupants
- Tenants are not eager to purchase the pre-94 rental stock
- Influx of unlawful occupants in rented pre-94 stock accommodation
- Most pre-94 properties are in poor physical condition
- Family disputes amongst beneficiaries
- Duplicate site numbers and estates not reported to the Magistrate Courts
- Beneficiaries not completing relevant documents and municipalities not having equipment.
- Delays in signing of registration documents by all municipalities

**Monitoring mechanism by the transferring Department**

- Analysing financial reports and providing feedback
- Conducting quarterly National Steering Committee reviews sessions to discuss performance matters
- The performance reported to Executive Authority and MinMec for way forward
- Provinces were monitored as outlined in DORA and TDRG Framework
- DORA workshops conducted in conjunction with National Treasury to discuss regulatory and compliance matters
- Regular one on one performance engagements with Provinces

## Conditional Grant 3: Urban Settlements Development Grant (USDG)

<b>Department/ Municipality to whom the grant has been transferred</b>	Eight Metropolitan Municipalities
<b>Purpose of the grant</b>	The purpose of the grant is to supplement the capital revenues of Metropolitan municipalities in order to implement infrastructure projects to promote equitable, integrated, productive, inclusive and sustainable urban development
<b>Expected outputs of the grant</b>	The following outputs should be funded by the grant to support the improvement of the overall built environment: <ul style="list-style-type: none"> <li>• increased in bulk and link infrastructure</li> <li>• construction/provision of internal engineering services</li> <li>• increase in the number of serviced sites</li> <li>• increase in the provision of individual connections</li> <li>• increase in land provision for informal settlement upgrading, subsidised housing, or mixed-use developments in support of approved human settlements and other urban developments</li> <li>• increase in access to public and socio-economic amenities</li> <li>• increase in the number of interim basic services</li> <li>• improving the sustainability of the livelihoods of poor households within each municipality's area of jurisdiction</li> </ul>
<b>Actual outputs achieved</b>	Refer to attached Annexure A
<b>Amount per amended DORA (R'000)</b>	R10 572 145
<b>Amount transferred (R'000)</b>	R10 572 145
<b>Reasons if amount as per DORA not transferred</b>	N/A
<b>Amount spent by the department/ municipality (R'000)</b>	R 5 907 095
<b>Section 15(2)(a)-Reasons for withholding or stopping of all transfers to a Province or Municipality in terms of section 17 or 18</b>	An amount of 600 million was stopped from Mangaung (R300 million) and City of Johannesburg (R300). The stopped funds were reallocated to Buffalo City (R200 million), City of Ekurhuleni (R300 million) and City of Tshwane (R100 million). National Treasury lifted sanction of section 216(2) and this implied that the R390 million from the previous financial year was also transferred to Nelson Mandela Bay Municipality
<b>Section 15(2)(b) The extent that compliance with this Act by Provinces or Municipalities was monitored</b>	<ul style="list-style-type: none"> <li>• Compliance checks are performed on a monthly and quarterly basis and structured visits to the Provinces are undertaken by the National Department</li> </ul>
<b>Section 15(2)(c) The extent that the allocation achieved its objectives and outputs</b>	<ul style="list-style-type: none"> <li>• Reports are analysed on a monthly and quarterly basis on the spending patterns of the Provinces to assess if the outputs are as per the grant framework</li> <li>• Quarterly performance reviews, considering COVID-19 implications, are conducted whereby the Provinces have to account for their performance in the form of presentations on what the grant had been spent on</li> <li>• The Provinces are also requested to submit non-financial information, which is analysed to verify if the grant is achieving its objectives and outputs</li> </ul>
<b>Section 15(2)(d) Any non-compliance with this Act and the steps taken to address the non-compliance</b>	<ul style="list-style-type: none"> <li>• On a monthly and quarterly basis, the National Department performs compliance checks, and in the case of non-compliance, compliance letters are sent to the Accounting Officers of the Provinces that do not comply with the requirements of DoRA</li> </ul>

<b>Reasons for the funds unspent by the entity</b>	<ul style="list-style-type: none"> <li>• Delays in procurement process</li> <li>• Violent social protests and socio-political issues</li> <li>• Slow and/or non-performance by contractors resulting in project delays and/or stoppages</li> <li>• Late processing of invoices resulting in late payments</li> <li>• Lack of relevant skills to oversee projects</li> <li>• Gang violence resulting in halting of projects</li> <li>• Labour disputes in respect of wages</li> </ul>
<b>Monitoring mechanism by the transferring Department</b>	<ul style="list-style-type: none"> <li>• Conduct quarterly reviews with the municipalities</li> <li>• Undertake oversight visits in order to assess and, where possible, address challenges with Municipalities</li> <li>• One-on-one engagement with Metropolitan Municipalities</li> </ul>

#### Conditional Grant 4: Provincial Emergency Grant

<b>Department/ Municipality to whom the grant has been transferred</b>	Five provinces
<b>Purpose of the grant</b>	<ul style="list-style-type: none"> <li>• To provide funding to Provinces for provision of temporary shelter assistance to households affected by disasters or a housing emergency</li> <li>• 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</li> </ul>
<b>Expected outputs of the grant</b>	Emergency and short-term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> <li>• provision of temporary shelter</li> <li>• temporary relocation of households to safer accommodation and/or shelter</li> <li>• repairs to damaged houses following a disaster</li> </ul>
<b>Actual outputs achieved</b>	Project progress as at 31 March 2021 Funds were disbursed to the five provinces (Kwazulu-Natal, Limpopo, Mpumalanga, Northern Cape and Western Cape) but at the time of reporting projects had not yet started
<b>Amount per amended DORA (R'000)</b>	R299 602
<b>Amount transferred (R'000)</b>	R287 656
<b>Reasons if amount as per DORA not transferred</b>	The grant is a schedule 7A and therefore unallocated. The transfers are request based and for the 2020/21 financial year, it was only KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape and Western Cape Provinces that requested assistance with funding for disasters encountered in their respective Provinces
<b>Amount spent by the department/ municipality (R'000)</b>	R139 711
<b>Section 15(2)(a)-Reasons for withholding or stopping of all transfers to a Province or Municipality in terms of section 17 or 18</b>	N/A
<b>Section 15(2)(b) The extent that compliance with this Act by Provinces or Municipalities was monitored</b>	<ul style="list-style-type: none"> <li>• Compliance checks are performed on a monthly and quarterly basis and structured visits to the Provinces are undertaken by the National Department</li> </ul>

<b>Section 15(2)(c) The extent that the allocation achieved its objectives and outputs</b>	<ul style="list-style-type: none"> <li>• Reports are analysed on a monthly and quarterly basis on the spending patterns of the Provinces to assess if the outputs are as per the grant framework</li> <li>• Quarterly performance reviews, considering COVID-19 implications, are conducted whereby the Provinces have to account for their performance in the form of presentations on what the grant had been spent on</li> <li>• The Provinces are also requested to submit non-financial information, which is analysed to verify if the grant is achieving its objectives and outputs</li> </ul>
<b>Section 15(2)(d) Any non-compliance with this Act and the steps taken to address the non-compliance</b>	<ul style="list-style-type: none"> <li>• On a monthly and quarterly basis, the National Department performs compliance checks, and in the case of non-compliance, compliance letters are sent to the Accounting Officers of the Provinces that do not comply with the requirements of DoRA</li> </ul>
<b>Reasons for the funds unspent by the entity</b>	<ul style="list-style-type: none"> <li>• Late transfer of funds</li> <li>• Incomplete and incorrect submission of funds requests by Provinces</li> <li>• Misinterpretation of the grant framework by Provinces</li> <li>• Resistance by community members for erection of temporary shelters and temporary relocation</li> <li>• Disputes regarding beneficiary verification</li> <li>• Delays with procurement processes</li> <li>• Requests by provinces to utilise funds for other housing related matters being denied.</li> <li>• Newly erected temporary shelters occupied by unlawful and undeserving occupants</li> <li>• Delays to the impact of COVID-19 pandemic on material supply</li> </ul>
<b>Monitoring mechanism by the transferring Department</b>	<ul style="list-style-type: none"> <li>• Analysing financial reports and provide feedback</li> <li>• Conducting regular review sessions to discuss performance matters</li> <li>• The performance reported to Executive Authority and MinMec for way forward</li> <li>• Provinces were monitored as outlined in DORA and PEHG Framework</li> <li>• DORA workshops and awareness sessions conducted in conjunction with National Treasury to discuss regulatory and compliance matters</li> <li>• Regular one on one performance engagements with Provinces</li> </ul>

Conditional Grant 5: Municipal Emergency Grant

<b>Department/ Municipality to whom the grant has been transferred</b>	Six Municipalities
<b>Purpose of the grant</b>	<ul style="list-style-type: none"> <li>To provide funding to Municipalities for provision of temporary shelter assistance to households affected by disasters or a housing emergency</li> <li>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</li> </ul>
<b>Expected outputs of the grant</b>	Emergency and short-term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> <li>provision of temporary shelter</li> <li>temporary relocation of households to safer accommodation and/or shelter</li> <li>repairs to damaged houses following a disaster</li> </ul>
<b>Actual outputs achieved</b>	Project progress as at 31 March 2021 <ul style="list-style-type: none"> <li>City of Johannesburg: Project not started</li> <li>Jozini: 233 Units completed</li> <li>Kagisano-Molapo: Project not started</li> <li>Mtubatuba: 249 Units delivered</li> <li>Sakhsizwe: Project not started</li> <li>OR Tambo: Project not started</li> </ul>
<b>Amount per amended DORA (R'000)</b>	R258 792
<b>Amount transferred (R'000)</b>	R166 257
<b>Reasons if amount as per DORA not transferred</b>	The grant is a schedule 7B and therefore unallocated. The transfers are request based and for the 2020/21 financial year funds were transferred to Jozini Municipality, Mtubatuba, City of Johannesburg, Kagisano Molapo, Sakhsizwe and OR Tambo District Municipality to cater for disasters that affected their respective jurisdictions
<b>Amount spent by the department/ municipality (R'000)</b>	R35 542
<b>Section 15(2)(a)-Reasons for withholding or stopping of all transfers to a Province or Municipality in terms of section 17 or 18</b>	N/A
<b>Section 15(2)(b) The extent that compliance with this Act by Provinces or Municipalities was monitored</b>	<ul style="list-style-type: none"> <li>Compliance checks are performed on a monthly and quarterly basis and structured visits to the Provinces are undertaken by the National Department</li> </ul>

<b>Section 15(2)(c) The extent that the allocation achieved its objectives and outputs</b>	<ul style="list-style-type: none"> <li>• Reports are analysed on a monthly and quarterly basis on the spending patterns of the Municipalities to assess if the outputs are as per the grant framework</li> <li>• Municipal visits are undertaken by the Department as part of its responsibilities as the Transferring Officer and this information is analysed to verify if the grant is achieving its objectives and outputs</li> <li>• The Municipalities are also requested to submit non-financial information, which is analysed to verify if the grant is achieving its objectives and outputs</li> </ul>
<b>Section 15(2)(d) Any non-compliance with this Act and the steps taken to address the non-compliance</b>	<ul style="list-style-type: none"> <li>• On a monthly and quarterly basis, the National Department performs compliance checks, and in the case of non-compliance, compliance letters are sent to the Accounting Officers of the Provinces that do not comply with the requirements of DoRA</li> </ul>
<b>Reasons for the funds unspent by the entity</b>	<ul style="list-style-type: none"> <li>• Incomplete and incorrect submission of funds requests by Municipalities</li> <li>• Resistance by community members for erection of temporary shelters and temporary relocation.</li> <li>• Delays with procurement processes at Municipalities</li> <li>• Requests for top up funding from this Department being not approved.</li> <li>• Newly erected temporary shelters occupied by unlawful and undeserving occupants</li> <li>• Delays to the impact of COVID-19 pandemic on material supply</li> </ul>
<b>Monitoring mechanism by the transferring Department</b>	<ul style="list-style-type: none"> <li>• Analysing financial reports and provide feedback</li> <li>• Conducting regular review sessions to discuss performance matters</li> <li>• The performance reported to Executive Authority and MinMec for way forward</li> <li>• Municipalities were monitored as outlined in DORA and MEHG Framework</li> <li>• DORA workshops and awareness sessions conducted in conjunction with National Treasury to discuss regulatory and compliance matters</li> <li>• Regular one on one performance engagements with Provinces</li> </ul>

## 6.2 Conditional grants and earmarked funds received (not applicable)

## 7. Donor funds

### 7.1 Donor Funds Received

#### ANNEXURE 1I

Statement of aid assistance received as at 31 March

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
<b>Received in cash</b>						
PSETA	Funding of learnership	533	-	-	-	533
CETA	Skill Development Initiative	1 036	1 406	1 406	-	1 036
<b>Total</b>		<b>1 569</b>	<b>1 406</b>	<b>1 406</b>	<b>-</b>	<b>1 569</b>

## 8. Capital investment

### 8.1 Capital Investment, Maintenance and Asset Management Plan

The Department is not involved in any Capital Projects or infrastructure projects and therefore does not deal with any Capital Investment or Maintenance Asset Management thereof. The only capital assets the Department invests/ spends part of its appropriation on is machinery and equipment. These are expensed at acquisition and get recorded on a fixed asset register.

PART C  
GOVERNANCE



## 1. Introduction

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

## 2. Risk management

The Department has an established Risk Management Directorate which operates with the approved Risk management Policy, Risk Management Strategy and Risk Implementation Plan. The implementation of activities in the risk implementation plan are reported on quarterly basis to Risk Management Committee (RMC) that operates with the approved Risk Management Committee Charter. The Risk Management Committee is responsible for reviewing effectiveness of risk management systems within the Department and is chaired by external Independent Chairperson, an independent standing member from the Audit Committee as well as internal Risk Owners (Deputy Directors General), head of Branches within the Department.

The RMC is supported by Risk Champions Forum (RCF) which is a sub-committee/working committee that reports all its activities to the Risk Management Committee on quarterly basis. The RCF is composed of Risk Champions appointed by the relevant Risk Owners from all branches across the Department and this forum meets on a monthly basis to deliberate on risk management matters. For the period under review, the Risk Management Directorate facilitated both strategic operational risk identification and assessment processes. As a result, the ongoing monitoring and reporting on the following approved Risk Registers listed below. Ongoing awareness raising has been conducted throughout the Department on a quarterly basis via emails and presentations posters communicated to all Departmental employees during the period of COVID-19.

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

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

## 3. Fraud and corruption

The National Department of Human Settlements has an Anti-Fraud and Corruption Strategy in place and the Anti-fraud and Corruption Implementation Plan which is founded on the principle of "zero tolerance" towards fraud and corruption. 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. The Department also has a whistle blowing policy and over-arching strategy which enable officials and third parties to report fraud and corruption anonymously. Employees are, through these mechanisms, encouraged to report illegal practices to the Directorate, their managers, the Presidency, National Anti-Corruption Hotline and other external government entities. During the year under review, the Department implemented an extensive Anti-Fraud and Corruption implementation plan incorporating the four Pillars of Departmental Anti-Fraud and Corruption Strategy which include: Prevention, Detection, Investigations and Resolution of corrupt activities.

## Prevention of fraudulent and corrupt activities

### Implementation of the financial disclosures

Seventy (70) out of seventy-two (72) Members of the Senior Management Services disclosed their financial interests by 30 April 2020 which was equivalent to 97% compliance rate. However, 100% of the financial disclosures by the SMS members were implemented by the 31 October 2020; Sixty four (64) out of one hundred and ninety (190) employees have disclosed which is equivalent to 34% compliance rate by the other categories of employees and;

The financial disclosures were verified and submitted electronically to the Office of the Public Service Commission for further scrutiny.

### Anti-fraud and corruption awareness

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

- Four (04) anti-fraud and corruption awareness posters on conflict of interest, ethics and integrity, the declaration of financial interest were developed and distributed to the National Department of Human Settlements Staff members and the awareness posters also incorporated the promotion of the Whistle Blowing Policy. The relevant channels for reporting the cases of fraud and corruption were communicated.
- A Request for Quotation (RFQ) scam alerts through pamphlets and flyers were distributed through email communications and the Departmental web page.
- Ethics and Fraud risks were identified and assessed and the register for 2020/21 was developed and approved by the Director General.
- The fraud risk monitoring tool were updated from the first quarter to fourth quarter of 2020/2021 financial year.

### Detection of fraudulent and corrupt activities

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

### Investigations and resolution

- Sixteen (16) cases were received during the period under review
- Three (3) cases of irregular expenditure were reported
- One (1) case of alleged fraud and corruption was referred to CSOS for investigation
- Three (3) cases were investigated and finalised and
- Nine (9) cases are still under investigation

## 4. Minimising conflict of interest

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

## 5. Code of Conduct

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

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

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

## 6. Health Safety and Environmental Issues

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

## 7. Portfolio Committees

### Parliamentary and Cabinet Liaison's Annual Report 2020/2021

Table A: Meetings of Parliamentary Committees (Portfolio Committee on Human Settlements, Water & Sanitation) & Other Related Interaction: Interface of Department of Human Settlements with Parliament during the period 1 April 2020 – 31 March 2021

Date	Subject	Committee Issues	Response by Department/ Key Decisions
5 – 6 May 2020	Meeting of Joint Committee on Human Settlements, Water & Sanitation & Select Committee on Cooperative Governance & Traditional Affairs, Water & Sanitation & Human Settlements Briefing by Department of Planning, Monitoring & Evaluation on Medium-Term Strategic Framework & its implication for Water, Sanitation & Human Settlements Briefing by Statistics South Africa Presentation by Department of Human Settlements on Budget Vote 33, Strategic & Annual Performance Plans	<ul style="list-style-type: none"> <li>Adjustment to the fiscal framework in support of efforts to mitigate impact of COVID-19 was likely to have an impact on overall budget allocation of all Departments</li> <li>Greater need to promote health awareness in the wake of the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>The situation will necessitate reprioritisation of some of the outcomes and targets in the MTSF.</li> <li>Commitments made be followed up including provision of information to the Committee</li> </ul>
7 May 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>Briefing by Home Builders Registration Council, Housing Development Agency &amp; Social Housing Regulatory Authority on their respective Strategic &amp; Annual Performance Plans</li> </ul>	<ul style="list-style-type: none"> <li>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 vacant position of a CEO at CSOS</li> <li>Repeat audit findings at some of the entities</li> </ul>	<ul style="list-style-type: none"> <li>Department undertook to strengthen oversight of its entities</li> <li>Ensure that vacant posts are filled</li> <li>Strengthen internal controls</li> </ul>
08 May 2020	Joint Meeting of Portfolio Committee on Human Settlements & Portfolio Committee on Cooperative Governance & Traditional Affairs <ul style="list-style-type: none"> <li>Briefing on District Development Model</li> </ul>	<ul style="list-style-type: none"> <li>District Development Model should improve accountability</li> </ul>	<ul style="list-style-type: none"> <li>Questions not responded to, answers to be furnished in writing not later than 11 May 2020</li> </ul>
11 May 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation <ul style="list-style-type: none"> <li>Briefing by National Housing Finance Corporation, Estate Agency Affairs Board &amp; Community Schemes Ombud Services on their respective Strategic &amp; Annual Performance Plans</li> </ul>	<ul style="list-style-type: none"> <li>Questions that are focused on Provinces are not to be referred to other committees but are to be dealt with by Portfolio Committee on Human Settlements, Water &amp; Sanitation as it is required by law for the Portfolio Committee to conduct oversight on conditional grants transferred to provinces</li> </ul>	<ul style="list-style-type: none"> <li>Members were advised to also use the Parliamentary Questions process to raise issues, particularly in relation to malfeasance</li> </ul>
5 June 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>Briefing by Provincial Departments of Eastern Cape &amp; Northern Cape on Business Plans 2020/21, District Development Model</li> </ul>	<ul style="list-style-type: none"> <li>The Committee noted the various presentations and requested that it be furnished with written responses to some of the issues raised</li> </ul>	<ul style="list-style-type: none"> <li>Department to continue to provide support to provinces in order to ensure that they meet targets set</li> <li>Use of project pipeline planning to mitigate failure to spend and non-delivery, which may also entail reprioritisation in some cases</li> </ul>
19 June 2020	Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> <li>Presentation by Department of Human Settlements on Fourth Quarter Report</li> </ul>	<ul style="list-style-type: none"> <li>The Committee noted the presentation and indicated that it was expecting to see improvement in performance now that the Department had reviewed its internal systems</li> <li>Department to write responses to some of the questions such as on gratuity payments</li> </ul>	<ul style="list-style-type: none"> <li>In addition to having reviewed its internal systems, the Department was set to undertake forward planning</li> <li>With respect to issue of gratuity payments, written response provided and reference to Section 4(1) of Remuneration of Public Office Bearers Act 20 of 1998 as well as Proclamation No 48 of 2016</li> </ul>

Date	Subject	Committee Issues	Response by Department/ Key Decisions
08 July 2020	<p>Meeting of Portfolio Committee on Human Settlements, Water &amp; Sanitation:</p> <ul style="list-style-type: none"> <li>Briefing on Special Adjustment Budget 2020/2021: Following announcement of the R500 billion fiscal support package to counter socioeconomic impact of COVID-19, Department of Human Settlements briefed the Portfolio Committee on Human Settlements, Water &amp; Sanitation</li> </ul>	<ul style="list-style-type: none"> <li>Implications of the R2.8 billion budget reduction and impact on projects</li> <li>Status of land transfer by Department of Public Works to Department of Human Settlements</li> <li>Constitutional implications of the District Development Model</li> <li>More detail required on why Municipalities and Provinces were failing to spend their grants</li> <li>Issue of capacity at Municipalities and Provinces to mitigate failure by these spheres of Government to meet their targets</li> <li>Whether Special Adjustment Budget will cover the Title Deeds backlog</li> </ul>	<ul style="list-style-type: none"> <li>In terms of the published Special Budget Adjustment guidelines, the Accounting Officer submitted a proposal on the reprioritisation of the approved budget and allocated to the Department for 2020/21</li> <li>Special Budget Adjustment introduced among others in response to the pandemic</li> <li>With regard to Rapid Land Release, Department of Human Settlements was collaborating with Department of Public Works &amp; Infrastructure as well as with Department of Agriculture &amp; Land Reform. Reference was also made to a Cabinet decision on the matter of land transfer and release</li> <li>In Municipal and Provincial situations, this was covered in the grant framework whereby 5% of operational capital budget was set aside for capacitation</li> <li>Department to return with a turnaround plan on Title Deeds Restoration</li> </ul>
15 July 2020	<p>Meeting of Portfolio Committee on Human Settlements, Water &amp; Sanitation:</p> <ul style="list-style-type: none"> <li>Briefing on the Department's Approved &amp; Tabled Adjusted Strategic &amp; Annual Performance Plans</li> </ul>	<ul style="list-style-type: none"> <li>Since provinces had not submitted their revised Plans, it seems these are to be tabled at a later date in Parliament</li> <li>The Committee welcomed the R300 million set aside for the Help-Me-To-Buy Programme</li> <li>For the Committee the Emergency Housing Grant is to be ring-fenced and that it be used for its intended purpose</li> </ul>	<ul style="list-style-type: none"> <li>Notwithstanding the fact that revised Strategic &amp; Annual Performance Plans had been tabled, the impact of the COVID-19 pandemic was still unfolding, therefore further disruption and adjustment to the programme were anticipated</li> <li>Provinces were in the process of consolidating their plans within a two-week period</li> <li>Department undertook to present delivery plans of both provinces &amp; metropolitan municipalities that outline the full extent of projects.</li> <li>Emergency Grant had increased as emergency was central in the upgrading of informal settlements</li> </ul>

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31 July 2020	<p>Meeting of Portfolio Committee on Human Settlements, Water &amp; Sanitation:</p> <ul style="list-style-type: none"> <li>• Petition of Actonville Residents, Benoni regarding high rentals charged for Council-owned flats</li> <li>• Investigative Report of the Commission for Gender Equality on the State of Shelter in South Africa, 2018, presented the following findings:</li> <li>• Department had to finalise its special needs housing policy by June 2020</li> <li>• Department should consider communicating with both National Shelter Movement &amp; Commission for Gender Equality on challenges regarding shelters</li> <li>• Department to submit its draft special needs housing policy to the Commission for Gender Equality</li> <li>• Memorandum on delivery of Human Settlements and service delivery specific to the Breede Valley Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• During deliberations it was stated that the Municipal Systems Act does allow for the review of rental policy for the City of Ekurhuleni and that market rentals need not be levied for people who were unable to afford due to job loss, also including the elderly</li> <li>• Investigative Report of the Commission for Gender Equality on the State of Shelter in South Africa, 2018, presented the following findings:</li> <li>• Department had to finalise its special needs housing policy by June 2020</li> <li>• Department should consider communicating with both National Shelter Movement and the Commission for Gender Equality on challenges regarding shelters</li> <li>• Department to submit its draft special needs housing policy to the Commission for Gender Equality</li> </ul>	<ul style="list-style-type: none"> <li>• Ekurhuleni Municipality to submit a progress report in resolving the issue of high rentals as per Petition of Actonville Residents within two months</li> <li>• Department undertook to finalise its Special Needs housing policy and to National Treasury approval for the required funds. The policy was to be finalised in collaboration with Departments of Social Development and Health</li> <li>• The Deputy Minister, the MEC as well as the Mayor were impressed with the matter of Breede Valley Municipality. The Committee resolved that the three spheres of government should continue with the interaction with the community and provide feedback to the Committee on their progress</li> </ul>
27 August 2020	<p>Meeting of Portfolio Committee on Human Settlements, Water &amp; Sanitation:</p> <ul style="list-style-type: none"> <li>• Briefing on Report on COVID-19 Intervention. Report focused on two issues, namely:</li> <li>• Provision of Temporary Residential Units (TRUs)</li> <li>• Provision of Protective Equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Policy governing quantum, thresholds, and specifications for TRUs</li> <li>• Tender specifications of all TRU contracts and tenders awarded across all nine Provinces since March 2020</li> <li>• Cost details incurred on Housing Projects nationally due to COVID-19 related contractual delays</li> <li>• Details regarding land parcels acquired by Housing Development Agency including those transferred to Department</li> <li>• Time frames for completion of all 29 informal settlements earmarked for upgrading</li> <li>• With regard to PPEs, Department to provide unit cost for PPE contracts awarded since March 2020 in terms of Government Gazette No 464 of 15 April 2020 (including name and contact details of National Procurement Officer)</li> </ul>	<ul style="list-style-type: none"> <li>• Department to furnish required information including reports on specific issues such as unit cost on procurement of COVID-19 Provision of Protective Equipment, breakdown of services provided at both municipal and provincial levels, detail on provision of TRUs, policy, norms &amp; standards</li> </ul>

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1 Sept 2020	<p>Meeting of Portfolio Committee on Human Settlements, Water &amp; Sanitation:</p> <ul style="list-style-type: none"> <li>Presentation of Business Plan of Western Cape Provincial Department of Human Settlements</li> </ul>	<ul style="list-style-type: none"> <li>Budget reduction was a concern particularly in the context of rapid urbanisation and decreasing housing delivery</li> <li>Prioritisation of informal settlements upgrading</li> <li>Measures to mitigate land invasion as well as costs involved</li> <li>Malicious compliance and failure to use the District Development Model by the Province</li> <li>Sale of urban land to wealthy foreigners</li> <li>Data on urban influx</li> <li>Inner city housing</li> <li>Issuance of Title Deeds</li> <li>Procurement policies compliance with Department of Trade &amp; Industry</li> <li>Any collaboration with Department of Public Service &amp; Administration to address the of gap market and backyard policy</li> <li>Issue of capacity at the Metropolitan Municipality</li> <li>Utilisation of the Urban Settlements Development Grant</li> <li>Department to provide its opinion on the Tafelberg High Court Judgment</li> </ul>	<ul style="list-style-type: none"> <li>Budget reduction necessitated that both the Metropolitan Municipality and the Province to prioritise as well as consider provision of serviced stands</li> <li>Dedicated team in place dealing with issuing of Title Deeds</li> <li>Rapid urbanisation was an accepted reality and required efforts of both Provincial and National Departments</li> <li>Informality was also a reality that had to be embraced and that planning has to entail the decision whether to develop in situ or relocate residents</li> <li>To provide statistics on in-migration/influx into the Province</li> <li>To package a response on how the Province was dealing with issuance of Title Deeds</li> <li>To provide comment on the Tafelberg Case Court Ruling</li> <li>Provincial Department to engage City of Cape Town on the utilisation of Urban Settlements Development Grant and report back to the Committee</li> <li>Provincial Department to provide a breakdown of Title Deeds issued for pre-and post-1994</li> <li>To develop a plan to mitigate land invasion and illegal land occupation</li> <li>National Department has established engagement with the South African Police Service and recognise the need to have pre-planning in order to pre-empt land invasion and illegal occupation of land earmarked for human settlements development</li> <li>In relation to social housing within the inner city, there were a number of projects currently underway</li> <li>Need to consider cross-subsidisation as part of social housing together with the provision of high-rise development in the inner city as building costs involved are much higher</li> <li>Related to municipal capacity, additional support to municipalities through the use of the OPSCAP grant from the national department. In addition, there was also support through professional teams on big projects</li> </ul>

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4 Sept 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>• Presentation of Business Plan of Kwazulu-Natal Provincial Department of Human Settlements</li> <li>• Briefing on District Development Model.</li> </ul>	<ul style="list-style-type: none"> <li>• Province's response to the COVID-19 pandemic</li> <li>• Plans to deal with poor infrastructure management &amp; maintenance</li> <li>• Status of an amount of R86 million rolled over</li> <li>• Reason for having spent only 43% of the budget</li> <li>• Any spatial planning framework in place for the province</li> <li>• Any monitoring and evaluation team in place</li> <li>• Need to employ on a permanent basis people involved on the Expanded Public Works Programme</li> <li>• Plan to deal with land invasion and illegal land occupation</li> <li>• There was a question if Ministers were required to conclude or sign performance agreements as champions of District Development Model</li> <li>• Another question was whether any pilot study is to be conducted in terms of the</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial Department has a spatial planning framework in place including a Master Spatial Development Framework for human settlements</li> <li>• There was a Monitoring and Evaluation team in place</li> <li>• The Provincial Department also reported that it has a plan and a strategy to deal with, and prevent, land invasion, and illegal land occupation</li> <li>• The Provincial Department, in its response, indicated that objectives of the District Development Model were among others, the realisation of coherence, governance, coordinated intergovernmental relations, and integrated and collaborative planning</li> <li>• The Department also indicated that the aim was for implementation at either District or Metropolitan levels be undertaken jointly by all three spheres of government, and hence the deployment of political champions which may be political heads supported</li> </ul>
6 October 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>• Briefing on COVID-19 intervention</li> </ul>	<ul style="list-style-type: none"> <li>• Need to ensure close monitoring by National Department</li> <li>• Committee welcomed the stance adopted by Auditor-General in calling for change management and innovative ideas in response to the COVID-19 pandemic</li> </ul>	<ul style="list-style-type: none"> <li>• Actions plans were in place together with Consequence Management</li> <li>• Better coordination of the programme</li> </ul>
9 October 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>• Briefing by Mpumalanga Provincial Department on its Business Plan 2020/21 and District Development Model</li> </ul>	<ul style="list-style-type: none"> <li>• It was critically important to have a sense of what the Province was doing on the development of integrated human settlements</li> </ul>	<ul style="list-style-type: none"> <li>• Business Plan was guided by Section 26 of the Constitution, and therefore both the Province and the National Department are duty bound to comply as housing was a competency that was a concurrent responsibility of both National and Provincial spheres of government</li> <li>• The Provincial Department's contribution to the District Development Model through its "One District, One Plan, and One Budget"</li> </ul>
13 October 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>• Briefing by Limpopo Provincial Department on its Business Plan 2020/21 and District Development Model</li> </ul>	<ul style="list-style-type: none"> <li>• Impact of the recent pronouncement on budget reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Business Plan adjusted due to overall budget reduction</li> <li>• Some projects, incorporated as part of the District Development Model by the Provincial Department</li> </ul>

Date	Subject	Committee Issues	Response by Department/ Key Decisions
6 November 2020	Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> <li>Department of Human Settlements briefed the Committee on Priority Human Settlements Projects, and First Quarter Report 2020/21</li> </ul>	<ul style="list-style-type: none"> <li>Put measures in place to ensure concrete steps are taken for funds to deliver set targets.</li> <li>Need to accelerate integrated planning, budgeting, monitoring and reporting process taking into consideration the implementation of the District Development Model</li> <li>Need to develop strategies to operate under the "new normal" in response to the COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Revision of Department's Strategic and Annual Performance Plans being undertaken in order to ensure alignment with concrete and material outcomes of the MTSF</li> <li>Renewed focus on delivery targets on informal settlements upgrading, social and affordable rental housing, Title Deeds registration, rapid land release and integrated residential development</li> <li>Robust Monitoring and Evaluation</li> <li>Compliance process that seeks to hold Provinces, Municipalities and entities accountable</li> <li>Looking at innovative ways in order to function more smartly, safer, efficiently and effectively under the 'new normal'</li> </ul>
17 November 2020	Briefing by Department of Planning, Monitoring & Evaluation (DPME) on work of Department of Human Settlements, Water & Sanitation and its entities: <ul style="list-style-type: none"> <li>Report presented focused on outputs and outcomes as opposed to an Impact Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Recommended that in response to budgetary constraints to reduce targets</li> <li>There is a need to strengthen intergovernmental relations</li> </ul>	<ul style="list-style-type: none"> <li>Department to undertake reprioritisation.</li> <li>District Development Model to assist with a more streamlined and focused approach</li> </ul>
20 November 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>Briefing by Auditor-General on Audit Findings &amp; Outcomes in assessing financial and non-financial performance of Department Human Settlements and its entities</li> </ul>	<ul style="list-style-type: none"> <li>It is imperative for the Department to follow-through on A-G's recommendations</li> <li>There is a need to tighten intergovernmental relations</li> </ul>	<ul style="list-style-type: none"> <li>The Department in the process of crafting an Action Plan to address the audit findings and related issues</li> </ul>
24 November 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>Briefing by Department of Human Settlements on its 2019/20 Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Plans to address internal and external audit findings</li> <li>There was a question as to whether the inter-governmental relations framework was linked to the District Development Model</li> <li>There was an under-expenditure in the Urban Settlements Development Grant</li> <li>There is a need to improve capacity at both Municipal and Provincial levels as lack of capacity was impacting on the overall performance of the National Department</li> </ul>	<ul style="list-style-type: none"> <li>Department presented performance trends, a quarterly analysis per programme and highlights of the year that included signing into law of Property Practitioners Act and submission to Cabinet of Housing Consumer Protection Measures Bill</li> <li>Finalisation of Medium-Term Strategic Framework for 2019-2024</li> <li>Department also convened a Human Settlements Indaba</li> </ul>

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24 November 2020	Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> <li>Briefing by Community Schemes Ombud Services, Estate Agency Affairs Board and National Home Builders Registration Council on their respective Annual Reports</li> </ul>	<ul style="list-style-type: none"> <li>The continuing instability at CSOS was of concern, and consequently the need to fill vacant critical posts</li> <li>The lack of transformation at EAAB remains a concern</li> <li>There is a need to empower emerging estate agents through incubation programmes</li> <li>Inadequate controls about revenue management</li> <li>Regression in compliance with supply chain management at EAAB</li> <li>The appointment of Chief Financial Officer at EAAB needs to be expedited</li> <li>Property Practitioners Regulations need to be finalised</li> <li>Amendments to the CSOS Act are envisaged</li> <li>The state subsidy for houses by NHBRC is poorly subscribed.</li> <li>A recovery plan for poorly constructed houses is needed</li> </ul>	<ul style="list-style-type: none"> <li>Department to follow-up on issues including presenting to the Committee the Property Practitioners Act and related Regulations</li> <li>Appointment of Property Practitioners Regulatory Board was set to take place soon</li> </ul>
26 November 2020	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>Briefing on audit outcomes of the following human settlements entities namely National Housing Finance Corporation &amp; Social Housing Regulatory Authority</li> </ul>	<ul style="list-style-type: none"> <li>Time frame for submission of Human Settlements Development Bank Bill to Parliament</li> <li>Clarity was sought about irregular expenditure as a consequence of expired contracts and how the NHFC was to resolve the matter</li> <li>Explanation for increase in auditing fees was required</li> <li>A notice of non-compliance was issued by SHRA for financial irregularities</li> <li>Measures to curb irregular expenditure at SHRA are needed</li> <li>There are reasons for increase in legal fees at SHRA</li> <li>Compliance with transformation targets at SHRA is required</li> </ul>	<ul style="list-style-type: none"> <li>Human Settlements Development Bank Bill had been certified by State Law Advisors and was to be presented to Parliament during the course of the year in 2021</li> <li>Irregular expenditure not due to poor financial controls</li> <li>Increase in legal fees due to contracts approved in the previous year, resulting in additional fees being charged</li> </ul>
12 February 2021	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>Briefing by City of Ekurhuleni, Department of Human Settlements, &amp; Department of Water &amp; Sanitation on Petitions Submitted to Parliament by Residents of Bonaero Park &amp; Actonville, Benoni</li> </ul>	<ul style="list-style-type: none"> <li>City of Ekurhuleni to prioritise the matter in terms of its budget</li> <li>Intervention required to take place within fourteen days</li> <li>Department of Human Settlements to evaluate performance of the Ekurhuleni Municipality</li> <li>Department of Human Settlements to engage National Treasury for the required budget</li> </ul>	<ul style="list-style-type: none"> <li>Department of Human Settlements to expedite process of engaging National Treasury</li> <li>Asked for commitment of the Ekurhuleni Municipality to the process of finding solutions and resolving all issues of concern</li> <li>Existing rental policy was currently under review</li> <li>Annual rental tariff increase had been put on hold, pending finalisation of the rental policy review by the Municipality</li> <li>A 30-day written notice issued to all affected tenants on any change affecting them regarding Council-owned rental stock</li> </ul>

Date	Subject	Committee Issues	Response by Department/ Key Decisions
16 February 2021	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>• Briefing by Department of Human Settlements on its Second Quarter (July – September 2020) and Third Quarter (October – December 2020) Performance Expenditure</li> </ul>	<ul style="list-style-type: none"> <li>• Department to ensure Provincial Departments are adhering as well as complying with targets set for designated groups</li> <li>• Furnish report on Temporary Residential Units provided following the declaration of the State of Disaster</li> <li>• Details of Personal Protective Equipment procurement tender for COVID-19 tender was furnished</li> <li>• Progress report on projects, plans and expenditure against targets set for the year was tabled</li> <li>• Housing Development Agency is to present both financial &amp; non-financial performance reports</li> <li>• Housing Development Agency is to furnish a report on active contracts</li> <li>• There is a need to accelerate and upscale Title Deeds Restoration Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluation across the sector, forthcoming planning session with both Municipal and Provincial Heads of Department</li> </ul>
23 February 2021	Meeting of Portfolio Committee on Human Settlements: <ul style="list-style-type: none"> <li>• Department of Human Settlements' Response to State of the Nation Address 2021 (SONA Statement on Human Settlements)</li> </ul>	<ul style="list-style-type: none"> <li>• Department is to furnish a detailed report on state of informal settlements in the country</li> <li>• Department is to furnish progress report on all MTSF priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Department presented a list of priorities for the sector that includes spatial transformation through investment in priority development areas</li> <li>• Department's approach that entails integration, spatial targeting, coordination and alignment and stakeholder participation</li> <li>• Declaration of priority human settlements and Housing Development areas</li> <li>• Provision of adequate housing and improved quality environment is anticipated</li> <li>• Security of tenure is ideal</li> <li>• Mention was also made about delays attributed to approval process such as township establishment development, availability/non-availability of bulk infrastructure, objections by affected stakeholders and the like</li> </ul>
2 March 2021	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>• Briefing by Ngubane Auditors on Audit Outcomes of Annual Report of Housing Development Agency 2019/20 Financial Year</li> </ul>	<ul style="list-style-type: none"> <li>• Audit report presented was indicative of an entity that was in crisis</li> </ul>	<ul style="list-style-type: none"> <li>• Department of Human Settlements together with Housing Development Agency to appear before the Committee and brief it on measures being undertaken to rectify current difficulties</li> </ul>

Date	Subject	Committee Issues	Response by Department/ Key Decisions
11 March 2021	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>Presentation of Annual Report of Housing Development Agency 2019/2020</li> </ul>	<ul style="list-style-type: none"> <li>The Agency's underperformance against all its targets was a matter of concern, and the need for the Department of Human Settlements to exercise strict oversight over the entity as there were many areas of concern requiring urgent attention was stressed</li> <li>There was concern that the Executive Authority had not approved the Agency's Strategic and Annual Performance Plan</li> <li>The increase in fruitless and wasteful expenditure is of concern</li> </ul>	<ul style="list-style-type: none"> <li>Department to enact recovery procedures to recover state funds that have been squandered</li> <li>Department to ensure stability and of a recovery plan</li> <li>The Department is to enhance its oversight over the Agency</li> <li>To pay particular attention to the implementation of Agency's audit plan in order to improve the Agency's performance</li> </ul>
16 March 2021	Meeting of Portfolio Committee on Human Settlements, Water & Sanitation: <ul style="list-style-type: none"> <li>Briefing on Property Practitioners Act &amp; related Regulations for Property Practitioners</li> </ul>	<ul style="list-style-type: none"> <li>Committee welcomed the briefing but expressed the need for more time to familiarise itself with the Act and its Regulations</li> </ul>	<ul style="list-style-type: none"> <li>Department of Human Settlements to arrange for a workshop on Property Practitioners Act and related regulations</li> </ul>

## 8. SCOPA Resolutions

There was no meeting with the Standing Committee on Public Accounts (SCOPA) which took place with the Department of Human Settlements during the 2020/21 period.

### B. Cabinet & 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 Appointment of Chief Ombud for Community Schemes Ombud Service

B.1.2 The Housing Consumer Protection Bill, 2021

### C. Parliamentary Questions

C.1 Total number of Questions for Written Reply received from National Assembly during period April 2020 – March 2021 = 82

C.2 Total number of Questions for Oral Reply received from National Assembly during period April 2020 – March 2021 = 22

C.3 Total number of Questions for Written Reply received from National Council of Provinces during period April 2020 – March 2021 = 22

C.4 Total number of Questions for Oral Reply received from National Council of Provinces during period April 2020 – March 2021 = 12.

Grand total of Questions received from Parliament during period April 2020 – March 2021 = 138.

### D. Tablings

D.1 Reports & Financial Statements of the Department of Human Settlements together with those of the following entities were tabled in Parliament in terms of the Public Finance Management Act, 199 (Act No 1 of 1999):

D.1.1 Estate Agency Affairs Board

D.1.2 National Housing Finance Corporation

D.1.3 Social Housing Regulatory Authority

D.1.4 Community Schemes Ombud Services

D.1.5 Housing Development Agency

D.1.6 National Home Builders Registration Council

D.2 In terms of Section 10 of the Money Bills Amendment Procedure Act and Related Matters Act, 2009 (Act No 9 of 2009), Members of Cabinet, after the adoption of the fiscal

framework, tabled updated Strategic and Annual Performance Plans of their Departments, public entities or institutions for consideration. In this regard, the following Strategic and Annual Performance Plans were tabled in Parliament:

D.2.1	Department of Human Settlements
D.2.2	National Home Builders Registration Council
D.2.3	Housing Development Agency
D.2.4	Social Housing Regulatory Authority
D.2.5	Community Schemes Ombud Services
D.2.6	Estate Agency Affairs Board
D.2.7	National Housing Finance Corporation

## 9. Prior Modifications to Audit Reports

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

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

## 10. Internal Control Unit

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

- Co-ordinated the development of the Action Plan in respect of the 2019/20 Auditor General Audit report and Management report.

- Monitored progress on the implementation of the planned actions to address the previous year's audit findings.
- Continued to serve as a custodian of all payments supporting documentation
- Continued to fulfil its secretariat role to the Loss Control Committee
- Continued its responsibility of managing the following registers:
  - Losses incurred by the department
  - Irregular expenditure
  - Fruitless and wasteful expenditure
- Conducted compliance reviews in respect of expenditure with the value of R300 000 and above incurred during the financial year.

## 11. Internal Audit and Audit Committees

### Internal Audit

The objective of the unit is to assist all levels of management of the client by providing a professional service designed to add value, improve accountability and service delivery objectives. In e with the Standards and Treasury Regulations requirement the Directorate developed the internal Audit Plan and also the three-year rolling plan which was approved by the Audit Committee. The Audit Plan had to be adjusted during the year due to emerging risk in order to be incorporated in the Audit Plan and some audits had to be deferred.

As part of the consulting services the unit completed seven [7] ad hoc/management requests concerning irregular and fruitless & wasteful expenditure. The unit further satisfactorily co-ordinated nine [9] audit committee meetings including the Combined Assurance activities.

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

- Review Strategic Plan and Annual Performance Plans
- Information Systems/ IT Reviews
- Data Analytics Reviews
- Follow-up on the AG action plan

- Provincial Reviews: Auditing Reported Provincial Delivery Figures
- DORA Reviews
- Corporate Governance of ICT Review
- Audit of Performance Information (AOPI) Reviews
- Compliance Reviews (COVID-19)
- Performance Audits
- Corporate Governance Review
- Human Resource Management Reviews

## Audit Committee

The Department has a fully functional Audit Committee appointed in terms of section 38 (1) (a) (ii) of the Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulation 3.1 and it operates in accordance with the approved Charter (Terms of Reference) which provides the mandate and the responsibilities of the Committee.

The Committee has fulfilled its responsibilities in line with its mandate and also held in-committee meetings with Management, Internal Audit and Audit-General to address any concerns from all these key stakeholders. During the period under review the Committee held nine (9) meetings.

Name	Qualifications	Internal or external member	Date Appointed	No. of meetings attended	
Mr. Sindile Faku	<ul style="list-style-type: none"> <li>• Master of Science</li> <li>• Graduate Diploma (Company Direction)</li> <li>• Bachelor of Education Honours</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Teachers Diploma</li> <li>• Compliance and Risk Certificate</li> </ul>	External Member	1 May 2015 *	9
Ms. Welekazi Dukuza	<ul style="list-style-type: none"> <li>• Bachelor of Procurations</li> <li>• Admitted Attorney</li> <li>• Diploma in Tax Practice</li> </ul>	<ul style="list-style-type: none"> <li>• Certificate in Labour Relations Management</li> <li>• Master's in Business Administration</li> </ul>	External Member	1 May 2015 *	9
Dr. Malindi Neluheni	<ul style="list-style-type: none"> <li>• Doctor of Philosophy (Architecture-Civil Engineering Minor)</li> <li>• Master's Degree in City and Regional Planning</li> <li>• Bachelor of Arts Honours in Geography</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Arts</li> <li>• Teacher's Certificate</li> </ul>	External Member	1 Oct 2018	9
Dr. Charles Motau	<ul style="list-style-type: none"> <li>• Doctor Technologiae: Computer Science and Data Processing</li> <li>• Master's Degree in Business Leadership</li> <li>• Master's Degree in Information Technology</li> <li>• Bachelor of Commerce</li> <li>• Higher Diploma in Computer Auditing</li> </ul>	<ul style="list-style-type: none"> <li>• Certificate in IT Projects Management</li> <li>• Certificate in Executive Leadership</li> <li>• Certificate in Human Resource Management</li> <li>• Certificate in Digital Transformation Strategy</li> </ul>	External Member	1 Oct 2018	7
Ms Nontlaza Sizani	<ul style="list-style-type: none"> <li>• Bachelor of Accounting Science Honours</li> <li>• Bachelor of Commerce</li> <li>• Senior Teacher's Diploma</li> </ul>	<ul style="list-style-type: none"> <li>• Post Graduate Diploma in Management</li> <li>• Certificate in the Theory of Accountancy (CTA)</li> <li>• AGA (SA)</li> </ul>	External Member	1 Oct 2018	8

\* Appointment term ended 30 April 2021

## 12. Audit Committee Report

### Report of the Audit Committee

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

The Committee herewith presents its report for the year ended 31 March 2021 as required by the Treasury Regulations 3.1.13 and in terms of section 76(4)(d) of the PFMA.

### Audit Committee members and attendance

The Committee comprises five (5) members and during the financial year ended 31 March 2021, the committee met on nine [9] occasions (6 normal meetings and 3 adhoc-special meetings). The Committee is required to meet at least four times per annum as per its approved terms of reference.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference, has regulated its affairs in compliance with the Charter and has discharged all its responsibilities as contained therein.

### The Effectiveness of Internal Control

The Audit Committee acknowledges management's efforts to maintain effective and efficient internal controls in the department. The Audit Committee is largely satisfied with the control environment while based on the results of the work conducted by the internal audit and external auditors, certain weaknesses were highlighted. The Committee is concerned with the following recurring matters not adequately addressed by management to improve the control environment:

- Performance Information – Programme 2
- ICT environment [ICT strategy not yet approved for implementation, IT General Controls and Application Controls

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

### Internal Audit Function

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

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the department. The committee notes with satisfaction the independence and objectivity of Internal Audit function.

### Risk Management Function

The Audit Committee is responsible for the oversight of the risk management function. The risk management committee quarterly reports to the Audit Committee on the department's management of risk activities. The committee has reviewed the risk register 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 Committee has noted that the Department has complied with Public Finance Management Act by reporting to National Treasury as required in terms of prescripts and quarterly basis including compliance with the Division of Revenue Act.

### Evaluation of Financial Statements

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

- Significant financial reporting judgements and estimates contained therein;

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

The committee commend management for good quality annual financial statement 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 2020/2021 financial year.

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

On behalf of the Committee I would like to express my sincere appreciation to the Accounting Officer, Management, Internal Audit, Risk Management Committee and the Auditor-General South Africa for their support and co-operation during the period under review.



**Chairperson of the Audit Committee**

**Department: Human Settlements**

### 13. B-BBEE Compliance performance information

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



PART D:  
HUMAN RESOURCE  
MANAGEMENT

The following Legislation governs Human Resource Management in the Public Service:

- The Public Service Act and Regulations
- The Labour Relations Act
- The Skills Development Act
- The Skills Development Levies Act
- The Employment Equity Act

In addition to the legislation, the following prescripts govern Human Resource Management in the Public Service:

- Collective agreements
- DPSA directives
- DPSA frameworks
- DPSA guidelines

## 1. Introduction

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

- Secure the right quantity and quality of personnel
- Enhance implementation of the Employee Performance and Development System (EPMDS) policy
- Enhance implementation of Employee Health and Wellness Programme, and
- Ensure sound Labour Relations in the Department.

## 2. Overview of human resources

During the 2020/21 financial year the Department has been embarking on the process to review its organisational structure since the middle of the fifth administration term and has carried over to the

sixth administration's term with implementation date set for 1 June 2021. 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.

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

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

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

The Department has been embarking on the process of reviewing its organisational structure since the Fifth Administration term and has been carried over to the Sixth Administration term, with the implementation date set for 1 August 2021. The proposed organisational structure is not 100% aligned to the National Treasury's Objective-Based; 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 organisational structure is currently at an advanced stage of approval. By the end of the current financial year, the Department has achieved the following:

- The proposed changes at Macro-Level (SMS) of the Organisational Structure have been concurred by MPSA for implementation
- The Matching and Placing of SMS members into positions in the revised organisational structure has been concluded pending Minister and Director-General's approval of the recommendations.
- The MPSA has given the Department three (3) months within which the Microstructure should have been finalised

- An appeal mechanism will be put in place in the form of an Appeals Panel, which is to be appointed by the Minister and the Director-General
- Consultations with all stakeholders to be conducted on a regular basis until the review of the Microstructure is finalised.

## Prioritise filling of vacant and funded positions

The Department of Human Settlements has embarked on a recruitment drive process aimed at filling all critical and essential service posts. In view of the high vacancy and insufficient capacity in the Department to perform critical functions towards achieving the Departmental mandate, the Department took a decision to fill all funded and vacant posts on a permanent basis. The cut in the Compensation of Employees (CoE) budget during the MTEF period was one of the constraints in the Department's endeavour to build capacity to deliver on its mandate. Notwithstanding this, the Department filled the following posts:

- Original SMS positions to be filled were approved by the Minister from the original COE budget of R 17 million which was later adjusted to R 26,5 million
- 18 SMS positions are to be filled at a cost of R 19,7 million, which leaves the Department with only R 6,7 million to fill all other remaining positions
- Line managers to decide and re-prioritise which vacant positions must be filled with the remaining R 6,7 million from the R 26,5 million earmarked for filling positions within the MTEF
- There were fruitful efforts however in clearing long inactive positions, especially those made Additional to the Establishment, including conducting a staff head count, filling all contracts positions on a permanent basis, thus correctly aligning with COE budget allocation by National Treasury.

## Ensure full compliance to statutory requirements

- Sustained consistent application of prescribed provisions for various administrative processes including human resources conditions, with positive AG ratings
- Timeous reporting to the Department of Public Service and Administration on Quarterly and Annual reports

## Employee Health and Wellness Programme

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

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

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

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

The Department complied with the DPSA EPMDS Directive for payment of approved and applicable performance incentives within the prescribed 0,75% for Salary Levels 2-12 and SMS members (Directors and Chief Directors); however, the moderation of Top Management (Deputy Directors-General) incentives was not achieved during the current financial cycle.

## Implementation of the Human Resource Development Programme

Notable achievements included:

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

### 3. Human resources oversight statistics

#### 3.1 Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2020 to 31 March 2021

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)	Employment (Including periodical – and abnormal appointment)
DHS: Administration	397 357.00	215 922.00	0.00	0.00	54.30	570.00	379.0
DHS: Affordable Housing Programme	701 038.00	40 144.00	0.00	0.00	5.70	743.00	54.00
DHS: Informal Settlements Programme	511 185.00	30 938.00	0.00	0.00	6.10	836.00	37.00
DHS: Integrated Human Settlements Plan and Development Programme	26 001 763.00	55 222.00	0.00	0.00	0.20	800.00	69.00
DHS: Rental & Social Housing Programme	1 162 946.00	10 173.00	0.00	0.00	0.90	925.00	11.00
<b>Total</b>	<b>28 774 290.00</b>	<b>352 400.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.20</b>	<b>641.00</b>	<b>550.00</b>

Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 to 31 March 2021

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	23 034.00	6.50	89.00	258 809.00
Highly skilled production (levels 6-8)	52 352.00	14.80	122.00	429 115.00
Highly skilled supervision (levels 9-12)	151 356.00	42.90	196.00	772 224.00
Senior management (levels 13-16)	84 721.00	24.00	61.00	1 388 869.00
Contract (levels 1-2)	160.00	0.00	1.00	160 000.00
Contract (levels 3-5)	2 129.00	0.60	11.00	193 545.00
Contract (levels 6-8)	6 678.00	1.90	15.00	445 200.00
Contract (levels 9-12)	13 303.00	3.80	12.00	1 108 583.00
Contract (levels >13)	16 120.00	4.60	9.00	1 791 111.00
Other	2 625.00	0.70	34.00	77 206.00
<b>Total</b>	<b>352 478.00</b>	<b>99.80</b>	<b>550.00</b>	<b>640 869.00</b>

Table 3.1.3 Salaries, Overtime, Home Owners' Allowance and Medical Aid by programme for the period 1 April 2020 and 31 March 2021

Programme	Salaries		Overtime		Home Owners' Allowance		Medical Aid		Total Personnel Cost per Programme
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs	
DHS: Affordable Housing Programme	35 229.00	86.90	52.00	0.10	717.00	1.80	973.00	2.40	<b>40 556.00</b>
DHS: Informal Settlements Programme	26 899.00	87.30	0.00	0.00	529.00	1.70	780.00	2.50	<b>30 799.00</b>
DHS: Integrated Human Settlements Plan and Development Programme	48 262.00	87.20	10.00	0.00	1004.00	1.80	1 264.00	2.30	<b>55 346.00</b>
DHS: Rental & Social Housing Programme	9 467.00	90.80	0.00	0.00	80.00	0.80	107.00	1.00	<b>10 423.00</b>
DHS: Administration	182 529.00	84.50	1 670.00	0.80	5 022.00	2.30	7 978.00	3.70	<b>215 888.00</b>
<b>Total</b>	<b>302 385.00</b>	<b>85.70</b>	<b>1 732.00</b>	<b>0.50</b>	<b>7 352.00</b>	<b>2.10</b>	<b>11 102.00</b>	<b>3.10</b>	<b>353 012.00</b>

Table 3.1.3 Salaries, Overtime, Home Owners' Allowance and Medical Aid by salary band for the period 1 April 2020 and 31 March 2021

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
Lower skilled (levels 1-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (levels 3-5)	16 636.00	72.20	216.00	0.90	1473.00	6.40	2694.00	11.70
Highly skilled production (levels 6-8)	40 261.00	76.90	976.00	1.90	1998.00	3.80	4308.00	8.20
Highly skilled supervision (levels 9-12)	131 228.00	86.60	376.00	0.20	1923.00	1.30	3439.00	2.30
Senior management (levels 13-16)	74 714.00	88.00	0.00	0.00	1862.00	2.20	525.00	0.60
Contract (levels 1-2)	160.00	87.90	0.00	0.00	0.00	0.00	0.00	0.00
Contract (levels 3-5)	2 029.00	95.20	62.00	2.90	0.00	0.00	0.00	0.00
Contract (levels 6-8)	6 459.00	96.40	27.00	0.40	16.00	0.20	99.00	1.50
Contract (levels 9-12)	12 472.00	93.70	32.00	0.20	80.00	0.60	37.00	0.30
Contract (levels >13)	15 851.00	98.20	0.00	0.00	0.00	0.00	0.00	0.00
Contract Other	2576.00	97.80	43.00	1.60	0.00	0.00	0.00	0.00
<b>Total</b>	<b>302 385.00</b>	<b>85.70</b>	<b>1732.00</b>	<b>0.50</b>	<b>7352.00</b>	<b>2.10</b>	<b>11102.00</b>	<b>3.10</b>

## 3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

- Programme
- Salary band
- Critical occupations (see definition in notes below).

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
DHS: Affordable Housing Programme	68.00	54.00	20.60	3.00
DHS: Informal Settlements Programme	45.00	37.00	17.80	0.00
DHS: Integrated Human Settlements Plan and Development Programme	99.00	69.00	30.30	0.00
DHS: Rental & Social Housing Programme	14.00	11.00	21.40	1.00
DHS: Administration	455.00	379.00	16.70	54.00
<b>Total</b>	<b>681.00</b>	<b>550.00</b>	<b>19.20</b>	<b>58.00</b>

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Lower skilled (1-2)	0.00	0.00	0.00	0.00
Skilled (3-5)	115.00	89.00	22.60	0.00
Highly skilled production (6-8)	144.00	122.00	15.30	0.00
Highly skilled supervision (9-12)	249.00	196.00	21.30	0.00
Senior management (13-16)	91.00	61.00	33.00	0.00
Other (Interns)	34.00	34.00	0.00	34.00
Contract (Levels 1-2)	1.00	1.00	0.00	1.00
Contract (Levels 3-5)	11.00	11.00	0.00	8.00
Contract (Levels 6-8)	15.00	15.00	0.00	6.00
Contract (Levels 9-12)	12.00	12.00	0.00	4.00
Contract (Levels >13)	9.00	9.00	0.00	5.00
<b>Total</b>	<b>681.00</b>	<b>550.00</b>	<b>19.20</b>	<b>58.00</b>

### 3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it

relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	6	5	83.33	1	16.66
Salary Level 14	21	13	61.90	8	38.09
Salary Level 13	64	43	67.18	21	32.81
<b>Total</b>	<b>92</b>	<b>62</b>	<b>79.34</b>	<b>30</b>	<b>32.60</b>

Table 3.3.2 SMS post information as on 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	6	5	83.33	1	16.66
Salary Level 14	21	13	61.90	8	38.09
Salary Level 13	64	43	67.18	21	32.80
<b>Total</b>	<b>92</b>	<b>61</b>	<b>79.34</b>	<b>30</b>	<b>32.60</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 to 31 March 2021

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	2	0	0
<b>Total</b>	<b>2</b>	<b>0</b>	<b>0</b>

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 to 31 March 2021

Reasons for vacancies not advertised within six months

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

Reasons for vacancies not filled within six months

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

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 to 31 March 2021

Reasons for vacancies not advertised within six months

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

Reasons for vacancies not filled within six months

None, as reasons were structural and candidate dependant.

### 3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their 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 2020 to 31 March 2021

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	115	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	144	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	249	0	0	0	0	0	0
Senior Management Service Band A	58	0	0	0	0	0	0
Senior Management Service Band B	24	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	4	0	0	0	0	0	0
<b>Total</b>	<b>599</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 to 31 March 2021

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 to 31 March 2021

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 2020 to 31 March 2021

Salary band	Number of employees at beginning of period-1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	90.00	1.00	2.00	2.20
Highly skilled production (Levels 6-8)	122.00	2.00	2.00	1.60
Highly skilled supervision (Levels 9-12)	194.00	7.00	3.00	1.50
Senior Management Service Bands A (SL 13)	46	0.00	2.00	4.30
Senior Management Service Bands B (SL 14)	15.00	0.00	3.00	20.00
Senior Management Service Bands C (SL 15)	4.00	0.00	1.00	25.00
Senior Management Service Bands D (SL16)	2.00	0.00	0.00	0.00
Other	36.00	0.00	2.00	5.60
Contract (Level 1-2)	1.00	0.00	0.00	0.00
Contract (Level 3-5)	9.00	6.00	4.00	44.40
Contract (Level 6-8)	20.00	6.00	10.00	50.00
Contract (Level 9-12)	21.00	3.00	11.00	52.40
Contract Band A	4.00	0.00	1.00	25.00
Contract Band B	1.00	1.00	2.00	200.00
Contract Band C	0.00	1.00	0.00	0.00
Contract Band D	5.00	1.00	0.00	0.00
<b>Total</b>	<b>570.00</b>	<b>28.00</b>	<b>43.00</b>	<b>7.50</b>

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 to 31 March 2021

Critical occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineers and Related Professionals	9.00	0.00	0.00	0.00
Financial and Related Professionals	119.00	6.00	14.00	11.80
General Legal Administration and Related Professionals	3	0.00	0.00	0.00
<b>Total</b>	<b>131</b>	<b>6.00</b>	<b>14.00</b>	<b>10.70</b>

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2020 to 31 March 2021

Termination Type	Number	% of Total Resignations
Death	3.00	7.00
Resignation	13.00	30.20
Expiry of contract	21.00	48.80
Dismissal – operational changes	0.00	0.00
Dismissal – misconduct	0.00	0.00
Dismissal – inefficiency	0.00	0.00
Discharged due to ill-health	0.00	0.00
Retirement	6.00	14.00
Transfer to other Public Service Departments	0.00	0.00
Other	0.00	0.00
<b>Total</b>	<b>43.00</b>	
<b>Total number of employees who left as a % of total employment</b>		<b>7.80</b>

Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 to 31 March 2021

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Engineers and Related Professionals	9.00	0.00	0.00	3.00	33.00
Financial and Related Professionals	119.00	0.00	0.00	58.00	48.70
General Legal Administration & Related Professionals	3.00	0.00	0.00	2.00	66.70
<b>Total</b>	<b>131</b>	<b>0.00</b>	<b>0.00</b>	<b>63</b>	<b>48.10</b>

Table 3.5.5 Promotions by salary band for the period 1 April 2020 to 31 March 2021

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	0.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	90.00	0.00	0.00	67.00	74.40
Highly skilled production (Levels 6-8)	122.00	3.00	2.50	65.00	53.30
Highly skilled supervision (Levels 9-12)	194.00	6.00	3.10	104.00	53.60
Senior Management (Level 13-16)	67.00	0.00	0.00	43.00	64.20
Other (Interns)	36.00	0.00	0.00	0.00	0.00
Contract (Levels 1-2)	1.00	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	9.00	0.00	0.00	2.00	22.20
Contract (Level 6-8)	20.00	0.00	0.00	5.00	25.00
Contract (Level 9-12)	21.00	0.00	0.00	10.00	47.60
Contract (Level >=13)	10.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>570.00</b>	<b>9.00</b>	<b>1.60</b>	<b>296.00</b>	<b>51.90</b>

### 3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	3	2	29	2	1	2	71
Professionals	56	0	1	4	60	7	3	5	139
Technicians and associate professionals	67	3	0	1	113	6	5	10	205
Clerks	31	0	0	1	67	1	1	0	101
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	1	0	0	0	1
<b>Total</b>	<b>163</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>270</b>	<b>16</b>	<b>10</b>	<b>17</b>	<b>517</b>
<b>Employees with disabilities</b>	<b>4</b>		<b>1</b>	<b>1</b>	<b>3</b>		<b>2</b>		<b>10</b>

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2021

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



Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021

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

Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021

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



### 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, with the reasons for not complying within the prescribed timeframes and disciplinary steps taken presented here.

Table 3.7.1 Signing of performance agreements by SMS members as on 31 May 2020

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	5	5	5	100%
Salary Level 15	3	3	3	100%
Salary Level 14	14	14	13	92%
Salary Level 13	49	51	50	96%
<b>Total</b>	72	74	72	97%

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

Reasons
1. COVID-19 and the national lockdown on 26 March 2020.
2. Staff worked on rotational schedules based on COVID-19 protocols and social distancing.

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

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

### 3.8 Performance Rewards

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

Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2019 to 31 March 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	<b>220</b>	<b>484</b>	<b>45%</b>	<b>R1 884 182</b>	<b>R8 564</b>
Male	82	195	42%	R734 228	R8 954
Female	138	289	47%	R1 149 954	R8 333
<b>Asian</b>	<b>4</b>	<b>13</b>	<b>30%</b>	<b>R28 828</b>	<b>R7 207</b>
Male	0	4	0%	R0.00	R0.00
Female	4	9	44%	R28 828	R7 207
<b>Coloured</b>	<b>10</b>	<b>19</b>	<b>52%</b>	<b>R125 620</b>	<b>R12 562</b>
Male	2	3	66%	R14 012	R7 006
Female	8	16	50%	R111 608	R13 951
<b>White</b>	<b>13</b>	<b>27</b>	<b>48%</b>	<b>R174 046</b>	<b>R13 388</b>
Male	1	7	14%	R17 380	R17 380
Female	12	20	60%	R156 666	R13 055
<b>Employees with a disability</b>	<b>7</b>	<b>7</b>	<b>71%</b>	<b>R24 860</b>	<b>R3 551</b>
<b>Total</b>	<b>252</b>	<b>550</b>	<b>45%</b>	<b>R2 237 508</b>	<b>R8 809</b>

Table 3.8.2 Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
02) Skilled (level 3-5)	60	89	67%	R191 340	R3 189	<b>0.01%</b>
03) Highly Skilled production (level 6-8)	75	122	61%	R451 350	R6 018	<b>0.02%</b>
04) Highly skilled supervision (level 9-12)	99	196	50%	R1 332 936	R13 464	<b>0.04%</b>
09) Other	0	34	0%	R0.00	R0.00	<b>0%</b>
10) Contract (level 1-2)	0	1	0%	R0.00	R0.00	<b>0%</b>
11) Contract (level 3-5)	2	11	18%	R6 948	R3 474	<b>0.01%</b>
12) Contract (level 6-8)	2	15	13%	R11 178	R5 589	<b>0.02%</b>
13) Contract (level 9-12)	6	12	50%	R47 784	R7 964	<b>0.02%</b>
<b>Total</b>	<b>244</b>	<b>480</b>	<b>50%</b>	<b>R2 041 480</b>	<b>R8 367</b>	<b>0.02%</b>

Table 3.8.3 Performance rewards by critical occupation for the period 1 April 2019 to 31 March 2020

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial clerks and credit controllers	14	32	43%	R82 782	R5 913
Household food and laundry services related	0	1	0%	R0.00	R0.00
Human resources clerks	8	14	57%	R42 456	R5 307
Security officers	14	18	77%	R44 758	R3 197
Human resources & organisation development & related professions	8	48	16%	R94 528	R11 816
Messengers, porters and deliverers	4	8	50%	R14 910	R3 727
Risk management and security services	2	5	40%	R11 802	R5 901
Finance and economics related	21	37	56%	R188 517	R8 977
Logistical support personnel	13	18	72%	R75 192	R5 784
Other administration and related clerks and organisers	11	12	91%	R91 773	R8 343
Housekeepers' laundry and related workers	1	1	100%	R3 474	R3 474
Other occupations	0	4	0%	R0.00	R0.00
Financial and related professionals	19	37	51%	R264 024	R13 896
Administrative related	40	98	40%	R542 880	R13 572
Communication and information related	0	3	0%	R0.00	R0.00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Secretaries and other keyboard operating clerks	34	52	65%	R176 834	R5 201
Cleaners in offices workshops hospitals etc.	14	27	51%	R38 430	R2 745
Library mail and related clerks	3	4	75%	R30 585	R10 195
Human resources related	3	10	30%	R37 437	R12 479
Trade/industry advisers and other related professions	0	1	0%	R0.00	R0.00
Head of department/chief executive officer	0	1	0%	R0.00	R0.00
General legal administration and related professionals	1	3	33%	R7 580	R7 580
Material-recording and transport clerks	5	8	62%	R17 340	R3 468
Other administrative policy and related officers	1	1	100%	R16 035	R16 035
Bus and heavy vehicle drivers	0	1	0%	R0.00	R0.00
Senior managers	6	45	13%	R165 474	R27 579
Client inform clerks (switchboard, reception, information clerks)	3	15	20%	R11 055	R3 685
Economists	6	8	75%	R78 420	R13 070
Engineers and related professionals	5	6	83%	R103 205	R20 641
Other information technology personnel	7	7	100%	R52 829	R7 547
Engineering sciences related	0	3	0%	R0.00	R0.00
Security guards	3	3	100%	R9 630	R3 210
Food services aids and waiters	4	6	66%	R12 496	R3 124
Community development workers	1	2	50%	R17 275	R17 275
Librarians and related professionals	1	1	100%	R5 802	R5 802
<b>Total</b>	<b>252</b>	<b>550</b>	<b>45%</b>	<b>R2 237 52</b>	<b>R8 879</b>

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 to 31 March 2021

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	7	47	14%	R168 276	R24 038	<b>0.30%</b>
Band B	1	12	8%	R27 772	R27 772	<b>0.10%</b>
Band C	0	4	0	R0.00	R0.00	<b>0%</b>
Band D	0	7	0	R0.00	R0.00	<b>0%</b>
<b>Total</b>	<b>8</b>	<b>70</b>	<b>11%</b>	<b>R196 04</b>	<b>R24 504</b>	<b>0.20%</b>

### 3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 and 31 March 2021

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Lower skilled	0	0.00%	0	0.00%	0	0.00%
Skilled (Levels 3-5)	0	0.00%	0	0.00%	0	0.00%
Highly skilled production (Levels 6-8)	0	0.00%	0	0.00%	0	0.00%
Highly skilled supervision (Levels 9-12)	0	0.00%	0	0.00%	0	0.00%
Contract (Levels 3-5)	0	0.00%	1	100.00%	1	100.00%
Contract (Level 9-12)	0	0.00%	0	0.00%	0	0.00%
Contract (Level 13-16)	0	0.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>0</b>	<b>0.00%</b>	<b>1</b>	<b>100.00%</b>	<b>1</b>	<b>100.00%</b>

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2020 and 31 March 2021

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of Total	Number	% of Total	Number	% Change
Elementary occupation	0	0.00%	1	100%	1	100%

### 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 2020 to 31 December 2020

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1-2)	0	0.00%	0	0%	0	0
Skilled (Levels 3-5)	162	76.50%	41	16.00%	4	142
Highly skilled production (Levels 6-8)	275	77.10%	66	25.80%	4	427
Highly skilled supervision (Levels 9-12)	397	77.10%	92	35.90%	4	1108
Senior Management (Level 13-16)	118	92.40%	20	7.80%	6	553
Contract (Levels 3-5)	5	20.00%	3	1.20%	2	5
Contract (Level 6-8)	18	72.20%	5	2.00%	4	25
Contract (Level 9-12)	32	75.00%	11	4.30%	3	77
Contract (Level 13-16)	46	100.00%	3	1.20%	15	316
Contract other	52	65.40%	15	5.90%	3	15
<b>Total</b>	<b>1105</b>	<b>78.60%</b>	<b>256</b>	<b>100.00%</b>	<b>4</b>	<b>2668</b>

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0
Skilled (Levels 3-5)	16	100%	1	20%	16	11
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	0
Highly skilled supervision (Levels 9-12)	33	100%	2	40%	17	74
Senior Management (Level 13-16)	13	100%	1	20%	13	56
Contract (Level 13-16)	145	100%	1	20%	145	1100
<b>Total</b>	<b>207</b>	<b>100.00%</b>	<b>5</b>	<b>100%</b>	<b>41</b>	<b>1241.00</b>

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

Table 3.10.3 Annual Leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days taken	Number of employees using annual leave	Average days per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	1 493	95	16
Highly skilled production (Levels 6-8)	2 140	122	18
Highly skilled supervision (Levels 9-12)	3 451	195	18
Senior Management (Level 13-16)	1 194	66	18
Contract (Levels 1-2)	4	1	4
Contract (Levels 3-5)	80	10	8
Contract (Level 6-8)	153	18	9
Contract (Level 9-12)	215	21	10
Contract (Level 13-16)	131	9	15
Contract (other)	447.84	35	13
<b>Total</b>	<b>9308.84</b>	<b>572</b>	<b>16</b>

Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2021
Lower skilled (Levels 1-2)	0	0	0	0.00
Skilled (Levels 3-5)	0	0	0	0.00
Highly skilled production (Levels 6-8)	0	0	0	28.00
Highly skilled supervision (Levels 9-12)	0	0	0	31.00
Senior Management (Level 13-16)	0	0	0	36.00
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>32.00</b>

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

Table 3.10.5 Leave payouts for the period 1 April 2020 to 31 March 2021

Reason	Total estimated amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2020/21 due to non-utilisation of leave for the previous cycle	205.00	2	102 500.00
Capped leave pay-outs on termination of service for 2020/21	119.00	3	39 667.00
Current leave pay-out on termination of service for 2020/21	1395.00	31	45 000.00
<b>Total</b>	<b>1719.00</b>		

### 3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	yes		Palesa Mokalapa Director: Organisational Transformation & Employee Wellness
2. Does the Department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	yes		The Department has an Employee Health & Wellness unit at the level of Sub-directorate with two permanent officials. The EHW Coordinator is at Deputy-Director level, who is a registered professional nurse and an internal EHW practitioner at Assistant-Director level, who is a registered Social Worker
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	yes		Provision of onsite and offsite counselling to employees and their dependents on various psychosocial problems, training services on health promotion, including wellness days and Health Calendar events, and trauma debriefing services and bereavement support
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		no	The unit is in the process of re-establishing the Departmental Employee Wellness Committee with new members
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.		no	
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.		no	
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	yes		On average, 10% of employees underwent Voluntary Counselling and Testing, during the quarterly Wellness Days, to know their HIV status
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		no	

### 3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2020 to 31 March 2021

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 to 31 March 2021

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 to 31 March 2021

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

Table 3.12.4 Grievances logged for the period 1 April 2020 and 31 March 2021

Grievances	Number	% of total
<b>Number of grievances resolved</b>	3	75
Number of grievances not resolved	1	25
<b>Total number of grievances lodged</b>	<b>4</b>	<b>100</b>

Table 3.12.5 Disputes logged with Councils for the period 1 April 2020 to 31 March 2021

Disputes	Number	% of total
<b>Number of disputes upheld</b>	2	20
Number of disputes dismissed	6	60
Number of disputes not finalised	2	20
<b>Total number of disputes lodged</b>	<b>10</b>	<b>100</b>

Table 3.12.6 Strike actions for the period 1 April 2020 to 31 March 2021

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 2019 to 31 March 2021

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	730
Cost of suspension (R'000)	<b>R3 428 144</b>

### 3.13 Skills Development

This section highlights the efforts of the department on skills development.

Table 3.13.1 Training needs identified for the period 1 April 2020 to 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Internship	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	28	0	36	0	36
	Male	20	0	41	0	41
Professionals	Female	103	0	35	0	35
	Male	64	0	28	0	28
Technicians and associate professionals	Female	60	0	20	0	20
	Male	57	0	9	0	9
Clerks	Female	104	27	39	0	66
	Male	43	10	17	0	25
Service and sales workers	Female	14	0	5	0	5
	Male	14	0	5	0	5
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	1	0	1
Elementary occupations	Female	28	0	9	0	9
	Male	14	0	4	0	4
<b>Sub-total</b>	Female	<b>337</b>	<b>29</b>	<b>144</b>	<b>0</b>	<b>173</b>
	Male	<b>213</b>	<b>8</b>	<b>105</b>	<b>0</b>	<b>113</b>
<b>Total</b>		<b>550</b>	<b>37</b>	<b>249</b>	<b>0</b>	<b>286</b>

Table 3.13.2 Training provided for the period 1 April 2020 to 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Internship	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	28	0	4	2	6
	Male	20	0	7	0	7
Professionals	Female	103	0	3	15	18
	Male	64	0	2	10	12
Technicians and associate professionals	Female	60	0	1	1	2
	Male	57	0	1	0	1
Clerks	Female	104	27	2	27	56
	Male	43	10	2	12	24
Service and sales workers	Female	14	0	0	0	0
	Male	14	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	1
Elementary occupations	Female	28	0	0	3	3
	Male	14	0	0	1	1
<b>Sub-total</b>	Female	<b>337</b>	<b>27</b>	<b>10</b>	<b>48</b>	<b>85</b>
	Male	<b>213</b>	<b>10</b>	<b>12</b>	<b>23</b>	<b>46</b>
<b>Total</b>		<b>550</b>	<b>37</b>	<b>22</b>	<b>71</b>	<b>131</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2020 and 31 March 2021

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

### 3.15 Use of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2020 to 31 March 2021

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

### 3.16 Severance Packages

Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2020 to 31 March 2021

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

An aerial photograph of a residential neighborhood. In the foreground and middle ground, there are numerous small, single-story houses with red-tiled roofs and light-colored walls, arranged in a grid-like pattern. Some houses have small courtyards or garages. In the background, there are larger, multi-story apartment buildings or office buildings. The area is surrounded by greenery and trees. A large white oval is superimposed in the center of the image, containing the text "PART E FINANCIAL INFORMATION".

PART E  
FINANCIAL  
INFORMATION

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

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the National Department of Human Settlements set out on pages 148 to 215, which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Department of Human Settlements as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by National Treasury (NT) and the requirements of the Public Finance Management Act No. 1 of 1999 (PFMA) and the Division of Revenue Act, 4 of 2020 (DoRA).

#### Basis for opinion

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

#### Other matter

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

#### Unaudited supplementary schedule

7. The supplementary information set out on page 216 to 224 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

8. 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.
9. 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 a going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

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

## Report on the audit of the annual performance report

### Introduction and scope

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extend of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department’s annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 2 – Integrated Human Settlements Planning and Development	page 43-57

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets

were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

## Programme 2 – Integrated Human Settlements Planning and Development

### Various Indicators

17. The planned targets for the following indicators are not specific in clearly identifying the nature and required level of performance and measurable:

Indicator description	Target	Achievement
Support provided on pre and post 1994 title deeds, post 2014 title deeds and new title deeds registered	Support provided to 9 provincial departments to register pre and post 1994 title deeds, post 2014 title deeds and new title deeds	Support was partially provided to 9 Provincial departments to register pre and post 1994 title deeds, post 2014 title deeds and new title deeds
Support provided on new title deeds registered	Support provided to 9 provincial departments to register new title deeds (2019-2024 MTFS)	Support was partially provided to 9 Provincial departments to register new title deeds (2019- 2024 MTFS)

### Number of provinces supported in the delivery of PHP/Zenzeleni

18. The planned target of 9 provinces supported in the delivery of housing through PHP/Zenzeleni policy for this indicator was not specific in clearly identifying the nature and required level of performance. The achievement of 9 provinces were supported in the delivery of housing through PHP/Zenzeleni policy was reported against the 9 provinces supported in the delivery of housing through PHP/Zenzeleni policy in the annual performance report. However, the supporting evidence provided did not agree to the reported achievement and materially differed from the reported achievement.

## Percentage of projects under implementation monitored (HSDG, USDG and TRG)

19. I was unable to obtain sufficient appropriate audit evidence for the achievement of 100% of projects under implementation monitored (HSDG, USDG and TRG) reported against target 100% of projects under implementation monitored (HSDG, USDG and TRG) in the annual performance report, due to the lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

## Other matters

20. I draw attention to the matters below.

### Achievement of planned targets

21. Refer to the annual performance report on pages 43 to 77 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 17 to 19 of this report.

### Adjustment of 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 Programme 2 – Integrated Human Settlements Planning and Development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## Report on the audit of compliance with legislation

### Introduction and scope

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

### Other information

25. The accounting officer is responsible for the other information. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. The other information I obtained prior to the date of this auditor's report is the human resource management. The report of the accounting officer and audit committee report are expected to be made available to me after 31 July 2021.
29. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

30. When I do receive and read the report of the accounting officer 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

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matter reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
32. Oversight responsibility was not diligently executed by the executive management in relation to performance information as we identified concerns with indicators and targets, which were not well defined. An increase in the level of oversight over performance reporting against predetermined objectives is required.

*Auditor-General*

Pretoria  
31 July 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-General’s responsibility for the audit

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

### Financial statements

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

- conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the National Department of Human Settlements to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty 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; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

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

## Audited Annual Financial Statements for national department of Human Settlements for the yearended 31 March 2021

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Appropriation per programme

Programme	2020/21						2019/20		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	483,399	-	-	483,399	399,184	84,215	82.6%	469,257	428,416
2. Integrated Human Settlements Planning and Development	26,028,271	-	6,500	26,034,771	26,001,951	32,820	99.9%	31,778,681	31,373,090
3. Informal Settlements	648,159	-	(14,500)	633,659	511,211	122,448	80.7%	513,920	465,886
4. Rental and Housing	1,184,596	-	-	1,184,596	1,162,257	22,339	98.1%	863,863	861,748
5. Affordable Housing	734,594	-	8,000	742,594	700,934	41,660	94.4%	236,193	216,413
<b>Total</b>	<b>29,079,019</b>	<b>-</b>	<b>-</b>	<b>29,079,019</b>	<b>28,775,537</b>	<b>303,482</b>	<b>99.0%</b>	<b>33,861,914</b>	<b>33,345,553</b>

	2020/21		2019/20	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>				
<b>Reconciliation with statement of financial performance</b>				
<b>ADD</b>				
Departmental receipts	365		860	
Aid assistance	1,406		1,922	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>29,080,790</b>		<b>33,864,696</b>	
<b>ADD</b>				
Aid assistance		1,406		983
Prior year unauthorised expenditure approved without funding				
<b>Actual amounts per statement of financial performance (total revenue)</b>		<b>28,776,943</b>		<b>33,346,536</b>

Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>851,583</b>	<b>(7,557)</b>	<b>(44,386)</b>	<b>799,640</b>	<b>626,330</b>	<b>173,310</b>	<b>78.3%</b>	<b>808,301</b>	<b>729,377</b>
Compensation of employees	397,264	-	-	397,264	352,497	44,767	88.7%	401,121	356,205
Salaries and wages	331,645	11,915	-	343,560	312,634	30,926	91.0%	346,763	317,834
Social contributions	65,619	(11,915)	-	53,704	39,863	13,841	74.2%	54,358	38,371
Goods and services	<b>454,319</b>	<b>(7,557)</b>	<b>(44,386)</b>	<b>402,376</b>	<b>273,833</b>	<b>128,543</b>	<b>68.1%</b>	<b>407,180</b>	<b>373,172</b>
Administrative fees	428	1,067	-	1,495	158	1,337	10.6%	331	285
Advertising	19,667	(1,827)	-	17,840	15,534	2,306	87.1%	6,528	5,019
Minor assets	10,610	(6,664)	-	3,946	115	3,831	2.9%	2,522	342
Audit costs: External	10,186	-	-	10,186	7,684	2,502	75.4%	9,658	7,210
Bursaries: Employees	2,268	(920)	-	1,348	1,055	293	78.3%	1,249	1,239
Catering: Departmental activities	4,856	8,810	-	13,666	11,387	2,279	83.3%	20,209	18,789
Communication	12,176	170	-	12,346	8,939	3,407	72.4%	10,991	10,141
Computer services	68,857	(11,350)	(13,060)	44,447	31,872	12,575	71.7%	59,458	56,419
Consultants: Business and advisory services	151,000	(13,930)	(28,703)	108,367	66,046	42,321	60.9%	73,661	67,292
Legal services	3,482	300	-	3,782	2,786	996	73.7%	7,178	7,157
Contractors	6,708	3,740	-	10,448	8,692	1,756	83.2%	9,749	9,038
Agency and support / outsourced services	-	778	-	778	731	47	94.0%	-	-
Entertainment	982	(291)	-	691	123	568	17.8%	377	135
Fleet services	2,435	(346)	-	2,089	1,161	928	55.6%	1,677	1,436
Consumable supplies	6,463	630	-	7,093	4,655	2,438	65.6%	2,575	1,659
Consumable: Stationery, printing and office supplies	14,865	(5,483)	-	9,382	1,999	7,383	21.3%	5,125	2,940
Operating leases	37,081	6,448	-	43,529	43,259	270	99.4%	43,801	43,800
Property payments	18,564	(6,129)	-	12,435	11,592	843	93.2%	13,251	13,166
Travel and subsistence	51,947	996	(2,623)	50,320	25,017	25,303	49.7%	76,950	68,215
Training and development	5,091	(890)	-	4,201	512	3,689	12.2%	2,401	2,151
Operating payments	11,166	(3,651)	-	7,515	2,523	4,992	33.6%	6,792	5,264
Venues and facilities	15,487	20,985	-	36,472	27,993	8,479	76.8%	52,697	51,475

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>28,217,470</b>	<b>1,416</b>	<b>44,386</b>	<b>28,263,272</b>	<b>28,141,494</b>	<b>121,778</b>	<b>99.6%</b>	<b>32,993,439</b>	<b>32,560,141</b>
Provinces and municipalities	26,185,391	-	-	26,185,391	26,080,915	104,476	99.6%	31,798,901	31,374,870
Provinces	15,454,454	(100,000)	-	15,354,454	15,342,512	11,942	99.9%	19,604,415	19,572,326
Provincial Revenue Funds	15,454,454	(100,000)	-	15,354,454	15,342,512	11,942	99.9%	19,604,415	19,572,326
Municipalities	10,730,937	100,000	-	10,830,937	10,738,403	92,534	99.1%	12,194,486	11,802,544
Municipal bank accounts	10,730,937	100,000	-	10,830,937	10,738,403	92,534	99.1%	12,194,486	11,802,544
Departmental agencies and accounts	2,024,406	-	24,000	2,048,406	2,048,406	-	100.0%	1,172,884	1,172,884
Departmental Agencies	2,024,406	-	24,000	2,048,406	2,048,406	-	100.0%	1,172,884	1,172,884
Foreign governments and international organisations	3,595	-	14,000	17,595	3,455	14,140	19.6%	3,085	3,031
Households	4,078	1,416	6,386	11,880	8,718	3,162	73.4%	18,569	9,356
Social benefits	-	1,316	-	1,316	1,283	33	97.5%	7,105	7,045
Other transfers to households	4,078	100	6,386	10,564	7,435	3,129	70.4%	11,464	2,311
<b>Payments for capital assets</b>	<b>9,966</b>	<b>6,072</b>	<b>-</b>	<b>16,038</b>	<b>7,651</b>	<b>8,387</b>	<b>47.7%</b>	<b>9,939</b>	<b>5,871</b>
Machinery and equipment	9,966	5,613	-	15,579	7,651	7,928	49.1%	9,919	5,871
Transport equipment	-	-	-	-	-	-	-	29	29
Other machinery and equipment	9,966	5,613	-	15,579	7,651	7,928	49.1%	9,890	5,842
Software and other intangible assets	-	459	-	459	-	459	-	20	-
<b>Payments for financial assets</b>	<b>-</b>	<b>69</b>	<b>-</b>	<b>69</b>	<b>62</b>	<b>7</b>	<b>89.9%</b>	<b>50,235</b>	<b>50,164</b>
<b>Total</b>	<b>29,079,019</b>	<b>-</b>	<b>-</b>	<b>29,079,019</b>	<b>28,775,537</b>	<b>303,482</b>	<b>99.0%</b>	<b>33,861,914</b>	<b>33,345,553</b>

<b>Programme 1: Administration</b>									
	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Ministry	61,140	3,934	-	65,074	57,119	7,955	87.8%	73,687	69,662
2. Departmental Management	85,822	(5,934)	-	79,888	56,307	23,581	70.5%	62,918	56,068
3. Corporate Services	219,062	741	-	219,803	181,796	38,007	82.7%	210,265	193,712
4. Property Management	50,830	1,270	-	52,100	51,688	412	99.2%	53,468	53,462
5. Financial Management	66,545	(11)	-	66,534	52,274	14,260	78.6%	68,919	55,512
<b>Total for sub programmes</b>	<b>483,399</b>	<b>-</b>	<b>-</b>	<b>483,399</b>	<b>399,184</b>	<b>84,215</b>	<b>82.6%</b>	<b>469,257</b>	<b>428,416</b>

<b>Economic classification</b>									
<b>Current payments</b>	<b>477,044</b>	<b>(5,059)</b>	<b>-</b>	<b>471,985</b>	<b>392,959</b>	<b>79,026</b>	<b>83.3%</b>	<b>455,166</b>	<b>416,894</b>
Compensation of employees	<b>239,382</b>	<b>-</b>	<b>-</b>	<b>239,382</b>	<b>216,749</b>	<b>22,633</b>	<b>90.5%</b>	<b>237,814</b>	<b>215,424</b>
Salaries and wages	197,936	8,172	-	206,108	191,273	14,835	92.8%	206,393	191,462
Social contributions	41,446	(8,172)	-	33,274	25,476	7,798	76.6%	31,421	23,962
Goods and services	<b>237,662</b>	<b>(5,059)</b>	<b>-</b>	<b>232,603</b>	<b>176,210</b>	<b>56,393</b>	<b>75.8%</b>	<b>217,352</b>	<b>201,470</b>
Administrative fees	368	(33)	-	335	93	242	27.8%	261	240
Advertising	18,595	(2,101)	-	16,494	14,648	1,846	88.8%	6,046	4,776
Minor assets	7,453	(6,119)	-	1,334	115	1,219	8.6%	1,189	305
Audit costs: external	10,186	-	-	10,186	7,684	2,502	75.4%	9,658	7,210
Bursaries: Employees	2,268	(920)	-	1,348	1,055	293	78.3%	1,200	1,190
Catering: Departmental activities	2,286	7,637	-	9,923	8,912	1,011	89.8%	8,392	8,007
Communication	8,223	(31)	-	8,192	6,378	1,814	77.9%	7,330	6,872
Computer services	36,532	(11,350)	-	25,182	16,228	8,954	64.4%	39,858	38,643
Consultants: Business and advisory services	18,162	(6,164)	-	11,998	4,955	7,043	41.3%	2,862	1,750
Legal services	3,482	300	-	3,782	2,786	996	73.7%	4,289	4,269
Contractors	5,251	3,277	-	8,528	7,355	1,173	86.2%	7,053	6,626
Agency and support / outsourced services	-	778	-	778	731	47	94.0%	-	-
Entertainment	642	(220)	-	422	108	314	25.6%	216	85
Fleet services	2,435	(346)	-	2,089	1,161	928	55.6%	1,677	1,436

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	5,355	631	-	5,986	4,534	1,452	75.7%	1,962	1,435
Consumable: Stationery, printing and office supplies	10,437	(5,055)	-	5,382	1,741	3,641	32.3%	3,546	2,409
Operating leases	37,081	6,448	-	43,529	43,259	270	99.4%	43,801	43,800
Property payments	18,564	(6,129)	-	12,435	11,592	843	93.2%	13,251	13,166
Travel and subsistence	29,038	374	-	29,412	18,247	11,165	62.0%	41,377	37,608
Training and development	5,091	(890)	-	4,201	512	3,689	12.2%	2,401	2,151
Operating payments	7,989	(3,939)	-	4,050	1,531	2,519	37.8%	3,090	1,954
Venues and facilities	8,224	18,793	-	27,017	22,585	4,432	83.6%	17,893	17,548
<b>Transfers and subsidies</b>	<b>-</b>	<b>1,113</b>	<b>-</b>	<b>1,113</b>	<b>1,107</b>	<b>6</b>	<b>99.5%</b>	<b>6,756</b>	<b>6,718</b>
Households	-	1,113	-	1,113	1,107	6	99.5%	6,756	6,718
Social benefits	-	1,013	-	1,013	1,010	3	99.7%	6,747	6,709
Other transfers to households	-	100	-	100	97	3	97.0%	9	9
<b>Payments for capital assets</b>	<b>6,355</b>	<b>3,913</b>	<b>-</b>	<b>10,268</b>	<b>5,089</b>	<b>5,179</b>	<b>49.6%</b>	<b>7,228</b>	<b>4,710</b>
Machinery and equipment	6,355	3,454	-	9,809	5,089	4,720	51.9%	7,208	4,710
Transport equipment	-	-	-	-	-	-	-	29	29
Other machinery and equipment	6,355	3,454	-	9,809	5,089	4,720	51.9%	7,179	4,681
Software and other intangible assets	-	459	-	459	-	459	-	20	-
<b>Payments for financial assets</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>33</b>	<b>29</b>	<b>4</b>	<b>87.9%</b>	<b>107</b>	<b>94</b>
<b>Total</b>	<b>483,399</b>	<b>-</b>	<b>-</b>	<b>483,399</b>	<b>399,184</b>	<b>84,215</b>	<b>82.6%</b>	<b>469,257</b>	<b>428,416</b>

<b>1.1 Ministry</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>59,439</b>	<b>3,425</b>	-	<b>62,864</b>	<b>56,259</b>	<b>6,605</b>	<b>89.5%</b>	<b>66,452</b>	<b>63,400</b>
Compensation of employees	32,078	-	-	32,078	29,356	2,722	91.5%	32,114	30,988
Goods and services	27,361	3,425	-	30,786	26,903	3,883	87.4%	34,338	32,412
<b>Transfers and subsidies</b>	-	<b>160</b>	-	<b>160</b>	<b>160</b>	-	<b>100.0%</b>	<b>5,800</b>	<b>5,777</b>
Households	-	160	-	160	160	-	100.0%	5,800	5,777
<b>Payments for capital assets</b>	<b>1,701</b>	<b>320</b>	-	<b>2,021</b>	<b>675</b>	<b>1,346</b>	<b>33.4%</b>	<b>1,364</b>	<b>415</b>
Machinery and equipment	1,701	264	-	1,965	675	1,290	34.4%	1,344	415
Software and other intangible assets	-	56	-	56	-	56	-	20	-
<b>Payments for financial assets</b>	-	<b>29</b>	-	<b>29</b>	<b>25</b>	<b>4</b>	<b>86.2%</b>	<b>71</b>	<b>70</b>
<b>Total</b>	<b>61,140</b>	<b>3,934</b>	-	<b>65,074</b>	<b>57,119</b>	<b>7,955</b>	<b>87.8%</b>	<b>73,687</b>	<b>69,662</b>
<b>1.2 Departmental Management</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>84,488</b>	<b>(7,302)</b>	-	<b>77,186</b>	<b>55,137</b>	<b>22,049</b>	<b>71.4%</b>	<b>61,654</b>	<b>55,197</b>
Compensation of employees	50,791	-	-	50,791	46,604	4,187	91.8%	46,695	44,070
Goods and services	33,697	(7,302)	-	26,395	8,533	17,862	32.3%	14,959	11,127
<b>Transfers and subsidies</b>	-	<b>25</b>	-	<b>25</b>	<b>25</b>	-	<b>100.0%</b>	<b>53</b>	<b>52</b>
Households	-	25	-	25	25	-	100.0%	53	52
<b>Payments for capital assets</b>	<b>1,334</b>	<b>1,340</b>	-	<b>2,674</b>	<b>1,142</b>	<b>1,532</b>	<b>42.7%</b>	<b>1,196</b>	<b>805</b>
Machinery and equipment	1,334	1,340	-	2,674	1,142	1,532	42.7%	1,196	805
<b>Payments for financial assets</b>	-	<b>3</b>	-	<b>3</b>	<b>3</b>	-	<b>100.0%</b>	<b>15</b>	<b>14</b>
<b>Total</b>	<b>85,822</b>	<b>(5,934)</b>	-	<b>79,888</b>	<b>56,307</b>	<b>23,581</b>	<b>70.5%</b>	<b>62,918</b>	<b>56,068</b>

<b>1.3 Corporate Services</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>216,519</b>	<b>(1,823)</b>	<b>-</b>	<b>214,696</b>	<b>178,870</b>	<b>35,826</b>	<b>83.3%</b>	<b>205,960</b>	<b>190,217</b>
Compensation of employees	113,342	-	-	113,342	102,091	11,251	90.1%	110,783	98,909
Goods and services	103,177	(1,823)	-	101,354	76,779	24,575	75.8%	95,177	91,308
<b>Transfers and subsidies</b>	<b>-</b>	<b>395</b>	<b>-</b>	<b>395</b>	<b>390</b>	<b>5</b>	<b>98.7%</b>	<b>308</b>	<b>306</b>
Households	-	395	-	395	390	5	98.7%	308	306
<b>Payments for capital assets</b>	<b>2,543</b>	<b>2,168</b>	<b>-</b>	<b>4,711</b>	<b>2,535</b>	<b>2,176</b>	<b>53.8%</b>	<b>3,976</b>	<b>3,179</b>
Machinery and equipment	2,543	1,765	-	4,308	2,535	1,773	58.8%	3,976	3,179
Software and other intangible assets	-	403	-	403	-	403	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>100.0%</b>	<b>21</b>	<b>10</b>
	<b>219,062</b>	<b>741</b>	<b>-</b>	<b>219,803</b>	<b>181,796</b>	<b>38,007</b>	<b>82.7%</b>	<b>210,265</b>	<b>193,712</b>
<b>1.4 Property Management</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>50,830</b>	<b>1,270</b>	<b>-</b>	<b>52,100</b>	<b>51,688</b>	<b>412</b>	<b>99.2%</b>	<b>53,468</b>	<b>53,462</b>
Goods and services	50,830	1,270	-	52,100	51,688	412	99.2%	53,468	53,462
	<b>50,830</b>	<b>1,270</b>	<b>-</b>	<b>52,100</b>	<b>51,688</b>	<b>412</b>	<b>99.2%</b>	<b>53,468</b>	<b>53,462</b>

<b>1.5 Financial Management</b>									
	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>65,768</b>	<b>(629)</b>	<b>-</b>	<b>65,139</b>	<b>51,005</b>	<b>14,134</b>	<b>78.3%</b>	<b>67,632</b>	<b>54,618</b>
Compensation of employees	43,171	-	-	43,171	38,698	4,473	89.6%	48,222	41,457
Goods and services	22,597	(629)	-	21,968	12,307	9,661	56.0%	19,410	13,161
<b>Transfers and subsidies</b>	<b>-</b>	<b>533</b>	<b>-</b>	<b>533</b>	<b>532</b>	<b>1</b>	<b>99.8%</b>	<b>595</b>	<b>583</b>
Households	-	533	-	533	532	1	99.8%	595	583
<b>Payments for capital assets</b>	<b>777</b>	<b>85</b>	<b>-</b>	<b>862</b>	<b>737</b>	<b>125</b>	<b>85.5%</b>	<b>692</b>	<b>311</b>
Machinery and equipment	777	85	-	862	737	125	85.5%	692	311
<b>Total</b>	<b>66,545</b>	<b>(11)</b>	<b>-</b>	<b>66,534</b>	<b>52,274</b>	<b>14,260</b>	<b>78.6%</b>	<b>68,919</b>	<b>55,512</b>

<b>Programme 2: Integrated Human Settlements Planning and Development</b>									
	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Management for Integrated Human Settlements Planning and Development	3,739	-	-	3,739	1,637	2,102	43.8%	3,088	2,120
2. Macro Sector Planning	16,760	-	-	16,760	9,420	7,340	56.2%	13,066	10,859
3. Macro Policy and Research	52,666	-	-	52,666	36,523	16,143	69.3%	49,457	44,956
4. Monitoring and Evaluation	57,908	-	(15,683)	42,225	34,988	7,237	82.9%	49,108	41,473
5. PE Oversight (HDA, CSOS, EAAB)	257,201	-	24,000	281,201	281,201	-	100.0%	262,158	262,158
6. Grant Management (HSDG, USDG, TRG)	25,626,997	-	-	25,626,997	25,627,001	(4)	100.0%	31,372,901	30,982,627
7. Capacity Building and Sector Support (TIT, DDS)	13,000	-	(1,817)	11,183	11,181	2	100.0%	28,903	28,897
<b>Total for sub programmes</b>	<b>26,028,271</b>	<b>-</b>	<b>6,500</b>	<b>26,034,771</b>	<b>26,001,951</b>	<b>32,820</b>	<b>99.9%</b>	<b>31,778,681</b>	<b>31,373,090</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>142,263</b>	<b>(427)</b>	<b>(17,500)</b>	<b>124,336</b>	<b>92,447</b>	<b>31,889</b>	<b>74.4%</b>	<b>141,742</b>	<b>127,466</b>
Compensation of employees	<b>66,735</b>	-	-	<b>66,735</b>	<b>55,224</b>	<b>11,511</b>	<b>82.8%</b>	<b>66,610</b>	<b>57,939</b>
Salaries and wages	56,880	1,289	-	58,169	49,270	8,899	84.7%	57,346	51,899
Social contributions	9,855	(1,289)	-	8,566	5,954	2,612	69.5%	9,264	6,040
Goods and services	<b>75,528</b>	<b>(427)</b>	<b>(17,500)</b>	<b>57,601</b>	<b>37,223</b>	<b>20,378</b>	<b>64.6%</b>	<b>75,132</b>	<b>69,527</b>
Administrative fees	60	1,100	-	1,160	65	1,095	5.6%	70	45
Advertising	31	226	-	257	204	53	79.4%	2	-
Minor assets	1,194	(216)	-	978	-	978	-	262	7
Catering: Departmental activities	648	1,174	-	1,822	1,438	384	78.9%	6,052	5,992
Communication	1,393	100	-	1,493	939	554	62.9%	1,280	1,241
Computer services	32,320	-	(13,060)	19,260	15,644	3,616	81.2%	19,595	17,776
Consultants: Business and advisory services	26,219	(5,033)	(1,817)	19,369	13,368	6,001	69.0%	14,839	12,792
Legal services	-	-	-	-	-	-	-	2,889	2,888
Contractors	23	620	-	643	619	24	96.3%	213	175
Entertainment	79	3	-	82	5	77	6.1%	64	19
Consumable supplies	309	-	-	309	95	214	30.7%	226	144

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	887	(60)	-	827	118	709	14.3%	269	134
Travel and subsistence	9,759	(818)	(2,623)	6,318	1,863	4,455	29.5%	11,421	10,505
Operating payments	982	(1)	-	981	172	809	17.5%	812	675
Venues and facilities	1,624	2,478	-	4,102	2,693	1,409	65.7%	17,138	17,134
<b>Transfers and subsidies</b>	<b>25,884,198</b>	<b>121</b>	<b>24,000</b>	<b>25,908,319</b>	<b>25,908,320</b>	<b>(1)</b>	<b>100.0%</b>	<b>31,635,207</b>	<b>31,244,932</b>
Provinces and municipalities	25,626,997	-	-	25,626,997	25,627,001	(4)	100.0%	31,372,901	30,982,627
Provinces	15,054,852	-	-	15,054,852	15,054,856	(4)	100.0%	19,327,515	19,327,515
Provincial Revenue Funds	15,054,852	-	-	15,054,852	15,054,856	(4)	100.0%	19,327,515	19,327,515
Municipalities	10,572,145	-	-	10,572,145	10,572,145	-	100.0%	12,045,386	11,655,112
Municipal bank accounts	10,572,145	-	-	10,572,145	10,572,145	-	100.0%	12,045,386	11,655,112
Departmental agencies and accounts	257,201	-	24,000	281,201	281,201	-	100.0%	262,158	262,158
Departmental agencies	257,201	-	24,000	281,201	281,201	-	100.0%	262,158	262,158
Households	-	121	-	121	118	3	97.5%	148	147
Social benefits	-	121	-	121	118	3	97.5%	148	147
<b>Payments for capital assets</b>	<b>1,810</b>	<b>277</b>	<b>-</b>	<b>2,087</b>	<b>1,156</b>	<b>931</b>	<b>55.4%</b>	<b>1,622</b>	<b>631</b>
Machinery and equipment	1,810	277	-	2,087	1,156	931	55.4%	1,622	631
Other machinery and equipment	1,810	277	-	2,087	1,156	931	55.4%	1,622	631
<b>Payments for financial assets</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>29</b>	<b>28</b>	<b>1</b>	<b>96.6%</b>	<b>110</b>	<b>61</b>
<b>Total</b>	<b>26,028,271</b>	<b>-</b>	<b>6,500</b>	<b>26,034,771</b>	<b>26,001,951</b>	<b>32,820</b>	<b>99.9%</b>	<b>31,778,681</b>	<b>31,373,090</b>

<b>2.1 Management for Integrated Human Settlements Planning and Development</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>3,674</b>	<b>(75)</b>	<b>-</b>	<b>3,599</b>	<b>1,563</b>	<b>2,036</b>	<b>43.4%</b>	<b>3,043</b>	<b>2,077</b>
Compensation of employees	2,426	-	-	2,426	1,448	978	59.7%	2,413	1,739
Goods and services	1,248	(75)	-	1,173	115	1,058	9.8%	630	338
<b>Transfers and subsidies</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>75</b>	<b>74</b>	<b>1</b>	<b>98.7%</b>	<b>-</b>	<b>-</b>
Households	-	75	-	75	74	1	98.7%	-	-
<b>Payments for capital assets</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>45</b>	<b>43</b>
Machinery and equipment	65	-	-	65	-	65	-	45	43
<b>Total</b>	<b>3,739</b>	<b>-</b>	<b>-</b>	<b>3,739</b>	<b>1,637</b>	<b>2,102</b>	<b>43.8%</b>	<b>3,088</b>	<b>2,120</b>
<b>2.2 Macro Sector Planning</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>16,497</b>	<b>(4)</b>	<b>-</b>	<b>16,493</b>	<b>9,170</b>	<b>7,323</b>	<b>55.6%</b>	<b>12,956</b>	<b>10,834</b>
Compensation of employees	10,911	-	-	10,911	8,912	1,999	81.7%	11,090	9,160
Goods and services	5,586	(4)	-	5,582	258	5,324	4.6%	1,866	1,674
<b>Transfers and subsidies</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>75.0%</b>	<b>-</b>	<b>-</b>
Households	-	4	-	4	3	1	75.0%	-	-
<b>Payments for capital assets</b>	<b>263</b>	<b>-</b>	<b>-</b>	<b>263</b>	<b>247</b>	<b>16</b>	<b>93.9%</b>	<b>109</b>	<b>24</b>
Machinery and equipment	263	-	-	263	247	16	93.9%	109	24
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>16,760</b>	<b>-</b>	<b>-</b>	<b>16,760</b>	<b>9,420</b>	<b>7,340</b>	<b>56.2%</b>	<b>13,066</b>	<b>10,589</b>

<b>2.3 Macro Policy and Research</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>51,812</b>	<b>(248)</b>	<b>-</b>	<b>51,564</b>	<b>35,666</b>	<b>15,898</b>	<b>69.2%</b>	<b>48,884</b>	<b>44,617</b>
Compensation of employees	35,402	-	-	35,402	27,272	8,130	77.0%	32,809	29,470
Goods and services	16,410	(248)	-	16,162	8,394	7,768	51.9%	16,075	15,147
<b>Transfers and subsidies</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>42</b>	<b>41</b>	<b>1</b>	<b>97.6%</b>	<b>148</b>	<b>147</b>
Households	-	42	-	42	41	1	97.6%	148	147
<b>Payments for capital assets</b>	<b>854</b>	<b>177</b>	<b>-</b>	<b>1,031</b>	<b>788</b>	<b>243</b>	<b>76.4%</b>	<b>422</b>	<b>189</b>
Machinery and equipment	854	177	-	1,031	788	243	76.4%	422	189
<b>Payments for financial assets</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>29</b>	<b>28</b>	<b>1</b>	<b>96.6%</b>	<b>3</b>	<b>3</b>
<b>Total</b>	<b>52,666</b>	<b>-</b>	<b>-</b>	<b>52,666</b>	<b>36,523</b>	<b>16,143</b>	<b>69.3%</b>	<b>49,457</b>	<b>44,956</b>

<b>2.4 Monitoring and Evaluation</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>57,280</b>	<b>(100)</b>	<b>(15,683)</b>	<b>41,497</b>	<b>34,867</b>	<b>6,630</b>	<b>84.0%</b>	<b>47,962</b>	<b>41,046</b>
Compensation of employees	17,996	-	-	17,996	17,592	404	97.8%	20,298	17,570
Goods and services	39,284	(100)	(15,683)	23,501	17,275	6,226	73.5%	27,664	23,476
<b>Payments for capital assets</b>	<b>628</b>	<b>100</b>	<b>-</b>	<b>728</b>	<b>121</b>	<b>607</b>	<b>16.6%</b>	<b>1,046</b>	<b>375</b>
Machinery and equipment	628	100	-	728	121	607	16.6%	1,046	375
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>52</b>
<b>Total</b>	<b>57,908</b>	<b>-</b>	<b>(15,683)</b>	<b>42,225</b>	<b>34,988</b>	<b>7,237</b>	<b>82.9%</b>	<b>49,108</b>	<b>41,473</b>

2.5 PE Oversight (HDA, CSOS, EAAB)									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

<b>Transfers and subsidies</b>	<b>257,201</b>	-	<b>24,000</b>	<b>281,201</b>	<b>281,201</b>	-	<b>100.0%</b>	<b>262,158</b>	<b>262,158</b>
Departmental agencies and accounts	257,201	-	24,000	281,201	281,201	-	100.0%	262,158	262,158
<b>Total</b>	<b>257,201</b>	-	<b>24,000</b>	<b>281,201</b>	<b>281,201</b>	-	<b>100.0%</b>	<b>262,158</b>	<b>262,158</b>

2.6 Grant Management (HSDG, USDG, TRG)									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

<b>Transfers and subsidies</b>	<b>25,626,997</b>	-	-	<b>25,626,997</b>	<b>25,627,001</b>	(4)	<b>100.0%</b>	<b>31,372,901</b>	<b>30,982,627</b>
Provinces and municipalities	25,626,997	-	-	25,626,997	25,627,001	(4)	100.0%	31,372,901	30,982,627
<b>Total</b>	<b>25,626,997</b>	-	-	<b>25,626,997</b>	<b>25,627,001</b>	(4)	<b>100.0%</b>	<b>31,372,901</b>	<b>30,982,627</b>

2.7 Capacity Building and Sector Support (TIT DDS)									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

<b>Current payments</b>	<b>13,000</b>	-	<b>(1,817)</b>	<b>11,183</b>	<b>11,181</b>	<b>2</b>	<b>100.0%</b>	<b>28,897</b>	<b>28,892</b>
Goods and services	13,000	-	(1,817)	11,183	11,181	2	100.0%	28,897	28,892
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	<b>6</b>	<b>5</b>
<b>Total</b>	<b>13,000</b>	-	<b>(1,817)</b>	<b>11,183</b>	<b>11,181</b>	<b>2</b>	<b>100.0%</b>	<b>28,903</b>	<b>28,897</b>

<b>Programme 3: Informal Settlements</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management for informal settlements	4,842	385	-	5,227	4,737	490	91.0%	5,313	4,296
2. Policy and Research	-	-	-	-	-	-	-	-	-
3. Monitoring and Evaluation	-	-	-	-	-	-	-	-	-
4. Grant Management (ISUPG EMHOUS)	587,629	(385)	(5,000)	582,244	471,235	111,009	80.9%	450,721	413,828
5. Capacity Building and Sector Support (NUSP)	55,688	-	(9,500)	46,188	35,239	10,949	76.3%	57,886	47,762
<b>Total for sub programmes</b>	<b>648,159</b>	<b>-</b>	<b>(14,500)</b>	<b>633,659</b>	<b>511,211</b>	<b>122,448</b>	<b>80.7%</b>	<b>513,920</b>	<b>465,886</b>

<b>Economic classification</b>									
<b>Current payments</b>	<b>89,304</b>	<b>(1,133)</b>	<b>(14,500)</b>	<b>73,671</b>	<b>56,988</b>	<b>16,683</b>	<b>77.4%</b>	<b>87,580</b>	<b>73,402</b>
Compensation of employees	36,030	-	-	36,030	30,938	5,092	85.9%	38,539	31,617
Salaries and wages	30,175	673	-	30,848	27,640	3,208	89.6%	32,681	28,277
Social contributions	5,855	(673)	-	5,182	3,298	1,884	63.6%	5,858	3,340
Goods and services	53,274	(1,133)	(14,500)	37,641	26,050	11,591	69.2%	49,041	41,785
Advertising	225	(17)	-	208	125	83	60.1%	174	-
Minor assets	673	(61)	-	612	-	612	-	553	4
Catering: Departmental activities	651	273	-	924	739	185	80.0%	1,346	516
Communication	840	(51)	-	789	430	359	54.5%	805	607
Computer services	1	-	-	1	-	1	-	1	-
Consultants: Business and advisory services	40,691	(50)	(14,500)	26,141	21,676	4,465	82.9%	34,225	32,680
Contractors	441	119	-	560	473	87	84.5%	313	125
Entertainment	114	(54)	-	60	2	58	3.3%	52	11
Consumable supplies	153	(12)	-	141	2	139	1.4%	147	16
Consumable: Stationery, printing and office supplies	2,187	(340)	-	1,847	36	1,811	1.9%	769	142
Travel and subsistence	3,962	(797)	-	3,165	483	2,682	15.3%	5,613	3,640
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	1,101	(11)	-	1,090	218	872	20.0%	2,654	2,517
Venues and facilities	2,235	(132)	-	2,103	1,866	237	88.7%	2,389	1,527

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces and municipalities	558,394	-	-	558,394	453,914	104,480	81.3%	426,160	392,402
Provinces	399,602	(100,000)	-	299,602	287,656	11,946	96.0%	276,000	244,811
Provincial Revenue Funds	399,602	(100,000)	-	299,602	287,656	11,946	96.0%	276,900	244,811
Municipalities	158,792	100,000	-	258,792	166,258	92,534	64.2%	149,100	147,432
Municipal bank accounts	158,792	100,000	-	258,792	166,258	92,534	64.2%	149,100	147,432
Households	-	80	-	80	58	22	72.5%	160	159
Social benefits	-	80	-	80	58	22	72.5%	160	159

<b>Payments for capital assets</b>	<b>461</b>	<b>1,053</b>	<b>-</b>	<b>1,514</b>	<b>251</b>	<b>1,263</b>	<b>16.6%</b>	<b>178</b>	<b>80</b>
Machinery and equipment	461	1,053	-	1,514	251	1,263	16.6%	178	80
Other machinery and equipment	461	1,053	-	1,514	251	1,263	16.6%	178	80

<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>648,159</b>	<b>-</b>	<b>(14,500)</b>	<b>633,659</b>	<b>511,211</b>	<b>122,448</b>	<b>80.7%</b>	<b>513,920</b>	<b>465,886</b>

3.1 Management for Informal Settlements									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4,781</b>	<b>362</b>	<b>-</b>	<b>5,143</b>	<b>4,664</b>	<b>479</b>	<b>90.7%</b>	<b>5,113</b>	<b>4,137</b>
Compensation of employees	2,785	385	-	3,170	3,166	4	99.9%	3,220	2,990
Goods and services	1,996	(23)	-	1,973	1,498	475	75.9%	1,893	1,147
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142</b>	<b>141</b>
Households	-	-	-	-	-	-	-	142	141
<b>Payments for capital assets</b>	<b>61</b>	<b>23</b>	<b>-</b>	<b>84</b>	<b>73</b>	<b>11</b>	<b>86.9%</b>	<b>58</b>	<b>18</b>
Machinery and equipment	61	23	-	84	73	11	86.9%	58	18
<b>Total</b>	<b>4,842</b>	<b>385</b>	<b>-</b>	<b>5,227</b>	<b>4,737</b>	<b>490</b>	<b>90.6%</b>	<b>5,313</b>	<b>4,296</b>

3.4 Grant Management (ISUPG EMHOUS)									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>29,184</b>	<b>(415)</b>	<b>(5,000)</b>	<b>23,769</b>	<b>17,297</b>	<b>6,472</b>	<b>72.8%</b>	<b>24,648</b>	<b>21,529</b>
Compensation of employees	19,801	(385)	-	19,416	16,881	2,535	86.9%	18,957	17,316
Goods and services	9,383	(30)	(5,000)	4,353	416	3,937	9.6%	5,691	4,213
<b>Transfers and subsidies</b>	<b>558,394</b>	<b>-</b>	<b>-</b>	<b>558,394</b>	<b>453,914</b>	<b>104,480</b>	<b>81.3%</b>	<b>426,000</b>	<b>392,243</b>
Provinces and municipalities	558,394	-	-	558,394	453,914	104,480	81.3%	426,000	392,243
<b>Payments for capital assets</b>	<b>51</b>	<b>30</b>	<b>-</b>	<b>81</b>	<b>24</b>	<b>57</b>	<b>29.6%</b>	<b>73</b>	<b>56</b>
Machinery and equipment	51	30	-	81	24	57	29.6%	73	56
<b>Total</b>	<b>587,629</b>	<b>(385)</b>	<b>(5,000)</b>	<b>582,244</b>	<b>471,235</b>	<b>111,009</b>	<b>80.9%</b>	<b>450,721</b>	<b>413,828</b>

3.5 Capacity Building and Sector Support (NUSP)									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>55,339</b>	<b>(1,080)</b>	<b>(9,500)</b>	<b>44,759</b>	<b>35,027</b>	<b>9,732</b>	<b>78.3%</b>	<b>57,819</b>	<b>47,736</b>
Compensation of employees	13,444	-	-	13,444	10,891	2,553	81.0%	16,362	11,311
Goods and services	41,895	(1,080)	(9,500)	31,315	24,136	7,179	77.1%	41,457	36,425
<b>Transfers and subsidies</b>	<b>-</b>	<b>80</b>	<b>-</b>	<b>80</b>	<b>58</b>	<b>22</b>	<b>72.5%</b>	<b>18</b>	<b>18</b>
Households	-	80	-	80	58	22	72.5%	18	18
<b>Payments for capital assets</b>	<b>349</b>	<b>1,000</b>	<b>-</b>	<b>1,349</b>	<b>154</b>	<b>1,195</b>	<b>11.4%</b>	<b>47</b>	<b>6</b>
Machinery and equipment	349	1,000	-	1,349	154	1,195	11.4%	47	6
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>55,688</b>	<b>-</b>	<b>(9,500)</b>	<b>46,188</b>	<b>35,239</b>	<b>10,949</b>	<b>76.3%</b>	<b>57,886</b>	<b>47,762</b>

<b>Programme 4: Rental and Social Housing</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Management for Rental and Social Housing	4,487	(2)	-	4,485	3,087	1,398	68.8%	4,410	3,850
2. Policy and Research	-	-	-	-	-	-	-	-	-
3. Monitoring and Evaluation	-	-	-	-	-	-	-	-	-
4. Public Entity Oversight (SHRA)	1,117,520	-	-	1,117,520	1,117,520	-	100.0%	810,726	810,726
5. Capacity Building and Sector Support	62,589	2	-	62,591	41,650	20,941	66.5%	48,727	47,172
<b>Total for sub programmes</b>	<b>1,184,596</b>	<b>-</b>	<b>-</b>	<b>1,184,596</b>	<b>1,162,257</b>	<b>22,339</b>	<b>98.1%</b>	<b>863,863</b>	<b>861,748</b>

<b>Economic classification</b>									
<b>Current payments</b>	<b>66,523</b>	<b>(22)</b>	<b>(6,386)</b>	<b>60,115</b>	<b>38,085</b>	<b>22,030</b>	<b>63.4%</b>	<b>52,481</b>	<b>50,406</b>
Compensation of employees	9,837	-	-	9,837	9,441	396	96.0%	10,786	10,102
Salaries and wages	8,798	121	-	8,919	8,694	225	97.5%	9,564	9,318
Social contributions	1,039	(121)	-	918	747	171	81.4%	1,222	784
Goods and services	56,686	(22)	(6,386)	50,278	28,644	21,634	57.0%	41,695	40,304
Advertising	-	-	-	-	-	-	-	87	83
Minor assets	168	(22)	-	146	-	146	-	139	-
Catering: Departmental activities	33	1	-	34	8	26	23.5%	2,367	2,314
Communication	414	11	-	425	206	219	48.5%	401	256
Consultants: Business and advisory services	51,782	(2,638)	(6,386)	42,758	25,566	17,192	59.8%	19,668	19,668
Contractors	257	19	-	276	14	262	5.1%	1,056	1,012
Entertainment	10	-	-	10	3	7	30.0%	10	5
Consumable supplies	75	11	-	86	13	73	15.1%	125	55
Consumable: Stationery, printing and office supplies	473	2	-	475	6	469	1.3%	152	56
Travel and subsistence	2,994	2,600	-	5,594	2,806	2,788	50.2%	7,688	6,913
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	173	-	-	173	13	160	7.5%	87	35
Venues and facilities	307	(6)	-	301	9	292	3.0%	9,915	9,907
<b>Transfers and subsidies</b>	<b>1,117,520</b>	<b>-</b>	<b>6,386</b>	<b>1,123,906</b>	<b>1,123,905</b>	<b>1</b>	<b>100.0%</b>	<b>811,237</b>	<b>811,236</b>

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies and accounts	1,117,520	-	-	1,117,520	1,117,520	-	100.0%	810,726	810,726
Departmental agencies	1,117,520	-	-	1,117,520	1,117,520	-	100.0%	810,726	810,726
Households	-	-	6,386	6,386	6,385	1	100.0%	511	510
Social benefits	-	-	-	-	-	-	-	30	29
Other transfers to households	-	-	6,386	6,386	6,385	1	100.0%	481	481

<b>Payments for capital assets</b>	<b>553</b>	<b>20</b>	<b>-</b>	<b>573</b>	<b>266</b>	<b>307</b>	<b>46.4%</b>	<b>142</b>	<b>104</b>
Machinery and equipment	553	20	-	573	266	307	46.4%	142	104
Other machinery and equipment	553	20	-	573	266	307	46.4%	142	104

<b>Payments for financial assets</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>50.0%</b>	<b>3</b>	<b>2</b>
<b>Total</b>	<b>1,184,596</b>	<b>-</b>	<b>-</b>	<b>1,184,596</b>	<b>1,162,257</b>	<b>22,339</b>	<b>98.1%</b>	<b>863,863</b>	<b>861,748</b>

4.1 Management for Rental and Social Housing									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4,278</b>	<b>(22)</b>	<b>-</b>	<b>4,256</b>	<b>2,949</b>	<b>1,307</b>	<b>69.3%</b>	<b>4,351</b>	<b>3,809</b>
Compensation of employees	3,064	-	-	3,064	2,831	233	92.4%	3,258	3,162
Goods and services	1,214	(22)	-	1,192	118	1,074	9.9%	1,093	647
<b>Payments for capital assets</b>	<b>209</b>	<b>20</b>	<b>-</b>	<b>229</b>	<b>138</b>	<b>91</b>	<b>60.3%</b>	<b>59</b>	<b>41</b>
Machinery and equipment	209	20	-	229	138	91	60.3%	59	41
<b>Total</b>	<b>4,487</b>	<b>(2)</b>	<b>-</b>	<b>4,485</b>	<b>3,087</b>	<b>1,398</b>	<b>68.8%</b>	<b>4,410</b>	<b>3,850</b>

<b>4.4 Public Entity Oversight (SHRA)</b>									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>1,117,520</b>	-	-	<b>1,117,520</b>	<b>1,117,520</b>	-	<b>100.0%</b>	<b>810,726</b>	<b>810,726</b>
Departmental agencies and accounts	1,117,520	-	-	1,117,520	1,117,520	-	100.0%	810,726	810,726
<b>Total</b>	<b>1,117,520</b>	-	-	<b>1,117,520</b>	<b>1,117,520</b>	-	<b>100.0%</b>	<b>810,726</b>	<b>810,726</b>
<b>4.5 Capacity Building and Sector Support</b>									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>62,245</b>	-	<b>(6,386)</b>	<b>55,859</b>	<b>35,136</b>	<b>20,723</b>	<b>62.9%</b>	<b>48,130</b>	<b>46,597</b>
Compensation of employees	6,773	-	-	6,773	6,610	163	97.6%	7,528	6,940
Goods and services	55,472	-	(6,386)	49,086	28,526	20,560	58.1%	40,602	39,657
<b>Transfers and subsidies</b>	-	-	<b>6,386</b>	<b>6,386</b>	<b>6,385</b>	<b>1</b>	<b>100.0%</b>	<b>511</b>	<b>510</b>
Households	-	-	6,386	6,386	6,385	1	100.0%	511	510
<b>Payments for capital assets</b>	<b>344</b>	-	-	<b>344</b>	<b>128</b>	<b>216</b>	<b>37.2%</b>	<b>83</b>	<b>63</b>
Machinery and equipment	344	-	-	344	128	216	37.2%	83	63
<b>Payments for financial assets</b>	-	<b>2</b>	-	<b>2</b>	<b>1</b>	<b>1</b>	<b>50.0%</b>	<b>3</b>	<b>2</b>
<b>Total</b>	<b>62,589</b>	<b>2</b>	-	<b>62,591</b>	<b>41,650</b>	<b>20,941</b>	<b>66.5%</b>	<b>48,727</b>	<b>47,172</b>

<b>Programme 5: Affordable Housing</b>									
	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Sub programme</b>									
1. Management affordable Housing	3,702	-	-	3,702	1,926	1,776	52.0%	3,916	2,671
2. Public Entity Oversight (NHFC/HSDB)	664,520	(779)	-	663,741	656,589	7,152	98.9%	164,683	157,661
3. Capacity Building and Sector Support	66,372	779	8,000	75,151	42,419	32,732	56.4%	67,594	56,081
<b>Total for sub programmes</b>	<b>734,594</b>	<b>-</b>	<b>8,000</b>	<b>742,594</b>	<b>700,934</b>	<b>41,660</b>	<b>94.4%</b>	<b>236,193</b>	<b>216,413</b>

<b>Economic classification</b>									
<b>Current payments</b>	<b>76,449</b>	<b>(916)</b>	<b>(6,000)</b>	<b>69,533</b>	<b>45,851</b>	<b>23,682</b>	<b>65.9%</b>	<b>71,332</b>	<b>61,209</b>
Compensation of employees	45,280	-	-	45,280	40,145	5,135	88.7%	47,372	41,123
Salaries and wages	37,856	1,660	-	39,516	35,757	3,759	90.5%	40,779	36,878
Social contributions	7,424	(1,660)	-	5,764	4,388	1,376	76.1%	6,593	4,245
Goods and services	31,169	(916)	(6,000)	24,253	5,706	18,547	23.5%	23,960	20,086
Advertising	816	65	-	881	557	324	63.2%	219	170
Minor assets	1,122	(246)	-	876	-	876	-	379	26
Bursaries: Employees	-	-	-	-	-	-	-	49	49
Catering: Departmental activities	1,238	(275)	-	963	290	673	30.1%	2,052	1,960
Communication	1,306	141	-	1,447	986	461	68.1%	1,175	1,165
Computer services	4	-	-	4	-	4	-	4	-
Consultants: Business and advisory services	14,146	(45)	(6,000)	8,101	481	7,620	5.9%	2,067	402
Contractors	736	(295)	-	441	231	210	52.4%	1,114	1,100
Entertainment	137	(20)	-	117	5	112	4.3%	35	15
Consumable supplies	571	-	-	571	11	560	1.9%	115	9
Consumable: Stationery, printing and office supplies	881	(30)	-	851	98	753	11.5%	389	199
Travel and subsistence	6,194	(363)	-	5,831	1,618	4,213	27.7%	10,851	9,549
Operating payments	921	300	-	1,221	589	632	48.2%	149	83
Venues and facilities	3,097	(148)	-	2,949	840	2,109	28.5%	5,362	5,359

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	657,358	102	14,000	671,460	654,190	17,270	97.4%	<b>114,079</b>	<b>104,853</b>
Departmental agencies and accounts	649,685	-	-	649,685	649,685	-	100.0%	<b>100,000</b>	<b>100,000</b>
Departmental agencies	649,685	-	-	649,685	649,685	-	100.0%	100,000	100,000
Foreign governments and international organisations	3,595	-	14,000	17,595	3,455	14,140	19.6%	3,085	3,031
Households	4,078	102	-	4,180	1,050	3,130	25.1%	<b>10,994</b>	<b>1,822</b>
Social benefits	-	102	-	102	97	5	95.1%	20	1
Other transfers to households	4,078	-	-	4,078	953	3,125	23.4%	10,974	1,821
<b>Payments for capital assets</b>	787	809	-	1,596	889	707	55.7%	<b>769</b>	<b>346</b>
Machinery and equipment	787	809	-	1,596	889	707	55.7%	769	346
Other machinery and equipment	787	809	-	1,596	889	707	55.7%	769	346
<b>Payments for financial assets</b>	-	5	-	5	4	1	80.0%	<b>50,013</b>	<b>50,005</b>
<b>Total</b>	<b>734,594</b>	<b>-</b>	<b>8,000</b>	<b>742,594</b>	<b>700,934</b>	<b>41,660</b>	<b>94.4%</b>	<b>236,193</b>	<b>216,413</b>

<b>5.1 Management for Affordable Housing</b>									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>3,629</b>	<b>(220)</b>	<b>-</b>	<b>3,409</b>	<b>1,845</b>	<b>1,564</b>	<b>54.1%</b>	<b>3,847</b>	<b>2,612</b>
Compensation of employees	2,417	-	-	2,417	1,640	777	67.9%	2,557	2,197
Goods and services	1,212	(220)	-	992	205	787	20.7%	1,290	415
<b>Payments for capital assets</b>	<b>73</b>	<b>220</b>	<b>-</b>	<b>293</b>	<b>81</b>	<b>212</b>	<b>27.6%</b>	<b>69</b>	<b>59</b>
Machinery and equipment	73	220	-	293	81	212	27.6%	69	59
<b>Payments for financial assets</b>									
<b>Total</b>	<b>3,702</b>	<b>-</b>	<b>-</b>	<b>3,702</b>	<b>1,926</b>	<b>1,776</b>	<b>52.0%</b>	<b>3,916</b>	<b>2,671</b>

<b>5.2 Public Entity Oversight (NHFC/HSDB)</b>									
	<b>2020/21</b>						<b>2019/20</b>		
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>14,465</b>	<b>(821)</b>	<b>-</b>	<b>13,644</b>	<b>6,539</b>	<b>7,105</b>	<b>47.9%</b>	<b>14,495</b>	<b>7,572</b>
Compensation of employees	10,469	(779)	-	9,690	5,558	4,132	57.4%	10,970	6,814
Goods and services	3,996	(42)	-	3,954	981	2,973	24.8%	3,525	758
<b>Transfers and subsidies</b>	<b>649,685</b>	<b>42</b>	<b>-</b>	<b>649,727</b>	<b>649,726</b>	<b>1</b>	<b>97.6%</b>	<b>100,020</b>	<b>100,001</b>
Departmental agencies and accounts	649,685	-	-	649,685	649,685	-	100.0%	100,000	100,000
Households	-	42	-	42	41	1	97.6%	20	1
<b>Payments for capital assets</b>	<b>370</b>	<b>-</b>	<b>-</b>	<b>370</b>	<b>324</b>	<b>46</b>	<b>87.6%</b>	<b>168</b>	<b>88</b>
Machinery and equipment	370	-	-	370	324	46	87.6%	168	88
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>
<b>Total</b>	<b>664,520</b>	<b>(779)</b>	<b>-</b>	<b>663,741</b>	<b>656,589</b>	<b>7,152</b>	<b>98.9%</b>	<b>164,683</b>	<b>157,661</b>

<b>5.3 Capacity Building and Sector Support</b>									
	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>58,355</b>	<b>125</b>	<b>(6,000)</b>	<b>52,480</b>	<b>37,467</b>	<b>15,013</b>	<b>71.4%</b>	<b>52,990</b>	<b>51,025</b>
Compensation of employees	32,394	779	-	33,173	32,947	226	99.3%	33,845	32,112
Goods and services	25,961	(654)	(6,000)	19,307	4,520	14,787	23.4%	19,145	18,913
<b>Transfers and subsidies</b>	<b>7,673</b>	<b>60</b>	<b>14,000</b>	<b>21,733</b>	<b>4,464</b>	<b>17,269</b>	<b>20.5%</b>	<b>14,059</b>	<b>4,852</b>
Foreign governments and international organisations	3,595	-	14,000	17,595	3,455	14,140	19.6%	3,085	3,031
Households	4,078	60	-	4,138	1,009	3,129	24.4%	10,974	1,821
<b>Payments for capital assets</b>	<b>344</b>	<b>589</b>	<b>-</b>	<b>933</b>	<b>484</b>	<b>449</b>	<b>51.9%</b>	<b>532</b>	<b>199</b>
Machinery and equipment	344	589	-	933	484	449	51.9%	532	199
<b>Payments for financial assets</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>80.0%</b>	<b>13</b>	<b>5</b>
<b>Total</b>	<b>66,372</b>	<b>779</b>	<b>8,000</b>	<b>75,151</b>	<b>42,419</b>	<b>32,732</b>	<b>56.4%</b>	<b>67,594</b>	<b>56,081</b>

**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**

Administration	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Current Payment	471,985	392,959	79,026	17%
Transfers and subsidies	1,113	1,107	6	1%
Expenditure for capital assets	10,268	5,089	5,179	50%
Financial assets	33	29	4	12%

**Current Payments:** Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will still exist in the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the department's organisational structure. Changes in the 2021 MTEF allocation meant that the department had to exercise caution ab filling positions so as to manage the risk of appointing more people than the department could afford in the future.

**Goods and Services:** Underspending was mainly as a result of the COVID 19 pandemic which resulted in a national lockdown and subsequent curtailing of activities within the Department to ensure compliance to DPSA directives. The most affected activities were travel, training of officials and other personnel related expenditure. The delay in filling of positions also resulted in underspending of the advertising and resettlement budgets.

**Expenditure for capital assets:** Underspending can be attributed to over-estimation of costs related to procuring and replacing computer equipment to enable staff to work remotely.

<b>Integrated Human Settlements Planning and Development</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Current Payment	124,336	92,447	31,889	26%
Transfers and subsidies	25,908,319	25,908,320	(1)	0%
Expenditure for capital assets	2,087	1,156	931	45%
Financial assets	29	28	1	3%

**Current Payments:** Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will still exist in the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the department's organisational structure. Changes in the 2021 MTEF allocation meant that the department had to exercise caution about filling positions so as to manage the risk of appointing more people than the department could afford in the future.

**Goods and Services:** Underspending was mainly as a result of the COVID-19 pandemic which resulted in a national lockdown and subsequent curtailing of activities within the Department to ensure compliance to DPSA directives. Most affected were travel and other personnel-related expenditure as well delays in procurement processes. Another contributing factor is the underspending on the Housing Subsidy System budget due to SITA not providing the required services as per the service level agreement.

**Expenditure for capital assets:** The underspending can be attributed to overestimation of costs of procuring and replacement of computer equipment to enable staff to work remotely.

<b>Informal Settlements</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Current Payment	73,671	56,988	16,683	23%
Transfers and subsidies	558,474	453,972	104,502	19%
Expenditure for capital assets	1,514	251	1,263	83%

**Current Payments:** Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will exist in the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the department's organisational structure. Changes in the 2021 MTEF allocation meant that the department had to exercise caution about filling positions so as to manage the risk of appointing more people than the department could afford in the future.

**Goods and Services:** Underspending was mainly because of the COVID-19 pandemic which resulted in a national lockdown and subsequent curtailing of activities within the Department to ensure compliance to DPSA directives. Travel was the most affected along with other personnel-related expenditure, while delays in the procurement processes were also incurred.

**Transfer and subsidies:** Underspending on the transfers and subsidies was due to the partial transfer of the Provincial and Municipal Emergency Housing Grants. The Emergency Housing Grants are intended to provide temporary shelter assistance to households affected by disasters. These grants are transferred on approval of an application by a province or a municipality. Where no application is received, funding cannot be transferred to any province or municipality and thus remains unspent.

**Expenditure for capital assets:** The underspending can be attributed to overestimation of costs of procuring and replacement of computer equipment to enable staff to work remotely.

Rental and Social Housing	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
Current Payment	60,115	38,085	22,030	37%
Transfers and subsidies	1,123,906	1,123,905	1	0%
Expenditure for capital assets	573	266	307	54%
Financial assets	2	1	1	50%

**Current Payments:** Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will still exist in the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the Department's organisational structure as there was a need to ensure that there is close alignment between the two. In addition, changes in the 2021 MTEF allocation meant that the department had to exercise caution about filling positions to manage the risk of appointing more people than the department could afford in the future.

**Goods and Services:** Underspending was largely due to the Covid 19 pandemic, which resulted in a national lockdown and subsequent curtailing of activities within the Department to ensure compliance to DPSA directives. Travel and other personnel related expenditure as well as delays in the procurement processes were the most affected.

**Transfer and subsidies:** Underspending on the transfers and subsidies was due to:

- Additional funds provided to the UN Habitat for the UN Habitat Partnership on leading sustainable inclusive urban transformation in the decade of action, were not transferred as the agreement between the Department and the United Nations could not be finalised in time. Initially, an administrative agreement signed by the Accounting Officer was envisaged, but the Department was informed by the Department of International Relations that due to the amount involved, a political agreement signed by the Executive Authority was required, which delayed the agreement being finalised
- Due to the Department's scholarship programme for non-employees being phased out in line with the Government's response to the "*FeesMustFall*" campaign, this resulted in savings too.

**Expenditure for capital assets:** The underspending can be attributed to the overestimation of costs of procuring and replacement of computer equipment to enable staff to work remotely.

<b>Affordable Housing</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Current Payment	69,533	45,851	23,682	34%
Transfers and subsidies	671,460	654,190	17,270	3%
Expenditure for capital assets	1,596	889	707	44%
Financial assets	5	4	1	20%

**Current Payments:** Compensation of employees: Vacant positions could not be filled in time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will still exist in the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the Department's organisational structure as there was a need to ensure close alignment to it. In addition, changes in the 2021 MTEF allocation meant that the Department had to exercise caution about filling positions in order to manage the risk of appointing more people than the Department could afford in the future.

**Goods and Services:** Underspending was largely due to the COVID-19 pandemic, which resulted in a national lockdown and subsequent curtailing of activities within the Department to ensure compliance to DPSA directives. Most affected was travel and other personnel-related expenditure as well as delays in the procurement processes.

**Transfer and subsidies:** Underspending on the transfers and subsidies was due to:

- Additional funds provided to the UN Habitat for the UN Habitat Partnership on leading sustainable inclusive urban transformation in the decade of action, were not transferred as the agreement between the Department and the United Nations could not be finalised on time. Initially an administrative agreement signed by the Accounting Officer was envisaged, but the Department of International Relations informed the Department of Human Settlements that a political agreement signed by the Executive Authority was required that due to the amount involved, which delayed the agreement being finalised
- The fact that the Department's scholarship programme for non-employees is being phased out, in line with government's response to the "*FeesMustFall*" campaign, resulted in savings too.

**Expenditure for capital assets**

The underspending can be attributed to overestimation of costs of procuring and replacement of computer equipment to enable staff to work remotely.

4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
<b>Current payments</b>				
Compensation of employees	397,264	352,497	44,767	11%
Goods and services	402,376	273,833	128,543	32%
<b>Transfers and subsidies</b>				
Provinces and municipalities	26,185,391	26,080,915	104,476	0%
Departmental agencies and accounts	2,048,406	2,048,406	-	0%
Foreign governments and international organisations	17,595	3,455	14,140	80%
Households	11,880	8,718	3,162	27%
<b>Payments for capital assets</b>				
Machinery and equipment	15,579	7,651	7,928	51%
Software and other intangible assets	459	-	459	100%
<b>Payments for financial assets</b>	69	62	7	10%

**Current Payments:** Compensation of employees: Vacant positions could not be filled on time before the end of the financial year. This was due to delays in the recruitment process coupled with the fact that the department was reviewing its organisational structure. Caution had to be exercised in filling vacant positions as there was no certainty as to whether the existing vacant positions will still exist in the new structure. The introduction by the National Treasury of a new budget structure also delayed the completion of the department's organisational structure. Changes in the 2021 MTEF allocation meant that the department had to exercise caution in filling positions so as to manage the risk of appointing more people than the department could afford in the future.

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

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

- Funds provided additionally to the UN Habitat for the UN Habitat Partnership on leading sustainable inclusive urban transformation in the decade of action could not be transferred as the agreement between the Department and the United Nations could not be finalised in time. Initially an administrative agreement signed by the Accounting Officer was envisaged, but the Department was informed by the Department of International Relations that due to the amount a political agreement signed by the Executive Authority is required, which delayed the agreement being finalised
- The fact that the Department's scholarship programme for non-employees is being phased out, in line with government response to the "Fees must fall" campaign, resulted in savings.

**Expenditure for capital assets:** The underspending can be attributed to over estimation of costs of procuring and replacement of computer equipment to enable staff to work remotely.

<b>4.3 Per conditional grant</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation</b>
Human Settlements Development Grant	14,892,292	14,892,297	(4)	0%
Urban Settlements Development Grant	10,572,145	10,572,145	-	0%
Provincial Emergency Housing Grant	299,602	287,656	11,946	4%
Municipal Emergency Housing Grant	258,792	166,258	92,534	36%
Title Deeds Restoration Grant	162,559	162,559	-	0%

**Transfer and subsidies:** Underspending on the transfers and subsidies is due to the partial transfer of the Provincial and Municipal Emergency Housing Grants. The Emergency Housing Grants are intended to provide temporary shelter assistance to households affected by disasters. These grants are transferred on approval of an application by a province or a municipality. Where no application is received, funding cannot be transferred to any province or municipality and thus remains unspent.

	<i>Note</i>	<b>2020/21</b> <b>R'000</b>	<b>2019/20</b> <b>R'000</b>
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	29,079,019	33,861,914
Departmental revenue	<u>2</u>	365	860
Aid assistance		1,406	1,922
<b>TOTAL REVENUE</b>		<b>29,080,790</b>	<b>33,864,696</b>
<b>EXPENDITURE</b>			
Current expenditure			
Compensation of employees	<u>4</u>	352,496	356,205
Goods and services	<u>5</u>	273,832	373,170
Aid assistance	<u>3</u>	1,406	983
<b>Total current expenditure</b>		<b>627,734</b>	<b>730,358</b>
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	28,141,495	32,560,142
<b>Total transfers and subsidies</b>		<b>28,141,495</b>	<b>32,560,142</b>
Expenditure for capital assets			
Tangible assets	<u>8</u>	7,652	5,872
<b>Total expenditure for capital assets</b>		<b>7,652</b>	<b>5,872</b>
Payments for financial assets			
Payments for financial assets	<u>6</u>	62	50,164
<b>TOTAL EXPENDITURE</b>		<b>28,776,943</b>	<b>33,346,536</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>303,847</b>	<b>518,160</b>

**Reconciliation of Net Surplus/(Deficit) for the year**

Voted funds		303,482	516,361
Annual appropriation		303,482	516,440
Conditional grants			
Departmental revenue and NRF Receipts	<u>14</u>	365	860
Aid assistance	<u>3</u>	-	939
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>303,847</b>	<b>518,160</b>

	<i>Note</i>	<b>2020/21</b>	<b>2019/20</b>		<i>Note</i>	<b>2020/21</b>	<b>2019/20</b>
		<b>R'000</b>	<b>R'000</b>			<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>							
Current assets		491,358	634,392	Represented by:			
Cash and cash equivalents	<u>9</u>	485,073	633,158	Capitalisation reserve		2,364,239	2,364,239
Prepayments and advances	<u>10</u>	5,428	543	Recoverable revenue		81	109
Receivables	<u>11</u>	857	691				
Non-current assets		2,366,169	2,366,220	<b>TOTAL</b>		<b>2,364,320</b>	<b>2,364,348</b>
Investments	<u>12</u>	2,364,239	2,364,239				
Receivables	<u>11</u>	1,930	1,981				
<b>TOTAL ASSETS</b>		<b>2,857,527</b>	<b>3,000,612</b>				
<b>LIABILITIES</b>							
Current liabilities		493,207	636,264				
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	301,485	516,361				
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	21	58				
Payables	<u>15</u>	190,132	118,276				
Aid assistance unutilised	<u>3</u>	1,569	1,569				
Non-current liabilities							
<b>TOTAL LIABILITIES</b>		<b>493,207</b>	<b>636,264</b>				
<b>NET ASSETS</b>		<b>2,364,320</b>	<b>2,364,348</b>				

	<i>Note</i>	<b>2020/21</b>	<b>2019/20</b>
		<b>R'000</b>	<b>R'000</b>
<b>Capitalisation Reserves</b>			
Opening balance		2,364,239	2,314,239
Transfers:			
Movement in Equity		-	50,000
Closing balance		<u>2,364,239</u>	<u>2,364,239</u>
<b>Recoverable revenue</b>			
Opening balance		109	111
Transfers:		(28)	(2)
Irrecoverable amounts written off	<u>6.2</u>	-	(1)
Debts recovered (included in departmental receipts)		(44)	(44)
Debts raised		16	43
Closing balance		<u>81</u>	<u>109</u>
<b>TOTAL</b>		<b><u>2,364,320</u></b>	<b><u>2,364,348</u></b>

	<i>Note</i>	<b>2020/21</b> <b>R'000</b>	<b>2019/20</b> <b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		29,078,792	33,864,516
Annual appropriated funds received	<u>1.1</u>	29,077,021	33,861,914
Departmental revenue received	<u>2</u>	335	544
Interest received	<u>2.2</u>	30	136
Aid assistance received	<u>Annx 1!</u>	1,406	1,922
Net (increase)/decrease in working capital		66,805	119,054
Surrendered to Revenue Fund		(516,762)	(261,648)
Current payments		(627,734)	(730,358)
Payments for financial assets		(62)	(50,164)
Transfers and subsidies paid		(28,141,495)	(32,560,142)
Net cash flow available from operating activities	<u>16</u>	<u>(140,456)</u>	<u>381,258</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>8</u>	(7,652)	(5,872)
Proceeds from sale of capital assets	<u>2.3</u>	-	180
(Increase)/decrease in investments		-	(50,000)
(Increase)/decrease in non-current receivables	<u>11</u>	51	63
Net cash flows from investing activities		<u>(7,601)</u>	<u>(55,629)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		<u>(28)</u>	<u>49,998</u>
Net cash flows from financing activities		<u>(28)</u>	<u>49,998</u>
Net increase/(decrease) in cash and cash equivalents		(148,085)	375,627
Cash and cash equivalents at beginning of period		633,158	257,531
Cash and cash equivalents at end of period	<u>17</u>	<u>485,073</u>	<u>633,158</u>

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

8	<b>Expenditure</b>
8.1	<b>Compensation of employees</b>
8.1.1	<b>Salaries and wages</b> Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	<b>Social contributions</b> Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	<b>Other expenditure</b> Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	<b>Accruals and payables not recognised</b> Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	<b>Leases</b>
8.4.1	<b>Operating leases</b> Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. 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	<b>Finance leases</b> 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	<b>Aid Assistance</b>
9.1	<b>Aid assistance received</b> Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	<b>Aid assistance paid</b> Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	<b>Cash and cash equivalents</b> Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	<b>Prepayments and advances</b> Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments and advances are expensed and under what circumstances.>

12	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p><b>Financial assets</b></p>
14.1	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p><b>Capital Assets</b></p>
16.1	<p><b>Immovable capital assets</b></p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined, the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p><b>Software and other intangible assets</b></p> <p>Software and other intangible assets are initially recorded in the notes to the financial statements at cost. Software and other intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated software and other intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of software and other intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined, the software and other intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Software and other intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian after completion.</p>

17	<b>Provisions and Contingents</b>
17.1	<b>Provisions</b> 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	<b>Contingent liabilities</b> 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	<b>Contingent assets</b> 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	<b>Capital commitments</b> Capital commitments are recorded at cost in the notes to the financial statements.
18	<b>Unauthorised expenditure</b> Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: approved by Parliament or the Provincial Legislature with funding and the related funds are received; or approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	<b>Fruitless and wasteful expenditure</b> Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
20	<b>Irregular expenditure</b> Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note. Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
21	<b>Changes in accounting estimates and errors</b> 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	<b>Events after the reporting date</b> 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	<p><b>Principal-Agent arrangements</b>                  The department is party to a principal-agent arrangement for [include details here ]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p><b>Departures from the MCS requirements</b>                  The Department did not deviate from the Modified Cash Standard requirements.</p>
25	<p><b>Capitalisation reserve</b>                  The capitalisation reserve comprises financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed, and the related funds are received.</p>
26	<p><b>Recoverable revenue</b>                  Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered, or are transferred to the statement of financial performance when written-off.</p>
27	<p><b>Related party transactions</b>                  Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
28	<p>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 nominal charge, the lower of cost and current replacement value.                  The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p><b>Public-Private Partnerships</b>                  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 where appropriate.</p>
30	<p><b>Employee benefits</b>                  The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
31	<p><b>Transfers of functions</b>                  Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.                  Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p><b>Mergers</b>                  Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.                  Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>

**1. Annual Appropriation**

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

	2020/21			2019/20		
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	
Administration	483,399	481,401	1,998	464,667	464,667	-
Integrated Human Settlements planning and Development	26,034,771	26,034,771	-	104,657	104,657	-
Informal Settlements	633,659	633,659	-	241,494	241,494	-
Rental and Social Housing	1,184,596	1,184,596	-	33,051,096	33,051,096	-
Affordable Housing	742,594	742,594	-	-	-	-
<b>Total</b>	<b>29,079,019</b>	<b>29,077,021</b>	<b>1,998</b>	<b>33,861,914</b>	<b>33,861,914</b>	<b>-</b>

The R 1,9 million was not requested due to late approval of the drawing schedule by National Treasury, which was a result of Adjusted Appropriation Act tabled late in February 2021.

**2. Departmental revenue**

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Sales of goods and services other than capital assets	<u>2.1</u>	206	204
Interest, dividends and rent on land	<u>2.2</u>	30	136
Sales of capital assets	<u>2.3</u>	-	180
Transactions in financial assets and liabilities	<u>2.4</u>	129	340
Total revenue collected		365	860
<b>Departmental revenue collected</b>		<b>365</b>	<b>860</b>

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

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Sales of goods and services produced by the department	<u>2</u>	205	201
Sales by market establishment		61	60
Other sales		144	141
Sales of scrap, waste and other used current goods		1	3
<b>Total</b>		<b>206</b>	<b>204</b>

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

	<i>Note</i>	2020/21	2019/20
	<u>2</u>	R'000	R'000
Interest		30	136
<b>Total</b>		<b>30</b>	<b>136</b>

**2.3 Sale of capital assets**

	<i>Note</i>	2020/21	2019/20
	<u>2</u>	R'000	R'000
Tangible assets		-	180
Machinery and equipment	<u>27</u>	-	180
<b>Total</b>		<b>-</b>	<b>180</b>

**2.4 Transactions in financial assets and liabilities**

	<i>Note</i>	2020/21	2019/20
	<u>2</u>	R'000	R'000
Other Receipts including Recoverable Revenue		129	340
<b>Total</b>		<b>129</b>	<b>340</b>

**3. Aid assistance**

	<i>Note</i>	<b>2020/21</b>	<b>2019/20</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		1,569	630
Prior period error			
As restated		<u>1,569</u>	<u>630</u>
Transferred from statement of financial performance		-	939
<b>Closing balance</b>		<b><u>1,569</u></b>	<b><u>1,569</u></b>

**3.1 Analysis of balance by source**

		<b>2020/21</b>	<b>2019/20</b>
	<i>Note</i>	<b>R'000</b>	<b>R'000</b>
Aid assistance from other sources		<u>1,569</u>	<u>1,569</u>
<b>Closing balance</b>	<u>3</u>	<b><u>1,569</u></b>	<b><u>1,569</u></b>

**3.2 Analysis of balance**

		<b>2020/21</b>	<b>2019/20</b>
	<i>Note</i>	<b>R'000</b>	<b>R'000</b>
Aid assistance unutilised		<u>1,569</u>	<u>1,569</u>
<b>Closing balance</b>	<u>3</u>	<b><u>1,569</u></b>	<b><u>1,569</u></b>

Aid assistance expenditure per economic classification

		<b>2020/21</b>	<b>2019/20</b>
	<i>Note</i>	<b>R'000</b>	<b>R'000</b>
Current		<u>1,406</u>	983
<b>Total aid assistance expenditure</b>		<b><u>1,406</u></b>	<b><u>983</u></b>

**4. Compensation of employees**

**4.1 Salaries and Wages**

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Basic salary		238,553	239,608
Performance award		2,238	4,581
Service-based		16,936	16,698
Compensative/circumstantial		17,248	18,015
Other non-pensionable allowances		37,658	38,932
<b>Total</b>		<b>312,633</b>	<b>317,834</b>

**4.2 Social contributions**

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
<b>Employer contributions</b>			
Pension		28,486	27,896
Medical		11,322	10,423
Bargaining council		55	52
<b>Total</b>		<b>39,863</b>	<b>38,371</b>
<b>Total compensation of employees</b>		<b>352,496</b>	<b>356,205</b>
<b>Average number of employees</b>		<b>551</b>	<b>565</b>

**5. Goods and services**

	<u>Note</u>	<b>2020/21</b>	<b>2019/20</b>
		<b>R'000</b>	<b>R'000</b>
Administrative fees		159	284
Advertising		15,533	5,018
Minor assets	<u>5.1</u>	115	343
Bursaries (employees)		1,055	1,239
Catering		11,387	18,789
Communication		8,939	10,142
Computer services	<u>5.2</u>	31,872	56,420
Consultants: Business and advisory services		66,046	67,292
Legal services		2,785	4,269
Contractors		8,691	11,926
Agency and support / outsourced services		731	-
Entertainment		123	135
Audit cost – external	<u>5.3</u>	7,684	7,210
Fleet services		1,161	1,438
Consumables	<u>5.4</u>	6,654	4,600
Operating leases		43,259	43,800
Property payments	<u>5.5</u>	11,592	13,164
Travel and subsistence	<u>5.6</u>	25,017	68,213
Venues and facilities		27,993	51,473
Training and development		512	2,151
Other operating expenditure	<u>5.7</u>	2,524	5,264
<b>Total</b>		<b>273,832</b>	<b>373,170</b>

**5.1 Minor assets**

	<u>Note</u>	<b>2020/21</b>	<b>2019/20</b>
		<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>	<u>5</u>	115	343
Machinery and equipment		115	343
<b>Total</b>		<b>115</b>	<b>343</b>

**5.2 Computer services**

	<i>Note</i>	2020/21	2019/20
	<u>5</u>	R'000	R'000
SITA computer services		20,171	36,732
External computer service providers		11,701	19,688
<b>Total</b>		<b>31,872</b>	<b>56,420</b>

**5.3 Audit cost – External**

	<i>Note</i>	2020/21	2019/20
	<u>5</u>	R'000	R'000
Regularity audits		7,684	7,210
<b>Total</b>		<b>7,684</b>	<b>7,210</b>

**5.4 Consumables**

	<i>Note</i>	2020/21	2019/20
	<u>5</u>	R'000	R'000
Consumable supplies		4,656	1,660
Uniform and clothing		96	149
Household supplies		480	914
Communication accessories		2	2
IT consumables		55	151
Other consumables		4,023	444
Stationery, printing and office supplies		1,998	2,940
<b>Total</b>		<b>6,654</b>	<b>4,600</b>

**5.5 Property payments**

	<i>Note</i>	2020/21	2019/20
	<u>5</u>	R'000	R'000
Municipal services		5,638	5,726
Property management fees		-	286
Property maintenance and repairs		-	1,103
Other (cleaning services, security services)		5,954	6,049
<b>Total</b>		<b>11,592</b>	<b>13,164</b>

**5.6 Travel and subsistence**

	<i>Note</i>	2020/21	2019/20
	<u>5</u>	R'000	R'000
Local		24,912	65,375
Foreign		105	2,838
<b>Total</b>		<b>25,017</b>	<b>68,213</b>

**5.7 Other operating expenditure**

	<i>Note</i>	2020/21	2019/20
	<u>5</u>	R'000	R'000
Professional bodies, membership and subscription fees		104	10
Resettlement costs		84	85
Other (Printing and publications)		2,336	5,169
<b>Total</b>		<b>2,524</b>	<b>5,264</b>

**6. Payments for financial assets**

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Purchase of equity		-	50,000
Other material losses written off	<u>6.1</u>	35	163
Debts written off	<u>6.2</u>	27	1
<b>Total</b>		<b>62</b>	<b>50,164</b>

**6.1 Other material losses written off**

	<i>Note</i>	2020/21	2019/20
	<u>6</u>	R'000	R'000
<b>Nature of losses</b>			
Damage		35	136
No shows		-	27
<b>Total</b>		<b>35</b>	<b>163</b>

**6.2 Debt written off**

Bad debts		27	1
<b>Total</b>		<b>27</b>	<b>1</b>
<b>Total debt written off</b>		<b>27</b>	<b>1</b>

**7. Transfers and subsidies**

		2020/21	2019/20
		R'000	R'000
	<i>Note</i>		
Provinces and municipalities	<u>31, 32, Annexure 1A</u>	26,080,914	31,374,870
Departmental agencies and accounts	<u>Annexure 1B</u>	2,048,406	1,172,884
Foreign governments and international organisations	<u>Annexure 1E</u>	3,456	3,031
Households	<u>Annexure 1G</u>	8,719	9,357
<b>Total</b>		<b>28,141,495</b>	<b>32,560,142</b>

**8. Expenditure for capital assets**

		2020/21	2019/20
		R'000	R'000
	<i>Note</i>		
<b>Tangible assets</b>		7,652	5,872
Machinery and equipment	<u>27</u>	7,652	5,872
<b>Total</b>		<b>7,652</b>	<b>5,872</b>

The difference of R99 thousand, between additions of R7,6 million (Note 8) and R7,5 million (Note 27.1) on machinery and equipment is assets received prior year but paid during the current year.

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

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

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

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	5,872	-	5,872
Machinery and equipment	5,872	-	5,872
<b>Total</b>	<b>5,872</b>	<b>-</b>	<b>5,872</b>

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

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Tangible assets			
Machinery and equipment		2,102	3,181
<b>Total</b>		<b>2,102</b>	<b>3,181</b>

**9. Cash and cash equivalents**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Consolidated Paymaster General Account		484,978	633,063
Cash on hand		95	95
<b>Total</b>		<b>485,073</b>	<b>633,158</b>

**10. Prepayments and advances**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Travel and subsistence		-	34
Advances paid (Not expensed)	<i>10.1</i>	5,428	509
<b>Total</b>		<b>5,428</b>	<b>543</b>

**10.1 Advances paid (Not expensed)**

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

	<i>Note</i>	Balance as at 1 April 2019 R'000	Less: Amount expensed in current year R'000	Add or Less: Other R'000	Add: Current Year advances R'000	Balance as at 31 March 2020 R'000
National departments	<i>10</i>	400	(1,238)	(1,253)	2,600	509
<b>Total</b>		<b>400</b>	<b>(1,238)</b>	<b>(1,253)</b>	<b>2,600</b>	<b>509</b>

**11. Receivables**

	<i>Note</i>	2020/21			2019/20		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	<a href="#">11.1</a>	448	189	637	266	248	514
Recoverable expenditure	<a href="#">11.2</a>	320	323	643	35	442	477
Staff debt	<a href="#">11.3</a>	89	255	344	389	129	518
Fruitless and wasteful expenditure	<a href="#">11.5</a>	-	1	1	1	-	1
Other receivables	<a href="#">11.4</a>	-	1,162	1,162	-	1,162	1,162
<b>Total</b>		<b>857</b>	<b>1,930</b>	<b>2,787</b>	<b>691</b>	<b>1,981</b>	<b>2,672</b>

**11.1 Claims recoverable**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
National departments	<a href="#">11 and Annex 4</a>	637	514
<b>Total</b>		<b>637</b>	<b>514</b>

**11.2 Recoverable expenditure (disallowance accounts)**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Disallowance Miscellaneous	<a href="#">11</a>	35	35
Damage Vehicles		608	442
<b>Total</b>		<b>643</b>	<b>477</b>

**11.3 Staff debt**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Study	<a href="#">11</a>	14	3
Vehicle		106	184
Cell phone		9	22
No show		5	5
SARS Debt		8	7
Leave without pay		22	22
Salaries		108	199
Laptop		66	70
Petty cash		6	6
<b>Total</b>		<b>344</b>	<b>518</b>

11.4 Other receivables	<i>Note</i>	2020/21	2019/20
	<i>11</i>	R'000	R'000
Suppliers		1,162	1,162
<b>Total</b>		<u>1,162</u>	<u>1,162</u>
11.5 Fruitless and wasteful expenditure	<i>Note</i>	2020/21	2019/20
	<i>11</i>	R'000	R'000
Opening balance		1	-
Transfers from note 24 fruitless and wasteful Expenditure		-	1
<b>Total</b>		<u>1</u>	<u>1</u>
11.6 Impairment of receivables	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Estimate of impairment of receivables		1,769	1,930
<b>Total</b>		<u>1,769</u>	<u>1,930</u>
12. Investments	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Non-Current			
Shares and other equity			
National Housing Finance Corporation		2,363,635	2,363,635
SERVCON		604	604
<b>Total</b>		<u>2,364,239</u>	<u>2,364,239</u>
<b>Total Non-Current</b>		<u>2,364,239</u>	<u>2,364,239</u>
		2020/21	2019/20
		R'000	R'000
<b>Analysis of non-current investments</b>			
Opening balance		2,364,239	2,314,239
Additions in cash		-	50,000
<b>Closing balance</b>		<u>2,364,239</u>	<u>2,364,239</u>

**12.1 Impairment of investments**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Estimate of impairment		604	604
<b>Total</b>		<b>604</b>	<b>604</b>

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

	<i>Note</i>	2020/21 R'000	2019/20 R'000
<b>Opening balance</b>		<b>516,361</b>	<b>260,459</b>
As restated		516,361	260,459
Transfer from statement of financial performance (as restated)		303,482	516,361
Voted funds not requested/not received	<u>1.1</u>	(1,998)	-
Paid during the year		(516,360)	(260,459)
<b>Closing balance</b>		<b>301,485</b>	<b>516,361</b>

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

	<i>Note</i>	2020/21 R'000	2019/20 R'000
<b>Opening balance</b>		<b>58</b>	<b>387</b>
As restated		58	387
Transfer from Statement of Financial Performance (as restated)		365	860
Paid during the year		(402)	(1,189)
<b>Closing balance</b>		<b>21</b>	<b>58</b>

**15. Payables – current**

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Clearing accounts	<u>15.1</u>	2,490	576
Other payables	<u>15.2</u>	187,642	117,700
<b>Total</b>		<b><u>190,132</u></b>	<b><u>118,276</u></b>

**15.1 Clearing accounts**

	<i>Note</i>	2020/21	2019/20
<b>Description</b>		R'000	R'000
Sal: Income Tax	<u>15</u>	2,383	505
Sal: GEHS Refund Control		33	26
Sal: Pension Fund		74	45
<b>Total</b>		<b><u>2,490</u></b>	<b><u>576</u></b>

**15.2 Other payables**

	<i>Note</i>	2020/21	2019/20
Description		R'000	R'000
Unspent fund (CSOS)		103,800	117,700
Unspent fund (Gauteng Provincial Department of Human Settlements)		40,930	-
Unspent fund (North West Provincial Department of Human Settlements)		42,907	-
Salary disallowance		5	-
<b>Total</b>		<b><u>187,642</u></b>	<b><u>117,700</u></b>

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

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Net surplus/(deficit) as per Statement of Financial Performance		303,847	518,160
Add back non-cash/cash movements not deemed operating activities		(444,303)	(136,902)
(Increase)/decrease in receivables		(166)	1,253
(Increase)/decrease in prepayments and advances		(4,885)	(143)
Increase/(decrease) in payables – current		71,856	117,944
Proceeds from sale of capital assets		-	(180)
Expenditure on capital assets		7,652	5,872
Surrenders to Revenue Fund		(516,762)	(261,648)
Voted funds not requested/not received		(1,998)	-
<b>Net cash flow generated by operating activities</b>		<b>(140,456)</b>	<b>381,258</b>

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

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Consolidated Paymaster General account		484,978	633,063
Cash on hand		95	95
<b>Total</b>		<b>485,073</b>	<b>633,158</b>

**18. Contingent liabilities and contingent assets**
**18.1 Contingent liabilities**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
<b>Liable to</b>			
	<b>Nature</b>		
Housing loan guarantees	Employees	105	105
Claims against the department	<i>Annex 3A</i>	1,658,185	1,658,185
Intergovernmental payables (unconfirmed balances)	<i>Annex 3B</i>	433	484
Other	<i>Annex 5</i>	64,980	68,363
<b>Total</b>	<i>Annex 3B</i>	<b>1,723,703</b>	<b>1,727,137</b>

It is premature for the Department to state whether the cases against the Department can or cannot be won. As these cases are before the courts it is for the courts to decide. The outcome of these cases cannot be anticipated. The Department is defending these cases and will continue to defend them until finality.

There is no reimbursement expected by the Department.

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

**19. Capital commitments**

	<i>Note</i>	<b>2020/21</b>	<b>2019/20</b>
		<b>R'000</b>	<b>R'000</b>
Furniture and office equipment		-	72
Computer equipment		566	1,222
Other machinery and equipment		64	229
<b>Total</b>		<b>630</b>	<b>1,523</b>

**20. Accruals and payables not recognised**

**20.1 Accruals**

			<b>2020/21</b>	<b>2019/20</b>
			<b>R'000</b>	<b>R'000</b>
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	14,124	1	14,125	6,114
Interest and rent on land				
Transfers and subsidies	3	-	3	-
Capital assets	90	-	90	96
<b>Total</b>	<b>14,217</b>	<b>1</b>	<b>14,218</b>	<b>6,210</b>

	<i>Note</i>	<b>2020/21</b>	<b>2019/20</b>
		<b>R'000</b>	<b>R'000</b>
<b>Listed by programme level</b>			
Administration		7,349	2,105
Integrated Human Settlements Planning and Development		3,811	54
Informal Settlements		649	3,905
Rental and Social Housing		2,208	146
Affordable Housing		201	-
<b>Total</b>		<b>14,218</b>	<b>6,210</b>

**20.2 Payables not recognised**

			2020/21 R'000	2019/20 R'000
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	770	69	839	1,619
Transfers and subsidies	-	8	8	-
Capital assets	51	-	51	-
Other	0	11	11	-
<b>Total</b>	<b>821</b>	<b>88</b>	<b>909</b>	<b>1,619</b>

	<i>Note</i>	2020/21 R'000	2019/20 R'000
<b>Listed by programme level</b>			
Administration		130	524
Integrated Human Settlements Planning and Development		88	36
Informal Settlements		228	1,059
Rental and Social Housing		462	-
Affordable Housing		1	-
<b>Total</b>		<b>909</b>	<b>1,619</b>

**21. Employee benefits**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Leave entitlement		26,186	13,549
Service bonus		8,040	8,106
Performance awards		2,167	3,043
Capped leave		4,834	4,973
<b>Total</b>		<b>41,227</b>	<b>29,671</b>

At this stage the department is not able to reliably measure the long-term portion of the long service awards.

Included under leave entitlement is an amount of R55 000 that employees owe the Department for extra leave days taken.

**22. Lease commitments**

**22.1 Finance leases \*\***

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

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	1,706	1,706
Later than 1 year and not later than 5 years	-	-	-	953	953
<b>Total lease commitments</b>	-	-	-	<b>2,659</b>	<b>2,659</b>

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

**23. Irregular expenditure**

**23.1 Reconciliation of irregular expenditure**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Opening balance		5,243	5,243
As restated		5,243	5,243
Add: Irregular expenditure – relating to prior year	<b>23.2</b>	553	-
Less: Prior year amounts condoned	<b>23.3</b>	(295)	-
Less: Prior year amounts not condoned but removed	<b>23.4</b>	(2,586)	-
<b>Closing balance</b>		<b>2,915</b>	<b>5,243</b>
<b>Analysis of closing balance</b>			
Prior years		2,915	5,243
<b>Total</b>		<b>2,915</b>	<b>5,243</b>

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

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2020/21 R'000</b>
Service Nelson Mandela-Non- Compliance		329
Non-compliance - National Instruction 3 of 2016/17 (Bus Services)		224
<b>Total</b>		<b>553</b>

**23.3 Details of irregular expenditure condoned**

<b>Incident</b>	<b>Condoned by (relevant authority)</b>	<b>2020/21 R'000</b>
Mvelaphanda	National Treasury	295
<b>Total</b>		<b>295</b>

**23.4 Details of irregular expenditure removed - (not condoned)**

<b>Incident</b>	<b>Not condoned by (relevant authority)</b>	<b>2020/21 R'000</b>
Various payments-Non-compliance TR3 of 2016/17	National Treasury	2,586
<b>Total</b>		<b>2,586</b>

**23.5 Details of irregular expenditures under assessment (not included in the main note)**

<b>Incident</b>	<b>2020/21 R'000</b>
SITA-SLA not signed by delegated official (contract value R11 110 882,31)	6,761
Non-compliance Recruitment Process	5,292
Non-compliance –SBD 4 Shishhaka	1,949
Non-compliance-Harris Nupen Molebatsi	403
<b>Total</b>	<b>14,405</b>

**24. Fruitless and wasteful expenditure**

**24.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
<b>Opening balance</b>		<u>14</u>	<u>17</u>
As restated		14	17
Fruitless and wasteful expenditure – relating to prior year	<u>24.2</u>	1,151	-
Fruitless and wasteful expenditure – relating to current year	<u>24.2</u>	97	-
Less: Amounts recoverable	<u>11.5</u>	-	3
<b>Closing balance</b>		<u><u>1,262</u></u>	<u><u>14</u></u>

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

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
Catering-staff meeting cancelled		44
Cancellation of a Property Sector Transformation Summit		910
Late renewal fee – Micro-focus licence		179
Management fees for cancellation of bus services		18
Interest paid - arbitration award – Senior Manager		97
<b>Total</b>		<u><u>1,248</u></u>

**25. Related party transactions**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
<b>Payments made</b>			
Payments for financial assets		<u>-</u>	<u>50,000</u>
<b>Total</b>		<u><u>-</u></u>	<u><u>50,000</u></u>

The following entities and Department 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, Estate Agency Affairs Board, Community Scheme Ombuds Service and Department of Water and Sanitation.

**26. Key management personnel**

	No. of Individuals	2020/21 R'000	2019/20 R'000
Political office bearers (provide detail below)	2	4,379	8,375
Officials:			
Level 15 to 16	10	17,146	19,216
Level 14 (incl. CFO if at a lower level)	23	25,864	24,890
Family members of key management personnel	1	17	22
<b>Total</b>		<b>47,406</b>	<b>52,503</b>

**27. Movable Tangible Capital Assets**

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>113,456</b>	<b>-</b>	<b>7,552</b>	<b>256</b>	<b>120,752</b>
Transport assets	5,108	-	-	-	5,108
Computer equipment	57,266	-	5,266	140	62,392
Furniture and office equipment	22,209	-	184	-	22,393
Other machinery and equipment	28,873	-	2,102	116	30,859
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>113,456</b>	<b>-</b>	<b>7,552</b>	<b>256</b>	<b>120,752</b>

Movable Tangible Capital Assets under investigation

	Number	Value R'000
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Heritage assets		
Machinery and equipment	234	5,318
Specialised military assets		
Biological assets		

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

**27.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>5,549</b>	<b>-</b>	<b>2,102</b>	<b>(99)</b>	<b>7,552</b>
Computer equipment	5,365	-	-	(99)	5,266
Furniture and office equipment	184	-	-	-	184
Other machinery and equipment	-	-	2,102	-	2,102
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5,549</b>	<b>-</b>	<b>2,102</b>	<b>(99)</b>	<b>7,552</b>

The difference of R 99 thousand, between additions of R7,6 million (Note 8) and R7,5 million (Note 27.1) on machinery and equipment is assets received prior year but paid during the current year.

**27.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>-</b>	<b>256</b>	<b>256</b>	<b>-</b>
Computer equipment	-	140	140	-
Other machinery and equipment	-	116	116	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>256</b>	<b>256</b>	<b>-</b>

**27.3 Movement for 2019/20**

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>112,839</b>	<b>-</b>	<b>6,226</b>	<b>5,609</b>	<b>113,456</b>
Transport assets	7,229	-	28	2,149	5,108
Computer equipment	56,160	-	2,594	1,488	57,266
Furniture and office equipment	22,854	-	256	901	22,209
Other machinery and equipment	26,596	-	3,348	1,071	28,873
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>112,839</b>	<b>-</b>	<b>6,226</b>	<b>5,609</b>	<b>113,456</b>

**27.4 Minor assets**

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

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

**Minor Capital Assets under investigation**

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	845	1,255

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

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

	Specialised military assets	Software and other intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1,261	-	16,907	-	18,168
Prior period error						
Additions	-	34	9	344	-	387
Disposals	-	5	-	1,562	-	1,567
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>1,290</b>	<b>9</b>	<b>15,689</b>	<b>-</b>	<b>16,988</b>

**28. Intangible Capital Assets**

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	6,224	(294)	294	-	6,224
MASTHEADS AND PUBLISHING TITLES	36	-	-	-	36
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>6,260</b>	<b>(294)</b>	<b>294</b>	<b>-</b>	<b>6,260</b>

**28.1 Additions**

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	294	-	-	-	294
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294</b>

**28.2 Movement for 2019/20**

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	6,248	-	-	24	6,224
MASTHEADS AND PUBLISHING TITLES	36	-	-	-	36
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>6,284</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>6,260</b>

**29. Immovable Tangible Capital Assets**

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

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

**29.1 Movement for 2019/20**

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

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

**30. Inventories**

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

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

**Inventories for the year ended 31 March 2020**

	<b>Stationery</b>	<b>Insert major category of inventory</b>	<b>Insert major category of inventory</b>	<b>Insert major category of inventory</b>	<b>TOTAL</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	13	-	-	-	13
Add/(Less): Adjustments to prior year balances	(2)	-	-	-	(2)
Add: Additions/Purchases – Cash	14	-	-	-	14
(Less): Issues	(14)	-	-	-	(14)
Add/(Less): Adjustments	(11)	-	-	-	(11)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31. Statement of conditional grants paid to the provinces

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
<b>Summary by province</b>													
Eastern Cape	1,867,548	327,742	(233,224)	1,962,066	1,296,325	(338,000)	-	1,624,066	1,371,577	252,489	84%	2,021,182	2,111,335
Free State	984,658	-	(123,553)	861,105	761,105	(100,000)	-	761,105	732,086	29,019	96%	1,125,261	1,125,261
Gauteng	4,790,243	165,003	(598,209)	4,357,037	4,292,034	-	100,000	4,457,037	4,384,010	73,027	0%	5,320,613	5,320,613
Kwazulu-Natal	3,485,203	86,095	(427,700)	3,143,598	3,160,093	-	-	3,246,188	3,143,598	102,590	0%	3,586,019	3,737,262
Limpopo	1,098,412	-	(137,172)	961,240	913,552	(50,000)	-	913,552	902,960	10,592	99%	1,337,497	1,337,497
Mpumalanga	1,119,527	-	(143,460)	976,067	1,155,051	-	138,000	1,155,051	1,112,936	42,115	0%	1,332,536	1,332,536
Northern Cape	331,271	-	(7,443)	323,828	594,713	-	200,000	594,713	404,124	190,589	0%	481,052	481,052
North West	1,546,191	61,386	(202,927)	1,404,650	1,243,264	(100,000)	-	1,304,650	1,256,677	47,974	96%	1,985,335	1,985,335
Western Cape	1,975,503	77	(270,017)	1,705,563	1,926,371	-	150,000	1,926,448	1,855,563	70,885	0%	2,138,020	2,141,435
<b>TOTAL</b>	<b>17,198,556</b>	<b>640,303</b>	<b>(2,143,705)</b>	<b>15,695,154</b>	<b>15,342,508</b>	<b>(588,000)</b>	<b>588,000</b>	<b>15,982,811</b>	<b>15,163,531</b>	<b>819,280</b>		<b>19,327,515</b>	<b>19,572,326</b>

**Summary by grant**

Human Settlement Development Grant	16,620,733	375,886	(1,728,441)	15,268,178	14,892,293	(588,000)	588,000	15,268,179	14,840,556	427,623	0%	18,779,815	18,779,815
Title Deeds Restoration grant	577,823	88,092	(415,264)	250,651	162,559	-	-	250,651	183,187	67,464	73%	547,700	547,700
Provincial Emergency Housing Grant	-	176,325	-	176,325	287,656	-	-	463,981	139,788	324,193	0%	-	244,811
<b>TOTAL</b>	<b>17,198,556</b>	<b>640,303</b>	<b>(2,143,705)</b>	<b>15,695,154</b>	<b>15,342,508</b>	<b>(588,000)</b>	<b>588,000</b>	<b>15,982,811</b>	<b>15,163,531</b>	<b>819,280</b>		<b>19,327,515</b>	<b>19,572,326</b>

**1. Human Settlement Development Grant**

Eastern Cape	1,803,294	205,080	(191,210)	1,817,164	1,274,085	(338,000)	-	1,479,164	1,299,180	179,984	88%	1,960,278	1,960,278
Free State	950,798	-	(100,817)	849,981	749,981	(100,000)	-	749,981	726,099	23,882	97%	1,093,166	1,093,166
Gauteng	4,625,448	109,420	(490,454)	4,244,414	4,234,994	-	100,000	4,344,414	4,283,540	60,874	0%	5,164,409	5,164,409
Kwazulu-Natal	3,379,057	-	(358,294)	3,020,763	3,020,763	-	-	3,020,763	3,020,763	-	100%	3,485,407	3,485,407
Limpopo	1,060,622	-	(112,462)	948,160	898,160	(50,000)	-	898,160	897,998	162	100%	1,301,677	1,301,677
Mpumalanga	1,081,044	-	(114,627)	966,417	1,104,417	-	138,000	1,104,417	1,104,385	32	0%	1,296,059	1,296,059
Northern Cape	319,888	-	-	319,888	519,888	-	200,000	519,888	400,184	119,704	0%	470,262	470,262
North West	1,493,031	61,386	(158,312)	1,396,105	1,234,719	(100,000)	-	1,296,105	1,253,428	42,985	97%	1,934,947	1,934,947
Western Cape	1,907,551	-	(202,265)	1,705,286	1,855,286	-	150,000	1,855,286	1,855,286	-	0%	2,073,610	2,073,610
	<b>16,620,733</b>	<b>375,886</b>	<b>(1,728,441)</b>	<b>15,268,178</b>	<b>14,892,293</b>	<b>(588,000)</b>	<b>588,000</b>	<b>15,268,179</b>	<b>14,840,556</b>	<b>427,623</b>		<b>18,779,815</b>	<b>18,779,815</b>

**2. Title Deeds Restoration Grant**

Eastern Cape	64,254	32,509	(42,014)	54,749	22,240	-	-	54,749	18,781	35,968	34%	60,904	60,904
Free State	33,860	-	(22,736)	11,124	11,124	-	-	11,124	5,987	5,137	54%	32,095	32,095
Gauteng	164,795	55,583	(107,755)	112,623	57,040	-	-	112,623	100,470	12,153	89%	156,204	156,204
Kwazulu-Natal	106,146	-	(69,406)	36,740	36,740	-	-	36,740	36,740	-	100%	100,612	100,612
Limpopo	37,790	-	(24,710)	13,080	13,080	-	-	13,080	4,962	8,118	39%	35,820	35,820
Mpumalanga	38,483	-	(28,833)	9,650	9,650	-	-	9,650	8,551	1,099	89%	36,477	36,477
Northern Cape	11,383	-	(7,443)	3,940	3,940	-	-	3,940	3,940	-	100%	10,790	10,790
North West	53,160	-	(44,615)	8,545	8,545	-	-	8,545	3,556	4,989	42%	50,388	50,388
Western Cape	67,952	-	(67,752)	200	200	-	-	200	200	-	100%	64,410	64,410
	<b>577,823</b>	<b>88,092</b>	<b>(415,264)</b>	<b>250,651</b>	<b>162,559</b>	<b>-</b>	<b>-</b>	<b>250,651</b>	<b>183,187</b>	<b>67,464</b>		<b>547,700</b>	<b>547,700</b>

## 3. Provincial Emergency Housing Grant

	299,602	-	-	-	-	-	-	-	-	-	-	276,900
Eastern Cape	-	90,153	-	90,153	-	-	90,153	53,616	36,537	59%	-	90,153
Kwazulu-Natal	-	86,095	-	86,095	102,590	-	188,685	86,095	102,590	0%	-	151,243
Limpopo	-	-	-	-	2,312	-	2,312	-	2,312	0%	-	-
Mpumalanga	-	-	-	-	40,984	-	40,984	-	40,984	0%	-	-
Northern Cape	-	-	-	-	70,885	-	70,885	-	70,885	0%	-	-
Western Cape	-	77	-	77	70,885	-	70,962	77	70,885	0%	-	3,415
	-	<b>176,325</b>	-	<b>176,325</b>	<b>287,656</b>	-	<b>463,981</b>	<b>139,788</b>	<b>324,193</b>		-	<b>244,811</b>

In terms of Section 15(1) (a) The adjusted amount of R14.8 billion (HSDG) allocated to Provinces (b) An amount of R588 million (Eastern Cape - R338 million, Free State - R100 million, Limpopo-R50 million and North West - R100 million) was stopped in terms of section 19 (c) Transfers were made in accordance with the payment schedule (d) A total of R588 million was reallocated to Gauteng - R100 million, Mpumalanga - R138 million, Northern Cape - R200 million and Western Cape - R150 million (e) Funds were transferred into the primary bank account of the provincial departments (f) The Human Settlements Development Grant (HSDG) was not utilised for other administrative purposes except in terms of Operational Capital Budget (OPSCAP) Programme which allows provinces to utilise a certain percentage with a maximum of 5% of the voted allocation (grant) to support the approved national and provincial housing programmes.

In terms of Section 15(1) 2020 of DORA (a) Total adjusted of R162.5 million was allocated to provinces (TDRG). (b) No transfers were withheld or stopped in terms of section 18 or 19. (c) Transfers were made in accordance with the payment schedule. (d) No reallocation has been made. (e) Funds were transferred into the primary bank account of the province. (F) The Title Deeds Restoration Grant was not used for the administration of the allocation by receiving officer.

In terms of Section 15(1) 2020 of DORA (a) The adjusted allocation of R299.6 million was set aside for Provinces (PEHG). (b) No transfers were withheld or stopped in terms of section 18 or 19. (d) No reallocations as per Section 20 (e) Funds were transferred into the primary bank account of the Provincial Departments (F) The Title Deeds Restoration Grant was not used for the administration of the allocation by receiving officer.

**32. Statement of conditional grants and other transfers paid to municipalities**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Buffalo City	687,121	223,056	200,000	1,110,177	887,121	-	200,000	887,121	484,230	402,891	55%	817,423	1,157,423
Nelson Mandela Bay	815,606	-	390,274	1,205,880	1,205,880	-	-	1,205,880	330,362	875,518	27%	975,685	585,411
Mangaung	681,019	151,298	(300,000)	532,317	381,019	-	(300,000)	381,019	251,062	129,957	66%	813,563	511,856
City of Ekurhuleni	1,775,670	87,719	300,000	2,163,389	2,075,670	-	300,000	2,075,670	1,128,707	946,963	54%	2,092,514	1,972,514
City of Johannesburg	1,668,076	475,565	(300,000)	1,843,641	1,368,076	-	(300,000)	1,368,076	1,005,849	362,227	74%	1,968,023	2,309,730
City of Tshwane	1,445,948	-	100,000	1,545,948	1,545,948	-	100,000	1,545,948	806,171	739,777	52%	1,711,013	1,511,013
eThekweni	1,771,286	-	-	1,771,286	1,771,286	-	-	1,771,286	1,024,658	746,628	58%	2,094,441	2,094,441
City of Cape Town	1,337,145	145,023	-	1,482,168	1,337,145	-	-	1,337,145	876,056	461,089	66%	1,572,724	1,512,724
<b>TOTAL</b>	<b>10,181,871</b>	<b>1,082,661</b>	<b>390,274</b>	<b>11,654,806</b>	<b>10,572,145</b>	<b>-</b>	<b>-</b>	<b>10,572,145</b>	<b>5,907,095</b>	<b>4,665,050</b>		<b>12,045,386</b>	<b>11,655,112</b>

In terms of Section 15(1)(a) of DORA Funds amounting to R10.5 billion was transferred to the Metros. (b) An amount of R600 million was stopped in terms of section 19 – Mangaung - R300 million and City of Johannesburg - R300 million. (c) Transfers were made according to the payment schedule or amended payment schedule. (d) A total of R600 million was reallocated to Buffalo City - R200 million, City of Ekurhuleni - R300 million and City of Tshwane - R100 million. (e) Funds were deposited into the municipalities' primary bank account. (f) No funds were used for administration of the allocation by the receiving officer.

**33. COVID 19 Response Expenditure**

	<i>Note</i>	2020/21	2019/20
	<i>Annexure 11</i>	R'000	R'000
Goods and services		4,689	-
<b>Total</b>		<b>4,689</b>	<b>-</b>

ANNEXURE 1A

Statement of conditional grants and other transfers paid to municipalities

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Reveue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
<b>Total Allocation</b>	<b>158,792</b>	-	<b>100,000</b>	<b>258,792</b>	-	-	-	-	-	-	-	<b>149,100</b>	-
Mbashe Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	5,284
EThekweni Metro Municipality	-	-	-	-	-	-	-	-	-	-	-	-	90,810
Mtubatuba Local Municipality	-	-	-	-	29,772	-	-	29,772	20,527	9,245	0%	-	41,822
Nama Khoi Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	1,288
Raymond Mhlaba Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	3,008
Greater Kokstad Local Municipality	-	-	-	-	-	-	-	-	-	-	-	-	5,220
Jozini Local Municipality	-	-	-	-	17,721	-	-	17,721	14,950	2,771	0%	-	-
City of Johannesburg	-	-	-	-	71,336	-	-	71,336	-	71,336	0%	-	-
Sakhisizwe Local Municipality	-	-	-	-	2,384	-	-	2,384	-	2,384	0%	-	-
Kagisano Molopo Municipality	-	-	-	-	3,351	-	-	3,351	-	3,351	0%	-	-
OR Tambo District Municipality	-	-	-	-	41,693	-	-	41,693	-	41,693	0%	-	-
<b>TOTAL</b>	<b>158,792</b>	-	<b>100,000</b>	<b>258,792</b>	<b>166,257</b>	-	-	<b>166,257</b>	<b>35,477</b>	<b>130,780</b>		<b>149,100</b>	<b>147,432</b>

In terms of section 15(1) (a) of DoRA Total adjustment of R258.7 million is set aside for municipalities. (b) No transfers were withheld or stopped in terms of section 18 or 19. (c) Transfers were made in accordance with the payment schedule. (d) No reallocations by National Treasury in terms of section 20. (e) Transfers were made into primary bank accounts of the municipalities. (f) No funds were used for the administration of the allocation by the receiving officer.

ANNEXURE 1B

Statement of transfers to departmental agencies and accounts

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2019/20
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Housing Development Agency	233,604	-	-	233,604	233,604	100%	229,311
Social Housing Regulatory Authority	1,117,520	-	-	1,117,520	1,117,520	100%	810,726
Community Schemes Ombuds Service	23,597	-	-	23,597	23,597	100%	32,847
National Housing Finance Corporate	649,685	-	-	649,685	649,685	100%	100,000
Estate Agency Affairs Board	24,000	-	-	24,000	24,000	100%	-
<b>TOTAL</b>	<b>2,048,406</b>	<b>-</b>	<b>-</b>	<b>2,048,406</b>	<b>2,048,406</b>		<b>1,172,884</b>

ANNEXURE 1E

Statement of transfers to foreign government and international organisations

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transfer-red	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Habitat Foundation Membership Fees	16,695	-	-	16,695	2,584	15%	2,361
United Nations Membership Fees	900	-	-	900	872	97%	724
<b>TOTAL</b>	<b>17,595</b>	<b>-</b>	<b>-</b>	<b>17,595</b>	<b>3,456</b>		<b>3,085</b>

## ANNEXURE 1G

### Statement of transfers to households

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Leave Gratuity	1,316	-	-	1,316	1,283	97%	2,546
Retirement benefits	-	-	-	-	-	-	4,559
Bursaries (Non-employees)	4,078	-	-	4,078	953	23%	10,974
Claims against the state	6,486	-	-	6,486	6,483	100%	481
Refund and act of GRACE	-	-	-	-	-		9
<b>TOTAL</b>	<b>11,880</b>	<b>-</b>	<b>-</b>	<b>11,880</b>	<b>8,719</b>		<b>18,569</b>

## 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	Skill Development Initiative	1,036	1,406	1,406	-	1,036
<b>TOTAL</b>		<b>1,569</b>	<b>1,406</b>	<b>1,406</b>		<b>1,569</b>

## ANNEXURE 2A

Statement of investments in and amounts owing by/to national/provincial public entities

Name of Public Entity	State Entity's PFMA Schedule type (state year-end if not 31 March)	% Held 20/21	% Held 20/19	Number of shares held		Cost of investment		Net asset value of investment		Profit/(Loss) for the year		Losses guaranteed
				2019/20	2019/20	R'000		R'000		R'000		Yes/No
						2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	
<b>National/Provincial Public Entity</b>												
National Housing Finance Corporation	Schedule 3A	100	100	84,187,332	84,187,332	2,363,635	2,363,635	4,757,372	4,336,388	130,056	114,851	No
Servcon Housing Solutions	Schedule 3A	100	100	100	100	604	604	-	-	-	-	No
<b>TOTAL</b>		<b>200</b>	<b>200</b>	<b>84,187,432</b>	<b>84,187,432</b>	<b>2,364,239</b>	<b>2,364,239</b>	<b>4,757,372</b>	<b>4,336,388</b>	<b>130,056</b>	<b>114,851</b>	

## ANNEXURE 3A

Statement of financial guarantees issued as at 31 March 2021 – local

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2020	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2021	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2021
		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	-	-
<b>TOTAL</b>		<b>-</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105</b>	<b>-</b>	<b>-</b>

ANNEXURE 3B

Statement of contingent liabilities as at 31 March 2021

Nature of Liability	Opening Balance 1 April 2020	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2021
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Tsoga ka Bohlaswa Trading Enterprise	401	-	-	-	401
Pasco Risk Management vs EAAB	490	-	-	-	490
Sunjith Singh vs Minister of Human Settlements & NHBC	327,586	-	-	-	327,586
Angelina B Pitso vs Minister of Human of Settlements and 5 others	30,000	-	-	-	30,000
Mokgale AT vs Tshwane Metro Municipality and 6 others	1,000,000	-	-	-	1,000,000
Mjayeli Security (PTY) LTD/ The Director-General: Human Settlements	3,129	-	-	-	3,129
Reagile Consulting Services 7 Projects CC/ National Department of Human Settlements	60	-	-	-	60
Jibeng Investments (PTY) LTD/ Minister of Human Settlements	288,919	-	-	-	288,919
Honono Ongezwa vs Minister of Human Settlements	3,000	-	-	-	3,000
Mbangata Vuyokazi vs Minister	4,600	-	-	-	4,600
<b>Subtotal</b>	<b>1,658,185</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,658,185</b>
<b>Other</b>					
SITA	10,218	-	3,339	-	6,879
Public Works Department	57,000	-	-	-	57,000
Government printers	7	-	7	-	-
Vodacom	38	-	38	-	-
Skynet	5	-	5	-	-
Bontle Ke Botho (Bothomark Group)	221	-	-	-	221
Lebongeng Holdings	4	-	4	-	-
MTN	870	-	36	-	834
Konika	-	46	-	-	46
<b>Subtotal</b>	<b>68,363</b>	<b>46</b>	<b>3,429</b>	<b>-</b>	<b>64,980</b>
<b>TOTAL</b>	<b>1,726,548</b>	<b>46</b>	<b>3,429</b>	<b>-</b>	<b>1,723,165</b>

## ANNEXURE 4

## Claims recoverable

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21 *	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department</b>								
Department of Water & Sanitation	-	-	562	340	562	340	-	-
Gauteng Department of Agriculture & Rural Development	-	-	-	41	-	41	-	-
Eastern Cape Provincial Department of Human Settlements	-	-	-	62	-	62	-	-
DIRCO	-	-	4	-	4	-	-	-
Gauteng Department of Human Settlements	-	-	41	41	41	41	-	-
COGTA	-	-	30	30	30	30	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>637</b>	<b>514</b>	<b>637</b>	<b>514</b>	<b>-</b>	<b>-</b>

## ANNEXURE 5

### Inter-government payables

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21 *	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

#### DEPARTMENTS

##### Current

South African Police Service	-	-	39	140	39	140		
Department of Justice & Constitutional Development	-	-	383	12	383	12		
Gauteng Province (Provincial Treasury)	-	-	-	37	-	37		
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>422</b>	<b>189</b>	<b>422</b>	<b>189</b>		

##### OTHER GOVERNMENT ENTITY

##### Current

Government Printing Works	-	-	11	295	11	295		
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>295</b>	<b>11</b>	<b>295</b>		

#### TOTAL INTERGOVERNMENT PAYABLES

	<b>-</b>	<b>-</b>	<b>433</b>	<b>484</b>	<b>433</b>	<b>484</b>		
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## ANNEXURE 6

## Inventories

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

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

**Inventories for the year ended 31 March 2020**

<b>Insert major category of inventory</b>	<b>Insert major category of inventory</b>	<b>Insert major category of inventory</b>	<b>Insert major category of inventory</b>	<b>TOTAL</b>
<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	13	-	-	13
Add/(Less): Adjustments to prior year balances	(2)	-	-	(2)
Add: Additions/Purchases – Cash	14	-	-	14
(Less): Issues	(14)	-	-	(14)
Add/(Less): Adjustments	(11)	-	-	(11)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ANNEXURE 8A

Inter-entity advances paid (note 10)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
GCIS	-	-	5,428	498	5,428	498
DIRCO	-	-	-	11	-	11
<b>Subtotal</b>	-	-	5,428	509	5,428	509
<b>TOTAL</b>	-	-	5,428	509	5,428	509

## ANNEXURE 11

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2020/21					2019/20
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Compensation of employees</b>						
Goods and services	2,056	1,575	494	564	4,689	-
Consumable suppliers	1,978	1,305	380	261	3,924	-
Agency and support/outsourced services	78	270	80	303	731	-
Minor assets	-	-	34	-	34	-
Transfers and subsidies						
<b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>	<b>2,056</b>	<b>1,575</b>	<b>494</b>	<b>564</b>	<b>4,689</b>	<b>-</b>



SA  
HOUSING FUND

## Report of the Auditor-General to Parliament for South African Housing Fund

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the South African Housing Fund set out on pages 228 to 229, which comprise the statement of financial position as at 31 March 2021, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Housing Fund as at 31 March 2021, and cash flows for the year then ended.

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the Fund in accordance with the International Ethics Standards Board for Accountants' International Code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as the 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.

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

6. The accounting officer, is responsible for the preparation and fair presentation of the financial statements 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.

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

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

8. 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

#### Performance information reporting

10. As the Fund was dormant for the year under review, no work was performed on the audit of performance information.

#### Audit of compliance with legislation

11. As the Fund was dormant for the year under review, no work was performed on the audit of compliance with legislation.

**Other information**

12. The South African Housing Fund accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements and the auditor's report.
13. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
14. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
15. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**Internal control deficiencies**

16. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Pretoria

31 July 2021



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

1. General review of the state of financial affairs

The change in focus in housing delivery to quality housing and a shift to alternative forms of housing tenure have formed the background against which sustainable housing delivery was achieved. As reported in 2003/04, changes in the financial management legislative environment precipitated a need to review the funds flow mechanisms to provinces. On 15 August 2003, MINMEC approved the disestablishment of the South African Housing Fund (SAHF). The final disestablishment of the SAHF can only be effected through the repeal of the Housing Act, Act 107 of 1997. The SAHF was delisted from the Public Finance Management Act with effect from 18 November 2003.

2. Accounting authority's emoluments

In terms of section 11(5)(a) of the Housing Act (Act No 107 of 1997) the Director-General: Human Settlements is the accounting officer of the South African Housing Fund.

No emoluments were paid to the accounting authority from the funds of the South African Housing Fund since the accounting officer is being remunerated by the Department of Human Settlements (previously Department of Housing).

3. Auditors

In terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996) 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**

		2020/21	2019/20
	<i>Notes</i>	R'000	R'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	32,585	32,585
<b>TOTAL ASSETS</b>		<b>32,585</b>	<b>32,585</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Accumulated profits/(Losses)		31,958	31,958
<b>Current Liabilities</b>			
Trade and other payables	3	627	627
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,585</b>	<b>32,585</b>
<b>CASH FLOW STATEMENT</b>			
	<i>Note</i>	2020/21	2019/20
		R'000	R'000
<b>Cash flows from finance activities:</b>			
(Increase)/Decrease in financial instruments		-	-
Net cash inflow/(outflow) from investing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		32 585	32 585
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 conducts its function in terms of the National Housing Act and is awaiting to be disestablished and the Housing Act to be amended accordingly.

**1.1 Financial Instruments**

Financial instruments carried on the balance sheet include cash and bank balances, receivables and creditors.

**Measurement**

Financial instruments are initially measured at cost. Subsequent to initial recognition these instruments are measured as set out below.

**Trade and other receivables**

Trade and other receivables are stated at cost less provision for doubtful debts.

**Cash and cash equivalents**

Cash and cash equivalents are measured at cost.

**Financial liabilities**

Financial liabilities are recognised at cost.

**1.2 Administration Costs**

All administration costs are borne by Department of Human Settlements.

**NOTES TO THE STATEMENT OF FINANCIAL POSITION**

NO.	2020/21 R'000	2019/20 R'000
<b>2. Trade and other receivables</b>		
Debtors	421	421
Less: Provision for bad debt	(421)	(421)
<b>Total</b>	<u>-</u>	<u>-</u>
<b>3. Trade and other payables</b>		
Post office account	627	627
<b>Total</b>	<u>627</u>	<u>627</u>
<b>4. Disestablishment of the S A Housing Fund</b>		
The final disestablishment of the SAHF will be effected upon the promulgation of the Human Settlements Act.		
The SAHF was delisted from the Public Finance Management Act with effect from 18 November 2003.		

**NOTES TO THE CASH FLOW STATEMENT**

**5. Cash and cash equivalents**

Cash with CPD	32 585	32 585
<b>Total</b>	<u>32 585</u>	<u>32 585</u>

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.

Annexure A

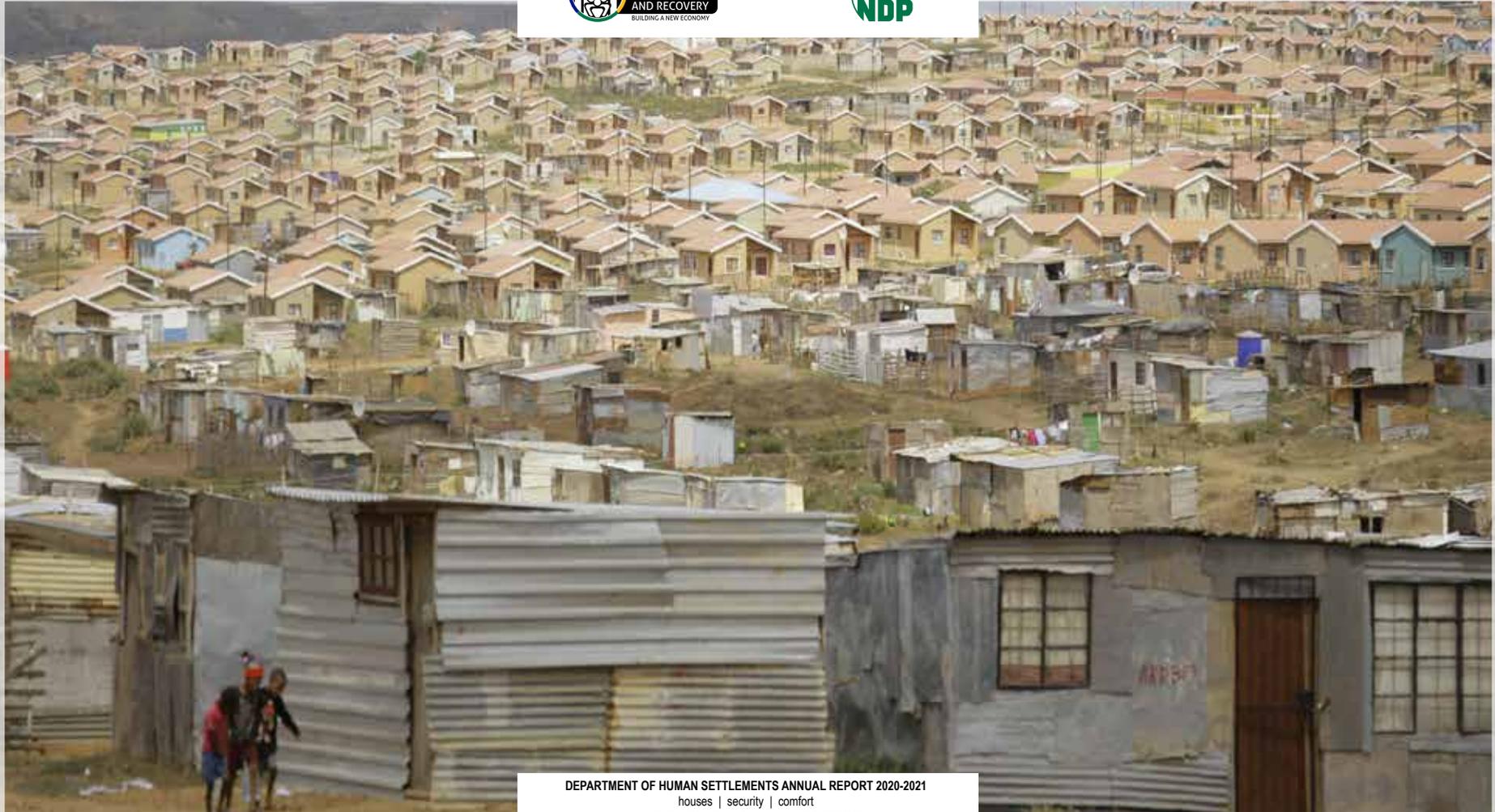
Annual performance						
Indicator Programme	Programme	Projected for 2020/21 as published in the 2020 ENE	ENE Annual Output	Deviation	Reason for Deviation	Corrective Measure
Number of integrated implementation plans for priority development areas completed per year	Integrated Human Settlements Planning and Development Programme	19	19	None	None	None
Number of fully subsidised houses delivered per year	Integrated Human Settlements Planning and Development Programme	85 898	45 551	40 347	Unsatisfactory performance	Quarterly Provincial reviews
Number of title deeds registered for new (post:2014) developments per year  This indicator only refers to new title deeds. This is incorrect and far exceeds the total number of houses to be constructed in a year. Recommend that it reads:  Number of title deeds registered.	Integrated Human Settlements Planning and Development Programme	229 537	17 210	212 325	The financial resources attached to the ENE target is inadequate and irreconcilable to the number of properties still subject to township establishment	Reconcile the ENE Target with the status of properties.  Ringfence appropriate funding in the HSDG
Number of serviced sites delivered per year	Informal Settlements Programme	44 505	39 273	5 232	Unsatisfactory performance	Quarterly Provincial reviews
Number of informal settlements upgraded to phase 3 per year	Informal Settlements Programme	300			Unsatisfactory performance	
Number of affordable rental units delivered per year	Rental and Social Housing Programme	6 000	1 856	4 144	Unsatisfactory performance	Finalise the review of the Social Housing Policy Framework and its funding model to increase the scale of delivery

Annual performance						
Indicator Programme	Programme	Projected for 2020/21 as published in the 2020 ENE	ENE Annual Output	Deviation	Reason for Deviation	Corrective Measure
Number of community residential units delivered per year	Rental and Social Housing Programme	2 400	1 006	1 394	Unsatisfactory performance	Urgently develop the pipeline for CRUs
Number of financelinked individual subsidy programme subsidies allocated to approved beneficiaries per year	Affordable Housing Programme	6685	3 161	3 524	<ul style="list-style-type: none"> <li>Delays in registration and lodgement by the conveyancers.</li> <li>Potential beneficiaries not qualifying from financial institutions due to their negative status and that financial institutions are not prepared to fund partially serviced developments, thus affecting beneficiaries earning between R 3 501 and R 22 000.</li> <li>COVID-19 has had a negative impact on the programme as it was starting to see improvement.</li> <li>Long turnaround times in the processing of FLISP applications and payments in the value chain.</li> </ul>	None NHFC already commenced to improve the marketing of FLISP via social media

## USDG ACTUAL OUTPUTS FOR 2020/21 FY: ANNUAL REPORT INPUT

PERFORMANCE INDICATOR	ACTUAL
The number of hectares of land procured for Greenfield development	471
The number of informal settlements targeted for upgrading	259
The number of households living in informal settlements targeted for upgrading	2 911
The number of informal settlements targeted for formalisation (services provided): Relocated	262
Number of sites serviced	765
The number of title deeds transferred to eligible beneficiaries	3 943
KMs of new paved roads to be built	35.27
KMs of roads surfaced/rehabilitated/resealed	78.02





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