



2021 - 2022 HUMAN SETTLEMENTS Annual Report



human settlements
Department:
Human Settlements
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



SOUTH AFRICAN
**ECONOMIC
RECONSTRUCTION
AND RECOVERY**
BUILDING A NEW ECONOMY



DEPARTMENT OF HUMAN SETTLEMENTS
NORTH WEST PROVINCE
VOTE NO 14
ANNUAL REPORT
2021/2022 FINANCIAL YEAR

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

The below description of the acronyms intends to assist users to understand meanings of acronyms utilized in the annual report:

APP	Annual Performance Plan
CCP	Creditor Central Payment
CRU	Community Residential Units
DLG&HS	Department of Local Government and Human Settlements
DORA	Divisions of Revenue Act
DPSA	Department of Public Service and Administration
EAP	Employee Assistance Programme
EHW	Employee Health and Wellness
EHWP	Employee Health and Wellness Programme
EXCO	Executive Committee
FEED	Finance, Economic and Enterprise Development
FLISP	Finance Linked Individual Subsidy Programme
GEMS	Government Employee Medical Scheme
HCE	Housing Consumer Education
HDA	Housing Development Agency
HOD	Head of Department
HRM	Human Resource Management
HSDG	Human Settlements Development Grant
HSS	Housing Subsidy System
LIC	Labour Intense Methods of Construction
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDoHS	National Department of Human Settlements
NWDC	North West Development Corporation
PFMA	Public Finance Management Act
PMDS	Performance Management and Development Strategy
SCOPA	Standing Committee on Public Accounts
SHERQ	Safety, Health, Environment, Risk and Quality

3. FOREWORD BY THE MEC



Ms. N.L. Miga

MEC: Department of Cooperative Governance, Human Settlements & Traditional Affairs

The presentation of this Annual Report comes at the time when the National State of Disaster is muted to be coming to an end, but recently there has been a surge in infection numbers. This has been a rigorous and very difficult period in the journey in our sector after the Covid-19 pandemic hit our shores, what we can take from this is to continue encouraging our people to vaccinate as this is the only way of protecting ourselves against the scourge. We should however remain mindful despite the announcement by the state president on the termination of the Covid-19 state of disaster the pandemic is still with us. We should continue to urge our people to continue to follow the health protocols so that we can win the battle against the virus.

Despite this we did not allow these trials and tribulations to deter us, as a Department we have scored some victories and in some instances and fell short on others. In short, we've had a mixed bag in the year under review. The District Development Model (DDM) continues to be the most comprehensive guiding tool of government and this Department which is at the coal face of service delivery, and which is currently modeling its planning along this legislative mandate,

Our dedication as team Human Settlements has never fallen flat, the hard-work continued because of the good relations that we have established with our stakeholders, in this case the National and Provincial departments, all municipalities, North West Housing Corporation (NWHC), the Housing Rental Tribunal and the industry at large, this as we endeavour to provide realistic but holistic programmes for our people in order to achieve the goal of integrated human settlements that seeks to meet the needs of our communities.

We had a comprehensive programme between ourselves as a Department and our agency the North West Housing Corporation, and working closely with the corporation, we issued almost 700 title deeds in Monakato, Tlhabane, Robega and GG all in the Rustenburg Local Municipality. In the Ngaka Modiri Molema District specifically in Atamelang and Extension 39 over 190 title deeds have been issued. As a department, we issued close to 2000 title deeds consisting of title deeds of pre and post 1994 beneficiaries, and even to new home owners.

On our core mandate of building houses, we were able to build just over 2700 houses in all of our four districts. This is very far from what we would have envisaged to achieve but we soldier on and continue to implement this programme. In cases where the department was unable to achieve the set targets, I can put my head on the block and say that we will put our shoulder to the wheel and ensure that we redress those impasses.

During the period under review, we experienced many challenges that hamstrung us, among the many challenges, that we encountered as a department was poor contract management, non-adherence to planning prescripts, lack of accountability, poor beneficiary administration, lack of capacity, centralization of regional offices and the impact of Covid 19. Though some of these challenges were not of our own doing, we continue to work closely with our stakeholders to find a lasting solution.

Be that as it may, it has not been all doom and gloom, as we managed to score some victories for the financial year under review and amongst those are sites services and appointment of contractors across the four districts. For example, in the Bojanala Platinum Region, we have appointed nine contractors who will be responsible for servicing stands and building houses in the region, the Dr Kenneth Kaunda District will see two contractors responsible for building houses and also servicing stands while the Ngaka Modiri Molema Region will not be left behind as it will have seven contractors working in the various local municipalities while in the Dr Ruth Segomotsi Mompati Region contractors will put boots to the ground to build houses and services stands. We are also going to build 97 houses for military veterans across the province, this will be done under the department's recovery plan of the 2022/2023 financial year.

In an effort to address some of the challenges that we encountered, the management of the department developed a recovery plan to address the challenges that were faced. This recovery plan will be tracked periodically to ensure that we do not veer off, the Department has however made some progress in pursuit of providing the people of the North West Province with an integrated human settlements that restores their dignity and is in line with the slogan of our province that says *"Let's grow North West together"*.

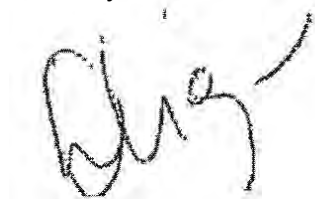
Acknowledgements /Appreciation

My heartfelt appreciation goes to the management team and the entire staff for their commitment and dedication, in striving towards serving the people of this province. But most importantly to our stakeholders who have been working diligently with the department and the communities at large for their unwavering patience. I have no doubt that indeed continuing to work together will improve the lives of the people of our province.

Conclusion

In conclusion, I want to allude that the work that has been put on this document is a true reflection of the work done by the department.

I thank you,

A handwritten signature in black ink, appearing to read 'Lena Miga', is written over a horizontal line.

MS. NOMTSAMA LENA MIGA

MEC: CORPORATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

DATE: 01/09/2022

4. DEPUTY MINISTER STATEMENT (N/A)

5. REPORT OF THE ACCOUNTING OFFICER



Mr. J.K. Mashigo

Accounting Officer: Department of Human Settlements

- ☐ Overview of the operations of the department:
- o Overview of the results and challenges for the department, briefly commenting on significant events and projects for the year.
- ☐ Overview of the financial results of the department:

Departmental receipts

Departmental receipts	2021/2022			2020/2021		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Casino taxes						
Horse racing taxes						
Liquor licences						
Motor vehicle licences						
Sale of goods and services other than capital assets	100	197	(97)	790	16	774
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land						
Sale of capital assets						
Financial transactions in assets and liabilities	-	811	(811)	-	621	(621)
Total	100	1 008	(908)	790	637	153

The Department is not in the business of generating revenue in its nature. Main source of revenue is commission earned from third party deductions and sale of tender documents. No tariff is levied by the Department for housing development provided to the communities.

The Department has over collected on its revenue target as substantial amount was collected from sale of tender documents for the development of the database of service providers for housing development projects.

Programme Expenditure

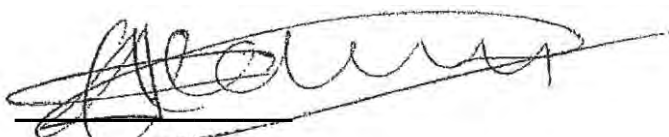
Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	157 783	146 823	10 960	136 023	92 811	43 212
Housing Needs, Planning, and Research	32 103	24 589	7 514	23 543	19 043	4 500
Housing Development	1 703 223	1 431 946	271 277	1 352 880	1 300 525	52 355
Total	1 893 109	1 603 358	289 751	1 512 446	1 412 379	100 067

Total spending for the Department is R 1 603 358 of its total allocation of R1 893 109 in the 2021/22 financial year. This translates to a percentage spending of 84.7 percent. A underspending of R289 751 translating to 15.3 percent is recorded. Main reasons for the under-expenditure include savings on contract and services for housing development project management unit, non-transfer to HDA for projects they implement, late procurement on current year business plan, municipalities' slowness in proclaiming township and developers not prioritising title deeds. Late appointment of staff into vacant positions led to delayed procurement of tools of trade, office equipment, stationery, staff training and bursaries. Most meetings were conducted virtually resulting in savings on venues and facilities as well as on travelling and subsistence.

- o Virements/roll overs
- o Total virements approved amounted to R6 054 000 for purposes of using savings realised on compensation of employees and goods and services under Administration as well as Housing needs, planning and research to increase same under Housing development.
- o An amount of An amount of R47.6 million was approved roll-over for purposes of paying for housing projects committed in 2020/21 and only paid in 2021/22 as well as for title restoration

- ☐ The Department did not incur unauthorised expenditure in 2021/22. Irregular expenditure incurred amounts by R183.693 million. Causes of irregular expenditure include payments made on expired contracts and non-compliance to supply chain management prescripts. Fruitless and Wasteful expenditure to the value of R32 205 was incurred on interest paid of Auditor-general overdue invoices. Investigations to address these are yet to be conducted in the new financial year.

- ☐ Public Private Partnerships
 - o The Department has not established any Public-private Partnerships.
- ☐ Discontinued key activities / activities to be discontinued
 - o There are no activities that were discontinued in the current financial year or even identified to be discontinued in the short-term
- ☐ New or proposed key activities
 - o The Department has not proposed any new activities for implementation in the foreseeable future.
- ☐ Supply chain management
 - o There were no unsolicited bids concluded in 2021/22
 - o Internal control measures implemented during the year include the following:
 Pre-audit of all payment vouchers before disbursement of payments to avoid payment for non-compliant claims, extension of term and scope for housing development contracts are discussed in the bid adjudication committee and submitted to Provincial Treasury for approval if in excess of 20% of contract value. Periodic visits to sites to verify milestones achieved against targeted delivery was being conducted by the monitoring an evaluation team within strategic planning directorate. Human resource in the Supply Chain Management unit has not reached full capacity and office space does not allow for proper records keeping, but recruitment process is progressing.
- ☐ Gifts and Donations received in kind from non-related parties
 - o There are no transactions processed
- ☐ Exemptions and deviations received from the National Treasury
 - o None
- ☐ Events after the reporting date
 - o None
- ☐ Other
 - o None
- ☐ Acknowledgement/s or Appreciation
- ☐ Conclusion
- ☐ Approval and sign off



MR.J.K. MASHIGO

ACCOUNTING OFFICER

DEPARTMENT OF HUMAN SETTLEMENTS

DATE 01/09/2022

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

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

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

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

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

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

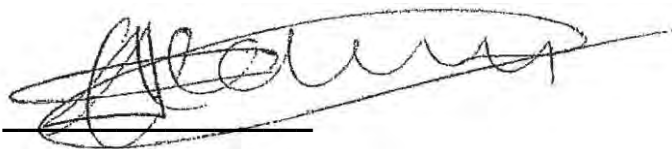
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'J.K. Mashigo', written over a horizontal line.

MR.J.K. MASHIGO

ACCOUNTING OFFICER

DATE 01/09/2022

7. STRATEGIC OVERVIEW

7.1. Vision

A community in an integrated and sustainable human settlement.

7.2. Mission

To provide adequate and sustainable human settlements that enable improved quality of life.

7.3. Values

Our organisational culture is depicted by the following attributes:

- ☐ Commitment
- ☐ Integrity
- ☐ Quality
- ☐ Courtesy
- ☐ Resourceful
- ☐ Diligence
- ☐ Efficient
- ☐ Batho Pele Principles

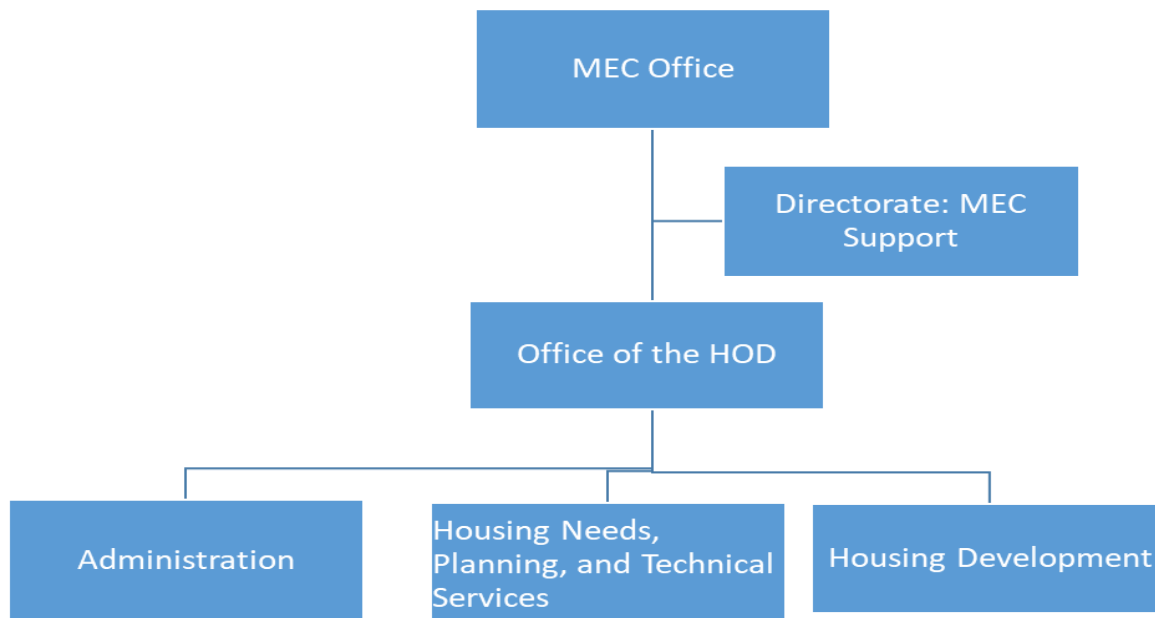
8. LEGISLATIVE AND OTHER MANDATES

Department of Human Settlements derives its mandate from Chapter 2 of the Bill of Rights in the Constitution of the Republic of South Africa which states that everyone has the right to access adequate housing.

- The Housing Act 107 of 1997;
- The Housing Consumers Protection Measure Act 19 of 1998;
- The Rental Housing Act 50, 1999;
- Public Service Act 103 of 1994
- Public Finance Management Act 1 of 1999; as amended
- Labour Relations Act 66 of 1995;
- Development Facilitation Act 67 of 1995;
- Breaking New Ground;
- Construction Industry Development Board Act 2000
- Employment Equity Act 55 of 1998;
- Skills Development Act 97 of 1998;
- Public Service Collective Bargaining Chamber (PSCBC) Resolutions;
- Occupational Health and Safety Act 85 of 1993;
- RDP White Paper;
- The Public Service Regulations 2001;
- The Promotion of Access to Information Act 2 of 2000;
- National Minimum Information Security Standard Policy of 1996;
- The Protection of Information Act 84 of 1982;

- Constitution of the Republic of South Africa, 1996;
- Division of Revenue Act, 7 of 2003;

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER/MEC

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
North West Housing Corporation	North West Housing Corporation Act 24 of 1982 as amended	Public Entity of the Department	The Corporation operate under the leadership of the North West Housing Corporation Board.

PART B: PERFORMANCE INFORMATION

1. **AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES**

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 81 of the Report of the Auditor General, published as Part E: Financial Information.

2. **OVERVIEW OF DEPARTMENTAL PERFORMANCE**

2.1 **Service Delivery Environment**

The right to adequate housing is clearly recognised in international human rights law, including in the International Covenant on Economic, Social and Cultural Rights, which provides for 'the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions' (United Nations Publication, 2012). The South African Constitution states that everyone has the right to have access to adequate housing and the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right.

The demand for human settlements intervention remains a challenge with our communities hoping that Government will come to their rescue and provide adequate housing. Government is working very hard to meet these expectations but it is also facing challenges that are as a result of the following:-

- ☐ Enormous backlogs because of the apartheid legacy
- ☐ Population growth (migration, urbanisation and demographics)
- ☐ Administrative issues (municipal maladministration, lack of control)
- ☐ Economic variables (poverty, affordability and poor access to housing finance)
- ☐ Housing shortage
- ☐ Unavailability of land.

In responding to the housing delivery challenges, the province is faced with sporadic community protests which could be attributed to the perceived inability of municipalities to deliver basic services such as running water, electricity and sanitation especially in informal settlements and villages. However, the lack and or shortage of houses and social amenities, still is and will always be at the centre of these protests as it adds to the growing dissatisfaction in these and other poor communities.

The province is still faced with land invasion thus delaying the delivery of houses especially in the land that has been identified for human settlements development. Another major challenge is that the province is mostly dolomitic and this creates another burden on government because some communities refuse to be relocated to more suitable areas for housing development.

The department is also faced with poor performance by developers and contractors. Most of the contractors do not have capacity to deliver, which result in targets not being achieved. This result in our communities being frustrated and, in some instances, occupying incomplete houses.

Another challenge is with our stakeholders who are expected to provide bulk infrastructure before the department can commence with the building of houses. Most of our municipalities do not prioritise the provision of water and sanitation, although they continuously under spend on their MIG funding.

The department is still faced with the eradication of the housing backlog from the blocked projects. These are projects which were initially meant to be implemented by municipalities from the budget transferred by the department in the past, but they failed to deliver on them. The audit on blocked project was done, and the focus of this exercise was on two types of projects namely trench and progress payment projects. Although reported in 2020/21 annual report on tackling the backlog of blocked or abandoned housing projects that were at different stages, the department did not manage to unblock these blocked projects. The programme is scheduled to be continued throughout the MTEF until all blocked projects are addressed.

Acquisition of land

The department entered into an Implementation Protocol with the Housing Development Agency (HDA) to investigate the acquisition of suitably well-located portions of land.

The department has partnered with HDA to assist in the assembly of land parcels for human settlement development. The total number of 953 hectares of land was acquired during 2021/22 financial year

Title deeds restoration programme

The department is faced with the challenge of transferring title deeds to rightful owners due to the delays in the township establishment process and proclamation. Engagements at various levels have occurred to unlock blockages and minimal progress has been registered. The township establishment is a municipal competency and remain the major, if not the greatest, root cause of the delays in the registration of subsidy houses. The department continued to engage municipalities to address this problem. The department has also finalised the establishment of database for conveyancers during the 4th quarter of 2021/22 financial year. This will speed up the process with the registration of subsidy houses.

National Department has also allocated the province an official designated to assist in the delivery of title deeds.

INTERNAL ENVIRONMENT ANALYSIS

The department has an organisational structure that is fit for purpose. The structure was developed with the full support of the National Department of Human Settlements.

The departmental vacancy rate is above the DPSSA's norms and standards due to funded vacant post not filled within the timeframe.

The department did extremely well in addressing the delay procurement of contractors and developers by reconstituting the bid committees. After which, there was procurement of new contractors as well as the review and renewal of some contractors.

The implementation of the Military programme also faced challenges due to non-availability of serviced stands from municipalities and lack of geo-technical reports in area where Military veterans' houses were to be built. The department has engaged the affected municipalities to address the issue of serviced stands and getting the geo-technical reports which will assist the implementation of the programme in the 2022/23 financial year.

Analysis of Women, Youth and Persons with Disabilities (WYPD)

The department set aside 40% of the infrastructure budget targeting Women, Youth and Persons with Disabilities. The department will ensure that WYPD participate in the construction of houses through direct or sub-contracting. The department appointed a total of sixteen WYPD contractors with a total value of R303 196 221,15 for Women, R72 747 953, 60 for youth and R44 927 589,25 which translate to approximately 38% of infrastructure spending towards WYPD.

2.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Title Deed Restoration Programme	North-West citizens and legal permanent residents that are approved beneficiaries in all programmes excluding rural projects and CRU and rental units.	Title deeds to eradicate post 1994 backlog	2128 post 1994 title deeds to be transferred	☐ 1482 post 1994 title deeds transferred to homeowners
		Title deeds registered for new homeowners	5068 title deeds to be transferred	☐ 266 title deeds transferred to new homeowners.
Servicing of sites		Sites serviced	6007 sites to be serviced	☐ 6723 sites serviced
Delivery of housing units		Housing units constructed	5139 houses to be constructed	☐ 1528 houses constructed

Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Current Arrangements	Desired Arrangements	Actual Achievements
Consultation	☐ Informed citizenry	☐ 9764 consumer education conducted across the province.
Access	☐ Effective and efficient front / help desk at NWDC Ground Floor Office 1 and 2 from 08h00 – 16h30 (Housing Subsidy Claims) and availability of personnel at Head Office during department operational hours for all title deed ☐ Availability of department operations at district level enquiries and processing	☐ Department still centralized at Head Office Only (Mafikeng), although Housing officials are assigned per district and rely on weekly/daily travelling to their respective service sites. ☐ The department is currently looking at the options of establishing regional offices.

Courtesy	☐ Use of batho pele community feedback questionnaire; ☐ Develop title deed and housing delivery satisfaction survey to circulate to community members / beneficiaries at departmental project sites; ☐ Display of Batho Pele Principles at departmental sites; ☐ Provision of nametags for outstanding officials.	☐ All calls and title deed queries directed to relevant section.
Redress	☐ Development of complaints and compliments framework; ☐ Suggestion box and complaints register at departmental sites; ☐ Provision of feedback and resolution mechanism from provincial tollfree administered by the Municipal admin unit; ☐ Liaison with ward councillors, war room and service delivery outreach.	☐ Departmental Complaints and compliments framework were circulated.
Information	☐ Housing Consumer Education Awareness campaigns to include title deed restoration programme; ☐ Provision of signage at NWDC and service charter at departmental sites.	☐ 9764 consumer education conducted across the province
Openness and Transparency	☐ Availability of the following to the public: APP, Strategic Plan, Annual Report, Service Charter and Contact list.	☐ Approved 2020/21 Annual Performance Plan available and shared with officials through the departmental intranet. ☐ Approved Strategic Plan in Place.
Service Standards	☐ Title deeds transferred to new and existing homeowners who are subsidised by the department.	☐ Title deeds transferred to correct homeowners
Value for money	☐ Title deed restoration programme utilized within allocated budget	☐ 1973 title deeds transferred to correct homeowners

Service delivery information tool

Current Arrangements	Desired Arrangements	Actual Achievement
Community Information contact sessions	To educate service recipients, community members and housing consumers on access, entitlement and regulations on housing opportunities.	Consumer education provided across the province.

Complaints mechanism

Current Arrangements	Desired Arrangements	Actual Achievement
Department Front Desk	Effective and efficient front-desk (personnel) which deals with all housing related complaints	2 offices allocated for all housing enquiries, applications and status. Offices are based at no 24 and 26 Ground Floor, NWDC Building.

2.3 Organisational environment

2022/21 was a year of building and capacitating the Department to be fully operation and stabilised. The Department has four hundred and fifty-eight vacant funded positions, of which 274 are filled and 184 are vacant. All administration Policies and process are approved and improved as and when changes emerge. The following is the outline of the posts in the Department:

Salary Band	Number of posts	Number of posts filled	Number of posts vacant	Vacancy rate
Salary 1-2	33	30	3	9%
Salary 3-5	112	75	37	33%
Salary 6-8	171	92	79	46%
Salary 9-12	122	62	60	49%
Salary 13-15	20	15	5	25%
Total number of posts	458	274	184	40%

2.4 Key policy developments and legislative changes

There were no major changes to relevant policies or legislation that may have affected the operations of the Department operations during the period under review or future financial periods.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The department aims to improve the living conditions of the people of the North West Province through the realisation of its Impact Statement and Outcomes, namely: -

Impact Statement: Improved living conditions through the provision of integrated sustainable human settlements in the North West Province.

The above-mentioned impact statement will be realized through the achievement of one of the following three (3) departmental outcomes: -

Outcomes:

Programme 1 Outcome: Improved good governance and accountability.

The department has planned to contribute towards the achievement of the outcome (Improved good governance and accountability) through the output improved support services, governance and accountability. The following two (2) output indicators are set to measure the extent to which the department is achieving its output. The achieved output will contribute towards the achievement of the five-year outcome target, i.e. improved good governance and accountability through the following indicators: -

- ☐ Percentage reduction of post audit findings
- ☐ Compliance levels with HRM legislative prescripts

The department has performed below average in relation to the contribution towards the achievement of the above-mentioned outcome. This is because the department has only achieved the target set for one (1) indicator and did not achieve the set target for the other. Although the department has not achieved the target the first indicator, progress has been made regarding the reduction of post audit findings.

Programme 2 Outcome: Creation of a conducive environment for the implementation of human settlements programmes.

Programme 2 has performed well. The programme has achieved all its output indicators. The programme has over-achieved on its output indicator, namely, Number of potential beneficiaries provided with consumer education.

Programme 3 Outcome: Sustainable Human Settlements and improved quality of household life

Programme 3 performed poorly when comparing the achieved targets against the set targets, especially in relation to the delivery of housing units. The challenge for the non-achievement of housing delivery targets is as a result of contractors abandoning sites due to claims of increase in material as a result of Covid 19 restrictions. The department over-achieved on the servicing of sites and FLISP programme.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.3 Programme 1: Administration

Purpose: To provide corporate support to the entire Department as well as strategic administration and political direction through the offices of the Head of Department and the Executive Authority respectively. This programme consists of the following sub-programmes: -

- ☐ Office of the HOD
- ☐ Financial Management
- ☐ Corporate services

Purpose of the sub-programmes:

- ☐ Office of the HOD: To provide strategic leadership in ensuring provision of integrated and sustainable human settlements in the North West Province
- ☐ Financial Management: To manage the department's finances
- ☐ Corporate services: To oversee the provision of corporate support services

Institutional outcomes that each programme contributes.

Sub-programme	Outcome that each programme contributes to.
Office of the HOD	☐ Improved governance and accountability ☐ Creation of a conducive environment for the implementation of human settlements programmes. ☐ Sustainable Human Settlements and improved quality of household life
Financial Management	☐ Improved governance and accountability
Corporate Services	☐ Sustainable Human Settlements and improved quality of household life

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The department has planned to contribute towards the achievement of the outcome (Improved good governance and accountability) through the output improved support services, governance and accountability. The following two (2) output indicators are set to measure the extent to which the department is achieving its output. The achieved output will contribute towards the achievement of the five-year outcome target, i.e. improved good governance and accountability through the following indicators: -

- ☐ Percentage reduction of post audit findings

☐ Compliance levels with HRM legislative prescripts

The department has performed below average in relation to the contribution towards the achievement of the above-mentioned outcome. This is because the department has only achieved the target set for one (1) indicator and did not achieve the set target for the other. Although the department has not achieved the target the first indicator, progress has been made regarding the reduction of post audit findings.

The Directorate: SCM is monitoring the expenditure against the 40% infrastructure budget set towards Women, Youth and People with Disabilities. The department managed to spend approximately 38% infrastructure budget towards the designated groups. One of the major challenges is having People with Disabilities contractors in the departmental database. The department has established a new database with the hope that People with Disabilities have applied and are on the database.

Outcomes, outputs, output indicator, targets and actual achievements table

Table 2.4.4.2

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2019//2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved good governance and accountability	Improved support services, governance and accountability	Percentage reduction of post audit findings	New KPI	New KPI	100%	83%	17%	Slow/ poor response by Managers in responding/ addressing the post audit findings relevant to their directorates/ units.
		Compliance levels with HRM legislative prescripts.	New KPI	New KPI	3	3	None	N/A

****Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan (In the instance where a department did not re-table the Annual Performance Plan in the financial year under review) OR in relation to the performance information reflected in the re-tabled Annual Performance Plan.**

Linking performance with budgets

The Department spent R157 783 of its allocated budget in 2021/22 financial year. This translates to 93.1 percent of total budget compared to 68.25 percent in 2020/21. The increase is as a result of increase in number of employee wellness programs hosted and acquisition of new motor fleet, progress registered in staff recruitment with related increase for Microsoft licences, subsistence and travel, and purchase of tools of trade for new staff.

Sub-programme expenditure

Sub-Programme Name	2020/2021			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the HOD	14 217	5 769	8 448	7 804	5 625	2 179
Financial Management	46 904	35 347	11 557	60 998	60 218	780
Corporate Services	74 902	71 024	3 878	88 981	80 980	8 001
Total	136 023	112 140	23 883	157 783	146 823	10 960

Strategy to overcome areas of under performance

The department to strengthen the monitoring and implementation of Post Audit Action Plans

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

No standardised indicators for programme 1

Reporting on the Institutional Response to the COVID-19 Pandemic

Department has appointed screeners for Covid-19 on contract appointment. Related equipment in the form of masks and wall-mounted digital thermometers were also purchased. The sector did not provide any relief package for housing development contractors.

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
Administration	Screeners	Mahikeng	11		R155	R155		

4.2 Programme 2: Housing Needs, Research, Planning and Technical Services

Purpose: To research, develop policies, and plans that respond to various housing programmes

Sub-Programmes:

- ☐ Human settlements planning monitoring and evaluation
- ☐ Research and policy development
- ☐ Statutory bodies secretariat support services
- ☐ Human settlements stakeholder engagement and capacity development

Institutional outcomes that each programme contributes.

Sub-programme	Outcome that each programme contributes to.
Human settlements planning monitoring and evaluation	☐ Improved governance and accountability ☐ Creation of a conducive environment for the implementation of human settlements programmes.
Research and policy development	☐ Improved governance and accountability ☐ Creation of a conducive environment for the implementation of human settlements programmes.
Statutory bodies secretariat support services	☐ Improved governance and accountability ☐ Creation of a conducive environment for the implementation of human settlements programmes.
Human settlements stakeholder engagement and capacity development	☐ Improved governance and accountability ☐ Sustainable Human Settlements and improved quality of household life

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 2 has performed well. The programme has achieved all its output indicators. The output will contribute towards the achievement of the outcome. The programme has over-achieved on its output indicator, namely, Number of potential beneficiaries provided with consumer education.

Table 2.4.4.2

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2019//2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Creation of a conducive environment for the implementation of human settlement programmes	HSDG/IS UPG Business Plans developed	Number of Human Settlements Development Grant Business Plan produced	1	1	1	1	None	N/A
		Number of Multi-Year Housing Development Plan (Part D) reviewed	1	1	1	1	None	N/A
	Consumer Education conducted	Number of potential beneficiaries provided with consumer education	6888	0	8000	9764	+1764	Beneficiaries responded positively during Q3 because consumer education sessions were coupled with issuing of title deeds

Linking performance with budgets

Total budget allocation of R 32 103 million is spent at R24 589, translating into 76.6 percent while 81.0 percent was spent in the prior year. Under-expenditure is attributed to restrictions on movement of people as a result of Covid-19 regulations slowed progress on contact sessions for consumer education and research.

Sub-programme expenditure

Sub- Programme Name	2020/2021			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration: Housing Needs, Planning, Research and Technical Services	23 543	21 824	4 500	32 103	24 589	7 514
Total	23 543	21 824	4 500	32 103	24 589	7 514

Strategy to overcome areas of under performance

There were no areas of under-performance.

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

No standardised indicators for programme 2.

Reporting on the Institutional Response to the COVID-19 Pandemic

Internal strategy for Covid-19 is centralised in Programme: Administration. Restrictions imposed by Covid-19 regulations reduced level of performance on research projects as these are more effective when conducted physically with participants.

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

Refer to Programme 1: Administration

Budget Programme	Intervention	Geographic location (Province/ District/ local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes

4.3 Programme 3: Housing Development

Purpose: To provide integrated and sustainable human settlements through accelerating housing opportunities and ensure security of tenure

Sub-Programmes:

- Housing subsidy management
- Human settlements project management: Bojanala District Municipality
- Human settlements project management: Dr. R.S.M. District Municipality
- Human settlements project management: NMMDM
- Human settlements project management: Dr. K.K. District Municipality

Institutional outcomes that each programme contributes

Sub-programme	Outcome that each programme contributes to.
Housing subsidy management	☐ Improved governance and accountability ☐ Sustainable Human Settlements and improved quality of household life
Human settlements project management: Bojanala District Municipality	☐ Improved governance and accountability ☐ Creation of a conducive environment for the implementation of human settlements programmes.
Human settlements project management: Dr. R.S.M. District Municipality.	☐ Improved governance and accountability ☐ Creation of a conducive environment for the implementation of human settlements programmes.
Human settlements project management: NMMDM	☐ Improved governance and accountability ☐ Sustainable Human Settlements and improved quality of household life
Human settlements project management: Dr. K.K. District Municipality	☐ Improved governance and accountability ☐ Sustainable Human Settlements and improved quality of household life

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Programme 3 managed to achieve two (2) out of seven (7) indicators which translate into 28% achievement. The programme did not do well with the provision of housing as well as the registration of title deeds. The non-achievement of the targets is as a result number of factors, namely, lack of service sites for military veterans programme, lack of geo-technical reports for military veterans programme, abandoning of sites by contractors, poor performance by contractors, delays in township proclamation as well as impact of Covid 19.

Table 2.4.4.2

Programme / Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	**Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Sustainable Human Settlements and Improved Quality of Household Life	Title deeds transferred to home owners(New and backlog)	Number of title deeds transferred to new home owners	New KPI	New KPI	5068	266	4802	Developers did not prioritize registration of title deeds.
		Number of pre 1994 title deeds transferred to home owners	New KPI	New KPI	2179	24	2155	The pre 94 title deeds did not progress well as a result of the Housing Corporation properties that are still with different municipalities. Cross border province properties also posed a challenge to the North West Housing Corporation in dealing with the Pre-1994 title deeds.

		Number of post 1994 title deeds transferred to home owners	New KPI	New KPI	2128	1482	646	Province had one active service provider (conveyancing) for the title deeds restoration programme which resulted in the delay in processing title deeds.
		Number of post 2014 title deeds transferred to home owners	New KPI	New KPI	2640	201	2439	Province had one active service provider (conveyancing) for the title deeds restoration programme which resulted in the delay in processing title deeds.
		Number of serviced sites delivered through a range of programmes in the housing code	5472	500	6007	6723	716	Over-achievement due to more completion of serviced sites at the Matlosana N12 Catalytic Project
		Number of military veterans houses constructed	28	6	61	0	61	Lack of serviced sites by municipalities hampered the delivery on this programme

		Number of houses constructed around mining towns	2461	1154	2040	1052	988	Some Developers/ Contractors abandoned sites citing the high increase of building material due of Covid 19 restrictions. This negatively affected the achievement on the delivery of houses across the Province.
		Number of rural housing units constructed (excluding mining towns and veterans)	3783	1789	3038	1528	1510	Some Developers/ Contractors abandoned sites citing the high increase of building material due of Covid 19 restrictions. This negatively affected the achievement on the delivery of houses across the Province
		Number of FLISP subsidies disbursed	New KPI	New KPI	86	147	+61	The department processed more applications in Q2 that resulted in overall over-achievement for the year.

Linking performance with budgets

Department was allocated a budget of R1 703 223 million and spent R1 431 946 million. This translates to 84.1 percent while 80.9 percent was spent in 2020/21. The highest spending sub-programme is Administration at 95.2 percent followed by Incremental Intervention at 93.5 percent then Rural Intervention at 88.0 percent and lastly by Provincial Intervention at 69.0 percent. Under-expenditure is as a result of non-availability of serviced sites in various municipal areas, developers leaving site due to Covid-19 impact on their financial capability with no relief provide while prices of building materials increased.

Sub-programme expenditure

Sub-Programme Name	2020/2021			2021/2022		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration: Housing Development	48 229	43 848	4 381	62 881	59 859	3 022
Incremental Intervention	716 737	727 832	(11 095)	629 202	588 379	40 823
Rural Intervention	300 042	246 190	53 852	451 190	397 269	53 921
Provincial Intervention	287 872	282 655	5 2127	559 950	386 439	173 511
Total	1 352 880	1 300 525	52 355	1 703 223	1 431 946	271 277

Strategy to overcome areas of under performance

- ☐ The department will engage municipalities to address the issue of service sites and proclamation of townships.
- ☐ The department will review the contracts of poor performing contractors.
- ☐ The department to strengthen the monitoring of projects
- ☐ The department to engage relevant stakeholders who contribute towards the achievement of departmental targets.
- ☐ Finalise the establishment of the database for conveyancers for the improvement of title deeds restoration programme.

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

No standardised indicators for programme 3.

Reporting on the Institutional Response to the COVID-19 Pandemic

Internal strategy for Covid-19 is centralised in Programme: Administration. Covid-19 pandemic resulted in increased prices in building materials putting pressure on developers' financial strength. Internal measures are centralized under Program: administration.

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

Refer to Programme: Administration. Response to Covid-19 pandemic is centralised under Programme 1

Budget Programme	Intervention	Geographic location (Province/ District/ local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The North West Housing corporation is the public entity of the Department charged with the responsibility to become a leading real estate management and development agent of the North West provincial government, to provide and facilitate provision of housing and other buildings for the benefit of lower, middle and in some instances higher income groups within societies of the province. Performance of the entity is monitored through quarterly reporting on financial and service delivery performance. Total of R38 808 000 was allocated for transfer to the entity in 2020/21 while in 2021/22 the amount was R40 904 000 and full allocations were transferred in both financial periods. A fully operational Board of Directors is in place and a substantive Chief Executive Officer was appointed on a five year employment contract in 2020/21. Revenue collection has been a challenge with the entity and the bulk of its allocation from the Department is spent on operational activities.

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
North West Housing Corporation	Conduct feasibility studies for New Housing	R40 904 000	R40 904 000	Conducted feasibility studies for New Housing

	Projects Conclude on funding agreement for student accommodation Secure approved funding. Facilitate sale of flats units Facilitate sale of vacant stands sold (NWHC) Facilitate issuance of title deeds			Projects Concluded on funding agreement for student accommodation Secured approved funding. Facilitate sale of flats units Facilitate sale of vacant stands sold (NWHC) Facilitate issuance of title deeds

5.2. Transfer payments to all organisations other than public entities

The Department has made a transfer of R250 million to the City of Matlosana Local Municipality for purposes of financial top-up on the National housing development catalytic project along the N12 corridor. The project is approved in the 2021/22 and current housing development business plan at lower amounts and implementation is progressing faster than had been anticipated. The Department complied with S38 1(j), and monitoring is on the basis of monthly meetings, reports and site inspection conducted by the Department of Human Settlements provincially and nationally.

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

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity R,000	Reasons for the funds unspent by the entity
City of Matlosana	Local Municipality	Housing Development Catalytic Project	Yes	R250 000	R144 931	Project implementation is done in line with implementation plan and these projects are continuous and progressing well

The table below reflects the transfer payments which were budgeted for in the period 1 April 2021 to 31 March 2022, 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
<i>Housing Development Agency</i>	Land acquisition and assembly for human settlements development within the Province, land planning assistance with more focus on informal settlements upgrading, facilitation of master spatial plan for the Province amongst others	<i>R100 257</i>	<i>Nil</i>	<i>Gazette could not be published</i>

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The Department did not transfer conditional grants and earmarked funds to any municipality or department.

6.2. Conditional grants and earmarked funds received

The receiving department should include the following information in the annual report on conditional grants received:

The Department received a conditional grant allocation of R1.640 342 billion comprised of Human Settlements Development Grant of R1.282 314 billion and Upgrading of Informal Settlements Grant of R358.038 million. An indication of the total amount of actual expenditure on all allocations.

The full grant allocation budgeted for 2021/22 was received from the National Department in monthly tranche payments in line with payment schedule submitted by the Department. A total of R1.640 342 was transferred into the Provincial Exchequer grant account. The following key achievements were registered:-

- ☐ Out of 5068 title deeds that were to be transferred to new home owners, only 266 were achieved;
- ☐ Out of 6947 title deeds that were to be transferred to home owners (Pre & Post -1994 and Post 2014) only 1 707 were achieved;
- ☐ Out of 6007 sites planned to be serviced 6723 were serviced;
- ☐ Out of 3038 rural housing units that were planned to be constructed excl. Military Veterans and mining towns only 1528 were achieved;

- ☐ Out of 61 military veterans housing units that were planned to be constructed nothing (0) was achieved;
- ☐ Out of 2040 housing units that were planned to be constructed around mining towns 1052 units were achieved.

Reasons for under-achievement include the following:-

- ☐ Developers did not prioritize registration of title deeds.
- ☐ The pre 94 title deeds did not progress well as a result of the Housing Corporation properties that are still with different municipalities.
- ☐ Cross border province properties also posed a challenge to the North West Housing Corporation in dealing with the Pre-1994 title deeds.
- ☐ Province had one active service provider (conveyancing) for the title deeds restoration programme which resulted in the delay in processing title deeds.
- ☐ Lack of serviced sites by municipalities hampered the delivery on the Military Veterans programme
- ☐ Some Developers/ Contractors abandoned sites citing the high increase of building material due of Covid 19 restrictions. This negatively affected the achievement on the delivery of houses across the Province.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2021 to 31 March 2022.

Conditional Grant: Human Settlements Development Grant

Department who transferred the grant	Department of Human Settlements (National)
Purpose of the grant	To finance the implementation of National Housing Programs for the creation of sustainable Human Settlements
Expected outputs of the grant	☐ 5068 title deeds to be transferred to new home owners,; ☐ 6947 title deeds that to be transferred to home owners (Pre & Post -1994 and Post 2014) ☐ 6007 sites planned to be serviced; ☐ 3038 rural housing units were planned to be constructed excl. Military Veterans and mining towns. ☐ 61 military veterans housing units were planned to be constructed ☐ 2040 housing units were planned to be constructed around mining towns 1052 units

Actual outputs achieved	☐ Out of 5068 title deeds that were to be transferred to new home owners, only 266 were achieved; ☐ Out of 6947 title deeds that were to be transferred to home owners (Pre & Post -1994 and Post 2014) only 1 707 were achieved; ☐ Out of 6007 sites planned to be serviced 6723 were serviced; ☐ Out of 3038 rural housing units that were planned to be constructed excl. Military Veterans and mining towns only 1528 were achieved; ☐ Out of 61 military veterans housing units that were planned to be constructed nothing (0) was achieved; ☐ Out of 2040 housing units that were planned to be constructed around mining towns 1052 units
Amount per amended DORA	R1 282 314 000
Amount received (R'000)	R1 234 648 000
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the department (R'000)	R1 134 411 000
Reasons for the funds unspent by the entity	Alert level 4 lockdown Contractors unable to absorb escalated steel prices ☐ The database for conveyancers is yet to be advertised to expedite the pre title deeds performance ☐ The developers are not prioritizing registration of title deeds on the new projects ☐ Planning on some new projects needed to be verified (feasibility studies- township establishment, geotechnical investigation, township layout, municipal planning tribunal approval etc) as some lack bulk infrastructure ☐ Municipalities fail to provide serviced sites for development of housing units for military veterans ☐ Developers/contractors leaving out the completion sub-milestone (roads and storm water management) for last which affects reporting completed serviced sites
Reasons for deviations on performance	Municipalities slow in proclamation of townships resulting in the delay of title deeds registration Developers did not prioritize registration of title deeds even after several consultations The pre 94 title deeds is not progressing well as a result of the Housing Corporation properties that are still with different municipalities Cross border Province properties also poses a challenge to the Corporation Lack of serviced sites by municipalities hampered the delivery on military veterans houses

Measures taken to improve performance	The department will engage municipalities to address the issue of service sites and proclamation of townships The department will review the contracts of poor performing contractors The department to strengthen the monitoring of projects The department to engage relevant stakeholders who contribute towards the achievement of departmental targets Finalise the establishment of the database for conveyancers for the improvement of title deeds restoration programme
Monitoring mechanism by the receiving department	Monthly and quarterly reports (delivery and financial) by regional managers Site visits conducted by monitoring and evaluation team within the strategic planning unit

Conditional Grant: Upgrading of Informal Settlements Partnership Grant

Department who transferred the grant	Department of Human Settlements (National)
Purpose of the grant	To provide funding to facilitate a programme and inclusive approach to upgrading informal settlements
Expected outputs of the grant	Upgrading informal settlements to phase 3 Township establishment Land acquisition
Actual outputs achieved	6723 sites were serviced 953 hectares of land was acquired
Amount per amended DORA	R 358 028 000
Amount received (R'000)	R 358 028 000
Reasons if amount as per DORA was not received	Not applicable
Amount spent by the department (R'000)	R 335 567 000
Reasons for the funds unspent by the entity	Alert level 4 lockdown Contractors unable to absorb escalated steel prices Planning on some new projects needed to be verified (feasibility studies- township establishment, geotechnical investigation, township layout, municipal planning tribunal approval etc) as some lack bulk infrastructure

Reasons for deviations on performance	Township establishment takes between 18-24 months hence no achievement on township establishment.
Measures taken to improve performance	Close monitoring on project implementation to be enforced Approval for exemption from Constitutional court ruling on BBBEE requirement for procurement will assist in improving spending
Monitoring mechanism by the receiving department	Monthly and quarterly reports (delivery and financial) by regional managers Site visits conducted by monitoring and evaluation team within the strategic planning unit

7. DONOR FUNDS

7.1. Donor Funds Received

The Department did not receive any donor funding

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

The Department does not engage in any investing activities.

PART C: GOVERNANCE

1. INTRODUCTION

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

2. RISK MANAGEMENT

The Department has approved Risk, Ethics and Fraud Prevention Literature.

The Literature were reviewed and recommended for approval by the Risk, Ethics and Fraud Prevention Committee. The independent Chairperson of the Committee recommended all literatures and the Head of the Department approved them on the 21/04/2021.

The Following Policies and Strategies were approved by the Head of the Department on the 21/04/2021: -

- ☐ Risk Management Policy,
- ☐ Risk Management Strategy,
- ☐ Risk, Ethics and Fraud Prevention Charter,
- ☐ Fraud Prevention policy,
- ☐ Fraud Prevention Strategy,
- ☐ Whistle blowing policy,
- ☐ Ethics Strategy

Departmental Risk Assessment

The Department conduct the strategic risk assessments annually when Senior Managers review the Departmental outcomes. The core purpose of the strategic risk assessment is to identify strategic risks and identify new emerging risks that will hamper the Department from achieving its set objectives.

During the Strategic review of the Departmental outcomes and performance, the draft strategic risk register is prepared with inputs of identified strategic risks from Senior Managers.

The updated draft strategic risk register is presented to the risk management committee for recommendations. The Departmental strategic risk register was recommended by the Independent Risk Management Chairperson on the 01/04/2021 and approval by the Head the Department was on the 01/04/2021.

Operational Risk Assessment: -

Risk Management unit conduct the risk assessment process with all officials within the operational level in the Department.

During the risk assessment officials have to identify risk which are inclusive of new emerging risk, measure the identified risk in terms of likelihood and impact, develop control measures to mitigate the identified risks and set key dates for the implementation of the treatment plans.

The draft risk register was reviewed and updated then submitted to the risk management committee for their inputs. The updated draft register is recommended by the Chairperson on the 09/09/2021 and approved by the Head of the Department on the 13/09/2021.

Monitoring of the Treatment plans: -

On a quarterly basis Programme Managers have to report on the implementation of the treatment plans to ensure that identified risks are managed to an acceptable level. Risk Management unit on a quarterly basis have to monitor if agreed control measures have been implemented, ensure that officials re-rate the risks after the implementation of the treatment plans in order to determine if risks are at an acceptable level and identify new emerging risks.

Risk Management Challenge:

- ☐ Non implementation of the treatment plans by the risk owners, Senior Managers,
- ☐ The maturity level of risk management within the department is very low.

The risk management unit has developed an approved Risk Management Plan which assist in putting system in place to ensure implementation by the risk owners: -

- ☐ Monthly reporting by Senior Managers on the progress in the implementation of the agreed upon treatment plans as a measure to mitigate identified risks,
- ☐ Risk Management forms part of the Departmental Management Committee meeting agenda in order to report on progress made and challenges.
- ☐ Risk Management function forms part of the Senior Managers Key performance areas for accountability and responsibility.

Risk Management Committee:-

The Department has a Risk Management Committee. The Head of the Department has appointed an independent Chairperson and 2 (two) External/Independent Member to serve in the committee in order to play an oversight role in assessing the effectiveness of the Departmental risk management system/processes.

The appointed Risk Management Committee has an approved scheduled of meetings which was approved by the Independent Risk Management Chairperson on the 26/06/2021.

As per the approved schedule of meeting, risk management committee meetings have to be attended quarterly in order to assess the implementation of the risk management process within the department.

For the year under review only 2(two) meetings were conducted in the 3rd and the 4th quarter.

The reason for non-compliance is due to the fact that Senior Managers who are appointed in the Committee did not attend the scheduled meetings, resulting in quorum not formed.

3. FRAUD AND CORRUPTION

- ☐ The department has an approved fraud prevention strategy with a plan. The plan is implemented on a quarterly basis in order to ensure that adequate preventative and detective measures are put in place in order to mitigate fraud risks.
- ☐ The Department has an approved Whistle blowing policy. The officials of the Department and the community reports all allegation of fraud and corrupt practices using the National hotline. The Office of the Premier and the Public Service Commission provide the Department with all reported alleged fraud and corruption cases.
- ☐ Minimum Information Security Services within the Department with the assistance of the South African Police Service conduct investigations on all reported alleged fraud and corruption cases.
- ☐ During the period under review the Department has not reported any case of allegations of fraud and corruption.

4. MINIMISING CONFLICT OF INTEREST

- The Department has an Ethics Strategy which is approved by the Head of the Department.
- According to the strategy all Senior Managers, Middle Management, officials within the Supply Chain Management and Finance unit are required to declare their financial interest and assets. After the disclosure period the ethics unit verify all disclosures and a report any identified conflict of interest. A report on the conflict of interest is prepared and submitted to the office of the Head of the Department. Formal letters through the office of the Accounting Officer are written to all officials who have conflict of interest in their disclosures. The officials are required to report within a month on the identified conflict of interest.

- Non response to the identified conflict of interest result in misconduct. Action is then taken against the official responsible for the misconduct.

5. CODE OF CONDUCT

The Department uses the Public Service Regulation Code of Conduct.

Yearly training on the Code of Conduct is conducted to all officials within the Department.

For the period under review training for officials was done on 07 June to the 22 June 2021

It is the responsibility of each Manager to ensure that their staff comply to the Code of Conduct. If non-compliance is found, Managers are required to prepare formal letter to Labour Relations unit in order to report about the matter.

The Labour relations unit then conduct their own investigation and prepare a report to the Accounting Officer within a reasonable time. Officials within the Supply Chain Management, Finance unit and bid committee members are required to complete code of conduct at the beginning of each financial year.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Employee Health and Wellness Programme is implemented in the Department. The Programme has four Strategic Pillars, and they are as follows:

- ☐ Safety, Health, Environment, Risk and Quality Assurance which focuses mainly on the health and safety of employees and department's clients/ customers
- ☐ Wellness Management Pillar- focuses on Individual Wellness and Organizational Wellness
- ☐ HIV and AIDS and TB Management- focuses on Awareness and Education, Prevention on HIV and AIDS and TB
- ☐ Health and Productivity Management- focuses on Health Promotion and Awareness on Communicable and Non- Communicable Diseases

7. PORTFOLIO COMMITTEES

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
8.1	Departmental 2021/22 Annual Performance Report	The Department must develop and implement a proper records management system in order to ensure that all documents in support of the financial statements are filed.	Department developed and implemented records management systems.	Yes
8.11		The department should submit a comprehensive report and mitigation strategy on all blocked and unsuccessful housing	Comprehensive report and mitigation strategy was submitted to the	Yes

		delivery projects across the province.	Portfolio Committee	
7.1	2021/22 Annual Performance Plan and Budget Date: 25 May 2021	Department must develop a turnaround plan, demonstrating challenges, ways to overcome them, including timelines on the adverse delivery of Military Veterans around the Province.	Department developed and submitted the turnaround plan on the Military Veterans programme to the Portfolio Committee	Yes
7.3		The Department must speed up the process of finalising the organogram structure and report to the Portfolio Committee within 7 days of the adoption of this report.	Department finalized the organogram and submitted the report to the Portfolio Committee.	Yes
7.4	2021/22 Second Quarter Performance Report Date: 19 November 2021	Submit a detailed report to the Portfolio Committee on how housing backlogs is being addressed, outlining number of slabs, roofs, wall plate being unblocked	Department submitted a detailed report to the Portfolio Committee	Yes
7.9		The Department must adequately manage all risk factors and submit a progress report to the Portfolio Committee on a quarterly basis.	Department submits quarterly reports on risk matters to the Portfolio Committee	Yes
7.3	2021/22 Fourth Quarter Performance Report Date: 31 August 2021	Submit a comprehensive report detailing what the Department is doing in clearing the system, unblocking all the blocked projects and dealing with the slabs around the Province.	Department submitted a detailed report to the Portfolio Committee	Yes
7.4		Submit a detailed report on the progress made thus far in respect of punitive measures on contractors who perpetually fail to deliver timeously.	Department submitted a detailed report to the Portfolio Committee	Yes

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
NONE	NONE	NONE	NONE	NONE

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department has developed a post-Audit-Action Plan for implementation during the financial year. The internal control unit monitors and reports to Provincial Treasury on progress registered. Staff in the finance unit have been appointed to ensure that activities linked to compilation, verification and application of various guidelines such as for purposes of addressing irregular expenditure and gaps identified in reporting on accruals and payables are implemented fully. Records management is still a serious challenge as the Department is short of office space. A steering committee chaired by the Accounting Officer comprising of all senior managers and other line managers has been established to closely monitor implementation of the post audit action plan.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Disclaimer	2019/2020	Improved to qualified audit opinion
Qualification	2020/2021	Implementation of post audit action plan in progress

10. INTERNAL CONTROL UNIT

Internal control function is seriously under capacitated with staff, with only two officials performing the key responsibilities. Main work performed included:

- ☐ Developing the post-audit action plans and monitoring their implementation
- ☐ Facilitating audits performed by both the Auditor-General and Provincial Internal Audit
- ☐ Identification of unauthorised, irregular, and fruitless and wasteful expenditure through post-verification of payment vouchers
- ☐ Reporting on progress registered on the implementation of post audit action plans

11. INTERNAL AUDIT AND AUDIT COMMITTEES

☐ **Key activities and objectives of the internal audit**

Key activities:

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Key objectives:

Provide a value add risk based internal audit service to the department.

☐ **Summary of audit work done**

For the financial year under review 26 assurance reports were issued to the Department. Work performed was based on a risk based internal audit plan and included audits of: risk management; supply chain management; financial statements; reporting on pre-determined objectives, audit action plans and bids above R10 million etc. Based on the internal audit work performed recommendations have been made to the Department for the enhancement and improvement of the effectiveness of internal control, risk management and governance processes.

☐ **Key activities and objectives of the audit committee;**

The audit committee, amongst others, reviews the following:

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of the internal audit function;
- (c) the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- (e) any accounting and auditing concerns identified as a result of internal and external audits;
- (f) the institution's compliance with legal and regulatory provisions;
- (g) the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations

Key objectives:

To contribute to the oversight function of the design and implementation of effective corporate governance, financial and performance management, risk management and internal controls with a view of achieving quality service delivery.

☐ **Attendance of audit committee meetings by audit committee members;**

Name	Qualifications	Internal or external	Role	Date appointed	Date resigned	No meetings attended
Central Audit Committee						
Mr L.Z Fihlani	CA(SA)	External	Chairperson	1 August 2018	Term of office ended	1
Ms P. Mzizi	CA(SA)	External	Member	1 August 2018	Term of office ended	1
Mr P. Tjie	B.Com, PMD	External	Member	1 August 2018	Term of office ended	1
Ms. J. Masite	B.Com, CIA	External	Member	1 August 2018	Term of office ended	1
Cluster Audit Committee						
Mr. P. Tjie	B.Com, PMD	External	Chairperson	1 August 2018	Term of office ended	3
Mr. L. Ally	CA(SA)	External	Member	1 August 2018	Term of office ended	3
Ms. H. Moller	Dip. Business Management	External	Member	1 August 2018	Term of office ended	3
Ms. N. Mtebele	B.Com, Higher Diploma in Taxation	External	Member	1 August 2018	Term of office ended	3

Name	Qualifications	Internal or external	Role	Date appointed	Date resigned	No meetings attended
Central Audit Committee						
Ms P. Mzizi	CA(SA)	External	Chairperson	14 February 2022		1
Mr P. Tjie	B.Com, PMD	External	Member	14 February 2022		1
Mr. L. Ally	CA(SA)	External	Member	14 February 2022		1
Cluster Audit Committee						
Mr P. Tjie	B.Com, PMD	External	Chairperson	14 February 2022		1
Ms H Masedi	M.Com	External	Member	14 February 2022		1
Mr M. Terheyden	CA(SA)	External	Member	14 February 2022		1
Mr T Boltman	Certified Internal Auditor	External	Member	14 February 2022		1

12. AUDIT COMMITTEE REPORT

1. Legislative requirements

The Audit Committee herewith presents its report for the financial year ended 31 March 2022, as required by treasury regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

2. Audit Committee Members and Attendance

The Audit Committee should meet at least four times per annum as the Central Audit Committee and also four times per annum as the Cluster Audit Committee as per its approved terms of reference. During the current year two scheduled meetings were held by the Central Audit Committee and four meetings were held by the Cluster Audit Committee.

3. 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, 1999 and Treasury Regulation 3.1.

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

4. The effectiveness of internal control

In line with the Public Finance Management Act, 1999, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12.

From the various reports of the Internal Auditors and the audit report of the Auditor General South Africa (AGSA) it was noted that matters were reported indicating deficiencies in the system of internal control in areas pertaining to financial reporting, material compliance with laws and regulations and material reporting on pre-determined objectives.

Through our analysis of audit reports and engagement with the Department we can report that the system on internal control for the period under review was not adequate and effective.

A matter of concern for the Audit Committee that has been raised with the department continuously is that the department is currently not implementing all internal and external audit action plans agreed upon. Based on our interaction with the department we conclude that the action plan management system has not been implemented adequately and effectively to address internal and external audit findings and the Audit Committee and Internal Audit have recommended specific improvements in this regard.

The Audit Committee remains concerned with the slow progress in the finalisation of irregular expenditure that has accumulated over previous financial years and the new irregular expenditure. The current status of the implementation of the guideline(s) and instruction(s) as issued by National Treasury to resolve irregular and fruitless wasteful expenditure is inadequate.

5. Risk management

The Risk Management Committee has been appointed and is chaired by an independent chairperson and advises the accounting officer.

The Audit Committee is concerned with the capacity of the risk management function which will impact service delivery negatively if the situation is not addressed.

Based on the quarterly audit committee reviews, the departmental risk and fraud management system is not adequate and effective.

The Audit Committee remains concerned that not all ICT risks are being addressed or mitigated.

6. In-Year Management and Quarterly Reporting

The quality of the in-year financial and performance reporting including interim financial statements are a concern to the Audit Committee.

The Audit Committee has recommended that the department prepare interim financial statements that comply with the financial reporting framework (Modified Cash Standard (MCS)). This will assist in performing reconciliations timeously and in eliminating year-end adjustments.

The Audit Committee has engaged with management to remedy shortcomings relating to reports on performance against predetermined objectives.

7. Evaluation of Financial Statements

During the quarter 3 and 4 meetings the Department presented the annual financial statement preparation plan and a progress report to the Audit Committee. The draft annual financial statements reviewed by the Audit Committee were not reflective of the progress reported to the Committee.

The draft annual financial statements reviewed by the Audit Committee was not submitted timely and finalised and completed to the extent required to enable adequate and effective review thereof. This compromised the assurance value of reviews performed by the Accountant General, Internal Audit and the Audit Committee. The Audit Committee has however reviewed the draft annual financial statements prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of Internal Audit, the Accountant General and the Audit Committee are fully addressed prior to submission of the annual financial statements to the Auditor General South Africa.

Subsequently the material misstatements not corrected and corrected were also reviewed when the management report of the AGSA was discussed with the Audit Committee

8. Evaluation of Performance Information

The Audit Committee has reviewed the section on performance information included in the draft annual report prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and audit Committee are

fully addressed prior to the submission of the annual report to the Auditor General South Africa.

The Audit Committee has discussed the external audit outcomes on the reporting on pre-determined objectives to be included in the annual report with the Auditor General South Africa and the Accounting Officer.

9. Compliance with laws and regulations

The Audit Committee is concerned with the status of compliance with laws and regulations. If the department does not implement an adequate and effective compliance framework and system, non-compliance and irregular expenditure will continue to occur.

10. Internal Audit

The Accounting Officer is obliged, in terms of the Public Finance Management Act, 1999, to ensure that the department has a system of internal audit under the control and direction of the Audit Committee. The Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The Audit Committee also notes that the deficiencies in the risk management system mentioned above impact on the implementation of the risk based audit approach.

The Audit Committee is satisfied that the internal audit function maintains an effective internal quality assurance programme that covers all aspects of the internal audit activity and that as determined during the external quality assessment review, that a “generally conforms” rating can be applied to the internal audit work and the term “Conforms with the International Standards for the Professional Practice of Internal Auditing” may be used by the function.

11. Auditor General South Africa

We have reviewed the department’s implementation plan for audit issues raised in the previous year and based on the interaction with the department, the internal audit reports and the AGSA audit reports, the Committee is not satisfied that all matters have been adequately addressed.

The Audit Committee is not aware of any unresolved issues with respect to the current audit. The Audit Committee concurs with the Auditor General South Africa’s opinion on the annual financial statements.

12. General

Signed on behalf of the Cluster Audit Committee by:

M.P. TJIE

Chairperson of the Cluster Audit Committee

Date:

M P Tjie

10 August 2022

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	
Developing and implementing a preferential procurement policy?	YES	For all procurement above R30 000 to R50m preference point system of 80/20 is applied where 80 is for price and 20 for BBBEE points and 90/10 for procurement above R50m
Determining qualification criteria for the sale of state-owned enterprises?	No	
Developing criteria for entering into partnerships with the private sector?	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	

PART D: HUMAN RESOURCE MANAGEMENT

1. **INTRODUCTION**

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

2. **OVERVIEW OF HUMAN RESOURCES**

- ☐ The Human Resource Directorate is servicing and supporting Departmental officials through provision and facilitation of recruitment, employee benefits, employee relations, performance management, employee health and wellness as well as training and development. The unit has 38 positions and only 24 is filled to service the 274 filled positions. The unit must be capacitated fully in order to fast tract the Human Resource management function of the Department.
- ☐ The Human resource priorities for the year under review were
 - o All HR plans and policies approved and monitored accordingly. (Including EEP and HRP).
 - o To fill at least 50% of the vacant positions. The priority was achieved and had positive impact both internally and externally, as employees within the Department had promotions and reduction of unemployment as new employees from outside were employed.
 - o All grievance were resolved within a mandated time.
 - o 60% of employees have submitted their performance agreement and various trainings were conducted as per approved workplace skills development plan.
 - o The Challenges include lack of capacity in specifically organizational development and Human Resource administration, this has created delays and errors. The posts of Managers of both programs were advertised to be filled in 2022/23.

3. **HUMAN RESOURCES OVERSIGHT STATISTICS**

3.1 **Personnel related expenditure**

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	146 823	55 730	2 721	–	37%	
Housing needs, planning and research	24 589	20 998	–	-	85%	
Housing Development	1 431 946	49 909	–	-		
Total	1 603 358	126 637	2 721	-	7%	

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

Salary band	Personnel expenditure (COE: SALARY & WAGES)	% of total personnel cost	No. of Employees	Average personnel cost per employee
Lower skilled (Levels 1-2)	R1 051 965.98	1	5	R 210 393.00
Skilled (Levels 3-5)	R13 810 933.39	10	73	R 189 191.00
Highly skilled production (Levels 6-8)	R43 785 458.93	32	104	R 421 014.00
Highly skilled supervision (Levels 9-12)	R41 549 588.33	31	62	R 670 155.00
Senior and Top Management (Level 13-16)	R16 451 404.39	12	15	R 1 096 760.00
Contract (Levels 1-2)	R1 125 965.23	1	24	R 46 915.00
Contract (Levels 3-5)	R779 077.38	1		R 0.00
Contract (Levels 6-8)	R2 074 073.37	2	2	R 1 037 037.00
Contract (Levels 9-12)	R2 060 926.60	2	4	R 515 232.00
Contract (Levels 13-16)	R697 441.04	1		R 0.00
Periodical Remuneration		0		R 0.00
Abnormal Appointment	R186 350.70	0	5	R 37 270.00
Total	R123 573 185.34	91	294	R 420 317.00

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
12140100 ADMINISTRATION	R 36 111 894.82	68	R 519 572.83	1	R 1 377 975.13	3	R 2 810 710.71	5
12140500 HOUSING NEEDS, PLANNING & RESEARCH	R 14 489 960.94	69	R 14 513.70	0	R 383 016.56	2	R 819 202.77	4
12141000 HOUSING DEVELOPMENT	R 33 938 912.89	68	R 1 530.23	0	R 1 514 547.98	3	R 2 662 088.83	5
Total	R 84 540 768.65	68	R 535 616.76	0	R 3 245 539.67	3	R 6 292 002.31	5

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

Salaries		Overtime		Home Owners Allowance		Medical Aid	
Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
R 585 893.75	56	R 11 693.76	1	R 89 357.25	9	R 165 880.00	16
R 8 746 730.97	63	R 127 836.64	1	R 753 428.52	6	R 1 560 622.75	11
R 29 903 007.86	68	R 297 529.32	1	R 1 599 041.91	4	R 3 187 390.75	7
R 29 455 055.90	71	R 56 330.40	0	R 702 479.99	2	R 1 237 600.73	3
R 11 039 508.64	67		0	R 101 232.00	1	R 140 508.08	1
R 982 632.76	87		0		0		0
R 518 780.81	67	R 25 183.12	3		0		0
R 1 449 024.39	70	R 17 043.52	1		0		0
R 1 416 336.21	69		0		0		0
R 443 797.36	64		0		0		0
	0		0		0		0
	0		0		0		0
R 84 540 768.65	68	R 535 616.76	0	R 3 245 539.67	3	R 6 292 002.31	5

3.2 Employment and Vacancies

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
12140100 ADMINISTRATION	199	118	41	26
12140500 HOUSING NEEDS.PLANNING & RESEARCH	69	36	48	1
12141000 HOUSING DEVELOPMENT	171	106	38	
Total	439	260	41	27

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	16	13	19	25
Skilled (Levels 3-5)	112	76	32	
Highly skilled production (Levels 6-8)	176	95	46	
Highly skilled supervision (Levels 9-12)	115	61	47	2
MEC & Senior management (Levels 13-16)	20	15	25	
Total	439	260	41	27

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

Occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED	30	19	37	17
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	7	2	71	
ARCHITECTS TOWN AND TRAFFIC PLANNERS	0		0	
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	18	14	22	8
COMMUNICATION AND INFORMATION RELATED	11	6	46	
ENGINEERING SCIENCES RELATED	1		100	
ENGINEERS AND RELATED PROFESSIONALS	10	5	50	1
FINANCIAL AND RELATED PROFESSIONALS	1	1	0	1
FINANCIAL CLERKS AND CREDIT CONTROLLERS	19	11	42	
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	4	1	75	
HUMAN RESOURCES CLERKS	13	7	46	
HUMAN RESOURCES RELATED	10	7	30	
INFORMATION TECHNOLOGY RELATED	6	4	33	
LIBRARY MAIL AND RELATED CLERKS	2	1	50	
LIGHT VEHICLE DRIVERS	13	10	23	
LOGISTICAL SUPPORT PERSONNEL	34	15	56	
MATERIAL-RECORDING AND TRANSPORT CLERKS	4	1	75	
MESSENGERS PORTERS AND DELIVERERS	1		100	
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	211	128	39	
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	1		100	
PROFESSIONAL NURSE	1		100	
RISK MANAGEMENT AND SECURITY SERVICES	5	2	60	
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	20	13	35	
SENIOR MANAGERS	15	11	27	
VISIBLE POLICING OFFICERS/SIGBARE POLISIE OFFISIER	2	2	0	
Total	439	260	41	27

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department			0		0
Salary Level 16			0		0
Salary Level 15	1	1	100		0
Salary Level 14	4	3	75	1	25
Salary Level 13	15	11	73	4	26.7
Grand Total	20	15	75.0	5	25

Table 3.3.2 SMS post information as on 30 September 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department			0		0
Salary Level 16			0		0
Salary Level 15	1		0	1	100
Salary Level 14	4	3	75	1	25
Salary Level 13	15	11	73	4	26.7
Grand Total	20	14	70.0	6	30

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

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department			
Salary Level 16	0		
Salary Level 15	1	0	0
Salary Level 14	0	0	1
Salary Level 13	0	0	1
Total	1	0	2

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

Reasons for vacancies not advertised within six months
Lack of capacity within HR to facilitate recruitment function

Reasons for vacancies not filled within twelve months
Non availability of managers/panel members

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

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
Posts advertised were filled within twelve months

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0	0
Senior Management Service Band A	0	0	0	0	0	0	0
Senior Management Service Band B	0	0	0	0	0	0	0
Senior Management Service Band C	0	0	0	0	0	0	0
Senior Management Service Band D	0	0	0	0	0	0	0
MEC	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

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

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	0			
	0			
	0			
	0			
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0	0	0	0	0
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3.5 Employment Changes

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

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

Table 3.5.1 Annual turnover rates by salary band, 1 April 2021 to 31 March 2022

Salary band	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	10	37	0	0
Skilled (Levels 3-5)	48	2	3	6
Highly skilled production (Levels 6-8)	109	6	6	6
Highly skilled supervision (Levels 9-12)	67	19	10	15
Senior Management Service Band A (Level 13)	12	3	1	8
Senior Management Service Band B (Level 14)	2	0	0	0
Senior Management Service Band C (Level 15)	1	0	0	0
MEC & Senior Management Service Band D (Level 16)		0	0	0
Contracts	22	46	51	232
Periodical Remuneration		12	6	0
Abnormal Appointment	2	18	9	450
Total	273	143	86	32

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

Occupation	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED	76	30	6	8
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	7	0	2	29
ARCHITECTS TOWN AND TRAFFIC PLANNERS	1	0	0	0
BUILDING AND OTHER PROPERTY CARETAKERS	4	0	0	0
BUS AND HEAVY VEHICLE DRIVERS	6	1	0	0
CARTOGRAPHERS AND SURVEYORS	1	0	0	0
CIVIL ENGINEERING TECHNICIANS	3	0	0	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	10	19	14	140
COMMUNICATION AND INFORMATION RELATED	1	3	0	0
ENGINEERING SCIENCES RELATED	1	0	0	0
ENGINEERS AND RELATED PROFESSIONALS	6	4	4	67
FINANCE AND ECONOMICS RELATED	4	2	1	25
FINANCIAL AND RELATED PROFESSIONALS	11	3	3	27
FINANCIAL CLERKS AND CREDIT CONTROLLERS	10	8	3	30
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	7	0	3	43
HUMAN RESOURCES CLERKS	2	2	1	50
HUMAN RESOURCES RELATED	2	5	1	50
INFORMATION TECHNOLOGY RELATED	0	1	0	0
INSPECTORS OF APPRENTICES WORKS AND VEHICLES	10	0	0	0
LIBRARY MAIL AND RELATED CLERKS	3	0	0	0
LIGHT VEHICLE DRIVERS	0	2	0	0
LOGISTICAL SUPPORT PERSONNEL	2	1	0	0
MESSENGERS PORTERS AND DELIVERERS	5	0	1	20
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	27	23	17	63
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	13	0	1	8
OTHER INFORMATION TECHNOLOGY PERSONNEL.	1	0	0	0
OTHER OCCUPATIONS	1	19	6	600
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	8	15	0	0
SECURITY OFFICERS	0	1	0	0
SENIOR MANAGERS	8	4	1	13
Total	230	143	64	28

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

Termination Type	Number	% of Total Resignations
Death	3	4
Resignation	7	9
Expiry of contract	61	74
Dismissal – operational changes		0
Dismissal – misconduct		0
Dismissal – inefficiency		0
Discharged due to ill-health		0
Retirement	5	6
Transfer to other Public Service Departments	6	7
Other		0
Total	82	100
Total number of employees who left as a % of total employment		36

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

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	76	1	1	95	125
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	7		0	6	86
ARCHITECTS TOWN AND TRAFFIC PLANNERS	1		0	1	100
BUILDING AND OTHER PROPERTY CARETAKERS	4		0	4	100
BUS AND HEAVY VEHICLE DRIVERS	6		0	6	100
CARTOGRAPHERS AND SURVEYORS	1		0	1	100
CIVIL ENGINEERING TECHNICIANS	3		0	2	67
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	10		0	20	200
COMMUNICATION AND INFORMATION RELATED	1		0	4	400
ENGINEERING SCIENCES RELATED	1		0	1	100
ENGINEERS AND RELATED PROFESSIONALS	6		0	3	50
FINANCE AND ECONOMICS RELATED	4		0	3	75
FINANCIAL AND RELATED PROFESSIONALS	11	1	9	10	91
FINANCIAL CLERKS AND CREDIT CONTROLLERS	10		0	15	150
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	7		0	3	43
HUMAN RESOURCES CLERKS	2		0	4	200
HUMAN RESOURCES RELATED	2		0	7	350
INFORMATION TECHNOLOGY RELATED	0		0	1	0
INSPECTORS OF APPRENTICES WORKS AND VEHICLES	10		0	10	100
LIBRARY MAIL AND RELATED CLERKS	3		0	2	67
LIGHT VEHICLE DRIVERS	0	1	0	1	0
LOGISTICAL SUPPORT PERSONNEL	2		0	2	100
MESSENGERS PORTERS AND DELIVERERS	5		0	4	80
MOTOR VEHICLE DRIVERS	0		0	1	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	27	7	26	22	82
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	13		0	4	31
OTHER INFORMATION TECHNOLOGY PERSONNEL	1		0	1	100
OTHER OCCUPATIONS	1		0	1	100
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	8	1	13	4	50
SECURITY OFFICERS	0		0	1	0
SENIOR MANAGERS	8	1	13	13	163
TOTAL	230	12	5	252	110

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

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Lower skilled (Levels 1-2)	5		0	7	140
Skilled (Levels 3-5)	44	2	5	50	114
Highly skilled production (Levels 6-8)	101	4	4	102	101
Highly skilled supervision (Levels 9-12)	61	4	7	62	102
Senior management (Levels 13-16)	14	2	14	14	100
Contracts	24		0	17	71
Periodical Remuneration			0		0
Abnormal Appointment	2		0		0
TOTAL	251	12	5	252	100

3.6 Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	7				6			1	14
Professionals	17				21				38
Technicians and associate professionals	49		1	2	66		1		119
Clerks	22		1		45	1			69
Service and sales workers					1				1
Skilled agriculture and fishery workers									
Craft and related trades workers	11			1	3				15
Plant and machine operators and assemblers	8								8
Elementary occupations	10				15				25
Non-Permanent Workers	1				4				5
TOTAL	125	0	2	3	161	1	1	1	294
Employees with disabilities					1			1	2

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Exception - Political Office Bearers									
Top Management									
Senior Management	7				7			1	15
Professionally qualified and experienced specialists and mid-management	17		1	1	15		1		35
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	57			2	77	1			137
Semi-skilled and discretionary decision making	36		1		36				73
Unskilled and defined decision making	7				22				29
Non-Permanent Workers	1				4				5
Total	125	0	2	3	161	1	1	1	294
Employees with disabilities					1			1	2

Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management					1				1
Senior Management									
Professionally qualified and experienced specialists and mid-management	2				2				4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2				5				7
Semi-skilled and discretionary decision making	11		1		22				34
Unskilled and defined decision making	11				25				36
Non-Permanent Workers	10		1	2	17				30
Total	36	0	2	2	72	0	0	0	112
TRANSFERS TO THE DEPARTMENT	10				21				31
TOTAL INCLUDING TRANSFERS TO DEPARTMENT	46	0	2	2	93	0	0	0	143
Employees with disabilities									0

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management					2				2
Professionally qualified and experienced specialists and mid-management	1				1				2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2				4				6
Semi-skilled and discretionary decision making	2								2
Unskilled and defined decision making									
Total	5	0	0	0	7	0	0	0	12
Employees with disabilities									0

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management					1				1
Senior Management					1				1
Professionally qualified and experienced specialists and mid-management	3								3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9			1	9				19
Semi-skilled and discretionary decision making					5				5
Unskilled and defined decision making	4	1			11	1			17
Non-Permanent Worker	4				8				12
Total Terminations	20	1	0	1	35	1	0	0	58
TRANSFER OF A PERSON TO ANOTHER PERSAL BUREAU & INTER DEPARTMENTAL TRANSFER (WITHIN NWPG)	5				1				6
TOTAL INCLUDING TRANSFERS OUT OF PERSAL	25	1	0	1	36	1	0	0	64
Employees with Disabilities									0

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers									
Professionals	3				7				10
Technicians and associate professionals	12				24				36
Clerks	9				11				20
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations	2				5				7
Total	26	0	0	0	47	0	0	0	73
Employees with disabilities									

3.7 Signing of Performance Agreements by SMS Members

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

SMS Level	Total number of funded SMS posts on 01 April 2021	Total number of SMS members on 01 April 2021	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department				0
Salary Level 16				0
Salary Level 15	1			0
Salary Level 14	4	3	2	66.7
Salary Level 13	15	11	7	63.6
Total	20	14	9	64.3

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

Reasons
None.

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

Reasons
None

3.8 Performance Rewards

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022

RACE	GENDER	Beneficiary Profile			Cost	
		Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
AFRICAN	FEMALE		161	0		R 0.00
	MALE		125	0		R 0.00
COLOURED	FEMALE		1	0		R 0.00
	MALE			0		R 0.00
INDIAN	FEMALE		1	0		R 0.00
	MALE		2	0		R 0.00
WHITE	FEMALE		1	0		R 0.00
	MALE		3	0		R 0.00
TOTAL		0	294	0	R 0.00	R 0.00
EMPLOYEES WITH DISABILITY			2	0		R 0.00

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

SALARY BANDS	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	No. of Beneficiaries	No. of Employees as at 31 March 2022	% of total within salary bands	Total Cost	Average cost per employee	
Lower Skilled (Levels 1-2)		5	0		R 0.00	0
Skilled (level 3-5)		73	0		R 0.00	0
Highly skilled production (level 6-8)		104	0		R 0.00	0
Highly skilled supervision (level 9-12)		62	0		R 0.00	0
Contract (Levels 1-12)		30	0		R 0.00	0
Total	0	274	0	R 0.00	R 0.00	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Occupation	Beneficiary Profile			Cost	
	No. of Beneficiaries	No. of Employees as at 31 March 2022	% of total within occupation	Total Cost	Average Cost per employee
ADMINISTRATIVE RELATED		112	0		R 0.00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.		5	0		R 0.00
ARCHITECTS TOWN AND TRAFFIC PLANNERS		1	0		R 0.00
BUILDING AND OTHER PROPERTY CARETAKERS		4	0		R 0.00
BUS AND HEAVY VEHICLE DRIVERS		5	0		R 0.00
CARTOGRAPHERS AND SURVEYORS		1	0		R 0.00
CIVIL ENGINEERING TECHNICIANS		2	0		R 0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.		16	0		R 0.00
COMMUNICATION AND INFORMATION RELATED		4	0		R 0.00
ENGINEERING SCIENCES RELATED		1	0		R 0.00
ENGINEERS AND RELATED PROFESSIONALS		7	0		R 0.00
FINANCE AND ECONOMICS RELATED		3	0		R 0.00
FINANCIAL AND RELATED PROFESSIONALS		10	0		R 0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS		12	0		R 0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF		3	0		R 0.00
HUMAN RESOURCES CLERKS		4	0		R 0.00
HUMAN RESOURCES RELATED		6	0		R 0.00
INFORMATION TECHNOLOGY RELATED		1	0		R 0.00
INSPECTORS OF APPRENTICES WORKS AND VEHICLES		10	0		R 0.00
LIBRARY MAIL AND RELATED CLERKS		2	0		R 0.00
LIGHT VEHICLE DRIVERS		2	0		R 0.00
LOGISTICAL SUPPORT PERSONNEL		3	0		R 0.00
MESSENGERS PORTERS AND DELIVERERS		4	0		R 0.00
MOTOR VEHICLE DRIVERS		1	0		R 0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS		39	0		R 0.00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS		3	0		R 0.00
OTHER INFORMATION TECHNOLOGY PERSONNEL.		1	0		R 0.00
OTHER OCCUPATIONS		1	0		R 0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS		17	0		R 0.00
SECURITY OFFICERS		1	0		R 0.00
SENIOR MANAGERS		13	0		R 0.00
TOTAL	0	294	0	R 0.00	R 0.00

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 31 March 2022

SALARY BANDS	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	No. of Beneficiaries	No. of Employees as at 31 March 2022	% of total within salary bands	Total Cost	Average cost per employee	
Senior Management Service Band A (Level 13)		12	0		R 0.00	0
Senior Management Service Band B (Level 14)		3	0		R 0.00	0
Senior Management Service Band C (Level 15)			0		R 0.00	0
MEC & Senior Management Service Band D (Level 16)			0		R 0.00	0
Contract (Levels 13-16)			0		R 0.00	0
Total	0	15	0	R 0.00	R 0.00	0

3.9 Foreign Workers

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

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

SALARY BANDS	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled (Levels 1-2)		0		0	0	0
Skilled (Levels 3-5)		0		0	0	0
Highly skilled production (Levels 6-8)	1	50	1	100	0	0
Highly skilled supervision (Levels 9-12)	1	50		0	-1	100
Senior Management (Level 13-16)		0		0	0	0
Contract (Levels 1-2)		0		0	0	0
Contract (Levels 3-5)		0		0	0	0
Contract (Levels 6-8)		0		0	0	0
Contract (Levels 9-12)		0		0	0	0
Periodical Remuneration		0		0	0	0
Abnormal Appointment		0		0	0	0
Grand Total	2	100	1	100	-1	100

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

Occupation	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
ENGINEERS AND RELATED PROFESSIONALS	1	50		0	-1	100
FINANCIAL AND RELATED PROFESSIONALS	1	50	1	100	0	0
Grand Total	2	100	1	100	-1	100

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2022

SALARY BANDS	Total days	% days with medical certification	No. of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost
Lower skilled (Levels 1-2)	12	0	2	7	6	R 500.18
Skilled (Levels 3-5)	18	578	7	23	3	R 102 179.68
Highly skilled production (Levels 6-8)	46	363	12	39	4	R 284 370.06
Highly skilled supervision (Levels 9-12)	44	196	10	32	4	R 276 282.07
Senior management (Levels 13-16)	0	0	0	0	0	R 21 024.26
Grand Total	120	300	31	100	4	R 684 356.25

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2022

Salary bands	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	9	2	5
Skilled (Levels 3-5)	248	37	7
Highly skilled production (Levels 6-8)	507	80	6
Highly skilled supervision (Levels 9-12)	342	41	8
Senior management (Levels 13-16)	53	9	6
Grand Total	1159	169	7

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2022

Salary bands	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	9	2	5
Skilled (Levels 3-5)	248	37	7
Highly skilled production (Levels 6-8)	507	80	6
Highly skilled supervision (Levels 9-12)	342	41	8
Senior management (Levels 13-16)	53	9	6
Grand Total	1159	169	7

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	8
Highly skilled production (Levels 6-8)	0	0	0	23
Highly skilled supervision (Levels 9-12)	0	0	0	24
Senior management (Levels 13-16)	0	0	0	30
Grand Total	0	0	0	17

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

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

Reason	Total Amount	No. of Employees	Average payment per employee
Leave payout for 2021/22 due to non-utilisation of leave for the previous cycle (LEAVE DISCOUNTING (UNUSED LEAVE CR))	R 0.00	0	R 0.00
Capped leave payouts on termination of service for 2021/22 (LEAVE GRATUITY)	R 0.00	0	R 0.00
Current leave payout on termination of service for 2021/22 (LEAVE DISCOUNTING \ GRATUITY (UNUSED LEAVE CR))	R 1 197 484.67	13	R 92 114.00
Grand Total	R 1 197 484.67	13	R 92 114.00

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
All officials are a high risk	HIV and AIDS Awareness and condom distribution

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Ms R Modisakeng
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.	x		4 Permanent officials 2 interns
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.	x		Clinical/Counselling services Capacity building sessions: Promotion of Healthy Lifestyles GBV Awareness sessions Personal Financial Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	x		Mr F Mafulako Ms T Colane Mr K Ndlovu Ms M Legodi Mr S Rens Mr A Digopo
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.	x		HIV and AIDS and TB Management Policy
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.	x		provision of counselling and awareness sessions
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		15 went for screening Only 2 tested and were negative
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		System Monitoring Tool

3.12 Labour Relations

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

Subject matter	Date
none	
none	

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

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	0	0

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

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

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

Grievances	Number	% of Total
Number of grievances resolved	3	100
Number of grievances not resolved	0	0
Total number of grievances lodged	3	100

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

Disputes	Number	% of Total
Number of disputes upheld	1	100
Number of disputes dismissed	0	0
Total number of disputes lodged	1	100

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

Total number of persons working days lost	0
Total costs working days lost	R0
Amount recovered as a result of no work no pay (R'000)	R0

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

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	R0

3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female					0
	Male					0
Professionals	Female					0
	Male					0
Technicians and associate professionals	Female	84				0
	Male	68				0
Clerks	Female	23				0
	Male	32				0
Service and sales workers	Female					0
	Male					0
Skilled agriculture and fishery workers	Female					0
	Male					0
Craft and related trades workers	Female					0
	Male					0
Plant and machine operators and assemblers	Female					0
	Male	2				0
Elementary occupations	Female	21				0
	Male	17				0
Non permanent worker	Female					0
	Male					0
Sub Total	Female	128	0	0	0	0
	Male	119	0	0	0	0
Total		247	0	0	0	0

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

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female					0
	Male					0
Professionals	Female	7		7		7
	Male	3		3		3
Technicians and associate professionals	Female	24		24		24
	Male	12		12		12
Clerks	Female	11		11		11
	Male	9		9		9
Service and sales workers	Female					0
	Male					0
Skilled agriculture and fishery workers	Female					0
	Male					0
Craft and related trades workers	Female					0
	Male					0
Plant and machine operators and assemblers	Female					0
	Male					0
Elementary occupations	Female	5		5		5
	Male	2		2		2
Non permanent worker	Female					0
	Male					0
Sub Total	Female	47	0	47	0	47
	Male	26	0	26	0	26
Total		73	0	73	0	73

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 2021 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	1	100

3.15 Utilisation of Consultants

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

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Project Management Unit	1	3 months	R43 501 482.78

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022

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

PART E: FINANCIAL INFORMATION



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the auditor-general to the North West Provincial Legislature on vote no. 14: Department of Human Settlements

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Department of Human Settlements set out on pages 89 to 231, which comprise the appropriation statement, the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Human Settlements as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for opinion

Transfer and subsidies

3. I was unable to obtain sufficient appropriate audit evidence for transfers and subsidies to households due to the status of the accounting records. I was unable to confirm transfers and subsidies by alternative means. Consequently, I was unable to determine whether any further adjustments was necessary relating to transfers and subsidies to households of R1 373 670 000 (2021: R 1 256 905 000) included in transfers and subsidies as disclosed in note 9 to the financial statements.

Irregular expenditure

4. Section 40(3)(b)(i) of the PFMA requires the disclosure of irregular expenditure incurred. The department made payments of R105 920 546 (2021: R169 400 849) in contravention of the supply chain management (SCM) requirements that were not included in irregular expenditure disclosed. In addition I was unable to obtain sufficient appropriate audit evidence that all contracts were awarded in accordance with the legislative requirements as some contracts were ceded and documentation relating to the supplier implementing the project is not available. I was unable to confirm these awards by alternative means. Consequently, I was unable to determine whether any further adjustment relating to irregular expenditure of R563 156 000 (2021: R244 341 000) disclosed in note 31 to the financial statements was necessary.

Context for the opinion

5. 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 this auditor's report.
6. 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.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Restatement of corresponding figures

9. As disclosed in note 44 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of errors in the financial statements of the department for the year ended 31 March 2021.

Underspending of the budget

10. As disclosed in the appropriation statement, the department materially underspent the budget of Programme 3 – Housing development by R271 277 000 due to inadequate project management.

Other matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 201 to 231 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 thereon.

Responsibilities of the accounting officer for the financial statements

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA and the 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.
14. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Human Settlement's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

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

15. 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 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.
16. 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

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. 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 also did not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. 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 programmes presented in the annual performance report of the department for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 3 – Housing developments	22 – 31

20. 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.
21. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 3 – Housing development

Various Indicators

22. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Indicator description	Target	Reported achievements
Number of title deeds transferred to new home owners	5068	266
Number of pre 1994 title deeds transferred to home owners	2179	24
Number of post 1994 title deeds transferred to home owners	2128	1482
Number of serviced sites delivered through a range of programmes in the housing code	6007	6723
Number of FLISP subsidies disbursed	86	147

Other matter

23. I draw attention to the matter below.

Achievement of planned targets

24. Refer to the annual performance report on page(s) 22 to 31 for information on the achievement of planned targets for the year and management explanations provided for the under/overachievement 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 paragraph 22 of this report.

Report on audit of compliance with legislation

Introduction and scope

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

Strategic planning and performance management

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

Financial statements

28. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were not corrected, resulting in the financial statements receiving a qualified opinion.

Expenditure management

29. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. As reported in the basis for qualified opinion the full extent of the irregular expenditure could not be quantified. The majority of the irregular expenditure disclosed in the financial statements was caused by extension of expired contracts and variations without relevant treasury approval. Irregular expenditure of R69 712 288 was incurred on key project, Wolmaransstad extension 17 and 18 for the design and installation of internal services for 3422 sites.
30. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.
31. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3

Procurement and contract management

32. I was unable to obtain sufficient appropriate audit evidence that all contracts were awarded in accordance with the legislative requirements as some contracts were ceded and documentation relating to the supplier implementing the project is not available.
33. Some of the goods and services of a transaction value above R1 000 000 were procured without inviting competitive bids and deviations were not approved by the accounting officer but it was practical to invite competitive bids, as required by treasury regulation 16A6.1, 16A6.4 and paragraph 3.4.1 of Practice Note 8 of 2007/2008. This non-compliance was identified in the procurement processes for key project of construction of 800 housing units at Alabama extension 5.
34. Some of the invitations for competitive bidding were not advertised for a required minimum period, as required by treasury regulation 16A6.3(c). Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the key project of construction of 800 housing units at Alabama extension 5.
35. Some of the contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by treasury regulation 16A9.1(d).
36. Some of the contracts were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the PPPFA and the 2017 Preferential Procurement Regulations.
37. Some of the contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and the 2017 Preferential Procurement Regulations.
38. Some of the tenders which failed to achieve the minimum qualifying score for functionality criteria were not disqualified as unacceptable in accordance with the 2017 Preferential Regulation 5(6).
39. Some of the contracts were awarded to bidders based on pre-qualification criteria that were not stipulated in the original invitation for bidding and quotations, in contravention of the 2017 Preferential Procurement Regulations 4(1) and 4(2).
40. Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with section 18(1) of the CIDB Act and Construction Industry Development Board Regulations 17 and 25(7A).
41. Some of the bid documentation and invitations to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year.

42. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.2.1 and 8.2.2. Similar non-compliance was also reported in the prior year. This non-compliance was identified in the procurement processes for the key project of design and installation of internal services for 3422 sites in Wolmaransstad Extension 17 and 18.

Transfer of funds

43. Appropriate measures were not maintained to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by treasury regulation 8.4.1.

Consequence management

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

Other information

45. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
46. 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 thereon.
47. 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 programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
48. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, 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

49. 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 thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the performance report and the findings on compliance with legislation included in this report.
- Leadership did not adequately exercise oversight responsibility regarding financial and performance reporting and compliance with legislation. The department did not have sufficient monitoring and reviewing controls to ensure that financial and performance reports submitted for audit were accurate and complete and that action plans developed were adequately and timeously implemented.
 - Vacancies in positions that are required for the size and operations of the department led to capacity constraints within the service delivery programmes of the department.

- The department did not adequately monitor that the service providers adheres to the clauses provided in the service level agreement due to capacity constraints experienced by the department during the year under review.

Material irregularities

50. In accordance with the PAA and the Material Irregularities Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities identified during the audit

51. The material irregularities identified are as follows:

Overpayment on project management services (project management unit)

52. The department entered into a contract with a supplier to provide project management unit services in November 2016. The department did not implement appropriate internal control measures for the payment of invoices relating to these services. This contravened treasury regulation 8.1.1 which requires internal procedures and internal control measures to be put in place for the approval and processing of payments. These controls should provide reasonable assurance that all expenditure is necessary, is appropriate, is paid promptly and is adequately recorded and reported on. The non-compliance resulted in overpayments of R2 984 768 to the supplier as the same person was paid for work done in two different roles for the months of October 2019, December 2019 to March 2020 and July 2020 to Dec 2020 and is likely to result in a material financial loss for the Department of Human Settlements if these overpayments are not recovered from the supplier. Further losses are likely if controls related to the payment of these invoices are not implemented including invoices and claims already paid during the period that were not provided for audit purposes.
53. The accounting officer was notified of this material irregularity on 21 September 2021 and invited to make a written submission on the actions that have been or will be taken to address the matter. An external investigation into the material irregularity was initiated by the accounting officer and completed on 7 July 2022. The accounting officer is busy studying the result of the investigation to determine who is responsible and plans to initiate disciplinary steps against the implicated officials by 31 August 2022. The accounting officer also issued a letter of intention to recover the overpaid amounts to the supplier on 11 July 2022. I will follow up on the implementation of the planned actions as they become due.

Overpayment to supplier for services in Wolmaransstad extension 17 and 18 project

54. The department entered into a contract with a contractor for the design and installation of internal services for 3422 sites in Wolmaransstad extension 17 and 18 within the Maquassi Hills Local Municipality on 8 October 2018 for an amount of R149 404 082. The department did not implement appropriate internal control measures for the payment of invoices relating to this service. This contravened treasury regulation 8.1.1 which requires internal procedures and internal control measures be put in place for the approval and processing of payments. These controls should provide reasonable assurance that all expenditure is necessary, is appropriate, is paid promptly and is adequately recorded and reported on. The non-compliance resulted in a total overpayment of R6 764 797 paid to the contractor in excess of the value of work certified at the date of the claims. This is likely to result in a material financial loss for the Department of Human Settlements if these overpayments are not recovered from the contractor.

55. The accounting officer was notified of this material irregularity on 12 October 2021 and invited to make a written submission on the actions that have been or will be taken to address the matter. The accounting officer has initiated an investigation to review all payments made to the contractor and plans to involve the external investigations unit situated in the Office of the Premier during August 2022 to finalise the investigation and determine who might be liable for the material irregularity. The accounting officer also issued a letter for intention to recover the overpaid amounts on 29 June 2022 to the contractor. I will follow up on the implementation of the planned actions as they become due.

Auditor General

Potchefstroom

31 July 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 related to events or conditions that may cast significant doubt on the Department of Human Settlements’ ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor’s report. However, future events or conditions may cause a department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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, related safeguards.



Appropriation per programme									
2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	157 783	-	-	157 783	146 823	10 960	93,1	136 023	112 140
2. Housing Needs, planning and research	38 157	-	(6 054)	32 103	24 589	7 514	76,6	23 543	21 824
3. Housing Development	1 697 169	-	(6 054)	1 703 223	1 431 946	271 277	84,1	1 352 880	1 303 405
Subtotal	1 893 109			1 893 109	1 603 358	289 751	84,7	1 512 446	1 437 369
Statutory Appropriation									
TOTAL	1 893 109			1 893 109	1 603 358	289 751	84,7	1 512 446	1 437 369

	2021/22			2020/21	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
TOTAL (brought forward)	1 893 109	1 603 358		1 512 446	1 437 369
Reconciliation with statement of financial performance					
ADD					

Departmental receipts	908		—	
NRF Receipts	—		—	
Aid assistance	—		—	
Actual amounts per statement of financial performance (total revenue)	1 894 017		1 512 446	
ADD				
Aid assistance	—			—
Prior year unauthorised expenditure approved without funding	—			—
Actual amounts per statement of financial performance (total expenditure)		1 603 358		1 437 369

Appropriation per economic classification									
2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Economic classification									
Current payments	209 304	(8 321)	-	200 983	181 114	19 869	90,1	167 315	140 587
Compensation of employees	125 339	1 502	-	126 841	126 637	204	99,8	112 553	111 932
Goods and services	83 965	(9 823)	-	74 142	54 445	19 697	73,4	54 762	28 655
Interest and rent on land	-	-	-	-	32	(32)	-	-	-
Transfers and subsidies	1 681 992	902	-	1 682 894	1 414 574	268 320	84,1	1 343 705	1 295 713
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	40 904	-	-	40 904	40 904	-	100,0	38 808	38 808
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 641 088	902	-	1 641 990	1 373 670	268 320	83,7	1 304 897	1 256 905
Payments for capital assets	1 813	7 419	-	9 232	7 670	1 562	83,1	1 426	1 069
Buildings and other fixed structures									
Machinery and equipment	1 813	7 419	-	9 232	7 670	1 562	83,1	1 426	1 069
Heritage assets									
Specialised military assets	-	-	-	-	-	-	-	-	-

Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
	1 893 109	-	-	1 893 109	1 603 358	289 751	84,7	1 512 446	1 437 369

Programme 1: ADMINISTRATION									
2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Sub programme									
1. OFFICE OF THE HOD	13 801	(5 997)	-	7 804	5 625	2 179	72,1	14 217	5 769
2. FINANCIAL MANAGEMENT	51 909	9 089	-	60 998	60 218	780	98,7	46 904	35 347
3. CORPORATE SERVICES	92 073	(3 092)	-	88 981	80 980	8 001	91,0	74 902	71 024
Total for sub programmes	157 783	-	-	157 783	146 823	10 960	93,1	136 023	112 140
Current payments	114 393	(6 563)	-	107 830	98 214	9 616	91,1	96 106	72 571
Compensation of employees	54 298	1 502	-	55 800	55 730	70	99,9	48 798	48 155
Goods and services	60 095	(8 065)	-	52 030	42 452	9 578	81,6	47 308	24 416
Interest and rent on land	-	-	-	-	32	(32)	-	-	-
-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	41 650	902	-	42 552	42 487	65	99,8	39 054	39 036
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	40 904	-	-	40 904	40 904	-	100	38 808	38 808
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	746	902	-	1 648	1 583	65	96,1	246	228

	-	-	-	-	-	-	-	-	-
Payments for capital assets	1 740	5 661	-	7 401	6 122	1 279	82,7	863	533
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 740	5 661	-	7 401	6 122	1 279	82,7	863	533
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	157 783	-	-	157 783	146 823	10 960	93,1	136 023	112 140

DEPARTMENT OF HUMAN SETTLEMENT

VOTE 14

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

Programme 2: HOUSING NEEDS, PLANNING AND RESEARCH									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMINISTRATION: HOUSE PLANNING RESEACH	38 157	-	(6 054)	32 103	24 589	7 514	76,6	23 543	21 824
Total for sub programmes	38 157	-	(6 054)	32 103	24 589	7 514	76,6	23 543	21 824
Economic classification									
Current payments	38 122	(833)	(6 054)	31 235	23 830	7 405	76,3	23 020	21 288
Compensation of employees	25 171	-	(4 084)	21 087	20 998	89	99,6	18 685	18 990
Goods and services	12 951	(833)	(1 970)	10 148	2 832	7 316	27,9	4 335	2 298
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENT

VOTE 14

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	35	833	-	868	759	109	87,4	523	536
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	35	833	-	868	759	109	87,2	523	536
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	38 157	-	(6 054)	32 103	24 589	7 514	76,6	23 543	21 824

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

Programme 3: HOUSING DEVELOPMENT									
	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMINISTRATION: HOUSING DEVELOPMENT	56 827	-	6 054	62 881	59 859	3 022	95,2	48 229	46 728
2. PROVINCIAL INTERVENTION	559 950	-	-	559 950	386 439	173 511	69,0	287 872	282 655
3. INCREMENTAL INTERVENTION	629 202	-	-	629 202	588 379	40 823	93,5	716 737	727 832
4. RURAL INTERVENTION	451 190	-	-	451 190	397 269	53 921	88,0	300 042	246 190
5. INFORMAL SETTLEMENT UPGRADING PARTNERSHIP	-	-	-	-	-	-	-	-	-
Total for sub programmes	1 697 169	-	6 054	1 703 223	1 431 946	271 277	84,1	1 352 880	1 303 405
Economic classification									
Current payments	56 789	(925)	6 054	61 918	59 070	2 848	95,4	48 189	46 728
Compensation of employees	45 870	-	4 084	49 954	49 909	45	99,9	45 070	44 787
Goods and services	10 919	(925)	1 970	11 964	9 161	2 803	76,6	3 119	1 941
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 640 342	-	-	1 640 342	1 372 087	268 225	83,6	1 304 651	1 256 677

DEPARTMENT OF HUMAN SETTLEMENT

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 640 342	-	-	1 640 342	1 372 087	268 255	83,6	1 304 651	1 256 677
Payments for capital assets	38	925	-	963	789	174	81,9	40	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	38	925	-	963	789	174	81,9	40	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 697 169	-	6 054	1 703 223	1 431 946	271 277	84,1	1 352 880	1 303 405

DEPARTMENT OF HUMAN SETTLEMENT

VOTE 14

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2022**

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

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 Virements):

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 Virements):

4.1	Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	Administration	157 783	146 823	10 960	6,9
	Housing needs, planning and research	32 103	24 589	7 514	23,4
	Housing Development	1 703 223	1 431 946	271 277	15,9

4.2	Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
	Current payments	200 983	181 114	19 869	9,9
	Compensation of employees	126 841	126 638	203	0,2
	Goods and services	74 142	54 445	19 697	26,6
	Interest and rent on land		32	(32)	
	Transfers and subsidies	1 682 894	1 414 574	268 320	15,9
	Provinces and municipalities	-	-	-	-
	Departmental agencies and accounts	-	-	-	-
	Higher education institutions	-	-	-	-
	Public corporations and private enterprises	40 904	40 904	-	-
	Foreign governments and international organisations	-	-	-	-
	Non-profit institutions	-	-	-	-
	Households	1 641 990	1 373 670	268 320	16,3

DEPARTMENT OF HUMAN SETTLEMENT

VOTE 14

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2022**

Payments for capital assets	9 232	7 670	1 562	16,0
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	9 232	7 670	1 562	16,0
Heritage assets	-	-	-	-
Specialised military assets				
Biological assets				
Land and subsoil assets				
Intangible assets				
Payments for financial assets				

Include discussion here where deemed relevant

4.3	Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	Human Settlements Development Grant	1 282 314	1 036 519	245 795	19,2
	Informal Settlements Upgrading	350 028	335 568	22 460	6,3
	Partnership Grant				

	Note	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	<u>1</u>	1 893 109	1 512 446
Statutory appropriation	<u>2</u>	-	-
Departmental revenue	<u>3</u>	908	-
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		1 894 017	1 512 446
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>5</u>	126 638	111 932
Goods and services	<u>6</u>	54 445	28 526
Interest and rent on land	<u>7</u>	32	-
Aid assistance	<u>4</u>	-	-
			100

DEPARTMENT OF HUMAN SETTLEMENT

VOTE 14

STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

Total current expenditure		181 115	140 458
Transfers and subsidies			
Transfers and subsidies	<u>9</u>	1 414 574	1 295 713
Aid assistance	<u>4</u>	-	-
Total transfers and subsidies		1 414 574	1 295 713
Expenditure for capital assets			
Tangible assets	<u>10</u>	7 669	1 198
Intangible assets	<u>10</u>	-	-
Total expenditure for capital assets		7669	1 198
Unauthorised expenditure approved without funding	<u>11</u>	-	-
Payments for financial assets	<u>8</u>	-	-
TOTAL EXPENDITURE		<u>1 603 358</u>	<u>1 437 369</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>290 659</u>	<u>75 077</u>

DEPARTMENT OF HUMAN SETTLEMENT

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STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		289 751	75 077
Annual appropriation		21 498	90 901
Statutory appropriation		-	-
Conditional grants		268 255	39 166
Departmental revenue and NRF Receipts	<u>19</u>	908	-
Aid assistance	<u>4</u>	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		290 659	75 077

	<i>Note</i>	2021/22 R'000	2020/21 R'000
ASSETS			
Current assets		55 502	162 216
Unauthorised expenditure	<u>11</u>	-	-
Cash and cash equivalents	<u>12</u>	54 565	157 542
Other financial assets	<u>13</u>	-	-
Prepayments and advances	<u>14</u>	-	-
Receivables	<u>15</u>	937	4 674
Loans	<u>17</u>	-	-
Aid assistance prepayments	<u>4</u>	-	-
Aid assistance receivable	<u>4</u>	-	-
Non-current assets			
Investments	<u>16</u>	-	-
Receivables	<u>15</u>	-	-
Loans	<u>17</u>	-	-
Other financial assets	<u>13</u>	-	-
TOTAL ASSETS		55 502	162 216

LIABILITIES

Current liabilities		55 486	162 216
Voted funds to be surrendered to the Revenue Fund	<u>18</u>	54 897	75 077
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>19</u>	12	637
Bank overdraft	<u>20</u>	-	-
Payables	<u>21</u>	577	86 502
Aid assistance repayable	<u>4</u>	-	-
Aid assistance unutilised	<u>4</u>	-	-

DEPARTMENT OF HUMAN SETTLEMENT

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STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Non-current liabilities			
Payables	<u>22</u>	-	-
TOTAL LIABILITIES		<u>55 486</u>	<u>162 216</u>
NET ASSETS		<u>16</u>	<u>-</u>

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		16	-
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		<u>16</u>	<u>-</u>

DEPARTMENT OF HUMAN SETTLEMENT

VOTE 14

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:		-	-
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		<u>-</u>	<u>-</u>
Recoverable revenue			
Opening balance		-	-
Transfers:		16	-
Irrecoverable amounts written off	<u>8.3</u>	-	-
Debts revised		-	-
Debts recovered (included in departmental receipts)		16	-
Debts raised		-	-
Closing balance		<u>16</u>	<u>-</u>
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		<u>-</u>	<u>-</u>
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		<u>-</u>	<u>-</u>
TOTAL		<u>16</u>	<u>-</u>

DEPARTMENT OF HUMAN SETTLEMENT

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CASH FLOW STATEMENT
for the year ended 31 March 2022

	<i>Note</i>	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 659 263	1 513 083
Annual appropriated funds received	<u>1.1</u>	1 658 255	1 512 446
Statutory appropriated funds received	<u>2</u>	-	-
Departmental revenue received	<u>3</u>	1 008	637
Interest received	<u>3.3</u>	-	-
NRF Receipts		-	-
Aid assistance received	<u>4</u>	-	-
Net (increase)/decrease in working capital		(82 188)	1 863
Surrendered to Revenue Fund		(76 710)	(1 458)
Surrendered to RDP Fund/Donor		-	-
Current payments		(181 083)	(140 686)
Interest paid	<u>7</u>	(32)	-
Payments for financial assets		-	-
Transfers and subsidies paid		(1 414 574)	(1 295 485)
Net cash flow available from operating activities	<u>23</u>	<u>(95 324)</u>	<u>77 317</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received			
Payments for capital assets	<u>10</u>	(7 669)	(1 198)
Proceeds from sale of capital assets	<u>3.4</u>	-	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	<u>15</u>	-	-
Net cash flows from investing activities		<u>(7 669)</u>	<u>(1 198)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		16	24 990
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		<u>16</u>	<u>24 990</u>
Net increase/(decrease) in cash and cash equivalents		(102 977)	101 109
Cash and cash equivalents at beginning of period		-	-
Unrealised gains and losses within cash and cash equivalents		157 542	56 433
Cash and cash equivalents at end of period	<u>24</u>	<u>54 565</u>	<u>157 542</u>

DEPARTMENT OF HUMAN SETTLEMENT

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

Summary of significant accounting policies The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information. The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.	
1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation

DEPARTMENT OF HUMAN SETTLEMENT

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • The amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the

DEPARTMENT OF HUMAN SETTLEMENT

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments and advances are expensed and under what circumstances.>
12	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

DEPARTMENT OF HUMAN SETTLEMENT

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

13	Investments Investments are recognised in the statement of financial position at cost.
14	Financial assets
14.1	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	Payables Payables recognised in the statement of financial position are recognised at cost.
16	Capital Assets
16.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the

DEPARTMENT OF HUMAN SETTLEMENT

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	Provisions and Contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18	Unauthorised expenditure Unauthorised expenditure is 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

DEPARTMENT OF HUMAN SETTLEMENT

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

	• 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	Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables 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	Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. 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	Changes in accounting estimates and errors Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	Principal-Agent arrangements 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.
24	Departures from the MCS requirements <i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for</i>

DEPARTMENT OF HUMAN SETTLEMENT

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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	<i>departure.]</i>
25	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	Related party transactions Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
28	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
29	Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
31	Transfer of functions Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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32	Mergers Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.
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DEPARTMENT OF HUMAN SETTLEMENTS

VOTE 14

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	2021/22 Actual Funds Received	Funds not requested/ not received	Final Appropriation	2020/21 Appropriation received	Funds not requested /not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	157 783	157 783	-	136 023	136 023	-
Housing needs, planning and research	32 103	32 103	-	23 543	23 543	-
Housing Development	1 703 223	1 468 369	234 854	1 352 880	1 352 880	-
Total	1 893 109	1 658 255	234 854	1 512 446	1 512 446	-

Provide an explanation for funds not requested/not received

1.2 Conditional grants

Note

	2021/22 R'000	2020/21 R'000
Total grants received	47 1 592 676	1 304 651
Provincial grants included in Total Grants received	-	-

Include discussion here where deemed relevant

2. Statutory Appropriation

	2021/22 R'000	2020/21 R'000
President and Deputy President salaries	-	-
Members' remuneration	-	-
Debt-service costs	-	-
Provincial equitable share	-	-
General fuel levy sharing with metropolitan municipalities	-	-
National Revenue Fund payments	-	-
Skills levy and sector education and training authorities	-	-
Magistrates salaries	-	-
Judges salaries	-	-
Total	-	-
Actual Statutory Appropriation received		

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Conditional grant comprises of HSDG amounting to R1 282 413 000 and ISUPG R358 028 000

3. Departmental revenue

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Tax revenue			
Sales of goods and services other than capital assets	<i>3.1</i>	197	16
Fines, penalties and forfeits	<i>3.2</i>	-	-
Interest, dividends and rent on land	<i>3.3</i>	-	-
Sales of capital assets	<i>3.4</i>	-	-
Transactions in financial assets and liabilities	<i>3.5</i>	811	621
Transfer received	<i>3.6</i>	-	-
Total revenue collected		1 008	637
Less: Own revenue included in appropriation	<i>19</i>	100	637
Departmental revenue collected		908	-

Include discussion here where deemed relevant

3.1 Sales of goods and services other than capital assets

	<i>Note</i>	2021/22 R'000	2020/21 R'000
	<i>3</i>		
Sales of goods and services produced by the department		197	16
Sales by market establishment		-	-
Administrative fees		-	-
Other sales		197	16
Sales of scrap, waste and other used current goods		-	-
Total		197	16

Revenue collected from commission on insurances and garnishee on behalf of third parties through salary deductions

3.2 Fines, penalties and forfeits

	<i>Note</i>	2021/22 R'000	2020/21 R'000
	<i>3</i>		
Fines		-	-
Penalties		-	-
Forfeits		-	-
Total		-	-

DEPARTMENT OF HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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3.3 Interest, dividends and rent on land

	<i>Note</i> 3	2021/22 R'000	2020/21 R'000
Interest		-	-
Dividends		-	-
Rent on land		-	-
Total		-	-

Include discussion here where deemed relevant

3.4 Sale of capital assets

	<i>Note</i> 3	2021/22 R'000	2020/21 R'000
Tangible assets			
Buildings and other fixed structures	<i>41</i>	-	-
Machinery and equipment	<i>39</i>	-	-
Heritage assets	<i>39,41</i>	-	-
Specialised military assets	<i>39</i>	-	-
Land and subsoil assets	<i>41</i>	-	-
Biological assets	<i>39</i>	-	-
Intangible assets			
Software	<i>40</i>	-	-
Mastheads and publishing titles	<i>40</i>	-	-
Patents, licences, copyright, brand names, trademarks	<i>40</i>	-	-
Recipes, formulae, prototypes, designs, models	<i>40</i>	-	-
Services and operating rights	<i>40</i>	-	-
Total		-	-

Include discussion here where deemed relevant

3.5 Transactions in financial assets and liabilities

	<i>Note</i> 3	2021/22 R'000	2020/21 R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		811	621
Gains on GFECRA		-	-
Total		811	621

DEPARTMENT OF HUMAN SETTLEMENTS

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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This amount is received from previous year expenditure relating to FLISP payments

3.6 Transfers received

	<i>Note</i>	2021/22	2020/21
	3	R'000	R'000
Other governmental units		-	-
Higher education institutions		-	-
Foreign governments		-	-
International organisations		-	-
Public corporations and private enterprises		-	-
Households and non-profit institutions		-	-
Total		-	-

Include discussion here where deemed relevant

3.6.1 Donations received in-kind (not included in the main note or sub note)

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
<i>List in-kind transfers received</i>		-	-
Total		-	-

Include discussion here where deemed relevant

3.7 Cash received not recognised (not included in the main note)

Name of entity	Amount received	2021/22 Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
<i>Please specify</i>	-	-	-
	-	-	-
Total	-	-	-

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Name of entity	Amount received	2020/21 Amount paid to the revenue fund	Balance
	R'000	R'000	R'000
<i>Please specify</i>	-	-	-
	-	-	-
Total	-	-	-

<i>Include discussion here where deemed relevant</i>
--

4. Aid assistance

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Opening Balance		-	-
Prior period error		-	-
As restated			
Transferred from statement of financial performance			
Transfers to or from retained funds			
Paid during the year		-	-
Closing Balance		-	-

<i>Include discussion here where deemed relevant</i>
--

4.1 Analysis of balance by source

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Aid assistance from RDP		-	-
Aid assistance from other sources		-	-
CARA		-	-
Closing balance	4	-	-

<i>Include discussion here where deemed relevant</i>
--

4.2 Analysis of balance

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Aid assistance receivable		-	-
Aid assistance prepayments (not expensed)		-	-
Aid assistance unutilised		-	-
Aid assistance repayable		-	-
Closing balance	4	-	-
Aid assistance not requested/not received		-	-

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Include discussion here where deemed relevant

4.2.1 Aid assistance prepayments (expensed)

<i>Note</i>	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
Capital assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

Include discussion here where deemed relevant

<i>Note</i>	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
Capital assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

Include discussion here where deemed relevant

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4.3	Prior period error		
		<i>Note</i>	2020/21 R'000
	Nature of prior period error		
	Relating to 20WW/XX <i>[affecting the opening balance]</i>		-
	Relating to 20XX/YY		-
	Total prior period errors		-

Include discussion here where deemed relevant

4.4	Aid assistance expenditure per economic classification		2021/22	2020/21
		<i>Note</i>	R'000	R'000
	Current		-	-
	Capital	<u>10</u>	-	-
	Transfers and subsidies		-	-
	Total aid assistance expenditure		-	-

Include discussion here where deemed relevant

4.5	Donations received in-kind (not included in the main note)		2021/22	2020/21
		<i>Note</i>	R'000	R'000
	<i>List in-kind donations received</i>		-	-
			-	-
	Total		-	-

Include discussion here where deemed relevant

5. Compensation of employees

5.1	Salaries and Wages		2021/22	2020/21
		<i>Note</i>	R'000	R'000
	Basic salary		86 612	68 427
	Performance award		-	787
	Service Based		320	998
	Compensative/circumstantial		1 164	861
	Periodic payments		-	-
	Other non-pensionable allowances		21 241	13 469
	Total		109 337	84 542

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The difference on prior year amount compared to annual report is subject to prior year adjustment of R24 990 000 relating to COGTA

5.2 Social contributions

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Employer contributions			
Pension		10 631	16 138
Medical		6 412	11 231
UIF		-	-
Bargaining council		28	16
Official unions and associations		-	-
Insurance		230	5
Total		<u>17 301</u>	<u>27 390</u>
 Total compensation of employees		<u>126 638</u>	<u>111 932</u>
 Average number of employees		<u>257</u>	<u>208</u>

Include discussion here where deemed relevant

6. Goods and services

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Administrative fees		298	691
Advertising		559	751
Minor assets	<i>6.1</i>	241	32
Bursaries (employees)		165	107
Catering		507	242
Communication		406	504
Computer services	<i>6.2</i>	4 271	494
Consultants: Business and advisory services		3 232	970
Infrastructure and planning services		-	-
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		810	-
Contractors		4 850	4 449
Agency and support / outsourced services		-	-
Entertainment		-	-
Audit cost – external	<i>6.3</i>	11 964	7 469
Fleet services		1 619	1 762
Inventory	<i>6.4</i>	-	-
Consumables	<i>6.5</i>	3 228	1 754
Housing		-	-
Operating leases		9 831	6 519
Property payments	<i>6.6</i>	-	-
Rental and hiring		-	-

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Transport provided as part of the departmental activities		-	-
Travel and subsistence	6.7	11 677	2 317
Venues and facilities		326	68
Training and development		255	352
Other operating expenditure	6.8	206	45
Total		54 445	28 526

Include discussion here where deemed relevant

6.1 Minor assets

	<i>Note</i> 6	2021/22 R'000	2020/21 R'000
Tangible assets		241	32
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		241	32
Transport assets		-	-
Specialised military assets		-	-
Intangible assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		241	32

Include discussion here where deemed relevant

6.2 Computer services

	<i>Note</i> 6	2021/22 R'000	2020/21 R'000
SITA computer services		2 926	494
External computer service providers		1 345	-
		-	-
Total		4 271	494

Include discussion here where deemed relevant

6.3 Audit cost – External

	<i>Note</i> 6	2021/22 R'000	2020/21 R'000
Regularity audits		11 964	7 469
Performance audits		-	-

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Investigations	-	-
Environmental audits	-	-
Computer audits	-	-
Total	11 964	7 469

Include discussion here where deemed relevant

6.4 Inventory

	<i>Note</i>	2021/22	2020/21
	6	R'000	
Clothing material and accessories		-	-
Farming supplies		-	-
Food and food supplies		-	-
Fuel, oil and gas		-	-
Learning, teaching and support material		-	-
Materials and supplies		-	-
Medical supplies		-	-
Medicine		-	-
Medsas inventory interface		-	-
Other supplies	6.4.1	-	-
Total		-	-

Include discussion here where deemed relevant

6.4.1 Other supplies

	<i>Note</i>	2021/22	2020/21
	6.4	R'000	R'000
Ammunition and security supplies		-	-
Assets for distribution		-	-
Machinery and equipment		-	-
School furniture		-	-
Sports and recreation		-	-
Library material		-	-
Human settlements property		-	-
Other assets for distribution		-	-
Other		-	-
Total		-	-

Include discussion here where deemed relevant

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6.5 Consumables

	<i>Note</i> 6	2021/22 R'000	2020/21 R'000
Consumable supplies		726	1 273
Uniform and clothing		331	317
Household supplies		52	223
Building material and supplies		294	-
Communication accessories		-	-
IT consumables		49	733
Other consumables		-	-
Stationery, printing and office supplies		2 502	481
Total		3 228	1 754

Include discussion here where deemed relevant

6.6 Property payments

	<i>Note</i> 6	2021/22 R'000	2020/21 R'000
Municipal services		-	-
Property management fees		-	-
Property maintenance and repairs		-	-
Other		-	-
Total		-	-

Include discussion here where deemed relevant

6.7 Travel and subsistence

	<i>Note</i> 6	2021/22 R'000	2020/21 R'000
Local		11 677	2 317
Foreign		-	-
Total		11 677	2 317

Include discussion here where deemed relevant

6.8 Other operating expenditure

	<i>Note</i> 6	2021/22 R'000	2020/21 R'000
Professional bodies, membership and subscription fees		12	-
Resettlement costs		-	45
Other		194	-
Total		206	45

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Include discussion here where deemed relevant

6.9 Remuneration of members of a commission or committee (*Included in Consultants: Business and advisory services*)

	<i>Note</i> 6	2021/22 R'000	2020/21 R'000
Name of Commission / Committee	No. of members	-	-
		-	-
		-	-
		-	-
Total		<u>-</u>	<u>-</u>

Include discussion here where deemed relevant

7. Interest and rent on land

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Interest paid		32	-
Rent on land		-	-
Total		<u>32</u>	<u>-</u>

Include discussion here where deemed relevant

8. Payments for financial assets

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Material losses through criminal conduct			
Theft	<i>8.4</i>	-	-
Other material losses	<i>8.1</i>	-	-
Purchase of equity			
Extension of loans for policy purposes		-	-
Other material losses written off	<i>8.2</i>	-	-
Debts written off	<i>8.3</i>	-	-
Forex losses	<i>8.5</i>	-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		<u>-</u>	<u>-</u>

Include discussion here where deemed relevant

DEPARTMENT OF HUMAN SETTLEMENTS

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8.1	Other material losses			
		<i>Note</i>	2021/22	2020/21
		<i>8</i>	R'000	R'000
	Nature of other material losses		-	-
	(Group major categories, but list material items)		-	-
	Incident			
	Disciplinary Steps taken/ Criminal proceedings			
			-	-
			-	-
			-	-
			-	-
	Total		<u>-</u>	<u>-</u>

Include discussion here where deemed relevant

8.2	Other material losses written off			
		<i>Note</i>	2021/22	2020/21
		<i>8</i>	R'000	R'000
	Nature of losses		-	-
	(Group major categories, but list material items)		-	-
	Total		<u>-</u>	<u>-</u>

Include discussion here where deemed relevant

8.3	Debts written off			
		<i>Note</i>	2021/22	2020/21
		<i>8</i>	R'000	R'000
	Nature of debts written off			
	(Group major categories, but list material items: debts written off relating to irregular expenditure, recoverable expenditure and other debts must be listed here)		-	-
			-	-
	Irregular expenditure written off			
			-	-
	Total		<u>-</u>	<u>-</u>
			-	-
	Recoverable revenue written off			
			-	-
	Total		<u>-</u>	<u>-</u>
			-	-
	Other debt written off		-	-

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Total	-	-
Total debt written off	-	-

Include discussion here where deemed relevant

8.4 Details of theft

	<i>Note 8</i>	2021/22 R'000	2020/21 R'000
Nature of theft		-	-
(Group major categories, but list material items)		-	-
Total		-	-

Include discussion here where deemed relevant

8.5 Forex losses

	<i>Note 8</i>	2021/22 R'000	2020/21 R'000
Nature of losses		-	-
(Group major categories, but list material items)		-	-
Total		-	-

Include discussion here where deemed relevant

9. Transfers and subsidies

		2021/22 R'000	2020/21 R'000
Provinces and municipalities	<i>Note 48, 49</i>	-	-
Departmental agencies and accounts	<i>Annexure 1B</i>	-	-
Higher education institutions	<i>Annexure 1C</i>	-	-
Foreign governments and international organisations	<i>Annexure 1E</i>	-	-
Public corporations and private enterprises	<i>Annexure 1D</i>	40 904	38 808
Non-profit institutions	<i>Annexure 1F</i>	-	-
Households	<i>Annexure 1G</i>	1 373 670	1 256 905
Total		1 414 574	1 295 713

Include discussion here where deemed relevant

DEPARTMENT OF HUMAN SETTLEMENTS

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10. Expenditure for capital assets

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Tangible assets		7 669	1 198
Buildings and other fixed structures	40	-	-
Heritage assets	39, 41	-	-
Machinery and equipment	39	7 669	1 198
Specialised military assets	39	-	-
Land and subsoil assets	41	-	-
Biological assets	39	-	-
Intangible assets			
Software	40	-	-
Mastheads and publishing titles	40	-	-
Patents, licences, copyright, brand names, trademarks	40	-	-
Recipes, formulae, prototypes, designs, models	40	-	-
Services and operating rights	40	-	-
Total		7 669	1 198
The following amounts have been included as project costs in Expenditure for capital assets			
Compensation of employees		-	-
Goods and services		-	-
Total		-	-

Include discussion here where deemed relevant

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	7 669	-	7 669
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets			
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-

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Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	7 669	-	7 669

Include discussion here where deemed relevant

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	1 198		1 198
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	1 198	-	1 198
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets			
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	1 198	-	1 198

Include discussion here where deemed relevant

10.3 Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Tangible assets			
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Total		-	-

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Include discussion here where deemed relevant

11. Unauthorised expenditure

11.1 Reconciliation of unauthorised expenditure

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Opening balance			
Prior period error		-	-
As restated		-	-
Unauthorised expenditure – discovered in current year (as restated)		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Capital		-	-
Current		-	-
Transfers and subsidies		-	-
Less: Amounts recoverable	15	-	-
Less: Amounts written off		-	-
Closing balance		-	-
Analysis of closing balance			
Unauthorised expenditure awaiting authorisation		-	-
Unauthorised expenditure approved without funding and not derecognised		-	-
Total		-	-

Include discussion here where deemed relevant

11.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2021/22 R'000	2020/21 R'000
Capital	-	-
Current	-	-
Transfers and subsidies	-	-
Total	-	-

Include discussion here where deemed relevant

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11.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2021/22 R'000	2020/21 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	-	-
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-	-
Total	-	-

Include discussion here where deemed relevant

11.4 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken /criminal proceedings	2021/22 R'000
		-
		-
		-
		-
Total		-

Include discussion here where deemed relevant

11.5 Prior period error

	<i>Note</i>	2020/21 R'000
Nature of prior period error		
Relating to 20WW/XX <i>[affecting the opening balance]</i>		-
		-
Relating to 20XX/YY		-
		-
Total		-

Include discussion here where deemed relevant

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12. Cash and cash equivalents

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Consolidated Paymaster General Account		54 565	157 590
Cash receipts		-	-
Disbursements		-	(48)
Cash on hand		-	-
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		54 565	157 542

Indicate the amount of significant cash and cash equivalent balances held by the department that are not available for use.

Indicate any amounts of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities; and the amount and nature of restricted cash balances.

13. Other financial assets

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Current		-	-
Local		-	-
(Group major categories, but list material items)		-	-
Total		-	-
Foreign		-	-
(Group major categories, but list material items)		-	-
Total		-	-
Total Current other financial assets		-	-

Include discussion here where deemed relevant

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Non-current			
Local		-	-

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(Group major categories, but list material items)	-	-
Total	-	-
Foreign	-	-
(Group major categories, but list material items)	-	-
Total	-	-
	-	-
Total Non-current other financial assets	-	-

Include discussion here where deemed relevant

14. Prepayments and advances

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Staff advances			
Travel and subsistence		-	-
Prepayments (Not expensed)	<i>14.2</i>	-	-
Advances paid (Not expensed)	<i>14.1</i>	-	-
SOCPEN advances		-	-
Total		-	-

Include discussion here where deemed relevant

14.1 Advances paid (Not expensed)

	<i>No te</i>	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2022
	<i>14</i>	R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	-	-
Provincial departments		-	-	-	-	-
Public entities		-	-	-	-	-
Other entities		-	-	-	-	-
Total		-	-	-	-	-

Include discussion here where deemed relevant

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	<i>No te</i>	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2021
	14	R'000	R'000	R'000	R'000	R'000
National departments		-	-	-	-	-
Provincial departments		-	-	-	-	-
Public entities		-	-	-	-	-
Other entities		-	-	-	-	-
Total		-	-	-	-	-

Include discussion here where deemed relevant

14.2 Prepayments (Not expensed)

	<i>Note</i>	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2022
	14	R'000	R'000	R'000	R'000	R'000
Goods and services		-	-	-	-	-
Interest and rent on land		-	-	-	-	-
Transfers and subsidies		-	-	-	-	-
Capital assets		-	-	-	-	-
Other		-	-	-	-	-
Total		-	-	-	-	-

Include discussion here where deemed relevant

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	<i>Note</i>	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
	14	R'000	R'000	R'000	R'000	R'000
Goods and services		-	-	-	-	-
Interest and rent on land		-	-	-	-	-
Transfers and subsidies		-	-	-	-	-
Capital assets		-	-	-	-	-
Other		-	-	-	-	-
Total		-	-	-	-	-

Include discussion here where deemed relevant

14.3 Prepayments (Expensed)

	<i>Note</i>	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Goods and services		-	-	-	-	-
Interest and rent on land		-	-	-	-	-
Transfers and subsidies		-	-	-	-	-
Capital assets		-	-	-	-	-
Other		-	-	-	-	-
Total		-	-	-	-	-

Include discussion here where deemed relevant

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<i>Note</i>	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	-	-
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
Capital assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

Include discussion here where deemed relevant

14.4 Advances paid (Expensed)

<i>Note</i>	Amount as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
National departments	-	-	-	-	-
Provincial departments	-	-	-	-	-
Public entities	67 614	-	-	-	67 614
Other entities	-	-	-	-	-
Total	67 614	-	-	-	61 614

Included in the R67 614 is an amount of R30million unspent by HDA" in 2018-2019 an amount of R37 614 million unspent for the 2020-2021 financial year

<i>Note</i>	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
National departments	-	-	-	-	-
Provincial departments	-	-	-	-	-
Public entities	67 614	-	-	-	67 614
Other entities	-	-	-	-	-
Total	67 614	-	-	-	67 614

Included in the amount 67 614 is an amount of R30million unspent by HDA in 2018/19 an amount of R37 614 Million unspent for financial 2020/21 financial year

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15. Receivables

		Current	2021/22 Non-current	Total	Current	2020/21 Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	<i>Note</i>						
Claims recoverable	15.1	932	-	932	4 636	-	4 636
Trade receivables	15.2	-	-	-	-	-	-
Recoverable expenditure	15.3	-	-	-	-	-	-
Staff debt	15.4	5	-	5	-	-	-
Fruitless and wasteful expenditure	15.6	-	-	-	-	-	-
Other receivables	15.5	-	-	-	-	-	-
					38		38
Total		937	-	937	4 674	-	4 674

15.1 Claims recoverable

	<i>Note</i> 15	2021/22 R'000	2020/21 R'000
National departments		-	-
Provincial departments		932	573
Foreign governments		-	-
Public entities		-	-
Private enterprises		-	4 063
Higher education institutions		-	-
Households and non-profit institutions		-	-
Local governments		-	-
		-	-
Total		932	4 636

Include discussion here where deemed relevant

15.2 Trade receivables

	<i>Note</i> 15	2021/22 R'000	2020/21 R'000
(Group major categories, but list material items)		-	-
Total		-	-

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Include discussion here where deemed relevant

15.3 Recoverable expenditure (disallowance accounts)

	<i>Note</i> 15	2021/22 R'000	2020/21 R'000
(Group major categories, but list material items)		-	-
Total		-	-

Include discussion here where deemed relevant

15.4 Staff debt

	<i>Note</i> 15	2021/22 R'000	2020/21 R'000
(Group major categories, but list material items)		5	-
Total		5	-

Include discussion here where deemed relevant

15.5 Other receivables

	<i>Note</i> 15	2021/22 R'000	2020/21 R'000
(Group major categories, but list material items)			
Statutory Appropriation receivables		-	38
Total		-	38

Include discussion here where deemed relevant

15.6 Fruitless and wasteful expenditure

	<i>Note</i> 15	2021/22 R'000	2020/21 R'000
Opening balance		-	-
Less amounts recovered		-	-
Less amounts written off		-	-
Transfers from note 32 Fruitless and Wasteful Expenditure		-	-
Interest		-	-
Total		-	-

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Include discussion here where deemed relevant

15.7 Impairment of receivables

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

Include discussion here where deemed relevant

16. Investments

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Non-Current			
Shares and other equity (List investments at cost)		-	-
Total		-	-
Securities other than shares (List investments at cost)	<i>Annex 2A</i>	-	-
Total		-	-
Total non-current		-	-
		2021/22 R'000	2020/21 R'000
Analysis of non-current investments			
Opening balance		-	-
Additions in cash		-	-
Disposals for cash		-	-
Non-cash movements		-	-
Closing balance		-	-

Include discussion here where deemed relevant

16.1 Impairment of investments

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

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Include discussion here where deemed relevant

17. Loans

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Public corporations			
Higher education institutions		-	-
Foreign governments		-	-
Private enterprises		-	-
Non-profit institutions		-	-
Staff loans		-	-
Total		-	-
Analysis of Balance			
Opening balance		-	-
New Issues		-	-
Repayments		-	-
Write-offs		-	-
Closing balance		-	-

Include discussion here where deemed relevant

17.1 Impairment of loans

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

Include discussion here where deemed relevant

18. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Opening balance		75 077	-
Prior period error	<i>18.2</i>	-	-
As restated		75 077	-
Transfer from statement of financial performance (as restated)		289 751	75 077
Add: Unauthorised expenditure for current year	<i>11</i>	-	-
Voted funds not requested/not received	<i>1.1</i>	(234 854)	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)	<i>18.1</i>	-	-
Paid during the year		(75 077)	-
Closing balance		54 897	75 077

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Include discussion here where deemed relevant

18.1	Voted funds / (Excess expenditure) transferred to the retained funds (Parliament / Legislatures ONLY)			
		<i>Note</i>	2021/22	2020/21
		<i>18</i>	R'000	R'000
	Opening balance			
	Transfer from statement of financial performance			
	Transfer from Departmental Revenue to defray excess expenditure	<i>19</i>	-	-
	Closing balance		<u>-</u>	<u>-</u>
18.2	Prior period error	<i>Note</i>		2020/21
				R'000
	Nature of prior period error			
	Relating to 2021 <i>[affecting the opening balance]</i>			
	Compensation of employees understated			(24 990)
				-
	Relating to 2020/21			-
				-
				-
	Total			<u>(24 990)</u>

Include discussion here where deemed relevant

19.	Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
		<i>Note</i>	2021/22	2020/21
			R'000	R'000
	Opening balance		637	1 458
	Prior period error	<i>19.1</i>	<u>-</u>	<u>-</u>
	As restated		637	1 458
	Transfer from Statement of Financial Performance (as restated)		908	-
	Own revenue included in appropriation		100	637
	Transfer from aid assistance	<i>4</i>	-	-
	Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	<i>18.1</i>	-	-
	Paid during the year		<u>(1 633)</u>	<u>(1 458)</u>
	Closing balance		<u>12</u>	<u>637</u>

Include discussion here where deemed relevant

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19.1 Prior period error

	<i>Note</i>	2020/21 R'000
Nature of prior period error		
Relating to 20WW/XX <i>[affecting the opening balance]</i>		-
Relating to 20XX/YY		-
Total		-

Include discussion here where deemed relevant

20. Bank Overdraft

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General Account		-	-
Fund requisition account		-	-
Overdraft with commercial banks (Local)		-	-
Overdraft with commercial banks (Foreign)		-	-
Total		-	-

Include discussion here where deemed relevant

21. Payables – current

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Amounts owing to other entities		-	-
Advances received	<i>21.1</i>		
Clearing accounts	<i>21.2</i>	57	2
Other payables	<i>21.3</i>	520	86 500
Total		577	86 502

Include discussion here where deemed relevant

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21.1	Advances received			
		<i>Note</i>	2021/22	2020/21
		<i>21</i>	R'000	R'000
	National departments			
	Provincial departments		-	-
	Public entities		-	-
	Other institutions		-	-
	Total		<u>-</u>	<u>-</u>

Include discussion here where deemed relevant

21.2	Clearing accounts			
		<i>Note</i>	2021/22	2020/21
		<i>21</i>	R'000	R'000
	Sal:Bargaining council		1	2
	Sal: Income tax		54	
	Sal: Pension Fund		2	
	Total		<u>57</u>	<u>2</u>

Include discussion here where deemed relevant

21.3	Other payables			
		<i>Note</i>	2021/22	2020/21
		<i>21</i>	R'000	R'000
	Provincial Revenue fund – prior year cash shortfall			55 653
	Provincial Revenue fund – prior year revenue not paid			1 246
	DEDECT- Salary related payments			3 827
	Provincial Treasury salary			11
	COGTA pension refund			184
	COGTA cellphone and data			317
	COGTA SITA			272
	COE related to prior year 2020-2021			24 990
	Salaries- DPWR and COGTA		365	
	COSATMA log sheets and DPWR rental		155	
	Total		<u>520</u>	<u>86 500</u>

Prior year adjustment made in respect of costs incurred for staff in 2020/21 who were transferred through reconfiguration

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22. Payables – non-current

		2021/22			2020/21
		One to two years	Two to three years	More than three years	Total
	<i>Note</i>	R'000	R'000	R'000	R'000
Amounts owing to other entities		-	-	-	-
Advances received	22.1	-	-	-	-
Other payables	22.2	-	-	-	-
Total		-	-	-	-

Include discussion here where deemed relevant

22.1 Advances received

	<i>Note</i>	2021/22	2020/21
	22	R'000	R'000
National departments			
Provincial departments		-	-
Public entities		-	-
Other institutions		-	-
Total		-	-

Include discussion here where deemed relevant

22.2 Other payables

	<i>Note</i>	2021/22	2020/21
	22	R'000	R'000
Description		-	-
(Identify major categories, but list material amounts)		-	-
Total		-	-

Include discussion here where deemed relevant

23. Net cash flow available from operating activities

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		290 659	75 077
Add back non cash/cash movements not deemed operating activities		(385 983)	2 240
(Increase)/decrease in receivables		3 737	74 886
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(85 925)	(73 023)
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-

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(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	7 669	1 198
Surrenders to Revenue Fund	(76 710)	(1 458)
Surrenders to RDP Fund/Donor	-	-
Voted funds not requested/not received	(234 854)	-
Own revenue included in appropriation	100	637
Other non-cash items	-	-
Net cash flow generated by operating activities	<u>(95 324)</u>	<u>77 317</u>

Include discussion here where deemed relevant

24. Reconciliation of cash and cash equivalents for cash flow purposes

	<i>Note</i>	2021 / 22	2020 / 21
		R'000	R'000
Consolidated Paymaster General account		54 565	157 590
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	(48)
Cash on hand		-	-
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		<u>54 565</u>	<u>157 542</u>

Include discussion here where deemed relevant

25. Contingent liabilities and contingent assets

25.1.1 Contingent liabilities

	<i>Note</i>	2021 / 22	2020 / 21
		R'000	R'000
Liable to Nature			
Motor vehicle guarantees Employees	<i>Annex 3A</i>	-	-
Housing loan guarantees Employees	<i>Annex 3A</i>	-	-
Other guarantees	<i>Annex 3A</i>	-	-
Claims against the department	<i>Annex 3B</i>	170 208	123 516
Intergovernmental payables (unconfirmed balances)	<i>Annex 5</i>	-	-
Environmental rehabilitation liability	<i>Annex 3B</i>	-	-
Other	<i>Annex 3B</i>	-	-
Total		<u>170 208</u>	<u>123 516</u>

The timing of the cash inflow /outflow cannot be ascertained. It depends on the finalisation of the matter.

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Provide a brief discussion on the possibility of any reimbursement.

Where the disclosure requirements of the Standards are not done due to impracticalities and or the sensitivity of the information, disclose this fact with reasons.

25.2	Contingent assets			
		<i>Note</i>	2021/22	2020/21
			R'000	R'000
	Nature of contingent asset			
	Transfer made to HDA in previous years not accounted for			67 614
	Total			67 614

26.	Capital commitments			
		<i>Note</i>	2021/22	2020/21
			R'000	R'000
	Buildings and other fixed structures		-	-
	Heritage assets		-	-
	Machinery and equipment		-	-
	Specialised military assets		-	-
	Land and subsoil assets		-	-
	Biological assets		-	-
	Intangible assets		-	-
	Total		-	-

Where the disclosure requirements of the Standards are not done due to the sensitivity of the information, disclose this fact with reasons.

27.	Accruals and payables not recognised			
27.1	Accruals			
			2021/22	2020/21
			R'000	R'000
	Listed by economic classification			
		30 Days	30 + Days	Total
	Goods and services	2 401	685	3 086
	Interest and rent on land	-	-	-
	Transfers and subsidies	2 982	4 214	7 196

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Capital assets	-	-	-	-
Other	-	-	-	-
Total	<u>5 383</u>	<u>4 899</u>	<u>10 282</u>	<u>1 884</u>

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Listed by programme level			
Administration		2 901	176
Housing needs, planning and research		51	9
Housing Development		<u>7 330</u>	<u>1 699</u>
Total		<u>10 282</u>	<u>1 884</u>

Include reasons for material accruals

27.2 Payables not recognised

			2021/22 R'000	2020/21 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	250	15	265	-
Interest and rent on land	-	-	-	-
Transfers and subsidies	12 405	66 035	78 440	92 819
Capital assets				
Other				
Total	<u>12 665</u>	<u>66 050</u>	<u>78 705</u>	<u>92 819</u>

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Listed by programme level			
Administration		179	-
Housing needs, planning and research		15	-
Housing Development		<u>78 511</u>	<u>92 819</u>
Total		<u>78 705</u>	<u>92 819</u>

	<i>Note</i>	2021/22 R'000	2020/21 R'000
<i>Included in the above totals are the following:</i>			
Confirmed balances with other departments	<i>Annex 5</i>	254	-
Confirmed balances with other government entities	<i>Annex 5</i>	-	-
Total		<u>254</u>	<u>-</u>

Include discussion here where deemed relevant

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28. Employee benefits

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Leave entitlement		9 093	11 913
Service bonus		3 701	3 586
Performance awards		-	281
Capped leave		7 714	8 171
Other		320	265
Total		20 828	24 216

Included in leave entitlements is a negative leave amount to (R15 022,11)

Include discussion here where deemed relevant

29. Lease commitments

29.1 Operating leases

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	8 232	1 004	9 236
Later than 1 year and not later than 5 years	-	-	-	893	893
Later than five years	-	-	-	-	-
Total lease commitments	-	-	8 232	1 897	10 129

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	7 485	-	7 485
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	7 485	-	7 485

The Department from trend analysis and the previous financial year we have noted that we have been renewing the contract on a three month basis for the past 12 months, we anticipate to have an operating lease commitments for the extension of 12 months as there is no indication of the

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department making procurement processes.

Provide a general discussion on any assets that are sub-leased (if any), indicating the nature of the asset and the lessee (occupant/user of the asset).

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Rental earned on sub-leased assets	3	-	-
Total		-	-

Provide an indication as to whether a reduction in the lease payments was granted in lieu of actual cash from the sale of the asset in a sale and leaseback arrangement.

29.2 Finance leases **

2021/22	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	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	-	-

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	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	-	-

**This note excludes leases relating to public private partnership as they are separately disclosed in note no. 35.

Provide a general description of the material leasing arrangements

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Provide a general discussion on any assets that are sub-leased (if any), indicating the nature of the asset and the lessee (occupant/user of the asset).

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Rental earned on sub-leased assets	3	-	-
Total		-	-

Provide a description of renewal or purchase options as well as escalation clauses (if any) per lease agreement.

Describe any restrictions imposed by on the department through any lease agreement (such as restrictions relating to enhancements, repairs & maintenance, sub-leasing and disposal)

Provide an indication as to whether a reduction in the lease payments was granted in lieu of actual cash from the sale of the asset in a sale and leaseback arrangement.

29.3 Operating lease future revenue**

2021/22	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	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total operating lease revenue receivable	-	-	-	-	-

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	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total operating lease revenue receivable	-	-	-	-	-

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Provide a description of the leasing arrangement including renewal or purchase options as well as escalation clauses (if any)

30. Accrued departmental revenue

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Tax revenue			
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Other		-	-
Total		-	-

Include discussion here where deemed relevant

30.1 Analysis of accrued departmental revenue

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Opening balance		-	-
Less: amounts received		-	-
Less: services received in lieu of cash		-	-
Add: amounts recorded		-	-
Less: amounts written-off/reversed as irrecoverable		-	-
Less: amounts transferred to receivables for recovery		-	-
Other (<i>Specify</i>)		-	-
Closing balance		-	-

Include discussion here where deemed relevant

30.2 Accrued department revenue written off

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Nature of losses		-	-
Total		-	-

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Include discussion here where deemed relevant

30.3	Impairment of accrued departmental revenue	<i>Note</i>	2021/22 R'000	2020/21 R'000
	Estimate of impairment of accrued departmental revenue		-	-
	Total		<u>-</u>	<u>-</u>

Include discussion here where deemed relevant

31.	Irregular expenditure			
31.1	Reconciliation of irregular expenditure	<i>Note</i>	2021/22 R'000	2020/21 R'000
	Opening balance		244 341	125 179
	Prior period error			118 854
	As restated		244 341	244 033
	Add: Irregular expenditure – relating to prior year		135 122	-
	Add: Irregular expenditure – relating to current year		183 693	119 162
	Less: Prior year amounts condoned		-	-
	Less: Current year amounts condoned		-	-
	Less: Prior year amounts not condoned and removed		-	-118 854
	Less: Current year amounts not condoned and removed		-	-
	Less: Amounts recoverable (current and prior year)	15	-	-
	Less: Amounts written off		-	-
	Closing balance		<u>563 156</u>	<u>244 341</u>
	Analysis of closing balance			
	Current year		183 693	112 837
	Prior years		379 463	131 504
	Total		<u>563 156</u>	<u>244 341</u>

Include discussion here where deemed relevant

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

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
Contract Expired		43 501
Competitive bidding processes not adhered to		11 000
Variation orders above 20%		129 192
Contract expired relating to prior year		135 122
Total		318 815

Include discussion here where deemed relevant

31.3 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2021/22 R'000
		-
Total		-

Include discussion here where deemed relevant

31.4 Details of irregular expenditure recoverable (not condoned)

Incident		2021/22 R'000
		-
Total		-

Include discussion here where deemed relevant

31.5 Details of irregular expenditure removed - (not condoned)

Incident	Not condoned by (relevant authority)	2021/22 R'000
		-
Total		-

Include discussion here

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31.6	Details of irregular expenditures written off (irrecoverable)	2021/22
	Incident	R'000
		-
	Total	-

Include discussion here

31.7	Details of irregular expenditures under assessment (not included in the main note)	2021/22
	Incident	R'000
	Goods and services	207
	Contracts expired	11 198
	Non-compliance with Supply chain processes for competitive bidding	102 138
	Contract expired relating to prior year	183 166
	Total	296 709

A 100% testing was performed on prior year's full population of payments. Further assessment still required to confirm amounts

31.8	Prior period error	Note	2020/21
			R'000
	Nature of prior period error		
	Relating to 2019-2020 <i>[affecting the opening balance]</i>		118 854
			118 854
			-
	Relating to 2020/21		12 708
	Competitive Bidding Process not adhered to		6 018
	Non-Compliant with Local Content		366
	Erroneously removed		6 324
	Total		131 562

These amounts relate to prior year error amount of R118 854 that was removed and addition of R6 383 identified in 2020/21.

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- 31.9 Details of the non-compliance where an institution is involved in an inter-institutional arrangement

Incident	2021/22 R'000
	-
Total	-

Include discussion here

32. Fruitless and wasteful expenditure
32.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Opening balance		-	-
Prior period error		-	-
As restated		-	-
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		32	-
Less: Amounts recoverable	15.6	-	-
Less: Amounts written off		-	-
Closing balance		32	-

Include discussion here where deemed relevant

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

Incident	Disciplinary steps taken/criminal proceedings	2021/22
Interest paid on Auditor General invoices		32
Total		32

Include discussion here where deemed relevant

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32.3	Details of fruitless and wasteful expenditure recoverable Incident	2021/22 R'000
		-
	Total	-

Include discussion here where deemed relevant

32.4	Details of fruitless and wasteful expenditure written off Incident	2021/22 R'000
		-
	Total	-

Include discussion here where deemed relevant

32.5	Prior period error	<i>Note</i>	2021/22 R'000
	Nature of prior period error		
	Relating to 20WW/XX <i>[affecting the opening balance]</i>		-
	Relating to 20XX/YY		-
	Total		-

Include discussion here where deemed relevant

32.6	Details of fruitless and wasteful expenditures under assessment (not included in the main note) Incident	2021/22 R'000
		-
	Total	-

Include discussion here where deemed relevant

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33. Related party transactions

Revenue received	<i>Note</i>	2021/22 R'000	2020/21 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land		-	-
Sales of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers received		-	-
Total		-	-
 Payments made	 <i>Note</i>	 2021/22 R'000	 2020/21 R'000
Compensation of employees		-	-
Goods and services		-	-
Interest and rent on land		-	-
Expenditure for capital assets		-	-
Payments for financial assets		-	-
Transfers and subsidies		-	-
Total		-	-
 Year end balances arising from revenue/payments	 <i>Note</i>	 2021/22 R'000	 2020/21 R'000
Receivables from related parties		-	-
Payables to related parties		-	-
Total		-	-
 Loans to /from related parties	 <i>Note</i>	 2021/22 R'000	 2020/21 R'000
Non-interest bearing loans to/(from)		-	-
Interest bearing loans to/(from)		-	-
Total		-	-
 Other	 <i>Note</i>	 2021/22 R'000	 2020/21 R'000
Guarantees issued/received		-	-
<i>List other contingent liabilities between department and related party</i>		-	-
Total		-	-

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	<i>Note</i>	2021/22 R'000	2020/21 R'000
In kind goods and services provided / received			
<i>List in kind goods and services between the department and the related party</i>		-	-
		-	-
Total		-	-

MEC Goghsta, Acting HOD, Chief Directors, Director HRM, Director SCM, Director Legal Services and their close family members, North West Housing Corporation, a schedule 3C entity of the Department, all provincial departments, trading entities, schedules 3C and 3D public entities as well as the provincial legislature. Monies paid to NWHC are disclosed under transfers and subsidies. The Department of Public works and COGTA are providing the Department with office accommodation at no cost. Cabinet resolved to invoke section 100(1) (a) of the constitution on the 23 May 2018 at the Department, together with interventions at other provincial departments. In this regard an inter-ministerial task team (IMTT) was established constituted by several ministers to address challenges facing the Province. Department of COGTA is under the leadership of the same MEC as the Department of Human Settlements. There were no related party transactions between the Department and its related parties. All transactions were at arm's length.

Include discussion here where deemed relevant

34. Key management personnel

	No. of Individuals	2021/22 R'000	2020/21 R'000
Political office bearers (provide detail below)	1	-	-
Officials:			
Level 12 to 14	6	7 059	3 330
Level 15	2	1 613	1 522
Family members of key management personnel			
Total		<u>8 672</u>	<u>4 852</u>

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Key management personnel (Parliament/Legislatures)

	No. of Individuals	2021/22 R'000	2020/21 R'000
Speaker to Parliament / the Legislature		-	-
Deputy Speaker		-	-
Secretary to Parliament / the Legislature		-	-
Deputy Secretary		-	-
Chief Financial Officer		-	-
Legal Advisor		-	-
Other		-	-
Total		-	-

The MEC holds same portfolio in two departments and her remuneration is paid out of Department of cooperative governance and traditional affairs (COGTA). Acting HOD has been paid an amount of R861 942.30

35. Public Private Partnership

	Note	2021/22 R'000	2020/21 R'000
Concession fee received		-	-
Base fee received		-	-
Variable fee received		-	-
Other fees received (Specify)		-	-
Unitary fee paid		-	-
Fixed component		-	-
Indexed component		-	-
Analysis of indexed component		-	-
Compensation of employees		-	-
Goods and services (excluding lease payments)		-	-
Operating leases		-	-
Interest		-	-
Capital / (Liabilities)		-	-
Tangible rights		-	-
Intangible rights		-	-
Property		-	-
Plant and equipment		-	-
Loans		-	-
Other		-	-
Prepayments and advances		-	-
Pre-production obligations		-	-

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Other obligations	-	-
	-	-

Any guarantees issued by the department are disclosed in Note 25.1

Provide a summary of the significant terms of the agreement, along with the parties to the agreement, and the date of commencement thereof

36. Impairment (other than receivables, accrued departmental revenue, loans and investments)

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Please specify		-	-
		-	-
		-	-
Total		-	-

Include discussion here where deemed relevant

37. Provisions

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Please specify		-	-
		-	-
		-	-
Total		-	-

Include discussion here where deemed relevant

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37.1 Reconciliation of movement in provisions – 2021/22

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-
Increase in provision	-	-	-	-
Settlement of provision	-	-	-	-
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	-	-	-	-

Include discussion here where deemed relevant

Reconciliation of movement in provisions – 2020/21

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-
Increase in provision	-	-	-	-
Settlement of provision	-	-	-	-
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	-	-	-	-

Include discussion here where deemed relevant

Provide a brief description of the nature of each obligation and the expected timing of any resulting outflows of economic benefits or service potential.

Provide a description of the uncertainties/estimates applied in each of the provision. Where necessary, provide information on the major assumptions made concerning future events.

Where the disclosure requirements of the Standards are not done due to the sensitivity of the information, disclose this fact with reasons.

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38. Non-adjusting events after reporting date

	2021/22 R'000
Nature of event	
Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.	-
	-
Total	-

Include discussion here where deemed relevant

39. Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS					
Heritage assets	-		-	-	
MACHINERY AND EQUIPMENT	6 748		7 669		14 417
Transport assets	-		4 229	-	4 229
Computer equipment	4 824		2 260	-	7 084
Furniture and office equipment	1 109		743	-	1 852
Other machinery and equipment	815		437	-	1 252
SPECIALISED MILITARY ASSETS					
Specialised military assets	-		-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	6 748	-	7 669	-	14 417

Include discussion here where deemed relevant

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Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Heritage assets		
Machinery and equipment	266	3132
Specialised military assets		
Biological assets		

After the verification completed there are to the value of R 3 132 under investigation

39.1 Movement for 2020/21

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020/21

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	5 550		1 198		6 748
Transport assets	-	-	-	-	-
Computer equipment	4 152	-	672	-	4 824
Furniture and office equipment	835	-	274	-	1 109
Other machinery and equipment	563	-	252	-	815
SPECIALISED MILITARY ASSETS					
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	5 550	-	1 198	-	6 748

Include discussion here where deemed relevant

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39.1.1 Prior period error

	<i>Note</i>	2020/21 R'000
Nature of prior period error		-
Relating to 2020/21 <i>[affecting the opening balance]</i>		-
		-
Relating to 2020/2021		2 632
		2 632
		-
Total prior period errors		2 632

Include discussion here where deemed relevant

39.2 Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	2 092		2 092
Value adjustments	-	-	-	-		-
Additions	-	-	-	241		241
Disposals						
TOTAL MINOR ASSETS				2 333		2 333
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	-
Number of R1 minor assets	-	-	-	3	-	3
Number of minor assets at cost	-	-	-	1 126	-	1 126
TOTAL NUMBER OF MINOR ASSETS	-	-	-	1 129	-	1 129

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Include discussion here where deemed relevant

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:		
Specialised military assets	-	-
Intangible assets	-	-
Heritage assets	-	-
Machinery and equipment	590	1 077
Biological assets	-	-

Provide reasons why assets are under investigation and actions being taken to resolve matters

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	2 060	-	2 060
Prior period error	-	-	-	-	-	
Additions	-	-	-	32	-	32
Disposals	-	-	-	-	-	
TOTAL MINOR ASSETS	-	-	-	2 092	-	2 092
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				3		3
Number of minor assets at cost	-	-	-	1 036	-	1 036
TOTAL NUMBER OF MINOR ASSETS	-	-	-	1 039	-	1 039

Include discussion here where deemed relevant

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39.2.1 Prior period error

	<i>Note</i>	2020/21 R'000
Nature of prior period error		
Relating to 20WW/XX <i>[affecting the opening balance]</i>		-
		-
Relating to 2020/21		(286)
		(286)
		-
Total		(286)

Include discussion here where deemed relevant

39.3 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
MOVABLE						
ASSETS						
WRITTEN						
OFF						

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
MOVABLE						
ASSETS						
WRITTEN						
OFF						

Include discussion here where deemed relevant

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

40. Intangible Capital Assets 2021/22

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	-	-	-	-
	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	-	-

Include discussion here where deemed relevant

Intangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:	-	-
Software	-	-
Mastheads and publishing titles	-	-
Patents, licences, copyright, brand names, trademarks	-	-
Recipes, formulae, prototypes, designs, models	-	-
Services and operating rights	-	-

Provide reasons why assets are under investigation and actions being taken to resolve matter.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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40.1 Movement for 2020/21

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

Include discussion here where deemed relevant

40.1.1 Prior period error

Note

2020/21
R'000

Nature of prior period error

Relating to 20WW/XX *[affecting the opening balance]*

-

-

Relating to 20XX/YY

-

-

-

Total

-

Include discussion here where deemed relevant

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

41. Immovable Tangible Capital Assets for year ended 31 March 2022

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-

Include discussion here where deemed relevant

Immovable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:	-	-
Buildings and other fixed structures	-	-
Heritage assets	-	-
Land and subsoil assets	-	-

Provide reasons why assets are under investigation and actions being taken to resolve matters.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

41.1 Movement for 2020/21

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
					-
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non- regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-	-

Include discussion here where deemed relevant

41.1.1 Prior period error

	<i>Note</i>	2020/21 R'000
Nature of prior period error		
Relating to 20WW/XX <i>[affecting the opening balance]</i>		-
Relating to 20XX/YY		-
Total		-

Include discussion here where deemed relevant

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

41.2 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

	Opening balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
<i>Note</i> <i>Annexure 7</i>	R'000	R'000	R'000	R'000
Heritage assets	-	-	-	-
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	-	-	-	-
Specialised military assets	-	-	-	-
Intangible assets	-	-	-	-
TOTAL	-	-	-	-

Include discussion here where deemed relevant

Payables not recognised relating to Capital WIP	<i>Note</i>	2021/21 R'000	2020/21 R'000
<i>[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in- progress]</i>			
		-	-
		-	-
Total		-	-

Include discussion here where deemed relevant

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 20YY

		Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR)) / Contracts terminated	Closing balance 31 March 2022
	<i>Note Annexure 7</i>	R'000	R'000	R'000	R'000	R'000
Heritage assets		-	-	-	-	-
Buildings and other fixed structures		-	-	-	-	-
Machinery and equipment		-	-	-	-	-
Specialised military assets		-	-	-	-	-
Intangible assets		-	-	-	-	-
TOTAL		-	-	-	-	-

Include discussion here where deemed relevant

41.3 Immovable assets written off

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-
TOTAL	-	-	-	-
IMMOVABLE ASSETS WRITTEN OFF				

Include discussion here where deemed relevant

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
Assets written off	-	-	-	-
TOTAL IMMOVABLE ASSETS WRITTEN OFF	-	-	-	-

Include discussion here where deemed relevant

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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41.4 Immovable assets (additional information)

		<i>Note</i>	2021/22	2020/21
a)	Unsurveyed land	Estimated completion date <i>Annexure 9</i>	Area -	Area -
b)	Properties deemed vested	<i>Annexure 9</i>	Number	Number
	Land parcels			
	Facilities		-	-
	Schools		-	-
	Clinics		-	-
	Hospitals		-	-
	Office buildings		-	-
	Dwellings		-	-
	Storage facilities		-	-
	Other		-	-
c)	Facilities on unsurveyed land	Duration of use <i>Annexure 9</i>	Number	Number
	Schools		-	-
	Clinics		-	-
	Hospitals		-	-
	Office buildings		-	-
	Dwellings		-	-
	Storage facilities		-	-
	Other		-	-
d)	Facilities on right to use land	Duration of use <i>Annexure 9</i>	Number	Number
	Schools		-	-
	Clinics		-	-
	Hospitals		-	-
	Office buildings		-	-
	Dwellings		-	-
	Storage facilities		-	-
	Other		-	-
e)	Agreement of custodianship	<i>Annexure 9</i>	Number	Number
	Land parcels		-	-
	Facilities		-	-
	Schools		-	-
	Clinics		-	-
	Hospitals		-	-
	Office buildings		-	-
	Dwellings		-	-
	Storage facilities		-	-
	Other		-	-

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Include discussion where deemed relevant

42. Principal-agent arrangements

42.1 Department acting as the principal

	2021/22 R'000	2020/21 R'000
Include a list of the entities acting as agents for the department, the fee paid as compensation to the agent and any other transactions undertaken	-	-
	-	-
	-	-
	-	-
Total	-	-

For each of the individual principal-agent arrangements of the department, provide a description of the nature, circumstances, significant judgment applied, significant terms and conditions, any significant risks and benefits relating to the arrangements with the agents. In instances where the department has numerous principal-agent arrangements that are similar in nature, circumstances and terms, these can be grouped to provide a summary of the description of the nature, circumstances and terms relating to the similar arrangements.

For each of the individual principal-agent arrangements include a discussion of the resource or cost implications for the principal if the principal-agent arrangement is terminated.

For each of the individual principal-agent arrangements include a discussion of the resources (including assets and liabilities) that are under the custodianship of the agent and whether or not those resources have been recognised or recorded by the agent.

42.2 Department acting as the agent

42.2.1 Revenue received for agency activities

	2021/22 R'000	2020/21 R'000
Include a list of the entities for which the department acts as an agent and the amounts received for these agency duties	-	-
	-	-
	-	-
	-	-
Total	-	-

For each of the individual principal-agent arrangements of the department, provide a description of the nature, circumstances, significant judgment applied, significant terms and conditions, any significant risks and benefits relating to the arrangements with the agents

In instances where the department has numerous principal-agent arrangements that are similar in nature, circumstances and terms, these can be grouped to provide a summary of the description of the nature, circumstances and terms, these can be grouped to provide a summary of the description of the nature,

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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<i>circumstances and terms relating to the similar arrangements.</i>
--

42.2.2 Reconciliation of funds and disbursements – 2021/22

Category of revenue or expenditure per arrangement

Total funds
received

Expenditure
incurred against
funds

R'000

R'000

-	-
-	-
-	-
-	-
-	-
-	-
-	-

Total

-	-
---	---

Reconciliation of funds and disbursements – 2020/21

Category of revenue or expenditure per
arrangement

Total funds
received

Expenditure
incurred against
funds

R'000

R'000

-	-
-	-
-	-
-	-
-	-
-	-
-	-

Total

-	-
---	---

<i>Provide a narrative description and explanation of assets held or liabilities incurred on behalf of the principal and shown in the department's own financial statements.</i>
--

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*NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022*

42.2.3 Reconciliation of carrying amount of receivables and payables – 2021/22

Receivables

Name of principal entity	Opening balance 1 Apr 2021 R'000	Revenue principal is entitled to R'000	Less: Write-offs/settlements/waivers R'000	Cash received on behalf of principal R'000	Closing Balance 31 Mar 2022 R'000
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

Payables

Name of principal entity	Opening balance 1 Apr 2021 R'000	Expenses incurred on behalf of the principal R'000	Cash paid on behalf of the principal R'000	Closing Balance 31 Mar 2022 R'000
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Reconciliation of carrying amount of receivables and payables – 2020/21

Receivables

Name of principal entity	Opening balance 1 Apr 2020 R'000	Revenue principal is entitled to R'000	Less: Write-offs/settlements/waivers R'000	Cash received on behalf of principal R'000	Closing Balance 31 Mar 2021 R'000
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total	-	-	-	-	-

Payables

Name of principal entity	Opening balance 1 Apr 2020 R'000	Expenses incurred on behalf of the principal R'000	Cash paid on behalf of the principal R'000	Closing Balance 31 mar 2021 R'000
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Total	-	-	-	-

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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43. Changes in accounting estimates

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances

	Value derived using the original estimate R'000	Value derived using amended estimate R'000	R-value impact of change in estimate R'000
<i>Accounting estimate change 1: Provide a description of the change in estimate</i>	-	-	-
Line item 1 affected by the change	-	-	-
Line item 2 affected by the change	-	-	-
Line item 3 affected by the change	-	-	-
Line item 4 affected by the change	-	-	-
Line item 5 affected by the change	-	-	-

Provide a description of the estimated impact on future periods

	Value derived using the original estimate R'000	Value derived using amended estimate R'000	R-value impact of change in estimate R'000
<i>Accounting estimate change 2: Provide a description of the change in estimate</i>	-	-	-
Line item 1 affected by the change	-	-	-
Line item 2 affected by the change	-	-	-
Line item 3 affected by the change	-	-	-
Line item 4 affected by the change	-	-	-
Line item 5 affected by the change	-	-	-

Provide a description of the estimated impact on future periods

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Value derived using the original estimate R'000	Value derived using amended estimate R'000	R-value impact of change in estimate R'000
<i>Accounting estimate change 3: Provide a description of the change in estimate</i>	-	-	-
Line item 1 affected by the change	-	-	-
Line item 2 affected by the change	-	-	-
Line item 3 affected by the change	-	-	-
Line item 4 affected by the change	-	-	-
Line item 5 affected by the change	-	-	-

Provide a description of the estimated impact on future periods

44. Prior period errors 2020/21

44.1 Correction of prior period errors

	<i>Note</i>	Amount bef error correction 2020/21 R'000	Prior period error 2020/21 R'000	Restated Amount 2021/22 R'000
Revenue:		-	-	-
Voted Fund to be surrendered		100 067	(24 990)	75 077
		-	-	-
		-	-	-
Net effect		<u>100 067</u>	<u>(24 990)</u>	<u>75 077</u>

Provide a description of the nature of the prior period error as well as why the correction was required.

	<i>Note</i>	Amount bef error correction 2020/21 R'000	Prior period error 2020/21 R'000	Restated Amount 2021/22 R'000
Expenditure:				
Compensation of employees	5	87 407	24 525	111 932
Transport & Subsidies	6	2 135	237	2 372
Transfers & Subsidies	9	1 256 677	228	1 256 905
Net effect		<u>1 346 219</u>	<u>24 990</u>	<u>1 371 209</u>

Cost of employee incurred by COGTA in 2020/21 on behalf of Human Settlements for staff transferred through reconfiguration of departments. Payable was not raised in prior year

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	<i>Note</i>	Amount bef error correction 2020/21 R'000	Prior period error 2020/21 R'000	Restated Amount 2021/22 R'000
Assets: (e.g receivables, investments, accrued departmental revenue, movable tangible assets, etc)		-	-	-
		-	-	-
Net effect		-	-	-

Provide a description of the nature of the prior period error as well as why the correction was required.

	<i>Note</i>	Amount bef error correction 2020/21 R'000	Prior period error 2020/21 R'000	Restated Amount 2021/22 R'000
Liabilities:		-	-	-
Accruals not recognised note 27,1 Prior Year 2021	27,1	20 455	(18 857)	1 598
Payables not recognised note 27,2 prior year 2021	27,2	90 566	2 253	92 819
		-	-	-
Other Payables COE related to prior year 2021	21 & 21,3	61 510	24 990	86 500
Net effect		172 531	8 386	180 917

Provide a description of the nature of the prior period error as well as why the correction was required.

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	<i>Note</i>	Amount bef error correction 2020/21 R'000	Prior error 2020/21 R'000	period 2021/22 R'000
Other (eg Irregular expenditure, fruitless and wasteful)				
Irregular Expenditure	31	112 779	131 562	244 341
Employee Benefits	28	42 082	(17 866)	24 216
Key Management Personnel	34	4 304	548	4 852
Related party	33	242	(242)	-
Related party	33	221	(221)	-
Major Assets	39 & 39.1.1	2 920	2 631	5 551
Minor Assets	39,2 & 39,2,2	2 346	(286)	2 060
Net effect		164 894	116 126	281 020

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

45. Inventories

45.1 Inventories for the year ended 31 March 2022

	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance					
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases – Cash	-	-	-	-	-
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-	-	-	-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	-	-	-	-	-

Include discussion where deemed relevant

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Inventories for the year ended 31 March 2021	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance					
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases – Cash	-	-	-	-	-
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-	-	-	-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	-	-	-	-	-

Include discussion where deemed relevant

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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45.2 Land parcels held for human settlement

	Note	2022/21 R'000	2020/21 R'000
Opening balance		110 257	-
Add/(Less): Adjustments to prior year balances		-	-
Add: Additions/Purchases – Cash		-	-
Add: Additions - Non-cash		-	-
(Less): Disposals		-	-
(Less): Issues		-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)		-	-
Add/(Less): Adjustments		-	-
Closing balance	Annexure 6	<u>110 257</u>	<u>-</u>

Include discussion where deemed relevant

45.3 Work in progress

Work in progress for the year ended 31 March 2022	Opening balance	Additions during year	(Ready for use/suspended)	Closing balance
Note	R'000	R'000	R'000	R'000
Annexure 6				
Clearing		-	-	-
Infrastructure		-	-	-
Structure of houses		-	-	-
Adjustments		-	-	-
Total		-	-	-

Include discussion where deemed relevant

Work in progress for the year ended 31 March 2021	Opening balance	Additions during year	(Ready for use/suspended)	Closing balance
Note	R'000	R'000	R'000	R'000
Annexure 6				
Clearing		-	-	-
Infrastructure		-	-	-
Structure of houses		-	-	-
Adjustments		-	-	-
Total		-	-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Include discussion where deemed relevant

Work in progress for the year ended 31 March 2021	2021/22	2020/21
	R'000	R'000
Clearing	-	-
Infrastructure	-	-
Structure of houses	-	-
Adjustments	-	-
Total	-	-

Include discussion where deemed relevant

45.4 Houses ready for use

Houses ready for use	Quantity	2021/22	Quantity	2020/21
		R'000		R'000
Opening balance				
Add/(Less): Adjustment to prior year balances				
Add: Ready for use in current year	-	-	3 111	-
Less: Issued to beneficiaries				
Add/(Less): Adjustments				
Closing balance	-	-	3 111	-

Include discussion where deemed relevant

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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46. Transfer of functions and mergers

46.1 Transfer of functions

Provide a brief description of the functions transferred or acquired and the reason for undertaking the transaction or event.

46.1.1 Statement of Financial Position

	<i>Not e</i>	Balance before transfer date	Functions (transferred) / received Dept name (Specify)	Functions (transferred) / received Dept name (Specify)	Functions (transferred) / received Dept name (Specify)	Balance after transfer date
		R'000	R'000	R'000	R'000	R'000
ASSETS		-	-	-	-	-
Current Assets		-	-	-	-	-
Unauthorised expenditure		-	-	-	-	-
Cash and cash equivalents		-	-	-	-	-
Other financial assets		-	-	-	-	-
Prepayments and advances		-	-	-	-	-
Receivables		-	-	-	-	-
Loans		-	-	-	-	-
Aid assistance prepayments		-	-	-	-	-
Aid assistance receivable		-	-	-	-	-
Non-Current Assets		-	-	-	-	-
Investments		-	-	-	-	-
Receivables		-	-	-	-	-
Loans		-	-	-	-	-
Other financial assets		-	-	-	-	-
		-	-	-	-	-

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TOTAL ASSETS					
	-	-	-	-	-
LIABILITIES					
Current Liabilities	-	-	-	-	-
Voted funds to be surrendered to the Revenue Fund	-	-	-	-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	-	-	-	-	-
Bank Overdraft	-	-	-	-	-
Payables	-	-	-	-	-
Aid assistance repayable	-	-	-	-	-
Aid assistance unutilised	-	-	-	-	-
Non-Current Liabilities					
Payables	-	-	-	-	-
	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
	-	-	-	-	-
NET ASSETS	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

46.1.2 Notes

	<i>Not e</i>	Balance before transfer date	Functions (transferred) / received Dept name (Specify)	Functions (transferred) / received Dept name (Specify)	Functions (transferred) / received Dept name (Specify)	Balance after transfer date
		R'000	R'000	R'000	R'000	R'000
Contingent liabilities		-	-	-	-	-
Contingent assets		-	-	-	-	-
Capital commitments		-	-	-	-	-
Accruals		-	-	-	-	-
Payables not recognised		-	-	-	-	-
Employee benefits		-	-	-	-	-
Lease commitments – Operating lease		-	-	-	-	-
Lease commitments – Finance lease		-	-	-	-	-
Lease commitments – Operating lease revenue		-	-	-	-	-
Accrued departmental revenue		-	-	-	-	-
Irregular expenditure		-	-	-	-	-
Fruitless and wasteful expenditure		-	-	-	-	-
Impairment		-	-	-	-	-
Provisions		-	-	-	-	-
Movable tangible capital assets		-	-	-	-	-
Immovable tangible capital assets		-	-	-	-	-
Intangible capital assets		-	-	-	-	-

Include discussion where deemed relevant

DEPARTMENT OF HUMAN SETTLEMENTS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Provide a reference to the proclamation or declaration giving effect to the transfer of functions

Indicate whether there was an agreement drawn up, and provide a description of roles, responsibilities and accountability arrangements.

Disclose the revenue and expenditure attributable to the transfer of functions subsequent to the transfer.

Where the accounting for the transfer of functions is incomplete, include information as required by paragraph .47

DEPARTMENT OF HUMAN SETTLEMENTS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

46.2 Mergers

Provide a brief description of the merger and the reason for undertaking the transaction or event.

46.2.1 Statement of Financial Position

	<i>Note</i>	Balance bef merger date Combining Dept (<i>Specify</i>) R'000	Balance bef merger date Combining Dept (<i>Specify</i>) R'000	Balance bef merger date Combining Dept (<i>Specify</i>) R'000	Balance after merger date Combined Dept (<i>Specify</i>) R'000
ASSETS		-	-	-	-
Current Assets		-	-	-	-
Unauthorised expenditure		-	-	-	-
Cash and cash equivalents		-	-	-	-
Other financial assets		-	-	-	-
Prepayments and advances		-	-	-	-
Receivables		-	-	-	-
Loans		-	-	-	-
Aid assistance prepayments		-	-	-	-
Aid assistance receivable		-	-	-	-
Non-Current Assets		-	-	-	-
Investments		-	-	-	-
Receivables		-	-	-	-
Loans		-	-	-	-
Other financial assets		-	-	-	-
TOTAL ASSETS		-	-	-	-
LIABILITIES					

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Current Liabilities	-	-	-	-
Voted funds to be surrendered to the Revenue Fund	-	-	-	-
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	-	-	-	-
Bank Overdraft	-	-	-	-
Payables	-	-	-	-
Aid assistance repayable	-	-	-	-
Aid assistance unutilised	-	-	-	-
	-	-	-	-
Non-Current Liabilities	-	-	-	-
Payables	-	-	-	-
	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
	-	-	-	-
NET ASSETS	-	-	-	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

46.2.2 Notes

<i>Note</i>	Balance bef merger date Combining Dept (<i>Specify</i>) R'000	Balance bef merger date Combining Dept (<i>Specify</i>) R'000	Balance bef merger date Combining Dept (<i>Specify</i>) R'000	Balance after merger date Combined Dept (<i>Specify</i>) R'000
Contingent liabilities	-	-	-	-
Contingent assets	-	-	-	-
Capital commitments	-	-	-	-
Accruals	-	-	-	-
Payables not recognised	-	-	-	-
Employee benefits	-	-	-	-
Lease commitments – Operating lease	-	-	-	-
Lease commitments – Finance lease	-	-	-	-
Lease commitments – Operating lease revenue	-	-	-	-
Accrued departmental revenue	-	-	-	-
Irregular expenditure	-	-	-	-
Fruitless and wasteful expenditure	-	-	-	-
Impairment	-	-	-	-
Provisions	-	-	-	-
Movable tangible capital assets	-	-	-	-
Immovable tangible capital assets	-	-	-	-
Intangible capital assets	-	-	-	-

Include discussion where deemed relevant

Provide a reference to the proclamation or declaration giving effect to the merger along with the merger date.

DEPARTMENT OF HUMAN SETTLEMENTS
VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Indicate whether there was an agreement drawn up, and provide a description of roles, responsibilities and accountability arrangements.

Combining departments: For each asset transferred and liability derecognised/removed, the carrying amount of the assets transferred and the liabilities derecognised/removed.

Where the accounting for the merger is incomplete, include information as required by paragraph .39

DEPARTMENT OF HUMAN SETTLEMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

47. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2020/21	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under / (Overspend ing)	% of available funds spent by depart-ment	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Informal Settlement Upgrading Partnership Grant	358 028	-	-	-	358 028	358 028	335 567	22 461	94%	-	-
Human Settlement Development Grant											
Title Deeds Restoration Grant	1 234 648	-	47 666	-	1 282 314	1 234 648	1 134 411	147 903	92%	1 296 106 8 545	1 253 121 3 556
TOTAL	1 592 676		47 666		1 640 342	1 592 676	1 469 978	170 364		1 304 651	1 256 667

Total allocation was transferred in full into the Provincial Exchequer grant account during the financial year and the requirements of DORA were fully met

**DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

48. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withhel d	Re- allocatio ns by National Treasury or National Depart- ment	Amount receive d by depart- ment	Amount spent by depart- ment	Unspent funds	% of available funds spent by depart- ment	Division of Revenu e Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-

Summary by
grant

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. [Grant
name]

Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-

2. [Grant
name]

Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-

***DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14***

***NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022***

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

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

DEPARTMENT OF HUMAN SETTLEMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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49. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	2021/22							2020/21	
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Matlosana Local Municipality			250 000	250 000	250 000				200 000
TOTAL			250 000	250 000	250 000				200 000

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

Transfer followed a request by the City of Matlosana for additional funding towards implementation of the N12 Matlosana catalytic project. Funds were transferred directly into the primary bank account of the local municipality

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

50. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

51. COVID 19 Response Expenditure

	<i>Note Annexure 11</i>	2021/22 R'000	2020/21 R'000
Compensation of employees		155	-
Goods and services		40	821
Transfers and subsidies		-	-
Expenditure for capital assets		-	-
Other		-	-
Total		<u>195</u>	<u>821</u>

Include discussion here where deemed relevant

**DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALIT Y	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfer s	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withhel d	Re- allocatio ns by National Treasury or National Depart- ment	Amount received by munici- pality	Amount spent by municip ality	Unspent funds	% of availabl e funds spent by munici- pality	Division of Revenu e 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
	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

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ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2021/22
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
Transfers									
North West Housing Corporation									
Transfers	40 904	-	-	40 904	40 904	100%	-	40 904	30 808
	40 904	-	-	40 904	40 904	100%	-	40 904	30 808
Subsidies	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Sub-total corporations									
Private Enterprises									
Transfers	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
TOTAL	40 904	-	-	40 904	40 904	100%	-	40 904	30 808

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ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Transfers							
Housing Settlement Development Grant	1 234 648	47 666		1 282 314	1 036 519	81%	1 296 106
Households other	1 648			1 648	1 583	96%	246
Title Deeds Restoration Grant	-						8 545
Informal settlements Upgrading Partnership Grant	358 028			358 028	335 568	94%	-
	1 594 324	47 666		1 641 990	1 373 670		1 304 897
Subsidies							
TOTAL	1 594 324	47 666		1 642 990	1 373 670		1 340 897

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for the year ended 31 March 2022

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
		R'000	R'000
Received in cash		-	-
Subtotal		-	-
Received in kind		-	-
Subtotal		-	-
TOTAL		-	-

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ANNEXURE 11

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDI- TURE	PAID BACK ON/BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
		-	-	-	-	-
Subtotal		-	-	-	-	-
Received in kind						
		-	-	-	-	-
Subtotal		-	-	-	-	-
		-	-	-	-	-
TOTAL		-	-	-	-	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2021/22	2020/21
	R'000	R'000

Made in kind

TOTAL

-	-
-	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1K

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

	Apr 20YY	May 20YY	Jun 20YY	Jul 20YY	Aug 20YY	Sept 20YY	Oct 20YY	Nov 20YY	Dec 20YY	Jan 20ZZ	Feb 20ZZ	Mar 20ZZ	Total
Grant Type	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Old age	-	-	-	-	-	-	-	-	-	-	-	-	-
War Veterans	-	-	-	-	-	-	-	-	-	-	-	-	-
Disability	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant in Aid	-	-	-	-	-	-	-	-	-	-	-	-	-
Foster Care	-	-	-	-	-	-	-	-	-	-	-	-	-
Care Dependency	-	-	-	-	-	-	-	-	-	-	-	-	-
Child Support Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENT
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 1L

STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND MUNICIPALITIES

	GRANT ALLOCATION				SPENT
NAME OF GRANT	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Amount
		R'000	R'000	R'000	R'000

TOTAL

-	-	-	-
-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENT
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

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 YY/ZZ	% Held XX/YY	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaran- teed Yes/No
						R'000		R'000		R'000		
				2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
National/Provincial Public Entity												
		</										

DEPARTMENT OF HUMAN SETTLEMENT
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Controlled entities		-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-
Non-controlled entities									
	Associates	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Joint Ventures	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Other non controlled entities	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
TOTAL		-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2021	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2022	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2022
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Housing	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 3A (continued)

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 – FOREIGN

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2021	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2022	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2022
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
	Subtotal								
	Housing								
	Subtotal								
	Other								
	Subtotal								
	TOTAL								

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/cancelle d/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2022
Nature of Liability	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Claim for damages suffered	106 902				
Combined summons for claiming parment	14 167				
Summons claiming for work done	308				
Summons requesting order for services rendered	2 140		2 140		
King and Associate		48 831			48 831
Subtotal	123 517	48 831	2 140		170 208
Environmental Liability					
Subtotal	123 517	48 831	2 140		170 208
Other					
Subtotal					
TOTAL	123 517	48 831	2 140		170 208

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 3B (continued)

Nature of Liabilities recoverable	Opening Balance	Details of Liability and Recoverability	Movement during year	Closing Balance
	1 April 2021			31 March 2022
	R'000		R'000	R'000
Claims for Damages suffered	106 902			106 902
Summons for claiming work done	308			308
Combined Summons for claiming Parment	14 167			14 167
Summons requesting order for payment on services rendered King and Associates	2 140		(2 140)	-
TOTAL	123 517		(2 140)	121 377

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 4

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22 *	
	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
						573		
DEDECT Pool Vehicles	573					99		
DEDECT PMDS	99							
						260		
COSATMA- Credit note	260							
	932					932		
Other Government Entities								
TOTAL	932					932		

Kilometer claims paid on behalf of DEDECT for an amount of R573 thousands.

Reimbursement of R260 thousands on a credit note, from an an invoice of R4,448 million for motor vehicle purchase.

Employees PMDS of R98 thousands paid on behalf of DEDECT.

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21*	
							Payment date up to six (6) working days before year end	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021		Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
COSATMA	254	-	-	-	254	-	-	-
JUSTICE	53	-	-	-	53	-	-	-
PUBLIC SERVICE ADMIN	208	-	-	-	208	-	-	-
Subtotal	515	-	-	-	515	-	-	-
Non-current								
Subtotal	-	-	-	-	-	-	-	-
TOTAL	515	-	-	-	515	-	-	-

OTHER GOVERNMENT ENTITY

Current

**DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

Subtotal	-	-	-	-	-	-	-	-
Non-current								
Subtotal	-	-	-	-	-	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	515	-	-	-	515	-	-	-

R329 thousands paid to the acting HOD for the month of March-2022 on the behalf of the Department by COGTA.
 Kilometer claims billed for the month of January-2022 for an amount of R154 thousands.
 R36 thousands Salary paid to Ms Tamane for the month of September on behalf of the Department.
 R1 thousand due to Public works for rental fees.

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 6
INVENTORIES

Inventories for the year ended 31 March 2022

	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	TOTAL
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
Add: Additions/Purchases – Cash	110 257	-	-	-	110 257
Add: Additions - Non-cash	-	-	-	-	-
(Less): Disposals	-	-	-	-	-
(Less): Issues	-	-	-	-	-
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	-	-	-	-
Add/(Less): Adjustments	-	-	-	-	-
Closing balance	110 257	-	-	-	110 257

Include discussion where deemed relevant

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Inventories for the year ended 31 March 20YY

Opening balance

Add/(Less): Adjustments to prior year balances

Add: Additions/Purchases – Cash

Add: Additions - Non-cash

(Less): Disposals

(Less): Issues

Add/(Less): Received current, not paid

(Paid current year, received prior year)

Add/(Less): Adjustments

Closing balance

Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	TOTAL
R'000	R'000	R'000	R'000	R'000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Include discussion where deemed relevant

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS				
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT				
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	-	-	-
SPECIALISED MILITARY ASSETS				
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS				
Biological assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES				
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
LAND AND SUBSOIL ASSETS				
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
SOFTWARE				
Software	-	-	-	-
MASTHEADS AND PUBLISHING TITLES				
Mastheads and publishing titles	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS				
Patents, licences, copyright, brand names and trademarks	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS				
Recipes, formulae, prototypes, designs, models	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

SERVICES AND OPERATING RIGHTS

Services and operating rights

-	-	-	-
---	---	---	---

-	-	-	-
---	---	---	---

TOTAL

-	-	-	-
---	---	---	---

Include discussion where deemed relevant

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
R'000	R'000	R'000	R'000	R'000

HERITAGE ASSETS

Heritage assets

-	-	-	-	-
---	---	---	---	---

MACHINERY AND EQUIPMENT

Transport assets

Computer equipment

Furniture and office equipment

Other machinery and equipment

-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

SPECIALISED MILITARY ASSETS

Specialised military assets

-	-	-	-	-
---	---	---	---	---

BIOLOGICAL ASSETS

Biological assets

-	-	-	-	-
---	---	---	---	---

BUILDINGS AND OTHER FIXED STRUCTURES

Dwellings

Non-residential buildings

Other fixed structures

-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

LAND AND SUBSOIL ASSETS

Land

Mineral and similar non-regenerative resources

-	-	-	-	-
-	-	-	-	-

SOFTWARE

Software

-	-	-	-	-
---	---	---	---	---

MASTHEADS AND PUBLISHING TITLES

Mastheads and publishing titles

-	-	-	-	-
---	---	---	---	---

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

PATENTS, LICENCES, COPYRIGHT,
BRAND NAMES, TRADEMARKS

Patents, licences, copyright, brand names
and trademarks

-	-	-	-	-
---	---	---	---	---

RECIPES, FORMULAE, PROTOTYPES,
DESIGNS, MODELS

Recipes, formulae, prototypes, designs,
models

-	-	-	-	-
---	---	---	---	---

SERVICES AND OPERATING RIGHTS

Services and operating rights

-	-	-	-	-
---	---	---	---	---

TOTAL

-	-	-	-	-
---	---	---	---	---

Include discussion where deemed relevant

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
PROVINCIAL DEPARTMENTS						
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
PUBLIC ENTITIES						
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
OTHER ENTITIES						
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 8B

INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/202 2	31/03/202 1	31/03/202 2	31/03/202 1	31/03/202 2	31/03/202 1
	R'000	R'000	R'000	R'000	R'000	R'000

NATIONAL DEPARTMENTS

Current

	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Non-Current						

	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-

PROVINCIAL DEPARTMENTS

Current

	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Non-Current						

	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-

PUBLIC ENTITIES

Current

	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Non-Current						

	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-

OTHER ENTITIES

Current

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Non-Current						
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Current	-	-	-	-	-	-
Non-current						

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 9

ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

The detail for note 41.7 may be included in this annexure.

Wording to suit their specific circumstances in order to comply with the Immovable Asset Guide can be inserted here.

In addition to the detail for note 41.7 the department should address the information regarding:

- 1. Surveyed but unregistered land parcels and*
- 2. Contingent assets.*

DEPARTMENT OF HUMAN SETTLEMENT
VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 10 *

DEPARTMENT OF HUMAN SETTLEMENTS HOUSING RELATED EXPENDITURE CLASSIFICATION

	2021/22	2020/21
	R'000	R'000
Inventories		
<i>List the items for correct expenditure</i>		
	-	-
	-	-
Subtotal	-	-
Expenditure for capital assets		
<i>List the items for correct expenditure</i>		
	-	-
	-	-
Subtotal	-	-
Transfers and subsidies		
<i>List the items for correct expenditure</i>		
	-	-
	-	-
Subtotal	-	-
TOTAL	-	-

Capital commitments

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets		-	-
Total		-	-

Include discussion where deemed relevant

ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees	61	49	-	45	155	

Goods and services

List all applicable SCOA level 4 items

33			7	40	821
----	--	--	---	----	-----

Transfers and subsidies

List all applicable SCOA level 4 items

--	--	--	--	--	--

Expenditure for capital assets

List all applicable SCOA level 4 items

--	--	--	--	--	--

Other expenditure not listed above

List all applicable SCOA level 4 items

--	--	--	--	--	--

TOTAL COVID 19 RESPONSE EXPENDITURE	94	49		52	195	821
-------------------------------------	----	----	--	----	-----	-----

Include discussion where deemed relevant



human settlements

Department:
Human Settlements
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



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