



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA



Annual Report

2023/24



VOTE NO. 33



Houses, Security & Comfort



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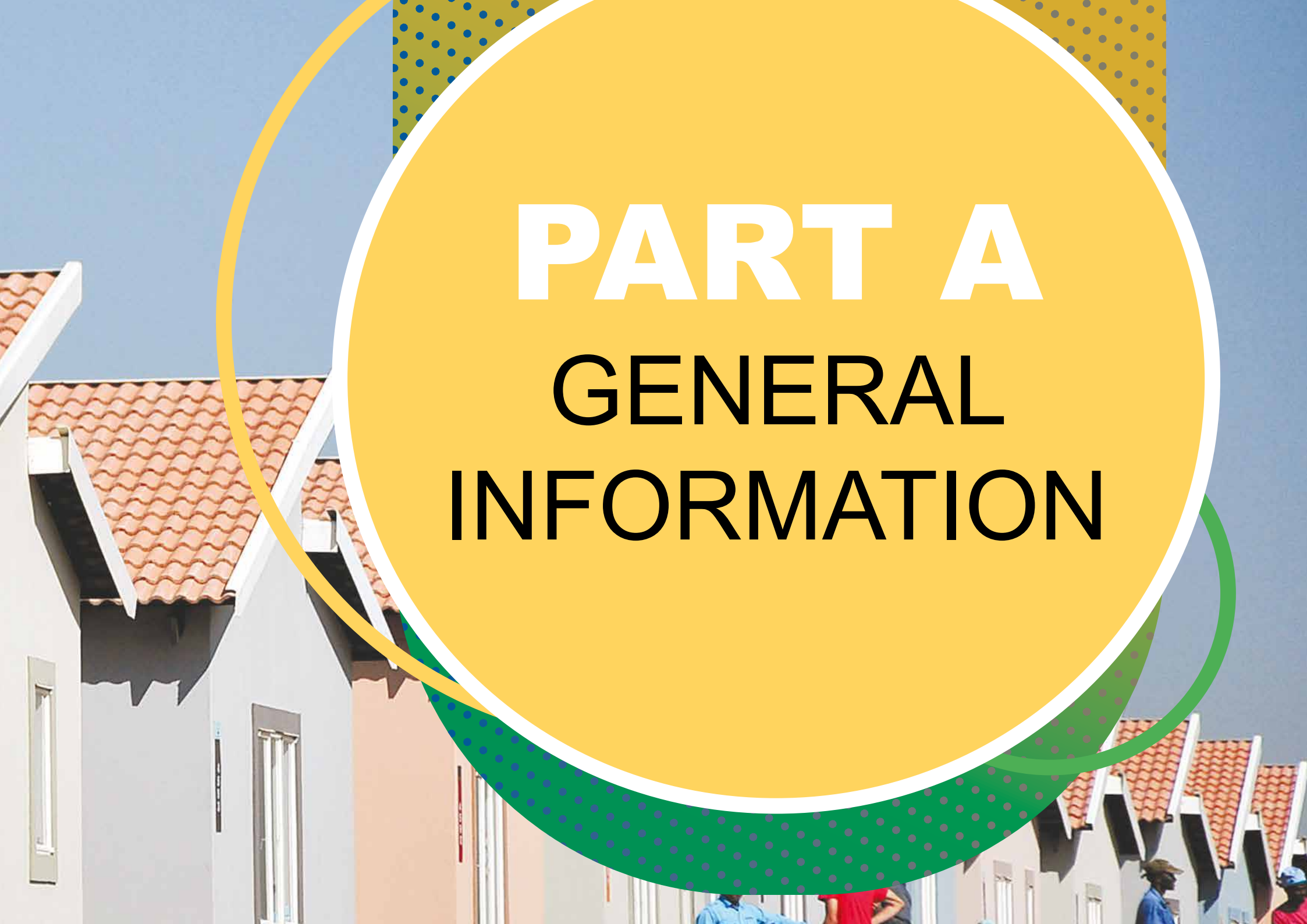
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PART A

GENERAL INFORMATION

DEPARTMENT GENERAL INFORMATION

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LIST OF ABBREVIATIONS/ ACRONYMS

ABTs	Alternative Building Technologies
AFS	Annual Financial Statements
AGSA	Auditor- General of South Africa
AOPI	Audit of Performance Information
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BNG	Breaking New Ground
CAE	Chief Audit Executive
CAP	Combined Assurance Plan
CARA	Criminal Asset Recovery Account
CD	Chief Director
CEO	Chief Executive Officer
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CoE	Compensation of Employees
COGTA	Co-operative Governance and Traditional Affairs
COVID-19	Coronavirus Disease of 2019
CRUs	Community Residential Units
CSOS	Community Schemes Ombud Services
DDG	Deputy Director- General
DDM	District Development Model
DG	Director-General
DHS	Department of Human Settlements

DIRCO	Department of International Relations and Cooperations
DM	Deputy Minister
DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
EAAB	Estate Agency Affairs Board
EAH	Employer Assisted Housing
EC	Eastern Cape
EE	Employment Equity
EHW	Employee Health and Wellness
EHWP	Employee Health and Wellness Programme
EMT	Executive Management Team
ENE	Estimate of National Expenditure
EPMDS	Employee Performance Management Development Ssystems
ERMF	Risk Management Strategy / Enterprise Risk Management Framework
ESIED	Economic Sector, Investment, Employment & Infrastructure Development
FHF	First Home Finance
FLISP	Finance-Linked Individual Subsidy Programme
FY	Financial Year
GCIS	Government Communication and Information System
GDP	Growth Domestic Product
GEHS	Government Employees Housing Scheme
GEMS	Government Employees Medical Scheme

GP	Gauteng Province
GRPBMEA	Gender Responsive Planning Budget, Monitoring, Evaluation and Auditing Framework
HDA	Housing Development Agency
HDI	Historically Disadvantaged Individual
HIV	Human Immuno Deficiency Virus
HLAMDA	Home Loans and Mortgage Disclosure Act
HR	Human Resource
HSDB	Human Settlements Development Bank
HSDG	Human Settlements Development Grant
HSS	Housing Subsidy System
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IMC	Inter-Ministerial Committee
IMS	Information Management System
IBTs	Innovative Building Technologies
IRDP	Integrated Residential Development Programme
IRDP	Integrated Residential Development Programme
ISUPG	Informal Settlement Upgrading Partnership Grant
IT	Information Technology
KZN	KwaZulu-Natal
M&E	Monitoring and Evaluation
MCS	Modified Cash Standard
MEHG	Municipal Emergency Housing Grant
Min-Mec	Minister and Members of Executive Council
MPC	Monetary Policy Committee
MTEF	Medium- Term Expenditure Framework
MTSF	Medium- Term Strategic Framework
MVHP	Military Veterans Housing Programme
NA	National Assembly

NC	Northern Cape
NCR	National Credit Regulator
NDHS	National Department of Human Settlements
NDP	National Development Plan
NHBRC	National Home Builders Registration Council
NHFC	National Housing Finance Corporation
NPC	Non-Profit Company
NPTT	National Policy Task Team
NT	National Treasury
NUSP	National Upgrade Support Programme
NW	North West
OAG	Office of the Accountant General
OHS	Occupational Health and Safety
OPSCAP	Operation Capital Subsidy Programme
PDAs	Priority Development Areas
PEHG	Provincial Emergency Housing Grant
PFMA	Public Finance Management Act
PHDAs	Priority Housing Development Areas
PHP	People's Housing Process
PIE	Prevention of Illegal Eviction
PPRA	Property Practitioners Regulatory Authority
PQs	Parliamentary Questions
PRT	Professional Resource Team
PSCBC	Public Service Co-ordinating Bargaining Council
PSETA	Public Service Sector Education
RCF	Risk Champion Forum
RFQs	Requests for Quotations
RMC	Risk Management Committee
RMIP	Risk Management Implementation Plan
RSA	Republic of South Africa
SA	South Africa

SAHF	South African Housing Fund
SARB	South African Reserve Bank
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SHI	Social Housing Institutions
SHRA	Social Housing Regulatory Authority
SITA	State Information Technology Agency
SLAs	Service Level Agreements
SMMEs	Small, Medium and Micro Enterprises
SMS	Senior Management Services
SOP	Standard Operating Procedure
SPLUMA	Spatial Planning and Land Use Management Act
TB	Tuberculosis
TID	Technical Indicator Description
ToR	Terms of Reference
TRU	Temporary Residential Units
UISP	Upgrading of Informal Settlements Programme
UN	United Nations
USDG	Urban Settlement Development Grant
WC	Western Cape
WEGE	Women Empowerment and Gender Equality
WSP	Workplace Skills Plan





MS MMAMOLOKO KUBAYI
MINISTER

MINISTER'S FOREWORD

In my 2022/2023 annual report, I expressed the view that the challenge on housing accessibility opportunities for the gap market is a pressure point for the government and the challenge remains today. The gap market pressures are felt more strongly in metropolitan municipalities, intermediate cities, and small towns. It is critical for all stakeholders in the value chain to find long lasting solutions to this challenge since the gap market challenges drive the proliferation of informal settlements. The expansion of informal settlements does not only place people at risk of fires and other climate change induced disasters, but interferes with the country's critical infrastructure such as:

- Electrical networks, where Eskom servitudes are illegally invaded, delaying the expansion of the transmission network.
- Transportation and logistics networks where informal settlements proliferate on Sanral's reserves along major road networks. Such informal settlements later become hotspots for blockages on major arterial routes.
- Erection of informal settlements structures on municipal storm water and other municipal bulk services networks exacerbates the devastating impact of flooding incidents, particularly in the Western Cape.

Ideally, we wish for the establishment of the new informal settlements to stop, however the reality is that they will continue. Although we have made a priority to relocate these settlements that are located on these key strategic areas we will soon run out of resources to do so. This intervention is additional to those I reported on last year which included the significant investment in the 136 Priority Human Settlements and Housing Development Areas (PHSHDAs), implementation of the Government Employees Housing Scheme (GEHS) and expansion of the First Home Finance (FHF), investment products for the development of social, housing stock or residential units and the drafting of the revised Human Settlements White Paper. These measures are aimed at increasing the housing stock, crowding in private sector investment and improving accessibility to affordable housing opportunities.

Looking at our social housing intervention, which is a collaboration between government and

social housing institutions (private sector), the sector delivered 3 066 social housing units for the 2023/24 financial year against an annual target of 3 200. The units delivered are inadequate when compared to the demand. In this regard, the department has joined efforts with the Infrastructure Fund to create a portfolio of blended finance social housing projects to mobilise private sector participation in the sector. The sustainability of the social housing sector is however derailed by endemic rental boycotts and vandalism. In the coming year, the department and SHRA will intensify consumer awareness programmes to encourage rental payments and security of the social housing stock.

The NHFC continues to lead our efforts in waging the battle against unaffordable housing – especially for the gap market. The NHFC product range that promote home ownership is complemented by the supply side interventions. The MOUs with different banks with a purpose to jointly fund projects sponsored by emerging entrepreneurs, the collaboration with building materials manufacturers and suppliers that include payment undertakings aimed at easing cash flow burdens are all efforts geared towards encouraging inclusive participation in the economy and increasing stock supply. In 2023/2024, NHFC disbursed R389 million bridging affordable housing fundings to the developers, additionally, R319 million First Home Finance grant were disbursed which leveraged R1, 9 billion mortgage finance from financial institutions.

For those that remain in informal settlements, it is unfortunate that the brunt of climate change and man-made disasters are felt, in the main, by communities residing in these unsafe structures. During the 7th administration, the department will initiate engagements on the desirability of developing universal minimum norms and standards for human habitation. These standards must encapsulate acceptable materials, locality and informal settlements standardization. These measures are essential if we are to proactively protect our citizens against disasters. The fiscus available resources to intervene in emergency situations, including emergency housing relief programmes are limited.

Since 1 April 2023, the provision of emergency housing relief programmes was centralized at the national department to improve response times, uniformity of intervention measures in aid of disaster victims. In the year under review, our emergency housing relief efforts was accessed by 5 001 disaster victims who were provided with temporal residential units, building materials and temporal emergency accommodation at a cost of R81.26 million. These interventions assisted to limit prolonged of victims in mass care centres, which often dehumanize victims through secondary trauma.

For the year under review, our human settlements grants suffered significant budget cuts where Human Settlements Development Grant (HSDG) declined by R1.689 billion, the Informal Settlement Upgrading and Partnership Grant (ISUPG) was reduced by R476.7 million and Urban Settlements Development Grant (USDG) reduced by R553.1 million.

The HSDG, with an allocation of R13.255 billion, achieved 97% expenditure performance, The provinces spent 86% of the total available ISUPG allocated funds of R4.188 billion. The USDG allocation of R7.596 billion attained an expenditure of 53% by metropolitan municipalities. The funding constraints faced by the forces the department to explore innovative ways to address the gap market challenge and to intensify its efforts to attract private sector investment in human settlements.

In 2023/2024 we intensified efforts to deepen our contribution to the attainment of inclusive economic participation and transformation for the previously marginalized. First, through MinMEC, we mobilise our sector to prioritise the implementation of set-asides for women, youth and persons with disabilities owned businesses. In March 2024 further strengthen this initiative by concluding a Social Compact with Women in Human Settlements formations. I am pleased to report that for the year under review, our expenditure on human settlements value chain 163 companies owned by designated groups were supported economically through the allocation of various human settlements projects. The total awarded by the sector amounts to R4. 7 billion to women owned business. Additionally, as reported in my annual media briefing, in the current financial year, the NHFC has assisted 2 717 women to the value of R244,2 million through First Home Finance to buy their first homes, leveraging private sector funding of R1,9 billion in the affordable housing market. Women beneficiaries constitute 68% of the total recipients of the approved subsidies for the FY 2023/2024. Last year, I reported on the efforts to further strengthen capacity at the department with the need to finalise the recruitment of the Director-General. I am pleased to report our Director-General, Dr Alec Moemi, joined the department in January 2024 and his vast experience and strong leadership has been a welcomed addition to the department.

Let me take this opportunity to bid farewell and thank the former Deputy Minister Pam Tshwete who retired at the end of the 6th administration. She will always be remembered for her insightful and mature leadership character in the department and by the sectoral stakeholders in general. As I congratulate and welcome Deputy Minister Tandi Mahambehlala, I wish to thank the departmental team ably led by the Director General, the Deputy Director Generals, the Accounting Authorities of entities and the management teams for keeping the Human settlements family focused on implementing its mandate.



Mmamoloko Kubayi, MP
Minister for Human Settlements
27 September 2024



MS TANDI MAHAMBEHLALA
DEPUTY MINISTER

DEPUTY MINISTER'S STATEMENT

As we reflect on the progress made within the Department of Human Settlements, I am reminded of the critical importance of human settlements in the overall quality of life for our people. Human settlements are the cornerstones of society, providing not only physical shelter but also the social infrastructure necessary for a thriving community. Our mandate as a department goes beyond the construction of houses; it extends into the realm of creating sustainable, inclusive, and resilient communities that foster social and economic well-being for all South Africans.

The year under review has presented us with both significant challenges and remarkable opportunities. Natural disasters, such as floods and fires, coupled with the ongoing socio-economic effects of the COVID-19 pandemic, have exacerbated the vulnerability of many of our communities, particularly those living in informal settlements. These events have underlined the importance of resilient infrastructure and proactive disaster preparedness as essential components of our human settlements strategy. I would like to take this opportunity to extend my gratitude to organizations like the Gift of the Givers, whose unwavering support has enabled us to respond quickly and effectively to disasters, providing immediate relief to affected families.

One of our primary objectives remains the provision of affordable, dignified housing to all, with a particular focus on the most vulnerable populations—those living in rural areas, informal settlements, and low-income households. Our efforts to upgrade informal settlements through the provision of basic services, coupled with the eradication of unsafe mud houses, demonstrate our commitment to ensuring that no South African is left behind. The delivery of 11,453 houses in rural areas across seven provinces is a significant achievement and a testament to our dedication to overcoming logistical challenges and restoring dignity to our people. However, our work does not end with the delivery of housing units. We understand that creating sustainable human settlements requires a holistic approach—one that integrates housing with access to services, economic opportunities, and social inclusion. To this end, we are actively exploring innovative solutions, such as alternative building technologies, to address the affordability gap that continues to impede access to housing for many South Africans. This is particularly

relevant in our urban areas, where the demand for affordable housing far exceeds the available supply. The affordability gap has not only widened the housing backlog but has also led to the proliferation of informal settlements, placing further strain on already stretched infrastructure and services.

As part of our strategy to address these challenges, we have continued to strengthen partnerships with both the private sector and civil society. Public-private partnerships, such as those involved in social housing projects, have proven essential in expanding our capacity to deliver housing on a large scale. Moreover, our collaboration with financial institutions, such as the National Housing Finance Corporation (NHFC), has enabled us to leverage private sector funding and offer financing solutions to first-time homebuyers, thereby helping more South Africans achieve homeownership. It is also important to acknowledge that while we have made substantial progress, much work remains. The delays in the verification processes for the military veterans housing programme, for instance, remind us that there are still obstacles we must overcome. We are committed to addressing these issues and ensuring that our veterans receive the recognition and support they deserve.

Budgetary constraints continue to challenge the pace at which we can deliver on our mandate. The recent budget cuts across key grants such as the Human Settlements Development Grant (HSDG), Informal Settlements Upgrading Partnership Grant (ISUPG), and the Urban Settlement Development Grant (USDG) have forced us to become more strategic in our resource allocation. We are focusing on unlocking blocked projects, enhancing our disaster response capabilities, and ensuring that funds are used as efficiently as possible to maximize impact.

As we look towards the future, we reaffirm our commitment to the ideals enshrined in the Freedom Charter—that every South African should have access to 'houses, security, and comfort.' This is not just a slogan; it is a guiding principle that shapes our policies and actions. Through collective action and unwavering determination, we will continue to build communities that are not only sustainable but also inclusive, where every person has the opportunity to thrive and prosper.

I am confident that, together with our partners and stakeholders, we will achieve these goals. Our progress thus far is encouraging, but it is also a reminder that the journey towards sustainable human settlements is ongoing. We must remain steadfast in our efforts to close the housing gap, promote social inclusion, and build a nation that provides every citizen with the dignity they deserve through decent housing.



Tandi Mahambehlala

Deputy Minister for Human Settlements

27 September 2024





DR ALEC MOEMI
ACCOUNTING OFFICER

REPORT OF THE ACCOUNTING OFFICER

Introduction

The 2023/2024 financial year marks the end of the 2019-2024 Medium-Term Strategic Framework (MTSF). Over the MTSF period, we undertook to provide 300,000 housing units. To achieve this, we had to work with strategic partners in the sector, thus responding to our Constitutional mandate and contributing towards Vision 2030 by delivering sustainable human settlements.

Even though we have been unable to reach our target, we managed to deliver 245 587 units with 42 233 BNG units and 19 859 serviced sites delivered during the financial year under review. The eradication of 11 453 uninhabitable mud houses further demonstrated our focus on restoring people's dignity and improving their living conditions.

There are several reasons which can be attributed to the department's inability to achieve its set target. Over the last five years, the sector experienced numerous challenges such as Covid-19 pandemic, civil unrest in KwaZulu Natal and Gauteng and natural disasters. These had major impacts on housing delivery due to project delays and building materials that could not be sourced.

Other targets that experienced challenges included the delivery of affordable housing, issuing of title deeds, data management and digitization of the National Housing Under Section 40 (d) of the Public Finance Management Act, 1 of 1999 we are tabling the 2023/2024 Annual Report of the National Department of Human Settlements. The report seeks to reflect on the programmes and projects which the department, working with strategic partners, executed over the period under review.



These programmes and projects are aimed at living up to Section 26 (1) of the Constitution which states: “Everyone has the right to adequate housing”.

Despite a complex economic climate and budgetary limitations, we remained committed to expanding access to affordable housing and ensuring the security of tenure for all South Africans.

During this period under review, we recorded some key achievements including launching several human settlement projects across the country. Accordingly, we handed over houses to qualifying beneficiaries such as BNG houses, and social housing units. We also assisted the missing middle in acquiring properties through the First Home Finance programme.

In our quest to ensure women play an active role in the delivery of sustainable human settlements, we convened two Human Settlements Women Indaba. The first one during the 2023/2024 financial year was in August in the Northern Cape and the last one, which served as a follow-up and to firm up the resolutions that had been taken previously, was in the Eastern Cape. Some of the issues raised are as follows:

1. The department introducing a strategy to compel established contractors to work with emerging women contactors.
2. Ensuring that 40% of the procurement spent goes to the previously disadvantaged groups, i.e. women and youth.
3. Ensuring that contractors are paid within 30 days.
4. Department ensuring women in the built environment are assisted with access to funding and capacity building for effective participation in the sector.

Draft White Paper on Human Settlements

The Cabinet approved the draft White Paper on Human Settlements for public comments. The Draft White Paper is aimed at strengthening the Human Settlements sector approach in responding to the housing needs of the people. This entails a government approach through tailor-made subsidy instruments to provide adequate housing for the qualifying beneficiaries. At the core of this quest, is the whole idea of streamlining the state capacity, resources, and maximising strategic partnerships to harness the new human settlements policy direction with its emphasis on prudent spatial management and effective land use for economic gains.

To ensure that the draft white paper reflects and considers the interests of the people, the department used community engagement sessions with members of the public, NGOs and academia to solicit inputs and comments.

Stability within the department

Stability within the department is central to good performance in the sector. During this financial year, we prioritized the filling of vacant funded positions. Accordingly, we managed to fill 6 vacant SMS positions, including a position of the Accounting Officer and 4 Deputy-Directors General. This has also enabled the department to reach 56% female representation at the SMS level.

Emergency housing

While we made some strides to deliver on our mandate, it was not without challenges. These include several natural and man-made disasters in several provinces. The most affected provinces during this period under review were mainly Gauteng, Western Cape, Eastern Cape and KwaZulu Natal. Regrettably, one fire incident at Usindiso building in Johannesburg resulted in the deaths of 76 people. Again, this and other related incidents point to the challenges the department faces in providing adequate housing for all, mainly, in metropolitan areas.

Working with several stakeholders we assisted several disaster victims over the past months, notwithstanding the challenges we experienced such as typography and vastness of affected households which led to the delay in the delivery of materials, and availability of land for resettlement. We continue strengthening our collaboration with other sister departments, NGOs and the private sector to respond to disasters effectively.

Budget cuts

The country's economic outlook has not improved, and the Department was subjected to the mid-year budgets cuts. A total of R3.2 billion budget cuts was effected on our budget. The budget cuts also affected the departmental goods and services budget. The departmental entities were also subjected to the same fate. Departmental grants, namely, the Human Settlements Development Grant (HSDG), Informal Settlements Upgrading Partnership Grant (ISUPG) for provinces and metropolitan municipalities, and Urban Settlement Development Grant (USDG) all experienced cuts.

Human Settlements Development Grant

The initial voted funds for the HSDG amounted to R14 944 billion with the 2022/2023 financial year rollover of R513 million. However, the approved budget cuts of R1.689 billion led to reduced adjusted total available funds of R13.768 billion. The provinces managed to spend 97% of the total available funds during the period under review.

Informal Settlements Upgrading Partnership Grant-Provinces

About the ISUPG for provinces, the initial allocation was R4.303 billion. The approved rollover from the previous financial year (2022/23) amounting to R362 million resulted in an increased total available funds to R4.665 billion. However, the budget cuts amounting to R476.7 million reduced the total available funds to R4.188 billion. Of this amount, Provinces spent R3.609 billion or 86% of the total available funds.

Regarding the ISUPG for metropolitan municipalities, the initial voted funds were R4.365 billion and increased to R4.543 billion after the inclusion of a rollover amount of R178.5 million. However, due to the budget cuts this amount was reduced to R4.238 billion. As of 31 March 2024, R4.059 billion was transferred. Municipalities spent a total of R2.267 billion, which represents 54% of the total available funds.

Urban Settlement Development Grant

Lastly, the USDG to Metropolitan Municipalities had initially voted funds of R8.149 billion and this increased to R8.196 billion inclusive of an approved rollover amount of R46.4 million. With budget cuts of R553.1, the total available funds amounted to R7.642 billion. As of 31 March 2023, R7.596 billion was transferred, and Municipalities had spent R4.045 billion, representing 53% of the total available funds.

Financial management

The budget cuts underscored the importance of effective, efficient and economic utilisation of financial resources in line with the financial prescripts. To this end, the Department, though there is still room for improvement, managed to receive a clean audit of financial statements during the financial year under review.



SHRA

www.shra.org.za 011 274 6200
Social Housing for Affordable Rental

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Departmental Receipts

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

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

Departmental Receipts: Table 1

Departmental receipts	2023/24			2022/23		
	Estimate Amount	Actual Amount Collected	(Over)/Under Collection	Estimate Amount	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horseracing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	239	236	(3)	220	236	(16)
Transfers received			-			-
Fines, penalties and forfeits			-			-
Interest, dividends and rent on land	110	842	(732)	110	210	(100)
Sale of capital assets			-		633	(633)
Transactions in financial assets and liabilities	743	781	(38)	312	784	(472)
Total	1 092	1 859	(769)	642	1 842	(1 221)



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

● Interest, Dividends and Rent on Land

More than expected interest was earned on unspent grant funds deposited by provinces into the account of the department. These funds were deposited without references and, as a result, could not immediately be transferred to the National Revenue Fund.

● Transactions in Financial Assets and Liabilities

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

Bad debts are written off in terms of the Debtors Management Policy of the department. During the year under review, bad debts amounting to R9 770.95 were written off.

Programme Expenditure

Expenditure by Programme: Table 2

Programme Name	2023/24			2022/23		
	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	503 414	463 541	39 873	562 592	482 516	80 076
Integrated human settlements planning and development	21 308 688	21 291 687	17 001	22 028 756	21 971 570	57 186
Informal settlements	8 470 186	8 013 495	456 691	9 344 697	8 914 656	430 041
Rental and social housing	917 849	911 582	6 267	947 558	906 894	40 664
Affordable housing	557 843	546 618	11 225	594 871	581 869	13 002
Total	31 757 980	31 226 923	531 057	33 478 474	32 857 505	620 969

The department's total expenditure for the period ending 31 March 2024 was R31.2 billion, representing approximately 98.3% of the allocated funds. The underspending of R531 million, which translates to 1.7% of the total adjusted allocation, is explained below:

Reason for Underspending

Programme 1: Administration

The programme underspent by R39.8 million or 7.9% of adjusted allocation of R503.4 million. On current payments, the underspending is due to following:

Compensation of Employees (CoE):

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical positions to be filled. However, cost-containment measures put in place by the National Treasury (NT) exacerbated delays in recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions.

Goods and Services:

The underspending on the programme on goods and services is due to the following:

- There were delays in payments on an outdoor campaign undertaken by the department as the supplier was unable to provide the department with sufficient supporting documentation to support invoices submitted.

Expenditure for Capital Assets:

The underspending is primarily due to the delayed procurement of office furniture and equipment. As part of addressing a prior year audit finding on asset management, more work had to be done to address all the shortcomings in asset management before investing in new assets. This included complete verification of existing assets and doing a comprehensive reconciliation to the asset register of the department.

Programme 2: Integrated Human Settlements Planning and Development

The underspending of R17 million or 0.1% of adjusted allocation. On current payments, the underspending is due to the following:

Compensation of Employees

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not yet finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical positions to be filled. However, cost-containment measures put in place by the National Treasury (NT) exacerbated delays in the recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions.

Goods and Services

Underspending is mainly on the Title Deeds Restoration Programme. Two service providers were appointed to perform the work in Gauteng. However, by year-end they had not yet invoiced the department as they had not reached the first milestone partly due to delays in the procurement process.

Expenditure for Capital Assets:

The underspending is primarily due to the delayed procurement of office furniture and equipment. As part of addressing a prior year audit finding on asset management, more work had to be done to address all the shortcomings in asset management before investing in new assets. This included complete verification of existing assets and doing a comprehensive reconciliation to the asset register of the department.

Programme 3: Informal Settlements Upgrading and Emergency Housing

Informal Settlements Upgrading

Background

The Informal Settlements Upgrading Partnership Grant (ISUPG) is a dedicated grant introduced by the National Department of Human Settlements in 2020 to improve the living conditions of households residing in informal settlements throughout the country. This grant is allocated annually to all nine provinces and eight metropolitan municipalities based on the grant framework conditions stipulated on the annual Division of Revenue Bill. The statistical data collected to date indicates that there are approximately 4 085 informal settlements in the country that need to be upgraded in-situ (Category A) and

those that need to be permanently relocated out of disaster-prone areas (Category C) prior to the installation of permanent infrastructure such as water, sanitation, electricity, and roads. Therefore, the methodology developed by the department to enable provinces and metros to upgrade these settlements is outlined on the National Housing Code of 2009, where it is stipulated that there are three phases of the Informal Settlements Upgrading Programme (ISUP).

Phase 1 entails conducting beneficiary administration of households that reside in informal settlements, pre-feasibility studies of the land parcels where the settlements are located, acquisition of suitable land parcels and provision of interim basic services (water and sanitation).

Phase 2 entails conducting detailed environmental impact assessments, geotechnical investigations, detailed engineering designs and township registration in terms of the Spatial Land Use Management Act 16 of 2013. Once all these processes are complied with, the settlement is deemed to be formalised and ready to be provided with permanent basic services.

Phase 3 entails installing bulk infrastructure and municipal engineering services to yield serviced sites that are then handed over to qualifying beneficiaries.

Financial Allocations and Expenditure for 2023/24

According to the DoRA Bill of 2023, the initial budget allocation on the ISUPG was R9.302 billion. However, National Treasury applied a budget cut of R832 million due to the constrained fiscus, thereby resulting in an adjusted allocation of R3.826 billion to provinces and R4.059 billion to metros. The combined expenditure as at 31 March 2024 was R8.013 billion, thereby leaving a variance of R456 690 000 as unspent budget for the 2023/24 financial year. The challenges that contributed to this variance are indicated below:

Challenges

The main factors that contribute to the prolonged turnaround time for upgrading informal settlements are as follows:

1. Increased Land Invasion: the number of informal settlements throughout the country has been increasing since the Covid-19 pandemic. This has resulted in some of the allocated budget to be utilised for providing interim sanitation and water to avoid violating the constitutional rights of people residing in these settlements.

2. Prolonged Planning Processes: the provinces and metros are struggling to conclude town planning processes due to the lengthy turnaround time of obtaining EIA and SPLUMA approvals. The latter prevents informal settlements from being formalised and proclaimed.

3. Lack of Bulk Infrastructure: the provision of serviced sites in informal settlements is reliant on the existence of bulk infrastructure. However, the current water and sanitation systems are constrained and cannot accommodate additional connections. This warranted most provinces to utilise a minimum of 30% of their ISUPG budget towards bulk infrastructure, thereby delaying other types of permanent infrastructure that are key in eradicating the informality in these settlements.

4. Construction Mafias: there is still a persisting interferences and attempts by a group of unknown people that extort money from human settlements projects in provinces such as Western Cape and KwaZulu-Natal, resulting in work stoppages.

Proposed Strategies to Improve Performance on the ISUPG

The National Department of Human Settlements does not implement projects directly but relies on provinces and metros that are allocated the conditional grants to expedite the construction of infrastructure in communities in order to achieve the MTSF targets. Therefore, to enhance the performance on the ISUPG, the national department's Informal Settlements Upgrading branch has established various workstreams to provide monthly oversight for the 2024/25 financial year.

Emergency Housing

Background

Historically, the National Department of Human Settlements has been disbursing emergency housing grants (on application) to provinces and municipalities affected by disasters. However, from 1 April 2023, the department discontinued the grants and replaced them with the Emergency Housing Response Fund (EHRF). According to the emergency housing guidelines, the type of interventions that can be provided through this fund are as follows:

Restoration: refers to the provision of building materials to replace shacks that have been destroyed by disasters.

Rebuilding: refers to the construction of Temporary Residential Units (TRUs) to replace mud houses that have been destroyed during disasters.

Temporary Emergency Accommodation: refers to the temporary relocation of

households displaced by disasters to safe accommodation for a period not exceeding 30 days.

Structural Assessments: refers to the site investigation of the type and extent of damages caused by a disaster on formal residential houses.

Repairs: refers to the fixing of formal residential houses partially damaged by disasters, based on the outcomes of structural assessments.

Financial Allocations and Expenditure for 2023/24

The budget allocation on the Emergency Housing Response Fund was R523.2 million and the expenditure was R81.26 million mainly for provision building materials and construction of TRUs, thereby resulting in under-expenditure of R442 million. The programme's underspending on goods and services was mainly due to the challenges indicated below.

Challenges

The factors that contributed to the non-performance of the Emergency Fund are as follows:

- Adverse weather conditions such as prolonged heavy rainfalls.
- The lack of technical human resources within the Emergency Housing Unit;
- Incomplete and delayed beneficiary lists resulting in procurement delays by NDHS;
- Scattered project sites resulting in the withdrawal of contractors from the allocated projects;
- Multiple damaged structures in a yard, making it difficult to provide multiple emergency housing interventions to the same beneficiary;
- Steep and inaccessible terrain;
- Turnaround time for manufacturing and constructing TRUs; and
- Construction builders' holiday.

Proposed Strategies to Improve Performance on the Emergency Fund

The Emergency Housing Unit has developed an integrated Standard Operating Procedure (SOP) that consists of all the four pillars of disaster management, namely disaster preparedness, disaster response, disaster recovery and disaster mitigation. The objective of such an SOP is to enhance the synergy between all spheres of government as prescribed in Chapter 3 of The Constitution of the Republic of South Africa, 1994. In addition, an emergency housing framework has also been developed to outline the roles and responsibilities of each sphere of government in providing human settlements interventions during disasters and the funding modalities thereof.

Programme 4: Rental and Social Housing

The programme underspent by R6.2 million or 2% of the adjusted allocation. The reasons for the underspending are as follows:

Compensation of Employees

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not yet finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical positions to be filled. However, cost-containment measures put in place by the National Treasury (NT) exacerbated delays in recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions.

Goods and Services

The programme's underspending on goods and services is mainly attributable to cost containment measures.

Transfer and Subsidies

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

Expenditure for Capital Assets

The underspending was primarily due to the delayed procurement of office furniture and equipment. As part of addressing a prior year audit finding on asset management, more work had to be done to address all the shortcomings in asset management before investing in new assets. This included complete verification of existing assets and doing a comprehensive reconciliation to the asset register of the department.

Programme 5: Affordable Housing

The programme underspent by R11.2 million or 1.6% of the adjusted allocation. The reasons for the underspending are as follows:

Current Payments

Compensation of Employees:

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not yet finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical positions to be filled. However, cost-containment measures put in place by the National Treasury (NT) exacerbated delays in recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions.

Goods and Services

The underspending on goods and services was mainly due to cost-containment measures that resulted in reduced departmental travel and utilisation of external venues for events.

From	To	Amount	Reason
Programme 1: Administration – R25.4 million. Programme 3: Informal Settlements – R3.3 million Programme 4: Rental and Social Housing – R15.5 million Programme 5: Affordable Housing – R24.3 million	Programme 2: Integrated Human Settlements Planning and Development	R68.5 million	Funds were reprioritised/vired from programmes 1, 3, 4 and 5 to Programme 2 to fund the translation, printing, storage and distribution of the Human Settlements Information Guide.
Programme 2: Integrated Human Settlements Planning and Development – R28 million. Programme 5: Affordable Housing – R2 million	Programme 1: Administration	R30 million	Funds were vired from programmes 2 and 5 to Programme 1 to fund an outdoor advertising campaign.

Fruitless and Wasteful Expenditure

There was no fruitless and wasteful expenditure in the year under review

Strategic Focus of the Department over the Short- to Medium-Term

The following are the department's focus areas:

- Continue with efforts to improve the department's audit outcomes until it achieves a clean audit;
- Invest more in unlocking blocked projects, particularly in Gauteng and Free State;
- Find solutions to unblock blocked projects;
- Continue to find ways to enhance our responsiveness to human settlements-related disasters;
- Prioritise the removal of asbestos as it remains a health risk for households;
- Continue to accelerate the planning and implementation of the Informal Settlements Upgrading Programme;
- Accelerate the issuing of title deeds;

Expenditure for Capital Assets

The underspending was primarily due to the delayed procurement of office furniture and equipment. As part of addressing a prior year audit finding on asset management, more work had to be done to address all the shortcomings in asset management before investing in new assets. This included complete verification of existing assets and doing a comprehensive reconciliation to the asset register of the department.

Virements and Rollovers

Rollovers

No rollover was approved.

- Operationalise the development of Human Settlements Development Bank;
- Strengthen the monitoring of grants to ensure that transferred funds are used for intended purposes; and
- Where necessary, provide technical support to provinces and metros, particularly to address underperformance before invoking provisions of the Division of Revenue Act.

Public Private Partnerships

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

Discontinued activities/activities to be discontinued

Section 15 (2)(a) of the Housing Act, Act No. 107 of 1997 provides as follows, in relation to the Housing Funds properties:

“Any immovable property which has passed to a Provincial Government in terms of

section 14 (2) or (4) (c) and has not already been sold or alienated as provided in section 14 (3) (a) to (e), and any rights, liabilities and obligations in respect of such immovable property, must, subject to subsections (3) and (4), be transferred, not later than a date determined by the Minister after consultation with the MEC, by the Provincial Government to the municipality within whose area of jurisdiction such property is situated.”

On 26 March 2024, Min-Mec resolved that as provided for in terms of the above, the 31 March 2025, which the minister had consulted all MECs about, be the date by which all housing funds properties should be transferred to qualifying beneficiaries or devolved to municipalities.

New or proposed activities

There were no new or proposed activities.

Supply Chain Management

- There were no unsolicited bids received during the financial year under review.
- The following processes, procedures and systems are in place to prevent irregular expenditure:
 - SCM Policy, Standard Operating Procedures, Internal SCM Circulars, Financial Delegations and Instruction Notes;
 - Bid Committees (Specification, Evaluation and Adjudication) are in place and members are appointed in writing by the Accounting Officer or his/her delegate;
 - Approval for the creation of a purchase order is preceded by a checklist to ensure compliance with prescripts and prevent irregular expenditure; and
 - When irregular expenditure is discovered and assessed, determined, investigated (when there is a need), reported and recorded to the relevant authority in terms of the National Treasury Instruction Note 2 of 2019/20 on Irregular Expenditure.
- The following are challenges experienced in SCM and how they were resolved:
 - The quality of the bid specifications or terms of reference (ToRs) were not always in line with acceptable standards. In order to manage this, the department has ensured that all bid specifications or ToRs are tabled before the Bid Adjudication Committee for review and quality check and are recommended for approval by that committee. Furthermore, every Bid Specification Committee and Bid Evaluation Committee meeting is supported by legal and supply chain management representatives for guidance and advice. In addition, the department during the year under review gave training in collaboration with the School of Government for all managers and staff members from various branches:
 - Late or non-submission of some projects for inclusion into the procurement plan.

This has necessitated amendments of the said procurement plan during the financial year. Follow-up SCM circulars were issued to managers: and

- Attempts by a criminal syndicate posing as our department and sending out fake requests for quotations to service providers. A warning message was published on the department's website and a media statement was issued to members of the public.

Gifts and donations received in kind from non-related parties

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

Exemptions and deviations received from national treasury

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

Events after the reporting period

There were no events after the reporting date.

- Other
 - Any other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.
- Acknowledgement/s or appreciation
- Conclusion
- Approval and sign-off



Dr Alec Moemi
Accounting Officer
Department of Human Settlements
Date: 25 September 2024

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 of 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 F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgments 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 2024.

Yours faithfully



Dr Alec Moemi
Accounting Officer
Department of Human Settlements
Date: 25 September 2024



7. STRATEGIC OVERVIEW



7.1 Vision

A Nation Housed in Sustainable Human Settlements.



7.2 Mission

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



7.3 Values

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

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

8. LEGISLATIVE AND OTHER MANDATES

The key pieces of legislation and policies are applicable and related to the provision of sustainable human settlements:

POLICIES	PURPOSE
A Comprehensive Plan for the Creation of Sustainable Human Settlements, 2004	Formalises the shift in the department's approach from providing housing to developing sustainable human settlements and outlines a plan for the development of sustainable human settlements.
Asbestos Abatement Regulations, 2022	Regulates every employer and persons about abatement of asbestos in the workplace.
Construction Regulations, 2014	Impose stringent health and safety obligations and customers need to understand and comply with such obligations.
Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEA)	Assists South Africa to achieve its constitutional vision of a non-sexist society, gender equality, empowerment and to ensure the allocation of adequate resources for Women Empowerment and Gender Equality (WEGE).
Housing Code Version, 2000	Sets out the National Housing Policy and procedural guidelines for effective implementation, reiterating that housing provision must be sustainable and avail a range of choices to contribute positively to a non-racial, democratic and integrated society.
Housing Code Version, 2009	Provides prescripts enabling the delivery of inclusive, sustainable and well-planned housing solutions for people.
Integrated Urban Development Framework (IUDF), 2016	Provides a framework enabling spatial transformation by steering urban growth towards a sustainable growth model of compact, connected and co-ordinated cities and towns.
National Development Plan (NDP), 2012	Provides a long-term perspective and defines the desired destination of the country and identifies the role of different sectors in eliminating poverty and reducing inequality by 2030.
National Spatial Development Perspective (NSDP), 2006	Provides a framework for a focused intervention by the State in equitable and sustainable development, guides infrastructure investment and represents a key instrument in the State's drive towards ensuring greater economic growth, buoyant and sustained job creation and the eradication of poverty.
National Spatial Development Framework (NSDF), 2020	Aims to ensure equal access for all to services, amenities and opportunities that well-planned, well-functioning and well-managed urban and rural settlements offer.
National Youth Policy, 2020 - 2030	Provides a framework for strengthening the capacity of key youth development institutions and effects positive youth development outcomes at local, provincial and national levels.

POLICIES	PURPOSE
Norms and standards for Rental Housing, 2023	To provide standards and norms for private and public rental that is aligned to the provisions of the 2014 Rental Amendment Act.
Revised Framework for the accreditation of secondary cities, 2023	Provides for a programme-based incremental approach and revised procedures and processes for implementing the accreditation programme.
Revised Subsidy Quantum, 2023	Takes into consideration additional elements such as rainwater harvesting devices and solar kits in some programmes.
Signing of the record of understanding with the Association of Mortgage Lenders (AML), 1995	Commits parties to the national development agenda of promoting and scaling up housing delivery based on legislative and compliance frameworks.
Social Housing Policy, 2005	Creates an enabling environment for the social housing sector to develop, grow and deliver at scale.
Social Contract for the Development of Sustainable Human Settlements, 2014	A framework for partnerships and resource mobilisation recommitting stakeholders to accelerating the delivery of integrated human settlements as a key strategy for poverty alleviation.
White Paper on Housing, 1994	Provides a macro policy that creates an enabling environment for housing delivery.
White Paper on the rights of persons with disabilities, 2016	Provides the framework for a uniform and co-ordinated approach by all government departments and institutions in mainstreaming disability across all planning, design, budgeting, implementation and monitoring of services and development programmes.
White Paper for Human Settlements, 2023	Provides an overarching policy framework for the delivery of sustainable human settlements that align to international treaties and court judgments.
LEGISLATION	PURPOSE
Broad-Based Black Economic Empowerment Act, 2003	Establishes a legislative framework for the promotion of black economic empowerment (BEE) and empowers the relevant minister to issue codes of good practice and to publish transformation charters for key sectors.
Community Schemes Ombud Service (CSOS) Act, 2011	Provides for the establishment of the Community Schemes Ombud Service (CSOS), articulates the mandate and functions of the CSOS, regulates quality assurance and provides a dispute resolution mechanism for community schemes.
Deeds Registry Act of 1937 as amended	Provides for consolidated laws relating to the registration of deeds.
Disaster Management Act of 2002 (as amended) , 2015 and Disaster Management Regulations, 2023	Provide for an integrated and co-ordinated disaster management process, focusing on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery.
Disestablishment of South African Housing Trust Limited Act, 2002	Disestablishes the South African Housing Trust Limited, transfers its rights and assets to the National Housing Finance Corporation and vests its obligations and liabilities in the Government of the Republic of South Africa.

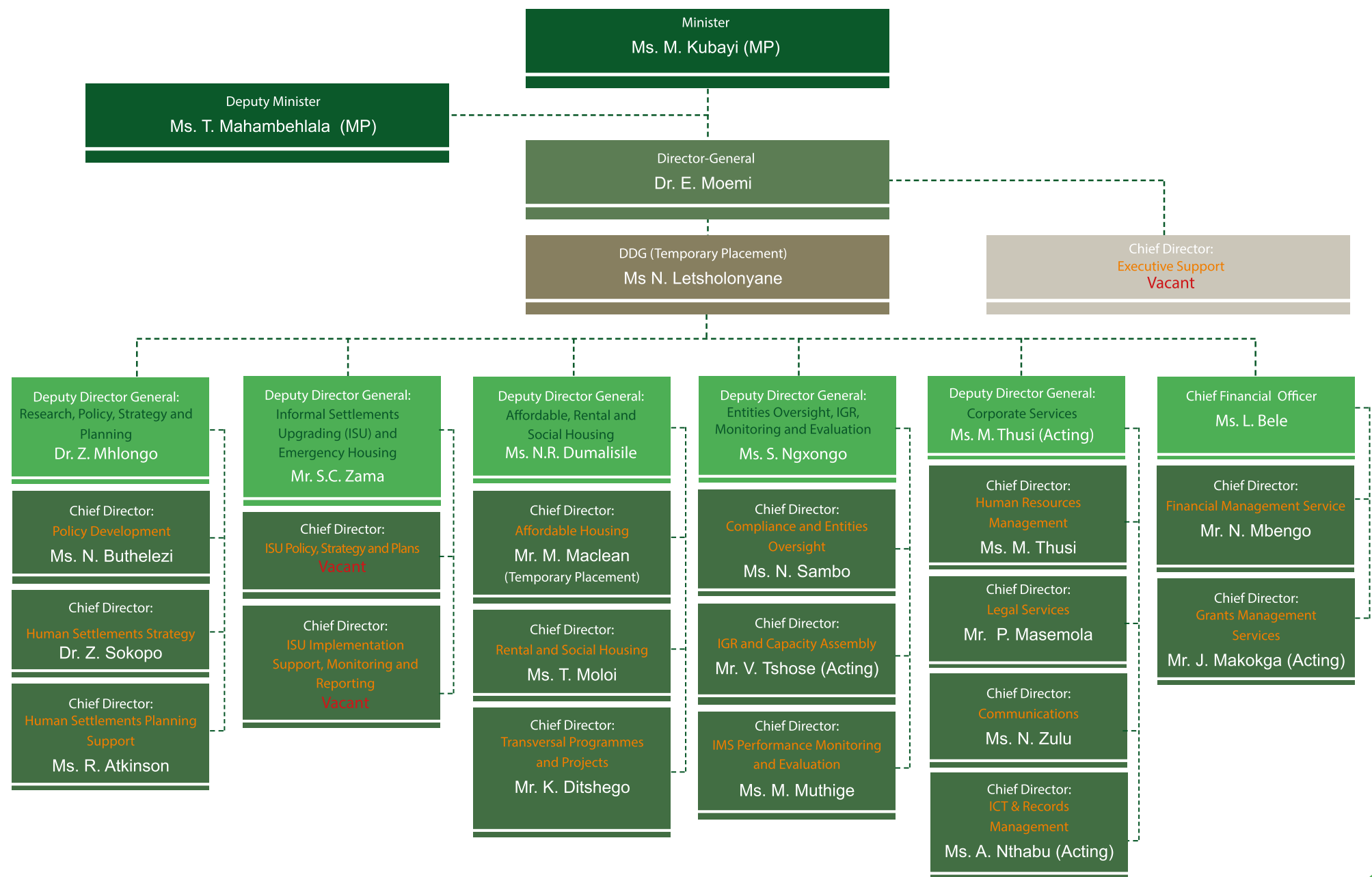
LEGISLATION	PURPOSE
Division of Revenue Act	Provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the financial year.
Engineering Profession Act, 2000	Provides for the registration of professionals, candidates and specified categories in the engineering profession and for the regulation of the relationship between the Engineering Council of South Africa and the Council for the Built Environment and matters connected therewith.
Expropriation Act, 1975	Provides for the expropriation of land and other property for public good and other purposes.
Expropriation Bill, 2020	Aligns expropriation laws with the Constitution of South Africa, 1996, outlines how and on what basis expropriation can be done, effectively guiding the processes and procedures for expropriation of property by organs of state.
Geoscience Act of 1993 (as amended), 2010	Promotes research and the extension of knowledge in the field of geoscience and makes provision for the establishment of a Council for Geoscience and the management thereof by a Management Board.
Home Loan and Mortgage Disclosure Act (HLAMDA), 2000	Promotes fair lending practices that require disclosure by financial institutions of information regarding the provision of home loans.
Housing Development Agency Act, 2008	Provides for the establishment of an agency that facilitates the acquisition of land and landed property for purposes of creating sustainable human settlements.
Housing Development Agency Act Regulations, 2014	Regulates processes for the declaration of priority housing development areas (PHDAs) and steps in to create a priority housing development plan, funding considerations, implementation of the protocol and the implementation of housing developments and co-operation between the various state departments.
Housing Development Schemes for Retired Persons Act, 1988 (as amended) Housing Act, 1997 (as amended)	Regulates the alienation of certain interests in housing development schemes for retired persons and provides for matters connected therewith. Recognises the constitutional right to housing and defines the roles and responsibilities of national, provincial and local government in relation to housing.
Housing Consumer Protection Measures Act, 1998	To make provision for the protection of housing consumers.
Housing Consumer Protection Measures Bill, 2023	Provides for the protection of housing consumers, the continuation of the National Home Builders Registration Council as the National Home Building Regulatory Authority that deals with, among other things, the registration of home builders, enrolment of homes to be covered by the home warranty fund, etc
Infrastructure Development Act, 2014	Provides for the facilitation and co-ordination of public infrastructure development, which is of significant economic or social importance to the republic and ensures that infrastructure development in the Republic is given priority in planning, approval and implementation, etc
Intergovernmental Relations Framework Act, 2005	Establishes a framework for the national, provincial and local governments to promote and facilitate intergovernmental relations and provides for mechanisms and procedures to facilitate the settlement of intergovernmental disputes and matters connected therewith.
Less Formal Township Establishment Act, 1991 (as amended)	Provides for shortened procedures for the designation, provision and development of land and for the establishment of a township for less formal forms of residential settlement and to regulate the use of land by tribal communities for communal forms of residential settlement.

LEGISLATION	PURPOSE
Local Government: Municipal Systems Act, 2000 (as amended)	Provides for mechanisms and processes necessary for municipalities to move progressively towards the social and economic upliftment of local communities and ensures universal access to essential services affordable to all.
Municipal Finance Management Act, 2003 (as amended)	Promotes a sound municipal financial management and for other institutions in the local sphere of government to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively and establishes treasury norms and standards for local government.
National Building Regulations and Building Standards Act, 1977 (as amended)	Provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities for the prescribing of building standards and matters connected therewith.
National Environmental Management Act, 1998 (NEMA)	Makes provision for co-operative environmental governance by establishing principles for decision making on matters affecting the environment, institutions that promote co-operative governance and procedures for coordinating environmental functions exercised by organs of state.
National Health Act 61, 2003	Provides a framework for a structured uniform health system considerate of the obligations imposed by the Constitution and other laws on the national, provincial and local governments with regards to health services.
National Water Act, 1998	Ensures that South Africa's water resources are protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner for the benefit of the people.
Occupational Health and Safety Act, 1993	Provides for the health and safety of people at work or in connection with the use of plant and machinery and for the protection of people other than people at work from hazards arising out of or in connection with the activities of people at work
Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (as amended)	Provides for the prohibition of unlawful eviction and further provides procedures for the eviction of unlawful occupiers.
Property Practitioners Act, 2019	Provides for the regulation of property practitioners, regulates the continuation of the Estate Agency Affairs Board (EAAB) in the new form of Property Practitioners Regulatory Authority (PPRA) and for transformation of the property practitioners sector through the establishment of a transformation fund and a research centre on transformation.
Property Practitioners Regulations, 2022	Regulates the affairs of property practitioners regarding transformation, regularisation, compliance, enforcement and dispute resolution, training, conduct and consumer protection measures.
Public Finance Management Act, 1999 (as amended)	Regulates financial management in the national and provincial governments to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively to provide for the responsibilities of persons entrusted with financial management in those governments.
Rental Housing Act, 1999	Regulates the relationship between landlords and tenants and provides for dispute resolution.
Rental Housing Amendment Act, 2014	Amends the Rental Housing Act of 1999, provides norms and standards related to rental housing, introduces changes that impact the relationship between tenant and the landlord, requires all municipalities to have a rental office and expands the powers of the Rental Housing Tribunal.

LEGISLATION	PURPOSE
Restitution of Land Rights Act, 1994 as amended	Provides for the restitution of rights in land to persons or communities dispossessed of such rights in land after 19 June 1913 because of past racially discriminatory laws or practices and establishes a Commission on Restitution of Land Rights.
Sectional Titles Schemes Management Act of 2011	Provides for the establishment of body corporates to manage and regulate common property in sectional title schemes and the establishment of an advisory council to advise the Minister.
Social Housing Act, 2008	Provides for the establishment of the Social Regulatory Authority, to regulate social housing institutions (SHIs) and other Delivery Agents (ODAs).
Social Housing Regulations, 2011	Guides the accreditation of SHIs; provide a clear qualification criterion, compliance monitoring, and the investment criteria applicable in the sector.
Spatial Planning and Land Use Management Act, 2013 (SPLUMA)	Provides a framework for spatial planning and land use management, ensuring the system promotes social and economic inclusion.
Traditional Leadership and Governance Framework Act, 2003 (as amended) 2019	Regulates the institution of traditional leadership and its relationship with the state and provides for the establishment and recognition of traditional councils and the role of traditional leaders in governance and development.
Unemployment Insurance Act, 1996	Establishes the Unemployment Insurance Fund and provides for the imposition and collection of contributions for the benefit of the Unemployment Insurance Fund.
Water Services Act, 1997	Regulates water boards as important water service providers and gives the executive authority and responsibility to the Minister of Human Settlements, Water and Sanitation to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.
Wills Act, 1953 (as amended); 1996	Consolidates and amends the law relating to the execution of wills



9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Property Practitioners Regulatory Authority (PPRA) 	Regulates, educates and transforms the property practitioners industry	The PPRA is empowered in terms of the enabling legislation to raise fees and levies from property practitioners	Regulator
Home Builders Registration Council (NHBC) 	Provides housing consumers with warranty protection against defects in new homes and protection against any failure of builders to comply with their obligations in terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998).	The NHBC is empowered to raise registration and enrolment fees in terms of the enabling legislation	Regulator
Housing Development Agency (HDA) 	Identifies, acquires, holds, develops and releases state, privately and communal-owned land for residential and community development, enhances the capacity of organs of state including skills transfer to enable them to meet the demand for housing delivery, undertakes project management services as may be necessary, assists organs of state with the upgrading of informal settlements and assists organs of state in respect of emergency housing solutions	Whereas the department provides overhead and operational costs, the HDA also charges fees for the development services rendered to public sector clients on a cost-recovery basis	Service Delivery Agency
National Housing Finance Corporation (NHFC) 	Mobilises funding into the human settlements space in partnership with a broad range of institutions, while also providing wholesale finance and to act as a fund and risk manager and implementing agent for the First Home Finance Programme	The department provides NHFC with operational funding assistance and subsidy grant funding to implement the First Home Finance Programme. In addition, the entity has been appointed as the implementing agent for the Debt Relief Programme. Other programme expenditure is funded by the entity from interest and fees derived from the lending activities	Development Finance Institution

Social Housing Regulatory Authority (SHRA) 	Regulates and supports the social housing sector in order to accelerate the delivery of sustainable and financially viable social housing projects. It is also responsible for the disbursement of institutional investment and capital grants to social housing institutions	The department provides SHRA with operational grant funding, the Institutional Investment Grant and the Restructuring Capital Grant. In addition, the entity has been appointed as the implementing agent for the Rent Relief Programme	Regulator
Community Schemes Ombud Service (CSOS) 	Provides a dispute resolution service for community schemes, monitors and controls the quality of all sectional title schemes governance documentation and takes custody of, preserves and provides public access to scheme governance documentation	Whereas the department provides operational grant funding, CSOS is empowered through enabling legislation to generate funding from levies and fees for services rendered based on cost recovery as well as from interest derived from investments	Regulator



PART B

PERFORMANCE INFORMATION





1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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 173 of the report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Domestic Economic Outlook

The performance of the economy of South Africa remained sluggish during 2023. This was influenced by a number of factors, including limited investment, poor business confidence, limited consumer spending, weak consumer confidence and a weak rand that impacted negatively on imports, especially energy such as fuel, as well as production machinery. All these had a negative effect on domestic inflation. The exchange rate has been under pressure partly due to interest rates in major advanced economies remaining high for longer thereby, weakening the terms of trade. Furthermore, investors see a significant near-term domestic uncertainty and do not want to keep our currency. As a result, the exchange rate is constantly undervalued. The high inflation level has also kept interest rates high, which also impacts negatively on investments.

GDP Growth

According to Statistics SA, South Africa's economy grew by a marginal 0,1% in the fourth quarter (October-December 2023), taking the annual growth rate for 2023 to

0,6%. Real gross domestic product (GDP) in the fourth quarter was R1 158 billion. This was above the pre-COVID-19 reading of R1 150 billion but still below the peak of R1 161 billion recorded in the third quarter of 2022. This is an indication that the economy is still stagnant. This position of weak economic performance is expected to persist in 2024/25 as the GDP growth forecast by SARB is still low at 1.1%. This is below global economic growth forecast of 2.7%.

Construction Industry

Overall, the stability and strength of the industry has gradually continued to improve after an exceptionally rocky ride through the final years of the 2010s, followed by lockdowns in 2020. The South African Construction Market Report indicates that loadshedding remained a challenge for the construction industry in 2023. Despite these unprecedented levels of power outages, the construction industry contributed 2.7% to South Africa's total GDP. The report projects that the industry will achieve an average annual growth rate (AAGR) of more than 3% between 2024 and 2027.

The load-shedding persisted during the year under review, which was problematic for most industries in South Africa, including construction. Moreover, the construction mafia also threatens the future of construction companies in South Africa. These criminal

syndicates forcefully extract protection fees from construction companies through intimidation. The report further indicates that the threat posed by the construction mafia has led to a steep decline in international investment, and a mass exodus of skills. Some construction contractors have been forced to abandon construction sites due to intimidation and violence.

Unemployment Rate

South Africa’s unemployment rate increased to 32.9% in the first quarter of 2024, up from 32.1% in the prior period. The number of unemployed individuals surged notably by 330 000, reaching 8.2 million, marking the highest figure since comparable records began in 2008.

The expanded definition of unemployment, which includes those discouraged from seeking work, was 41.9% in Q1, compared with 41.1% in the previous three-month period. The high rate of unemployment is an indication that a large number of South Africans will rely on government support for their developmental needs, including housing. Another challenge is that the longer they remain unemployed or outside of the labour market, the more their employability diminishes.

Inflation Outlook

During the 2023/24 financial year, inflation remained high and, in some instances, above the targeted range of between 3% and 6%. On average, annual consumer price inflation was at 6,0% in 2023. This was 0,9% lower than the corresponding average of 6,9% in 2022. Even though inflation is declining, the purchasing power of money is also declining and therefore the quantity of goods it will be able to buy will keep on declining. As inflation declines, it is less likely for interest rate to increase in the near future.

Rising Interest Rates

According to the Governor of the Reserve Bank, economic and financial conditions in South Africa are expected to remain more volatile for the foreseeable future. In this uncertain environment, monetary policy decisions will continue to be sensitive to the balance of risks to the outlook.

The South African Reserve Bank’s Monetary Policy Committee (MPC) raised its benchmark repurchase rate (repo rate) from 3.5% in October 2021 to 8.25% in November 2023 and remained unchanged until May 2024. Similarly, the prime lending

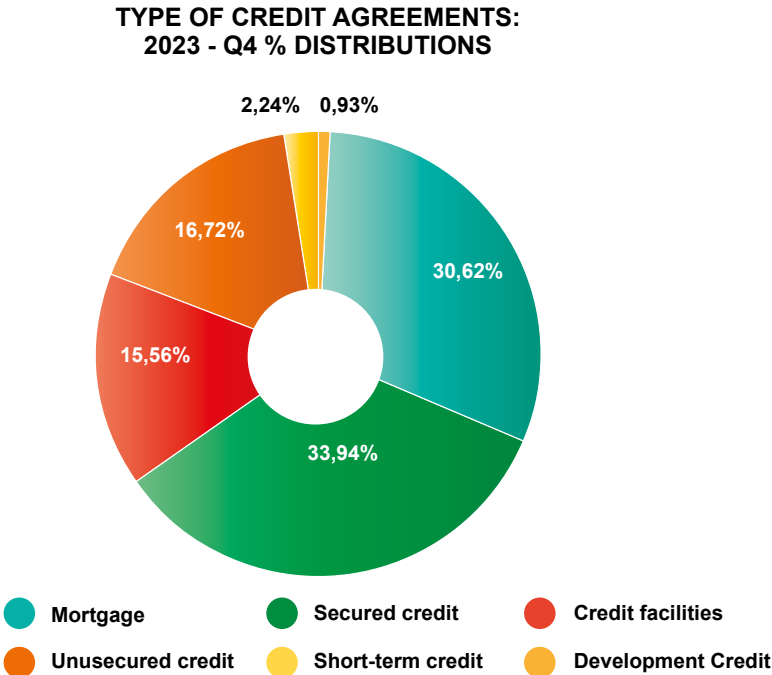
rate increased from 7% to 11.75% during the same period. As a result of increased prime lending rate, mortgage repayment increased by 29%.

Credit Activities

According to the National Credit Regulator (2023), credit bureaus held records for 27.46 million credit-active consumers. Consumers classified in good standing increased by 86,028 to 17.56 million and those with impaired records decreased by 43,195 to 9.90 million.

The total value of new credit granted increased from R142.26 billion to R148.10 billion for the fourth quarter of 2023. The number of applications for credit increased from by 9,32%, i.e 15.51 million in the third quarter, to 16.95 million in the fourth quarter. The rejection rate for applications was at 67.81%.

The chart below illustrates the % distribution of credit agreements by type of credit:



Mortgage Credits

In the fourth quarter of 2023, the value of mortgages granted decreased by 2.82% (R45 346, 127.00) from R46 660,544.00 recorded in the third quarter. The number of agreements entered into also decreased by 3.82%. More than 80% of mortgage agreements granted during this period were in excess of R700 000.

The NCR data further shows that the majority of mortgages granted remained in favour of individuals with gross income greater than the R15 000.00 for both rand value and number of accounts.

TABLE Table 1: Mortgages granted: gross monthly incomes of individuals (number of agreements)

LEVEL OF INCOME	Q1 2023	Q2 2023	Q3 2023	Q4 2023
≤ R10 000	155	170	137	118
% share of credit granted	0.44%	0.45%	0.38%	0.34%
R10 100-R15 000	417	461	446	350
% share of credit granted	1.18%	1.21%	1.24%	1.02%
>R15 000	34 798	37 421	35 252	33 999
% share of credit granted	98.38%	98.34%	98.37%	98.64%
Total number of mortgages	35 370	38 052	35 835	34 467

The data suggests that lower income band individuals are not granted mortgage opportunities as much as the ≥R15 000.00 band individuals are. There may be a need to encourage banks to focus on the lower end of the market. However, they may argue that individuals at the lower end of the market do not afford due to over-indebtedness and low salaries or do not qualify for existing mortgage products provided in the market. For instance, if the entry housing stock was priced at an average of R350 000, monthly repayment would be R3 500 at 10% interest. This amount would be too high for the household earning around R7 000 to afford the mortgage repayments. The cost of home ownership is not only the bond repayment, it also includes property rates, electricity bills, and refuse removal and water consumption charges. At the end, the household will be required to pay close to R5 000 per month.

Residential Property Market

According to the Statistics South Africa's Residential Property Index (2024), the annual national residential property price inflation was 1,6% in December 2023. The main contributor was Western Cape, which increased by 4,7% year-on-year and contributed 1,6 percentage points.

Building Plans Passed and Completed

The value of building plans passed decreased by 13,8% (-R16 319,7 million) in 2023 compared with 2022. The value of buildings reported as completed also decreased by 14,8% (-R10 026,9 million) in 2023 compared with 2022.

Building plans passed by larger municipalities at current prices by type of building				
Type of building	Jan-Dec 2022	Jan-Dec 2023	Difference in value between Jan-Dec 2022 and Jan-Dec 2023	% Change between Jan-Dec 2022 and Jan-Dec 2023
	R'000	R'000	R'000	
Residential buildings	62 270 443	50 361 562	-11 908 881	-19.1
• Dwellings-houses	40 629 288	32 871 658	-7 757 630	-19.1
• Flats and townhouses	20 540 617	16 685 337	-3 855 280	-18.8
• Other residential buildings	1 100 538	804 567	-295 971	-26.9
Non-residential buildings	22 479 150	21 537 846	-941 304	-4.2
Additions and alterations	33 186 516	29 716 972	-3 469 544	-10.5
Total	117 936 109	101 616 380	-16 319 729	-13.8

Buildings reported as completed to larger municipalities at current prices by type of building				
Type of building	Jan-Dec 2022	Jan-Dec 2023	Difference in value between Jan-Dec 2022 and Jan-Dec 2023	% Change between Jan-Dec 2022 and Jan-Dec 2023
	R'000	R'000	R'000	
Residential buildings	37 189 537	34 759 297	- 2 430 240	-6.5
• Dwellings-houses	24 114 993	22 618 209	-1 496 784	-6.2
• Flats and townhouses	12 428 034	11 670 694	-757 340	-6.1
• Other residential buildings	646 510	470 394	-176 116	-27.2
Non-residential buildings	14 751 632	13 444 756	-1 306 876	-8.9
Additions and alterations	15 875 075	9 585 313	-6 289 762	-39.6
Total	67 816 244	57 789 366	-10 026 878	-14.8

Statistics South Africa, 2023

This is an indication that the construction industry was under pressure in 2023 as depicted by the decline in building plans completed. The building plans passed during 2023 are also signalling continuous poor performance in the construction industry in the 2024/25 financial year.

Socio-Cultural Analysis

Housing is a social asset and therefore its design has an interrelation with culture and the social make-up of a community/settlement. Issues of density and spatial distances in human settlements are of close interest to citizens. As such, citizens can have a counter preference to the manner in which human settlements topologies have to be laid out. For example, in a case where beneficiaries may want to engage in religious-cum-cultural practices that require the use of the ground. Such practices might be impossible for some residents in high-rise density areas to perform. It should be considered that densification is applied as a government approach to deal with the unavailability of land and to promote socio-spatial integration.

Socio-Political Analysis

The department had planned to deliver 300 000 houses over the past five years and to date there are more than 3 million households registered on the National Housing Needs Register. This financial year saw informal settlements and backyard dwellings being affected by fires in places such as Dunoon, Masiphumelele, Phola Park and Khayelitsha. Between the last week of December 2022 and the first week of January 2023, four informal settlements fires led to fatalities and the homelessness of scores of families. In total, 121 structures were destroyed in Dunoon, affecting about 233 people. In Masiphumelele, backyard dwellings were affected, with three people losing their lives and 74 families displaced. The most recent fire was in Khayelitsha, where 81 homes were destroyed. Another fire incident, in Phola Park, resulted in the destruction of 322 structures (DoHS website, 2023). A fire at the Kennedy Road informal settlement in Durban destroyed 1 101 homes and left 1 710 adults and 647 children homeless (Chipungu, IOL, 2023).

Environmental Analysis

Global warming and climate change have an impact on poor households in mud houses, informal housing, and rural and farm areas. The topographic, climatic and spatial conditions determine how the sector should build settlements and respond to housing emergencies. The June 2023 tornado in KwaZulu-Natal, heavy rains of September

2023 in the Eastern Cape and other declared and non-declared disasters, have revealed the importance of considering environmental effects on human settlements and housing delivery. The NDHS has approved a total of 1 483 Temporary Residential Units – 961 in the Eastern Cape and 522 in KwaZulu-Natal. As far as the KwaZulu-Natal storms are concerned, the NHBRC was contracted to conduct structural assessments on the damaged houses.

The Department of Human Settlements has strengthened collaboration with the Department of Co-operative Governance and Traditional Affairs, national and provincial disaster management centres, the private sector and other sector departments in responding to disasters.

Legal and Legislative Analysis

Legal and legislative environments are also key to human settlements, hence the department is developing the White Paper for Human Settlements and has undertaken public consultation following Cabinet approval granted in November 2023. In South Africa, the Constitution provides the overall mandate for housing and human settlements development and management. The sector has seen a surge in terms of rental court judgments. It will have to monitor and support the implementation of court judgments.

2.2 Service Delivery Improvement Plan

The department will monitor the approved 2024/25 Service Delivery Improvement Plan (SDIP) and submit annual report to the relevant oversight bodies for the same period.

2.3 Organisational Environment

Although the department is still engaged in an organisational structure review exercise, vacant funded positions have been prioritised and filled in line with the approved priority list and the Revised Macro Organisational Structure concurred by MPSA in 2021. Senior Management Service (SMS) positions were prioritised for filling, considering the reduction of the Compensation of Employees (CoE) budget, which is affecting the entire public service in general. Interim measures to manage the impact of the vacant positions included appointments in an acting capacity, internal transfers of existing employees and the direction to perform other functions. Successes include the filling of six vacant SMS positions, of which four are Deputy Directors-General and one Director-General.

The filling of the above positions has assisted in meeting the Employment Equity targets as the female representation at SMS level as at 31 March 2023 was at 56%. The department continued with the implementation of reasonable accommodation by providing assistive devices for employees with disabilities and achieved a 2% set target of employing people with disabilities.

Although there were several strike actions that were embarked upon during the 2023/24 financial year in the public service, no employees participated, hence the department's operations were not affected.

The skills audit exercise was finalised in January 2024, strategic training priorities were identified and the individual audit results have been used to develop the 2024/2024 Workplace Skills Plan.

To further ensure that the department is supported to deliver on its Strategic Plan and Annual Performance Plan, the corporate governance of ICT was strengthened by appointing an external Chairperson of the ICT Steering Committee to conduct meetings on a quarterly basis. The Electronic Document and Records Management System aimed at the automation of records management processes for improved efficiency in the department was implemented. ICT and Records Management have successfully implemented compliance measures in accordance with the Protection of Personal Information Act (POPIA), ensuring adherence to regulatory standards. Additionally, a comprehensive Business Continuity Plan has been developed to guarantee uninterrupted service delivery during potential disruptions. These efforts have yielded impressive results, including achieving a 90% availability rate of server and network infrastructure, completing the migration of 100% of email users to the Cloud, and disseminating a total of 16 ICT Security Awareness newsletters, posters, emails and communiqués. Furthermore, two successful ICT Disaster Recovery exercises have been conducted, enhancing our organisation's preparedness and resilience against unforeseen events.

More than 95% of registered IT Support Calls were resolved within the agreed SLA.

2.4 Key Policy Developments and Legislative Changes

The following key policy changes occurred during the period under review:

- The approval of the Special housing needs Programme (SHNP),
- The approval of the detailed implementation guidelines for SHN,

- The approval of the norms and standards for rental,
- The approval of the norms and standards for Innovative Building Technologies (IBT),
- The approval of the revised accreditation framework
- The approval of the amendment to the human settlements subsidy quantum to include solar panels, rain water harvesting devices and burglar bars to cater for persons with disabilities
- The approval of the White Paper for Human Settlements for public consultation.
- The development of the allocations policy and consultation at a National Policy Task Team
- The development of the VAT guidelines consultation at a National Policy Task Team
- The development of the variation manual for higher density design including social housing programme
- The development of the rent to buy, reformed social housing programme, small scale rental programme and procurement policy for housing and human settlements
- The setting up of a National Reference Group comprised of academics, civil society organizations, provincial departments, sector departments, South African Local Government Association, Cities Network, etc. to provide inputs in the drafting of the White Paper.
- Furthermore the department engaged with stakeholders regarding the possible amendments to the following pieces of legislation:
 - Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 1998
 - Human Settlements Bank Bill
 - Social Housing Act of 1998
 - Housing Act of 1997
 - Housing Consumer Protection Bill

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Medium-Term Strategic Framework of 2019-2024 has three outcomes for the human settlements sector, namely;

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

In addition, five-year targets or outputs were defined. To assist with implementation, an

implementation framework that defines activities, outputs as well as roles and responsibilities was developed. This document was to assist in the achievement of outcomes by informing planning, implementation support and monitoring.

Spatial Transformation Outcome

The work of driving spatial transformation is undertaken by the Department in collaboration with its entity the Housing Development Agency. The achievement of this outcome was facilitated through the identification of land parcels throughout the country, with the aim to catalyse the changes needed to transform the apartheid spatial form. In the year under review, that development plans for the identified land parcels were completed. Worth noting is that the process of completing the development plans requires extensive consultation and intergovernmental relations protocols which at times contributes to delays in the processes. Due to stakeholder dependency, there were cases wherein the development plans had been poorly completed, without the necessary aspects required for a credible development plan. Examples of these is where development plans do not entail spatial vision, infrastructure plans, land acquisition plan, land development plan, implementation plans, etcetera. There is also no indication that there is an understanding the housing needs in the various areas. In the coming years, the Department will strengthen the efforts to close these gaps in order to promote spatial transformation through human settlements development.

Adequate Housing Outcomes

Housing projects are completed without understanding the need as well as assessing the availability of infrastructure. The houses that do not have the necessary basic services are a transgression of human rights. Housing units are incomplete if they do not have water, sanitation and energy facilities. In addition, there is a need to ensure that there is stormwater drainage and streets within settlements. Over 60% of targets in this outcome are met. However, there is 0% achievement on the outcome. Lastly, the necessary feasibility studies that are required prior to land development taking place is not completed. This outcome has not been fully achieved due to the instructional failures of the National Department of Human Settlements.

Mitigation measures for the non achievement of outcomes would require the strategic planning process to be explicit on targets and indicators the department would pursue and measure to make the required changes at society level, taking into consideration the role of the national department.

Poor planning practices at national level have seen the department changing indicators every year and not aligning plans to the MTSF has resulted to the 0% achievement of outcomes.

Security of Tenure Outcome

The human settlement sector selected to focus on title deeds, particularly the backlog that existed prior to the 2019-2024 MTSF towards the achievement of the outcome on security of tenure. There is progress in addressing historical matters on title deeds. The new housing development is adding to the title deeds backlog.

Observations

The assessment undertaken indicates that the set targets for the 2019-2024 MTSF are not met. Whereas the reasons are indicated as budget related, this was not found to be entirely correct as there has been continuous under expenditure over the past five years.

Even in cases where some targets are achieved, the outcomes are not achieved. For example, houses are completed but no water, sanitation and energy facilities have been provided. Provinces do not have information about reticulation or other supporting infrastructure required in a settlement.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

Purpose of the Programme:

The purpose of this programme is to provide strategic leadership, management and support services to the department.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The department remained compliant with the prescripts relating to the preparation and submission of quarterly and annual reports, and corporate plans. Part of the compliance matters relates to the submission of the Service Delivery Improvement Plan (SDIP) to the Department of Public Service and Administration (DPSA) for the financial year 2024/25. The annual SDIP progress report for the current SDIP cycle can only be submitted by the end of April 2025 in line with the duration of the SDIP submissions (2024/25). The department further provided oversight on implementation, monitoring and reporting on the sector-standardised indicators.

The Internal Audit unit has managed to implement the risk-based annual Internal Audit Plan, including ad-hoc reviews. The work concluded has contributed to highlighting areas where internal controls are working and where control deficiencies or weaknesses require management attention for the improvement or enhancement of the departmental governance, risk management and internal controls processes to prepare for the annual audit by external auditors.

The Risk Registers were updated and improved in terms “Existing Controls” and “Action Plans” by introducing “4Ws & H as well as kind-of-evidence”. The innovation is aimed at ensuring who is doing what, when, why, where and how and to make it easy for the Risk Owners to monitor their risks.

The Risk Registers for the 2024/25 financial year were finalised earlier than planned on the Risk Management Implementation Plan (RMIP). Furthermore, two additional Operational Risk Registers (Communications and Legal Services) were developed. The Risk Culture conducted, and a Special Risk Management Meeting and Incident Risk Register while were not on the approved plan. For the first time, the unit developed Risk Management Function Charter that was approved by the Accounting Officer. The organisation also developed. 100% of Anti-Fraud and Corruption Implementation Plan was achieved despite capacity limitations.

The Department of Human Settlements has achieved stability by appointing managers at the executive level, including a Director-General and four (4) Deputy Directors-General. This move is aimed at aligning the department towards fulfilling its objectives. Moreover, the department has met its Employment Equity targets by appointing 2% of employees with disabilities and surpassing the 50% mark for women at the Senior Management Service (SMS) level.

The department is implementing various digital transformation initiatives that are at various stages from an administrative perspective like e-submissions; parliamentary questions; e - decision tracking; smart committees. The other project is the Electronic Documents and Records Management System (EDRMS) to create a site per business unit (BU) where business documents will be uploaded to and collaborated on until it is final and declared as a record.

The department is working closely with SITA to finalize their proposal for the design, development, and implementation of a National Digital Human Settlements Management System (NDHSMS), this will be implemented in a phased approach with a focus on how citizens can view the status of their applications for housing and disaster assistance in real-time and how the outcome thereof will be communicated to the citizen.

To further strengthen digital transformation initiatives in the department the current ICT Strategy and Plans to be reviewed and updated to address digital transformation and be citizen centric. The department is also aware of the Terms of Reference (TOR) for the Inter-Ministerial Committee (IMC) On Digitisation of Government to coordinate the digitisation efforts of the government and society with the specific focus on digitising frontline government services that are citizens facing and developing a comprehensive digital e-government portal.

The Communication Services through its provision of media services, public information, marketing and corporate communications for the department and Ministry was able to achieve 100 % of the Annual targets as set out in the approved annual performance plan for the year under review.

With marketing, public information and media services; we set out to achieve our objective of creating a two-way communication between the department and stakeholders as well as the rest of the South African citizens. We implemented the approved annual communication plan that touched on integrated marketing and communication tools and strategies. This included the awareness and visibility campaigns that were implemented to educate and inform our stakeholders and citizens of the Department's and entities' programmes and services. These include the broadcast campaign that covered the whole through both television and radio, from a national level to regional and community level. Furthermore, the newly rebranded First Home Finance was given the spotlight it deserves in the multimedia platforms as we needed to ensure that the housing subsidy for first-time homeowners is efficiently branded, and the new offerings are communicated as such.

The Title Deeds Fridays campaign to clear the backlog supported by Min-MEC also received a lot of success as it was carried out throughout the country in all nine provinces, in various media platforms and as a face-to-face delivery by the provincial and local government supported by the Ministerial team, which resulted in almost 50 000 title deeds handed to their rightful owners.

Another campaign success from the department was on the affordable housing programme where our objective was to create awareness, inform and educate the citizens of this country on the affordable rental housing options closer to amenities that is provided by the department and its entities. All of these campaigns were supported by continuous face-to-face engagements with the communities through exhibitions and consumer education that was rolled out in all the nine provinces across the country.

To ensure that our communication and messaging are strengthened, we implemented numerous stakeholder engagements across the country to enable the stakeholders to have interactive engagement with the department and the entities on all the services and programmes. The notable ones include the Human Settlement Women Indaba that was held in Kimberley as part of the sector's commitment to transformation and to ensure that women are equipped with information and given access to opportunities to be meaningful participants in the Human Settlements Sector economic activities, and to further to articulate the 40% set aside budget for women contractors by the sector. Also, the NGO Human Settlements Summit was the very first Department's engagement with the NGOs on how the sector can best work with the non-governmental stakeholders to deliver sustainable human settlements to the communities.

The work of the Communications is continuous and ongoing as many people still need to have access to information on the various housing typologies and programmes of the department and entities. Furthermore, to continue to communicate and reach various stakeholders and beneficiaries from property managers to BNG recipients just to mention a few.

1. Grants Management

Human Settlements Development Grant

The grants allocation processes for the Human Settlements Development Grant (HSDG) in the 2023/24 financial year were finalised and approved. The initial voted funds for HSDG amounted to R14.944 billion. The approved rollover from the previous financial year (2022/23) amounting to R513 million resulted in an increased total

available funds of R15.457 billion. There were, however, Cabinet-approved budget cuts amounting to R1.689 billion. This resulted in a reduced adjusted total available funds of R13.768 billion.

A total of R13.255 billion was transferred and the expenditure by provinces amounted to R13.362 billion, representing 97% of the total available funds amounting to R13.768 billion. An amount of R250 million was stopped in terms of section 18 of the Division of Revenue Act (DoRA) from the Western Cape Province. These funds were reallocated in terms of Section 19 of DoRA to Limpopo Province.

Informal Settlements Upgrading Partnership Grant-Provinces

The grants allocation processes for the Informal Settlement Upgrading Partnership Grant-Provinces (ISUPG) in the 2023/24 financial year were finalised and approved. The initial voted funds for ISUPG amounted to R4.303 billion. The approved rollover from the previous financial year (2022/23) amounting to R362 million resulted in an increased total available funds of R4.665 billion. The Cabinet-approved budget cuts amounting to R476.7 million reduced the total available funds to R4.188 billion.

The expenditure by provinces amounted to R3.609 billion, representing 86% of the total available funds of R4.188 billion. A total of R3.826 billion was transferred to provinces. There was no stopping and reallocation of funds during the 2023/24 financial year under this grant.

Urban Settlement Development Grant

The Urban Settlement Development Grant (USDG) to metropolitan municipalities had initial voted funds of R8.149 billion. This increased to R8.196 billion, inclusive of an approved rollover amount of R46.4million. The Cabinet-approved budget cuts amounting to R553.1 million reduced the total available funds to R7.642 billion. As at 31 March 2023, R7.596 billion was transferred. Municipalities spent a total of R4.045 billion, which represents 53% of the total available funds.

A total amount of R100 million was stopped from Nelson Mandela Bay (R50 million), City of Ekurhuleni (R20 million) and City of Tshwane (R30 million) in terms of section 18 of DoRA. The stopped funds amounting to R100 million were reallocated to the Buffalo City Metropolitan Municipality in terms of section 19 of DoRA.

Informal Settlements Upgrading Partnership Grant-Metropolitan Municipalities

The Informal Settlement Upgrading Partnership Grant to metropolitan municipalities had initial voted funds of R4.365 billion and increased to R4.543 billion inclusive of an approved rollover amount of R178.5 million. The Cabinet-approved budget cuts reduced the total available funds to R4.238 billion.

As at 31 March 2024, R4.059 billion was transferred. Municipalities spent a total of R2.267 billion, which represents 54% of the total available funds.

An amount of R192.1 million was stopped from Buffalo City (R17.4 million), Nelson Mandela Bay (R25.2 million), Mangaung (R97.3 million), City of Johannesburg (R27.2 million) and City of Tshwane (R25 million) in terms of section 18 of DoRA. The stopped funds were reallocated to the City of Ekurhuleni (R61.6 million), eThekweni (R60 million) and Cape Town (R70.5 million).

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

- The allocated grant funds were fully disbursed in line with the Division of Revenue Act;
- Improved relations with National Treasury enabled the tracking of transferred funds by provinces to other state organs;
- The review of the Grant Framework was more consultative and continues to improve on an annual basis;
- Several joint framework workshops were held with the South African Local Government Association (SALGA). Other stakeholders assisted in improving delivery performance of basic services, especially in municipal areas;
- Focus was placed on provinces and metros experiencing reporting and compliance challenges. Performing provinces and metros continued to be rewarded with additional funding from underperforming provinces and metros to ensure improved service delivery;
- Provinces and metros were assisted with policy directives;
- One-on-one engagements were initiated with provinces and municipalities to ensure the correct utilisation of grant funds;
- Provinces with reporting challenges were assisted, especially on the ISUPG;

- A broad-based consultative process was initiated with the City Support Programme in conjunction with National Treasury to assist metros regarding reforms within the USDG framework;
- Closer working relations were established within the department to ensure a unified effort in addressing performance-related challenges within the sector; and
- Qualified and registered engineers were employed to assist with project verification and performance as reported by provinces and metros.

Financial management ensures the effective, efficient and economic utilisation of financial resources in line with financial prescripts through the development and effective implementation of financial systems, policies, frameworks and procedures. These include budget planning and expenditure monitoring; and the management of procurement, acquisition, logistics, and asset and financial transactions.

For the 2023/24 financial year, the department received a clean audit on financial statements. Although there is always room for improvement, these results reflect a functional financial administration that needs to improve efficiencies and integration, such that:

- The late payment of invoices is eliminated;
- Account management on systems go beyond financial systems but also include other systems, for example Persal, that impact on financial administration. This will need improved teamwork with other sub-programmes;
- The migration from manually driven systems to a computerised environment continues. To this end, the computerised distribution of pay slips was successfully installed during this financial year.
- The optimal allocation of the available resources is achieved. To this end, the Budget Management policy was reviewed during the financial year;
- All budget processes-related documents are submitted within the timelines set by National Treasury;
- Current levels of compliance are sustained and improved where there is a need;
- All budget processes-related documents are submitted within the timelines set by National Treasury; and
- Financial reporting requirements in terms of legislation are submitted.

Challenges

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

Programme 1: Administration

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
Chief Directorate: Executive Support								
Functional, efficient and integrated government	Compliant statutory reports	Percentage of compliance with statutory tabling and prescripts	60% compliance with statutory prescripts	74% compliance with statutory prescripts	100% compliance with statutory prescripts	90% compliance with statutory prescripts	-10% compliance with statutory prescripts Invoices paid within 30 days	1 invoice submitted late for payment due to a lack of supporting documentation
	Internal Audit reports	Percentage of the implementation of the approved Internal Audit Plan	96% of the approved Internal Audit Plan implemented	100% implementation of the approved Internal Audit Plan	100% implementation of the approved Internal Audit Plan	97% implementation of the approved Internal Audit Plan	-3% implementation of the approved Internal Audit Plan 1 incomplete review on records management	Records management could not be concluded due to the EDRMS implementation project in the department and the complexity of the scope.
	Anti-Fraud and Corruption Reports	Percentage of the execution of the approved Anti-Fraud and Corruption Implementation Plan	100% execution of the approved Anti-Fraud and Corruption Implementation Plan	100% execution of the approved Anti-Fraud and Corruption Implementation Plan	100% execution of the approved Anti-Fraud and Corruption Implementation Plan	100% execution of the approved Anti-Fraud and Corruption Implementation Plan	None	Not applicable
	Risk Management Status Report	Percentage of the implementation of the approved Risk Management Implementation Plan	100% implementation of the approved Risk Management Implementation Plan	100% implementation of the approved Risk Management Implementation Plan	100% implementation of the approved Risk Management Implementation Plan	100% implementation of the approved Risk Management Implementation Plan	None	Not applicable

Sub Programme: Corporate Services								
Functional, efficient and integrated government	Human Resource Implementation Report	Percentage of the implementation of the Human Resource Implementation Plan	76% implementation of the Annual Human Resource Implementation Plan	93% implementation of the Human Resource Implementation Plan	100% implementation of the Human Resource Implementation Plan	95% implementation of the Human Resource Implementation Plan	-5% implementation of the Human Resource Implementation Plan -Non-filing of vacant prioritised post -Non-submission of annual Financial Misconduct Report to PSC by 30 April	There were delays in the submission of the Annual Financial Misconduct Report Management directive to deviate from the approved vacancy list
	Report on the annual ICT Plan	Percentage implementation of the approved annual ICT plan	98% implementation of approved annual ICT Plan	100% implementation of the approved annual ICT Plan	100% implementation of the approved annual ICT Plan	100% implementation of approved annual ICT Plan	None	Not applicable
Functional, efficient and integrated government	Digital Transformation Strategy and Implementation Plan	Digital Transformation Strategy and Implementation Plan	New target	New target	SLA on Digital Transformation Strategy and Implementation Plan developed.	SLA on Digital Transformation Strategy and Implementation Plan not developed.	SLA on Digital Transformation Strategy and Implementation Plan not developed.	Delays in finalising the process of appointing a Service Provider.
	Report on the Communication Plan	Percentage implementation of the approved Communication Plan	100% implementation of the approved Communication Strategy	100% implementation of the approved Communication Plan	100% implementation of the approved Communication Plan	100% implementation of the approved Communication Plan	None	Not applicable

Sub-Programme: Grant Management								
Functional, efficient and integrated government	Annual Financial Statements free of errors and misstatements	Unqualified audit opinion with no material findings	2020/21 unqualified audit opinion with no material findings	2021/22 unqualified audit opinion with no material findings	2022/23 unqualified audit opinion with no material findings	2022/23 unqualified audit opinion with no material findings	None	Not applicable
Adequate housing and improved quality living environment	Human Settlements Grants Framework gazetted	Human Settlements Grants Framework approved	2022/23 Human Settlement Grants Framework approved	Approved 2023/24 Human Settlements Grants Framework	2024/25 Human Settlements Grants Framework approved	2024/25 Human Settlements Grants Framework approved	None	Not applicable
Adequate housing and improved quality living environment	Quarterly assessments conducted on performance of human settlements grants (HSDG and ISUPG)	Number of quarterly assessments conducted on performance of human settlements grants (HSDG and ISUPG)	8 quarterly assessments conducted on human settlements grants (HSDG and USDG)	8 quarterly assessments conducted on human settlements grants (HSDG and USDG)	8 quarterly assessments conducted on performance of both human settlements grant (HSDG and ISUPG)	8 quarterly assessments conducted on performance of both human settlements grant (HSDG and ISUPG)	None	Not applicable
	Quarterly assessments conducted on performance of human settlements grants (USDG and ISUPG)	Number of quarterly assessments conducted on performance of human settlements grants (USDG and ISUPG)	8 quarterly financial performance analysis conducted on ISUPG	8 quarterly financial performance analyses conducted on ISUPG	8 quarterly assessments conducted on performance of both human settlements grant (USDG and ISUPG)	8 quarterly assessments conducted on performance of both human settlements grant (USDG and ISUPG)	None	Not applicable

	Reports on monitoring of set-aside for the designated groups (USDG and HSDG)	Number of reports on monitoring of set-aside for the designated groups (USDG and HSDG)	40% of budget allocated to entities owned by the designated group partially monitored	0 report on the set-aside for designated groups	4 reports on monitoring of set-aside for the designated groups (USDG and HSDG)	2 reports on monitoring of set aside for the designated groups (USDG and HSDG)	-2 reports on monitoring of set-aside for the designated groups (USDG and HSDG) Discrepancies in the 2 reports provided	The following provinces and metros did not submit the mandatory PPPFA information despite follow-ups being made and escalation to MinMEC: Provinces – Free State and North West Metros – City of Joburg and City of Tshwane Metros did not have any awarded allocations due to the fact that it was their fourth quarter and as such they usually don't appoint contractors towards year-end
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Linking Performance with Budgets

This programme allocation consists mostly of compensation of employees and the procurement of goods and services. For the 2022/23 financial year the programme managed to spend 86% of its allocation. For the 2023/24 financial year the programme managed to spend 92% of its allocation. For reasons for underspending please refer to

notes on the Appropriation Statement which is part of the annual financial statements. This programme had 13 annual targets of which 73% were achieved in terms of its annual performance plan for the 2022/23 financial year. In the 2023/24 financial year it achieved 8 of its 13 targets a performance rate 62%.

Expenditure by Sub-Programme

PROGRAMME 1: ADMINISTRATION						
Sub- Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	59 20	57 762	1 468	69 077	65 159	3 918
Departmental Management	69 575	66 040	3 535	89 064	75 561	13 503
Corporate Services	268 766	238 160	30 606	280 310	233 676	46 634
Property Management	41 412	41 409	3	53 232	53 226	6
Financial Management	64 431	60 170	4 261	70 909	54 894	16 015
Total	503 414	463 541	39 873	562 592	482 516	80 076

Strategy to overcome areas of under-performance

To ensure the further strengthening of digital transformation initiatives in the department, the process to review and update the current ICT Strategy and Plans to address digital transformation and be citizen-centric forms part of the 2024/25 Annual Performance Plan.

The Chief Directorate: Communications performed optimally for the year under review. However, there is a need to strengthen the work that we do in remote areas and to find strategic ways to reach remote stakeholders and beneficiaries as we implement the annual operational and communication plan for the 2024/25 financial year.

Extensive consultation will be undertaken before an auditable area is included in the annual Internal Audit Plan to determine the state of readiness before the plan is approved. The directorate will timely adjust/review the internal audit plan as per the standards in consultation with management and audit committee where, during the implementation of the plan, concerns with the state of readiness are identified regarding an audit area.

The Grants Management Services Chief Directorate has put in place performance enhancement measures to improve the reporting of the set-aside allocations, which resulted in the achievement of the target in the last two quarters of the financial year. There is a need to further tighten these measures, which include sourcing additional capacity, equipping the available capacity with identified training, forging better relations with provinces and metros, as well as engaging ministerial teams to liaise with their provincial and municipal counterparts in ensuring the attainment of this economic empowerment initiative. 1 invoice submitted late for payment due to lack of supporting documentation. However, the invoice has since been processed and paid after 30 days.

In respect of the designated groups, Metros did not have any awarded allocations, because it was their fourth quarter and as such they usually don't appoint contractors towards year-end. In addressing these gaps, the department will engage Provinces and Metros during the performance reviews regarding their inability to allocate part of the grant funds to designated groups.

There was a need to reprioritise other vacancies to address the emerging risks. However, there will be an adherence to the approved vacancy list

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

Not Applicable.

Programme 2: Integrated Human Settlements Planning and Development Programme

Purpose of the Programme:

The purpose of the programme is to manage the development of policy, planning and research in the creation of sustainable and integrated human settlements, oversee the delivery of the integrated residential development programme, provide public entity oversight and co-ordinate intergovernmental partnerships with stakeholders.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Medium-Term Strategic Framework (MTSF) Priorities

The 2023/24 reporting period marks the fourth year of the MTSF 2019-2024 period. With this consideration, it is important for the department to highlight the sector's achievements in its contribution to the 2019-2024 Medium-Term Strategic Framework.

MTSF Outcome	Output Indicator	2020/21	2021/22	2022/23	2023/24
Spatial transformation through multi-programme integration in priority development areas	94 integrated implementation programmes prepared	7 completed	47 completed	42 completed	14 Completed
	Invest in 94 priority development areas (PDAs)	45 PDAs	103 PDAs	85 PDAs	79 PDAs
	Rezone 100% of land acquired in 2014-2019 that falls within the PDAs for human settlements development	During the 2021/22 financial year the HDA was to rezone about 16.3395ha of land to reach the MTSF's 30% target. However, 0% was rezoned during this period	0	One hectare of land was rezoned despite numerous challenges	18,68ha of land acquired in 2014-2019 in PDAs were rezoned
<i>Table 2: MTSF Outcome and Outcome Indicators</i>					

1. 2023/24 Outputs, Output Indicators, Targets and Actual Achievements

In the year under review, the Chief Directorate: Human Settlements Planning was responsible for the performance indicators detailed in the succeeding session in line with the approved 2023/24 Annual Performance Plan.

1.1 Analysis report for integrated implementation programmes for PDAs completed

The objective of this target was to determine the programmatic interventions in each PDA informed by the Municipal Spatial Development Framework (SDF) and Integrated Development Plans (IDPs). The target was to prepare 94 integrated implementation programmes for each of the PDAs.

The target for the 2023/24 financial year was 14 integrated implementation programmes for PDAs. In collaboration with the HDA, the department had to prepare the integrated implementation programmes for PDAs. In implementing this target, the department oversees the process and the HDA is responsible for procurement and provides support to provinces and municipalities. Accordingly, 14 plans of integrated implementation programmes for PDAs were developed, cumulatively resulting in a total of 110 for the MTSF period.

1.2. Number of analysis reports completed on the total Human Settlements allocation in Priority Development Areas (PDA)

The focus on Priority Development Areas is premised on cooperative and collaborative public sector investment, with keen interest in further leveraging private investment against defined targets and objectives for a designated geographical area. Therefore, objective of this target was for the National Department to determine the scope of funding allocation from the Human Settlements Development Grant and the Informal Settlements Development Grant directed towards the Priority Development Areas (PDA)s.

Table 2 indicates that the total expenditure by Provinces in the Priority Development Areas (PDA)s for the 2023/24 financial year was R3,420,329,780 representing 25,08% of the total HSDG allocation of R13,254,682,000, as detailed in Table 2. Additionally, the total investment in PDAs through the Provincial Informal Settlements Upgrading Partnership Grant for the 2023/24 financial year was R247,487,252 representing 6,04% of the total ISUPG allocation of R3,826,008,000.

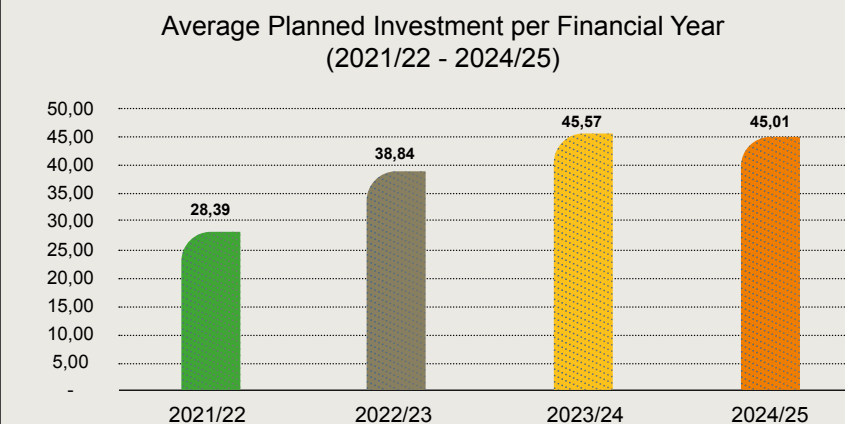
Table 2: Summary of Investment through Human Settlements Development Grant (HSDG) and Informal Settlements Upgrading Partnership Grant in PSHDAs

Province	Total PDAs Invested in (HSDG/ISUPG)	Annual Total Investment HSDG		Annual Total Investment ISUPG	
		Planned Budget	Expenditure	Planned Budget	Expenditure
Eastern Cape	8	237,444,426	66,064,691	1,178,800	0
Free State	7	455,455,364	406,957,494	4,800,000	3,574,404
Gauteng	10	1,439,864,547	278,595,215	0	0
KwaZulu Natal	9	335,425,451	172,529,395	0	0
Limpopo	8	200,879,487	76,089,560	36,519,380	6,202,820
Mpumalanga	16	453,259,184	204,621,364	89,176,124	32,582,400
Northern Cape	11	61,576,073	51,447,920	2,000,000	2,047,409
North West	4	556,094,090	403,895,885	74,910,983	203,080,219
Western Cape	6	57,537,758	1,760,128,257	0	0
Total	79	3,797,536,380	3,420,329,780	208,585,287	247,487,252
Percentage Investment			25,80		6,04

It should be noted that while Table 2 indicates only the expenditure for one financial year (2023/24) for just two grants (HSDG and ISUPG Province), the average planned allocations from 2021/22 to 2024/25 from all four grants (Provinces and Metros) has been 39.45%. This in line with the Departments intention to ensure that the financial resources at its disposal are allocated in the Priority Development Areas (PDAs) (Figure 1).

Given the impact of various major variables such as budget cuts, instability at municipalities, changing political priorities at the provincial level, the impact of the construction mafia amongst others, the varied approaches on a grant by grant basis and the administrative choices as well as Executive discretion, has meant that there may be fluctuations in the performance on the percentage over the period.

Figure 1: Average Planned Allocations in PDAs 2021/22 – 2024/25



1.3. Assessment of the Provincial and Municipal Business Plans

There are four grants in respect of the Human Settlements environment. These are the provincial Human Settlements Development Grant (HSDG), Informal Settlements Upgrading Partnership Grant (ISUPG) Business Plans, the Urban Settlements Development Grant (USDG) and the ISUPG Business Plans that must be approved by 31 March 2023 and 31 May 2023 respectively. In addition, the readiness of projects was achieved and a technical assessment was performed to ensure adherence to the stipulations of the Division of Revenue Act (DoRA) and the HSDG Framework as well as pertinent sector policies that guide the planning and development of human settlements. Moreover, the department considered sector priorities deliberated upon at MinMec and other engagements. The assessment of the Business Plan also encompasses an assessment of the provinces' performance in relation to the Medium-Term Strategic Framework (MTSF) priorities.

The department also appointed Professional Resource Teams (PRTs) to conduct project verification with a specific focus on projects with large budgets and targets. A national consolidated Business Plan was developed for each of the grants. The plan serves as a key document providing project level information and programmatic planning from provincial to district and municipal level. Furthermore, the consolidated plans contain information relating to the plans of the sector's contribution in achieving the MTSF targets and MinMEC priorities, planned investment in the PSHDAs and project information for use towards implementation of the District Development Model (DDM). In line with the Housing Act 107 of 1997 and the Human Settlements Development Grant Framework, provinces are required to submit a Multi-Year Development Plan. The analysis also takes into consideration that the business plans must be aligned to the Provincial Annual Performance Plans.

Policy Development

Through the Policy Development Chief Directorate, the department reviews and develops responsive policies and programmes as part of the sector intervention mechanisms to enable effective implementation of programmes. During the period under review, the Chief Directorate achieved its target of developing a policy foundation for housing and human settlements with an output of the draft White Paper on for Human Settlements and the policy programme. Accordingly, the following policies were drafted and consulted upon during the period under review.

1.1. Policy Foundation for Housing and Human Settlements:

The Policy Foundation for Housing and Human Settlements was developed and approved by Cabinet for public consultation in November 2024. The department had initially placed a due date of 31 January 2024 for the submission of comments. However this was extended twice to 28 February 2024 and 15 March 2024 respectively. The purpose of the policy is to provide an enabling overarching policy framework for the delivery of sustainable human settlements that are spatially integrated, inclusive and equitable through a synergistic and holistic approach involving robust stakeholder engagement and co-ordinated action across sectors and jurisdictions.

1.2. Policy Programme approved

The target of the policy programme was achieved. The programme was developed and accordingly implemented by the department. It provided for key programmes and an engagement was also held with the National Policy Task team to ensure effective implementation.

The programme yielded outputs of the following policies: National Allocations Policy, Guidelines for Value-Added Tax, Norms and Standards for Innovative Building Technologies, Variation Manual for Higher Density Design, Procurement Policy for Housing and Human Settlements, Upgrading of Informal Settlements Policy Programme, Rent-to-Buy Policy Programme, Small-Scale Rental Policy Programme, Reformed Social Housing Policy Programme Norms and Standards for Affordable Housing Policy, Consumer and Borrower Education Policy and Employer Assisted Housing Policy.

Research

The main output for the year under review was the development of the Research Agenda for Human Settlements. The development of the Agenda adopted primary and secondary research approaches. The secondary data included literature analysis. Primary information sourcing included interactive engagements with the various provincial human settlements departments and metropolitan municipalities. Human Settlements entities were requested to provide research areas they deemed necessary for immediate and future investigation. All information was organised into thematic areas and presented to academic institutions and other research agencies for further inputs.

The revised draft was presented again to the provinces and municipalities for further refinement. Their inputs were incorporated to inform the final Research Agenda. The

Agenda is considered a living document. As such, it will be reviewed as the need arises in the new financial year. As part of the implementation of the Research Agenda, the department will collaborate with other relevant stakeholders to capitalise on resources and expertise. All the research outputs will be captured on the department's Research Repository, which serves as a form of a dissemination strategy to sector stakeholders in the outer years.

Sector Information Management Systems (IMS), Performance Monitoring And Evaluation

The department has a mandate to monitor and verify the performance of all national

HSDG projects:

PROVINCE	Projects in the Approved Business Plan	Projects Under Implementation (with expenditure 2023/24)	Total number of projects verified 2023/24 FY
EC	436	182	46
FS	164	31	30
GP	183	103	38
KZN	243	238	44
LP	157	153	29
MP	262	230	43
NC	46	34	25
NW	402	192	50
WC	137	57	27
TOTAL	2 030	1 220	332

METRO	Business Plan Projects	Under Implementation	Incurred Expenditure
BCM	72	57	47
NMB	130	108	29
MAN	113	95	26
COE	147	129	83
COJ	46	50	30
COT	63	84	31
ETM	73	79	45
CCT	106	95	63
TOTAL	750	697	354

Human Settlements programmes and projects in the nine provinces and eight metropolitan municipalities. During the year under review, the department managed to monitor all the projects that incurred expenditure as per the Housing Subsidy System (HSS). The purpose of the monitoring was to keep track of progress made in the implementation of projects and programmes with reference to activities and outputs against the targets as per the approved Business Plans.

Desktop analysis was performed on all projects that incurred expenditure funded through the Human Settlements Development Grant (HSDG) and the Urban Settlements Development Grant (USDG). The desktop analysis was followed up by the physical verification exercise. Projects were verified on the ground.

A total of 62 projects were visited for site verification.

The department also monitored the performance of the Medium-Term Strategic Framework (MTSF) 2019-2024, which was approved by Cabinet in October 2019. In terms of Human Settlements, the MTSF 2019-2024 focuses on three interrelated outcomes:

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

Therefore, the objective of the Human Settlements programmes contributing to Priority 5 is to lay a foundation for transforming the functioning of human settlements and the workings of the space economy by acknowledging that the fabric of human settlements consists of physical elements and services to which these elements provide the material support.

The performance monitored in terms of the MTSF is reported as follows:

Indicator	2024 Targets	Actual progress	%
Number of Integrated Implementation Programmes prepared	94	110	117,0%
Number of PDAs invested in	94	136 PHDAs were declared	-
		HSDG: 164 ISUPG PHDs: 77 ISUPG metros: 35 USDG: 36	
% of acquired land during 2014-2019 rezoned falling within the PDAs	100% of acquired Land rezoned (19 962.2 ha)	4419,3157	93,1%
Number of BNG houses delivered	300 000	239 874	79,9%
Number of households that received financial assistance and purchased units through FLISP	20 000	25 873	129,3%
Number of serviced sites delivered	300 000	186 850 PHDs 22 178 Metros 22 004 ISUPG Total: 231 032	77%
Number of rental housing units delivered in PDAs	18 000	13 286	73,8%
Number of Community Residential Units (CRUs)	5 000	2 364 new 68 upgraded	47,2%
Number of informal settlements formalised/upgraded to Phase 3 of the Informal Settlements Upgrading Programme	1 500	Phase 3: 632 projects	
Number of title deeds registered	Pre 1994: 45 535	11 891	26,1%
	Post 1994: 500 845	62 162	12,4%
	Post 2014: 346 842	16 938	4,9%
	New title deeds: 300 000	22 170	7,4%

During the period under review, the department completed the Implementation Evaluation of the Operational Capital Programme (OPSCAP) and the Design and Implementation Evaluation of the Informal Settlements Upgrading Grant (ISUPG). The evaluation studies evaluate whether the programmes are implemented as intended and achieving the outcomes. The final evaluation reports will be published on the department's website.

The department also monitored, verified and mapped the Restructuring Zones applications received from the Western Cape (City of Cape Town and Swartland Local Municipality), Eastern Cape and Free State. To date, the Western Cape Restructuring Zones were gazetted and declared as per their applications.

The department also monitored and mapped the HSDG expenditure performance, projects with delivery of site and units nationally. At the end of the financial year, 20 223 serviced sites and 41 712 housing units were delivered, which represents 88.9% against the annual target for sites and 107.1% against the target for units.

During the reporting period, the department maintained an average of 98% housing database availability, which enabled the sector to draw reports on a project level to determine the actual expenditure and delivery during the reporting period related to their areas of responsibility.

Intergovernmental relations and capacity assembly

For the financial year under review the Department, improved and strengthened the work of intergovernmental relations, enabling a nation-wide, integrated, comprehensive and sustainable service delivery model that sought to radically restructure the interface between government and the people to better respond to the needs of individuals and communities.

As part of the efforts to improve government's service delivery capacity and build a responsive government; the Department initiated and convened various stakeholder engagement sessions that include, but not limited to the following:

- Ministerial engagements on performance monitoring with provinces, municipalities and entities of the Department,
- Outreach programmes which include housing and title deeds handover,
- Stakeholder engagement sessions with NGOs/CBOs; Developers, Financial Institutions, Women in Construction formations, Traditional leaders, and others,
- Community Izimbizo with provinces, municipalities, human settlements entities and ordinary members of the community across provinces.

The performance monitoring meetings led by Ministry, that focussed on both financial and non-financial performance, as well as challenges hindering service delivery in various provinces, have led to improved service delivery across provinces, municipalities, and human settlements entities. As a result of these sessions, amongst others, the performance on the 40% set aside for women owned businesses has improved significantly, providing impetus on the transformation and meaningful economic participation of women in the sector.

The National Human Settlements Indaba and Exhibition that was held in eThekweni on the 4th - 5th of September 2022, was convened under the theme: Transforming Human Settlements Environments through accelerated planning and implementation" - to mobilise potential investors to partner with government to increase social and affordable housing projects across the country. This has led to several engagements with individual sectors in the year under review.

On the 30 November – 1 December 2023, the Department convened an NGO/ CBO summit to establish and strengthen collaborations and strategic partnerships with various influential leaders to address challenges and ensure the well-being of communities within the human settlements sector.

The National Human Settlements Women Indaba that took place between the 19th-20th of August 2023 and the subsequent International Women Celebration Day that was held in East London on the 8th of March 2024, have both led to the signing of the Social Compact with different women formations in the sector.

The Department of Human Settlements have, in the year under review, received and processed several community cases that were referred for intervention. These cases include complaints on waiting lists, the period of waiting before receiving a house, delayed projects, housing for destitute families which include the elderly, persons with disability and child-headed homes.

Compliance and Entities Oversight

During the period under review, the department continued to provide an oversight role on entities regarding performance planning, performance monitoring, compliance, risk management and corporate governance.

In relation to performance monitoring, the entities' performance was monitored as planned. The department's monitoring process tracks financial and non-financial performance of entities and the functioning of the governance structures against Annual

Performance Plans, Medium-Term Strategic Framework contributions and good governance practices.

Identified underperformance and non-compliance were communicated to the entities together with recommended corrective measures to improve performance. To strengthen accountability, the department enhanced the performance monitoring function by incorporating entities with the quarterly Provincial and Municipal Performance Reviews. This enables the department to improve the co-ordination of efforts between institutions and optimise service delivery.

During the period under review, the department facilitated the tabling of Entities Annual Reports by the compliance date of 30 September 2023. In relation to performance planning, the department facilitated the development of the Entities 2024/25 Annual Performance Plans in line with the requirements of the DPME Revised Framework for Strategic Plans and Annual Performance Plans. Furthermore, the department facilitated the incorporation of standardised procurement expenditure targets for women (40%), youth (16%), persons with disabilities (5%) and military veterans (5%) in the entities' 2024/25 Annual Performance Plans. This is part of the government's efforts to achieve transformation and inclusive socioeconomic growth in South Africa. The approved 2024/25 Annual Performance Plans for all entities were tabled in Parliament.

The Shareholders Compact Framework was revised to strengthen the accountability of entities' Boards to Minister. In addition, the department continued to facilitate the restoration of strategic leadership at an executive level of the entities by facilitating the appointment, through Cabinet concurrence, of the Chief Executive Officer and Chief Financial Officer of the Property Practitioners Regulatory Authority as well as the Chief Financial Officer of the National Home Builders Registration Council. It is further important to note that the vacancy rate of entities at an organisational level significantly improved during the period under review.



Programme 2: Integrated Human Settlements Planning and Development Programme

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
Spatial transformation through multi-programme integration in Priority Development Areas	Reports on the development of integrated implementation programmes for PDAs	Number of reports on monitoring the development of integrated implementation programmes for PDAs	49 integrated implementation programmes for PDAs prepared	2 analysis reports completed per year on integrated implementation programmes for PDAs	2 reports on monitoring the development of integrated implementation programmes for PDAs	2 reports on monitoring the development of integrated implementation programmes for PDAs	None	Not applicable
	Reports on Human Settlements allocations to PDAs	Number of reports on monitoring Human Settlements allocations to PDAs	15.54% of Human Settlements Grants invested in PDAs	2 analysis reports on the total human settlements allocation in PDAs were completed. However, sector investments could not be verified	2 reports on monitoring Human Settlements allocations to PDAs	2 reports on monitoring Human Settlements allocations to PDAs	None	Not applicable
	Reports on rezoning of land acquired within PDAs during 2014-2019	Number of reports on monitoring rezoning of land acquired within PDAs during 2014-2019	0% of land acquired within the PDAs rezoned	2 analysis reports completed on land acquired during 2014-2019 within PDAs rezoned	2 reports on monitoring rezoning of land acquired within PDAs during 2014-2019	2 reports on monitoring rezoning of land acquired within PDAs during 2014-2019	None	Not applicable
Adequate housing in improved quality living environments	Assessed business plans	Business plans assessed	2022/23 National Human Settlements Development Plan developed	2023/24 National Human Settlements Development Plan not developed	Provincial and metros' business plans assessed	Provincial and metros' business plans assessed	None	Not applicable
Spatial transformation through multi-programme integration in Priority Development Areas	2019-2024 MTSF reviewed	2019-2024 MTSF reviewed	New target	New target	Review of the 2019-2024 MTSF	2019-2024 MTSF reviewed	None	Not applicable

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
	Draft 2025-2030 MTSF developed	Draft 2025-2030 MTSF developed	New target	New target	Development of 2025-2030 MTSF (draft)	Draft 2025-2030 MTSF developed	None	Not applicable
Adequate housing in improved quality living environments	Policy programmes	Number of policy programmes approved	New target	New target	1 Policy Programme approved	1 Policy Programme approved	None	Not applicable
	Policies approved	Number of policies approved	2 policies on Informal Settlement Upgrading developed: • Policy no 1: A draft policy on Social Facilitation • Policy no 2: A policy on Empowerment of Designated Groups developed	9 policies developed Policy Foundation for Housing and Human Settlements developed Procurement Policy for Housing and Human Settlements developed 1 Policy Programme on Upgrading of Informal Settlements developed Rent-to-Buy Policy Programme developed Small-Scale Rental Policy Programme developed Reformed Social Housing Policy Programme developed Consumer Education Policy Programme developed Norms and Standards for Affordable Housing developed Employer Assisted Housing Policy Programme developed	1 policy approved Policy Foundation for Housing and Human Settlements	1 policy approved Policy Foundation for Housing and Human Settlements	None	Not applicable

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
	Research Agenda	Research Agenda approved	New target	New target	Research Agenda approved	Research Agenda approved	None	Not applicable
Branch: Entities Oversight, IGR Monitoring and Evaluation								
Chief Directorate: Compliance & Public Entities Oversight								
Adequate housing in improved quality living environments	Report on monitoring entities' performance	Number of reports on monitoring entities' performance	100% of entities' programme performance monitored	4 reports on entities' performance monitored	4 reports on monitoring entities' performance	4 reports on monitoring entities' performance	None	Not applicable
Chief Directorate Sector: Information Management System (IMS) & Performance Monitoring and Evaluation								
Adequate housing in improved quality living environments	Reports on monitoring of projects as per approved business plans	Number of reports on monitoring of projects as per approved business plans	100% of projects under implementation monitored (HSDG and USDG)	4 reports on projects monitored as per approved business plans	4 reports on monitoring of projects as per approved business plans	4 reports on monitoring of projects as per approved business plans	None	Not applicable
	Evaluation Study Report	Number of evaluation studies completed	1 UISP Base-line Evaluation Study completed 1 evaluation study completed: Rental Housing Tribunal 1 Evaluation study completed Implementation of FLISP	Draft Report on Evaluation Studies completed: Implementation of the Evaluation of the Operational Capital Programme (OPSCAP) 1 Design and Implementation of the ISUPG Evaluation Study not completed The Draft Inception Report was done	1 Evaluation Study completed: Design and Implementation of the Evaluation of the Priority Human Settlements and Housing Development Areas Programme (PHSHDA)	1 Evaluation study not completed: Design and Implementation of the Evaluation of the Priority Human Settlements and Housing Development Areas Programme (PHSHDA)	-1 Evaluation study completed: Design and Implementation of the Priority Human Settlements and Housing Development Areas Programme (PHSHDA)	The service level agreement with the service provider was only finalised on 29 February 2024 for the evaluation study's commencement.

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
Chief Directorate: Intergovernmental Relations and capacity assembly- IGR and Strategic Partnership								
Adequate housing in improved quality living environments	Intergovernmental relations programmes implemented	Number of intergovernmental relations programmes implemented	New target	4 reports on Intergovernmental relations programmes implemented	17 intergovernmental relations programmes implemented	49 intergovernmental relations programmes implemented	+32 intergovernmental relations programmes implemented	Intergovernmental relations programmes overachieved were initiated to additional ministerial community interventions

Linking Performance with Budgets

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

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

For the 2022/23 financial year the programme managed to spend 99.7% of its

allocation leaving a balance of R56 million unspent. For the 2023/24 financial year the programme managed to spend 99.9% of its allocation leaving R17 million unspent. For reasons for underspending please refer to notes on the Appropriation Statement which is part of the annual financial statements.

This programme achieved 77% of its annual targets in terms of its annual performance plan for the 2022/23 financial year. For the 2023/24 financial year the programme had 13 targets of which 12 were achieved a performance rate of 92%.

Expenditure by Sub-Programme

Programme 2: Integrated Human Settlements Planning and Development

PROGRAMME 2: INTEGRATED HUMAN SETTLEMENTS PLANNING AND DEVELOPMENT						
Sub-Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
P2: Management for IPDP	3 534	2 955	579	3 759	913	2 846
P2: Macro sector planning	19 241	17 006	2 235	16 753	12 623	4 130
P2: Macro policy and research	50 765	48 693	2 072	47 800	35 147	12 653
P2: Monitoring and evaluation	51 759	49 218	2 541	50 817	37 449	13 368
P2: Public entity oversight: HDA, CSOS, EAAB, NHBRC	243 649	243 649	-	267 533	267 533	-
P2: Grant management: HSDG, USDG, TRG	20 850 859	20 850 859	-	21 607 883	21 607 883	-
P2: Capacity building and sector support: PMU, Title Deeds Programme	88 881	79 307	9 574	34 211	10 022	24 189
Total	21 308 688	21 291 687	17 001	22 028 756	21 971 570	57 186

Strategy to Overcome Areas of Underperformance

The adequate and responsive resources will be procured to ensure timeous completion of the evaluations

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

See Annexure A on standardised performance

Programme 3: Informal Settlements

Purpose of the Programme:

The purpose of the programme is to provide policy, planning and capacity support for the upgrading of informal settlements and to oversee the implementation of the Informal Settlements Upgrading Programme in terms of Volume 4, Part 3 of the 2009 Housing Code.

Outputs, Output Indicators, Targets and Actual Achievements

The Informal Settlements Upgrading Programme's 2023/24 annual performance focused on providing planning, budgeting and implementation support to all the nine provinces and eight metros as recipients of the Informal Settlements Upgrading Partnership Grant (ISUPG). This approach emanates from Part 3 of the National Housing Code of 2009, which indicates that the upgrading of informal settlements will be conducted in an incremental manner consisting of three phases, namely:

- **Phase 1:** This entails beneficiary administration, feasibility studies, land acquisition and provision of interim services;
- **Phase 2:** It entails the development of layout plans, engineering designs and township registration to declare the settlement as a formalised or proclaimed township; and
- **Phase 3:** This entails the construction of bulk infrastructure and installation of municipal engineering services that will ultimately yield serviced sites.

The 2023/24 annual targets for the ISUPG were achieved through the following interventions:

3.1 Planning and Budgeting Support Provided to all the Nine Provinces and Eight Metros for the Upgrading of Informal Settlements:

- All the nine provincial departments and eight metropolitan municipalities were provided with data regarding categories of informal settlements that can be upgraded in-situ and those that need to be relocated away from disaster-prone areas prior to being provided with permanent infrastructure. This data was obtained from the feasibility studies conducted by the department between 2016 and 2018 through the National Upgrading Support Programme (NUSP);
- As a result, all the provincial departments and eight metropolitan municipalities were guided to develop credible informal settlements upgrading strategies to enable the sector to achieve its spatial transformation agenda;

- These upgrading strategies were then applied to formulate business plans for each province and metropolitan municipality based on the ISUP Grant Framework conditions prescribed in the Division of Revenue Act (DoRA) Bill of 2023. The main ISUPG DoRA conditions considered during the assessment of these business plans were as follows:

- a) Demographic and geographic information of each informal settlement;
- b) Procurement Plan and Project Readiness Matrix;
- c) Cash flow projections;
- d) Budget allocated for social facilitation (3% maximum);
- e) Budget allocated for the Operational Support Capital Programme as per the department's OPSCAP policy (5% maximum); and
- f) Budget allocated for permanent infrastructure (minimum of 70%).

3.2 Implementation Support Provided to all the Nine Provinces and Eight Metros for the Upgrading of Informal Settlements

Upon approval of the 2023/24 ISUPG business plans, a list of all Phase 3 projects budgeted for permanent infrastructure was compiled and used as a database of projects that needed to be monitored by the department's Informal Settlements Upgrading Unit throughout the financial year. As a result, a sample was selected from Phase 3 projects on a quarterly basis with the aim of conducting site inspections and developing progress reports for each province and metropolitan municipality. In total, 131 informal settlements were visited during the 2023/24 financial year. Among those, some projects, especially in the Northern Cape, were visited more than once because the province had budgeted for a small number of informal settlements due to budgetary constraints.

The type of projects visited per quarter consisted of the construction or expansion of wastewater treatment plants, reservoirs, electrical substations and the installation of municipal engineering services such as water, sewer, sanitation, electricity, roads and storm water management systems. In addition, the implementation support also consisted of stakeholder engagement meetings with provinces and metropolitan municipalities, where the following matters were often discussed: physical progress reports, expenditure incurred at the time of inspection, challenges, required interventions to accelerate financial and non-financial performance, and projected rollovers. Some of the key challenges identified were as follows:

- Poor Project Designs – a lack of compliance with planning standards and regulations, including electrical poles constructed in the middle of the road, encroachment on sewer lines and the necessity to redesign and amend layout plans.

- Unforeseen Construction Hindrance – a high-water table on site, a shortage of quality material, theft of construction material and an outstanding variation order for the construction of an elevated tank and pump station.
- Constrained Existing Bulk Infrastructure – most of the existing bulk infrastructure was constrained and could not accommodate new connections relating to serviced stands.
- Delayed Procurement Processes – most provinces and metropolitan municipalities struggled to conclude the appointment of service providers due to instabilities within their institutions and misinterpretation of the Preferential Procurement Policy Framework Act (PPPFA), Treasury Regulations and Supply Chain Management (SCM) policies.
- Labour Disputes – continuous disagreements of the hourly rate of payment for workers resulted in project delays.
- Construction Mafias – there were notable incidences of projects being hijacked by unknown groups of people that claimed to be local subcontractors and demanded

an advance payment of 30% of the total construction cost prior to work continuing onsite.

Remedial Actions:

- Planning – the affected provinces and municipalities were guided to seek experienced engineering professionals through the OPSCAP.
- Infrastructure – the affected provinces and municipalities were guided to explore the use of Alternative Building Technologies (ABTs) to supplement the conventional existing bulk infrastructure.
- Procurement – this matter was escalated to the department's DDG: CFO for guidance on how the affected provinces and municipalities could be assisted with expediting SCM processes in collaboration with National Treasury.
- Labour – ad hoc meetings were held with the affected employees and subcontractors to resolve the disputes and ensure that critical activities of the projects were not delayed.

PROJECTS VISITED IN PROVINCES AND METROS

EASTERN CAPE	Komga-Komga 1500, Kei Mouth-Icwili 98, Bedford-Sizakhele 427, Bedford-Ndlovini 450, Adelaide-Emabaleneni 300 a, Fort Beaufort- Chris Hani 500, Port Alfred-New Rest 200, Port Alfred-Ezihagu-Marseille, Port Alfred-Klipfontein 50, Alexandria-Brakfontein
FREE STATE	Mattharantlheng (Kgotsong Ext.14 & 16), Makgolokweng, Thabong Ext.25, Thabong Ext.27, Mamahabane Ext.4
GAUTENG	Pienaarspoort Extension 15, 16 & 25, Slovo Park, Cape Gat, Oriental Hills, Portion 64 Steenekoppies 153, (Makhulugama)
KWAZULU-NATAL	Groutville Priority 1: Ntshaweni Housing Project, Steve Biko Phase 2 Housing, Mgigimbe Housing Projects, Etafuleni Informal Settlement, Johnstown, Blaauuboschslaagte and Cavan, Ephangweni, Inyoni, Groutville Priority- Sihle Phakhathhe, Madundube Informal Settlement, Nyathikazi Informal Settlement, Groutville - Lloyds Informal Settlement
LIMPOPO	Rossenekal Informal Settlements, Bela – Bela, Phagameng Extension 13, Masakhaneng Informal Settlements, Groblersdal, Alma Informal Settlement, Vaalwater Informal Settlement
MPUMALANGA	Kwa-Guqa Extension 10, Kwa-Guqa Extension 15, Sec D Kwa-Guqa, Phola Ext 5, Empumelweni Extension 4, Empumelweni Extension 7, Kinross Extension 34 Informal Settlement, 16. Kinross Extension 33 Informal Settlement, 18. Empumelweni Extension 9, Empumelweni Extension 10
NORTHERN CAPE	Lerato Park (Phase 6) Civils, Gamakor 1500, Ivory Park 1175 Civils, Groblershoop 1500, Rosedale 452, Rosedale 438, Rosedale 400, Pabellelo, Jurgenskamp
NORTH WEST	Wolmaransstad Ext.19, Amalia Ext.5, Maquassie Hills Municipality: Wolmaransstad Ext.19, Ditsobotla Municipality: Thabologang Ext.9, Vryburg Ext 29, Huhudi Ext.1, Vryburg Ext.29, Tshing Ext.9, Tshing Ext.10, Wolmaransstad Ext.1
WESTERN CAPE	Mossel Bay: Informal Settlements NUSP: Planning of 4203 Sites: UISP - Phase 1, Rose Valley 1095 Services & 952 Top Structures, Airport Precinct: Planning 9000 Sites - UISP - Ph 1: 3000 Sites, N2 Gateway Overflow - Phase 1, Bonnievale Boekenhoutsloof, Mossel bay Informal Settlements NUSP, Airport Precinct Planning 9000 sites UISP Ph 1, 3000 Sites, Airport Infills and N2 Gateway Overflow, Sheffield Road Project

METROPOLITAN MUNICIPALITIES PROJECTS VISITED

BUFFALO CITY MUNICIPALITY	Mdantsane Infill-Empilisweni, Mdantsane Infill- Khayelitsha, Boxwood Project, Potsdam Ikhwezi Block 1, Mathemba Mavuso: Mdantsane Infill - Cluster 2, Francis Mei: Mdantsane Infill - Cluster 2, Winnie Mandela: Mdantsane Infill - Cluster 2, Ziphumunzana bypass TRA Electrification, Lillyvale Roads & Stormwater Phase 3, Mdantsane Wastewater Treatment Works
CITY OF EKURHULENI	Birchleigh North Ext 4 (Vusi Musi / Ehlanzeni), Angelo Hotel/Tambo, Birchleigh Nort Ext.4 (Esselen Park), Leeuwpot, Mayfield X8 (Etwatwa Ext 8, 21, 24), Mayfield X52 (Glen Mari-kana)

ETHEKWINI MUNICIPALITY	Burlington Green Fields - Extension Phase B, Kanku Housing Project, Namibia, Nkanku Road, Banana City, Lamontville Informal Settlements, Ntuzuma G, Lamontville Informal Settlement
CITY OF CAPE TOWN	Rehabilitation of Cape Flats 1 & 2 Bulk Sewer, Informal Settlements Upgrade: Enhanced Basic Services in Princess Vlei, Informal Settlements Upgrading Super Blocking Project, Bosasa Link – Emfuleni, Enhanced Basic Services (Hangberg)
CITY OF JOHANNESBURG	Heavenly Valley, RE/9 Roodepoort 303-IQ, Zandspruit, Block M, Patsing/Veggieland/Nana's Farm, Lawley Station
CITY OF TSHWANE	Hammanskraal Extension 10, Pienaarspoort Extension 21, Rooiwal WWTW Phase 2, Booyens Ext.4, Malusi Ext.2, Sunderland ridge, Wapadrand, Rama City X10
MANGAUNG	Caleb Motshabi, Botshabelo West, Grassland
NELSON MANDELA BAY	Construction of Lithwa & Mothubi Street, Cushe Informal Settlement Electrification, Vistarus, Motherwell Nu30 (Erf 40009-40016), Kayamandi Extension Phase 1B, Matomela Sub-station Upgrade, Joe Slovo Roads & Stormwater
Total number of projects visited in the second quarter of the 2023/24 financial year	131

3.5 Emergency Housing and Disaster Relief

According to the National Housing Code of 2009, the primary objective of the emergency housing programme is to provide temporary relief to households affected by disasters in the form of acquiring suitable land parcels, constructing temporary residential units (TRUs), supplying prefabricated building materials and providing interim municipal engineering services.

Historically, the National Department of Human Settlements (NDHS) has been allocating emergency housing funds to affected provinces and municipalities (on an application basis) through the Provincial Emergency Housing Grant (PEHG) and Municipal Emergency Housing Grant (MEHG) respectively. However, as of 1 April 2023, the NDHS discontinued the PEHG and MEHG to formulate the Emergency Housing Response Fund (EHRF), administered and implemented directly by the department.

In addition, to ensure that emergency housing measures are implemented in an efficient and consistent manner across all provinces, the department developed the Emergency Housing Guidelines (as per the APP target) that define the type of interventions, timelines, roles and responsibilities of the Provincial and Municipal Disaster Management Centres (PDMCs, DDMCs and MDMCs) to assist the NDHS to respond effectively and efficiently to disasters.

According to these guidelines, the Emergency Housing Response Fund can be utilised to provide the following categories of emergency housing interventions:

- Rebuild: This refers to the construction of temporary residential units (TRUs) to replace mud and formal houses destroyed by disasters;

- Restoration: This relates to the provision of building materials to households whose shacks were destroyed in disasters;
- Relocation: This involves the provision of immediate temporary emergency accommodation (TEA) for displaced households; and
- Repairs: This refers to the fixing of damaged formal houses based on a structural assessment report from NHBRC.

Furthermore, to strengthen the capacity of the emergency housing unit, the following procurement measures were introduced:

- The appointment of a three-year panel of contractors for the construction of Temporary Residential Units (TRUs) on an as-and-when required basis until 2026;
- The National Home Builders Registration Council (NHBRC) has been tasked with the responsibility to conduct structural assessments and remedial plans for formal houses damaged by floods, winds and fires as per its mandate prescribed in the Housing Consumers Protection Measures Act, 1998 (Act No. 95 of 1998); and
- The Housing Development Agency (HDA) has been tasked with the responsibility to acquire suitable land parcels and state-owned buildings to be utilised immediately as Temporary Emergency Accommodation (TEA) during disasters while TRUs are being constructed. This responsibility is in line with its core mandate prescribed in the Housing Development Agency Act No. 23 of 2008.

During the 2023/24 financial year the department responded to various provinces impacted by disaster incidences such as floods, strong winds and fires. The provinces that were affected, the type of common disasters and the categories of damages to housing infrastructure are indicated below:

Province	Type of Disaster Incident	Categories of damages
Eastern Cape	Floods and strong winds	Destroyed mud houses.
Free State	Floods, hail and strong winds	Broke windows and blew off roofs
KwaZulu-Natal	Floods and fires	Destroyed mud houses and shacks
Limpopo	Cyclones	Destroyed mud houses and shacks and blew off roofs
Mpumalanga	Strong winds	Destroyed shacks
Gauteng	Floods and fires	Destroyed shacks and buildings
Western Cape	Fires and strong winds	Destroyed shacks and blew off roofs.



Programme 3: Informal Settlements

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
Human Settlements Sector Planning Support								
Adequate housing in improved quality living environments	Report of support provided in the upgrading of informal settlements with permanent engineering services	Number of provinces and metros provided with support in the upgrading of informal settlements with permanent engineering services	14 informal settlements upgraded to Phase 3 of UISP	9 provinces and 8 metros were supported for planning in the upgrading of informal settlements through the assessment of the draft Provincial Business Plans and giving feedback to provinces. However, the Business Plans were not approved	Provinces and metros provided with support in the upgrading of informal settlements with permanent engineering services	Provinces and metros not fully provided with support in the upgrading of informal settlements with permanent engineering services	Draft business plans from 4 metros not assessed (Nelson Mandela Bay, Ekurhuleni, City of Cape Town and Mangaung)	Metros did not submit the business plans
	Emergency housing guidelines	Emergency housing guidelines developed	New target	New target	Emergency housing guidelines developed	Emergency housing guidelines developed	None	Not submitted

Linking Performance with Budgets

This programme allocation consists mostly of transfer payments 93.1% of the allocation. These transfer payments consist of Conditional grants - Informal Settlements Upgrading Partnership Grants to Provinces and Municipalities. Emergency Housing Fund is also part of the Programme.

For the 2022/23 financial year the programme managed to spend 95.4% of its allocation

leaving balance of R430 million. For the 2023/24 financial year the programme managed to spend 94.6% of its allocation leaving a balance of R456.6 million. For reasons for underspending please refer to notes on the Appropriation Statement which is part of the annual financial statements.

In the 2022/23 financial year it partially achieved all its targets in terms of annual performance plan.

For the 2023/24 financial year it achieved 50% of its targets. The Programme had 2 targets of which one was achieved in terms of the annual performance plan.

Expenditure by Sub-Programme

Programme 3: Informal Settlements

PROGRAMME 3: INFORMAL SETTLEMENTS						
Sub-Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
P3: Informal settlements programme management	4 629	3 494	1 135	4 674	1 312	3 362
P3: Grant management: (ISUPG, emergency housing)	8 437 894	7 993 889	444 005	9 271 617	8 894 648	376 969
P3: Capacity building and sector support: (NUSP)	27 663	16 112	11 551	68 406	18 696	49 710
Total	8 470 186	8 013 495	456 691	9 344 697	8 914 656	430 041

Strategy to Overcome Areas of Underperformance

Metros did not submit the assessments of business plans on time, to enable the department to conclude them on time. However, in striving to address this shortcoming, the department sent letters reminding the metros to submit the outstanding information.

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

See Annexure A on standardised performance

Programme 4: Rental and Social Housing Programme

Purpose of the Programme

The purpose of the programme is to promote the provision of affordable rental housing and develop capabilities in the rental housing sector through intergovernmental collaboration and evidence-based research.

Sub-Programmes: Capacity Building and Sector Support

Outputs, Output Indicators, Targets and Actual Achievements

During the 2023/24 financial year, the Rental Housing Programme prioritised the working relations of stakeholders in the social housing space. At the beginning of the 2023/24 financial year, the National Department of Human Settlements committed itself

to engaging with all nine provinces to discuss progress in respect of the delivery of social housing units, tenancing as well as progress in respect of community residential units in all the provinces currently implementing CRU. During the financial year, the department engaged with all the provinces to monitor progress of the Rental Housing Programme. The engagements were followed by site visits.

Over and above projects visited by officials during the period under review, a number of ministerial visits and launches were undertaken. Minister Mmamoloko Kubayi was supported in launching at least four projects, one each in Maitland Mews and Goodwood Station in the Western Cape and Riverside View and Lufhereng in Gauteng. The minister also visited at least two projects to monitor construction progress. That was in Hospital Street in KwaZulu-Natal and Hull Street in the Northern Cape. This formed part of her commitment to entrenching social housing as one of her key priorities to deliver adequate housing.

The sector has over the years been struggling to meet its targets, particularly in the 2014-2019 MTSF period. Failure to achieve targets continued well into the 2019-2024 MTSF period. However, 2022/23 marked the first financial year the social housing target was achieved when 3 182 units were delivered against the annual target of 3 000.

As at 31 March 2024, the sector managed to deliver 3 066 social housing units for the 2023/24 financial year against an annual target of 3 200. To date, the sector, through the SHRA, has delivered 13 855 units against the 18 000 target, while the Community Residential Units (CRU) programme through the provinces delivered 2 772 units against a target of 5 000. It must, however, be stated that the revised 2019-2024 MTSF targets for social housing units and community residential units were not achieved. The 13 855 social housing units delivered by the sector contributed to the delivery of 77% of the planned 2019-2024 MTSF target of 18 000.

The Rental Housing Act 50 of 1999, as amended in 2014, directs the department to, among other things:

1. Facilitate the establishment of Rental Housing Tribunals (RHTs);
2. Hold quarterly meetings to monitor the performance of RHTs;
3. Develop and fund programmes to facilitate the effective performance of RHTs: and

4. Provide overall support for the effective performance of RHTs.

During the period under review, the department ensured that all nine provinces have duly established active and functioning RHTs whose objective is to harmonise the relationship between tenants and landlords, promote stability in the Rental Housing Sector, investigate, mediate, conduct hearings and issue fair and impartial judgments.

As prescribed by the Governance Framework of the Rental Housing Tribunals, the department facilitated and presided over four quarterly meetings to monitor the performance of RHTs and proactively address performance gaps.

Capacity development programmes were developed in consultation with all RHTs. This culminated in the provision of much-needed training on alternative dispute resolution rolled out in all provinces through our partnership with the Community Schemes Ombud Service (CSOS).

Our overall support to RHTs was expressed through the development of a Standard Operating Procedure (SOP) that sought to create synergy and uniformity among RHTs in resolving rental housing disputes effectively and efficiently. We developed Rental Housing Regulations, after which we held substantive and meaningful public consultation sessions in all provinces.

The final regulations will be gazetted after obtaining concurrence from the Chief State Law Adviser and the Minister of Human Settlements.



Programme 4: Rental and Social Housing Programme

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
Human Settlements Sector Planning Support								
Adequate housing in improved quality living environments	Reports on the monitoring of the Rental Housing Programme	Number of reports on the monitoring of the Rental Housing Programme	New target	National Rental Housing Plan developed	4 reports on the monitoring of the Rental Housing Programme	4 reports on the monitoring of the Rental Housing Programme	None	Not applicable
	Reports on the monitoring of the CRUs Programme	Number of reports on the monitoring of the CRUs Programme	New target	National Rental Housing Plan developed	4 reports on the monitoring of the CRUs Programme	4 reports on the monitoring of the CRUs Programme	None	Not applicable

Linking Performance with Budgets

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

For the 2022/23 financial years the programme managed to spend 90.8% of its allocation

leaving a balance of R40.6 million. For the 2023/24 financial years the programme managed to spend 99.3% of its allocation leaving a balance of R6.2 million unspent. For reasons for underspending please refer to notes on the Appropriation Statement which is part of the annual financial statements.

For both the 2022/23 and 2023/24 financial years it achieved all its targets.

Expenditure by Sub-Programme

Programme 4: Rental and Social Housing

Sub-Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
P4: Management of Rental and Social Housing Programme	4 073	3 137	936	4 878	3 224	1 654
P4: Public Entity Oversight: (SHRA)	897 654	897 654	-	887 416	887 416	-
P4: Capacity Building and Sector Support	16 122	10 791	5 331	55 264	16 254	39 010
Total	917 849	911 582	6 267	947 558	906 894	40 664

Strategy to Overcome Areas of Underperformance

Not Applicable.

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

See Annexure A on standardised performance

Programme 5: Affordable Housing Programme

Purpose of the Programme

The purpose of the programme is to facilitate the provision of affordable housing finance, monitor market trends and develop research and policies that respond to demand and oversee housing finance entities that report to the Minister

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Provincial reports are submitted with preliminary title deed listings, which are then verified against deed printouts per province in accordance with DoRA requirements.

Agreed data sources are provincial listings compiled from conveyancers' certificates and/or title deed information. Title deeds are confidential personal documents and may not be used as evidence.

It must be noted that provincial planning for the delivery of title deeds in the 2023/24 financial year was wholly inadequate. Combined, provinces planned to deliver 86 982 title deeds across the four categories when the total requirement for the year (in terms of the annual MTSF target) was 757 132. Of these, 50% are still subject to township establishment, which will not be resolved in the financial year, whereas 143 807 have various unresolved beneficiaries.

Realistically, provinces, through an assessment of their audited performance over three consecutive years, and without making any improvements to their internal capacity or implementation models, are only able to deliver 34 178 per annum.

Annual Delivery Against 2023/24 Annual Targets									
Province	Pre 1994 Annual Target	Delivery	Post 1994 Annual Target	Delivery	Post 2014 Annual Target	Delivery	New Annual Target	Delivery	Total Annual Delivery
Eastern Cape	500	31	4,914	638	2,833	337	0	0	1006
Free State	4,923	0	4,978	0	858	196	1,250	0	196
Gauteng	1,200	45	13,168	2,167	2,100	331	1,000	0	2,543
KwaZulu-Natal	2,102	354	5,025	519	0	165	0	5	1043
Limpopo	30	1	400	114	100	0	1,000	1090	1205
Mpumalanga	494	104	1,028	204	2,332	2350	200	210	2868
Northern Cape	500	0	3,700	247	650	73	150	0	320
North West	1,419	127	10,045	2219	1,580	2944	2,167	0	5290
Western Cape	2,236	728	6,605	839	5,404	1325	2,091	608	3500
Total	13,404	1390	49,863	6,947	15,857	7721	7,858	1,913	17,971

Provinces have not delivered on their business plan targets.

Provinces are also not adequately planning for the delivery of title deeds such as planning and implementation processes. There is a need for different interventions.

Asbestos Roof Removal Programme

The eradication of asbestos roofs has been identified as a key Ministerial Priority Intervention. In her 2023/24 Budget Vote speech, Minister Mmamoloko Kubayi pronounced that the department was committed to the eradication and correct disposal of asbestos roofs and walls in old township properties across all the provinces. The Eradication of Asbestos Roofs target is new in the APP. During the 2023/24 reporting period, the department monitored the eradication of asbestos roofs in seven provinces. The removal of asbestos roofs and walls must be done in compliance with the Asbestos Abatement Regulations (2020) of the Department of Employment and Labour and the correct disposal of asbestos material must be at landfill sites approved by the Department of Fisheries, Forestry and Environment. The department is strengthening its collaborations with the provinces, the Department of Fisheries, Forestry and Environment, the Department of Employment and Labour and National Treasury to develop a standardised and cost-effective model of implementing the intervention.

Finance-Linked Individual Subsidy Programme (FLISP)

First Home Finance, formerly known as FLISP, is intended to be responsive to housing affordability challenges faced by the gap market i.e. to ensure subsidy assistance is made available to those households in the gap market earning between R3 501 and R22 000 per month, and ultimately improving income or wealth distribution in the country. However, affordability issues and the high level of indebtedness for the affordable housing market segment continue to be a challenge. On the other hand, the supply of new affordable housing remains constrained due to poor economic growth prospects.

The revised FLISP policy, which now extends FLISP coverage to non-mortgage housing finance facilities, was approved by Min-MEC on 22 February 2022. The policy aims to, among other reasons, stimulate transactions and promote inclusivity in the affordable housing market.

Provinces projected to assist 3 389 households with First Home Finance during the 2023/24 budget year in terms of the approved provincial business plans. To implement the programme, they set aside a total amount of R270 0000.

A total of 2 380 households had received financial assistance and purchased units through FHF. The NHFC projected to disburse subsidies to 4 615 households during the 2023/24 budget year and allocated R240 million to implement this programme. The entity had managed to assist a total of 4 381 households through FHF.

Overall, the provinces and NHFC projected to assist 7 041 households and, cumulatively, a total of 6 761 households were assisted during the 2023/24 budget year.

Job Opportunities Created

The provinces projected to create 85 888 job opportunities during the 2023/24 financial year. In terms of year-to-date performance, a total of 21 894 job opportunities were created. The performance represents 18% of the projected target for the year.

People's Housing Process (PHP)

The department supported six provinces in the implementation of the programme. These were Eastern Cape, Free State, KwaZulu-Natal, Mpumalanga, North West and Western Cape. A total of 573 PHP units were delivered by three of the provinces during the 2023/24 financial year. The breakdown is as follows:

- KwaZulu-Natal: 41 units;
- Eastern Cape: 241 units; and
- Western Cape: 291 units.

Free State planned to deliver 105 units and North West 18. But no units were delivered by the two provinces in the reporting period.

Military Veterans Housing Programme (MVHP)

The department supported all the nine provinces in the delivery of housing to military veterans. During the reporting period, the provinces had collectively planned to deliver 1 031 military veterans housing units. Six provinces – Gauteng, KwaZulu-Natal, Western Cape, Eastern Cape and Mpumalanga – collectively delivered 233 units. Free State, Limpopo and Northern Cape delivered none during this period.

The eradication of uninhabitable mud houses

During the 2023/24 financial year, the department supported seven provinces – Eastern

Cape, Free State, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape and North West – with the eradication of uninhabitable mud houses.

All seven had collectively planned and budgeted to eradicate 10 861 uninhabitable mud houses during the period under review. The provinces, with the exclusion of Northern Cape, collectively eradicated a total of 2 741 unsafe mud houses. Northern Cape had planned and budgeted for the eradication of 50 mud houses but it did not achieve the target. Free State had planned to eradicate 460 mud houses but managed to eradicate only four units. Gauteng and Western Cape are not implementing the programme.

Monitoring the delivery of BNG Units (fully subsidised units)

Provinces had targeted to deliver 43 508 units through the Human Settlements Development Grant in the 2023/24 revised financial year. They managed to deliver

42 233 units by the third quarter of the financial year.

Reports on monitoring and the delivery of serviced sites.

Provinces on HSS had targeted to deliver 21 504 serviced sites during the 2023/24 financial year. They managed to deliver 19 859 serviced sites (Municipal Engineering Services) under the Human Settlements Development Grant by the end of the third quarter.

Reports on monitoring of blocked projects across nine provinces

Blocked projects are those that have a number of beneficiaries attached to them and have been stalled or have not incurred any expenditure for a period of 12 months. It is therefore necessary to keep monitoring the system to ensure such projects are attended to timeously. Provincial departments have managed to unblock 70 such projects in the 2023/24 financial year.

Programme 5: Affordable Housing Programme

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
Human Settlements Sector Planning Support								
Security of tenure	Quarterly reports on title deeds registered	Number of quarterly reports on monitoring title deeds registered	9 provinces partially supported to eradicate the title deeds backlog Progress reported on 3 052 pre-1994 title deeds registered Progress reported on 12 857 post-1994 title deeds registered Progress reported on 5 592 post-2014 title deeds registered Progress reported on 978 new title deeds registered	4 quarterly reports on registered title deeds completed. However, some of the provinces did not submit the performance information	4 quarterly reports on monitoring title deeds registered	4 quarterly reports on monitoring title deeds registered	None	Not applicable

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
Adequate housing in improved quality living environments	Reports on monitoring of blocked projects across all provinces	Number of reports on monitoring of blocked projects across all provinces	New target	National Unblocking Programme (NUP) developed	4 quarterly reports on monitoring of 320 blocked projects across all provinces	3 quarterly reports on monitoring of 320 blocked projects across 9 provinces	-1 quarterly report on monitoring of 320 blocked projects across 9 provinces	Insufficient PoE in line with the progress report on the updating of the Housing Subsidy System
	Reports on monitoring the delivery of BNG units	Number of reports on monitoring the delivery of BNG units	28 014 BNG houses delivered	No target	4 reports on monitoring the delivery of BNG units	4 reports on monitoring the delivery of BNG units	None	Not applicable
	Reports on monitoring the delivery of serviced sites	Number of reports on monitoring the delivery of serviced sites	3 637 serviced sites completed	No target	4 reports on monitoring the delivery of serviced sites	3 reports on monitoring the delivery of serviced sites	-1 report on monitoring the delivery of serviced sites	Insufficient reporting and non-submission of PoE by the metros. PoE for North West ISUPG and HSDG outstanding. PoE for Northern Cape ISUPG outstanding.
	Reports on monitoring of households that received financial assistance through FHF (FLISP)	Number of reports on monitoring of households that received financial assistance through FHF (FLISP)	4 quarterly performance assessments on FLISP subsidies disbursed	No target	4 reports on monitoring of households that received financial assistance through FHF(FLISP)	4 reports on monitoring of households that received financial assistance through FHF(FLISP)	None	Not applicable

Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	2023/24 Annual Target as per Annual Performance Plan (APP)	Actual Achievement	Deviation	Reason for Deviation
	Reports on monitoring job opportunities created	Number of reports on monitoring job opportunities created	New target	0 quarterly report on the number of job opportunities created	4 quarterly reports on monitoring job opportunities created	3 quarterly reports on monitoring job opportunities created	-1 quarterly report on monitoring job opportunities created	The following provinces failed to submit sufficient proof of performance: Free State, Northern Cape and Western Cape
	Asbestos roofs eradicated	Number of reports on monitoring the eradication of asbestos roofs	New target	New target	4 reports on monitoring the eradication of asbestos roofs	4 reports on monitoring the eradication of asbestos roofs	None	Not applicable
	Report on the eradication of uninhabitable mud houses	Number of reports on monitoring the eradication of uninhabitable mud houses	New target	New target	4 reports on monitoring the eradication of uninhabitable mud houses	4 reports on monitoring the eradication of uninhabitable mud houses	None	Not applicable

Linking Performance with Budgets

This programme allocation consists mostly of transfer payments 86.9% of the allocation. These transfer payments consist of the transfer to the National Housing Finance Corporation.

For the 2022/23 financial year the programme managed to spend 91.6% of its allocation leaving a balance R13 million. For the 2023/24 financial year the programme managed to spend 98% of its allocation leaving a balance R11.2 million.

For reasons for underspending please refer to notes on the appropriation Statement which is part of the annual financial statements.

In the 2022/23 financial year the programme managed to achieve 50% of its targets. For the 2023/24 financial year it achieved 63% of its targets. The Programme had 8 targets of which 5 was achieved in terms of the annual performance plan.

Expenditure by Sub-Programme

Programme: 5 Affordable Housing

PROGRAMME: 5 AFFORDABLE HOUSING						
Sub-Programme Name	2023/24			2022/23		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
P5: Management of the Affordable Housing Programme	4 183	2 696	1 487	5 625	4 706	919
P5: Public Entity Oversight: (NHFC/HSDB)	490 971	486 500	4 471	511 797	508 585	3 212
P5: Capacity Building and Sector Support	62 689	57 422	5 267	77 449	68 578	8 871
Total	557 843	546 618	11 225	594 871	581 869	13 002

Strategy to Overcome Areas of Underperformance

Job opportunities could not be fully monitored as a result of non-submission by provinces. The department will strive to standardise the implementation and monitoring of job opportunities created. The gaps on the blocked projects will be addressed through timeous updating of the HSS

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

See Annexure A on standardised performance

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

Name of transferee	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Community Schemes Ombud Service (CSOS)	• 100% registration of community schemes that have submitted scheme registration documents.	The CSOS did not receive financial assistance from the NDHS	The CSOS did not receive financial assistance from the NDHS	• 100% registration of community schemes that have submitted scheme registration documents.
	• R408 698 702 million in levies collected.			• R350 837 454.1 million in levies collected.
	• 90% of disputes conciliated within 45 days.			• 99.2% of disputes conciliated within 45 days.
	• 90% of disputes adjudicated within 90 days.			• 99.2% of disputes adjudicated within 90 days.
	• 85 of training and education sessions conducted for the schemes' executives and owners.			• 125 of training and education sessions conducted for the schemes' executives and owners.
	• 16 training sessions conducted for adjudicators and conciliators.			• 21 training sessions conducted for adjudicators and conciliators.
	• 18 stakeholder information sessions conducted.			• 30 stakeholder information sessions conducted.
	• 40 previously disadvantaged individuals trained as executive managing agents.			• 63 previously disadvantaged individuals trained as executive managing agents.
	• 40% procurement spend on businesses owned by women.			• 44.2% procurement spend on businesses owned by women.
	• 16% procurement spend on businesses owned by youth.			• 15.1% procurement spend on businesses owned by youth.
	• 5% procurement spend on businesses owned by persons with disabilities			• 0.7% procurement spend on businesses owned by persons living with disabilities.
Property Practitioners Regulatory Authority (PPRA)	• 8 000 property practitioners registered on the database of the PPRA per annum.	The PPRA did not receive financial assistance from the NDHS	The PPRA did not receive financial assistance from the NDHS	7 319 property practitioners registered on the database of the PPRA per annum.
	• 100% of all compliant new registrations processed within 30 days.			• 99.8% of all compliant new registrations processed within 30 days.
	• 400 black women supported to achieve principal status through the Principalisation Programme			• 487 black women supported to achieve principal status through the Principalisation Programme

Name of transferee	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
	• 80% of consumer queries resolved within 90 days.			• 88% of consumer queries resolved within 90 days.
	• 500 candidate practitioners placed with property industry host employers through the One Learner, One Property Practitioner Programme			• 530 candidate practitioners placed with property industry host employers through the One Learner, One Property Practitioner Programme
	• 100% of all compliant new registrations processed within 30 days.			• 100% of all compliant new registrations processed within 30 days.
Housing Development Agency (HDA)	• 500 hectares of land located within Priority Human Settlements Housing Development Areas (PHSHDAs) acquired.	R243.6 million (Operational Grant)	R218.5 million (Operational Grant)	• 316,2926 hectares of land located within Priority Human Settlements Housing Development Areas (PHSHDAs) acquired.
	• 550 hectares of land rezoned for human settlements development.			• 709,869 hectares of land rezoned for human settlements development.
	• 1 000 hectares of well-located land acquired or released for human settlements development.			• 1233,7838 hectares of well-located land acquired or released for human settlements development.
	• 124 informal settlements supported for upgrading to Phase 3.			• 237 informal settlements supported for upgrading to Phase 3.
	• Six provinces provided with programme planning and implementation support.			• Six provinces provided with programme planning and implementation support.
	• 1 300 housing units delivered.			• 843 housing units delivered.
	• 1 236 serviced sites delivered.			• 2 148 serviced sites delivered.
	• 882 title deeds registered.			• 2 402 title deeds registered.
	• 1 000 asbestos roofs replaced in respect of projects managed by HDA.			• 500 asbestos roofs replaced in respect of projects managed by HDA.
National Housing Finance Corporation (NHFC)	• R65 million social housing loan disbursements	R19.6 million (First Home Finance Operational Grant)	R15 million (First Home Finance Operational Grant)	• R16 million social housing loans disbursed.
	• R185 million private rental disbursements.	R454.9 million (First Home Finance Subsidy Grant)	R314.3 million (First Home Finance Subsidy Grant)	• R65 million private rental loan disbursements.
	• R99 million affordable housing: strategic investments			• R21 million affordable housing: strategic investments
	• R733 million bridging affordable housing disbursements.			• R389 million bridging affordable housing disbursements.

Name of transferee	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
	• 4 615 subsidy applications approved.			• 4 391 subsidy applications approved.
	• R300 million First Home Finance grant approvals.			• R414 million First Home Finance grant approvals.
	• R240 million First Home Finance grant disbursements.			• R319 million First Home Finance grant disbursements.
	• R1 760 million leveraged from financial institutions.			• R1 900 million leveraged from financial institutions.
	• R239 million disbursements targeted towards B-BBEE compliance – levels 4,3,2,1 contributors.			• R377 million disbursements targeted towards B-BBEE compliance – levels 4,3,2,1 contributors.
	• R239 million of disbursements targeted towards black-owned entities included in above total			• R66 million of disbursements targeted towards designated groups included in above total
National Home Builders Registration Council (NHBRC)	• 3 400 home builders registered.	The NHBRC did not receive financial assistance from the NDHS	The NHBRC did not receive financial assistance from the NDHS	3 728 home builders registered.
	• 28 000 inspections of homes (non-subsidy)			• 29 371 inspections of homes (non-subsidy)
	• 28 000 inspections of homes (subsidy)			• 23 527 inspections of homes (subsidy)
	• 100% of disputes resolved within 90 days.			• 100% of disputes resolved within 90 days.
	• 2 300 homebuilders trained.			• 2 369 homebuilders trained.
	• 1 800 youth trained.			• 1 879 youth trained.
	• 2 000 women trained.			• 2 134 women trained.
	• 200 military veterans trained.			• 201 military veterans trained.
	• 250 people with disabilities trained.			• 250 people with disabilities trained.
	• 750 technical professionals trained.			• 860 technical professionals trained.
	• 100% of enrolment applications approved (subsidy).			• 100% of enrolment applications approved (subsidy).
	• 100% of subsidy project enrolment applications approved.			• 100% of subsidy project enrolment applications approved.
	• 100% of enrolment applications approved (non-subsidy).			• 100% of enrolment applications approved (non-subsidy).

Name of transferee	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Social Housing Regulatory Authority (SHRA)	• 3 500 of subsidised social housing units' tenancy audits conducted.	R73 million (Operational Grant)	R83.7 million (Operational Grant)	• 3 944 of subsidised social housing units' tenancy audits conducted.
	• 75% of new project accreditation applicants that are black majority owned or controlled.	R23.6 million (Institutional Investment Grant)	R9.7 million (Institutional Investment Grant)	• 75% of new project accreditation applicants that are black majority owned or controlled.
	• 3 200 social housing units completed.	R800.9 million (Consolidated Capital Grant)	R990 million (Consolidated Capital Grant)	• 3 066 social housing units completed.
	• 3 200 social housing units tenanted.			• 2 961 social housing units tenanted.
	• 75% of Consolidated Capital Grant awarded to black majority-owned or controlled enterprises.			• 100% of Consolidated Capital Grant awarded to black majority-owned or controlled enterprises.
	• 6 938 job opportunities created through projects implemented.			• 9 405 job opportunities created through projects implemented.

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

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
UN-Habitat	International Organisation	The budget allocation for membership fees supports the work of the United Nations Human Settlements Programme through annual contributions to the Habitat Foundation. This is a contribution on behalf of the country.	Yes	R3 090		No underspending
Cities Alliance	International Organisation	The budget allocation for support of the Cities Alliance as per the agreement between South Africa and the United Nations office for project services	Yes	R933		No underspending
Scholarship Programme	Households	This programme supports young students to access scarce skills training opportunities for housing occupations at undergraduate, diploma and B-Tech levels.	Yes	R5 345	R5 345	No underspending

The transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024, but no transfer payments were made.

Not Applicable

6. CONDITIONAL GRANTS

6.1. Conditional Grants and Earmarked Funds Paid

The table below details the conditional grants and earmarked funds paid by the department.

Conditional Grant 1: Human Settlements Development Grant

Department/Municipality to whom the grant has been transferred	All nine provinces
Purpose of the grant	To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements.
Expected outputs of the grant	Number of residential units delivered in relevant housing programmes
	Number of serviced sites delivered in relevant housing programmes
	Number of informal settlements upgraded in situ and/or relocated
	Number of title deeds registered to beneficiaries
	Hectares of well-located land acquired for development of housing opportunities
	Hectares of well-located land acquired (and zoned)
	Number of socioeconomic amenities delivered in human settlements
	Number of integrated residential development projects planned, approved, funded and implemented
	Number of township registers opened in respect of pre- and post-1994 title deeds backlog
	Number of beneficiaries confirmed as legitimate in registered townships in respect of pre- and post-1994 title deeds backlog
	Number of ownership disputes logged and resolved in respect of pre- and post-1994 title deeds backlog
	Number of implementation programmes for Priority Housing Development Areas
Actual outputs achieved	• 42 771 residential units delivered in relevant housing programmes
	19 979 serviced sites delivered in relevant housing programmes
	17 971 title deeds registered to beneficiaries (1 390 on pre-1994; 6 947 on post-1994; 7 721 on post-2014; and 1 913 on new)
	18.4252 hectares of well-located land acquired (and zoned)
	14 integrated residential development projects planned, approved, funded and implemented (Integrated Implementation Programmes/PDA Development Plans)
	79 implementation programmes invested in for Priority Housing Development Areas
Amount per amended DoRA	R13 254 681
Amount transferred (R'000)	R13 254 681

Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R13 320 987
Reasons for the funds unspent by the entity	• Slow and delayed conclusion of procurement processes
	Late appointment of service providers
	Contractors' poor performance, poor cash flow management and late submission of invoices
	A lack of bulk infrastructure
	Community unrests and disruptions by local business forums/construction mafia
	Vandalism and theft of materials on projects sites, sometimes forcing contractors to abandon projects before completion
	Unlawful invasion of property (land and completed units before handover to rightful beneficiaries)
	Unavailability of project management systems Applicants not qualifying due to negative credit records (FLISP)
Monitoring mechanism by the transferring department	• Monthly and quarterly analysis of provincial DoRA reports on performance information, including spending patterns and outputs against allocated budgets and approved delivery targets as per the DoRA and Grant Framework provisions.
	Analysis of provinces submitted non-financial information to verify if funds are achieving their objectives and outputs
	Quarterly performance reviews, where provinces formally present and account for their expenditures and delivery outputs against planned targets
	Structured Project Level Monitoring (PLM) visits are undertaken quarterly. Project management specialists, who are registered professional engineers, to undertake ad hoc projects verification visits to verify actual outputs against reported expenditure and delivery Provinces' active projects are also monitored through HSS to verify if all those incurring expenditure are part of the approved Business Plans

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

Department to whom the grant has been transferred	All nine provinces
Purpose of the grant	To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements
Expected outputs of the grant	Phase 1
	Number of pre-feasibility studies conducted
	Phase 2
	Feasibility studies
	o number of environmental impact assessments undertaken
	o number geotechnical studies conducted
	o number of other relevant studies conducted
	Land acquisition
	o hectares of land acquired for in-situ upgrading
	o hectares of land acquired for relocation
	o hectares of land transferred and registered
	o hectares of land availed in terms of land availability/development agreement
	Number of settlements supplied with bulk infrastructure
	Number of settlements benefiting from temporary and interim municipal engineering services and/or any alternative technology
	Number of settlements provided with rudimentary services
	Phase 3
	Number of settlements provided with permanent municipal engineering services and/or any alternative engineering services
	Number of serviced sites developed
	Number of social and economic amenities. The specific types of amenities must only be provided in collaboration with the municipality and community
	Number of sites transferred to end-users
	Number of households provided with secure tenure
	Number of engineering designs: water, sewer, roads and storm water drainage concluded
	Number of layout plans approved

Actual outputs achieved	• 9 340 (48.29%) serviced sites developed
Amount per amended DoRA (R'000)	R3 826 008
Amount transferred (R'000)	R3 826 008
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R3 609 201
Reasons for the funds unspent by the entity	The provinces' inability to align their plans with municipalities', affecting bulk infrastructure projects
	Delays in the release of the land to a province/municipality
	Inaccessibility to project areas and hard rocks hinder performance progress, coupled with a decline in targeted sites resulting from wetland
	Lengthy municipal Supply Chain Management (SCM) processes
	Unavailability of bulk infrastructure
	Delays caused by inclement weather conditions
	Delays in the approval of engineering designs by some municipalities
	Delays in the conclusion of bid processes and appointment of contractors
	Regular change of councillors in communities hindering project progress
	Substantial reliance by some provinces on other state organs for the implementation their projects, with exorbitant project management fees against lower deliverables than planned
	Contractors' poor performance, resulting in breach of contracts and terminations
	Contractors' delays in the submission of claims
	Vandalism and theft on projects sites
	Community unrests and projects disruptions
	Unreasonable demands by local business forums demanding sub-contract offers without adhering to bidding processes
Monitoring mechanism by the transferring department	Analysis of monthly and quarterly performance information reported and submitted by provinces
	Quarterly performance review meetings
	Quarterly structured project level monitoring visits; and
	Ad hoc project verification visits undertaken by project management specialists (registered professional engineers)

Conditional Grant 3: Urban Settlements Development Grant

Department/Municipality to whom the grant has been transferred	The eight metropolitan municipalities
Purpose of the grant	To supplement the capital revenues of metropolitan municipalities to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development
Expected outputs of the grant	The following outputs should be funded by the grant to support the improvement of the overall built environment:
	Increase in municipal bulk and link infrastructure
	Construction/provision of internal engineering services, including backyarders and densification overlay zones
	Increase in the number of serviced sites
	Increase in the provision of individual connections
	Increase in land provision for informal settlement upgrading subsidised housing or mixed-use developments in support of approved human settlements and other urban developments
	Increase in access to public and socioeconomic amenities
	Increase in the number of interim basic services
	Increase in number of community agreements
Actual outputs achieved	• 3 814 sites serviced increased.
	705 water service points (taps) installed for informal settlements dwellers within 200m radius (interim)
	4 356 sanitation service points (toilets) installed for informal settlements dwellers (interim)
	1 742 individual households' water connections provided
	1 536 individual households' sewer connections provided
	2 500 individual households' electricity connections provided
	2 172 streetlights installed.
	Seven sports fields developed (increased access to public and socioeconomic amenities)
	7 clinics developed (increases access to public & socio-economic amenities)
Amount per amended DoRA	R7 596 178
Amount transferred (R'000)	R7 596 178
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R4 045 008
Reasons for the funds unspent by the entity	Community unrest by local business forums and community members

	Slow procurement processes
	Late submission of invoices
	Non-availability of bulk infrastructure
	Property invasions by unlawful occupants
	Late approval of plans
	Poor/slow performance by contractors and cash flow management
	Inclement/unfavourable weather conditions. Hard rock on the projects caused some delays
	Late appointment and poor performance of contractors and service providers
	Land invasion, vandalism and theft
	Work stoppages by SMME's.
	Construction mafias
Monitoring mechanism by the transferring department	Conduct structured project level monitoring visits at municipalities
	Quarterly performance reviews conducted
	Projects oversight visits undertaken to assess and address challenges within municipalities
	One-on-one engagements with metropolitan municipalities

Conditional Grant 4: Informal Settlements Upgrading Partnership Grant-Metros

Department/Municipality to whom the grant has been transferred	All eight metropolitan municipalities
Purpose of the grant	To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to the upgrading informal settlements
Expected outputs of the grant	The grant will fund the outputs defined in phases 1-3 of the Upgrading of Informal Settlements Programme (UISP) in the National Housing Code of 2009
	Phase 1
	Number of pre-feasibility studies conducted
	Phase 2
	Feasibility studies
	Number of environmental impact assessments undertaken
	Number of geotechnical studies conducted
	Number of other relevant studies conducted
	Land acquisition
	Hectares of land acquired for in-situ upgrading
	Hectares of land acquired for relocation
	Hectares of land transferred and registered
	Hectares of land availed in terms of land availability/development agreement
	Number of settlements supplied with bulk infrastructure
	Number of settlements benefiting from interim municipal engineering services and/or any other alternative engineering services
	Phase 3
	Number of settlements provided with permanent municipal engineering services and/or other alternative engineering services
	Hectares of land acquired for in-situ upgrading
	Hectares of land acquired for relocation
	Hectares of land transferred and registered
	Hectares of land availed in terms of land availability/development agreement
	Number of settlements supplied with bulk infrastructure
	Number of settlements benefiting from interim municipal engineering services and/or alternative engineering services
	Number of settlements provided with permanent municipal engineering services and/or alternative engineering services

Actual outputs achieved	Engineering designs: water, sewer roads, and storm water drainage concluded
Amount per amended DoRA	R4 059 180
Amount transferred (R'000)	R4 059 180
Reasons if amount as per DoRA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R2 279 595
Reasons for the funds unspent by the entity	Community unrest by local business forums and community members
	Slow procurement processes
	Late submission of invoices
	Non-availability of bulk infrastructure
	Property invasions by unlawful occupants
	Late approval of plans
	Poor/slow performance by contractors and cash flow management
	Inclement/unfavourable weather conditions. Hard rock on the projects caused some delays
	Late appointment and poor performance of contractors and service providers
	Land invasion, vandalism and theft.
	Work stoppages by SMME's.
	Construction mafias
Monitoring mechanism by the transferring department	Quarterly performance reviews conducted
	Projects oversight visits undertaken to assess and address challenges within municipalities
	One-on-one engagements with metropolitan municipalities
	Conduct structured Project Level Monitoring visits at municipalities

6.2 Conditional grants and earmarked funds received

Not Applicable

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 have capital investments.





PART C

GOVERNANCE

1. INTRODUCTION

The 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 utilise state resources, which are funded by the taxpayer. The department is committed to the principles of good governance in the management of the organisation and the implementation of human settlements programmes. This is aimed at ensuring accountability, transparency and compliance with applicable legislation and policy prescripts. The department has a corporate governance framework aligned to the King IV Report as part of its efforts to enhance its governance processes and systems. This will ensure there is consistency and uniformity in terms of the application of governance principles in the whole organisation. It is the department's view that governance processes and systems are continuously reassessed and strengthened to ensure their adequacy and effectiveness. During the period under review the department appointed Risk Owners for all branches.

2. RISK MANAGEMENT

The department has established a Risk Management Directorate (RMD), which operates with an approved Risk Management Policy, Risk Management Strategy/Enterprise Risk Management Framework (ERMF) and Risk Implementation Plan (RMIP). The unit also operates with an approved Risk Management Function (RMF) Charter. The implementation of activities in the Risk Management Implementation Plan are reported on a quarterly basis to the Risk Management Committee (RMC), which operates with an approved Risk Management Committee Charter. The RMC is responsible for reviewing the effectiveness of risk management systems within the department and is chaired by an independent person and consists of an independent

standing member of the Audit Committee, internal Risk Owners (Deputy Directors-General) and heads of branches within the department.

The RMC is supported by the Risk Champions Forum (RCF), a sub-committee/working committee that reports to the RMC on a quarterly basis. The RCF is composed of Risk Champions appointed by relevant Risk Owners from all branches across the department. This forum meets on a monthly basis to deliberate on risk management matters. For the period under review, the RMD facilitated both strategic operational risk identification and assessment processes.

Below is a list of approved Risk Registers:

- Enterprise-wide Strategic Register;
- Ethics and Fraud Risk Register;
- IT Risk Register;
- Human Resource Risk Register;
- Supply Chain Management Risk Register;
- Communication Risk Register; and
- Legal Services Risk Register.

Ongoing awareness sessions were conducted in various categories from Junior Staff to the Senior Management Services (SMS) level throughout the department. Internal Audit evaluates the overall system of risk management on an annual basis if it is not conducting a follow-up on the implementation of agreed management responses to the previous evaluation. The Chief Audit Executive (CAE) facilitates integrated assurance services in which activities of combined assurance are firstly tabled and discussed at the Risk Champions Forum before other internal structures. The Chairperson of the RMC tables the overall risk management report to the Audit Committee on a quarterly basis. The Audit Committee also provides assurance on the overall Risk Management System.

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

3. FRAUD AND CORRUPTION

The National Department of Human Settlements has an Anti-Fraud and Corruption Strategy and an Anti-Fraud and Corruption Implementation Plan in place. The strategy is founded on the principle of “zero tolerance” against fraud and corruption.

The department is also committed to the creation of a culture of fair and just administration, transparency and accountability aimed at achieving the highest ethical behaviour among employees. These policies enable officials and third parties to report fraud and corruption anonymously. Employees are, through these mechanisms, encouraged to report illegal practices to the directorate, management, the Presidency, National Anti-Corruption Hotline as well as external government entities.

During the year under review, the department operationalised an extensive Anti-Fraud and Corruption Implementation Plan incorporating the four pillars of the Anti-Fraud and Corruption Strategy, which are prevention, detection, investigation and resolution of corrupt activities.

Prevention of Fraudulent and Corrupt Activities

Implementation of the financial disclosures

Sixty-two of the 70 members of the Senior Management Services (SMS) disclosed their financial interests by 30 April 2023, equivalent to 89% compliance rate. Furthermore, 107 of 168 designated employees in other categories disclosed their financial interests by 31 July 2023, equivalent to 64% compliance rate. The financial disclosures were verified and submitted electronically to the Office of the Public Service Commission (OPSC) for further scrutiny.

Anti-fraud and Corruption Awareness

Anti-fraud and corruption awareness is aimed at sensitising and/or raising awareness among employees of fraud and corruption. Anti-fraud and corruption awareness is also aimed at communicating available channels for reporting fraud and corruption cases. The following are some of the initiatives pursued to raise awareness around fraud and corruption:

- Five anti-fraud and corruption awareness posters focusing on the promotion of ethical culture and the declaration of financial interests were developed and distributed to staff members. These awareness posters also highlighted the importance of whistle-blowing. Relevant channels for reporting fraud and

corruption cases were also communicated.

- Housing scam alerts through online pamphlets and flyers were distributed via email, the department's web page and its social media platforms.
- Ethics and fraud risks were identified and assessed and a register for 2023/24 was developed and approved by the acting Director-General.
- The fraud risk monitoring tool was updated during the course of the 2023/24 financial year.

Detection of Fraudulent and Corrupt Activities

- The department conducted a fraud detection review on BAS Payment to detect and identify red flags of irregularities. A report with recommendations was issued.
- Fifteen cases of fraud and corruption were reported to the department through various channels, including the Public Service Commission, Presidential Hotline, walk-ins and the call centre.
- All the 15 cases received were registered on the department's fraud and corruption database and/or in the register.

Investigations and Resolution

- Fifteen cases were received during the period under review. Thirteen of the cases related to low-income/subsidised houses (RDP). One was related to alleged corruption and another to alleged data breach.
- Three cases were investigated and finalised; and
- Twelve cases are still under investigation.

4. MINIMISING CONFLICT OF INTEREST

All staff members and external parties who serve in the department's space must disclose any conflict of interest they may have. Where it is considered necessary, such individuals are excused from discussions in relation to matters they have disclosed. All members of bid committees have to declare their interests in respect of matters the committees deal with. A declaration of interest form must be completed and signed at each meeting.

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

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

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

There was no situation where a conflict of interest was identified during the year under review.

5. CODE OF CONDUCT

The Constitution of South Africa and the Public Service Code of Conduct are the department's two guiding documents on the ethical conduct of public servants. The primary purpose of the Code of Conduct is a positive one – to promote exemplary conduct. The code acts as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the code seeks to enhance professionalism and assists to ensure confidence in the public service.

On a quarterly basis, the Directorate: Labour Relations embarks on an information-sharing session during which it invites employees to a presentation on the Code of Conduct delivered by officials from the directorate or the Office of the Public Service Commission, the custodian of the code.

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

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The department has developed and implemented an Occupational Health and Safety Management System with a multidisciplinary approach to ensure compliance with the OHS Act and other relevant prescripts.

The system is based on:

- Continuous data collection for hazard identification and assessment in the workplace;
- Periodic assessment of employee exposure to existing potential hazards and evaluate current control measures, instituting new ones when necessary; and
- Periodic reviews of relevant policies, guidelines and procedures to ensure continuous adherence to relevant standards and prescripts.

The department is currently sitting at above 80% compliance rate. This is obtained through periodical monitoring by conducting quarterly compliance audits and routine inspections by OHS representatives.

7. PORTFOLIO COMMITTEES

CABINET, PARLIAMENT AND CLUSTER SUPPORT ANNUAL REPORT 2023/24

Table A: Meetings of Parliamentary Committees and Other Related Interaction: Interface of the Department of Human Settlements with Parliament between 1 April 2023 and 31 March 2024

Date	Subject	Committee Issues	Response by department/Key decisions
25 April 2023	Presentation on the objects of the Housing Consumer Protection Bill by the Department of Human Settlements to the Select Committee on Co-operative Governance and Traditional Affairs, Water and Sanitation, and Human Settlements.	● Elaboration on the objectives of the proposed legislation. ● How it will contribute to the process of transforming the sector. ● The extent, as well as the scope, of the proposed legislation. ● Clarity sought on the requirement to register with the National Home Builders Registration Council (NHBRC). ● The impact of the recent flood-related natural disasters, which not only resulted in houses collapsing and a loss of life, but also in people's displacement. ● Whether there will be additional funding provision for municipalities considering the existing skewed funding model for municipalities currently in place.	● The Bill seeks to ensure adequate protection of housing consumers and the effective regulation of the home building industry. It also seeks to create an enabling environment for new entrants into the home building industry through the introduction of contractual provisions that ensure sustainability in the market. It also seeks to align and create synergy with other relevant pieces of legislation, such as the Public Finance Management Act, 1999, as well as the Promotion of Administrative Justice Act, 2000. ● It further seeks to address the economic transformation of the industry through the introduction of provisions relating to the warranty fund surplus, which may be utilised towards human settlements development programmes. ● Among other things, it seeks to extend coverage to rural areas country-wide, cover hostels, extend the warranty scheme to include the role of the inspectorate, as well as recourse regarding the role and competence of engineers and contractors. ● The Bill seeks to encourage those who qualify to build to register to ensure quality and competency. Thus, the Bill seeks to do away with exemptions to mitigate against poor quality, shoddy workmanship and incompetence. ● DHS alluded to the public hearings held by the Portfolio Committee on Human Settlements during which the issue of insurance to mitigate against damage due to disasters had been raised. Thus, the proposed legislation seeks to bring a level of certainty within the sector on how to respond to disasters. ● The Bill seeks to ensure a level of sustainability, including financial sustainability, while also ensuring compliance and, in the same vein, seeking to protect the most vulnerable. However, not all municipalities have a developer status, as this was not an unfunded mandate. But there has to be compliance with the provisions of the proposed legislation. It was also indicated that there were ongoing conversations with the Department of Co-operative Governance and Traditional Affairs regarding support for municipalities. It was further indicated that, in terms of the District Development Model (DDM), DDM champions are to play an active role in monitoring the work at municipal level.

Date	Subject	Committee Issues	Response by department/Key decisions
3 May 2023 (am)	Appearance of the Department of Human Settlements before the Portfolio Committee on Human Settlements to present Budget Vote 33, Strategic and Annual Performance Plans 2023/24 as well as the department's response to State of the Nation Address (SONA).	● Despite significant efforts to address the issue of spatial inequality, human settlements patterns remain inequitable and dysfunctional. ● The issue of insecure tenure remains a challenge, particularly in former homeland areas. ● Housing demand has increased because of the rapid rate of urbanisation. ● During the 2023 SONA, the President referenced the human settlements sector in terms of infrastructure projects, title deeds and the release of state-owned land for human settlements.	● The department to continue to focus on implementing the following MTSP priorities: ● Designated groups; ● Provision of emergency housing; ● Eradication of mud housing; ● Removal of asbestos from houses; ● Unblocking of blocked projects; ● Attending to the title deeds backlog; ● Provision of land and serviced sites; ● Provision of affordable housing, social and rental housing; ● Provision of socioeconomic amenities; and ● Strategic interventions and investment in the declared Priority Development Areas (PDAs) in support of the spatial restructuring agenda.
3 May 2023 (pm)	Briefing of the Portfolio Committee on Human Settlements by Human Settlements Entities (NHBRC, HDA, SHRA, NHFC, PPRA, CSOS) on their respective Budgets, Strategic and Annual Performance Plans 2023/24.	● The NHBRC to provide the necessary monitoring and support to municipalities to ensure that issues in projects are identified and addressed at project inception. Furthermore, to ensure the visibility of the entity and consequence management against NHBRC officials who collude with contractors to approve poor workmanship and conduct lifestyle audits on NHBRC inspectors while ensuring a safe and secure working environment for the inspectorate. ● Use of the Housing Development Agency as an implementing agent to assist with the implementation of the Upgrading of Informal Settlements Programme instead of reliance on consultants. ● Need for stabilisation of entities.	● The Minister has appointed new boards/councils to entities to ensure stability at the governance level. ● The new boards and councils are in the process of familiarising themselves with the status of their respective entities to address organisational deficiencies, under-performance, compliance deficiencies and any other shortcomings. ● The department partners with the Housing Development Agency in various provinces to provide programme and project management capacity where required.

Date	Subject	Committee Issues	Response by department/Key decisions
5 May 2023	Briefing of the Select Committee on Co-operative Governance and Traditional Affairs, Water and Sanitation, and Human Settlements by the Department of Human Settlements on the 2023/24 Annual Performance Plan and Budget Allocation.	The committee focused on specific targets outlined in the APP and how they aligned with the overall objective of addressing housing needs and improving living conditions of citizens, including budget allocation and whether this catered adequately for the scale of the housing demand and challenges faced by the country.	The Minister of Human Settlements provided a brief overview of the status of the Human Settlements portfolio and reported that all boards of human settlements entities had been appointed to ensure stability within the portfolio. She also stated that the department was in the process of filling all critical vacancies. It was further said the performance of the Human Settlements Development Grant was monitored on an ongoing basis, engagements were convened with provinces and metropolitan municipalities whenever there was a need. The Minister was kept informed of the grant's performance on a regular basis. Support is provided to any provincial department or metropolitan municipality identified to experience any challenge in spending the grant.
5 July 2023	- Briefing of the Portfolio Committee on Human Settlements by the Special Investigating Unit (SIU) on the Talana Temporary Relocation Units in Limpopo and Duncan Village in the Eastern Cape. - Briefing of the Portfolio Committee on Human Settlements on the Intervention in provinces affected by floods. - Briefing of the Portfolio Committee on Human Settlements on the Performance of the Urban Settlements Development Grant (USDG) by the Department of Human Settlements and City of Tshwane Metropolitan Municipality.	- Regarding the Talana Temporary Relocation Units case, clarity was sought on the number of implicated officials that had since resigned. Concern was expressed regarding the time it had taken to conclude the investigation. For the committee, it was critical that the implicated company paid back monies it had received. - On the intervention in provinces affected by the floods, the committee inquired how the department was improving its response to natural disasters. - On the performance of the USDG of the City of Tshwane, for the committee, the presentation was in preparation for its upcoming oversight visit to the City of Tshwane in July 2023. Of interest to the committee were regarding water and sanitation allocations against the backdrop of the cholera outbreak.	- Two implicated officials that had been suspended were reported to have since resigned. The SIU reported that it had managed to turn around most of the cases as speedily as possible and final reports on both its investigations related to the Talana TRUs and Duncan Village had been submitted to the President. - Effects of climate change were necessitating drastic changes in the standard procedures used to respond to natural disasters with the introduction of the Emergency Housing Response Fund as of 1 April 2023. This was aimed at shortening the response time to disaster situations. - In addition to the overview of expenditure presented, both the department and the City of Tshwane to provide a more detailed report during the upcoming oversight visit scheduled for 6-8 July 2023.

Date	Subject	Committee Issues	Response by department/Key decisions
5 July 2023	Briefing of the Standing Committee on Public Accounts (SCO-PA) on the relocation of illegal dwellers in the railway reserve between Phillippi and Langa in Cape Town: Stakeholder engagement.	- The committee expressed its disappointment with the slow progress in relocating the unlawful occupiers of the railway reserve to adequate housing. The blame was laid squarely at the feet of the City of Cape Town, arguing that it was frustrating the process. - The committee urged both the City and the Housing Development Agency to expedite efforts to obtain the iThemba Labs land parcel that had been identified for the resettlement. It also appealed to all involved to resolve their differences through a dispute resolution mechanism contained in the Implementation Protocol that had been concluded and signed by all concerned.	- The City of Cape Town refuted claims it was stalling the process. It indicated the process was being delayed by the lack of certainty and whether the rezoning process should be done on an emergency basis or not. - In line with the Implementation Protocol, a request to the National Treasury for a R111 million allocation through the Informal Settlements Upgrading Partnership Grant had been agreed to and the funds had been disbursed to the City of Cape Town for the relocation programme.
29 August 2023	Briefing of the Standing Committee on Public Accounts (SCO-PA) on the progress regarding the implementation plans by the City of Cape Town to assist the Passenger Rail Agency of South Africa (PRASA) to relocate illegal dwellers on the railway reserve between Phillippi and Langa in Cape Town.	For the committee, the issue of negligence by PRASA was not in dispute as it was a historical fact that had resulted in a chaotic situation throughout the country following the cancellation of the security contract by the previous board. There was, therefore, a need to be forward-looking in search for solutions, hence the call that those responsible, namely the erstwhile board, be held accountable.	- The DHS provided context in terms of how the Human Settlements Grant Frameworks worked, including the role of the Housing Development Agency as the implementing agent. It was explained that no funds were transferred to the entity but to municipalities and provincial departments in accordance with the Business Plans submitted. - It was indicated that there was a need to appoint social facilitators to engage communities on what was possible in terms of the law, and that the department was committed to the relocation programme to allow for the reopening of the PRASA Central Line. - On the issue of declaring a dispute with the City of Cape Town, the City had made no provision in terms of the Informal Settlements Upgrading Grant (IUSP) and that it had also not made any provision for basic services in its Business Plan. - It was reported that additional funding was to be sourced during the adjustment process and that R50 million had been allocated to the City of Cape Town during the previous adjustment process for the provision of basic services. However, the allocated funds had to be rolled over without the necessary approval as the City had reported that it had not anticipated the additional funding, despite its commitment. Its position was that PRASA had been negligent in failing to secure the railway line from being unlawfully occupied. For the department, there was a need to have a mediator to resolve the dispute, and the mediator to be appointed must be au fait with and understand intergovernmental relations, including how Human Settlements processes work.

Date	Subject	Committee Issues	Response by department/Key decisions
6 September 2023	Briefing of the Portfolio Committee on Human Settlements on Min-MEC Priorities and Budget Expenditure for 2022/23 by the Mpumalanga and Limpopo provincial departments.	● The committee sought an update on the eradication of mud houses, unlawful occupation of completed housing units, provision of bulk infrastructure, provision of serviced sites, unblocking of blocked projects, issuance of title deeds and removal of asbestos roofs, among other things.	● Mpumalanga: The eradication of mud houses was reported to be integrated into the Rural Housing Programme and that the province had started with the work. Regarding the unlawful occupation of housing units and blocked projects, which had been reported to have occurred during the Covid-19 pandemic, following engagements with communities, both the department and municipalities were attending to the issues to find a way to resolve the impasse. However, there was co-operation on the part of the unlawful occupiers to vacate the invaded units. Regarding blocked projects, provision of bulk infrastructure was being prioritised, including the provision of serviced sites. Regarding issuance of title deeds, the challenge was reported to be the fact that some of the townships were quite old and that they had not been declared, thus requiring proclamation. ● Limpopo: It was reported that some of the informal settlements' dwellers at Lephalale did not qualify for BNG houses as some already had houses but simply wanted to be closer to work or town. On the issuance of title deeds, following engagements with municipalities, it was reported that a standard operating procedure had been developed. Regarding the removal of asbestos roofs, work on approximately 1 500 houses had been done and completed in the current financial year.
13 September 2023	Briefing of the Portfolio Committee on Human Settlements on Min-MEC Priorities and Budget Expenditure for 2022/23 by KwaZulu-Natal and Gauteng provincial departments.	● Whether MTSF targets were to be met. ● Concern in relation to the delays in the provision of houses to military veterans, which in some instances has led to the unlawful occupation of housing units. ● Need to upscale the issuance of title deeds. ● Need to unblock multi-year projects. ● Update on intervention to assist flood victims. ● Update on the eradication of mud houses. ● Management of the beneficiary list. ● Update on the removal of asbestos roofs. ● Nature of the relationship with traditional authorities in respect of land release for human settlements development.	● KwaZulu-Natal: The MEC reported that a meeting was scheduled with the Deputy Minister of Defence and Military Veterans on the issue of the beneficiary list. The province indicated that it was seized with the matter of expediting the issuance of title deeds. Thirteen land parcels in the Pietermaritzburg Metropolitan Municipality had been acquired for purposes of assisting flood victims currently in Temporary Relocations Areas. On the relationship with traditional authorities, engagements are ongoing, particularly on accessing land under the Ingonyama Trust. ● Gauteng: Regarding the eradication of mud houses, to date houses that been assessed to be structurally unsound have been prioritised and replaced. It was reported that there were 65 hostels in Gauteng. Some were owned by the province and municipalities and the rest by private mining companies. It was stated that there was a need to engage these private owners for the purposes of handing over some of the under-utilised or abandoned hostels as some of these had been hijacked by syndicates. The issue of the beneficiary list continues to pose a challenge.

Date	Subject	Committee Issues	Response by department/Key decisions
20 September 2023	Briefing of the Portfolio Committee on Human Settlements on Min-MEC Priorities and Budget Expenditure for 2022/23 by Free State and Western Cape provincial departments.	● Free State: Issues of consequence management for transgressions, procurement capacity improvement, incomplete projects, acceleration of the removal of asbestos roofs, improvement of the living conditions in hostels used to house mineworkers, the phenomenon of the construction mafia and blocked projects were highlighted. ● Western Cape: Concern was raised regarding the non-attendance of committee meetings by the MEC. Clarity was sought on the reconfiguration of the provincial department to a branch under the Infrastructure Department, and whether this would improve performance. Details on the number of informal settlements updated. Whether any projects had been affected by the construction mafia, and measures to prevent unlawful occupation of land, including progress to remove asbestos roofs. The committee also requested an update on the status of the Knysna Bungalows.	● Free State indicated that disciplinary action had been instituted against officials that had transgressed and that some of the cases had been handed over to the Special Investigating Unit. It was also reported that priority was given to women contractors. It was also mentioned that emerging contractors were sometimes struggling to meet their targets. However, some projects were interrupted by the so-called business forums/construction mafia. It was reported that there were 231 blocked projects that had been identified. Regarding capacity, a skills audit had been conducted to ensure that skills of officials appointed are aligned with the department's requirements. Regarding the removal of asbestos roofs, it was reported that the Development Bank of Southern Africa (DBSA) had been appointed and that work was continuing. On the issue of hostels, it was reported that hostels at Machabeng had been converted into Community Residential Units. ● Western Cape: Regarding the reconfiguration of the department, it was stated that the intention was to prioritise infrastructure. Regarding the capacity of municipalities, the provincial department had increased its engagement with municipalities as well as undertaking projects and site visits. The issue of unlawful occupation of land and the construction mafia phenomenon continue to be a threat to housing delivery and project implementation. The provincial department together with the municipalities were seized with the assessment of asbestos roofs throughout the province. Regarding the Knysna Bungalows, it was reported that there were 124 units in total – 79 were privately owned and 49 belonged to the municipality. Of these, 22 had been prioritised for refurbishment.
10 October 2023	Meeting of the Select Committee on Co-operative Governance and Traditional Affairs, Water and Sanitation, and Human Settlements to consider negotiating mandates on the Housing Consumer Protection Bill [B10 – 2021].	● The committee indicated it was in the process of considering and finalising the Housing Consumer Protection Bill [B10 – 2021] (Section 76 Bill). The emphasis was on what the proposed piece of legislation sought to address. ● All provinces were reported to have responded with their respective negotiating mandates and also provided written submissions. ● It was also reported that all provinces were in support of the Bill. The Western Cape delegate said the province had submitted its comments in writing, indicating its technical and procedural consensus and support. However, it requested the correction of clause numbers and referencing. ● It was reiterated that when considering the Bill further, the presence of parliament's legal services support and that of the department would be of utmost importance.	● The department was to consider what been submitted and respond to specific policy and technical issues raised. It was agreed that the department was to comment on what has been submitted as negotiating mandates and respond to each issue raised.

Date	Subject	Committee Issues	Response by department/Key decisions
11 October 2023	Meeting of the Standing Committee on Public Accounts on the relocation of illegal dwellers in the railway reserve between Phillippi and Langa in Cape Town.	● The committee indicated this was a follow-up meeting on the relocation of illegal dwellers in the railway reserve between Phillippi and Langa, which had rendered the Passenger Rail Agency of South Africa (PRASA) incapable of continuing to provide commuter rail services, consequently halting operations on the Central Line indefinitely. ● The committee noted progress to date.	● The overall funding requirement for Phase 1 was reported to be about R117 million and that the Housing Development Agency had provided funding for the acquisition of the land to expedite the relocation programme. The entity, however, will have to be reimbursed. ● The funding required was reported to be outside the standard government budgeting cycle. Therefore, the earliest funding that could be availed was through the 2023/24 Adjustment Budget process. ● The Passenger Rail Agency of South Africa (PRASA) Central Line Relocation Programme adopted a two-pronged approach aimed at the immediate resumption of railway services through Operation Bhekela, as well as the relocation of informal settlement dwellers/households living along the PRASA Central Line in Langa, Phillippi and Khayelitsha. ● It was reported that Phase 1 of the Relocation Programme involved 1 254 households from Langa and Phase 2 concerned 3 941 households from Phillippi and Khayelitsha.
18 October 2023	Briefing of the Portfolio Committee on Human Settlements by Human Settlements Entities (HDA, PPRA and CSOS) on audit outcomes for the 2022/23 financial year.	● Regarding the Housing Development Agency presentation, the committee welcomed improvements at the entity, from being under administration to achieving an unqualified audit. However, the committee raised the issue of consequence management in relation to irregular expenditure. ● Regarding PPRA, the committee stated that there was little to applaud. However, it welcomed the filling of critical vacancies and insisted that the entity must still conclude the appointment of the Chief Financial Officer. ● Regarding the CSOS presentation, the committee reminded the entity to address issues raised by stakeholders during the indaba.	● The department noted the comments, challenges and issues of concern. However, it was comfortable with where the entities were in terms of stability and noted improvements to date. ● It indicated that the preparation of Audit Action Plans to address the Auditor-General's findings had started to yield results and that the department was to continue to monitor progress regarding contract management.

Date	Subject	Committee Issues	Response by department/Key decisions
24 October 2023	Meeting of the Select Committee on Co-operative Governance and Traditional Affairs, Water and Sanitation, and Human Settlements to consider negotiating mandates submitted by provinces on the Housing Consumer Protection Bill [Bill 10 – 2021].	● Clarity was sought on the issue of Service Level Agreements (SLAs) as well as on the clause referring to “adjudication”. ● The committee needed to reconsider what had been provided by Limpopo Province for the sake of completeness.	● There was currently work underway and once the Bill had been passed and issues of capacity and regulations had been finalised, the National Home Builders Regulation Council would be able to implement the new legislation immediately. ● Also, in the context of recent disasters, the proposed legislation would go a long way to addressing the issue of quality. ● Regarding the issue of the Service Level Agreements, it was explained that the NHBRC had concluded SLAs with traditional authorities to be able to work in their respective areas of jurisdiction. ● The term “adjudicate” was explained to have a much broader meaning, including the Alternative Dispute Resolution Mechanism.
1 November 2023	Briefing of the Portfolio Committee on Human Settlements by the Department of Human Settlements on the following matters: The Ga-Rankuwa/Mabopane Petition (the Mawiga Petition); and The Breede Valley Petition.	● Regarding the Ga-Rankuwa/Mabopane Petition on the possibility of making a provision for a special dispensation: ● The issuance of the required title deeds must be expedited; and ● Consequence management must be instituted against those who unlawfully sold the petitioners’ houses. ● Regarding the Breede Valley Petition, the committee must decide on the validity of observations made and that the focus be on residents who needed services. ● There is a need to resolve the dispute over the densification of the Zwelethemba area and that the issue on what needs to be done be based on a scientific report.	● DHS indicated it had done what it could within its powers. However, some of the outstanding matters could only be resolved by the City of Tshwane and the North West Housing Corporation. ● DHS also assured the committee that it was not considering anything beyond what the housing policy prescribed and indicated it was able to render legal assistance to the petitioners, hence they could explore other avenues for legal recourse. ● Regarding the Breede Valley Petition, the department undertook to engage with both the Western Cape Provincial Department and the Breede Valley Municipality to find a solution to the challenges on the ground, including efforts to resolve pre-planning challenges prior to the commencement of construction work on the projects.

Date	Subject	Committee Issues	Response by department/Key decisions
15 November 2023	Briefing of the Portfolio Committee on Human Settlements on issues raised during oversight visits to the following provinces: Eastern Cape; North-West; and Northern Cape.	● Reasons for failure to intervene in the unlawful occupation of 300 housing units in the Buffalo City Metropolitan Municipality within the stipulated 48-hour timeline. ● Measures to deal with the construction mafia phenomenon. ● Institution of consequence management. ● Improvement in the management of the beneficiary list. ● The lack of clear timeframes for the removal of asbestos roofs. ● Development of a project without the provision of bulk infrastructure (Ikhwezi Project, Buffalo City Metropolitan Municipality, Eastern Cape). ● Whether the appointment of 25 conveyancers in North West would assist with the process of township establishment. ● Progress to eradicate mud houses. ● Role of mining houses/companies operating in North West but failing to contribute to the development of communities, including the rehabilitation of areas in which they operate. ● Northern Cape: The committee raised concerns regarding poor maintenance at a block of flats known as Roodepan, indicating it was not possible to raise any revenue from such a dilapidated property. ● Number of title deeds issued since the commencement of the issuance every Friday by various MECs and mayoral offices across all provinces.	● The Eastern Cape provincial department undertook to attend to the matter involving unlawful occupation of housing units in the Buffalo City Metropolitan Municipality. ● The construction mafia continues to interrupt project development. However, law enforcement agencies were dealing with the matter. ● On the issue of consequence management, the Chief Financial Officer: Eastern Cape has since been dismissed and the provincial department has started to terminate the contracts of contractors that were not performing as expected. ● The Eastern Cape undertook to improve its monitoring of projects implementation to ensure no project was developed without the necessary bulk infrastructure. ● The North West provincial department reported that it had issued 5 842 title deeds and that a further 256 were to be issued on 16 November 2023 at Lekwa-Teemane. ● Regarding the eradication of mud houses, North West indicated it had a budget shortfall as it had been affected by the recent budget cuts. ● North West reported that it was engaging mining houses/companies to assist with development initiatives, including the reconstruction of houses in villages within their areas of operation. ● The Northern Cape indicated it had issued 346 title deeds from 1 September 2023 to 15 November 2023. It also reported that the Roodepan Flats were to be demolished to make way for social housing accommodation.

Date	Subject	Committee Issues	Response by department/Key decisions
14 February 2024	Briefing of the Portfolio Committee on Human Settlements by the Department of Human Settlements on the following: White Paper on Human Settlements. Accreditation framework for municipalities to administer national housing programmes.	● The need to embark on consultation with ordinary citizens as widely as possible. ● Interaction with sister departments. ● Measures to curtail unlawful land occupation. ● Use of Alternative Building Technologies. ● Concern over shifting of powers from the Housing Development Agency. ● Better management of the beneficiary database.	● The department indicated it was consulting widely and was listening to issues raised by stakeholders, including non-governmental organisations. Furthermore, a substantive public participation process was held and the deadline for submitting written comments extended. ● The department held discussions with relevant sister departments to ensure the White Paper on Human Settlements succeeded. ● The department intends to adopt a firm stance against unlawful occupation of land using applicable law. ● Regarding the use of Alternative Building Technologies, policy does allow for its use and the department is considering every proposal accredited by Agrément South Africa, including factoring in cost-benefit analysis as everything is driven by budget considerations. ● There was no wholesale removal of powers from the Housing Development Agency. However, consideration was how the powers were being exercised. ● The issue of the beneficiary database continues to be a challenge. The Housing Subsidy System has its own limitations. However, the process of digitisation is currently under way and should be up and running by the end of 2024.

Date	Subject	Committee Issues	Response by department/Key decisions
21 February 2024	● Response by the Department of Human Settlements to the Accreditation Framework for municipalities to administer national housing programmes. ● Briefing of the Portfolio Committee on Human Settlements by the Department of Human Settlements and the Property Practitioners Regulatory Authority on audit findings by the Office of the Auditor-General.	The status of a municipality ought to be considered when allocating conditional grants each year. Among the criteria to consider should be the municipality's ability to spend. That should serve as a determinant of whether a municipality should be granted an accreditation status or not. The issue of municipal capacity continues to be of concern. However, the responsibility of providing adequate shelter is a shared responsibility among the three spheres of government as articulated in the judgment relating to the Grootboom case that dealt with socioeconomic rights. The role of sister departments is in process. How the accreditation process is going to assist in obtaining information including resolution of issues of non-responsiveness and non-compliance. On the PPRA's implementation of measures to address findings by the AG: Concern about the payment of board members that was not in line with National Treasury Regulations.	The department concurred that prior to accrediting a municipality, its performance on conditional grants allocated should be considered. The criteria entail the prevailing reality of municipalities regarding their constitutional obligation in respect of service delivery and performance. Municipalities are further required to submit a portfolio of evidence on their respective performance in support of their application for accreditation. The Revised Accreditation Framework seeks to expand and broaden the capacity of municipalities to plan and deliver human settlements at scale and the role of all the three spheres of government is central through capacitating municipalities to package and deliver housing through the accreditation process. Sister departments such as National Treasury, Department of Monitoring and Evaluation, Department of Co-operative Governance and Traditional Affairs as well as the South African Local Government Association (SALGA) play a key role in the implementation of the accreditation programme. Furthermore, the Department of Rural Development as the custodian of the Spatial Planning and Land Use Management Act (SPLUMA) also has a key role to play. Therefore, the department is to extend an invitation for its participation in the National Accreditation Task Team that includes the other above-mentioned key stakeholders. Municipalities that have been accredited are expected to conclude and sign an Implementation Protocol with their respective provinces that defines clear roles and responsibilities, including performance standards that municipalities must meet. Key to the role of municipalities once accredited is their ability to report on their performance through the submission of performance reports on time. The issue of remuneration of executives and board members of entities was currently being reviewed by the Minister of Human Settlements. On the issue of the payment of the PPRA's board members, the funds were in the process of being recouped.

Date	Subject	Committee Issues	Response by department/Key decisions
23 February 2024	Meeting of the Select Committee on Co-operative Governance and Traditional Affairs, Water and Sanitation, and Human Settlements to consider the C-List on the Housing Consumer Protection Bill.	● Tabling of the C-List on the Housing Consumer Protection Bill: Comment that the Western Cape Legislature had submitted substantial input on the Bill during July 2023. However, only a portion of the input reflected. An explanation was required on why the rest of the input was omitted. Clarity sought on the development process of the Code of Conduct for board members, as well as on the warranty and cover two years after the occupation of a house.	● A meeting was held with all nine provinces on 24 October 2023 during which the Department of Human Settlements responded to all inputs of the Western Cape. A member was to be furnished with the department's response in writing to the substantive inputs submitted. On the Code of Conduct, it was explained that it was the responsibility of the Minister to develop regulations to regulate the board. Regarding the warranty cover, this commences at the start of the construction of the house. The warranty cover for the roof commences two years after occupation. It is five years for structural defects.
27 February 2024	Briefing of the Standing Committee on Public Accounts on the implementation plans by the City of Cape Town to assist the Passenger Rail Agency of South Africa (PRASA) with the relocation of illegal dwellers in the railway reserve between Philippi and Langa.	● Whether the department has the necessary requisite capacity and whether there has been any engagement with the Department of Public Works and Infrastructure on the matter of expropriation. Adherence to all the necessary processes in respect of the project to clear the railway reserve and to relocate the households. The committee resolved to conduct an oversight visit to the relocation site at Stock Road on 20 March 2024.	On the issue of the requisite capacity, DHS engaged the Department of Public Works and Infrastructure regarding expropriation as the latter had the experience and expertise in undertaking expropriation for public interest through the South African National Roads Agency. The Housing Development Agency conducted and completed an assessment exercise to determine the suitability of the site earmarked for the relocation of households.

Date	Subject	Committee Issues	Response by department/Key decisions
28 February 2024	Briefing of the Portfolio Committee on Human Settlements by the Department of Human Settlements on the following: Update on acquired state-owned land, Priority Development Areas and plans to curb unlawful land occupation/ invasion. Third quarter report (October-December 2023).	On the update on acquired state-owned land, PDAs and plans to curb unlawful land occupation, clarity was sought in respect of acquiring land and/or property within the inner cities of metropolitan municipalities; role of municipalities in securing abandoned buildings to pre-empt possible hi-jacking by criminal syndicates, collaboration with traditional authorities in connection with land release, whether there was any expropriation of land or property and the possibility of holding a workshop on the White Paper on Human Settlements. On the third quarter report, general political instability with coalition administration affected the performance of some municipalities. Possible intervention through Recovery Plans in provinces to improve performance in some of the provinces. Measures to ensure payment of invoices within the 30-day requirement. Promotion of more rental and social housing. Progress in resolving ICT challenges.	● To devise preventative measures against unlawful land occupation/land invasion. Bylaws do exist. This, however, requires strict enforcement by all role players, particularly municipalities. Private owners have a legal duty and responsibility to protect and secure their assets while also noting that the eviction of unlawful occupiers must be dealt with within the stipulated statutory requirement of 48 hours. Adoption of a holistic approach and proactive measures for the maintenance and rehabilitation of real estate assets within inner cities in terms of economic value, aesthetics and environmental sustainability. With respect to the development of peri-urban areas and the rural hinterland, there was collaboration with traditional authorities. In respect of expropriation of private land, land had been expropriated for the Marikana Human Settlements Development in Rustenburg, North West. A new Expropriation Bill currently before parliament provides for the expropriation of property for a public purpose or in the public interest. SITA to assist the department with the Draft ICT Strategy. Noticeable improvement in performance in which Recovery Plans have been implemented, for example, in the Free State.
28 February 2024	Briefing of the Portfolio Committee on Social Development by the Department of Human Settlements in response to the public input on the Older Persons Amendment Bill [B11 – 2022].	● Participation of the Department of Human Settlements in the legislative process regarding the Bill. Qualification criteria to be considered for subsidy. Alignment of the Bill with DHS's policy framework. Provision of assistance to the elderly.	It was reported that DHS had participated in workshops on the Older Persons Amendment Bill hosted by the Department of Social Development. Presentation of the General Qualification Criteria for a housing subsidy. The department has, in collaboration with the Department of Social Development, developed a special housing needs policy together with detailed policy guidelines. Through the Special Housing Needs policy, assistance is provided to persons who are unable to live independently in normal housing or require assistance in terms of a safe, supportive and protective living environment and thus require some level of care or protection, be it temporary or permanent.

Date	Subject	Committee Issues	Response by department/Key decisions
6 March 2024	Briefing of the Portfolio Committee on Human Settlements by the Department of Human Settlements on the following: Progress Report on Breede Valley Petition. Progress Report on Ga-Rankuwa/Mabopane Petition. Implementation of District Development Model in Integrating and Co-ordinating Planning.	Clarity sought on the issue regarding accreditation in the Breede Valley Municipality. Role of Human Settlements entities to intervene. On Breede Valley Petition, the committee resolved that both the Minister of Human Settlements and the Western Cape Provincial MEC, together with the Breede Municipality political leadership, to formulate and present a plan to address the Breede Valley matters on Friday 22 March 2024. On the Ga-Rankuwa/Mabopane Petition, clarity to be provided on the status of land ownership in respect of properties sold to Mr Mere. The three spheres of government to avail the subsidy required to construct houses for the petitioners. All the petitioners to be invited to the next meeting. The ex-gratia payment was a matter outside the competency of parliament. The committee welcomed the integration of the District Development Model into the programmes and work of the Department of Human Settlements.	Both DHS and the Western Cape Provincial Department of Human Settlements confirmed the Breede Valley Municipality was not accredited, and that the only accredited municipality in the province was the City of Cape Town Metropolitan Municipality. The Department of Human Settlements confirmed the committee's observation that the national department was also frustrated with the progress to date and expressed its frustration with the lack of urgency on the part of the Breede Valley Municipality. It undertook, together with the provincial department, to ensure that the New Mandela Square Project is included in the provincial department's Business Plan. Regarding the role of Human Settlements entities to intervene, an agreement had been concluded for the Housing Development Agency to provide project management and related requisite capacity to municipalities. Regarding the Ga-Rankuwa/Mabopane Petition, progress was achieved with two of the petitioners, who have since accepted the offer of 50sqm houses. Land was identified and made available for the construction of their houses by the North West Provincial Department of Human Settlements and the North West Housing Corporation. All stakeholders, including the four petitioners, are to be invited to the next meeting to be convened by the committee.
12 March 2024	Consideration and adoption of the D-Version of the Housing Consumer Protection Bill by the Select Committee on Co-operative Governance and Traditional Affairs, Water and Sanitation, and Human Settlements.	● Consideration of the D-List Version of the Housing Consumer Protection Bill, which the committee adopted with one objection on the process followed and one abstention. The chairperson outlined the process to be followed now that the D-List had been adopted: the D-List Version to be sent to provinces for further consideration. Thereafter, the committee will sit to consider the final mandates from provinces and to look at the Bill clause by clause.	The department presented what had been previously agreed to and confirmed it to be the D-List Version of the Bill, the correctness of which was also confirmed by parliament's legal representative. The department to furnish information pertaining to inputs on negotiating mandates from the Western Cape to the committee.

Date	Subject	Committee Issues	Response by department/Key decisions
13 March 2024	Meeting of the Portfolio Committee on Human Settlements to consider plans to conclude outstanding matters regarding the Ga-Rankuwa/Mabopane (Mawiga) Petition	● Construction of houses for three of the petitioners (50sqm each). Submission and approval of the special dispensation application for the construction of houses that are of equivalent size to those of military veterans. Issuance of the required title deed to Petitioner Mere once the issue of township establishment has been resolved. Petitioner Mere to submit all the necessary documents and the City of Tshwane to package all the required information, including copies of all documents previously submitted to the City by Mr Mere.	The Department of Human Settlements to convene a meeting with two of its sister national departments, namely the Department of Public Works and Infrastructure and the Department of Rural Development and Land Reform, as well as the Gauteng Provincial Department of Human Settlements and the City of Tshwane Metropolitan Municipality to resolve the formalisation of township establishment on the land portion occupied by Petitioner Mere. City of Tshwane to submit an application for a special dispensation to the Gauteng MEC for Human Settlements and the Department of Human Settlements to monitor the process. The North West Provincial Department of Human Settlements to arrange transport for Petitioner Kgasoe to be shown a house for military veterans. The City of Tshwane Metropolitan Municipality to provide Petitioner Sepeng with a signed action plan with clear timeframes of the work to be carried out following her acceptance of the offer of a 50sqm house.

Date	Subject	Committee Issues	Response by department/Key decisions
20 March 2024	Briefing of the Portfolio Committee on Human Settlements by the Office of the Auditor-General on progress regarding material irregularities within the Human Settlements portfolio. A presentation by the Department of Human Settlements on consequence management regarding poor performance on the Human Settlements Grant by provinces and failure to complete projects by contractors in breach of their contractual obligations.	Financial and service delivery implications on the termination of contracts with service providers, including measures to curb the firing and hiring of service providers across provinces. Policies in place to deal with suppliers who are in breach of their contractual obligations, and whether there was any blacklisting for their removal from the departmental database. Nationwide challenge to deal with syndicates that seek to frustrate project implementation, whether there had been lessons learnt and strategies to deal with the phenomenon. Failure to assess the capabilities of contractors who abandon projects before their completion, funds having to be returned to the fiscus, and whether anything has been learned from the macro challenges to formulate an overarching strategy to deal with this phenomenon. Whether there were any mitigating strategies devised to curb the hiring and firing of service providers for non-performance across the provinces. Reason for the two presentations to be confined only to provinces not reflecting the picture at the national level as the committee requires to be presented with a holistic picture that also includes municipalities. Against the backdrop of struggling municipalities, including metros, was there any capacity that had been developed by the sector across all the three spheres to deliver on this critical mandate? For the committee, there was a need to assess the capacity to deliver on this critical mandate and there must be a comprehensive way of dealing with issues not in a piecemeal fashion. Whether there were any plans to prevent financial losses, citing the issue of the overpayment of a service provider in North West and why the matter was reported to the South African Police Service, instead of recouping the money and implementing the necessary consequence management.	● On the termination of contracts following poor performance, provincial departments are required to develop their own procurement policies and must share best practices across the board. It was also stated that some of the provinces utilise turnkey contracts. In terms of good practice in respect of the development of sites, reference was made to the Northern Cape Provincial Department. ● There are various reasons for the termination of contracts with service providers, and most contractors that had been appointed following the recent natural disasters met the minimum qualifying threshold. However, the challenge is for a contractor requesting to opt out citing cashflow constraints, others requesting advance payments, which are deemed irregular in terms National Treasury regulations and, therefore, not allowed. ● Policy to deal with the issue of termination of contracts following breaches. The policy was reported to be guided by the Chief Procurement Officer and entails drafting of Service Level Agreements (SLAs) stipulating all that is expected in terms of contractual obligations. When one party is in breach of the SLA, it must furnish reasons for the underperformance or non-performance. Discussion is held with the contractor for the purpose of devising a Recovery Plan to deliver on the target. Thus, the decision to terminate comes as a last resort measure and the decision to blacklist is taken through the National Treasury to ensure the service provider never does business with the state again. ● On the issue of the reduction in the scope of work allocated to a service provider, it was explained that the process entailed the identification of contractors failing to perform vis-à-vis those that are performing. The exercise seeks to ensure that once the decision to terminate the services of a failing contractor has been made, the work is allocated to performing contractors. Thus, those contractors deemed to be performing are required to absorb the extra work with additional funding. ● Regarding the re-allocation to the Western Cape, it was explained that consideration had been given to performance as well as the reasons National Treasury had cited for the budget reduction, and that the provincial department had to provide a Recovery Plan as well as indicate changes that had taken place within the provincial department. For instance, one of the reasons that had been advanced by the provincial department was the incorporation of the Human Settlements Department as a branch into the Department of Infrastructure and that the process had taken much longer than anticipated. The committee was also informed that the newly reconfigured department had stated upfront that it would not be able to absorb its entire allocation, and that in terms of the Division of the Revenue Act (DoRA), a re-allocation is allowed to occur the following financial year.

Date	Subject	Committee Issues	Response by department/Key decisions
		Concern regarding the reduction of the scope of work for contractors as it might impact on the people's constitutional right to shelter. On the issue of the termination of contracts of 26 service providers in North West, whether this was not having a negative impact on communities in terms of service delivery and the government in terms of project implementation. Consequence management to deal with repetitive patterns that must be curtailed at some point. Clarity sought on the role of MECs in dealing with matters as equals facing the portfolio. To what extent was the Auditor-General able, in terms of her powers, to provide guidance on matters of prosecution within the context of a prosecution-guided investigation to close the gap between institutions responsible for investigation?	● Regarding the construction mafia phenomenon, DHS indicated that this was becoming a scourge as it was also affecting other sectors of the economy, such as the restaurant industry, which requires the involvement of the security cluster. ● Regarding the overpayment made in North West, it was explained that there were two legs to the matter that involved the service provider and a departmental official. ● Regarding the five officials in the Eastern Cape accused of misappropriating funds, it was reported that they were all issued with a written warning. DHS undertook to follow up on the matter. ● Regarding the overall capacity of the Human Settlements portfolio, it was explained that the issue had to do with planning i.e the lack of integrated planning. What was required was for all the spheres of the government to plan together. For DHS, requisite capacity was in place. However, there continues to be a lack of integrated planning, and that the District Development Model seeks to address this shortcoming. ● DHS further stated that it was the responsibility of the national department to allocate funds to provinces and continue to play a monitoring role. It was also noted that women contractors continued to perform and complete the work allocated. DHS was also continuing to monitor closely the issue of the 30-day payment requirement but will not simply authorise payment without the submission of the necessary paperwork. Reference to the issue of blocked projects was attributed to a variety of reasons, including the failure to pay on time. ● Of further concern for DHS was the new phenomenon of houses being invaded or unlawfully occupied by those already with houses, such as teachers, police officers, etc and that there was a need not to delay the allocation of completed units to the rightful beneficiaries and in taking measures to stop corruption in all the provinces. ● The Office of the Auditor-General stated that, in terms of repeat findings, there was a need to attend to the risks identified and that every role player in the accountability ecosystem must have a clear and common vision of what is required. Action plans are in place and audit committees must consider as well as ensure that such action plans do address root causes of material irregularities. It further stated that the Office of the Auditor-General also shared concerns on repeat findings, hence its undertaking to enhance its recommendations as well as share insights with the committee.

Date	Subject	Committee Issues	Response by department/Key decisions
26 March 2024	Meeting of the Select Committee on Co-operative Governance and Traditional Affairs, Water and Sanitation, and Human Settlements to consider final mandates on the Housing Consumer Protection Bill [B10D- 2021] and clause by clause consideration of the Bill.	The committee tabled provincial final mandates it had adopted. The committee, together with all the provinces in attendance, adopted the Bill with amendments. The committee, having considered and deliberated on the Objects of the Housing Consumer Protection Bill [B10D 2021], classified as a section 76 Bill by the Joint Tagging Mechanism (JTM) -and referred to it on 14 November 2023, reported that it had agreed to the Bill with the proposed amendments.	The department took the committee through the amendments that had been agreed to (D-version of the Bill) and there was concurrence.
27 March 2024	Meeting of the Portfolio Committee on Human Settlements to consider proposed amendments to the Housing Consumer Protection Bill by the Select Committee on Co-operative Governance and Traditional Affairs, Water and Sanitation, and Human Settlements.	□ The Portfolio Committee on Human Settlements considered the proposed amendments by the select committee and concurred with them.	The Department of Human Settlements was in attendance to assist the committee during its deliberations.



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

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Oversight Visits

The Portfolio Committee on Human Settlements further conducted oversight visits as follows:

- Western Cape Province from 17-18 April 2023.
- Eastern Cape Province from 19-21 April 2023.
- City of Tshwane Metropolitan Municipality from 6-8 July 2023.
- Stellenbosch Municipality on 24 November 2023.

Legislation: Housing Consumer Protection Bill [B10 – 2021]

- Following the referral of the Housing Consumer Protection Bill [B10 – 2021] to the Select Committee on Co-operative Governance and Traditional Affairs (Water and Sanitation, and Human Settlements) for consideration and reporting, the Department of Human Settlements briefed the Select Committee on the Objects of the Bill.
- The National Council of Provinces (NCOP) also referred the Bill to provincial legislatures, which conducted public hearings and facilitated public participation with the support of the Department of Human Settlements and tabled Negotiating Mandates on the Objects of the Bill.
- The Select Committee, having considered the Housing Consumer Protection Bill [B10 – 2021] (NCOP – section 76), adopted the report of the Bill with amendments and the Bill, subject to proposed amendments, was passed by the NCOP in accordance with section 65 of the Constitution, thereafter referred to the Portfolio Committee on Human Settlements for consideration of the proposed amendments.
- The Portfolio Committee on Human Settlements concurred with the amendments as proposed and adopted the amended Bill.
- The Bill is to be submitted to the President for assent.

B. Parliamentary Questions

- 172 Parliamentary Questions were received and responded to. One was withdrawn by the Questions Office.
- Of the above total of 172, 130 were received from the National Assembly and 42 from the National Council of Provinces.

C. Tablings

- The following annual reports were submitted for tabling in terms of the Public Fi-

nance Management Act, 1999 (Act No 1 of 1999):

- Report and Financial Statements of Vote 33 – National Department of Human Settlements for 2022/23, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 33 for 2022/23.
- Integrated Report and Financial Statements of the National Housing Finance Corporation SOC Ltd (NHFC) for 2022/23, including the Report of the Auditor-General on the Financial Statements for 2022/23.
- Report and Financial Statements of the Community Scheme Ombud Services (CSOS) for 2022/23, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2022/23.
- Report and Financial Statements of the Social Housing Regulatory Authority (SHRA) for 2022/23, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2022/23.
- Report and Financial Statements of the Property Practitioners Regulatory Authority (PPRA) for 2022/23, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2022/23.
- Report and Financial Statements of the National Home Builders Registration Council (NHBRC) for 2022/23, including the Report of the Auditor-General on the Financial Statements for 2022/23.
- Report and Financial Statements of the Housing Development Agency (HDA) for 2022/23, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2022/23.
- Report and Financial Statements of the Thubelisha Homes NPC (in Liquidation) for 2022/23, including the Report of the Independent Auditors on the Financial Statements and Performance for 2022/23.
- The following Annual Performance Plans were submitted to Parliament for tabling in terms of section 10 of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No 9 of 2009) and referred to the Portfolio Committee on Human Settlements for consideration and report:
 - Annual Performance Plan of the Department of Human Settlements for 2024/25.
 - Annual Performance of the National Home Builders Registration Council (NHBRC) for 2023/24.
 - Annual Performance of the Housing Development Agency (HDA) for 2024/25.
 - Annual Performance Plan of the National Housing Finance Corporation (NHFC) SOC Ltd for 2024/25.
 - Annual Performance Plan of the Social Housing Regulatory Authority (SHRA) for 2024/25.

- Annual Performance Plan of the Community Schemes Ombud Service (CSOS) for 2024/25.
- Annual Performance Plan of the National Home Builders Registration Council (NHBRC) for 2024/25.
- Annual Performance Plan of the Property Practitioners Regulatory Authority (formerly known as the Estate Agency Affairs Board) for 2024/25.

Reports submitted to the Speaker of the National Assembly:

- Two Reports in Respect of Recommendations Contained in the Report of Portfolio Committee on Human Settlements on Budget Vote 33: Human Settlements, Revised Strategic Plan Medium-Term Expenditure Framework (MTEF) Period and Annual Performance Plan 2023/24.

D. Cabinet and its Committees:

The following Cabinet memoranda were submitted for tabling at Cabinet and its committees for approval -

- Appointment of Chief Financial Officer of the Property Practitioners Regulatory Authority (PPRA).
- Appointment of Chief Financial Officer of the National Home Builders Registration Council (NHBRC).
- Progress Report on the Implementation of the Medium-Term Strategic Framework (MTSF) 2019 – 2024 plus Cumulative Annual Performance.
- Appointment of the Director-General: Human Settlements.
- Appointment of the Chairperson of the Housing Development Agency Board.
- Progress Report on the Government Employees Housing Scheme (GEHS).
- Report on the Implementation of the Military Veterans Housing Programme.
- Progress Report on the Revised National Accreditation Framework 2023.
- Human Settlements White Paper Policy for Public Comments.
- Appointment of the Chief Executive Officer of the Property Practitioners Regulatory Authority.
- Establishment of a UN-Habitat Country Programme and Office in South Africa with the United Nations Human Settlements Programme (UN Habitat).
- Informal Settlements Upgrading Partnership Grant Framework/Policy and Progress made to the Implementation of the Informal Settlements Upgrading Partnership Grant Since Inception.
- Report on the Implementation of the Title Deeds Restoration Programme.
- Report on the Implementation of Serviced Sites Programme and Integrated Residential Development Programme (IRPD).



- Implementation of the Masterplan for the Lanseria Smart City.
- Report on the Implementation of Two Major Human Settlements Development Projects in Gauteng for Provision of Almost 68 000 Households.
- Two Bi-Annual Progress Reports on the MTSF 2019-2024: Priority 5 – Spatial Integration, Human Settlements & Local Government.

E. Cluster Support

- Monthly meetings of the various clusters of the Forum of South African Directors-General (FOSAD) were held. These include the Economic Sectors, Investment, Employment and Infrastructure Development (ESIEID) Cluster, which the Department of Human Settlements co-chairs with the Department of Mineral Resources and Energy, with a particular focus on the Economic Recovery and Reconstruction Programme (ERRP).

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1	Progress to relocate illegal dwellers from the railway reserve between Phillippi and Langa to allow for the reopening of railway services. The Central Railway Line matter is not yet resolved and the meetings are still ongoing.	The Department of Human Settlements and other stakeholders to conduct an assessment to determine the suitability of the Stock Road site earmarked for relocation of households illegally occupying the railway reserve.	The Housing Development Agency and other relevant stakeholders conducted the assessment.	Yes
2	Progress to relocate illegal dwellers from the railway reserve.	Relevant stakeholders required to ensure adequate funding for the acquisition of the required land for relocation of households occupying the railway reserve.	The Housing Development Agency provided funding through the 2023/24 Budget Adjustment Process for the acquisition of land required for the relocation of households to expedite the resumption of railway services through Operation Bhekela.	Yes
3	Update on the progress to relocate households illegally occupying the railway reserve.	The Standing Committee on Public Accounts (SCOPA) resolved to conduct an oversight visit to the Stock Road site earmarked for the relocation programme.	SCOPA conducted the oversight visit to the Stock Road site on 20 March 2024.	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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

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

10. INTERNAL CONTROL UNIT

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

- Served as a point of entry for all Requests for Information and Audit Findings from the Office of the Auditor-General. All responses by the department were also channelled through the Internal Control Unit for submission to the Office of the Auditor-General.
- Co-ordinated the development of the Action Plan in respect of the Auditor-General Audit's Report and Management Letter.
- Monitored progress on the implementation of the planned actions to address prior

year audit findings.

- Continued to serve as a custodian of all payments supporting documentation.
- Continued to fulfill its secretariat role to the Loss Control Committee.
- Continued its responsibility of managing the following registers:
 - Losses incurred by the department
 - Irregular expenditure
 - Fruitless and wasteful expenditure
- Conducted compliance reviews in respect of expenditure incurred during the financial year.

11. INTERNAL AUDIT AND AUDIT COMMITTEE

Internal Audit

The objective of Internal Audit as defined in Treasury Regulations [TR] sub-sections 3.2.11 and 3.2.12 is to assist the accounting officer in maintaining efficient and effective controls and achieving departmental objectives by evaluating those controls to determine their effectiveness and efficiency, and developing recommendations for enhancement or improvement.

The unit has, in line with the Standards and Treasury Regulations requirements, developed the risk-based Internal Audit Plan and the rolling three-year plan.

Internal Audit has successfully implemented the approved internal audit plan, including the completion of 12 ad hoc/management requests around irregular, fruitless and wasteful expenditure and non-compliance matters. The unit satisfactorily co-ordinated and facilitated eight audit committee meetings, which included in-committee meetings between the Director-General and the Audit Committee members.

The directorate is tasked with the responsibility of facilitating and co-ordinating combined assurance activities. During the period under review, the unit developed a

Combined Assurance Plan (CAP) for the 2023/24 financial year that is aligned with the department's Strategic Enterprise-wide Risk Register. The unit reported quarterly to the various governance structures (Executive Management Team, Risk Management Committee and Audit Committee) on progress in the implementation of CAP.

Audit work conducted during the period under review by the directorate is summarised as follows:

- Review of the Strategic Plan and Annual Performance Plans;
- Data Analytics Reviews (Transversal Systems, i.e. BAS, LOGIS, PERSAL and Housing Subsidy System (HSS));
- Follow-up on the Auditor-General Action Plan Review;
- Compliance with the Division of Revenue (DoRA) Review; and
- Performance Audit around Military Veterans and Sector Transformation;
- Information Technology Reviews [Corporate Governance of ICT Review, Backup and Disaster Recovery Review, Application Controls Review – National Housing Needs Register (NHNR), Review of Cloud Computing Services];
- Audit of Performance Information Reviews;
- Interim Financial Statement Reviews;
- Human Resources Management [Recruitment and Selection] Review;

- Fraud and Corruption Review and Cash Management Review;
- Purchase and Payables Review; and
- Follow-up Review.

Audit Committee

The Audit Committee serves as an advisory committee to the Accounting Officer and the Minister of Human Settlements in fulfilling their responsibilities.

The Audit Committee's responsibilities and duties are, as per Treasury Regulations and its own terms of reference, to review the following:

- The effectiveness of the internal control systems;
- The effectiveness of the internal audit function;
- The risk areas of the institution's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;
- Compliance with legal and regulatory provisions; and
- The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors (Combined Assurance), the reports of significant investigations and the responses of management to specific recommendations.

Attendance of Audit Committee Meetings by Audit Committee Members

Name	Qualifications	Date Appointed	No. of Meetings Attended
Ms Nontlaza Sizani – Chairperson	• Bachelor's Degree (Honours) in Accounting Science • Bachelor's Degree in Commerce • Senior Teachers Diploma • Post-Graduate Diploma in Management • Certificate in the Theory of Accountancy (CTA) • AGA (SA) • Cert. Director (IODSA)	01 Oct 2018 ¹	8
Dr Malindi Neluheni	• Doctor of Philosophy (Architecture-Engineering Minor) • Master's Degree in Urban and Regional Planning • Bachelor's Degree (Honours) in Geography • Bachelor of Arts • Primary Teachers Certificate	01 Oct 2018 ¹	8
Dr Charles Motau	• Doctor Technologiae: Computer Science and Data Processing • Master's Degree in Business Leadership (MBL) • Master's Degree in Information Technology • Bachelor's Degree in Commerce • Higher Diploma in Computer Auditing • Certificate in IT Projects Management • Certificate in Executive Leadership • Certificate in Human Resource Management • Certificate in Digital Transformation Strategy	01 Oct 2018 ¹	8

Attendance of Audit Committee Meetings by Audit Committee Members

Name	Qualifications	Date Appointed	No. of Meetings Attended
Dr Siphelele Zulu	• PhD in Human Resource Management • LLM – Master’s Degree in Law: Labour Studies • Master’s Degree in Human Resource Management • Bachelor of Social Science (Honours) in Industrial Relations • Bachelor’s Degree (Honours) in Education • HDE (Post-Graduate Diploma) • Bachelor of Arts Degree	01 Aug 2021 ²	8
Ms Keitumetse Mahlangu	• B PROC • LLB • LLM: Corporate Commercial • Management Advancement Programme (MAP) • Certificate in Fraud Examination	01 Aug 2021 ²	8

¹ Re-appointed for the second term in line with the Audit Committee Charter from 01 October 2021

² Appointed with effect from 01 August 2021.

12. AUDIT COMMITTEE REPORT

The Audit Committee presents its report for the year ended 31 March 2024.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities as stated in section 38(1)(a) (ii) of the Public Finance Management Act and Treasury Regulations paragraph 3.1.10 and 3.1.13.

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

The committee comprises five independent members. During the financial year ended 31 March 2024, the committee held eight meetings. The committee is required to meet at least four times a year as per its approved terms of reference and also hold special meetings where necessary.

Summary of the work done by the Audit Committee during the year under review

- Reviewed and approved the Audit Committee Charter
- Reviewed and approved the Internal Audit Charter
- Reviewed and approved the Internal Audit's three-year rolling plan and annual audit coverage plan
- Overseen the execution of the three-year internal audit plan
- Reviewed the reports of the Internal Audit Activity and made appropriate recommendations
- Considered quarterly financial and performance reports and provided guidance on the adequacy and quality improvements for these reports
- Reviewed the Risk Management reports and made appropriate recommendations
- Considered proposed internal controls to mitigate risks and made appropriate recommendations
- Provided guidance on IT governance and policy issues
- Monitored compliance with policies and applicable legislations
- Monitored progress on previous audit findings
- Reviewed the combined assurance plan and reports that addressed the significant risks facing the department.

The Effectiveness of Internal Control

The system of controls within the department is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance. This is achieved through a risk-based internal audit plan, Internal Audit assessing the adequacy and effectiveness of controls mitigating the risks and the Audit Committee monitoring management's implementation of corrective actions.

The committee reviewed the reports of the Internal Auditors, the Audit Report and the Management Report from the AGSA and concludes that the system of internal control as applied over non-financial matters and risk management in the department are partially satisfactory. Improvements are required on managing the overall delivery of emergency housing and on ensuring reliability of performance information reported. The committee will continue to monitor action plans implemented by management to address internal control deficiencies.

Effectiveness of Internal Audit

The Audit Committee is satisfied that the Internal Audit function “conforms to the international standards for the professional practice of internal auditing”. The committee has approved the risk-based, three-year rolling strategic internal audit plan and an annual audit coverage plan [1 April 2023 to 31 March 2024]. The committee reviewed the Internal Audit work, which was reported to the committee on a quarterly basis. The report highlighted deficiencies in governance, risk management and control processes, which were then raised with the department and management has made commitment to address them.

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

Risk Management Function

The Audit Committee is responsible for the oversight of the risk management function. The department assessed strategic and operational risks that could have an impact on the achievement of its objectives, both strategically and on a programme level. Risks were prioritised based on their likelihood and impact (inherent and residual) and additional mitigations were agreed upon to reduce risks to acceptable levels. New/emerging risks were identified during the quarterly review processes. Internal Audit also performed their own assessment of the risk environment of the department through the combined assurance and execution of the internal audit plan.

The committee has reviewed the department's policies on risk management, risk registers and the reports from the risk committee, and is generally satisfied with the maturity of the risk management process.

Information and Communication Technology (ICT) Governance

The committee reviewed progress with respect to ICT Governance in line with the ICT Governance Policy Framework issued by the Department of Public Service and Administration and as reported by the Chairperson of the ICT Steering Committee quarterly. The committee noted the positive progress made by the ICT Steering Committee since the appointment of the Chairperson. However, the committee is

concerned with the findings raised by the AGSA and will monitor the implementation of the AGSA audit action plan.

In-Year Management and Monthly/Quarterly Report

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

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

Evaluation of Financial Statements

The Audit Committee reviewed and recommended the annual financial statements prepared by the entity for approval and submission to the Auditor-General of South Africa (AGSA) for the annual audit and were satisfied that they were in line with the quarterly reports submitted throughout the year under review.

The committee reviewed the accounting policies applied in the compilation of the annual financial statements and it satisfied itself that the policies are consistent with those of prior years, and have been constantly applied in accordance with the National Treasury Guidelines.

Auditor-General's Report

The Audit Committee has met and discussed with AGSA its report to ensure there are no unresolved issues. The committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements and annual performance information report be accepted and read together with the report of the Auditor-General South Africa.

The committee furthermore strongly recommends continuous interaction between itself and the management team to discuss and agree on the way forward on the implementation plan for an improved internal control environment within the entity, thereby addressing the current internal control environment shortcomings.

Appreciation

The Audit Committee expresses its appreciation to the Accounting Officer, Senior Management team, Internal Audit and the Auditor-General of South Africa, all levels of management and staff of the department for their continued support, co-operation and dedication to enable the committee to discharge its responsibilities.



Nontlaza Sizani

Chairperson of the Audit Committee
Department of Human Settlements
14 August 2024

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 (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The National Department of Human Settlements does not issue licences, concessions or other authorisations in respect of economic activity in terms of any law.
Developing and implementing a preferential procurement policy?	Yes	The department has developed and is implementing the Preferential Procurement Policy.
Determining qualification criteria for the sale of state-owned enterprises?	No	The department does not sell state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	No	The department did not enter into partnerships with the private sector during the period under review.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	The department does not award incentives, grants and investment schemes.



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PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The Status of Human Resources in the Department:

Although the department is still engaged in an organisational structure review exercise, vacant funded positions have been prioritised and filled in line with the approved priority list and the Revised Macro Organisational Structure concurred by MPSA in 2021. This has ensured that top management posts, including that of the Director-General, are filled. These posts bring stability to the department and exceed the employment equity target as female representation at the SMS level as at 31 March 2024 was at 56%.

Human Resource Priorities for the Year Under Review and the Impact of these:

● Review and Realignment of the Departmental Organisational Structure

The department is still continuing with the organisational structure review process that seeks to ensure the full alignment of the macro organisational structure to the objective-based budget structure as well as the micro organisational structure. Despite delays in finalising the review and realignment of the department's organisational structure, the process is viewed in a serious light as it will tackle and align the capacity challenges currently faced by the department due to the decreasing Compensation of Employees budget and the Directives on Cost-Containment Measures.

● Filling of Prioritised Vacant and Funded Positions

In 2023/24, the Chief Directorate: Human Resource Management made significant progress in all areas of its responsibilities. The total number of posts on the establishment of the department in 2023/24 was 694, and 526 of these posts were filled.

The Minister for Public Service and Administration (MPSA) issued a directive on the implementation of control measures aimed at assisting executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts in departments. The implementation of the directive has resulted in a high number of vacant posts being frozen, leading to a 2.5% vacancy rate as at 31 March 2024.

Seventeen positions were subjected to job evaluation during the reporting period. However, none of the job evaluated posts were upgraded. The department's turnover rate decreased from 2.56% in 2022/23 to 1.30% in the reporting period. The majority of staff that left the department were due to the expiry of their contracts.

Most of the posts that were filled during the reporting period were on salary levels 9-12 and salary levels 13-16. This has resulted in five internal promotions and the department exceeding the set target of 50% of females at SMS level.

Workforce Planning and Key Strategies to Attract and Recruit Skilled and Capable Staff

The department finalised the department-wide skills audit exercise in January 2024. The recommendations of the skills audit report will be implemented during the 2024/25 financial cycle.

Employee Performance Management

The department complied with the DPSA Directives on Employee Performance Management and Development Systems, and notch progression was implemented for qualifying officials within the department for the 2022/23 performance cycle.

Workshops were held to assist employees with the process of contracting and assessment. Consequence management was also implemented against employees

who failed to comply with the prescribed submission dates.

Employee Wellness Programme

The Employee Wellness Programme (EWP) served as an intervention that enhances employee productivity through the:

- Provision of confidential 365/24/7 short-term counselling and referral services, internally and externally;
- Co-ordination of health promotion interventions, inclusive of quarterly onsite Wellness Days in partnership with the Government Employee Medical Scheme (GEMS), whereby health screenings, including HIV Counselling and Testing (HCT), are conducted;

- The OHS management system that is in place, inclusive of a functional statutory OHS Committee; and
- OHS audits that are conducted on a quarterly basis and the findings addressed through routine facility management.

Future Human Resource Plans/Goals:

- Finalisation and implementation of the revised organisational structure for the department;
- Implementation of the skills audit results through the Workplace Skills Plan; and
- Implementation of the Directive on Human Resource Management and Development for the Public Service Professionalisation.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

- Amount spent on personnel; and
- Amount spent on salaries, overtime, homeowners' allowance and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2023 to 31 March 2024

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)
1. Administration	R463 541	R231 528	R1 360	R9 637	49.9%	R656
2. Integrated human settlements planning and development	R21 291 687	R65 227	R0	R14 746	0.3%	R906
3. Informal settlements	R8 013 495	R36 012	R0	R3 746	0.4%	R973
4. Rental and social housing	R911 582	R8 773	R0	R0	1.0%	R975
5. Affordable housing	R546 618	R48 262	R0	R1 047	8.8%	R877
Total	R31 226 923	R389 802	R1 360	R29 176	1.2%	R741

Table 3.1.2 Personnel Costs by Salary Band for the period 1 April 2023 to 31 March 2024

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	R2 450	0.6%	1	R153 786
Skilled (level 3-5)	R28 961	7.4%	91	R282 067
Highly skilled production (levels 6-8)	R63 693	16.3%	122	R449 988
Highly skilled supervision (levels 9-12)	R178 508	45.8%	205	R805 341
Senior and top management (levels 13-16)	R113 264	29.1%	76	R1 270 207
Other	R2 926	0.8%	31	R88 218

Table 3.1.3 Salaries, Overtime, Homeowners' Allowance and Medical Aid by Programme for the period 1 April 2023 to 31 March 2024

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
1: Administration	R194 153	84%	R4 334	1.87%	R5 070	2.19%	R9 118	3.94%
2: Integrated human settlements planning and development	R56 946	87%	R157	0.24%	R1 107	1.70%	R1 597	2.45%
3: Informal settlements	R31 439	87%	R0	0.00%	R658	1.83%	R1 001	2.78%
4: Rental and social housing	R7 295	83%	R0	0.00%	R586	6.68%	R93	1.06%
5: Affordable housing	R41 633	86%	R204	0.42%	R876	1.82%	R1 311	2.72%
Total	R331 466	85%	R4 695	1.20%	R8 297	2.13%	R13 120	3.37%

Table 3.1.4 Salaries, Overtime, Homeowners' Allowance and Medical Aid by Salary Band for the period 1 April 2023 to 31 March 2024

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	R2 340	95.51%	R0	0.00%	R0	0.00%	R0	0.00%
Skilled (level 3-5)	R20 211	69.79%	R819	2.83%	R1 673	5.78%	R3 205	11.07%
Highly skilled production (levels 6-8)	R49 281	77.37%	R2 083	3.27%	R2 270	3.56%	R5 117	8.03%
Highly skilled supervision (levels 9-12)	R153 642	86.07%	R1 663	0.93%	R2 645	1.48%	R4 278	2.40%
Senior management (level 13-16)	R103 203	91.12%	R0	0.00%	R1 709	1.51%	R520	0.46%
Other	R2 789	95.32%	R130	4.44%	R0	0.00%	R0	0.00%
Total	R331 466	85.03%	R4 695	1.20%	R8 297	2.13%	R13 120	3.37%

3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

The department has identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post in the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and Vacancies by Programme as at 31 March 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
1. Administration	454	353	22.20%	58
2. Integrated human settlements planning and development	105	72	31.40%	7
3. Informal settlements	48	37	22.90%	0
4. Rental and social housing	13	9	30.80%	0
5. Affordable housing	74	55	25.70%	2
Total	694	526	24.20%	67

Table 3.2.2 Employment and Vacancies by Salary Band as at 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	-	-	-	-
Skilled (3-5)	116	83	28.40%	0
Highly skilled production (6-8)	158	111	29.70%	0
Highly skilled supervision (9-12)	265	197	25.70%	0
Senior management (13-16)	84	64	23.80%	0
Other (Interns)	31	31	0%	31
Contract (1-2)	1	1	0%	1
Contract (3-5)	8	8	0%	8
Contract (6-8)	110	11	0%	11
Contract (9-12)	8	8	0%	7
Contract (3-12)	12	12	0%	9
Total	694	526	24.20	67

Table 3.2.3 Employment and Vacancies by Critical Occupations as at 31 March 2024

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Engineers and related professionals	6	6	0%	0
Financial and related professionals	29	29	0%	0
Legal Administration and Related Professionals	3	3	0%	0
Total	38	38	0%	0

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS Post Information as at 31 March 2024

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	00%	0	0%
Salary Level 15	7	7	100%	0	0%
Salary Level 14	19	14	73.68%	5	26.31%
Salary Level 13	45	41	91.11%	4	8.88%
Total	72	63	87.5%	9	12.5%

Table 3.3.2 SMS Post Information as at 30 September 2023

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0%	1	100%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	7	5	71.42%	2	28.57%
Salary Level 14	19	14	73.68%	5	26.31%
Salary Level 13	45	41	91.11%	4	8.88%
Total	72	60	83%	12	23.14%

Table 3.3.3 Advertising and Filling of SMS Posts for the period 1 April 2023 to 31 March 2024

SMS level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months of becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Director-General/ Head of Department	1	0	1
Salary Level 16	0	0	0
Salary Level 15	4	0	4
Salary Level 14	2	0	0
Salary Level 13	3	0	0
Total	10	0	5

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts - Advertised within six months and filled within 12 months after becoming vacant for the period 1 April 2023 to 31 March 2024	
Reasons for vacancies not advertised within six months	
Posts had to be re-advertised because of the disputes lodged.	
The absence of the JE system forces the department to benchmark posts, which delays the conclusion of the job evaluation process, especially for the four Deputy Director-General posts.	
Reasons for vacancies not filled within 12 months	
Prolonged time to co-ordinate availability of panel members to conduct shortlisting and interviews	
External panel members not available and interviews had to be rescheduled.	

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 2023 to 31 March 2024	
Reasons for vacancies not advertised within six months	
None.	
Reasons for vacancies not filled within six months	
None.	

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary Band for the period 1 April 2023 to 31 March 2024

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
Contract (Levels 1-2)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	116	1	1%	0	0	0	0
Contract (Levels 3-5)	8	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	158	0	0	0	0	0	0
Contract (Levels 6-8)	11	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	265	2	1%	0	0	0	0
Contract (Levels 9-12)	8	0	0	0	0	0	0
Senior Management Service Band A	53	14	26%	0	0	0	0
Contract Band A	8	0	0	0	0	0	0
Senior Management Service Band B	20	0	0	0	0	0	0
Contract Band B	2	0	0	0	0	0	0
Senior Management Service Band C	8	0	0	0	0	0	0
Contract Band C	1	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
Contract Band D	1	0	0	0	0	0	0
Other	31	0	0	0	0	0	0
Total	694	17	28%	0	0	0	0

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

Table 3.4.2 Profile of Employees whose Positions were Upgraded Due to their Posts being Upgraded for the period 1 April 2023 to 31 March 2024

Profile of employees whose positions were upgraded due to their posts being upgraded	None
--	------

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

Table 3.4.3 Employees with Salary Levels Higher than those Determined by Job Evaluation by Occupation for the period 1 April 2023 to 31 March 2024

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

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

Table 3.4.4 Profile of Employees who are in Salary Levels Higher than those Determined by Job Evaluation for the period 1 April 2023 to 31 March 2024

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

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 department's employment profile. 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 2023 to 31 March 2024

Salary band	Number of employees at beginning of period-1 April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	1	0	0	0.00%
Skilled (Levels3-5)	91	1	1	1.09%
Highly skilled production (Levels 6-8)	118	1	3	2.54%
Highly skilled supervision (Levels 9-12)	203	2	2	0.98%
Senior Management Service Bands A	49	1	1	2.04%
Senior Management Service Bands B	13	0	1	7.69%
Senior Management Service Bands C	8	1	0	12.50%
Senior Management Service Bands D	2	0	0	0.00%
Other permanent	31	0	0	0.00%
Contracts (1-2)	1	0	0	0.00%
Contract (3-5)	18	0	0	0.00%
Contract (6-8)	34	0	0	0.00%
Contract (9-12)	14	0	0	0.00%
Contract Band A	22	0	0	0.00%
Contract Band B	2	0	0	0.00%
Contract Band C	4	0	0	0.00%
Contract Band d	4	0	0	0.00%
Total	615	6	8	1.30%

Table 3.5.2 Annual Turnover Rates by Critical Occupation for the period 1 April 2023 to 31 March 2024

Critical occupation	Number of employees at beginning of period-April 2023	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineers and Related Professionals	16	0	1	6.25%
Finance and Related Professionals	60	2	2	3.30%
Legal Administration and Related Professionals	6	0	0	0.00%

Table 3.5.3 Reasons Staff Left the Department for the period 1 April 2023 to 31 March 2024

Termination Type	Number	% of Total Resignations
Death	3	3.37%
Resignation	16	17,98%
Expiry of contract	51	57,3%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	2	2,25%
Discharged due to ill-health	0	0%
Retirement	10	11,24%
Transfer to other public service departments	7	7,86%
Other	0	0
Total number of employees who left as a % of total employment	89	16,92%

Table 3.5.4 Promotions by Critical Occupation for the period 1 April 2023 to 31 March 2024

Occupation	Employees 1 April 2023	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
Engineering and related professionals	16	0	0.00%	4	25%
Finance and related professions	60	1	1.70%	20	33.30%
Legal administration and related professionals	6	0	0.00%	1	50%
Total	82	1	1.70%	25	33.78%

Table 3.5.5 Promotions by Salary Band for the period 1 April 2023 to 31 March 2024

Salary band	Employees 1 April 2023	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	1	0	0%	0	0%
Skilled (Levels 3-5)	91	0	0%	67	37.20%
Highly skilled production (Levels 6-8)	118	0	0%	47	19.60%
Highly skilled supervision (Levels 9-12)	203	5	1.20%	11	28.60%
Senior Management (Level 13-16)	72	2	1.60%	26	21.00%
Other permanent	31	0	0%	0	0%
Contract (1-2)	1	0	0%	0	0%
Contract (3-5)	18	0	0%	1	5.60%
Contract (6-8)	34	0	0%	3	8.80%
Contract (9-12)	14	0	0%	2	14.30%
Contract (13)	32	0	0%	3	9.40%
Total	615	7	0.60%	264	23.10%

3.6 Employment Equity

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

Table 3.6.1 Total number of Employees (including employees with disabilities) in each of the following Occupational Categories as at 31 March 2024									
Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	17	0	1	1	30	2	2	1	54
Professionals	61	1	1	2	87	6	1	6	165
Technicians and associate professionals	57	0	0	0	53	2	3	2	117
Clerks	34	1	0	3	81	1	3	8	131
Service and sales workers	13	0	0	0	14	0	0	0	27
Skilled agriculture and fishery workers	9	0	0	0	22	1	0	0	32
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-
Total	191	2	2	6	287	12	9	17	526
Employees with disabilities	3	0	0	0	7	0	1	0	11

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	0	0	1	6	0	1	0	10
Contract – top management	2								2
Senior management	22	0	1	1	25	2	1	2	54
Contract – senior management	3				7				10
Professionally qualified and experienced specialists and mid-management	80	1	1	3	95	6	3	8	197
Contract, professionals	3				5				8
Skilled, technically and academically qualified workers, junior management, supervisors, foremen and superintendents	32	1	0	1	63	3	4	7	111
Contract, skilled	6				5				11
Semi-skilled and discretionary decision making	28	0	0	0	54	1	0	0	83
Semi-skilled, contract	2				6				8
Interns	11				20				31
Unskilled and defined decision making	-	-	-	-	1	-	-	-	1
Total	191	2	2	6	287	12	9	17	526

Table 3.6.3 Recruitment for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	0	0	0	3	0	0	0	5
Senior management	5	0	0	0	4	0	0	0	9
Professionally qualified and experienced specialists and mid-management									
Skilled, technically and academically qualified workers, junior management, supervisors, foremen and superintendents	5	0	0	0	2	0	0	0	7
Semi-skilled and discretionary decision making	2	0	0	0	1	0	0	0	3
Unskilled and defined decision making	6	0	0	0	5	2	0	0	13
Total	0	0	0	0	1	0	0	0	1
Employees with disabilities	20	0	0	0	16	2	0	0	38

Table 3.6.4 Promotions for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	1	0	0	0	1
Senior management	10	0	0	0	15	1	0	1	27
Professionally qualified and experienced specialists and mid-management	51	0	0	3	57	1	2	6	120
Skilled, technically and academically qualified workers, junior management, supervisors, foremen and superintendents	14	1	0	1	28	0	2	1	47
Semi-skilled and discretionary decision making	22	0	0	0	44	1	0	0	67
Unskilled and defined decision making	3	0	0	0	6	0	0	0	9
Total	100	1	0	4	151	3	4	8	271
Employees with disabilities	3	0	0	0	5	0	0	0	8

Table 3.6.5 Terminations for the period 1 April 2023 to 31 March 2024

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	3	0	0	0	4
Senior management	11	0	0	0	4	0	0	0	15
Professionally qualified and experienced specialists and mid-management	7	0	0	1	8	0			
Skilled, technically and academically qualified workers, junior management, supervisors, foremen and superintendents	9	0	0	0	4	5	1	1	20
Semi-skilled and discretionary decision making	2	0	0	0	6	0	1	1	10
Unskilled and defined decision making	2	0	0	0	13	0	0	0	15
Total	32	0	0	1	38	5	2	0	78
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary Action for the period 1 April 2023 to 31 March 2024

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Progressive	35	0	0	2	41	0	0	1	79
Formal disciplinary hearing	1	0	0	0	0	0	1	0	2

Table 3.6.7 Skills Development for the period 1 April 2023 to 31 March 2024

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	17	-	-	-	6	-	-	1	24
Professionals	36	-	-	-	26	1	-	-	63
Technicians and associate professionals	2	-	-	-	6	-	-	-	8
Clerks	12	1			15				28
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	14	-	-	-	31	-	-	-	45
Total	81	1	-	-	84	1	-	1	168
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as at 31 May 2023

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1,00	0,00	0,00	0%
Salary Level 16 (Includes Min, DM & Mr Marwala)	0,00	0,00	0,00	0%
Salary Level 15	8,00	8,00	2,00	25%
Salary Level 14	20,00	15,00	11,00	73%
Salary Level 13	53,00	49,00	44,00	90%
Total	82,00	72,00	57,00	79%

The above excludes contract appointments

Table 3.7.2 Reasons for Not Having Concluded Performance Agreements for all SMS members as at 31 March 2024

Reasons

Non-compliance to EPMDS directives and submission dates

Table 3.7.3 Disciplinary Steps Taken against SMS Members for Not Having Concluded Performance Agreements as at 31 March 2024

Reasons

Progressive disciplinary action was taken against SMS members for non-compliance.

Forfeiture of notch progression implementation.

Non-compliance letters issued to SMS members.



3.8 Performance Rewards

Table 3.8.1 Performance Rewards by Race, Gender and Disability for the period 1 April 2023 to 31 March 2024

Race and gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	1	478	0,4	10,48	10 475
Male	0	191	0	0	0
Female	1	287	0,40	10,48	10 475
Asian		11	0	0	0
Male	0	2	0	0	0
Female	0	9	0	0	0
Coloured	0	14	0	0	0
Male	0	2	0	0	0
Female	0	12	0	0	0
White	0	23	0	0	0
Male	0	6	0	0	0
Female	0	17	0	0	0
Total	1	526	0,40%	10,48	10 475

The above totals include 11 officials with disabilities.

Table 3.8.2 Performance Rewards by Salary Band for Personnel Below Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Skilled (level 3-5)	0,00	83,00	0,00	0,00	0,00	0,00
Highly skilled production (level 6-8)	0,00	111,00	0,00	0,00	0,00	0,00
Highly skilled supervision (level 9-12) (Upgrade of Ms Mapondo whereby notch progression had to be calculated)	1,00	197,00	0,50	10,48	10 475,00	0,00
09 Other	0,00	31,00	0,00	0,00	0,00	0,00
10 Contract (Levels 1-2)	0,00	1,00	0,00	0,00	0,00	0,00
11 Contract (Levels 3-5)	0,00	8,00	0,00	0,00	0,00	0,00
12 Contract (Levels 6-8)	0,00	11,00	0,00	0,00	0,00	0,00
13 Contract (Levels 9-12)	0,00	8,00	0,00	0,00	0,00	0,00
Total	1,00	450,00	0,50	10,48	10 475,00	0,00

Table 3.8.3 Performance Rewards by Critical Occupation for the period 1 April 2023 to 31 March 2024

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial clerks and credit controllers	0,00	30,00	0,00	0,00	0,00
Human resources clerks	0,00	14,00	0,00	0,00	0,00
Security officers	0,00	20,00	0,00	0,00	0,00
Messengers, porters and deliverers	0,00	7,00	0,00	0,00	0,00
Human resources and organisational development and related professionals	0,00	47,00	0,00	0,00	0,00
Risk management and security services	0,00	6,00	0,00	0,00	0,00
Logistical support personnel	0,00	20,00	0,00	0,00	0,00
Finance and economics-related (Upgrade of Ms Mapondo whereby notch progression had to be calculated)	1,00	29,00	3,40	10,48	10 475,00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administration and related occupations e.g. clerks and organisers, etc	0,00	14,00	0,00	0,00	0,00
Other occupations	0,00	4,00	0,00	0,00	0,00
Finance and related occupations	0,00	29,00	0,00	0,00	0,00
Administrative-related	0,00	101,00	0,00	0,00	0,00
Communication and information related	0,00	3,00	0,00	0,00	0,00
Secretaries and other keyboard operating clerks	0,00	43,00	0,00	0,00	0,00
Library, mail and related clerks	0,00	5,00	0,00	0,00	0,00
Cleaners in offices, workshops hospitals, etc.	0,00	21,00	0,00	0,00	0,00
Human resources related	0,00	9,00	0,00	0,00	0,00
Head of Department/Chief Executive Officer	0,00	1,00	0,00	0,00	0,00
General, legal, administration and related professionals	0,00	3,00	0,00	0,00	0,00
Material-recording and transport clerks	0,00	5,00	0,00	0,00	0,00
Senior managers	0,00	73,00	0,00	0,00	0,00
Client Information clerks (switchboard operators, receptionists, etc)	0,00	15,00	0,00	0,00	0,00
Economists	0,00	10,00	0,00	0,00	0,00
Engineers and related professionals	0,00	6,00	0,00	0,00	0,00
Other information technology personnel	0,00	4,00	0,00	0,00	0,00
Food services aides and waiters	0,00	1,00	0,00	0,00	0,00
Community development workers	0,00	4,00	0,00	0,00	0,00
Librarians and related professionals	0,00	1,00	0,00	0,00	0,00
Information technology-related personnel	0,00	1,00	0,00	0,00	0,00
Total	1,00	526,00	0,20	10,48	10 475,00

Information as retrieved from the HR Oversight Report

Table 3.8.4 Performance-Related Rewards (cash bonus) by Salary Band for Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0,00	49,00	0,00	0,00	0,00	69 696,78
Band B	0,00	15,00	0,00	0,00	0,00	24 049,93
Band C	0,00	8,00	0,00	0,00	0,00	13 898,86
Band D	0,00	4,00	0,00	0,00	0,00	8 154,46
Total	0,00	76,00	0,00	0,00	0,00	115 800,04

No cash bonuses were implemented. The total cost as a % of the total personnel expenditure was for notch progression implemented. The directive defines any performance rewards as pay progression and/or performance bonus (refer to 12.4.1 page 9: Chapter 4 of the SMS Handbook).

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 2023 to 31 March 2024

Total Foreign workers by salary band	None
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Table 3.9.2 Foreign Workers by Major Occupation for the period 1 April 2023 and 31 March 2024

Total Foreign workers by major occupation	None
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3.10 Leave Utilisation

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

Table 3.10.1 Sick Leave for the period 1 January 2023 to 31 December 2023

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skills (levels 1-2): Contract	54	94,00%	13	3,10%	4	34,00
Skilled (levels 3-5)	569	84,40%	63	15,20%	9	555,00
Highly skilled, production (levels 6-8)	10170	76,20%	104	25,10%	10	1811,00
Highly skilled, supervision (levels 9-12)	1158	76,30%	158	38,20%	7	36,88
Top and senior management (levels 13-16)	292	83,90%	37	8,90%	8	1456,00
Contract (6-8)	23	65,20%	6	1,40%	4	34,00
Contract (13-16)	61	90,20%	7	1,70%	9	276
Contract: Other	98	45,90%	26	6,30%	4	30,00
Total	3272	77,90%	414,00	100%	8	7885,00

Table 3.10.2 Disability Leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (levels 1-2)	0	0,00%	0	0,00%	0	0,00
Skilled (levels 3-5)	36	100%	3	20,00%	29	70,00
Highly skilled, production (levels 6-8)	141	100%	4	26,70%	35	221,00
Highly skilled, supervision (levels 9-12)	164	100%	7	46,70%	23	463,00
Senior management (levels 13-16)	4	100%	1	6,70%	4	18,00
Total	395	100%	15	100	26	773,00

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

Table 3.10.3 Annual Leave for the period 1 January 2023 to 31 December 2023			
Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2): Contract	164	10	16
Skilled (levels 3-5)	2317	26	90
Highly skilled production (levels 6-8)	3364	27	123
Highly skilled, supervision (levels 9-12)	5401	26	210
Senior management (levels 13-16)	1520	22	69
Contract levels (3-5)	76	8	9
Contract (levels 6-8)	119	8	15
Contract (levels 9-12)	51	5	11
Contract (levels 13-16)	102	6	17
Contract: Other	411	12	35
Total	13525	23	595

Table 3.10.4 Capped Leave for the period 1 January 2023 to 31 December 2023				
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 2024
Lower skilled (Levels 1-2)				
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	35
Highly skilled supervision (Levels 9-12)	0	0	0	34
Senior management (Levels 13-16)	0	0	0	26
Total	0	0	0	33

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

Table 3.10.5 Leave Payouts for the period 1 April 2023 to 31 March 2024			
Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 20240331 due to non-utilisation of leave for the previous cycle	188.00	1	188 000.00
Capped leave payouts on termination of service for 20240331	808.00	29	41 776.00
Current leave payout on termination of service for 20240331	1 011.00	12	162 778.00
Total	2 007.00	42	392 400.00

3.11 HIV/AIDS and 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 and related diseases (if any)	• Key steps taken to reduce the risk
• Hygiene services officials are at high risk.	• Promotion of the usage of appropriate Personal Protective Equipment such as gloves • Awareness sessions conducted

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)			
Question	• Yes	• No	• Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	• Yes		• Director: Organisational Transformation and Integrated Employee Health & Wellness
2. Does the department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	• Yes		• The department has an Employee Health and Wellness unit at the level of a sub-directorate with two permanent officials. The EHW Co-ordinator is at a Deputy Director level, who is a registered professional nurse, and an internal EHW practitioner at Assistant Director level, who is a registered social worker • The unit utilises the budget of the CD:HRM

• Question	• Yes	• No	• Details, if yes
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	• Yes		• Provision of onsite and offsite short-term counselling services to employees and their immediate family members • Health promotion co-ordination through awareness sessions and article dissemination, as per the Health Calendar • Health screenings, through quarterly Wellness Days • Trauma debriefing and bereavement support
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) they represent.	• Yes		• A committee of HIV Peer Educators is in place. Members: • Ms L Masilo – Legal Services • Ms A Masumo – Support staff • Ms K Seitisho – Information Technology • Ms M Masemola - Transformation • Mr T Mthupa – Support staff • Mr S Bila – Security Management • Ms E De Koker – Employee Wellness • Ms M Rakomane – Monitoring & Evaluation • Mr R Mulaudzi – Risk Management and Special Investigations • Ms D Mahlaba – Employee Wellness
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.	• Yes		• HIV, AIDS and TB Management Policy is currently under review
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	• Yes		• Disciplinary measures are in place for stigmatisation and discrimination against employees living with HIV
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	• Yes		HIV Counselling and Testing services provided during quarterly Wellness Days for employees to know their HIV status
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	• Yes		• Number of employees who know their HIV status • Number of employees screened for TB and referred for clinical diagnosis • Number of cases reported for HIV and TB stigma

3.12 Labour Relations

Table 3.12.1 Collective Agreements for the period 1 April 2023 to 31 March 2024

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

Table 3.12.2 Misconduct and Disciplinary Hearings Finalised for the period 1 April 2023 to 31 March 2024

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	
Verbal warning	0	
Written warning	78	99%
Final written warning	1	1%
Suspended without pay	0	
Fine	0	
Demotion	0	
Dismissal	0	
Not guilty	0	
Case withdrawn	0	
Total	79	100%

Table 3.12.3 Types of Misconduct Addressed at Disciplinary Hearings for the period 1 April 2023 to 31 March 2024

Type of misconduct	Number	% of total
Gross financial misconduct, gross insubordination, gross dishonesty, gross misrepresentation, gross violation of prescripts, gross negligence, financial misconduct	1	50%
Failure to comply with the provisions of the PFMA	1	50%
Total	2	100%



Table 3.12.4 Grievances Lodged for the period 1 April 2023 to 31 March 2024		
Grievances	Number	% of Total
Number of grievances resolved	19	73%
Number of grievances not resolved	7	27%
Total number of grievances lodged	26	100%

Table 3.12.5 Disputes Lodged with Councils for the period 1 April 2023 to 31 March 2024		
Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed/closed	13	62%
Number of disputes not finalised	8	38%
Total number of disputes lodged	21	100%

Table 3.12.6 Strike Actions for the period 1 April 2023 and 31 March 2024	
Total number of persons working days lost	0
Total cost of working days lost	0
Amount recovered as a result of the no-work, no-pay principle (R'000)	0

Table 3.12.7 Precautionary Suspensions for the period 1 April 2023 to 31 March 2024	
Number of people suspended	4
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	60
Cost of suspension(R'000)	R589'442



3.13 Skills Development

Table 3.13.1 Training Needs Identified for the period 1 April 2023 to 31 March 2024						
Occupational category	Gender	Number of employees as at 1 April 2023	Training needs identified at start of the reporting period			
			Learnerships/ Internships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	35	-	26	-	26
	Male	19	-	19	-	19
Professionals	Female	100	-	55	-	55
	Male	65	-	41	-	41
Technicians and associate professionals	Female	60	-	15	-	15
	Male	57	-	4	-	4
Clerks	Female	94	-	76	-	76
	Male	37	-	39	-	39
Service and sales workers	Female	13	-	-	-	-
	Male	14	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	23		-	-	21
	Male	9		-	-	15
Sub-Total	Female	326	21	172	-	-
	Male	200	15	103	-	-
Total		526	36	275	-	311

Table 3.13.2 Training Provided for the period 1 April 2023 to 31 March 2024

Occupational category	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	35	-	7	-	7
	Male	19	-	17	-	17
Professionals	Female	100	-	27	-	27
	Male	65	-	36	-	36
Technicians and associate professionals	Female	60		6		6
	Male	57	-	2	-	2
Clerks	Female	94	-	15		15
	Male	37	-	13	-	13
Service and sales workers	Female	13	-	-	-	-
	Male	14	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	23	21	9	-	30
	Male	9	14	1	-	15
Sub-Total	Female	326	21	64	-	85
	Male	200	14	69	-	83
Total		526	35	133	-	168

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 2023 to 31 March 2024

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	0.57%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	3	0.57%

3.15 Utilisation of Consultants

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

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

Table 3.15.1 Report on Consultant Appointments Using Appropriated Funds for the period 1 April 2023 to 31 March 2024

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rands
Organisational Structure Review	4	9 months	R4 600 000.00
A Skills Audit for the Department of Human Settlements	1	12 months	R993 600.00
Provision EHW Services	Account Manager x1 Affiliate EHW practitioners x55	9 months	R269 784.13

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
3	61	Average of 10 months	R12 633.84

Table 3.15.2 Analysis of Consultant Appointments using Appropriated Funds in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 to 31 March 2024

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 2023 to 31 March 2024

Total number of consultant appointments using donor funds	0
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Table 3.15.4 Analysis of Consultant Appointments Using Donor Funds in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2023 and 31 March 2024

Total number of consultant appointments using donor funds in terms of Historically Disadvantaged Individuals (HDIs)	0
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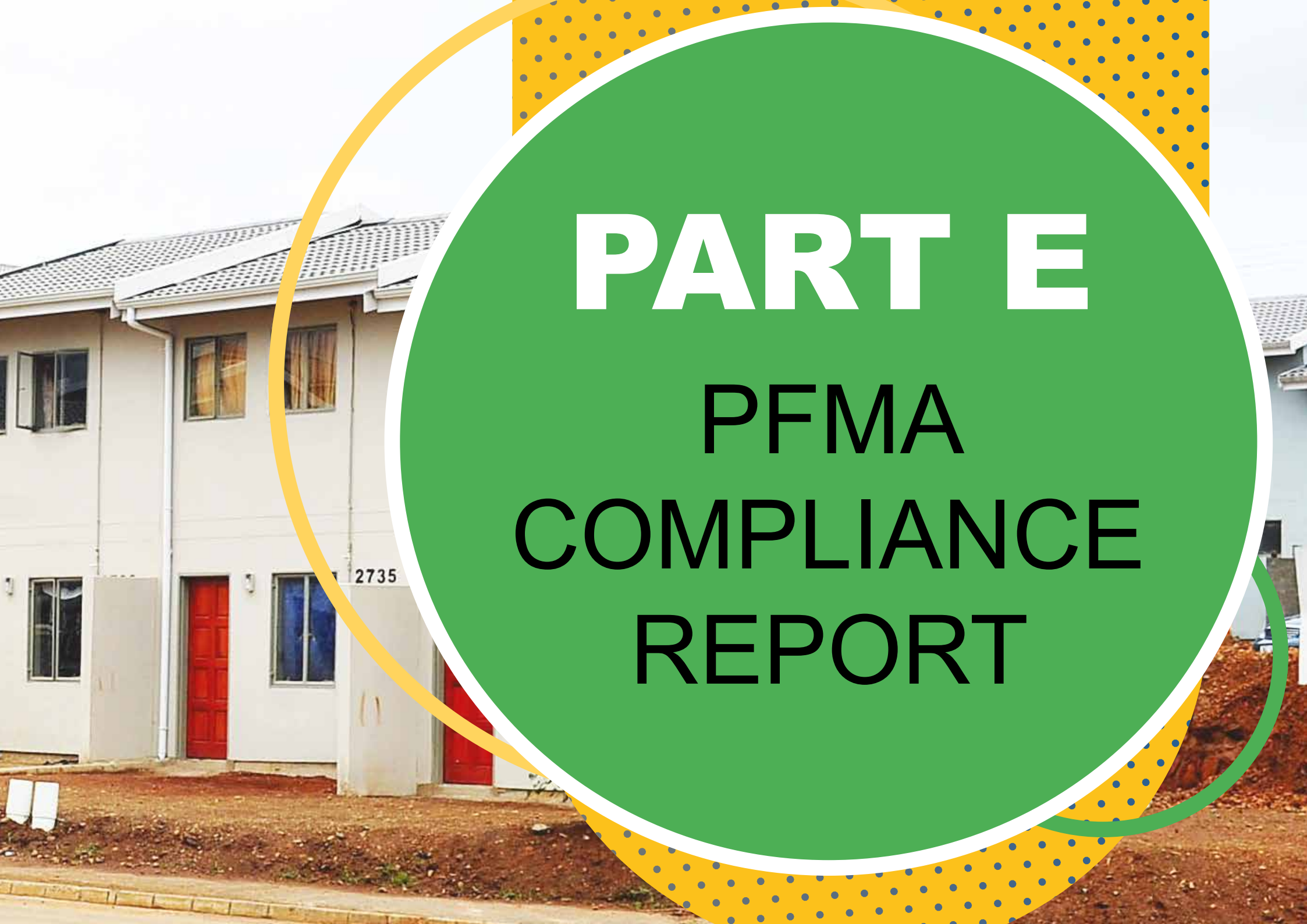
3.16 Severance Packages

Table 3.16.1 Granting of Employee-initiated Severance Packages for the period 1 April 2023 to 31 March 2024

Total granting of employee-initiated severance packages	0
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PART E

PFMA COMPLIANCE REPORT

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

1.1. Irregular Expenditure

a) Reconciliation of Irregular Expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	7 899	7 594
Adjustment to opening balance	0	0
Opening balance as restated	7 899	7 594
Add: Irregular expenditure confirmed	860	1 830
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	(1 525)
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	8 759	7 899

Reconciling Notes

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	455
Irregular expenditure for the current year	860	1 375
Closing balance	860	1 830

- Determination: (The bid awarded to Tachiria Investments was identified by the AG during the 2022/23 financial year as possible irregular expenditure. However, the amount was only confirmed during 2023/24 as irregular. Of this amount, R455 335,61 was paid in 2022/23 and a further R818 158,94 in the 2023/24 financial year.

b) Details of Irregular Expenditure (Under Assessment, Determination and Investigation)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure under assessment	18 416	17 049
Irregular expenditure under determination	860	1 375
Irregular expenditure under investigation	0	0
Total	19 276	18 424

c) Details of Irregular Expenditure Condoned

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

d) Details of Irregular Expenditure Removed – (Not Condoned)

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	(1 525)
Total	0	(1 525)

e) Details of Irregular Expenditure Recoverable		
	2023/24	2022/23
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	0	0

	2023/24	2022/23
Description	R'000	R'000
Irregular expenditure recoverable	0	0
Total	0	0

f) Details of Irregular Expenditure Written Off (Irrecoverable)		
	2023/24	2022/23
Description	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

	2023/24	2022/23
Description	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

● **Additional Disclosure Relating to Inter-Institutional Arrangements**

g) Details of Non-Compliance Cases Where an Institution is Involved in an Inter-institutional Arrangement (where such institution is not responsible for the non-compliance)

[illegible]

h) Details of Irregular Expenditure Cases Where an Institution is Involved in an Inter-institutional Arrangement (where such institution is responsible for the non-compliance)²

Description	2023/24	2022/23
	R'000	R'000
Total	0	0

i) Details of Disciplinary or Criminal Steps Taken as a Result of Irregular Expenditure

Disciplinary steps taken

None

1.2. Fruitless and Wasteful Expenditure

a) Reconciliation of Fruitless and Wasteful Expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	1 161	1 233
Adjustment to opening balance	0	(3)
Opening balance as restated	1 161	1 230
Add: Fruitless and wasteful expenditure confirmed	0	31
Less: Fruitless and wasteful expenditure recoverable	0	(48)
Less: Fruitless and wasteful expenditure not recoverable and written off	(28)	(52)
Closing balance	1 133	1 161

²Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

- Prior period errors: 2022/23 – R2 836.48 (According to the Internal Audit report, expenditure for the locksmith was not fruitless and wasteful expenditure and was moved to losses)

● Reconciling Notes

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	0	31
Total	0	31

b) Details of Fruitless and Wasteful Expenditure (Under Assessment, Determination and Investigation)

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	31
Fruitless and wasteful expenditure under investigation	0	0
Total	0	31

- Expenditure totalling R954 077,11 was incurred in 2018/19. Of this amount, R43 750,00 was for catering for a staff meeting that was cancelled. A further R910 327,11 was for a Human Settlements summit that was also cancelled. The matter is still under investigation by the SIU.

c) Details of Fruitless and Wasteful Expenditure Recoverable

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	(48)
Total	0	(48)

d) Details of Fruitless and Wasteful Expenditure Not Recoverable and Written Off

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure written off	(28)	(52)
Total	(28)	(52)

e) Details of Disciplinary or Criminal Steps Taken as a result of Fruitless and Wasteful Expenditure

Disciplinary steps taken

None

Total

1.3. Unauthorised Expenditure

a) Reconciliation of Unauthorised Expenditure

Description	2023/24	2022/23
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: unauthorised expenditure confirmed	0	0
Less: unauthorised expenditure approved with funding	0	0
Less: unauthorised expenditure approved without funding	0	0
Less: unauthorised expenditure recoverable	0	0
Less: unauthorised not recoverable and written off	0	0
Closing balance	0	0

⁵ Transfer to receivables

⁶ This amount may only be written off against available savings

● Reconciling Notes

⁵ Transfer to receivables

⁶ This amount may only be written off against available savings

Description	2023/24	2022/23
	R'000	R'000
Unauthorised expenditure that was under assessment	0	0
Unauthorised expenditure that relates to the prior year and identified in the current year	0	0
Unauthorised expenditure for the current year	0	0
Total	0	0

b) Details of Unauthorised Expenditure (Under Assessment, Determination and Investigation)

Description	2023/24	2022/23
	R'000	R'000
Unauthorised expenditure under assessment	0	0
Unauthorised expenditure under determination	0	0
Unauthorised expenditure under investigation	0	0
Total	0	0

1.4. Additional Disclosure Relating to Material Losses in terms of PFMA Section 40(3)(b)(i) &(iii)

a) Details of Material Losses through Criminal Conduct

Material losses through criminal conduct	2023/24	2022/23
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

b) Details of Other Material Losses

	2023/24	2022/23
Nature of other material losses	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

⁷ Group similar items

⁸ Information related to material losses must be disclosed in the annual financial statements.

c) Other Material Losses Recoverable

	2023/24	2022/23
Nature of losses	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

d) Other Material Losses Not Recoverable and Written Off

	2023/24	2022/23
Nature of losses	R'000	R'000
(Group major categories, but list material items)	0	0
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

d) Other Material Losses Not Recoverable and Written Off

Nature of losses	2023/24	2022/23
	R'000	R'000
Valid invoices received	6 044	R476 253
Invoices paid within 30 days or agreed period	6 043	R473 125
Invoices paid after 30 days or agreed period	1	R3 129
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	8	R2 557

- ☐ Invoice paid after 30 days due to administrative oversight.
- ☐ Invoices were placed in dispute mainly due to service providers billing the department for services not rendered, the department could not verify that services had been rendered or wrong stationery delivered.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by Other Means

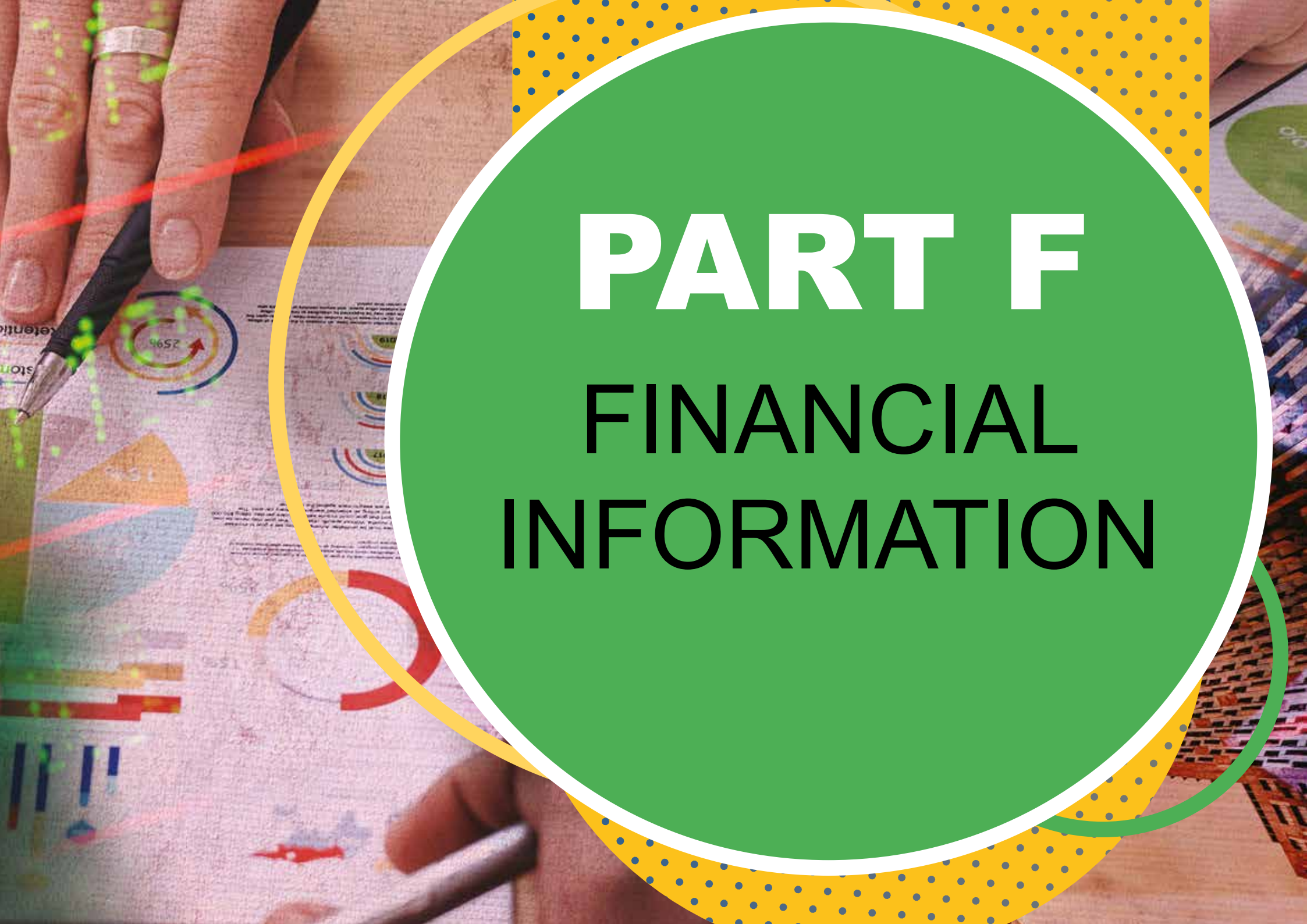
Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Building Material	LPM Enterprise	Emergency Procurement	DH-028693	R1 395
Building Material	Thalesa Housing Devco	Emergency Procurement	DH-028717	R6 494
Building Material	NRASI Project	Emergency Procurement	DH-028719	R6 585
Building Material	Inyameko Trading	Emergency Procurement	DH-028738	R1 584
Building Material	Inyameko Trading	Emergency Procurement	DH-028756	R1 584
Building Material	Diteboho Tsa Ga Mathebula	Emergency Procurement	DH-028739	R187
Building Material	Togumdange Media and Investments	Emergency Procurement	DH-028740	R1 669
Building Material	Mmukula Projects	Emergency Procurement	DH-028760	R1 782
BMC Footprint Licenses	Onsoft Pty Ltd	Sole Supplier	DH-028817	R569
Renewal of Sabinet Annual Subscription2023/24	Sabinet Online	Sole Supplier	DH-028828	R112

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Micro Soft Enterprise License	Microsoft Ireland Operations Ltd	Sole Supplier	BAS PAYMENT	R46
Building Material	Kgoalaza Pty Ltd	Emergency Procurement	DH-028856	R2 560
Building Material	Hustelburg Holdings	Emergency Procurement	DH-028899-21.11.2023	R2 160
Building Material	Heri Holdings	Emergency Procurement	DH-028884-17.11.2023	R1 348
Building Material	Manthwadi Trading and Projects	Emergency Procurement	DH-028885-17.11.2023	R2 223
Building Material	LPM Enterprise	Emergency Procurement	DH-028886-17.11.2023	R3 129
Building Material	Pinquar Multi Trading	Emergency Procurement	DH-028920	R1 795
Building Material	Pinquar Multi Trading	Emergency Procurement	DH-028921	R1 795
Building Material	The Blue Corp	Emergency Procurement	DH-028978	R1 540
Building Material	Morutsane seeds	Emergency Procurement	DH-414	R3 947
Broken Windows Free Stae	MOH Bricks	Emergency Procurement	DH-029067	R1 992
Building Material	KTM Major Projects	Emergency Procurement	DH-029070	R2 578
Building Material	Amajoni Building Supply	Emergency Procurement	DH-029070	R1 128
Maintenance and Service of X Tay Machines 12 Months	Xscan Technology	Sole Supplier	DH-029101	R53
Maintenance and Service of X Tay Machines 12 Months	HAB Fire and Security	Sole Supplier		R19
Digital Newspaper for 12 Months	News Paper Direct	Sole Supplier	DH-029188	R250
Building Material	Stentle Family Trading	Emergency Procurement	DH-029106	R2 576
Total				R51 100

3.2. Contract Variations and Expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Telecommunications system	Itec Tiyende Pty Ltd	Variation of Scope	DH-028964	R6 029	R77	0
Continuation and Completion of the review of the Organisational Structure	Ernst and Young	Extension of Period(3 months)	DH-029139	R4 603	0	0
Total					R77	0





PART F

FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Department of Human Settlements set out on pages 180 to 233, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Department of Human Settlements as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS) prescribed by National Treasury (NT) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2023 (DoRA).

Basis for opinion

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

Other matters

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

Unaudited supplementary schedules

6. The supplementary information set out on pages 234 to 250 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 them.

Responsibilities of the accounting officer for the financial statements

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

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

9. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. 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

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
12. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Integrated Human Settlements Planning and Development Programme	52	The purpose of the Integrated Human Settlements Planning and Development Programme is to manage the development of policy, planning and research in the creation of sustainable and integrated human settlements, oversee the delivery of the integrated residential development programme, provide public entity oversight, and coordinate intergovernmental partnership with stakeholders.
Programme 5: Affordable Housing Programme	72	The purpose of the Affordable Housing Programme is to facilitate the provision of affordable housing finance, monitor market trends, and develop research and policies that respond to demand. Oversee housing finance entities that report to the Minister

13. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
14. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
 - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets taken to improve performance.
15. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
16. I did not identify any material findings on the reported programmes.

Other matters

17. I draw attention to the matters below:

Achievement of planned targets

18. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.
19. The tables that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 62, 75 to 76.

Programme 2: Integrated Human Settlements Planning and development Programme

<i>Targets achieved: 92.31%</i>		
<i>Budget spent: 83.22%</i>		
The budget spent of 83.22% relates to various grants that were transferred by the department to provinces and metros. The national department monitors and support provinces to achieve planned targets and also monitors that expenditure is incurred as per the allocation.		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of evaluation studies completed	1 Evaluation study completed: Design and implementation evaluation of Priority Human Settlements and Housing Development Areas Programme (PHSHDA)	1 Evaluation study not completed: Design and implementation evaluation of the Priority Human Settlements and Housing Development Areas Programme (PHSHDA)

Affordable Housing Programme

<i>Targets achieved: 62.50%</i>		
<i>Budget spent: 83.22 %</i>		
The budget spent of 83.22 % relates to various grants that were transferred by the department to provinces, metros to the public entities. The national department monitors and support provinces to achieve planned targets and also monitors that expenditure is incurred as per the allocation.		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of reports on monitoring of blocked projects across nine provinces	4 quarterly reports on monitoring of 320 blocked projects across nine provinces	3 quarterly reports on monitoring of 320 blocked projects across nine provinces
Number of reports on monitoring the delivery of serviced sites	4 Reports on monitoring the delivery of serviced sites	3 Reports on monitoring the delivery of serviced sites
Number of reports on monitoring job opportunities created	4 reports on monitoring job opportunities created	3 reports on monitoring job opportunities created

Material misstatements

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

Report on compliance with legislation

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

Consequence Management

25. 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.
26. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA.

Other information in the annual report

27. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
28. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. The other information I obtained prior to the date of this auditor's report are report of the accounting officer and human resource management report, and the foreword by minister, deputy minister statement and audit committee report are expected to be made available to us after 31 July 2024.
31. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
32. When I do receive and read the foreword by minister, deputy minister statement and audit committee report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
34. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation.
35. Leadership did not exercise oversight responsibility regarding compliance and related internal controls. This could result in long outstanding cases and lack of consequence management.

Auditor-General

Pretoria
31 July 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

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

Communication with those charged with governance

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

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Sections 1; 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(4); 44; 44(1) and (2); 45(b)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulations 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 8.1.1; 8.2.1; 8.2.2; 8.2.3; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 12.5.1; 15.10.1.2(c); 16A3.1; 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a), (b) & (e); 16A6.3(a); 16A6.3(a)(i); 16A6.3(b); 16A6.3(c); 16A6.3(d); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A7.7; 16A8.2(1) and (2); 16A8.3; 16A8.3(d); 16A8.4; 16A9; 16A9.1; 16A9.1(b)(ii); 16A9.1(c); 16A9.1(d); 16A9.1(e); 16A9.2; 16A9.2(a)(ii) & (iii); 16A9.1(f); 17.1.1; 18.2; 19.8.4
Public Service Regulation (PSR)	Regulations 13(c); 18; 18(1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Sections 29; 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	CIDB Regulations 17; 25(1); 25(5) & 25(7A)
Preferential Procurement Policy Framework Act No 5 2000 (PPPFA)	Sections 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations 2017 (PPR)	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2; 12.1 and 12.2
Preferential Procurement Regulations 2022 (PPR)	Regulations 3.1; 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act No 88 of 1998 (SITA)	Sections 7(3); 7(6)(b); 20(1)(a)(l)
State Information Technology Agency regulations	Regulations 8.1.1(b); 8.1.4; 8.1.7; 9.6; 9.4; 12.3; 13.1(a); 14.1; 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraphs 3.1; 3.3(b); 3.3(c); 3.3(e); 3.6
National Treasury (NT) Instruction No.1 of 2015/16	Paragraphs 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraphs 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4(c) - (d); 4.6; 5.4; 7.2; 7.6

Legislation	Sections or regulations
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Paragraphs 5.5.1(vi); 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4(a) and (b); 3.9; 6.1; 6.2; 6.7
NT SCM Instruction note 2 of 2021/22	Paragraphs 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2; 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraphs 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraphs 3.2; 4.3.2 and 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 – Annexure A	Paragraphs 5.5.1(iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraphs 4.8; 4.9; 51; 5.3
Erratum NTI 5 of 2020/21	Paragraphs 1; 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraphs 3.1; 3.1(b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act No. 103 of 1994	Section 30 (1)

EXPLANATORY INFORMATION AND EXAMPLES

GENERAL

Audited Annual Financial Statements For National Department Of Human Settlements

For the year ended 31 March 2024

Date authorised for issue: _____

Authorised by: _____

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APPROPRIATION STATEMENT for the period ended 31 March 2024

	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget Final	Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
ADMINISTRATION	498 814	-	4 600	503 414	463 541	39 873	92.1%	562 592	482 516
INTEGRATED HUMAN SETTLEMENTS PLANNING AND DEVELOPMENT	21 268 188	-	40 500	21 308 688	21 291 687	17 001	99.9%	22 028 756	21 971 570
INFORMAL SETTLEMENTS	8 473 486	-	(3 300)	8 470 186	8 013 495	456 691	94.6%	9 344 697	8 914 656
RENTAL AND SOCIAL HOUSING	933 349	-	(15 500)	917 849	911 582	6 267	99.3%	947 558	906 894
AFFORDABLE HOUSING	584 143	-	(26 300)	557 843	546 618	11 225	98.0%	594 871	581 869
TOTAL	31 757 980	-	-	31 757 980	31 226 923	531 057	98.3%	33 478 474	32 857 505

APPROPRIATION STATEMENT for the period ended 31 March 2024

	2023/24				2022/23	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	1 859				1 842	
Actual amounts per statement of financial performance (Total revenue)	31 759 839				33 480 316	
ADD						
Aid assistance		-				431
Actual amounts per statement of financial performance (Total expenditure)		31 226 923				32 857 936

APPROPRIATION STATEMENT for the period ended 31 March 2024

Appropriation per economic classification									
	2023/24							2022/23	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	856 600	59 817	-	916 417	837 017	79 400	91.3%	941 997	707 399
Compensation of employees	415 003	-	-	415 003	389 802	25 201	93.9%	422 473	370 810
Goods and services	441 597	59 817	-	501 414	447 215	54 199	89.2%	519 494	336 561
Transfers and subsidies	30 363 870	1 010	-	30 364 880	30 364 308	572	100%	32 517 109	32 141 744
Provinces and municipalities	28 736 047	-	-	28 736 047	28 736 047	-	100%	30 852 784	30 480 735
Departmental agencies and accounts	1 615 753	-	-	1 615 753	1 615 753	-	100%	1 652 487	1 652 487
Foreign governments and international organisations	4 120	-	-	4 120	3 877	243	94.1%	4 120	4 120
Households	7 950	1 010	-	8 960	8 631	329	96.3%	7 718	4 402
Payments for capital assets	537 490	(61 071)	-	476 419	25 338	451 081	5.3%	19 151	8 185
Buildings and other fixed structures	523 265	(63 800)	-	459 465	17 409	442 056	3.8%	-	-
Machinery and equipment	14 225	2 729	-	16 954	7 929	9 025	46.8 %	19 151	8 185
Payments for financial assets	20	244	-	264	260	4	98.5%	217	174
Total	31 757 980	-	-	31 757 980	31 226 923	531 057	98.3%	33 478 474	32 857 505

APPROPRIATION STATEMENT for the period ended 31 March 2024

Programme 1: ADMINISTRATION									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MINISTRY	61 682	(2 452)	-	59 230	57 762	1 468	97.5%	69 077	65 159
2. DEPARTMENTAL MANAGEMENT	73 471	(3 896)	-	69 575	66 040	3 535	94.9%	89 064	75 561
3. CORPORATE SERVICES	233 782	30 384	4 600	268 766	238 160	30 606	88.6%	280 310	233 676
4. PROPERTY MANAGEMENT	60 836	(19 424)	-	41 412	41 409	3	100.0%	53 232	53 226
5. FINANCIAL MANAGEMENT	69 043	(4 612)	-	64 431	60 170	4 261	93.4%	70 909	54 894
Total for sub-programme	498 814	-	4 600	503 414	463 541	39 873	92.1%	562 592	482 516
Economic classification									
Current payments	488 449	(2 601)	4 600	490 448	455 002	35 446	92.8%	547 592	474 399
Compensation of employees	244 570	-	-	244 570	231 528	13 042	94.7%	253 041	221 875
Goods and services	243 879	(2 601)	4 600	245 878	223 474	22 404	90.9%	294 521	252 493
Interest and rent on land	-	-	-	-	-	-	-	30	28
Transfers and subsidies	1 891	271	-	2 162	2 153	9	99.6%	1 413	1 282
Non-profit institutions									
Households	1 891	271	-	2 162	2 153	9	99.6%	1 413	1 282
Payments for capital assets	8 454	2 274	-	10 728	6 313	4 415	58.8%	13 413	6 703
Machinery and equipment	8 454	2 274	-	10 728	6 313	4 415	58.8%	13 413	6 703
Payments for financial assets	20	56	-	76	73	3	96.1%	174	132
Total	498 814	-	4 600	503 414	463 541	39 873	92.1%	562 592	482 516

APPROPRIATION STATEMENT for the period ended 31 March 2024

Programme 2: INTEGRATED HUMAN SETTLEMENTS PLANNING AND DEVELOPMENT									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. MANAGEMENT FOR INTEGRATED HUMAN SETTLEMENTS PLANNING AND DEVELOPMENT	3 870	(336)	-	3 534	2 955	579	83.6%	3 759	913
2. MACRO SECTOR PLANNING	18 504	737	-	19 241	17 006	2 235	88.4%	16 753	12 623
3. MACRO POLICY AND RESEARCH	53 413	(2 648)	-	50 765	48 693	2 072	95.9%	47 800	35 147
4. MONITORING AND EVALUATION	63 550	(3 791)	(8 000)	51 759	49 218	2 541	95.1%	50 817	37 449
5. PUBLIC ENTITY OVERSIGHT	243 649	-	-	243 649	243 649	-	100.0%	267 533	267 533
6. GRANTS MANAGEMENT	20 850 859	-	-	20 850 859	20 850 859	-	100.0%	21 607 883	21 607 883
7. CAPACITY BUILDING AND SECTOR SUPPORT	34 343	6 038	48 500	88 881	79 307	9 574	89.2%	34 211	10 022
Total for sub-programme	21 268 188	-	40 500	21 308 688	21 291 687	17 001	99.9%	22 028 756	21 971 570
Economic classification									
Current payments	171 541	(312)	40 500	211 729	196 142	15 587	92.6%	150 036	95 068
Compensation of employees	68 855	-	-	68 855	65 227	3 628	94.7%	71 447	57 394
Goods and services	102 686	(312)	40 500	142 874	130 915	11 959	91.6%	78 589	37 674
Transfers and subsidies	21 094 578	282	-	21 094 860	21 094 837	23	100.0%	21 875 820	21 875 815
Provinces and municipalities	20 850 859	-	-	20 850 859	20 850 859	-	100.0%	21 607 883	21 607 883
Departmental agencies and accounts	243 649	-	-	243 649	243 649	-	100.0%	267 533	267 533
Households	70	282	-	352	329	23	93.5%	404	399
Payments for capital assets	2 069	19	-	2 088	698	1 390	33.4%	2 900	687
Machinery and equipment	2 069	19	-	2 088	698	1 390	33.4%	2 900	687
Payment for financial assets	-	11	-	11	10	1	90.9%	-	-
Total	21 268 188	-	40 500	21 308 688	21 291 687	17 001	99.9%	22 028 756	21 971 570

APPROPRIATION STATEMENT for the period ended 31 March 2024

Programme 3: INFORMAL SETTLEMENTS									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. MANAGEMENT FOR INFORMAL SETTLEMENTS	5 021	(392)	-	4 629	3 494	1 135	75.5%	4 674	1 312
2. GRANTS MANAGEMENT	8 435 581	2 313	-	8 437 894	7 993 889	444 005	94.7%	9 271 617	8 894 648
3. CAPACITY BUILDING AND SECTOR SUPPORT	32 884	(1 921)	(3 300)	27 663	16 112	11 551	58.2%	68 406	18 696
Total for sub-programmes	8 473 486	-	(3 300)	8 470 186	8 013 495	456 691	94.6%	9 344 697	8 914 656
Economic classification									
Current payments	63 302	63 487	(3 300)	123 489	110 461	13 028	89.5%	98 701	41 563
Compensation of employees	37 224	-	-	37 224	36 012	1 212	96.7%	36 775	33 235
Goods and services	26 078	63 487	(3 300)	86 265	74 449	11 816	86.3%	61 926	8 328
Transfers and subsidies	7 885 188	231	-	7 885 419	7 885 419	-	100.0%	9 244 971	8 872 852
Provinces and municipalities	7 885 188	-	-	7 885 188	7 885 188	-	100.0%	9 244 901	8 872 852
Households	-	231	-	231	231	-	100.0%	70	-
Payments for capital assets	524 996	(63 720)	-	461 276	17 613	443 663	3.8%	1 025	241
Buildings and other fixed structures	523 265	(63 800)	-	459 465	17 409	442 056	3.8%	-	-
Machinery and equipment	1 731	80	-	1 811	204	1 607	11.3%	1 025	241
Payments for financial assets	-	2	-	2	2	-	100.0%		
Total	8 473 486	-	(3 300)	8 470 186	8 013 495	456 691	94.6%	9 344 697	8 914 656

APPROPRIATION STATEMENT for the period ended 31 March 2024

Programme 4: RENTAL AND SOCIAL HOUSING									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. MANAGEMENT FOR RENTAL AND SOCIAL HOUSING	4 273	(200)	-	4 073	3 137	936	77.0%	4 878	3 224
2. PUBLIC ENTITY OVERSIGHT	897 654	-	-	897 654	897 654	-	100.0%	887 416	887 416
3. CAPACITY BUILDING AND SECTOR SUPPORT	31 422	200	(15 500)	16 122	10 791	5 331	66.9%	55 264	16 254
Total for sub-programmes	933 349	-	(15 500)	917 849	911 582	6 267	99.3%	947 558	906 894
Economic classification									
Current payments	34 955	(67)	(15 500)	19 388	13 726	5 662	70.8%	59 466	19 127
Compensation of employees	12 968	-	-	12 968	8 773	4 195	67.7%	12 162	10 599
Goods and services	21 987	(67)	(15 500)	6 420	4 953	1 467	77.1%	47 304	8 528
Transfers and subsidies	897 654	-	-	897 654	897 654	-	100.0%	887 735	887 733
Departmental agencies and accounts	897 654	-	-	897 654	897 654	-	100.0%	887 416	887 416
Households								319	317
Payments for capital assets	740	39	-	779	174	605	22.3%	356	34
Machinery and equipment	740	39	-	779	174	605	22.3%	356	34
Payments for financial assets	-	28	-	28	28	-	100.0%	1	-
Total	933 349	-	(15 500)	917 849	911 582	6 267	99.3%	947 558	906 894

APPROPRIATION STATEMENT for the period ended 31 March 2024

Programme 5: AFFORDABLE HOUSING									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub-programme									
1. MANAGEMENT FOR AFFORDABLE HOUSING	4 183	-	-	4 183	2 696	1 487	64.5%	5 625	4 706
2. PUBLIC ENTITY OVERSIGHT	491 771	(800)	-	490 971	486 500	4 471	99.1%	511 797	508 585
3. CAPACITY BUILDING AND SECTOR SUPPORT	88 189	800	(26 300)	62 689	57 422	5 267	91.6%	77 449	68 578
Total for sub-programmes	584 143	-	(26 300)	557 843	546 618	11 225	98.0%	594 871	581 869
Economic classification									
Current payments	98 353	(690)	(26 300)	71 363	61 686	9 677	86.4%	86 202	77 245
Compensation of employees	51 386	-	-	51 386	48 262	3 124	93.9%	49 048	47 707
Goods and services	46 967	(690)	(26 300)	19 977	13 424	6 553	67.2%	37 154	29 538
Transfers and subsidies	484 559	226	-	484 785	484 245	540	99.9%	507 170	504 062
Departmental agencies and accounts	474 450	-	-	474 450	474 450	-	100.0%	497 538	497 538
Foreign governments and international organisations	4 120	-	-	4 120	3 877	243	94.1%	4 120	4 120
Households	5 989	226	-	6 215	5 918	297	95.2%	5 512	2 404
Payments for capital assets	1 231	317	-	1 548	540	1 008	34.9%	1 457	520
Machinery and equipment	1 231	317	-	1 548	540	1 008	34.9%	1 457	520
Payments for financial assets	-	147	-	147	147	-	100.0%	42	42
Total	584 143	-	(26 300)	557 843	546 618	11 225	98.0%	594 871	581 869

NOTES TO THE APPROPRIATION STATEMENT for the period ended 31 March 2024

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

ADMINISTRATION	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payment	490 448	455 002	35 446	7%
Transfers and subsidies	2 162	2 153	9	0%
Expenditure for capital assets	10 728	6 313	4 415	41%
Financial assets	76	73	3	4%

Underspending is due to the following:

Compensation of Employees (CoE):

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical positions to be filled. However, cost-containment measures put in place by National Treasury (NT) exacerbated delays in recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions.

Goods and Services:

The underspending on the programme on goods and services is due the following: Delay in payments for an outdoor campaign undertaken by the department as the supplier was unable to provide the department with sufficient supporting documentation to support the work done and invoices submitted.

Expenditure for capital assets:

The underspending is primarily due to the delayed procurement of office furniture and equipment. As part of addressing a prior year audit finding on asset management, more work had to be done to address all the shortcomings in asset management before investing on new assets. This included complete verification of existing assets and doing a comprehensive reconciliation to the asset register of the department.

NOTES TO THE APPROPRIATION STATEMENT for the period ended 31 March 2024

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Integrated Human Settlements Planning and Development	R'000	R'000	R'000	%
Current payment	211 729	196 142	15 587	7%
Transfers and subsidies	21 094 860	21 094 837	23	0%
Expenditure for capital assets	2 088	698	1 390	67%
Financial assets	11	10	1	9%

Underspending is due to the following:

Compensation of Employees:

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical position to be filled. However, cost-containment measures put in place by National Treasury (NT) exacerbated delays in recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions.

Goods and Services:

Underspending is mainly on the Title Deeds Restoration Programme. Two service providers were appointed to perform the work in Gauteng. However, by year-end they had not yet invoiced the department as they had not reached the first milestone partly due to delays in the procurement process.

Expenditure for capital assets:

The underspending is primarily due to the delayed procurement of office furniture and equipment. As part of addressing a prior year audit finding on asset management, more work had to be done to address all the shortcomings in asset management before investing on new assets. This included complete verification of existing assets and doing a comprehensive reconciliation to the asset register of the department.

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Informal Settlements	R'000	R'000	R'000	%
Current payment	123 489	110 461	13 028	11%
Transfers and subsidies	7 885 419	7 885 419	-	0%
Expenditure for capital assets	461 276	17 613	443 663	96%
Financial assets	2	2	-	0%

NOTES TO THE APPROPRIATION STATEMENT for the period ended 31 March 2024

Underspending is due to the following:

Compensation of employees:

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical position to be filled. However, cost containment measures put in place by National Treasury (NT) exacerbated delays in recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions

Goods and Services:

The programme underspending on goods and services mainly due to:

- a) Delays in the procurement for the appointment of consultants for geo-mapping and re-blocking of informal settlements from the existing panel of Professional Resource

Teams (PRT's) failed due to inadequate response by the panel. Only one service provider responded to the invitation for proposals resulting in a non-award. The process was restarted, and the department made an effort to engage entities such as the South African National Space Agency (SANSA), Council for Geoscience, and Esri South Africa. b) Delays in the implementation of the Emergency Housing Support due to the Standard Operating Procedure (SOP) for emergency housing was not concluded, making it challenging for the Department to develop disaster mitigation plans with municipalities.

Expenditure for Capital Assets:

Underspending mainly emanates from the Emergency Housing Response Fund and reasons for non-performance are reflected below:

- a) Incomplete and delayed beneficiary lists resulting in procurement delays by NDHS.
- b) Scattered project sites resulting in withdrawal of contractors from the allocated projects.
- c) Multiple damaged structures in a yard making it difficult to provide multiple emergency housing interventions to the same beneficiary.
- d) Steep and inaccessible terrain.

Rental and Social Housing	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payment	19 388	13 726	5 662	29%
Transfers and subsidies	897 654	897 654	-	0%
Expenditure for capital assets	779	174	605	78%
Financial assets	28	28	-	0%

Underspending is due to the following:

Compensation of Employees:

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical position to be filled. However, cost-containment measures put in place by National Treasury (NT) exacerbated delays in recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions.

Goods and Services:

The programme's underspending on goods and services is mainly attributable to cost-containment measures.

Expenditure for Capital Assets:

The underspending is primarily due to the delayed procurement of office furniture and equipment. As part of addressing a prior year audit finding on asset management, more work had to be done to address all the shortcomings in asset management before investing on new assets. This included complete verification of existing assets and doing a comprehensive reconciliation to the asset register of the department.

NOTES TO THE APPROPRIATION STATEMENT for the period ended 31 March 2024

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Affordable Housing	R'000	R'000	R'000	%
Current payment	71 363	61 686	9 677	14%
Transfers and subsidies	484 785	484 245	540	0%
Expenditure for capital assets	1 548	540	1 008	65%
Financial assets	147	147	-	0%

Underspending is due to the following:

Compensation of Employees:

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical position to be filled. However, cost-containment measures put in place by National Treasury (NT) exacerbated delays in recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions.

Goods and Services:

The underspending on goods and services was mainly due cost-containment measures resulted in reduced departmental travel and utilisation of external venues for events. The department realised savings in printing costs as the department is gradually transitioning towards electronic documentation. Another contributing factor is delayed invoicing by the service provider for the delivery of the white paper to provinces.

Expenditure for Capital Assets:

The underspending is primarily due to the delayed procurement of office furniture and equipment. As part of addressing a prior year audit finding on asset management, more work had to be done to address all the shortcomings in asset management before investing on new assets. This included complete verification of existing assets and doing a comprehensive reconciliation to the asset register of the department.

NOTES TO THE APPROPRIATION STATEMENT for the period ended 31 March 2024

4.2 Per economic classification				
Economic Classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments				
Compensation of employees	415 003	389 802	25 201	6%
Goods and services	501 414	447 215	54 199	11%
Transfers and subsidies				
Provinces and municipalities	28 736 047	28 736 047	-	0%
Departmental agencies and accounts	1 615 753	1 615 753	-	0%
Foreign governments and international organisations	4 120	3 877	243	6%
Households	8 960	8 631	329	4%
Payments for capital assets				
Buildings and other fixed structures	459 465	17 409	442 056	96%
Machinery and equipment	16 954	7 929	9 025	53%
Payments for financial assets	264	260	4	2%

Under spending is due to the following:

Compensation of Employees:

The department appointed a service provider to review and finalise the organisational structure. However, by the end of 2023/24, the organisational structure was not finalised, thus impacting negatively on the filling of certain vacant positions. The department had to prioritise critical position to be filled. However, cost-containment measures put in place by National Treasury (NT) exacerbated delays in recruitment processes as approval is required from the Department of Public Service and Administration (DPSA) and NT to fill vacant positions.

Goods and Services:

The underspending on the programme on goods and services is due the following:

- Delay in payments for an outdoor campaign undertaken by the department as the supplier was unable to provide the department with sufficient supporting documentation to support the work done and invoices submitted.
- Underspending is mainly on the Title Deeds Restoration Programme. Two service providers were appointed to perform the work in Gauteng. However, by year-end they had not yet invoiced the department as they had not reached the first milestone partly due to delays in the procurement process.
- Delays in the procurement for the appointment of consultants for geo-mapping and re-blocking of informal settlements from the existing panel of Professional Resource

NOTES TO THE APPROPRIATION STATEMENT for the period ended 31 March 2024

Teams (PRTs) failed due to inadequate response by the panel. Only one service provider responded to the invitation for proposals resulting in a non-award. The process was restarted, and the department made an effort to engage entities such as the South African National Space Agency (SANSA), Council for Geoscience, and Esri South Africa.

d) Delays in the implementation of the Emergency Housing Support due to the Standard Operating Procedure (SOP) for emergency housing was not concluded, making it challenging for the Department to develop disaster mitigation plans with municipalities

Underspending due to:

Payments for Capital Assets:

1. Underspending mainly emanates from the Emergency Housing Response Fund and

reasons for non-performance are reflected below:

- a) Incomplete and delayed beneficiary lists resulting in procurement delays by NDHS.
- b) Scattered project sites resulting in withdrawal of contractors from the allocated projects.
- c) Multiple damages structures in a yard making it difficult to provide multiple emergency housing interventions to the same beneficiary.
- d) Steep and inaccessible terrain.

2. The underspending is primarily due to the delayed procurement of office furniture and equipment. As part of addressing a prior year audit finding on asset management, more work had to be done to address all the shortcomings in asset management before investing on new assets. This included complete verification of existing assets and doing a comprehensive reconciliation to the asset register of the department.

4.3 Per Conditional Grant				
Conditional Grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
Human Settlements Development Grant	13 254 681	13 254 681	-	0%
Informal Settlement upgrading Grants – Provinces	3 826 008	3 826 008	-	0%
Urban Settlements Development Grant	7 596 178	7 596 178	-	0%
Informal Settlement upgrading Grants – Metros	4 059 180	4 059 180	-	0%

Statement of Financial Performance

		2023/24	2022/23
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	31 757 980	33 478 474
Departmental revenue	2	1 859	1 842
TOTAL REVENUE		31 759 839	33 480 316
EXPENDITURE			
Current expenditure		837 017	707 830
Compensation of employees	4	389 802	370 810
Goods and services	5	447 215	336 561
Interest and rent on land	6	-	28
Aid assistance	3	-	431
Transfers and subsidies		30 364 308	32 141 744
Transfers and subsidies	8	30 364 308	32 141 744
Expenditure for capital assets		25 338	8 188
Tangible assets	9	25 338	8 188
Payments for financial assets	7	260	174
TOTAL EXPENDITURE		31 226 923	32 857 936
SURPLUS/(DEFICIT) FOR THE YEAR		532 916	622 380
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		531 057	620 969
Annual appropriation		531 057	620 969
Departmental revenue and NRF receipts	15	1 859	1 842
Aid assistance	3	-	(431)
SURPLUS/(DEFICIT) FOR THE YEAR		532 916	622 380

Statement of Financial Positions

		2023/24	2022/23
	Note	R'000	R'000
ASSETS			
Current assets		531 400	621 604
Cash and cash equivalents	10	529 507	619 945
Prepayments and advances	11	713	335
Receivables	12	1 180	1 324
Non-current assets		2 366 377	2 366 017
Investments	13	2 364 239	2 364 239
Receivables	12	2 138	1 778
TOTAL ASSETS		2 897 777	2 987 621
LIABILITIES			
Current liabilities		532 666	622 689
Voted funds to be surrendered to the Revenue Fund	14	531 057	620 760
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	66	25
Payables	16	581	942
Aid assistance unutilised	3	962	962
Non-current liabilities			
TOTAL LIABILITIES		532 666	622 689
NET ASSETS		2 365 111	2 364 932
Represented by:			
Capitalisation reserve		2 364 239	2 364 239
Recoverable revenue		872	693
TOTAL		2 365 111	2 364 932

Statement of Changes in Net Assets

		2023/24	2022/23
	Note	R'000	R'000
Capitalisation reserves			
Opening balance		2 364 239	2 364 239
Closing balance		2 364 239	2 364 239
Recoverable revenue			
Opening balance		693	546
Transfers:		179	147
Debts recovered (included in departmental revenue)		(579)	(471)
Debts raised		758	618
Closing balance		872	693
TOTAL		2 365 111	2 364 932

Cash Flow Statement

		2023/24	2022/23
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		31 759 839	33 479 474
Annual appropriation funds received	1.1	31 757 980	33 478 265
Departmental revenue received	2	1 017	999
Interest received	2.2	842	210
Net (increase)/decrease in net working capital		(595)	11 657
Surrendered to Revenue Fund		(622 578)	(722 168)
Current payments		(837 017)	(707 802)
Interest paid	6	-	(28)
Payments for financial assets		(260)	(174)
Transfers and subsidies paid		(30 364 308)	(32 141 744)
Net cash flow available from operating activities	17	(64 919)	(80 785)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(25 338)	(8 188)
Proceeds from sale of capital assets	2.3	-	633
(Increase)/decrease in non-current receivables	12	(360)	(162)
Net cash flow available from investing activities		(25 698)	(7 717)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		179	147
Net cash flows from financing activities		179	147
Net increase/(decrease) in cash and cash equivalents		(90 438)	(88 355)
Cash and cash equivalents at beginning of period		619 945	708 300
Cash and cash equivalents at end of period	18	529 507	619 945

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

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 commencement of the lease term are recorded and measured at the lower of: • the fair value of the leased asset; or if lower, • the present value of the minimum lease payments.
9.	Aid assistance
9.1	Aid assistance received. Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. CARA Funds are recognised when receivable and measured at the amounts receivable. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of 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.
	These advances are expensed once the respective department(s) paid the accounts on behalf of the department and provide the necessary source documents to the department. Subsistence and Travel advances(S&T) are expensed once the S&T claim is authorised on the system.
12.	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13.	Investments

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

	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.
17.	Provisions and contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments. Capital commitments are recorded at cost in the notes to the financial statements.
18.	Unauthorised expenditure Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure. Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either: • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure recorded in the notes to the financial statements comprise of • unauthorised expenditure that was under assessment in the previous financial year; • unauthorised expenditure relating to previous financial year and identified in the current year; and • Unauthorised incurred in the current year.
19.	Fruitless and wasteful expenditure

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

	Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: • fruitless and wasteful expenditure that was under assessment in the previous financial year; • fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and • fruitless and wasteful expenditure incurred in the current year.
20.	Irregular expenditure Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: • irregular expenditure that was under assessment in the previous financial year; • irregular expenditure relating to previous financial year and identified in the current year; and • irregular expenditure incurred in the current year.
21.	Changes in accounting policies, estimates and errors. Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22.	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23.	Principal-Agent arrangements All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
24.	Departures from the MCS requirements The department did not deviate from the Modified Cash Standard requirements.
25.	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26.	Recoverable revenue

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

	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/MECs portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.
	The full compensation of key management personnel is recorded in the notes to the financial statements.
28.	Inventories
	At the date of acquisition, inventories are recognised at cost in the statement of financial performance.
	Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.
	Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.
	The cost of inventories is assigned by using the weighted average cost basis.
29.	Public Private Partnerships
	Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.
	A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30.	Employee benefits
	The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the employee benefits note.
	Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.
	The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
31.	Transfer of functions
	Transfer of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.
	Transfer of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
32.	Mergers
	Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.
	Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

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).

	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	503 414	498 814	4 600	513 892	513 725	167
Integrated Human Settlements Planning & Development	21 308 688	21 268 188	40 500	22 051 256	22 051 256	-
Informal Settlements	8 470 186	8 473 486	(3 300)	9 355 697	9 355 697	-
Rental And Social Housing	917 849	933 349	(15 500)	962 758	962 758	-
Affordable Housing	557 843	584 143	(26 300)	594 871	594 829	42
Total	31 757 980	31 757 980	-	33 478 474	33 478 265	209

All funds were requested for the financial year 2023 /2024. The variance on funds not requested /not received per programme is due to the time delays between the approved post-adjustment virements and drawings amendments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

2. Departmental Revenue			2023/24	2022/23
	Note	R'000	R'000	R'000
Sales of goods and services other than capital assets	2.1	236		215
Interest, dividends and rent on land	2.2	842		210
Sales of capital assets	2.3	-		633
Transactions in financial assets and liabilities	2.4	781		784
Total revenue collected		1 859		1 842
Total		1 859		1 842
2.1. Sales of goods and services other than capital assets				
Sales of goods and services produced by the department		215		211
Sales by market establishment		54		55
Other sales		161		156
Sales of scrap, waste, and other used current goods		21		4
Total	2	236		215
2.2. Interest, dividends and rent on land				
Interest		842		210
Total	2	842		210
2.3. Sales of capital assets				
Tangible capital assets		-		633
Machinery and equipment		-		633
Total	2	-		633
2.4. Transactions in financial assets and liabilities				
Other receipts including recoverable revenue		781		784
Total	2	781		784

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

3. Aid assistance			
		2023/24	2022/23
	Note	R'000	R'000
Opening balance	3.1	962	1 393
As restated	3.2	962	1 393
Transferred from statement of financial performance	3.3	-	(431)
Closing balance	3.4	962	962

3.1. Analysis of balance by source

Aid assistance from other sources		962	962
Closing balance	3	962	962

3.2. Analysis of balance

Aid assistance unutilised		962	962
Closing balance	3	962	962

3.3. Aid assistance expenditure per economic classification

Current		-	431
Total aid assistance expenditure	3	-	431

4. Compensation of employees			
4.1. Analysis of balance			
		2023/24	2022/23
	Note	R'000	R'000
Basic salary		265 001	247 064
Performance award		10	51
Service based		381	412
Compensative/circumstantial		11 808	8 460
Other non-pensionable allowances		67 260	71 774
Total		344 460	327 761

4.2. Social contributions

Employer contributions	Note	R'000	R'000
Pension		32 159	30 374
Medical		13 120	12 615
Bargaining Council		63	60
Total		45 342	43 049

Total compensation of employees		389 802	370 810
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Average number of employees		526	567
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5. Goods and services			2023/24	2022/23
	Note	R'000	R'000	
Administrative fees		7 440		8 337
Advertising		12 706		5 335
Minor assets	5.1	334		187
Bursaries (employees)		1 728		1 029
Catering		19 921		23 024
Communication		10 406		15 970
Computer services	5.2	55 612		50 754
Consultants: Business and advisory services		29 174		28 826
Legal services		3 918		2 858
Contractors		9 359		20 033
Agency and support / outsourced services		-		6
Entertainment		-		25
Audit cost – external	5.3	9 614		10 857
Fleet services		991		1 117
Inventories	5.4	59 371		-
Consumables	5.5	4 210		4 106
Operating leases		36 682		46 235
Property payments	5.6	12 250		14 310
Travel and subsistence	5.7	61 620		63 080
Venues and facilities		26 293		35 251
Training and development		1 360		965
Other operating expenditure	5.8	84 226		4 256
Total		447 215		336 561
5.1. Minor assets				
Tangible capital assets		334		187
Machinery and equipment		334		187
Total	5	334		187
5.2. Computer services				
SITA computer services		41 204		30 636
External computer service providers		14 408		20 118
Total	5	55 612		50 754

		2023/24	2022/23
	Note	R'000	R'000
5.3. Audit cost - external			
Regularity audits		9 614	10 857
Total	5	9 614	10 857
5.4. Inventories			
Materials and supplies		59 371	-
Total	5	59 371	-
5.5. Consumables			
Consumable supplies		2 503	2 155
Uniform and clothing		719	403
Household supplies		1 292	1 296
IT consumables		74	117
Other consumables		418	339
Stationery, printing and office supplies		1 707	1 951
Total	5	4 210	4 106
5.6. Property payments			
Municipal services		6 960	6 146
Property maintenance and repairs		141	444
Other (Cleaning Services, Security Services)		5 149	7 720
Total	5	12 250	14 310
5.7. Travel and subsistence			
Local		55 816	52 454
Foreign		5 804	10 626
Total	5	61 620	63 080
5.8. Other operating expenditure			
Professional bodies, membership, and subscription fees		126	22
Resettlement costs		169	118
Other		83 931	4 116
Total	5	84 226	4 256

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

6. Interest and rent on land

		2023/24	2022/23
	Note	R'000	R'000
Interest paid		-	28
Total		-	28

7. Payments for financial assets

		2023/24	2022/23
	Note	R'000	R'000
Other material losses written off	7.1	104	168
Debts written off	7.2	10	6
Fores losses	7.3	146	-
Total		260	174

7.1. Other material losses written off.

Nature of losses	Note	R'000	R'000
Damages		93	164
No shows		11	4
Total	7	104	168

7.2. Debts written off.

Nature of debts written off	Note	R'000	R'000
Other debt written off			
Bad debt		10	6
Total debt written off	7	10	6

7.3. Forex losses

Nature of losses	Note	R'000	R'000
Group major categories, but list material items			
Cities Alliance		146	-
Total	7	146	-

8. Transfers and subsidies

		2023/24	2022/23
	Note	R'000	R'000
Provinces and municipalities	30,31	28 736 047	30 480 735
Departmental agencies and accounts	Annex 1B	1 615 753	1 652 487
Foreign governments and international organisations	Annex 1E	3 877	4 120
Households	Annex 1G	8 631	4 402
Total		30 364 308	32 141 744

8.1 Donations made in kind (not included in the main note)

	Note	R'000	R'000
Donations	Annex 1J	2 397	2 137
Total		2 397	2 137

9. Expenditure for capital assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets		25 338	8 188
Building and other fixed structures		17 409	-
Machinery and equipment	27	7 929	8 188
Total		25 338	8 188

The difference of R76 000, between additions of R8,005 million (Note 27) and R7,929 million excluding finance leases (Note 9) on machinery equipment is due to goods received current not paid.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

9.1. Analysis of funds utilised to acquire capital assets - Current year

2023/24			
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	25 338	-	25 338
Building and other fixed structures	17 409	-	17 409
Machinery and equipment	7 929	-	7 929
Total	25 338	-	25 338

9.2. Analysis of funds utilised to acquire capital assets - Prior year

2022/23			
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	8 188	-	8 188
Machinery and equipment	8 188	-	8 188
Total	8 188	-	8 188

9.3. Finance lease expenditure included in expenditure for capital assets

		2023/24	2022/23
	Note	R'000	R'000
Tangible capital assets			
Machinery and equipment		-	-
Total		-	-

10. Cash and cash equivalents

	2023/24	2022/23
Note	R'000	R'000
Consolidated Paymaster General Account	529 412	619 834
Disbursements	-	16
Cash on hand	95	95
Total	529 507	619 945

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

There are no amounts of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

11. Prepayments and advances

		2023/24	2022/23
	Note	R'000	R'000
Travel and subsistence		-	3
Advances paid (Not expensed)	11.1	713	53
Prepayments (Not expensed)	11.2	-	279
Total		713	335

Analysis of Total Prepayments and advances

Current Prepayments and advances	713	335
Total	713	335

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

11.1. Advances paid (Not expensed)

2023/24					
	Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024
Note	R'000	R'000	R'000	R'000	R'000
National departments	53	(8 902)	(1 840)	11 402	713
Total	53	(8 902)	(1 840)	11 402	713

2022/23					
	Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2023
Note	R'000	R'000	R'000	R'000	R'000
National departments	11 842	(924)	(12 576)	1 711	53
Total	11 842	(924)	(12 576)	1 711	53

11.2. Prepayments (Not expensed)

2023/24					
	Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay-ments	Amount as at 31 March 2024
Note	R'000	R'000	R'000	R'000	R'000
Goods and services	279	(279)	-	-	-
Total	279	(279)	-	-	-

2022/23					
	Amount as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay-ments	Amount as at 31 March 2023
Note	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	279	279
Total	-	-	-	279	279

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

12. Receivables							
	Note	2023/24			2022/23		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	12.1	247	53	300	103	4	107
Recoverable expenditure	12.2	115	132	247	195	110	305
Staff debt	12.3	818	759	1 577	978	487	1 465
Other receivables	12.4	-	1 194	1 194	48	1 177	1 225
Total		1 180	2 138	3 318	1 324	1 778	3 102

12.1. Claims recoverable			
	Note	2023/24	2022/23
		R'000	R'000
National departments		291	107
Provincial departments		9	-
Total	12	300	107

12.2. Recoverable expenditure			
	Note	2023/24	2022/23
		R'000	R'000
Disallowance Miscellaneous (SARS Dispute)		101	101
Damage Vehicles		41	109
Supplier Overpayment		105	95
Total	12	247	305

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

12.3. Staff debt			
		2023/24	2022/23
	Note	R'000	R'000
Ex- Employees (Cellphone)+Ex- Employees Laptops		38	38
Study		727	652
Vehicle		423	370
Cellphone		-	28
No Show		1	5
SARS Debt+Tax Debt		29	27
Leave without pay		23	22
Compensation of Employees (salary and contributions)		242	251
Employees (Equipment: Laptop and camera)		94	66
Petty cash		-	6
Total	12	1 577	1 465

12.4. Other receivables			
		2023/24	2022/23
	Note	R'000	R'000
Fruitless and wasteful expenditure		30	63
Suppliers Fraud		1 164	1 162
Total	12	1 194	1 225

12.5. Impairment of receivables			
		2023/24	2022/23
	Note	R'000	R'000
Estimate of impairment of receivables		2 039	1 806
Total		2 039	1 806

13. Investments			
		2023/24	2022/23
	Note	R'000	R'000
Non-current			
Shares and other equity			
NHFC		2 363 635	2 363 635
SERVCON		604	604
Total		2 364 239	2 364 239
Total non-current investments		2 364 239	2 364 239

		2023/24	2022/23
	Note	R'000	R'000
Analysis of non-current investments			
Opening balance		2 364 239	2 364 239
Closing balance		2 364 239	2 364 239

13.1. Impairment of investments			
		2023/24	2022/23
	Note	R'000	R'000
Estimate of impairment of investments		604	604
Total		604	604

14. Voted funds to be surrendered to the Revenue Fund			
		2023/24	2022/23
	Note	R'000	R'000
Opening balance		620 760	720 255
As restated		620 760	720 255
Transferred from statement of financial performance (as restated)		531 057	620 969
Voted funds not requested/not received	1.1	-	(209)
Paid during the year		(620 760)	(720 255)
Closing balance		531 057	620 760

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

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

	2023/24	2022/23
Note	R'000	R'000
Opening balance	25	96
As restated	25	96
Transferred from statement of financial performance (as restated)	1 859	1 842
Paid during the year	(1 818)	(1 913)
Closing balance	66	25

16. Payables - current

	2023/24	2022/23
Note	R'000	R'000
Clearing accounts	16.1 276	681
Other payables	16.2 305	261
Total	581	942

16.1. Clearing accounts

		2023/24	2022/23
Description	Note	R'000	R'000
Sal: Income tax		157	313
Sal: GEHS Refund		118	363
Sal: Pension Fund		1	5
Total	16	276	681

16.2. Other payables

		2023/24	2022/23
Description	Note	R'000	R'000
Ceta fund		259	259
Salary Disallowance		-	2
Free State Human Settlements		46	-
Total	16	305	261

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

17. Net cash flow available from operating activities

	2023/24	2022/23
Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	532 916	622 380
Add back non-cash/cash movements not deemed operating activities	(597 835)	(703 165)
(Increase)/decrease in receivables	144	(30)
(Increase)/decrease in prepayments and advances	(378)	11 525
Increase/(decrease) in payables – current	(361)	162
Proceeds from sale of capital assets	-	(633)
Expenditure on capital assets	25 338	8 188
Surrenders to Revenue Fund	(622 578)	(722 168)
Voted funds not requested/not received	-	(209)
Net cash flow generated by operating activities	(64 919)	(80 785)

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

	2023/24	2022/23
Note	R'000	R'000
Consolidated Paymaster General account	529 412	619 834
Disbursements	-	16
Cash on hand	95	95
Total	529 507	619 945

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

19. Contingent liabilities and contingent assets

19.1. Contingent liabilities

Liable to	Nature	Note	2023/24	2022/23
			R'000	R'000
Housing loan guarantees	Employees	Annex 3A	105	105
Claims against the department		Annex 3B	1 996 194	1 825 679
Intergovernmental payables		Annex 5	102	-
Other		Annex 3B	66 447	68 437
Total			2 062 848	1 894 221

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

There is no reimbursement expected by the department.

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

The general nature of the cases disputed please refer to Annexure 3B

20. Capital commitments

	Note	2023/24	2022/23
		R'000	R'000
Buildings and other fixed structures		93 990	-
Machinery and equipment		2 409	43
Total		96 399	43

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

21. Accruals and Payables not recognised

21.1. Accruals

2023/24					2022/23
					Total
Listed by economic classification	Note	30 Days R'000	30+ Days R'000	Total R'000	R'000
Goods and services		11 386	609	11 995	18 503
Transfers and subsidies		425	1	426	-
Capital assets		1 692	-	1 692	57
Total		13 503	610	14 113	18 560

2023/24			2022/23
			R'000
Listed by programme level	Note	R'000	
Administration		6 651	12 358
Integrated Human Settlements Planning and Development		2 560	2 032
Informal Settlements		4 208	352
Rental and Social Housing		32	102
Affordable Housing		662	3 716
Total		14 113	18 560

2023/24					2022/23
					Total
Listed by economic classification	Note	30 Days R'000	30+ Days R'000	Total R'000	R'000
Goods and services		19 017	1	19 018	300
Transfers and subsidies		23	-	23	2 481
Capital assets		9 083	-	9 083	-
Total		28 123	1	28 124	2 781

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

Listed by programme level	Note	2023/24 R'000	2022/23 R'000
Administration		18 585	137
Integrated Human Settlements Planning and Development		117	144
Informal Settlements		9 178	-
Rental and Social Housing		-	-
Affordable Housing		244	2 500
Total		28 124	2 781

Included in the above totals are the following:	Note	2023/24 R'000	2022/23 R'000
Confirmed balances with other departments	Annex 5	2 204	461
Confirmed balances with other government entities	Annex 5	-	312
Total		2 204	773

22. Employee benefits		2023/24 R'000	2022/23 R'000
	Note		
Leave entitlement		16 989	19 621
Service bonus		8 911	8 680
Capped leave		4 217	4 334
Other		198	343
Total		30 315	32 978

Disclosed under other employees benefit is an amount of R44 000 for provision of Long Service Award to be paid during 2024/25 financial year and an amount of R154 000 is for overtime not claimed as at 31 March 2024.

The full leave entitlement becomes due on the first day of each leave cycle (January-December). In addition to leave entitlement provision, there are negative leave credits to the value of R284 000, which relates to leave taken in excess of the accrued leave credits as at 31 March 2024.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

23. Lease commitments

23.1. Operating leases

2023/24					
	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	-	-	25 950	1 895	27 845
Later than 1 year and not later than 5 years	-	-	100 760	1 483	102 243
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	126 710	3 378	130 088

2022/23					
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 395	1 395
Later than 1 year and not later than 5 years	-	-	-	658	658
Later than 5 years	-	-	-	-	-
Total lease commitments	-	-	-	2 053	2 053

23.2 Finance leases **

	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	-	-	-	919	919
Later than 1 year and not later than 5 years	-	-	-	423	423
Total lease commitments	-	-	-	1 342	1 342

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 127	1 127
Later than 1 year and not later than 5 years	-	-	-	341	341
Total lease commitments	-	-	-	1 468	1 468

The department's financial leases comprise leasing of multi-function copiers, Audio visuals and cellphone contracts.

There are no assets that are sub-leased.

24 Unauthorised, irregular and fruitless and wasteful expenditure

	2023/24	2022/23
	Note	R'000
		R'000
Irregular expenditure - current year		860
Fruitless and wasteful expenditure - current year		-
Total		860

25 Related party transactions

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

26 Key management personnel

	2023/24	2022/23
	R'000	R'000
Political office bearers	4 781	4 612
Officials:		
Level 15 to 16	17 467	15 047
Level 14	29 985	25 211
Total	52 233	44 870

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

27 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	103 609	-	8 005	(8 973)	102 641
Transport assets	3 873	-	-	-	3 873
Computer equipment	62 658	-	5 078	(4 520)	63 216
Furniture and office equipment	22 511	-	864	(3 595)	19 780
Other machinery and equipment	14 567	-	2 063	(858)	15 772
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	103 609	-	8 005	(8 973)	102 641

The difference of R76 000, between additions of R8,005 million (Note 27) and R7,929 million excluding finance leases (Note 9) on machinery equipment is due to goods received current not paid

a. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	111 086	-	7 753	(15 230)	103 609
Transport assets	5 108	-	771	(2 006)	3 873
Computer equipment	64 977	-	5 592	(7 911)	62 658
Furniture and office equipment	22 275	-	855	(619)	22 511
Other machinery and equipment	18 726	-	535	(4 694)	14 567
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	111 086	-	7 753	(15 230)	103 609

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

b. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24					
	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1 294	13	13 277	-	14 584
Additions	-	-	-	334	-	334
Disposals	-	(1 172)	-	(2 538)	-	(3 710)
Total Minor assets	-	122	13	11 073	-	11 208

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1	-	1
Number of minor assets at cost	-	36	27	8 216	-	8 279
TOTAL NUMBER OF MINOR ASSETS	-	36	27	8 217	-	8 280

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	1 294	13	14 979	-	16 286
Additions	-	-	-	187	-	187
Disposals	-	-	-	(1 889)	-	1 889
Total Minor assets	-	1 294	13	13 277	-	14 584

	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	-	1 082	27	9 985	-	11 094
TOTAL NUMBER OF MINOR ASSETS	-	1 082	27	9 988	-	11 097

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

27.1 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

	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	-	6 972	-	7 523	-	14 495
TOTAL MOVABLE ASSETS WRITTEN OFF	-	6 972	-	7 523	-	14 495

28 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24			
	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	6 224	-	(5 800)	424
MASTHEADS AND PUBLISHING TITLES	36	-	-	36
TOTAL INTANGIBLE CAPITAL ASSETS	6 260	-	(5 800)	460

a. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	6 224	-	-	-	6 224
MASTHEADS AND PUBLISHING TITLES	36	-	-	-	36
TOTAL INTANGIBLE CAPITAL ASSETS	6 260	-	-	-	6 260

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

29 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24				
	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	236	24 844	(24 844)	236
Dwellings	-	24 844	(24 844)	-
Other fixed structures	236	-	-	236
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	236	24 844	(24 844)	236

The opening balance relates to the refurbishment and upgrading of the building in Cape Town. The immovable capital will be transferred to Public Works after the completion of joint verification. Additions and disposals relate to temporary residential units erected in response of disasters/housing emergencies.

a. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

2022/23					
	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	236	-	-	-	236
Other fixed structures	236	-	-	-	236
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	236	-	-	-	236

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

b. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

2023/24				
	Opening balance 1 April 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
Note Annex 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures	-	1 646	-	1 646
Total	-	1 646	-	1 646

Work in progress is in relation to the temporary residential units on various stages of completion, not finalised and handed over as at 31 March 2024.

30 Prior period errors

30.1 Correction of prior period errors

2022/23			
	Amount bef error correction	Prior period error	Restated
Note	R'000	R'000	R'000
Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)			
Goods and Services			
Fleet services	1 812	(695)	1 117
Operating Leases	43 713	2 522	46 235
Capital Assets			
Other machinery and equipment: finance lease	1 827	(1 827)	-
Net effect	47 352	-	47 352

Government Garage cars were incorrectly classified under fleets services items as kilometres instead of operating leases transport equipment. The finance leases were incorrectly classified in the prior year. After thorough assessment, the finance leases were moved to operating lease in line with MCS.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

		2022/23		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Operating Lease		-	2 053	2 053
Finance Lease		3 521	(2 053)	1 468
Net effect		3 521	-	3 521

The finance leases were incorrectly classified in the prior year. After thorough assessment, the finance leases were moved to operating lease in line with MCS.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

31 Statement of conditional grants paid to the provinces.

Name of Province / Grant	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT				Division of Revenue Act / Provincial grants	Actual transfers
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Eastern Cape	2 086 858	72 092	(256 657)	1 902 293	1 830 201	-	-	1 902 293	1 898 762	3 531	99.8%	2 084 282	2 084 282
Free State	1 100 308	37 846	(278 505)	859 649	821 803	-	-	859 649	840 571	19 078	97.8%	1 054 604	904 604
Gauteng	5 352 784	-	(658 322)	4 694 462	4 694 462	-	-	4 694 462	4 333 836	360 626	92.3%	5 130 438	4 930 438
KwaZulu-Natal	3 922 479	392 616	(423 998)	3 891 097	3 498 481	-	-	3 891 097	3 627 355	263 742	93.2%	4 034 225	4 034 225
Limpopo	1 227 401	144 105	(31 798)	1 339 708	1 445 603	-	250 000	1 589 708	1 529 166	60 542	0.0%	1 176 418	1 031 711
Mpumalanga	1 251 035	9 784	(32 410)	1 228 409	1 218 625	-	-	1 228 409	1 220 483	7 926	99.4%	1 199 069	1 499 069
Northern Cape	370 191	-	-	370 191	370 191	-	-	370 191	370 169	22	100.0%	354 813	549 519
North West	1 727 805	6 565	(212 496)	1 521 874	1 515 309	-	-	1 521 874	1 432 969	88 905	94.2%	1 656 036	1 656 036
Western Cape	2 207 509	212 134	(271 495)	2 148 148	1 686 014	(250 000)	-	1 898 148	1 676 877	221 271	88.3%	2 113 056	2 113 056
TOTAL	19 246 370	875 142	(2 165 681)	17 955 831	17 080 689	(250 000)	250 000	17 955 831	16 930 188	1 025 643		18 802 941	18 802 940

Summary by grant

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

Name of Province / Grant	GRANT ALLOCATION				TRANSFER		SPENT						
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act / Provincial grants	Actual transfers
Human Settlements Development Grant	14 943 649	513 034	(1 688 968)	13 767 715	13 254 681	(250 000)	250 000	13 767 715	13 320 987	446 728	96.8%	14 255 610	14 255 610
Provincial Emergency Housing Grant	-	-	-	-	-	-	-	-	-	-	-	426 242	426 242
Upgrading of Informal Settlements Partnership Grant	4 302 721	362 108	(476 713)	4 188 116	3 826 008	-	-	4 188 116	3 609 201	578 915	86.2%	4 121 089	4 121 088
TOTAL	19 246 370	875 142	(2 165 681)	17 955 831	17 080 689	(250 000)	250 000	17 955 831	16 930 188	1 025 643		18 802 941	18 802 940

1. Human Settlements Development Grant													
Eastern Cape	1 608 515	-	(202 593)	1 405 922	1 405 922	-	-	1 405 922	1 405 845	77	100.0%	1 542 022	1 542 022
Free State	848 099	37 846	(25 000)	635 945	598 099	-	-	635 945	621 387	14 558	97.7%	813 041	713 041
Gauteng	4 125 835	-	(519 649)	3 606 186	3 606 186	-	-	3 606 186	3 446 934	159 252	95.6%	3 955 283	3 955 283
KwaZulu-Natal	3 132 253	360 340	(334 685)	3 157 908	2 797 568	-	-	3 157 908	2 894 167	263 741	91.6%	2 935 224	2 935 224
Limpopo	946 060	4 706	-	950 766	1 196 060	-	250 000	1 200 766	1 199 962	804	0.0%	906 953	806 953
Mpumalanga	964 277	3 990	-	968 267	964 277	-	-	968 267	960 427	7 840	99.2%	924 416	1 024 416
Northern Cape	285 336	-	-	285 336	285 336	-	-	285 336	285 335	1	100.0%	273 541	373 541
North West	1 331 763	3 145	(167 735)	1 167 173	1 164 028	-	-	1 167 173	1 166 718	455	100.0%	1 276 712	1 276 712
Western Cape	1 701 511	103 007	(214 306)	1 590 212	1 237 205	(250 000)	-	1 340 212	1 340 212	-	100.0%	1 628 418	1 628 418
TOTAL	14 943 649	513 034	(1 688 968)	13 767 715	13 254 681	(250 000)	250 000	13 767 715	13 320 987	446 728		14 255 610	14 255 610

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

2. Provincial Emergency Housing Grant

Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	84 109	84 109
KwaZulu-Natal	-	-	-	-	-	-	-	-	-	-	-	342 133	342 133
TOTAL	-	-	-	-	-	-	-	-	-	-	-	426 242	426 242

3. Upgrading of Informal Settlements Partnership Grant

Eastern Cape	478 343	72 092	(54 064)	496 371	424 279	-	-	496 371	492 917	3 454	99.3%	458 151	458 151
Free State	252 209	-	(28 505)	223 704	223 704	-	-	223 704	219 184	4 520	98.0%	241 563	191 563
Gauteng	1 226 949	-	(138 673)	1 088 276	1 088 276	-	-	1 088 276	886 902	201 374	81.5%	1 175 155	975 155
KwaZulu-Natal	790 226	32 276	(89 313)	733 189	700 913	-	-	733 189	733 188	1	100.0%	756 868	756 868
Limpopo	281 341	139 399	(31 798)	388 942	249 543	-	-	388 942	329 204	59 738	84.6%	269 465	224 758
Mpumalanga	286 758	5 794	(32 410)	260 142	254 348	-	-	260 142	260 056	86	100.0%	274 653	474 653
Northern Cape	84 855	-	-	84 855	84 855	-	-	84 855	84 834	21	100.0%	81 272	175 978
North West	396 042	3 420	(44 761)	354 701	351 281	-	-	354 701	266 251	88 450	75.1%	379 324	379 324
Western Cape	505 998	109 127	(57 189)	557 936	448 809	-	-	557 936	336 665	221 271	60.3%	484 638	484 638
TOTAL	4 302 721	362 108	(476 713)	4 188 116	3 826 008	-	-	4 188 116	3 609 201	578 915		4 121 089	4 121 088

In terms of section (14)(1) of DoRA 2023 (a) The total amount of R13 254 681 000 was transferred to provinces. (b) An amount of R250 000 000 from Western Cape was stopped in terms of section 18 due to underperformance (c) Transfers was made in accordance with the payment schedule or amended payment schedule. (d) Funds amounting to R250 000 000 was reallocated to Limpopo in terms of section 19. (e) Funds were transferred into the primary bank account of the provincial departments. (f) The Human Settlements Development Grant (HSDG) was not utilised for other administrative purposes.

In terms of Section (14)(1) of DoRA 2023 (a) The total amount of R3 826 008 000 was transferred to the provinces (b) No funds were withheld/stopped in terms of section 17 or 18 in accordance with allocation. (c) Transfers were made in accordance with the payment schedule (d) There was no reallocation of funds by National Treasury in terms of section 19. (e) Funds were transferred into the primary bank account of the provincial departments (f) The Informal Settlement Upgrading Partnership Grant (ISUPG) was not utilised for other administrative purposes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

National Department surrender of unspent conditional grant not approved for rollover				
Name of province	Related to conditional grants schedule of 2022/23			
	Amount not approved for rollover	Amount received	Amount surrendered to National Revenue Fund	Amount still due
	R'000	R'000	R'000	R'000
Eastern Cape	4	4	(4)	-
Free State	607 914	607 914	(607 914)	-
Gauteng	7 883	7 883	(7 883)	-
KwaZulu-Natal	-	-	-	-
Mpumalanga	7	7	(7)	-
North West	-	-	-	-
Western Cape	3 143	3 143	(3 143)	-
Total	618 951	618 951	(618 951)	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

32 Statement of conditional grants and other transfers paid to municipalities

	2023/24				2022/23				
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjust-ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buffalo City	518 034	-	-	518 034	618 034	-	100 000	496 166	496 166
Nelson Mandela Bay	614 902	9 800	(42 698)	582 004	522 204	(50 000)	-	588 945	588 945
Mangaung	513 434	-	(35 652)	477 782	477 782	-	-	491 760	491 760
City of Ekurhuleni	1 338 713	-	(92 956)	1 245 757	1 255 757	(20 000)	-	1 282 202	1 182 202
City of Johannesburg	1 642 596	-	(107 438)	1 535 158	1 535 158	-	-	1 204 509	1 404 509
City of Tshwane	1 090 129	-	(111 667)	978 462	948 462	(30 000)	-	1 044 111	1 044 111
eThekweni	1 423 408	-	(92 727)	1 330 681	1 330 681	-	-	1 279 036	1 179 036
City of Cape Town	1 008 100	36 564	(70 000)	974 664	938 100	-	-	965 544	965 544
TOTAL	8 149 316	46 364	(553 138)	7 642 542	7 596 178	(100 000)	100 000	7 352 273	7 352 273

In terms of section (14)(1) of DoRA 2023 (a) Total amount of R7 596 178 000 was transferred to metros. (b) An amount of R50 000 000 from Nelson Mandela Bay, R30 000 000 from City of Tshwane and R20 000 000 from City of Ekurhuleni were stopped in terms of section 18 of DoRA due to underperformance (c) All transfers were made according to the payment schedule or amended payment schedule. (d) Funds amounting to R100 000 000 were reallocated to Buffalo City by National Treasury in terms of section 19. (e) Funds were transferred into the municipalities' primary bank accounts. (f) No funds were used for administration of the allocation by the receiving officer.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

Name of municipality	2023/24					2022/23			
	GRANT ALLOCATION				Actual transfer	TRANSFER			
	DORA and other transfers	Roll overs	Adjustments	Total Available		Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buffalo City	294 556	-	-	294 556	277 122	(17 434)	-	282 122	282 122
Nelson Mandela Bay	349 635	32 500	(22 868)	359 267	301 567	(25 200)	-	334 876	298 876
Mangaung	291 940	-	(19 095)	272 845	175 532	(97 313)	-	279 616	204 617
City of Ekurhuleni	761 197	-	(49 788)	711 409	773 030		61 621	729 065	729 065
City of Johannesburg	715 075	88 998	(66 884)	737 189	620 962	(27 229)	-	684 888	684 888
City of Tshwane	619 851	-	(59 809)	560 042	535 042	(25 000)	-	593 686	593 685
eThekwini	759 318	-	(49 665)	709 653	769 653	-	60 000	727 265	819 371
City of Cape Town	573 210	57 000	(37 493)	592 717	606 272	-	70 555	549 012	660 012
TOTAL	4 364 782	178 498	(305 602)	4 237 678	4 059 180	(192 176)	192 176	4 180 530	4 272 636

In terms of section (14)(1) of DoRA 2023(a) Total amount of R4 059 180 000 was transferred to metros. (b) An amount of R17 434 000 from Buffalo City, R25 200 000 from Nelson Mandela Bay, R97 313 000 from Mangaung, R27 229 000 from City of Johannesburg and R 25 000 000 from City of Tshwane were stopped in terms of section 18 of DoRA due to underperformance(c) All transfers were made according to the payment schedule or amended payment schedule. (d) Funds amounting to R192 176 000 were reallocated to the following municipalities: R61 621 000 to City of Ekurhuleni, R60 000 000 to eThekwini and R70 555 000 to City of Cape Town by National Treasury in terms of section 19. (e) Funds were transferred into the municipalities' primary bank accounts. (f) No funds were used for administration of the allocation by the receiving officer.

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

[illegible]

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2023/24				2022/23			
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing Development Agency	243 649	-	-	243 649	243 649	100.0%	242 716	242 716
Community Schemes Ombuds Service	-	-	-	-	-	-	24 817	24 817
National Housing Finance Corp (FLISP)	454 865	-	-	454 865	454 865	100.0%	478 028	478 028
National Housing Finance Corp (FLISP ADMIN)	19 585	-	-	19 585	19 585	100.0%	19 510	19 510
Social Housing Regulatory Authority (CGC)	800 958	-	-	800 958	800 958	100.0%	791 144	791 144
Social Housing Regulatory Authority (INST INV)	23 623	-	-	23 623	23 623	100.0%	23 534	23 534
Social Housing Regulatory Authority (OPERATIONS)	73 073	-	-	73 073	73 073	100.0%	72 738	72 738
TOTAL	1 615 753	-	-	1 615 753	1 615 753		1 652 487	1 652 487

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

Foreign government / International organisation	2023/24				2022/23			
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
UN Habitat Foundation Membership Fees	3 333	-	-	3 333	3 090	92.7%	2 523	2 523
Cities Alliance	787	-	-	787	787	100.0%	1 597	1 597
TOTAL	4 120	-	-	4 120	3 877		4 120	4 120

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2023/24				EXPENDITURE		2022/23	
	TRANSFER ALLOCATION				Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available				
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Leave Gratuity	2 599	-	-	2 599	2 270	87.3%	1 822	1 677
Bursaries (non-employees)	5 345	-	-	5 345	5 345	100.0%	5 298	2 211
Donations and gifts (Cash)	-	-	-	-	-	0%	28	-
H/H Claims against the state	-	-	-	-	-	-	570	514
Retirement benefits	1 016	-	-	1 016	1 016	100.0%	-	-
H/H Injury on duty		-	-		-	0%	-	-
TOTAL	8 960	-	-	8 960	8 631		7 718	4 402

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 11

STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on / by 31 March	Closing balance
		R'000	R'000	R'000	R'000	R'000
Aid assistance received in cash						
PSETA		533	-	-		533
CETA		429	-	-		429
Subtotal		962	-	-		962
Aid assistance received in kind						
Subtotal						
TOTAL AID ASSISTANCE RECEIVED		962	-	-		962

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation, or sponsorship

	2023/24	2022/23
	R'000	R'000
Donations		
Department of Education (Various schools)	-	2 137
Lepono Primary	468	-
LM Mokoena	326	-
Tladistad Primary	330	-
Tlotlomphe Primary	382	-
TM Modise Primary	353	-
South African National Library	4	-
Mmanotshe	236	-
Sedibeng	298	-
Total donations	2 397	2 137
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	2 397	2 137

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 2023/24	% Held 2022/23	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaranteed
				R'000		R'000		R'000		R'000		
				2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	
National/Provincial Public entity												
National Housing Finance Corporation	Schedule 3A	100	100	84 187 332	8 187 332	2 363 635	2 363 635	5 068 991	4 988 635	57 437	199 301	No
Servcon Housing Solution	Schedule 3A	100	100	100	100	604	604	-	-	-	-	No
Subtotal				84 187 432	8 187 432	2 364 239	2 364 239	5 068 991	4 988 635	57 437	199 301	
Other												
TOTAL				84 187 432	8 187 432	2 364 239	2 364 239	5 068 991	4 988 635	57 437	199 301	

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2024 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2023	Guarantees drawdowns during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2024	Revaluation due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2024
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing									
Nedbank	Housing	-	75	-	-	-	75	-	-
First Rand Bank	Housing	-	24	-	-	-	24	-	-
Old Mutual	Housing	-	6	-	-	-	6	-	-
TOTAL		-	105	-	-	-	105	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

Nature of liability	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Tsoga ka Bohlaswa Trading Enterprise	401	-	-	-	401
Sunjith Singh vs Minister of Human Settlements & NHBRC	327 586	-	-	-	327 586
Angelina B Pitso vs Minister of Human Settlements and 5 others	30 000	-	-	-	30 000
Mokgale AT vs Tshwane Metro Municipality and 6 others	1 000 000	-	-	-	1 000 000
Mjayeli Security (PTY) LTD/ The Director-General: Human Settlements N.O/ CASE NO: 77417/ 18	3 129	-	-	-	3 129
Reagile Consulting Services 7 Projects CC/ National Department of Human Settlements & another	60	-	-	-	60
Jibeng Investments (PTY) LTD / Minister of Human Settlements and Others	288 919	-	-	-	288 919
Honono Ongezwa // Minister of Human Settlements	3 000	-	-	-	3 000
Mbangata Vuyokazi // Minister of Human Settlements	4 600	-	-	-	4 600
Kruishoek Properties (PTY) LTD vs Minister of Human Settlements & 3 Others	3 800	-	-	-	3 800
Bestsaid Rovhanga vs Minister of Human Settlements and Housing Development Agency	840	-	-	-	840
Dainah and Joyce Business Enterprises CC/ The Minister of Human Settlements and 2 others	961	-	-	-	961
F Matlatsi vs Department of Human Settlements and Others	5 935	-	-	-	5 935
NU-WAYS Housing Development (PTY) LTD	150 000	-	-	-	150 000
Tawana Business Projects (PTY)LTD	6 448	-	-	-	6 448
Tanielle Cloete vs The City of Ekurhuleni Metro & Min of Hunam Settlements	-	167 304	-	-	167 304
SC LETELE vs DEPARTMENT OF HUMAN SETTLEMENTS		1 711	-	-	1 711
Ceda Usizi Trading Ent vs The Min of the Dept of H/S and Another 1582/2023		1 485	-	-	1 485
Charles Lekoloane and another v Portia Mahlodi Malatsi and Others IN RE/ Portia Mahlodi and another v Charles Lekoloane and Others		15	-	-	15
Subtotal	1 825 679	170 515	-	-	1 996 194

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

Other					
SITA	11 086	1 658	5 805	-	6 939
Public Works Department	56 954	-	-	-	56 954
Bontle Ke Botho (Bothomark Group)	221	-	-	-	221
MTN	132	-	-	-	132
Governments Printing Works	15	-	-	-	15
Vodacom	17	-	-	-	17
Evolution Technology Group	12	10	22	-	-
A-Solutions Pty LTD	-	731	731	-	-
Inyameko	-	3 168	3 168	-	-
Khunda	-	8	8	-	-
Newsclip	-	26	26	-	-
Blue Ocean Information Solution	-	1 012	1 012	-	-
Thmdzabuko	-	30	-	-	30
Nsovo Contructions	-	2 139	-	-	2 139
De Laus Projects	-	23	23	-	-
Blue Corp	-	1 540	1 540	-	-
Subtotal	68 437	10 345	12 335	-	66 447
TOTAL	1 894 116	180 860	12 335	-	2 062 641

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

Parties	Nature of Claim
1. Angelina Buninki Pitso vs the Minister of Human Settlements and five others. Case No. 25048/17.	The plaintiff is claiming ownership of a property located at 481B Kopase Street, Soweto, and alleges that this property was illegally transferred to the sixth defendant in March 1998. The plaintiff alleges that she suffered damages as a result of being deprived of her right to housing. The plaintiff is praying to court to order the restoration of the property to her as the lawful owner and for relief in respect of the violation of her fundamental rights to human dignity, honour, self-esteem and personal liberty, for which she suffered damages to the sum of R30 000 000 (Thirty Million Rand). The State Attorney was instructed to serve and file upon the Plaintiff Rule 35 Notice requiring her to discover.
2. Mbangata Vuyokazi vs the Minister of Human Settlements. Case No. 19/25492	The plaintiff is suing the Minister for an amount of R4 600 000 after her husband's death in a social housing dwelling in Tembisa. This amount is claimed for the loss of support for the surviving spouse and descendants. The matter was removed from the roll on 8 September 2022 as it was opposed. The plaintiff filed opposing papers. Pleadings to be exchanged until an exception is heard.
3. Honono Ongezwa vs the Minister of Human Settlements. Case No. 19/25491	The plaintiff is suing the Minister for an amount of R3 000 000 after her husband's death in a social housing dwelling in Tembisa. This amount is claimed in respect of the loss of support for the surviving spouse and descendants. The matter was removed from the roll on 8 September 2022 as it was opposed. The plaintiff filed opposing papers. Pleadings to be exchanged until an exception is heard.
4. Bestsaid Rhovhanga/The I & Another 16171/2021	This is a contractual dispute between the I and the plaintiff arising from a contract to construct a residential unit on behalf of the I. Litigation was put in abeyance pending negotiations. The parties entered into settlement negotiations that subsequently deadlocked. The claimants have since indicated they will refer the matter to arbitration. The department was never served with the court papers. The department became aware of the litigation through the Housing Development Agency when it was reporting this matter in terms of Section 35 of the I Act of 2008.
5. Funani Matlatsi vs the Minister of Human Settlements four others/ Case No. J611/22	The applicant instituted a court application in the Labour Court seeking an order directing the department to comply with her 2021 employment contract by paying her an amount of R5.9 million plus interest calculated from 31 days after the contract's termination to the date of payment. The Minister is opposing this application. Notice to oppose and the answering affidavit filed. A replying affidavit filed. Index served and filed by the applicant.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

6. Dainah and Joyce Business Enterprises cc vs the Minister of Human Settlements and two others/ Case No. 22/12988

This action arises from a contractual dispute between the plaintiff, a service provider, and the Gauteng Provincial Department of Human Settlements.

In its particulars of claim, the plaintiff is praying to the High Court to order the defendants to effect a payment to the amount of R961 205.00 plus interest for the alleged work done on behalf of the Gauteng Provincial Department of Human Settlements.

No direct allegation is made against the Minister or the National Department of Human Settlements.

The department has filed a special plea of misjoinder.

7. Nu-Way Housing Development (Pty) Ltd vs the Minister of Human Settlements and eight others/Case No: 2022-050803

In this matter, Nu-Way is suing the first, alternatively, the second and alternatively the third defendant for an amount comprising:

Claim 1: Common law damages:

R75 000 000.00; and

Claim 2: Constitutional damages:

R75 000 000.00, bringing the total claim to R150 000 000.00

The plaintiff bases its claim on:

- the continued illegal occupation by the fifth to seventh defendants of the affected property; and
- the continuous illegal occupation by the first defendant and/or its predecessors, which affects the plaintiff's constitutional rights.

The department is defending the matter and has since issued instructions to file a notice to defend to the State Attorney in Pretoria on 08 January 2023.

8. Tawana Business Projects (Pty) Ltd vs MEC for Human Settlements, Gauteng, and another/Case No. 2023/017001

The plaintiff (Tawana Business Projects (Pty) Ltd is suing the MEC for Human Settlements; Gauteng (first defendant) and the National Minister of Human Settlements (second defendant) for:

Claim: 1 – R673 923.00;

Claim: 2 – R4 183 576.10; and

Claim: 3 – R1 590 887.00

Total: R6 448 383.10

This claim emanates from the contract entered into and between the Gauteng Provincial Department of Human Settlements and the plaintiff (Tawana Business Projects (Pty) Ltd. According to the plaintiff's particulars of claim, on or about 1 March 2014, the Human Settlements Department of the Gauteng Provincial Government (hereinafter referred to as the department) duly appointed the plaintiff as the lead contractor to build 200 low-cost houses for the department at Soshanguve extensions 4 and 5 (hereinafter referred to as the project).

The appointment was made verbally in Pretoria by the Head of Department (HOD), Mr Daniel Molokomme.

The National Minister of Human Settlements was not a party to the said contract and did not represent the MEC. In light of the foregoing, Legal Services deemed it appropriate to have this matter defended by instructing the State Attorney to prepare and file a notice to defend and to appoint counsel for further handling.

Mr Lucky Nkuna was allocated the matter in his capacity as the State Attorney.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

9. Taneille Cloete vs the City of Ekurhuleni Metropolitan Municipality and Minister of Human Settlements	The applicant is claiming an amount of R167 303 863.00 for the maintenance and alleged expropriated property by the first respondent. The Minister of Human Settlements is cited as the second respondent. There is no substantive relief sought against the Minister and she is joined only insofar as she may have interest in the outcome of this matter seeing that it is the Minister's portfolio that benefited from the unlawful conduct of the first respondent.
10. Ceda Usizi Trading Enterprise vs the Minister of Human Settlements and another/Case No. 1582/2023	The plaintiff alleges that it entered into an agreement with the Head of the Department, Mr PE Moloko, of the second defendant. The plaintiff alleges further that it carried out its obligations and the second defendant failed to make the payment agreed on in the amount of R1 484 753.00. The Minister was not a party to the alleged agreement but was, nevertheless, cited as a first defendant.
11. The Minister of Human Settlements vs General Public Service Sectoral Bargaining Council and three others (seeing Catherine Letele)	Advocate Catherine Letele was employed as a Chief Director: Legal Services on a three-year contract commencing on 1 April 2015 and ending on 30 April 2019. In 2017, Advocate Letele was seconded to the Community Schemes Ombud Services (CSOS) as a Chief Ombud for a duration equivalent to her contract of employment at the Department of Human Settlements. She was suspended for contravening the PFMA and referred the matter to the bargaining council for arbitration. An award was granted against the department. The department applied in court for the review of the award. The matter was to be heard on 12 January 2024.
12. Kruishoek Properties vs the Minister of Housing and 79 others in the Gauteng High Court/Case No. 6646/2018	The plaintiff is claiming R3 800 000.00 as damages resulting from the loss of property rights occasioned by an illegal invasion, occupation and/or alienation on or around 1997 of 76 erven owned by the plaintiff in Soshanguve South caused by the alleged breach of legal duty owed to the plaintiff and/or the occupiers of the properties by the Minister and Director-General. The department is defending the matter and has filed a notice to defend followed by a plea. Awaiting the plaintiff's reply. Dormant.
13. Charles Lekoloane and another vs Portia Mahlodi Malatsi and Others IN RE/Portia Mahlodi and another vs Charles Lekoloane and Others/Case No. 18/41884	In the main application, the plaintiff is claiming ownership of a property situated at 544 Maphike Street, Motsamai Township, Katlehong. There is a dispute in respect of the title holder of the property between the plaintiff and the defendants. Mr Charles Lokoloane brought an interlocutory application against the Department of Human Settlements alleging that on 10 September 1999 the department approved a subsidy to tune of R15 000.00 in his favour and was paid into the bank account of Baphuting Community Development CC as the seller. On 11 August 2010, the subsidy was withdrawn without explanation.
14. Tsoga ka Bohlaswa Trading Enterprise CC vs the Minister of Human Settlements/Case No. 26178/11	This is a defended action for a claim of R401 233, 00 for furniture sold to the department. The defence is that the furniture was defective and of poor quality. The plaintiff's attorneys of record have since withdrawn. Both parties were, therefore, not able to meet to arrange a pre-trial conference.
15. Sharm Singh Sunji vs Minister of Human Settlements and NHBRC. Case no. 14871/14	The plaintiff is claiming R327 586 348.00 from the defendants, which amount is alleged to be the total damages suffered by him, alternatively his company, because of the suspension of the plaintiff's registration as a homebuilder by the NHBRC. The defendant's attorneys do not want to settle the matter. A trial date is expected to be allocated shortly after the case flow management date has been allocated. According to correspondence from the NHBRC's attorneys of records, the plaintiff attorneys of record have since withdrawn. Efforts by the NHBRC's attorneys to locate the plaintiff to find out if he was still prepared to proceed with the matter were unsuccessful. Therefore, the file had to be provisionally closed and it remains closed to this day.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

16. Reagile Consulting Services & Projects vs the National Department of Human Settlements and another/ Case No. 10753/2019	The court action is in connection with an amount of R59 838.28 for services rendered. The department has filed a notice to defend. On the department's BAS records, the service provider was paid a once-off fee of R56 000. The plaintiff did not attach the contract or invoice she is referring to in her summons. The department, through its legal representatives, will request a pre-trial conference.
17. Mokgale Andrew Tladi vs Tshwane Metropolitan Municipality and six others/Case No. 541/18	The plaintiff herein claims ownership of an immovable property on which he alleges the defendants have erected structures. The plaintiff is an executor of a deceased's estate. He claims in that capacity. The plaintiff claims return of the property, alternatively payment in the amount of R1 000 000 000.00 (One Billion Rand) from the defendants. The amount is allegedly the market value of the property in the defendants' possession. It is alleged the Department of Human Settlements has also erected houses on this property. An exception hearing of the first, fifth and seventh defendants was enrolled on 18 March 2019 and allocated to be heard on 20 March 2019. Advocate Bester SC was instructed to attend to a watching brief hearing for the second, third and sixth defendants, including the Minister. The plaintiff was ordered to amend particulars of the claim, which amendment the plaintiff did effect. As a result, the plaintiff's claim of R500 000 000 became R1 billion. The plaintiff served notice for the defendants to discover the documents the defendant is in possession thereof in relation to this matter.
18. Mjayeli Security (Pty) Ltd vs the Director-General of Human Settlements/Case No: 77417/18	The plaintiff has instituted action against the department for an outstanding account belonging to the Gauteng Provincial Department of Human Settlements. Legal Services instructed the State Attorney to make an application to the court to set aside the summons for non-compliance with the Uniform Rules of the High Court and the institution of proceedings against certain organs of State Act 3 of 2002. The department did not receive the requisite notice prior to the service of the summons, which such provision has to be complied with in terms of the Act of 2002 as amended. On the other hand, we engaged the Gauteng Provincial Department of Human Settlements' Legal Services, which investigated the matter. They confirmed they had a business relationship with the plaintiff. They further confirmed their finance unit was working on this matter. The court process was, therefore, stayed pending this process of finalising their administrative disputes. Legal Services was informed by the Ombuds Office that the province had settled the outstanding amounts. We are waiting for the notice withdrawing this matter, which has to be filed by the plaintiff.
19. Jibeng Investments (PTY) LTD vs Minister of Human Settlements and others. case no. 07/2019	Application in the Land Claims Court against the Minister of Human Settlements and 11 others. The applicant is intending to make an application that the Court orders the plaintiffs to purchase his property for an amount of R288 919 000.00 for the residence of the Motjwadibe Informal Settlers and the Jibeng Informal Settlers. Alternatively, applicant intends to apply to the court for an order evicting the aforementioned settlers. Land claim action in the land claims court against several government departments. Parties are in the process of negotiations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24 *	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Water and Sanitation	-	-	14	14	14	14	-	-
DIRCO	-	-	4	4	4	4	-	-
National School of Government	-	-	-	6	-	6	-	-
Department of Public Works	-	-	35	35	35	35	-	-
Department of Health	-	-	41	41	41	41	-	-
Department of Tourism	-	-	-	7	-	7	-	-
Free State Human Settlements	-	-	9	-	9	-	-	-
DPSA	68	-	-	-	68	-	-	-
E-GOV	-	-	40	-	40	-	-	-
GDE	-	-	89	-	89	-	-	-
TOTAL	68	-	232	107	300	107	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 5

INTER-GOVERNMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
							Payment date up to six (6) working days after year end	Amount
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice and Constitutional Development	2 204	461	-	-	2 204	461	-	-
Total Departments	2 204	461	-	-	2 204	461	-	-
OTHER GOVERNMENT ENTITIES								
Current								
National School of Government	-	312	102	-	102	312	-	-
Government Printing Works	-	-	-	-	-	-	-	-
Total Other Government Entities	-	312	102	-	102	312	-	-
TOTAL INTER-GOVERNMENTAL PAYABLES	2 204	773	102	-	2 306	773	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 6 INVENTORIES

	Building Materials	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
Inventories for the year ended 31 March 2024	R'000	R'000	R'000	R'000	R'000
Add: Additions/Purchases - Cash	59 371	-	-	-	59 371
(Less): Disposals	(1 275)	-	-	-	(1 275)
(Less): Issues	(58 360)	-	-	-	(58 360)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	2 576	-	-	-	2 576
Closing balance	2 312	-	-	-	2 312

Include discussion here where deemed relevant.

ANNEXURE 7 MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2024

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	1 646	-	1 646
Dwellings	-	1 646	-	1 646
TOTAL	-	1 646	-	1 646

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2024	31/03/2023	31/3/2024	31/03/2023	31/3/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
GCIS	713	-	-	35	713	35
National School of Government	-	-	-	18	-	18
TOTAL	713	-	-	53	713	53

ANNEXURE 11

NATURAL DISASTER OR RELIEF EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2023/24				2022/23	
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and Services	-	-	-	-	-	30
List all applicable SCOA level 4 items						
Contractors	-	-	-	-	-	11
Agency and support/outsourced services	-	-	-	-	-	6
Consumable Suppliers	-	-	-	-	-	13
TOTAL NATURAL DISASTER OR RELIEF EXPENDITURE	-	-	-	-	-	30

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year period ended 31 March 2024

ANNEXURE 12

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4 AND 13)

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2023	Total amount prepaid / advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 30 September 2023
				R'000	R'000	R'000	R'000	R'000	R'000
Prepayments									
Roadshow			Goods and services	279	279	-	(279)	-	-
Total Advances				279	279	-	(279)	-	-
GCIS National School of Government	Government	Goods and services	National departments	-	35	11 359	(8 859)	(1 822)	713
	Government	Goods and services	National departments	-	18	43	(61)	-	-
Total				-	53	11 402	(8 920)	(1 822)	713
TOTAL PREPAYMENTS AND ADVANCES				-	332	11 402	(9 199)	(1 822)	713

Report of the Auditor-General to Parliament on South African Housing Fund

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African Housing Fund set out on pages 254 to 256, which comprise the statement of financial position as at 31 March 2024, cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Housing Fund as at 31 March 2024, and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP).

Basis for opinion

Context for opinion

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

Emphasis of matter

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

Liquidation/Going Concern

7. As disclosed in note 1 to the financial statements, the financial statements are prepared on the liquidation basis since the entity no longer conduct its function in terms of the National Housing Act and is awaiting to be disestablished and the Housing Act to be amended accordingly.

Responsibilities of the accounting officer for the financial statements

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

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Reporting on performance information

12. As the fund was dormant for the year under review, no work was performed on the audit of performance information.

Report on compliance with legislation

13. As the fund was dormant for the year under review, no work was performed to test compliance with key legislation.

Other information in the annual report

14. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.
15. My opinion on the financial statements does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
16. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
17. I obtained the other information prior to the date of this auditor's report except for the Minister's report and Deputy Minister's report which are expected to be made available to us after 31 July 2024.
18. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
19. When I do receive and read the Minister's report and Deputy Minister's report,

if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

20. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria
31 July 2024



Annexure to the Auditor's report:

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern. If I conclude that a material uncertainty exists, I

am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a Fund to cease operating as a going concern

- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

4. Approval of Financial Statements

The financial statements for the South African Housing Fund were approved by the Accounting Officer

STATEMENT OF FINANCIAL POSITION

	Notes	2023/24 R'000	2022/23 R'000
ASSETS			
Current Assets		32 585	32 585
Cash and Cash Equivalents	5	32 585	32 585
TOTAL ASSETS		32 585	32 585
EQUITY AND LIABILITIES			
Capital and Reserves		31 958	31 958
Accumulated profits/(Losses)		31 958	31 958
Current Liabilities		627	627
Trade and other payables	3	627	627
TOTAL EQUITY AND LIABILITIES		32 585	32 585

CASH FLOW STATEMENT

		2023/24	2022/23
	Note	R'000	R'000
CASH FLOWS FROM FINANCE ACTIVITIES:			
Cash and cash equivalents at beginning of period		32 585	32 585
Cash and cash equivalents at end of period	5	32 585	32 585

ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below.

1. BASIS OF PREPARATION

The financial statements are prepared on the liquidation basis as set out below as the entity no longer conducts its function in terms of the National Housing Act and is awaiting to be disestablished and the Housing Act to be amended accordingly.

1.1 Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables and creditors.

Measurement

Financial instruments are initially measured at cost. Subsequent to initial recognition, these instruments are measured as set out below:

Trade and other receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are measured at cost.

Financial liabilities

Financial liabilities are recognised at cost.

1.2 Administration costs

All administration costs are borne by Department of Human Settlements

NOTES TO THE STATEMENT OF FINANCIAL POSITION

NO.	2023/24 R'000	2022/23 R'000
2. TRADE AND OTHER RECEIVABLES		
Debtors	421	421
Less: Provision for bad debt	(421)	(421)
Total	-	-
3. TRADE AND OTHER PAYABLES		
Post Office account	627	627
Total	627	627

4. Disestablishment of the SA Housing Fund

The final disestablishment of the SAHF will be effected upon the promulgation of the Human Settlements Act.

The SAHF was delisted from the Public Finance Management Act with effect from 18 November 2003.

NOTES TO THE CASH FLOW STATEMENT

5. Cash and cash equivalents

Cash with CPD	32 585	32 585
Total	32 585	32 585

The SAHF does not earn any interest on its funds in the Corporation for Public Deposits (CPD). This is because in terms of the current National Treasury arrangement, National Treasury borrows funds in all CPD accounts at 0% interest and utilises such funds to fund its daily cash flows, hence interest earned on the deposit at CPD is not disclosed as income earned.

The National Department of Human Settlements is a related party to the South African Housing Fund

1. General Review of the State of Financial Affairs

The change in focus in housing delivery to quality housing and a shift to alternative forms of housing tenure have formed the background against which sustainable housing delivery was achieved. As reported in 2003/04, changes in the financial management legislative environment precipitated a need to review the funds flow mechanisms to provinces. On 15 August 2003, MINMEC approved the disestablishment of the South African Housing Fund (SAHF). The final disestablishment of the SAHF can only be effected through the repeal of the Housing Act (Act 107 of 1997). The SAHF was delisted from the Public Finance Management Act with effect from 18 November 2003.

2. Accounting Authority's Emoluments

In terms of section 11(5)(a) of the Housing Act (Act No 107 of 1997) the Director-General: Human Settlements is the accounting officer of the South African Housing Fund.

No emoluments were paid to the accounting authority from the funds of the South African Housing Fund as the accounting officer is being remunerated by the Department of Human Settlements (previously the Department of Housing).

3. Auditors

In terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1998) read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 11(8) of the Housing Act, 1997 (Act No. 107 of 1997) the Auditor-General has the responsibility to audit the books and statements of account and balance sheet of the South African Housing Fund. The Office of the Auditor-General will continue to perform the statutory audit of the South African Housing Fund.

Annexure A

Consolidated Provincial Standardised Indicators 2023/24																											
Provincial Departments Indicators																											
	Number of integrated implementation programmes for priority development areas completed per year		Percentage of investment of the total Human Settlements allocation in PDAs		Percentage of land acquired during 2014-2019 within the PDA's rezoned		Number of households that received subsidies through FLISP (Finance Linked Individual Subsidy Programme)		Number of Breaking New Ground (BNG) houses delivered		Number of serviced sites delivered		Number of informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP)		Number of rental social housing units delivered			Number of Community Residential Units (CRU) delivered		Number of Pre-1994 title deeds registered		Number of Post-1994 title deeds registered		Number of Post-2014 title deeds registered		Number of New title deeds registered	
	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output		Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output
Gauteng	10	10	32.00%	32.36%	40.00%	0.00%	11	17	6810	6,897	957	981	1	0						500	118	6209	2088	800	33	10	0
Mpumalanga	10	9	8.00%	8.00%	20.00%	20.00%	40	76	2516	1,522	4399	6,197	7	7				112	0	494	105	1,028	321	1,978	1764	200	164
Limpopo	2	0	30.00%	50.30%			50	53	7291	7023	1639	2525	5	2				514	0	30	3	100	291	400	1	970	1381
Western Cape	3	4	52.00%	47.00%	20.00%	0.00%	1200	1079	3429	3315	1000	693	3	3						600	920	1500	1162	1000	1737	500	1181
Free state	1	0	32.00%	37.00%			200	131	2065	50	2569	682	9	2				300	0	400	26	4509	0	1797	421	530	0
North West	0	0	41.00%	449.00%	10.00%	0.00%	85	48	4336	3 070	7 634	8 818	5	5						961	166	9180	2579	1761	2136	1408	131
Eastern Cape	2	2	1.00%	9.70%			320	366	7 638	6736	5 350	5571	115	0				0	0	500	214	4 723	1456	1 351	823	1 173	0
Northern Cape			30.00%	43.96%	100.00%	0.10%	20	13	568	105	852	2440	6	1	172	0				500	61	3700	275	650	40	150	11
Kwa Zulu Natal	6	1	12.00%	13.00%			481	319	10,858	9,363	5,171	2,863	2	0				310	0	2,308	366	4,016	435	153	0	1,108	923
National	34	26	238.00%	690.32%	190.00%	20.10%	2407	2102	3 7873	3 5011	1 6587	2 1952	153	20	172	0		1236	0	6 293	1 972	30 242	8607	8 539	6 955	4 876	3 791

Yellow means Exempted

Annexure B

Estimates of National Expenditure 2023/2024		
ENE Indicator	Target	Performance
Number of integrated implementation plans for priority development areas completed per year	11	26
Number of fully subsidised houses delivered per year	60000	35011
Number of title deeds registered for new (post-2014) developments per year	129368	6955
Number of informal settlements upgraded to phase 3 per year	300	20
Number of serviced sites delivered per year	60000	21952
Number of affordable rental units delivered per year	3600	0
Number of community residential units delivered per year	1000	0
Number of finance-linked individual subsidy programme subsidies allocated to approved beneficiaries per year	4000	2102



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