

Annual Report 2019/20



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CONTENTS

Part A

GENERAL INFORMATION

	3
1. DEPARTMENT GENERAL INFORMATION	4
2. LIST OF ABBREVIATIONS/ACRONYMS	5
3. FOREWORD BY THE MEC	7
4. REPORT OF THE ACCOUNTING OFFICER	9
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	15
6. STRATEGIC OVERVIEW	16
6.1 Vision	16
6.2 Mission	16
6.3 Values	16
7. LEGISLATIVE AND OTHER MANDATES	16
7.1 Constitutional Mandates	16
7.2 Legislative Mandates	17
7.3 Policy Mandates	19
8. ORGANISATIONAL STRUCTURE	20
9. ENTITIES REPORTING TO THE MEC	21

Part B

PERFORMANCE INFORMATION

	22
1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	23
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	23
2.1 Service Delivery Environment	23
2.2 Service Delivery Improvement Plan	24
2.3 Organisational environment	30
2.4 Key policy developments and legislative changes	31
3. STRATEGIC OUTCOME ORIENTED GOALS	32
PERFORMANCE INFORMATION BY PROGRAMME	35
4.1 Programme 1: Administration	35
4.2 Programme 2: Housing Needs, Planning and Research	62
4.3 Programme 3: Housing Development	111
4.4 Programme 4: Housing Asset Management and Property Management	144
5. TRANSFER PAYMENTS	160
5.1 Transfer payments to public entities	160
5.2 Transfer payments to all organisations other than public entities	161
6. CONDITIONAL GRANTS	164
6.1 Conditional grants and earmarked funds paid	164
6.2 Conditional grants and earmarked funds received	165
7. CAPITAL INVESTMENT	166
7.1 Capital investment, maintenance and asset management plan	166

Part C

GOVERNANCE	168
1. INTRODUCTION	169
2. RISK MANAGEMENT	169
3. FRAUD AND CORRUPTION	173
4. MINIMISING CONFLICT OF INTEREST	174
5. CODE OF CONDUCT	175
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	175
7. PORTFOLIO COMMITTEES	176
8. SCOPA RESOLUTIONS	184
9. PRIOR MODIFICATIONS TO AUDIT REPORTS	189
10. INTERNAL CONTROL UNIT	190
11. INTERNAL AUDIT AND AUDIT COMMITTEES	191
12. AUDIT COMMITTEE REPORT	191
13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION	194

Part D

HUMAN RESOURCE MANAGEMENT	195
1. INTRODUCTION	196
2. OVERVIEW OF HUMAN RESOURCES	196
3. HUMAN RESOURCES OVERSIGHT STATISTICS	198

Part E

FINANCIAL INFORMATION	225
1. REPORT OF THE AUDITOR-GENERAL	226
2. ANNUAL FINANCIAL STATEMENTS	232



Elijah Barayi Village

Part A

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ABT:	Alternative Building Technology
AFS:	Annual Financial Statements
AGSA:	Auditor-General of South Africa
AO:	Accounting Officer
ANC:	African National Congress
APR:	Annual Performance Report
BBBEE:	Broad Based Black Economic Empowerment
BNG:	Breaking New Ground
CFO:	Chief Financial Officer
CRU:	Community Residential Units
EU:	European Union
DBSA:	Development Bank of South Africa
DED:	Department of Economic Development
DORA:	Division of Revenue Act
EEDBS:	Enhanced Extended Discount Benefit Scheme
ESTA:	Extension of Security of Tenure Act
EXCO:	Executive Council
GCR:	Global City Region
GDF:	Gauteng Department of Finance
GDP:	Gross Domestic Product
GEYODI:	Gender, Youth, and Disabilities
GPF:	Gauteng Partnership Fund
GPG:	Gauteng Provincial Government
GRAP:	Generally Recognised Accounting Practices
GSDF:	Gauteng Spatial Development Framework
GSSC:	Gauteng Shared Service Centre
HoD:	Head of Department
HR:	Human Resources
HS:	Human Settlements
HRMD:	Human Resource Management & Development Strategy
ICT:	Information Communication Technology
IDP:	Integrated Development Plans
IGR:	Intergovernmental Relations
IGSDF:	Intergovernmental Service Delivery Forums
LED:	Local Economic Development
LTA:	Labour Tenant Act
MEC :	Member of the Executive Council
MTEF:	Medium Term Expenditure Framework
MYHDP:	Multi-Year Housing Development Plan

NDoHS:	National Department of Human Settlements
NHBRC:	National Home Builders Registration Council
NHFC:	National Housing Finance Corporation
NSDP:	National Spatial Development Perspective
NYS:	National Youth Service
OHS:	Occupational Health and Safety
PAIA:	Promotion of Access to Information Act
PCF:	Premier's Co-ordinating Forum
PFMA:	Public Finance Management Act
PGDS:	Provincial Growth and Development Strategy
PIE:	Prevention of Illegal Eviction
PMS:	Performance Management System
PWDs:	People with Disabilities
PoE:	Portfolio of Evidence
RAPs:	Response Action Plans
RETRO:	Regularisation of Residential Properties Programme
SCM:	Supply Chain Management
SDIP:	Service Delivery Improvement Plan
SHIs:	Social Housing Institutions
SITA:	State Information Technology Agency
SLAs:	Service Level Agreements
SMMEs:	Small, Medium, and Micro Enterprises
SMS:	Senior Management Service
ToR:	Terms of Reference
TORPS:	Transfer of Rental Properties Programme
TR:	Treasury Regulations
TSC:	Technical Steering Committee
URP:	Urban Renewal Project
USDG:	Urban Settlements Development Grant

3. FOREWORD BY THE MEC



Hon. Lebogang Maile MPL

***MEC: Gauteng Department of
Human Settlements, Urban Planning,
Cooperative Governance and
Traditional Affairs***

Albert Einstein is widely credited with the saying, “The definition of insanity is doing the same thing over and over again but expecting different results.” If you want different results, you have to do things differently. This is one of the challenges that we have been confronting within the Gauteng Department of Human Settlements, because year after year the Department has been underperforming, without changing tack, a state of affairs that can’t be allowed to continue, given the increasing housing demand in the province, a serious spike in the housing backlog and growing impatience amongst the populace with the slow delivery of quality, liveable human settlements.

So, one of the things that we have been clear about since coming into this particular portfolio is the need for process re-engineering to turn the Department around, change management to transform the institutional culture and organisational redesign geared at repositioning the Department to better meet the housing expectations of the Gauteng citizenry. Leadership instability has been one of the critical challenges affecting the Department, and one of the steps we took to address that, was the appointment of a new Head of Department; a seasoned, skilled technocrat who has a proven track record in the public sector and will help us steady and steer the ship accordingly. We also appointed a new Chief Financial Officer who has been tasked with turning financial management and performance around, which is a crucial aspect in restoring the Department to optimum performance for housing delivery.

It is with this in mind, that we met with developers, specifically focussing on our mega projects and initiated a process of checking performance against contractual obligations, to deal with the culture of underperformance by making it clear that we would cancel the contracts of those that are underperforming and allocate more units to those developers who are performing, because after all, the people do not care who builds the houses; they just want houses delivered timeously and to be of the requisite quality. We have also taken steps to improve our inventory and asset management as a department, all of which should help us work more effectively to address the housing backlog in the province.

We initiated a process of developing a provincial human settlements masterplan, with a project bank that will ensure that there is greater alignment and coordination of development within the province, in conjunction with our municipalities who are recipients of the Urban Settlements Development Grant. The project bank will help us deal with project lags and bottlenecks that prevent houses from being delivered timeously because it will have a project matrix with certain requirements that will pre-qualify a project to be put in the project bank (e.g. there must be bulk infrastructure). This will ensure that we develop actionable, bankable projects as a department that can be completed on time and delivered to those within our province who are in greatest need.

We took steps to clean up our beneficiary management system, with one of the problems having been the integration of our provincial system with that of national government. This has caused huge delays in housing delivery and is a work in progress in our re-engineering process to position the Department as a centre of service delivery excellence for housing delivery.

On the Rapid Land Release programme, we have changed the focus to buying fully serviced stands, that we can then hand over to those who are ready to build for themselves and one of the exciting initiatives we have introduced, is the Ikageleng initiative as part of Rapid Land Release, looking to give fully serviced stands to stokvels and cooperatives who can then build for their members.

Title deeds issuance has also been a serious challenge for the Department and in order to address this, we not only met with the Deeds Office to develop a shortened path to title deeds registration without compromising the quality and efficacy of their processes, but we also met with the Mayors of municipalities around the province, to work with them and their municipal councils to relax some of the pre-conditions for township proclamation, which hamper title deeds issuance. We also appointed a service provider dedicated to tackling all bottlenecks on title deeds issuance so we can expedite this process and give people ownership of houses that we build for them. We are also introducing ground-breaking family title legislative amendment proposals, which are a first in the country.

On Urban Renewal, we have reworked the Urban Renewal Masterplans for the identified areas: Evaton, Bekkersdal, Alex, Kliptown and Winterveldt. We have established an interdepartmental urban renewal steering committee that meets monthly, streamlining government work with the idea that each provincial Department sets aside a budget for the financial year in terms of fulfilling their commitments to the urban renewal areas. On hostel redevelopment, we have set in place measures to accelerate the conversion of hostels into suitable accommodation units, with a novel sectional title element that will give ownership to those who live in these refurbished, redeveloped units.

On issues of illegal land invasions, which is a serious challenge and impediment to development, the Department introduced the notion of blanket court orders on all land earmarked for development within the province, so that illegal invaders can be evicted immediately. An additional measure has been working in an interdepartmental steering committee to deal with the issue of land invasions in a pro-active as opposed to re-active manner.

We have been working systematically and methodically to address all of the issues raised by the Auditor-General (AG), that gave us a negative audit opinion, while tracking progress on these issues on a monthly basis. One of the areas that caused the negative audit opinion was lack of availability of documentation required by the AG during the audit process, and we have taken steps to address this through initiating a process to implement an electronic document and records management system.

We have introduced an e-invoicing system and are automating our processes to ensure that we improve our supply chain management and have started implementing consequence management measures, taking stern action against those who abuse public funds and are not interested in helping us accelerate housing delivery. We also took a decision to end variations and deviations and have been addressing poor risk management processes, which contribute to institutional fragility.

Finally, in all that we are doing, we aim to ensure that we contribute to local economic development through our mega projects, by finding ways to bring about local participation in the construction value chain, with each development.

We are inspired by the words of author Jim Collins, who, in his well-known book about what distinguishes good organisations from great organisations, *Good to Great*, said, "Letting the wrong people hang around is unfair to all the right people, as they inevitably find themselves compensating for the inadequacies of the wrong people. Worse, it can drive away the best people. Strong performers are intrinsically motivated by performance, and when they see their efforts impeded by carrying extra weight, they eventually become frustrated."

We are of the view that all of these changes that we have been working on since coming into this portfolio are significant steps in turning the Gauteng Department of Human Settlements around, with the realistic hope of changing it from an underperformer to a star performer in the near future.



Hon. Lebogang Maile MPL

*MEC of the Gauteng Department of Human Settlements, Urban Planning,
Cooperative Governance and Traditional Affairs*

Date: 11 December 2020

4. REPORT OF THE ACCOUNTING OFFICER



Ms. Phindile Mbanjwa
HOD: Accounting Officer
Gauteng Department of
Human Settlements

4.1 Overview of the operations of the department

The 2019/20 Financial year represents the 1st year of the 6th administration and the 1st year of the Growing Gauteng Together Strategy of the Provincial Executive. As the new Accounting Officer and successor in title, I joined the Department at the tail end of the financial year at a time when it was marred by several challenges which include; high levels of executive instability with pending disciplinary cases of 2 senior officials, as well as a disclaimer opinion by the Auditor-General which was declared in 2018/19. It is therefore important to highlight the fact that progress has been made as the Accounting Officer and the Chief Financial Officer were appointed during the financial year under review. Progress has also been made in dealing with the issues that led to the 2018/19 Disclaimer, and as at the 31st of March 2020, 68% of the findings have been closed. A further 32% is currently work in progress of which I commit to resolve in the new financial year.

We commenced the financial year with a negative economic and fiscal outlook, which gave rise to the reduction in the budget allocation on both the equitable share and the Human Settlement Development Grant. In this regard, the budget allocation of the Department was reduced by R250 million. Notwithstanding economic constraints and the consequential budget cuts, the Department remained undeterred in its resolve to improve the living conditions of the poor, and low-income households in particular. In partnership with the municipalities and agencies, we delivered a total of 19 121 housing opportunities (10 841 units and 8 280 stands) from the Human Settlement Development Grant (HSDG). The primary beneficiaries of our housing opportunities were the elderly, destitute, women, child-headed households and people living with disabilities.

Overview of the results

In summary, the Department planned a total of 64 Performance Indicators for the 2019/2020 financial year. 10 (16%) of these Indicators were fully achieved, 18 (28%) were partially achieved/ behind schedule, while 36 (56%) were not achieved/ saw no progress.

Breakdown by Programme:

Ratings	Programme 1		Programme 2		Programme 3		Programme 4	
	No. of Indicators	Percentage (%)						
Achieved	3	23%	4	24%	2	9%	1	9%
Partially Achieved	5	38.5%	6	35%	4	17%	3	27%
Not Achieved	5	38.5%	7	41%	17	74%	7	64%
Total	13	100%	17	100%	23	100%	11	100%

The Department will finalise the implementation of the partially achieved targets in the 2020/2021 financial year.

Challenges

The Department of Human Settlements has over the past 3 – 4 years been marred by a series of systematic challenges affecting the delivery of houses in the province. Despite these challenges, we have made progress. The interventions undertaken by the Department are outlined in the MEC's foreword.

INTERNAL FACTORS

- Leadership Instability – resulting from numerous changes in accounting officers and executive authorities – 6 MECs and 6 HODs have been appointed in the last 6 years.
- Declining performance since 2016/17 – The Department's performance trend has been on a decline since 2016/17.
- Poor Supply Chain Management – procurement without following due process
- Poor Contract Management – expired contracts left to unduly continue
- Poor financial Management – non-payment of service providers resulting in huge historical accruals
- Disclaimer Opinion by AG (2018/19)
- Unresponsive organisational structure – not fit for purpose
- No standard Project Management Methodology for Construction Projects
- Fragmentation between Planning and implementation – leading to slow conversion rate
- Land and housing invasions – no execution of eviction orders
- Poor Beneficiary administration processes
- Slow title deed handover
- Cases of illegally occupied houses and land which require a decision to regularise
- Rapid Land Release Programme was declared as a programme to cover earners between R1501 and R22 000, but where allocations have been done, no houses have been built – Policy decision required
- Mega projects are continuing to deliver but at a slow pace
- Incomplete housing projects
- Legacy projects require an estimated R12bn to complete but there isn't sufficient budget for this
- Horizontal Planning and housing delivery leading to unintended consequences of non-completion of units

EXTERNAL FACTORS

- In-migration – The pace of service delivery in the province is unable to match the demand due to in-migration
- Historic implementation of projects in areas without bulk infrastructure, which therefore prevents housing allocation and makes completed units susceptible to illegal occupation;

Significant events

The Department has embarked on the development of the Gauteng Spatial Master Plan to produce comprehensive provincial human settlements, mainstreaming economic development and social cohesion. This plan is being developed together with Municipalities and all relevant stakeholders who play a critical role in the development of human settlements in the province.

Overview of the financial results of the Department:

During the year under review, the Department was allocated an amount of R6.046 billion and R5.763 billion was spent. The expenditure has been invested in improving the lives of Gauteng Citizens who qualify for housing subsidies.

The Department transferred the following funds to other entities during the year under review for housing development.

City of Johannesburg	R55.1 million
City of Ekurhuleni	R0
City of Tshwane	R0
Merafong City	R46.944 million
Mogale	R31.111 million
Rand West City	R33.383 million
GPF	R736 million for housing projects and R36.7 million management fee
Housing Development Agency	R34 million
NHFC	R0

The Departmental receipts only emanate from administrative activities that relate to staff members' parking. The collection of revenue particularly on rent on properties is constrained by the prevailing economic conditions. Some of the tenants have lost their jobs or are working on reduced hours and consequently this loss of income has affected their ability to pay rent. Bad debt is written off in terms of the Debtors management policy.

The below provides a breakdown of the source of revenue and performance for the 2019/20 financial year.

Table 1: Departmental receipts

Departmental receipts	2018/2019			2019/2020		
	Estimate	Actual amount collected	(Over)/under collection	Estimate	Actual amount collected	(Over)/under collection
	R'000	R'000	R'000	R'000	R000	R'000
Sale of goods and services other than capital assets	460	456	4	485	451	34
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	402	367	98	425	5 959	(5 534)
Sale of capital assets				-	350	(350)
Financial transactions in assets and liabilities	4 319	-14	4 305	4 561	3 218	1 343
Total	5 181	809	4 372	5 471	9 978	(4 507)

The table below provides a high-level comparison of 2018/19 versus 2019/20 of the expenditure incurred by the Department against the appropriated funds.

Table 2: Payment of expenditure by programme for the period 1 April 2019 to 31 March 2020

Programme name	2018/2019			2019/2020		
	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	508 332	474 752	33 580	627 196	589 132	38 064
Housing Needs, Research and Planning	22 689	17 029	5 660	37 652	15 028	22 624
Housing Development	5 177 795	4 990 996	186 799	5 121 257	4 982 581	138 676
Housing Assets Management Property Management	353 226	313 596	39 630	260 437	176 007	84 430
Total	6 062 042	5 796 373	265 669	6 046 542	5 762 748	283 794

Reason for underspending

The Department's total expenditure for the period ending 31 March 2019 was R5 763 billion, which represents approximately 95% of the allocated funds. The underspending of R284 million translates into 5% of the total allocation.

Programme 1: Administration

The under expenditure is as a result of vacant posts that were not filled as at the end of the financial year, as well as the late receipt and dispute of invoices relating to rates and taxes on Provincial Assets.

Programme 2: Housing needs research and Planning

The under expenditure is as a result of vacant posts that were not filled as at the end of the financial year.

Programme 3: Housing Development

The under expenditure on the Human Settlements Development Grant is as a result of claims being received after payment cut-off date.

Programme 4: Housing Asset Management

The under expenditure on the Title Deeds Restoration Grant is as a result of the current processes that involve too many role players. The Department is currently reviewing its processes to address the delays in the issuance of title deeds.

Virements/shifts

GDHS has shifted total amount of R12.6 million through virements of funds across its programmes to defray overspending under compensation of employees, goods and services and transfers and subsidies, and shifted a total amount of R45.7 million to defray overspending within the programmes. In summary the virements of funds between programmes were as follows:

Programme 1: Administration – An amount of R12 million was shifted from this programme to cover overspending on compensation of employees identified under various programmes. Whereas the programme received an amount of R3.1 million from other programmes to ease the spending pressure on goods and services and transfers and subsidies. Under this programme an amount of R45.4 million for current payments was shifted within the programme to ease spending pressure and curb over expenditure on certain line items.

Programme 2: Housing Needs Research and Planning: Planning – An amount of R3.2 million was shifted to programme 1: Administration to cater for over expenditure under goods and services and Transfers and subsidies.

Programme 3: Housing Development: Administration- An amount of R7 million was shifted from (Programme 1) to alleviate over expenditure on compensation of employees under this programme. The over expenditure under this programme was mainly due to the misalignment between approved staff establishment and programme and budget structure captured on the system.

Programme 4: Housing Assets, Property Management – An amount of R6 million was shifted from programme 1 to alleviate over expenditure in compensation of employees under this programme.

Rollover

The Department made an application of R106.5 million on the Human Settlements Development Grant, R82.098 million on the Title Deeds Restoration Grant and R14.8 million on Equitable Share.

Future plans of the Department

The Department is currently reviewing its delivery approach and a number of options are currently being explored to fast-track the rate of delivery and turn around the underperformance.

A Turnaround Strategy has since been developed and approved by the Executive Authority to address the challenges focussing on 6 strategic pillars, namely;

- **Governance** – focussing on dealing with AG matters, Fraud and Corruption cases and putting in place the necessary governance structures.
- **Financial Management** – includes SCM, Contract Management and Invoice Payments.
- Integrated Planning – Human Settlements Masterplan and aligning USDG and HSDG to deal with insufficient bulk infrastructure.
- **Programme Delivery** – enhancing capacity to deliver and review the current model of delivery.
- **Organisational Re-alignment** – review of the current organisational structure and aligning it to the IDMS framework and Change Management.
- **Technology and Systems** – Refresh of ICT infrastructure and automation of processes.

The Turnaround Strategy implementation will be monitored at all Senior Management and Executive management meetings.

Private Partnerships

There were no Public Private Partnerships (PPPs) that were entered into in the financial under review.

Discontinued activities/activities to be discontinued

There were no discontinued activities during the year under review

New or proposed activities

There were no new or proposed activities

Supply Chain Management (SCM)

- No unsolicited bids were received during the financial year under review
- The Department has put in place measures to identify, report and process claims related to irregular expenditure. Additional control measures are in place to deal with SCM challenges and ensure that irregular expenditure is not incurred, particularly relating to extension of contracts without following competitive processes, termination of contracts that have expired, etc.

Gifts and Donations received in kind from non-related parties

There were no gifts/donations received from non-related parties during the year under review.

Exemptions and deviations received from the National Treasury

There were no deviations or exemptions from the PFMA or Treasury Regulations on the financial reporting requirements received during the current and previous financial years.

Events after the reporting date

COVID-19 had impacted the Department and its operations adversely, as lockdown regulations prevented construction for a limited period of time and destabilised the operations of the Department.

Other

There are no other material facts or circumstances, which may have an effect on the understanding of the financial state of affairs that is not addressed elsewhere in this report.

Appreciation

I would like to thank the team of public servants who strive to better the lives of the people by their dedication, initiatives and efforts that ultimately lead to the fulfilment of the lives of our people. The achievements in this report are as a result of a collective effort by all staff, Management of the Department of Human Settlements and the Audit Committee and its staff. Our sincere gratitude goes to the Member of the Executive Council, MEC Lebogang Maile for his decisive leadership and guidance throughout the financial year.

The Department further extends its appreciation for the support it has received from its stakeholders; the National Department of Human Settlements, Municipalities within Gauteng, the Provincial Treasury, Gauteng Partnership fund (GPF), National Housing Finance Corporation (NHFC), the Housing Development Agency (HDA), contractors and professional service providers for assisting the Department in meeting its statutory obligations.

We hope to live up to the ideals of Nelson Mandela by selflessly serving our people.

Approval and sign off

The Annual Financial Statements have been prepared in accordance to the Modified cash basis of accounting these are set out on pages 232 to 321 have been approved by both the Accounting officer and the Auditor-General.

Yours faithfully



Ms. Phindile Mbanjwa

Accounting Officer

Gauteng Department of Human Settlements

Date: 11 December 2020

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

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2020.

Yours faithfully



Ms. Phindile Mbanjwa

Accounting Officer

Gauteng Department of Human Settlements

Date: 11 December 2020

6. STRATEGIC OVERVIEW

6.1 Vision

'Integrated Sustainable Human Settlements within a Smart Gauteng City Region.'

6.2 Mission

To facilitate the delivery of sustainable integrated human settlements, New Towns, and Smart Cities in partnership with relevant role-players from all sectors of society through:

- Development of suitably located and affordable housing (shelter) and decent human settlements;
- Creating new (post-apartheid) towns and transforming current cities and towns in Gauteng (moving towards efficiency, inclusion and sustainability); and
- Building cohesive, sustainable, and caring communities with improved access to work and social amenities, including sports and recreation facilities (community development and optimal access/ inclusion).

6.3 Values

The Department has adopted a set of values that are informed by the 'Batho Pele' (People First) principles of the South African Public Service and our specific focus is on the following:

- Honesty
- Professionalism
- Human Dignity
- Service Delivery
- Discouraging bad and rewarding good behaviour
- Sound ethical standards
- Accountability
- Integrity
- Excellence
- Loyalty

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional Mandates

The Constitutional Mandate of the GDHS remains as described below.

The Department's mandate is derived from Chapter 2, the Bill of Rights, Chapters 3 and 6 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). Section 26 in the Bill of Rights guarantees the right to have access to adequate housing. The State is mandated to take steps to achieve the progressive realization of this right. Schedule 4A makes the housing function a concurrent national and provincial legislative competence. In this regard, the core functions of the GDHS include:

- Developing GPG-specific housing development policies that will accelerate provision of houses for all and generally build sustainable communities.
- Ensuring that the GPG's housing development policies are integrated into the province's short, medium, and long-term plans developed by the Gauteng Planning Commission.
- Developing and implementing programmes and projects that give effect to Gauteng Provincial housing policies and plans; as reflected in its short, medium, and long-term plans.
- Advising on and approving Integrated Development Plans (IDPs).
- Providing key housing services in respect of subsidies, rental housing policies, etc.

In terms of the Constitution, where the functions in Schedule 4A and 5A can best be administered locally, a provincial or national Department could, by agreement, assign/delegate such function to a municipality if the municipality has the capacity and resources to perform the function.

7.2 Legislative Mandates

Through its current and future legislation and the Housing Code, the Department is carrying out its legislative imperative as set out in the Housing Act, 1997. Section 2 of the Housing Act, 1997 (Act No. 107 of 1997) compels all three spheres of government to give priority to the needs of the poor in respect of housing development (section 2(1) (a). In addition, all the three spheres of government must ensure that housing development:

- (i) provides as wide a choice of housing and tenure options as is reasonably possible;
- (ii) is economically, fiscally, socially, and financially affordable and sustainable;
- (iii) is based on integrated development planning; and
- (iv) is administered in a transparent, accountable, and equitable manner, and upholds the practice of good governance (Section 2 (1) (c).

Social Housing Act (No. 16 of 2008)

The Social Housing Act (2008) establishes and promotes a sustainable social housing environment, defines the functions of National, Provincial, and Local government in respect of social housing, and administers national housing programmes applicable to social housing, including the approval and allocation of capital grants and establishes a regulatory body (Social Housing Regulatory Authority) that will:

- Accredit social housing institutions, and
- Advise the Minister on social housing matters.

The Act provides for the undertaking of approved projects by other delivery agents with the benefit of public money and gives statutory recognition to social housing institutions.

Prevention of Illegal Eviction and Unlawful Occupation of Land Act (No. 19 of 1998, Amended)

The purpose of this Act is to identify the applicability of the legislation in terms of categories of persons, to prohibit certain actions in respect of unlawful occupation of land and to create offences thereto.

The Housing Consumers Protection Measures Act (No. 95 of 1998)

The Act provides for the establishment of a statutory regulating body for home builders. The National Home Builders Registration Council will register every builder and regulate the home building industry by formulating and enforcing a code of conduct. The implementation of the Act is monitored continuously.

The Rental Housing Act (No. 50 of 1999)

This Act repeals the Rent Control Act of 1976 and defines Government's responsibility for rental housing property. It creates mechanisms to promote the provision of rental housing and the proper functioning of the rental housing market. To facilitate sound relations between tenants and landlords, it lays down general requirements for leases and principles for conflict resolution in the rental housing sector. It also makes provision for the establishment of Rental Housing Tribunals and defines the functions, powers, and duties of such Tribunals.

Housing Development Agency Act (No. 23 of 2008)

The purpose of this Act is to facilitate the fast tracking of land acquisition and housing development services for creating sustainable human settlements, and to ensure a centrally coordinated planning and budgeting of infrastructure required for housing development.

Gauteng Land Administration Act (No. 11 of 1996)

The Act provides for the acquisition and disposal of land owned by the Gauteng Provincial Government.

Development Facilitation Act (No. 67 of 1995)

This Act facilitates and speeds up the implementation of the Reconstruction and Development Programme and Projects.

Less Formal Township Establishment Act (No. 113 of 1991 as amended)

This Act provides for shortened procedures for the designation, provision, and development of land, and for the establishment of townships for less formal forms of residential settlements.

Alienation of Land Act (No. 68 of 1981, as amended)

This Act regulates the alienation of land in certain circumstances.

Immovable Assets Management Act (No. 19 of 2007)

This Act provides for, amongst others, a uniform framework for the management of immovable assets that are held or used by a National or Provincial Department to ensure coordination of the use of immovable assets with service delivery objectives of National and Provincial Departments.

Deeds Registry Act (No. 47 of 1937, as amended)

This Act Consolidates and amends the laws in force in the Republic of South Africa relating to the registration of deeds.

Upgrading of Tenure Rights Act (No. 112 of 1991, as amended)

This Act provides for the upgrading and conversion into ownership of certain rights granted in respect of land.

Conversion of Certain Leasehold Right to Ownership Act (No. 81 of 1988, as amended)

This Act provides for the mechanisms deployed in obtaining assistance to acquire registered title to public rental houses.

Land Administration Act (No. 02 of 1995, as amended)

This Act provides for the delegation of powers and assignment of administrative laws regarding land matters to provinces, and to provide for the creation of uniform land legislation.

Expropriation Act (No. 63 of 1975, as amended)

This Act provides the Minister with the power to expropriate property for the public and certain other purposes, and to take the right to use property for public purposes.

National Environment Management Act (No. 107 of 1998, as amended)

This Act protects ecologically viable areas representative of South Africa's biological diversity and its natural landscapes and seascapes in a system of protected areas.

Public Finance Management Act (No. 01 of 1999, as amended)

This Act enables public sector managers to manage and improve accountability in terms of eliminating waste and corruption in the use of Public Funds.

Division of Revenue Act (No. 4 of 2020, as amended)

This Act provides for equitable division of revenue anticipated to be raised nationally among the National, Provincial, and Local spheres of Government for each financial year, and the responsibilities of the three spheres pursuant to such division.

Promotion of Administrative Justice Act (No. 03 of 2000)

This Act gives effect to the constitutional right to just administrative action for any member of public whose rights have been adversely affected, and to ensure efficient, effective, and legitimate administration within all spheres of government.

Preferential Procurement Policy Framework Act (No. 05 of 2000)

This Act gives effect to Section 217 (3) and provides framework for the implementation of the procurement policy contemplated in Section 217 (2) of the Constitution.

Promotion of Access to Information Act (No. 02 of 2000)

This Act gives effect to constitutional right of access to any information held by the State and any information held by a private person that is required for the exercise or protection of any other right.

Intergovernmental Relations Framework Act (No. 13 of 2005)

This Act establishes a framework for National, Provincial, and Local Government to promote and facilitate intergovernmental relations and to provide a mechanism and procedure to facilitate the settlement of intergovernmental disputes.

7.3 Policy Mandates

The Policy mandates of the GDHS remain as described below. Some of the policies relevant for the implementation of the mandate of the Department include the following:

Breaking New Ground (BNG) Policy

The BNG Strategy builds on the housing policy outlined in the 1994 White Paper on Housing to ensure that settlements are sustainable and habitable in line with the original goal of delivering affordable housing. The priorities of the plan are to:

- Accelerate delivery of housing within the context of sustainable human settlements;
- Ensure housing delivery as a catalyst for job creation and economic growth;
- Provide quality housing and to turn homes into assets; and
- Promote social cohesion and improve quality of life.

National Housing Code

The Housing Code (The Code) is a comprehensive document that sets out the overall vision for housing in South Africa. It sets out the linkages between various policy programmes. The Code was revised to align it with the BNG strategy; accommodate changes effected since 2000; and convert the Programmes into flexible and less prescriptive provisions and guidelines.

The National Spatial Development Perspective (NSDP)

The NSDP has been a key mechanism of government to reconfigure the apartheid spatial relations and implement spatial priorities in ways that meet the stated goal of providing basic services to all, and to alleviate poverty and inequality. The NSDP recognizes the burden of unequal and inefficient spatial arrangements placed on communities, especially the poor who, for example, must bear significant transport costs to commute long distances to and from work. Similarly, the Gauteng Employment, Growth, and Development Strategy (GEGDS), and the Municipal IDPs have been central programmes of government's response to its stated aim of growing the economy and addressing the needs of the largest number of poor people.

The four principles of the NSDP are as follows:

- Rapid economic growth that is sustained and inclusive to achieve poverty alleviation;
- Fixed investment should be focused in localities of economic growth or economic potential;
- Programmes and projects to address poverty and provision of basic services in areas where low economic potential exists; and
- Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to, or link with main centres.

The Global City Region (GCR) Perspective (Gauteng 2055)

The GCR Perspective seeks to promote Gauteng's development agenda by positioning the province as a globally competitive city region. The GCR strategy also seeks to address inequality and uneven development in the province, and the long-term plan to achieving this is contained in the Gauteng 2055 document.

Chapter 4, section 4.3 of Gauteng 2055 states the following in respect to human settlements, (in a) "GCR Our people live in healthy, safe spaces – supported by the nutrients for human growth, prosperity and dignity; affordable, accessible and equitable green spaces; recreational facilities, schools; clinics; shops; places of celebration and worship; places to gather; opportunities for work; networks for transit, ICT and economic infrastructure; heritage sites; and spaces in which collective creativities and dreams can be harnessed."

The new strategic approach of the GDHS is firmly located within this policy imperative.

The National Development Plan (NDP) 2030

The introduction to the Chapter on Human Settlements in the NDP is straightforward. It simply states “Where people live and work matters”. The NDP further provides what can be termed key principles that must underlie the transformation of human settlements, such as:

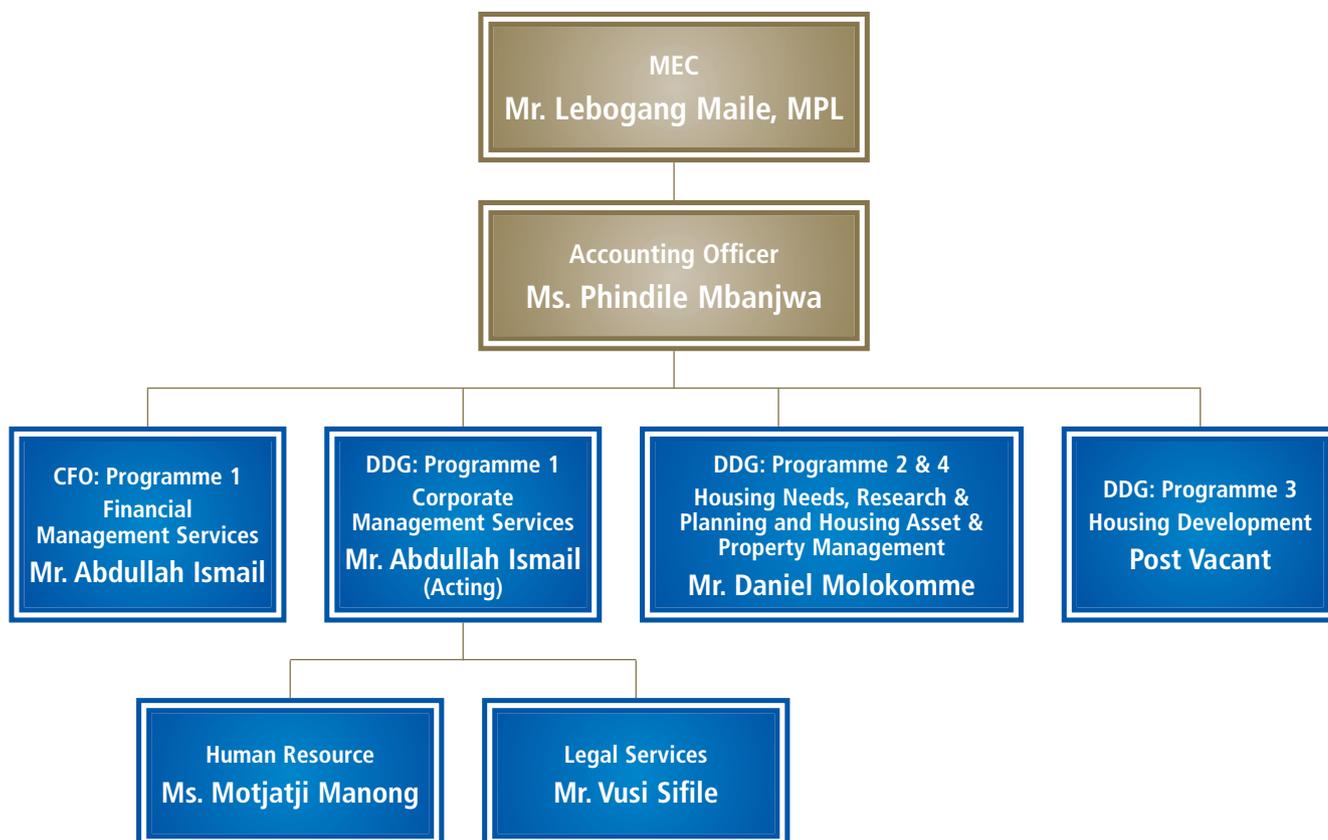
- Human settlements must systematically change the entrenched apartheid spatial patterns that resulted in social inequality and economic inefficiencies;
- Human Settlements must be responsive to the unique needs and potentials of rural and urban areas;
- Human settlement policies and legislation must realize people’s constitutional right to housing;
- The delivery of housing must restructure towns and cities, strengthen livelihood prospects of households, and support active citizenship and involvement in conceptual and planning processes;
- Human Settlement Spaces must be liveable, equitable, sustainable, resilient, efficient, and support economic opportunities and social cohesion; and
- Human Settlement developments must provide people with a greater choice of where to live.

GPG’s Transformation, Modernization, and Reindustrialization (TMR) Strategy

The fifth term of democratic governance of the Gauteng Province is fortified by its TMR Strategy which is underscored by 10 Pillars. Collectively, the pillars advocate equitable socio-economic development, good governance, and development across the Continent. The main thrust of each Pillar is transformation and/or modernization and/or reindustrialization as is applicable.

The GDHS responds directly to four (4) of the 10 pillars namely Radical Economic Transformation, Modernisation of the Public Service, Modernisation of Human Settlements and Urban Development and Re-industrialisation of Gauteng Province. Even though the Department is not directly accountable for the other six (6) pillars, it does contribute to them with emphasis on job creation, economic growth and development, and socio-economic infrastructure.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Gauteng Partnership Fund (GPF)	Social Housing Act, 2008 (Act No. 16 of 2008) The Housing Act, 1997 (No. 107 of 1997)	736 013 44 012 (Management fee paid Opscap)	Development of Mega Projects
Housing Development Agency (HDA)	Housing Development Agency Act, 2008 (Act No. 23 of 2008) The Housing Act, 1997 (No. 107 of 1997)	34 047	Identify, acquire, hold, develop and release well located land and buildings for Human Settlement



Savanna City

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 226 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Over the past 5-year period, the Department operated in an environment that was characterised by a number of challenges, which at the same time presented some opportunities for the Department. Sadly, some of the challenges are still persistent to the present day. To name but a few, land invasions and the number of people living in informal settlements. As a result of the high demand for housing in the province, the number of people registered on the National Housing Needs Register (NHNR) continues to escalate each year.

The NHNR is a database of government-assisted housing applicants. It keeps a register of all applicants of government-assisted housing, regardless of whether they qualify for such a benefit or not. Invariably, over time the NHNR has shown that the Metropolitan areas (Johannesburg, Ekurhuleni and Tshwane) present the greatest demand for housing. Of course, access to infrastructure and employment opportunities are some of the key factors that contribute to this trend, with in-migration further lending credence to it.

Not surprisingly, even during the current political period being as early as it may be, metropolitan areas continue to take the lead in showing a greater housing demand. The table below presents statistics on the households captured on the NHNR and how some of them have benefited from government-assisted housing. Of interest in the table below, again, is that most of the beneficiaries are from the metropolitan areas. For instance, Johannesburg is leading with a total of 384 391 households registered on the NHNR, while 47 198 (12%) of them have benefited from the government housing subsidies. Ekurhuleni comes second to Johannesburg with a total of 262 790 beneficiaries; of these 36 092 (12%) have benefited from the government housing subsidies. Tshwane becomes the metropolis with the least housing demand at 179 239; of these 32 297 (18%) households have benefited from the government housing subsidies.

Table 1: Current Housing Demand Figures from the National Housing Needs Register

Regions	No. of Households On NHNR ONLY	No. of Households Approved to Benefit – Benefit Status Unknown	No. of Households Approved to Benefit & Did Not Benefit (No Claims)	No. of Households Approved to Benefit & In Process to Benefit < 80% Subsidy Amount Paid Out	No. of Households Approved to Benefit & Benefitted > 80% Subsidy Amount Paid Out
CITY OF JOHANNESBURG METROPOLITAN	384 391	26 700	47 737	49 450	47 198
CITY OF TSHWANE METROPOLITAN	179 439	21 184	21 415	42 137	32 297
EKURHULENI METROPOLITAN	262 790	30 671	43 422	80 822	36 092
SEDIBENG DISTRICT MUNICIPALITY	76 446	13 836	27 683	25 153	16 995
WEST RAND DISTRICT MUNICIPALITY	65 278	7 706	4 136	18 047	14 102
GAUTENG PROVINCIAL	0	29 231	1 733	5 337	12 165

Source: National Housing Needs Register (Accessed in March 2020).

The picture drawn from the table above is an indication that a considerable amount of housing development has taken place around the metropolises – for obvious reasons discussed above. Intriguingly and perhaps logically, most of the work on the title deeds has taken place in the metropolises and will continue along the same trajectory for some time to come, given that the largest infrastructure investment is concentrated in these metropolises. However, the title deeds and housing allocation activities have not been without challenges for the past political period.

While some of the townships are registered with the Deeds Office, to date their residents still do not have title deeds to show for the properties they occupy. These are the townships that do not have all the required infrastructure (roads and stormwater drainage, electricity, running water) to enable the Deeds Office to issue their (townships’) services certificates. This phenomenon presents a challenge not only to the Department, but to the residents as well. For the residents, they cannot produce any legal documentation to prove ownership of their properties whenever this is required. For the Department, the title deeds backlog remains for these areas, and this indicates non-performance. The solution lies in the various government departments and/or spheres of government working together to address this conundrum – and this would complete the township formalisation process.

Housing allocation is but another area that poses a challenge to the Department. Some of the residents who occupy houses provided by government are not necessarily the same applicants on the government Housing Subsidy System (HSS). Houses have been occupied in a variety of ways which include invasion and illegal purchasing of units. To that extent, at this juncture title deeds cannot be issued to these occupiers since they are not on the HSS. The Department has attempted to address this challenge through a policy-making process. The Deregistration of missing and untraceable beneficiaries policy has been developed and is yet to serve before the Department’s relevant structures before it can attain approval and consequently implementation.

The terrain in which the Department is operating continues to be characterised by both challenges and opportunities. However, what is becoming clearer as time progresses and challenges persist, is that some of the practices that may have worked in the past to address some of the challenges the Department faced then, no longer work in today’s world. New approaches must evolve to bring about fresh practices and policies to solve challenges. Practicable inter-governmental relations have never been so critical to chart a new way forward for government.

2.2 Service Delivery Improvement Plan

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
The Individual provision of housing subsidies and housing opportunities to beneficiaries in accordance with the housing policy	South African residents earning R0 to R3 500 <ul style="list-style-type: none"> ● Persons classified as aged ● Persons classified as disabled ● Persons not yet benefited from Government assistance ● Persons married or co-habiting ● Persons classified as military veterans 	Current Quantity <ul style="list-style-type: none"> ● Sites – 5 195 ● Houses – 5 906 	Planned <ul style="list-style-type: none"> ● Sites – 6 595 (APP Targets) ● Houses – 20 446 (APP Targets) 	The Annual delivery of the Department for 2019/20 financial year were: 10 104 (153%) Stands and 12 153 (59%) Houses .

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Manage Beneficiary Administration	<ul style="list-style-type: none"> ● South African residents earning R0- R3 500 ● Persons classified as aged ● Persons classified as disabled ● Persons not yet benefited from Government assistance ● Persons married or co-habiting and persons classified as military veterans 	<p>Current Quantity of beneficiaries who applied for houses:</p> <p>7 040</p>	<p>Planned</p> <p>21 718</p>	<p>Beneficiaries Allocated</p> <p>2 570</p>

Batho Pele arrangements with beneficiaries (Consultation access etc)

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Consultation: Community Education ensures that the communities are informed on the Departmental policies and processes on how to access housing products and services on a quarterly basis</p>	<p>Community Education offers awareness sessions to the communities on housing products on a monthly basis.</p> <ul style="list-style-type: none"> ● To issue title deeds to 10 beneficiaries as part of the symbolic gesture by the MEC and the remainder to be issued out by the officials. ● A site tour was also undertaken by the delegates to inspect the area regarding service delivery issues. <p>As a build up to the SOPA scheduled for the 25th February 2020, the Social and Economic Clusters were required to implement various programmes in the targeted communities that is MAWIGA as well as surrounding areas such as Soshanguve.</p>	<p>Awareness Sessions on Housing policies and programmes were held at the following areas:</p> <p>1st Quarter: Apr to Jun 2019</p> <ul style="list-style-type: none"> ● 2 Workshops were held at Thokoza and Emperor's Palace, a total of 240 beneficiaries were trained ● Title deed handover support: Sedibeng: 5 Houses handover to the special need beneficiaries. ● in Savanna City, 1328 houses in Chief Albert Luthuli and Chris Hani <p>Handover of Houses: Hammanskraal; Stinkwater; Winterveldt & Mamelodi: April 2019</p> <ul style="list-style-type: none"> ● 3 houses were identified: Renovation of the old structure and 2 houses readily available from the project. ● Hammanskraal: Mandela Village ● Completion of construction on the house which was left behind by the bread winner of the household was completed for the elderly parents who are living in the house.

Current/actual arrangements	Desired arrangements	Actual achievements
		<p>Mamelodi: D4</p> <ul style="list-style-type: none"> ● 2 houses by the developer ● Education – 3 Workshops conducted (Sedibeng, City of Joburg and City of Tshwane) ● Title deeds Handover Support – 1071 title deeds handed over ● Allocation Support Education (one-on-one) – 2 Projects (City of Tshwane) ● Beneficiary Registration Support-996 Beneficiaries Registered and Educated 2nd Quarter: Jul – Sep 2019 ● 10 workshops, 1 blitz and 1 registration of beneficiaries were held in Palmridge, Emperor's, Hammanskraal, Chief Mogale, Afro Village, Kagiso X13, JHB deeds office, Claremont, Vlakfontein Ward 122, ● Eersterust beneficiaries were trained in the subsidy and gap market, i.e. ● 3140 beneficiaries were educated, 500 were blitzed and 318 were registered ● Title deeds handover Tshwane Winterveldt 10 beneficiaries. <p>3rd Quarter: Oct – Dec 2019</p> <ul style="list-style-type: none"> ● workshops were held, 2 of them were on FLISP ● 2 712 beneficiaries were trained ● Winterveldt Title Deeds: October 2019 ● The purpose of the event was to issue title deeds to the 10 beneficiaries as part of the symbolic gesture by the MEC and the remainder to be issued out by the officials. ● A site tour was also undertaken by the delegates to inspect the area regarding service delivery issues. ● Pre-SOPA Programme: Soshanguve South EXT 6&10 Title Deeds. ● Human Settlements issued out a total of 965 Title deeds at Soshanguve South Ext.6 & 10 as part of the activities for the Pre SOPA programme on the 20th February 2020.
		<p>4th Quarter: Jan – Mar 2019</p> <ul style="list-style-type: none"> ● 2 workshops were held ● 300 Beneficiaries were trained during the period 16 February ● All 26 engagements consisting of 24 workshops, 1 registration and 1 blitz were held. Beneficiaries stand at 6392 which then translates into 1598 households. ● Title deeds handover: Tshwane 965 Soshanguve South Ext.6 and 10.

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Access: The Department of Human Settlements has decentralized the Beneficiary Administration functions on provision of Housing Subsidy to the Tshwane, Ekurhuleni, Sedibeng, Johannesburg and West Rand Regional offices</p>	<p>The Department of Human Settlements has decentralized the Beneficiary Administration functions on provision of Housing Subsidy to the Tshwane, Ekurhuleni, Sedibeng, Johannesburg and West Rand Regional offices</p>	<p>The officials in Beneficiary Administration assist the clients at the specific Regional Offices in handling Housing Subsidy matters, through face-to-face consultations.</p>

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
<p>Information brochures/ manuals on housing products are available at the Customer Support Centre help desk at all times, allow walk-ins, one on one communication, Imbizos, Ntirhisano, Public Exhibitions.</p>	<p>Brochures, Radio stations and loud hailing techniques are used for giving information on housing products to the beneficiaries, Inclusive of social media platforms, community radio stations, media buying increased media buying, translation of brochures to different languages.</p> <p>To reach Community, national and Local TV, new media, intranet, departmental website, social media accounts, Internal and External publications, Tshumelo, HS General, HS Express, Facebook, Twitter, Instagram and YouTube.</p>	<p>The media coverage for the GDHS are: Radio 2000, Vaal News, Daily Sun, Sowetan, the New Age, Pretoria News, City Press, CNBC Africa, INC, ANN7, Lesedi FM, Thetha FM and Business Daily The signage for the Regional Offices has been updated</p> <p>Pamphlets and brochures to the GDHS are updated as and when the need arises for the purpose of updating the clients with the Department.</p>
<p>Copies of the Housing Subsidy System printout per project of approvals and details of rejections on Housing Subsidy are handed to the Beneficiary Regional Teams as and when the information is available. Information on Business Processes and Standard Operating Procedures are provided to the Internal user/clients.</p>	<p>The Housing Subsidy System and the needs register system are integrated and the update of whether the client benefited or not shows on both systems. Standardized terminology is applied on the information on Business Processes and Standard Operating Procedures, so that it can be understood across regions, e.g. Detail design, final engineering design, water and sewer alignment.</p>	<p>The process of interfacing the Housing Subsidy System and the needs register by the National Department of Human Settlements is finalised.</p> <p>The main reason is to ensure proper reporting for planning processes. The following objectives of the integration were achieved:</p> <p>The Department is able to report on the progress of the applicant's application status;</p> <p>Application status reflects the progress of the application, as from 2016/17 financial year. Business processes developed: Consultations with stakeholders have been conducted to ensure that business processes are aligned with Standard Operating Procedures. The Business processes developed and approved are for the following Units:</p> <p>Business unit functions: Subsidy Programme Management and Administration,</p> <p>National Department of Human Settlements, have updated the Project Process Guide for Human Settlements Programme in November 2017.</p>

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>Political imbizos and public meetings.</p>	<p>To acknowledge and resolve all registered complaints within the specific standards and timelines which are 14 days acknowledgement and resolved within 90 days as per the Service Charter standards.</p>	<p>Enhanced the existing complaints and management systems by implementing an improved interface.</p> <p>The complaints are referred to relevant directorates, for example: Rental Tribunal and Asset Transfers in the Directorate Project Management Office and the regional offices.</p> <p>The purpose of the event was to identify the service delivery matters concerning the community of Mamelodi at large.</p> <p>The following issues were raised:</p> <ul style="list-style-type: none"> Road Infrastructure Electricity Water Sewer (Proper sanitation network) Relocation of the informal settlers to smaller stands so as to accommodate the number of families Primary schools are a necessity
		<p>EKANGALA RETURN VISIT NTIRHISANO: MAY 2019</p> <p>The purpose of the event was to give feedback to the community regarding the progress made on concerns previously raised in the previous Ntirhisano visits.</p> <p>Work streams have been established to deal with the different matters raised. These work streams have meetings where they give updates regarding the progress of each work stream.</p> <p>POST SOPA: CITY OF JOBURG-DLHAMINI HALL JULY 2019</p> <p>The purpose of the event was to give the community/residents of Soweto to voice their concerns regarding service delivery within the areas within which they reside.</p>

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>Acknowledgement of complaints and queries</p>	<p>Complaints and queries acknowledged within 14 days and resolved within 90 days.</p>	<p>The service standard on the acknowledgement of complaints and queries is indicated on the generic Service Standards and Service Charter posters. Monitoring and evaluation are performed regularly to enforce implementation. Reports on handling of complaints are discussed during the "War Room" meetings that are held every Monday in GDHS.</p> <p>Public meetings, stakeholder engagements, Project Steering Committee Workshops are held on a monthly/quarterly basis or as regular as required to discuss project progress and also to note concerns and inputs from the communities.</p> <p>The complaints are lodged personally by customers and/or clients at the regional complaints offices in GDHS and are captured on an electronic system that manages complaints. A manual complaint system is also utilised to capture/trace records at the Customer Centres in the regional offices.</p>
		<p>NTIRHISANO LEKGOTLA: AUGUST 2019</p> <p>The purpose of the event was to discuss progress made across all spheres of government and its entities and to share the best practices as officials.</p> <p>It was also about networking, getting to know other departments and brainstorming on how to access and share information across the board.</p> <p>GDHS Departmental Complaints:</p> <p>439 cases were registered and resolved from April 2019 to March 2020 with 52 cases still pending.</p> <p>Hotline completed complaints:</p> <p>1st Quarter – 73 2nd Quarter – 94 3rd Quarter – 56 4th Quarter – 108</p>

2.3 Organisational environment

The Departmental senior management held a strategic planning review in June 2019 whereby priorities, challenges and recommendations were discussed and agreed upon. During the strategic review, the MEC highlighted some fundamental challenges facing the Department and recommended changes that are required to turn-around the organisation. In the MEC statement, the following areas of focus with two-year timelines were highlighted as challenges:

- Acceleration of bulk infrastructure in human settlements
- Implementation of sustainable human settlement-close legacy projects
- Rapid land release to be fast tracked
- Address old and new title deeds backlog
- Informal settlement has been afforded priority status – there is a grant ringfenced/allocated including Urban Renewal.

Organisational challenges:

- Unavailability of permanent office accommodation for head office staff,
- Declining departmental performance i.e. the Department struggled to spend its appropriated budget specifically in 2015/16 and 2017/18,
- Planning for accruals and spending on planned targets was dissimilar,
- Planning weaknesses resulting in lack of formalisation and proclamation of townships which affected title Deeds issuance,
- Inadequate internal project management capacity, and
- Poor, non-performing contractors and contractor payment delays.

Organisational successes:

- Review of the Strategic Plan in June 2019
- Commencement of Organisational Structure Review and Re-establishment of its Project Steering Committee chaired by the HOD,
- Appointment of the new Accounting Officer in December 2019,
- Alignment of the macro organisational structure to the revised human settlements housing delivery value chain and development of the departmental operating model,
- Review and alignment of the macro organisational structure to the Infrastructure Delivery Management System framework,
- Conducted organisational review change management sessions with Johannesburg, Sedibeng and West Rand regions.

In line with the Organisational Efficiency Directorate operational plan for previous 2019/2020 financial year, the fourth quarter targets required the design of future states for prioritised units, conduct Job Evaluation (JE) of affected posts, submit the business case to the Office of the Premier & Department of Public Service and Administration (DPSA), and implement the change management strategy for the project. On the future state of prioritised business units; a proposed macro organisational structure was drafted and endorsed in principle by the MEC and HOD. The process of JE is currently underway whereby job descriptions and pre-interview questionnaires are being submitted by business.

A draft business case was developed for the purposes of appraising the MEC and HOD, the business case for submission to OOP & DPSA has been delayed primarily by late endorsement of the proposed macro organisational structure and non-attendance of the organisational structure review consultations. The organisational review project team was able to start with process of implementing change management, firstly, by publishing two organisational review articles informing staff members about the structure project & its alignment to the new Infrastructure Delivery Management System; and secondly, by conducting change management awareness sessions in three of the five departmental regions as described in the above last bulleted paragraph.

The outbreak of the Coronavirus Disease or COVID-19 has affected the organisational review project since the project team was due to embark on the drafting and finalisation of the micro organisational structure [(divisions and sections below salary level twelve (12)]. Before the announcement by the President in late March 2020 for the country's lockdown to reduce the spread of the virus, a meeting was convened to discuss the project roll-out plan on how to develop the micro organisational structure with our sister OOP department.

The project team is now in the process of developing the business processes for the new and revised business units; and collecting the outstanding job descriptions and pre-interview questionnaires in the department. Upon finalisation of the business processes and collection of job descriptions; the team will be in a better position to finalise the micro functional organisational structure and enable the OOP to proceed with conducting job analysis and grading of jobs on the proposed organisational structure.

The Senior Management Team (SMT) put a timeline of the end of April 2020 to complete the review project, but unfortunately due to the current lock down situation, it became difficult to organise and conduct consultations with managers and key stakeholders in order to gather the required functional information that enables finalisation of the organisational structure. Virtual meetings, emails and telephonic consultations will be pursued where possible in order to complete the project.

2.4 Key policy developments and legislative changes

Unlawful Occupation of Land Policy

Unlawful occupation of government-owned land and buildings is happening as a result of simple lawlessness and a well-orchestrated plan to dislodge the development course undertaken by the Gauteng City Region. These acts are of a well-organised syndicate taking advantage of genuine concerns of people who are in need for housing by fuelling political tension and illegally transacting over government-owned land. The Unlawful Occupation of Land and Buildings Policy coupled with the Unlawful Occupation of Land and Buildings Strategy were presented to the Provincial Executive Council. The focus of unlawful occupation of land management is primarily on prevention, early warning systems, engagement/participation, feedback, legal compliance, resolutions/alternatives, accountability, safety and security and response.

Management of Common Spaces in Walk-Ups Policy

With the challenges associated with land costs and land scarcity particularly for people who are dependant on the state to meet their housing access needs, the need for innovative housing models and solutions gives rise to the construction of multi-storey units. The challenge however is that the beneficiaries need to adjust to the new living arrangement of sharing the living space and one family on top of the other. The policy brings standard rules that enables coexistence for this new living arrangement. It is premised on households understanding how to use and care for shared facilities for the broader wellbeing of the collective.

Deregistration of Missing and Untraceable Beneficiaries Policy

There are instances where houses stand empty because the approved beneficiary cannot be located to take occupation of the house subsidized by government. The challenge posed by these vacant houses is costs relating to employment of security companies to safeguard houses against unlawful occupation, vandalism and theft of doors and door frames, window frames, taps etc. It therefore remains the responsibility of the Department to safeguard these houses until the beneficiary takes occupancy. It becomes necessary that in the effort to reduce unnecessary spending on perpetual repairs due to vandalism and withholding houses when there are readily available beneficiaries, that these houses are expeditiously allocated. This can only be possible if there is a policy instrument that will allow the next beneficiary to be allocated the house already approved for the first beneficiary without prejudicing the first beneficiary from benefiting on the next opportunity available.

Provision of Services Sites Policy for the RLRP

Whereas housing access remains a principal policy mandate of the government, a number of families are at a point where they feel that they cannot wait for government to deliver complete housing to them. This is in recognition of the growing housing demand for people who are dependent on the state and shrinking fiscal resources to realize this mandate. The policy is an opportunity for household who can be allocated a serviced site to construct a top structure for themselves and within their own means. The policy is premised on rapidly making the serviced land available, building plans and municipalities relaxing some of their building regulations to enable households to meet their housing needs.

Property Maintenance Policy

There are pockets of vacant land, a number of residential (flats and hostels) and commercial properties (shops) registered under the name of the Department. Majority of these are properties inherited from the previous divided administration system of the then Transvaal Provincial Administration and apartheid South Africa's three administration systems, which were the House of Representatives (Coloureds), House of Delegates (Indians) and House of Assembly (Whites). Due to their historic life span these properties from time to time need to be restored and repaired to guard against degradation.

Gauteng Housing Act

The Gauteng Housing Act has been in existence since 1998. A lot has evolved in the country and the province. The focus and mandate of the Act have now been entrenched in the delivery of human settlements, looking beyond the development of the top structure. It has therefore become imperative that the key legislation governing the mandate of the Department takes into consideration this evolution. The Department has commenced with situation analysis and implementation of the legislation in order to align to the new provincial trajectory of Transformation, Modernizations and Reindustrialization of Gauteng and the Growing Gauteng Together (GGT 2030) vision.

Inclusionary Housing Legislation

The concept of inclusionary housing, in simple terms, refers to the inclusion or integration of affordable housing as part of private property developments, by securing the participation of private developers in the delivery of affordable housing through policy intervention, which involves either a voluntary or compulsory approach. The Department has commenced with the analysis of enabling and impeding legal and policy instruments to realize inclusivity focusing on racial, class, social economic mixes of households in the Province.

3. STRATEGIC OUTCOME-ORIENTED GOALS

The following are the Department's Strategic Outcome-Oriented Goals captured in the Department's Strategic Plan, namely:

Strategic Outcome-oriented Goal 1: Good governance and strategic management of the GDHS [Gauteng Department of Human Settlements]

During the 2019/20 Financial Year the Department carried out a number of activities towards contributing to the achievement of Outcome 12: An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. This section of the report provides a brief account of the key activities that the Department implemented towards the achievement of the outcome, which were encapsulated in the strategic outcome-oriented goal as stated above.

The Department met its target of holding all its performance reviews as planned, with the final one taking place in the first quarter of 2020/21. Again, the Department succeeded in keeping the Global Risk Register and corresponding Global Risk Response Action Plan updated and monitored. The Department paid 96% of fully compliant invoices received within 30 days of receipt.

During the 3rd quarter of the 2019/20 Financial Year, the Department introduced two very important Key Performance Areas (KPA) under Programme 1: Administration, amongst others, namely:

- DPSA Approved revised organisational structure; and
- IDMS adapted to HS needs and manual system implemented.

The introduction of these KPAs were part of the efforts by the Department to improve its systems and processes, which were aimed at ultimately improving its overall performance. While the planned target for the first KPA was not necessarily met by the Department, which was the approval of the revised departmental organisational structure by the Department of Public Service & Administration, a considerable amount of work was done during the latter part of the financial year. The following are the achievements relating to the KPA:

- Drafted macro organisational structure aligned to the [IDMS] Framework
- Held joint organisational structure review consultations with the following: Social Housing & Property Management, Rental Tribunal & Secretariat Support, Beneficiary Management, External Customer Relations (Rapid Response Unit), Programme Management & Regional Coordination, Project Quality Assurance, Risk, Audit & Anti-Fraud & Corruption Unit, Financial Management Services
- Joint development of draft job evaluation project plan
- Development of responsibility codes alignment list
- Development of draft presentation for progress on organisational review project for Senior Management Team (SMT)
- Development of draft presentation for the Matching & Placing Strategy
- Development of draft presentation for progress on organisational review project for organisational structure review sub-committee
- Received some job descriptions & pre-interview questionnaires for some of the Business Units.

The implementation of the second KPA – Adaptation of the IDMS to human settlements needs and implementation of the manual system proved to be costly for the Department during the 2019/20 Financial Year. As a result, a plan is underway to kick-start the implementation of the KPA in the 2020/21 Financial Year.

Strategic Outcome-Oriented Goal 2: Development of legislative frameworks, policies and plans that enable spatial transformation in the delivery of human settlements

Strategic outcome-oriented goal 2 above contributes towards the attainment of “Outcome 8: Sustainable human settlements and improved quality of household life”. To that end, the Department had set itself very critical milestones towards making its contribution to the attainment of the strategic outcome-oriented goal and, eventually, Outcome 8. Some of these were the development of a draft policy document to guide the development of sites, installation of services on sites and the development of a research proposal on land acquisition and release in the province. The Department successfully developed both the draft policy document on sites and services as well as the development of a research proposal on land acquisition and release during the financial year.

However, with the introduction of the Rapid Land Release Programme (RLRP) and also to accommodate the Finance-linked Individual Subsidy Programme (commonly referred to as FLISP), some enhancements had to be added into the draft policy guidelines for sites and services. As a result of this process, the document still requires input from the National Department of Human Settlements (NDHS) to ensure that as a provincial department, the Department has the support of the NDHS on this policy initiative. It should be noted that interim endorsement has been granted for the Department to implement the policy as-is, which will at some point inform the envisaged policy review process (where necessary).

In addition to the milestones presented in the preceding paragraph, there were other policies that the Department worked on, which were, nonetheless, not concluded upon as planned within the financial year. The following are the policies in question, namely:

- *Unlawful occupation of land policy*

Policy draft with Cabinet Memo and presentation submitted for the Exco Sub-committee's consideration.

- *Management of common spaces in walk-ups policy*

Enhanced draft policy document. Draft Policy document shared, and additional comments received from Midvaal Local Municipality and Merafong Local Municipality as part of consultation and alignment. The policy document is yet to serve before the proposed Department's Policy Review Committee (PRC) that will recommend all future policies for approval.

- *Deregistration of missing and untraceable beneficiaries policy*

The policy is yet to serve before the proposed Department's PRC that will recommend all future policies for approval.

- *Property Maintenance policy*

The policy is yet to serve before the proposed Department's PRC that will recommend all future policies for approval.

A total of 106 210 (154%) against a target of 30 000 potential release opportunities investigated on state-owned land were achieved under the Rapid Land Release Programme that the Department introduced during the financial year, and this was achieved by the Department. However, the handing over of these opportunities to eligible beneficiaries was not successful, owing to planning work that lagged, which needed to precede the hand-over process. To fast-track the handover process, the Department is currently working in conjunction with National Department of Human Settlements (NDHS) to approach all beneficiaries on the National Housing Needs Register (NHNR).

To ensure an uninterrupted programme of providing government-assisted housing, the Department started developing the Gauteng Human Settlements Spatial Master Plan during the financial year, which had to be completed within the same period. Given that numerous consultations and collation of information from various stakeholders that had to take place as part of developing the master plan, to date, only a draft Gauteng Human Settlements Master Plan has been completed.

Township formalisation is another very critical aspect in the attainment of sustainable human settlements and improved household quality. As a direct contribution to the fulfilment of the outcome, during the financial year the Department had planned formalising a total of 45 townships. For the process of township formalisation to take place, one of the steps that must be undertaken by municipalities is the approval of layout plans of the townships, and this is where great bottlenecks were experienced by the Department. To that extent, the Department managed to formalise only 9 townships (Kudube Unit 1, Drieziek Proper and Drieziek Ext 4) Kudube Unit 3, Kudube Unit D, Badirile, Mayfield Ext 11, Daveyton Ext 12, Etwatwa Ext 35, Drieziek Proper and Drieziek Ext 4 during the financial year.

A total of 185 (84%) learners were trained under the National Youth Service against the target of 220. This is part of the initiatives that the Department embarked upon to ensure that the youth benefits from the government's skills development and training programmes, which may later catapult them (the youth) into skilled workers or self-employed individuals.

Strategic Outcome-oriented Goal 3: Well located, sustainable, integrated human settlements that provide security of tenure

Strategic outcome-oriented goal 3 is central to the attainment of "Outcome 8: Sustainable human settlements and improved quality of household life." Below is a brief presentation of the key sub-programmes that the Department implemented during the financial year towards the fulfilment of both the strategic outcome-oriented goal and the outcome.

Below are sub-programmes which are found under Programme 3: Housing Development, which are quite pivotal to the attainment of sustainable human settlements and improved quality of household life. These sub-programmes are mostly based on brick-and-mortar in their nature.

In that regard, the annual target for the Finance-linked Individual Subsidy programme (FLISP) was 750. To date the Department has been able to deliver a total of 592 (79%) subsidy disbursements to qualifying beneficiaries. FLISP was developed to enable first time home-ownership to households in the 'affordable or gap' market. These are individuals who earn between R3 501 and R22 000 per month. Individuals in these salary bands generally find it hard to qualify for housing finance; their income is regarded as low for home loan (mortgage or pension/provident backed loan), but too high to qualify for the government 'free-house' subsidy scheme. (National Housing Finance Corporation, site accessed on 15 April 2020).

In addition to FLISP, there are other housing subsidies that the Department also provides to other categories of beneficiaries. For a beneficiary to be eligible for assistance, however, there are set criteria that he/she must meet. To that end, the Department disbursed a total of 0 (0%) subsidies to qualifying beneficiaries over the 2019/20 financial year period under the credit-linked individual subsidies sub-programme.

In terms of the credit-linked individual subsidy programme the Department makes available a certain amount of money to the beneficiary upon satisfying itself that a beneficiary has been approved by a credible lender for a mortgage loan.

There is also a non-credit-linked individual subsidy programme that the Department offers, from which some of the community members have benefited. The non-credit linked individual subsidy programme benefits individuals who do not qualify for credit or those who do not wish to access credit. For an individual to benefit from the programme, an existing house must be purchased by the beneficiary and the Department makes available a subsidy solely from funds that are earmarked for the purpose. To that extent, over the 2019/20 period the Department has made available a total of 0 (0%) subsidies to eligible beneficiaries.

On the job creation front, the Department successfully created a total of 7 821 (31%) work opportunities through the Expanded Public Works Programme (EPWP) incentive grant against an annual target of 25 098 work opportunities were created whilst 2 371 against a target of 20 000 through the Human Settlements Incentive Grant.

Overall, the Department has improved its performance in the provision of access to housing in that during the 2019/20 Financial Year, it achieved a total of 22 257 (82%) housing opportunities against its planned target of 27 257. This performance can be broken down as follows: The Department successfully serviced a total of 10 104 (79%) sites against an annual target of 12 745, whilst it also managed to build a total of 12 153 (84%) housing units against an annual target of 14 512.

Strategic Outcome-oriented Goal 4: GDHS immovable assets maintained, devolved and transferred

Like the other two strategic outcome-oriented goals discussed above (2 and 3), this strategic outcome-oriented goal also contributes towards the fulfilment of Outcome 8. One of the Key Performance Areas (KPA) in this regard is on the issuance of title deeds – pre-1994, post-1994 and new title deeds. The latter refers to title deeds for properties that were built between 2014 and 2019.

For the Financial Year 2019/20, the Department had planned issuing a total of 34 271 post-1994 title deeds and only managed to issue a total of 5 830 (17%). Delays in the issuance of services certificates by municipalities and lack of formalisation for some townships are but some of the contributory factors to this performance. Performance for pre-1994 and new title deeds has hovered around 22% (968 title deeds issued against an annual target of 4 384) and 12% (898 properties transferred to qualifying beneficiaries against an annual target of 7 575), respectively.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

This programme focuses on providing the necessary support services (financial, corporate and risk management, etc.) that enable the core function programme areas to perform their tasks efficiently and effectively.

Strategic Objectives

The strategic objectives of this Programme Area have been amended to reflect additional strategic objectives arising from the short-term/immediate action plan and strategy of the Department for the remainder of the 19/20 financial year. Thus, Administration will work towards the following strategic objectives:

- To provide strategic support to all the branches of the Department throughout the financial year.
- Implementation of financial governance through compliance with all the Public Finance Management Act requirements, throughout the current term of governance.
- Effective and efficient corporate services provided to all Business Units of the Department

Sub-Programmes

Office of the HOD

Purpose

Provides day-to-day strategic and operational management services, ensures good corporate governance and implement the Department's Anti-Fraud & Corruption interventions

Achievements

4 quarterly performance reports were submitted to the Legislature within the stipulated deadlines.

Enterprise Risk Management

Purpose

To provide effective risk management services requires that Risk Management Processes permeates throughout the Department 's activities i.e. Strategic Planning Processes, Budgeting and Business Processes, Business Processes, and Decision-Making Processes.

To achieve the above, the Enterprise Risk Management Unit (ERM) renders the following services across the Department:

Continuously/Annually Review Risk Management Documents (Risk Management Policy, Risk Management Strategy and Risk Management Implementation Plan)

Ensures Functional Risk Management Committees (Risk Management Committee looks at strategic risk exposures and Risk Management Sub-committee which looks at operational risk exposure and that these committees sit quarterly)

Conducts awareness campaigns and training continuously to embed risk management culture across the Department

Conducts Risk Assessment Annually at a Strategic level (Executive and Management), Operational level (Business Units and Regions) and Project Level

Maintain Risk Register and implement mitigation measures.

Continuously reports and communicates risk exposures and opportunities to internal and external stakeholders

Achievements

4 Global Risk Response Action Plans were monitored. The risk owners presented their own Risk Response Action Plans at the Risk Management Committee meetings.

Financial Management

Purpose

Ensures sound financial and supply chain management, and ensure effective and efficient use of financial resources to achieve the Department 's goals and objectives

Achievements

96% against 100% of fully compliant invoices received were paid within 30 days of receipt.

79.95% against 80% of procurement budget targeted businesses owned by local suppliers.

11.14% against 30% of procurement budget was paid to businesses owned by women

2.40% against 20% of procurement budget was paid to businesses owned by youth

1.52% against 5% of procurement budget was paid to businesses owned People with Disabilities (PWD)

96% against 100% of annual budget was spent.

Corporate Support Services

Purpose

To provide sound human capital utilisation and development support, human capital services, ICT, Legal and Organisational efficiency services to the Department's core function programme areas.

Achievements

DPSA approved revised organisational structure – achieved milestones as per approved project plan were as follows:

- The macro structure was approved by Executive Management Team (EMT) during the 4th quarter 2019/2020 financial year.
- Organisational structure review sessions were conducted with business units (with only 2 pending).
- Four (4) change management sessions undertaken

Strategic objectives

Programme 1: Administration						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Sub-programme: Office of the HoD						
To provide strategic support to all the branches of the Department throughout the financial year	Improved overall Departmental performance and risk management	Target achieved. 4 Quarterly Performance reviews were conducted	4	Target achieved. 4 quarterly performance reports were submitted to the Legislature within the stipulated deadlines.	0%	None
		Target achieved. Risk Management Strategy and Operational Plan implemented through the Risk Management Committees have been monitored. 4 Risk Management Committee meetings were held.	4	Target achieved. 4 Global Risk Response Action Plans were monitored. The risk owners presented their own Risk Response Action Plans at the Risk Management Committee meetings.	0%	None

Programme 1: Administration						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Sub-programme: Financial Management						
Implementation of financial governance through compliance with all the PFMA requirements, throughout the current term of governance.	Increased percentage spend of the Department's appropriated budget that also responds to the needs of designated groups	New indicator	Unqualified audit opinion per year	Target not achieved. A disclaimer qualification opinion was confirmed for 2018/19 financial year.	N/A	NB. The final audit opinion will only be solicited during the 2020 Financial year post the audit process. An interim management report from the Auditor-General (AG) was received by the Department. As part of interventions to address the 2018/19 financial audit opinion, 68% of the findings as per tracking tool had been implemented as at end of March 2020.
		Target achieved. 3 677 (100%) of fully compliant invoices received were paid within 30 days of receipt.	100% Compliant invoices received paid within 30 days	Target partially achieved. 96% of fully compliant invoices received were paid within 30 days of receipt.	(4%)	Two payments were withheld – one payment was awaiting approved Bid Adjudication Committee (BAC) minutes whilst another payment had challenges with Goods Receiving Verification (GRV) process payment successfully posted but would not clear on the payment proposal.

Programme 1: Administration

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						<p>Accounts Payable officials to be trained on GRV to assist Supply Chain Management (SCM) team; Purchase orders to be created for all procurement; SCM to finalize the process of loading contract milestones with Gauteng Provincial Treasury (GPT); GPT is performing reconciliation on all contracts and would later advise on which contract can be captured on one milestone; Timelines on payment administration process (processing of by end users) to be clearly stipulated to promote accountability; and Suppliers to be encouraged to submit invoices electronically once payment administration process is completed.</p>

Programme 1: Administration						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Annual Departmental procurement budget targeted at businesses owned by:						
	Increased percentage spend of the Department 's appropriated budget that also responds to the needs of designated groups	Target achieved. 90.90% of annual Departmental procurement budget that targeted Local Suppliers	80%: Local suppliers	Target achieved. 79.95% of procurement budget targeted businesses owned by local suppliers.	(0.1%)	None
		Target not achieved. 5.39% of annual Departmental procurement budget that targeted business owned by Women	30%: Women	Target not achieved. 11.14% (Out of R3 488 648 420,05 paid, R388 745 800, 20 was paid to business owned by woman).	(63%)	The award of contracts has been done with preference to designated sectors which include women however; the extent to which contracts exceed their time period is an indication that has a negative impact on the achievement of the target. Furthermore, lack of reporting by main contractors on subcontracting issues also contributes to less expenditure on designated groups.

Programme 1: Administration						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						As part of a condition of tender for the establishment of panels for various services, the objective criteria have been included which enables the accounting officer to give preference to designated groups. It is also a condition of tender that bidders should report their expenditure to designated sectors especially where subcontracting has taken place.
		<p>Target not achieved. 9.52% of annual Departmental procurement budget that targeted businesses owned by Youth</p>	20% Youth	<p>Target not achieved. 2.40% (Out of R3 488 648 420,05 paid, R83 650 528,55 was paid to business owned by youth).</p>	(88%)	The award of contracts has been done with preference to designated sectors which include youth however; the extent to which contracts exceed their time period is an indication that has a negative impact on the achievement of the target. Furthermore, lack of reporting by main contractors on subcontracting issues also contributes to less expenditure on designated groups.

Programme 1: Administration

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						As part of a condition of tender for the establishment of panels for various services, the objective criteria have been included which enables the accounting officer to give preference to designated groups. It is also a condition of tender that bidders should report their expenditure to designated sectors especially where subcontracting has taken place.
Implementation of financial governance through compliance with all the PFMA requirements, throughout the current term of governance.	Increased percentage spend of the Department 's appropriated budget that also responds to the needs of designated groups	Target not achieved. 0.86% of annual Departmental procurement budget that targeted businesses owned by People with Disabilities	5%: Persons with Disabilities (PWDs)	Target not achieved. 1.52% (Out of R3 488 648 420,05 paid, R52 912 779,89 was paid to business owned by PWD).	(70%)	The award of contracts has been done with preference to designated sectors which include PWD however; the extent to which contracts exceed their time period is an indication that has a negative impact on the achievement of the target. Furthermore, lack of reporting by main contractors on subcontracting issues also contributes to less expenditure on designated groups.

Programme 1: Administration						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						As part of a condition of tender for the establishment of panels for various services, the objective criteria have been included which enables the accounting officer to give preference to designated groups. It is also a condition of tender that bidders should report their expenditure to designated sectors especially where subcontracting has taken place.
		New indicator	100%: Annual budget spent	Target partially achieved. 96% (Out of R6,046,542,000.00 of annual budget, R5,778,328,423.60 was paid).	(4%)	Cash challenges were experienced. There were savings on Compensation of Employees due to vacant posts not filled. The savings on Transfers and Subsidies is as a result of invoices being received after the payment cut-off date. The unit had discussions with the National Department of Human Settlements and Provincial Treasury respectively to unlock cash challenges.

Programme 1: Administration						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						Application for a rollover of the unspent funds to be operationalised.
Sub-programme: Corporate Support Services						
Effective and efficient corporate services provided to all Business Units of the Department	Implementation of a revised organisational structure that is responsive to the Department's strategy using the IDMS solution, among other tools	New Indicator	DPSA Approved revised organisational structure	<p>Target partially achieved.</p> <p>Achieved milestones as per approved project plan were as follows:</p> <p>The macro structure was approved by EMT during the 4th quarter 2019/2020 financial year.</p> <p>Organisational structure review sessions were conducted with business units (with only 2 pending).</p> <p>Four (4) change management sessions undertaken.</p>	N/A	<ul style="list-style-type: none"> ● Delay of two months on the approval of the proposed macro organisational structure resulting in delay to convene business unit's consultation meetings, with two (2) business units pending consultations. ● Rescheduling of meetings and working sessions due to the COVID-19 epidemic and subsequent countrywide lockdown. ● Revised project milestones and approval was granted at the EMT held on the 17th April 2020 ● Continue with the milestone on the job analysis phase. ● Continue with consultations through teams and conclude job analysis phase.

Programme 1: Administration						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
		New Indicator	IDMS adapted to Human Settlements (HS) needs and manual system implemented	<p>Target partially achieved.</p> <p>IDMS adaptation to Human Settlements needs commenced with: – business process review exercise on core processes and developed new processes in line with IDMS and the Organisational Review Project objectives specific to the;</p> <ul style="list-style-type: none"> ● review of Service Delivery Model (SDM) operations in line with IDMS framework; ● development of an operational model; ● updated the project specification in line with the change management implementation and micro-structure development; and ● Updated the SDM and Business Processes. ● Implementation of processes aligned to IDMS framework had not yet been undertaken. 	N/A	<ul style="list-style-type: none"> ● Budget allocation for IDMS had not been confirmed. ● Budget request for the 2020/21 FY has been sent for approval and follow up to be undertaken.

Programme 1: Administration

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
	Implementation of a focused communication plan that focuses on the key programmes of the Department	New Indicator	Approved Plan implemented	<p>Target partially achieved.</p> <p>Plan not implemented in respect of Rapid Land Release Programme (RLRP) and Mega Projects, however:</p> <ul style="list-style-type: none"> ● Plan produced to profile Mega Projects. ● Memorandum of Understanding (MOU) with Government Communication Information Services (GCIS) produced during the 4th quarter to assist with media buying to profile RLRP and Mega Projects. 	N/A	<p>Plan produced for RLRP, however, programme details contained incomplete information to enable sign-off and communication to the public. Readiness to communicate to the public is a work in progress.</p> <p>The Department was in the process of changing FLISP specifically for the use of RLRP so that the sliding scale would be removed to enable everyone who qualified to benefit from the same subsidy amount to do so.</p> <p>The issue was raised during the 3rd quarter Executive Management Team (EMT) meeting, and numerous meetings were held to discuss the sourcing of beneficiaries.</p> <p>Policy finalisation on the RLRP would then enable adequate communication.</p>

Programme 1: Administration						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						The FLISP matter was resolved during late February to utilise FLISP as it is and amendments would be implemented later.
	Acquisition of a suitable office accommodation that enables performance	New Indicator	Office accommodation acquired, furnished and functional	Target not achieved. The acquisition of functional office accommodation had not yet been concluded. A decision was taken that GDID provide the Department with permanent accommodation as at end February 2020.	N/A	The Department was still awaiting a final outcome on the way forward from GDID. The custodian Department namely, GDID to prioritise the process of office accommodation.

Performance indicators

Programme 1: Administration							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Office of the HOD							
Number of quarterly performance reports submitted to Gauteng Provincial Legislature	Target not achieved. Three performance reviews conducted in the 2016/17 financial year.	Target not achieved. Three performance reviews were conducted for the year.	Target achieved. 4 Quarterly Performance reviews were conducted.	4	Target achieved. 4 quarterly performance reports were submitted to the Legislature within the stipulated deadlines.	0%	None

Programme 1: Administration

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of approved Global Risk Response Action Plans monitored quarterly	New indicator.	Target achieved. Global Risk Register and Risk Response Action Plan developed, approved, monitored and reported on annually.	Target achieved. Risk Management Strategy and Operational Plan implemented through the Risk Management Committees have been monitored. 4 Risk Management Committee meetings were held.	4	Target achieved. 4 Global Risk Response Action Plans were monitored. The risk owners presented their own Risk Response Action Plans at the Risk Management Committee meetings.	0%	None

Sub-programme: Financial Management

Unqualified Audit Opinion per financial year	New Indicator	New Indicator	New Indicator	Unqualified audit opinion	Target not achieved. A disclaimer qualification opinion was confirmed for 2018/19 financial year.	N/A	NB. The final audit opinion will only be solicited during the 2020 Financial year post the audit process. An interim management report from the Auditor-General (AG) was received by the Department. As part of interventions to address the 2018/19 financial audit opinion, 68% of the findings as per tracking tool had been implemented as at end of March 2020.
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Programme 1: Administration							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Percentage of fully compliant invoices paid within 30 days of receipt	Target not achieved. 98% of invoices received paid within 30 days. Out of 5 895 invoices received, 5 785 claims were paid in 30 days of receipt.	Target not achieved. 98% of fully compliant invoices received were paid within 30 days of receipt. (Out of 4 974 received, 4 866 were paid within 30 days).	Target achieved. 3 677 (100%) of fully compliant invoices received were paid within 30 days of receipt.	100%	Target partially achieved. 96% of fully compliant invoices received were paid within 30 days of receipt.	(4%)	Two payments were withheld – one payment was awaiting approved Bid Adjudication Committee (BAC) minutes whilst another payment had challenges with Goods Receiving Verification (GRV) process payment successfully posted but would not clear on the payment proposal. Accounts Payable officials to be trained on GRV to assist Supply Chain Management (SCM) team; Purchase orders to be created for all procurement; SCM to finalize the process of loading contract milestones with Gauteng Provincial Treasury (GPT);

Programme 1: Administration

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							GPT is performing reconciliation on all contracts and would later advise on which contract can be captured on one milestone; Timelines on payment administration process (processing of by end users) to be clearly stipulated to promote accountability; and Suppliers to be encouraged to submit invoices electronically once payment administration process is completed.
Percentage of annual departmental procurement budget that targets local suppliers	No POE was presented by the business unit and therefore the output is not recorded.	Target achieved. 99.65% of procurement budget targeted local suppliers (Out of R4 381 186 361.81 paid, R 4 366 065 335.88 was paid to local suppliers).	Target not achieved. 90.90% of annual Departmental procurement budget that targeted local suppliers.	80%	Target achieved. 79.95% of procurement budget targeted businesses owned by local suppliers.	(0.1%)	None

Programme 1: Administration							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Percentage of annual departmental procurement budget that targets businesses owned by: Women.	Target achieved. 35% of procurement that targets businesses owned by women achieved.	Target not achieved. 7.37% of procurement budget targeted business owned by women. (Out of R4 381 186 361. 81 paid, R323 024 773. 75 was paid to business owned by women).	Target not achieved. 5.39% of annual Departmental procurement budget that targeted businesses owned by women.	30%	Target not achieved. 11.14% (Out of R3 488 648 420,05 paid, R388 745 800,20 was paid to business owned by woman).	(63%)	The award of contracts has been done with preference to designated sectors which include women however; the extent to which contracts exceed their time period is an indication that has a negative impact on the achievement of the target. Furthermore, lack of reporting by main contractors on subcontracting issues also contributes to less expenditure on designated groups. As part of a condition of tender for the establishment of panels for various services, the objective criteria have been included which enables the accounting officer to give preference to designated

Programme 1: Administration

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							groups. It is also a condition of tender that bidders should report their expenditure to designated sectors especially where subcontracting has taken place.
Youth	Target not achieved. 8% of procurement that targets businesses owned by youth achieved.	Target not achieved. 6.87% of procurement budget targeted businesses owned by youth. (Out of R4 381 186 361.81 paid, R300 795 831.28 was paid to business owned by youth).	Target not achieved. 9.52% of annual Departmental procurement budget that targeted businesses owned by youth	20%	Target not achieved. 2.40% (Out of R3 488 648 420,05 paid, R83 650 528,55 was paid to business owned by youth).	(88%)	The award of contracts has been done with preference to designated sectors which include youth however; the extent to which contracts exceed their time period is an indication that has a negative impact on the achievement of the target. Furthermore, lack of reporting by main contractors on subcontracting issues also contributes to less expenditure on designated groups. As part of a condition of tender for the establishment of

Programme 1: Administration							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							panels for various services, the objective criteria have been included which enables the accounting officer to give preference to designated groups. It is also a condition of tender that bidders should report their expenditure to designated sectors especially where subcontracting has taken place.
People with Disabilities (PWDs)	Target not achieved. 3% of procurement that targets businesses owned by PWDs achieved.	Target not achieved. 0.96% of procurement budget targeted businesses owned by People with Disability. (Out of R4 381 186 361.81 paid, R 42 240 481.16 was paid to business owned by Persons with Disabilities).	Target not achieved. 0.86% of annual Departmental procurement budget that targeted businesses owned by People with Disabilities	5%	Target not achieved. 1.52% (Out of R3 488 648 420,05 paid, R52 912 779,89 was paid to business owned by PWD).	(70%)	The award of contracts has been done with preference to designated sectors which include PWD however; the extent to which contracts exceed their time period is an indication that has a negative impact on the achievement of the target.

Programme 1: Administration

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							<p>Furthermore, lack of reporting by main contractors on subcontracting issues also contributes to less expenditure on designated groups. As part of a condition of tender for the establishment of panels for various services, the objective criteria have been included which enables the accounting officer to give preference to designated groups. It is also a condition of tender that bidders should report their expenditure to designated sectors especially where subcontracting has taken place.</p>

Programme 1: Administration							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Percentage of annual budget spent	New Indicator	New Indicator	New Indicator	100%	<p>Target partially achieved.</p> <p>96% (Out of R6,046,542,000.00 of annual budget, R5,778,328,423.60 was paid).</p>	(4%)	<p>Cash challenges were experienced. There were savings on Compensation of Employees due to vacant posts not filled. The savings on Transfers and Subsidies is as a result of invoices being received after the payment cut-off date. The unit had discussions with the National Department of Human Settlements and Provincial Treasury respectively to unlock cash challenges. Application for a rollover of the unspent funds to be operationalised.</p>

Programme 1: Administration

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Corporate Services							
Revised organisational structure of the Department submitted to the Department of Public Service & Administration (DPSA) by the end of the financial year	New Indicator	New Indicator	New Indicator	DPSA Approved revised organisational structure	<p>Target partially achieved.</p> <p>Achieved milestones as per approved project plan were as follows:</p> <ul style="list-style-type: none"> ● The macro structure was approved by EMT during the 4th quarter 2019/2020 financial year. ● Organisational structure review sessions were conducted with business units (with only 2 pending). ● Four (4) change management sessions undertaken. 	N/A	<ul style="list-style-type: none"> ● Delay of two months on the approval of the proposed macro organisational structure resulting in delay to convene business unit's consultation meetings, with two (2) business units pending consultations. ● Rescheduling of meetings and working sessions due to the COVID-19 epidemic and subsequent countrywide lockdown. ● Revised project milestones and approval was granted at the EMT held on the 17th April 2020 ● Continue with the milestone on the job analysis phase. Continue with consultations through teams and conclude job analysis phase.

Programme 1: Administration							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Corporate Services							
Infrastructure Delivery Management System (IDMS) solution implemented from the current financial year	New Indicator	New Indicator	New Indicator	IDMS adapted to HS needs and manual system implemented	<p>Target partially achieved.</p> <p>IDMS adaptation to Human Settlements needs commenced with:</p> <ul style="list-style-type: none"> ● business process review exercise on core processes and developed new processes in line with IDMS and the Organisational Review Project objectives specific to the; ● review of Service Delivery Model (SDM) operations in line with IDMS framework; ● development of an operational model; 	N/A	Budget allocation for IDMS had not been confirmed. Budget request for the 2020/21 FY had been sent for approval and follow up to be undertaken

Programme 1: Administration

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
					<ul style="list-style-type: none"> ● updated the project specifications in line with the change management implementation and micro-structure development; and ● Updated the SDM and Business Processes. ● Implementation of processes aligned to IDMS framework had not yet been undertaken. 		
Approved communication plan on prioritised Department All programmes implemented	New Indicator	New Indicator	New Indicator	Approved Plan implemented	<p>Target partially achieved.</p> <p>Plan not implemented in respect of Rapid Land Release Programme (RLRP) and Mega Projects, however:</p> <ul style="list-style-type: none"> ● Plan produced to profile Mega Projects. 	N/A	Plan produced for RLRP, however, programme details contained incomplete information to enable sign off and communication to the public. Readiness to communicate to the public is work in progress.

Programme 1: Administration							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
					Memorandum of Understanding (MOU) with Government Communication Information Services (GCIS) produced during the 4th quarter to assist with media buying to profile RLRP and Mega Projects.		<p>The Department was in the process of changing FLISP specifically for the use of RLRP so that the sliding scale would be removed so that everyone who qualified could benefit from the same subsidy amounts.</p> <p>The issue was raised during the 3rd quarter Executive Management Team (EMT) meeting, and numerous meetings were held to discuss the sourcing of beneficiaries. Policy finalisation on the RLRP would then enable adequate communication.</p> <p>The FLISP matter was resolved during late February to utilise FLISP as it is and amendments would be implemented later.</p>

Programme 1: Administration							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Functional office accommodation acquired by the end of the current financial year	New Indicator	New Indicator	New Indicator	Office accommodation acquired, furnished and functional	Target not achieved. The acquisition of functional office accommodation had not yet been concluded. A decision was taken that GDID provide the Department with permanent accommodation as at end February 2020.	N/A	The Department was still awaiting a final outcome on the way forward from GDID. The custodian Department namely, GDID to prioritise the process of office accommodation.

Strategy to overcome areas of underperformance

Below are the indicators were not achieved during the year under review as well as strategies to address underperformance:

Performance Indicators	Mitigations
Sub-programme: Financial Management	
Unqualified Audit Opinion per financial year	An interim management report from the Auditor-General (AG) was received by the Department. As part of interventions to address the 2018/19 financial audit opinion, 68% of the findings as per tracking tool had been implemented as at end of March 2020.
Percentage of annual departmental procurement budget targeted at businesses owned by Youth and People with Disabilities	As part of a condition of tender for the establishment of panels for various services, the objective criteria have been included which enables the accounting officer to give preference to designated groups. It is also a condition of tender that bidders should report their expenditure to designated sectors especially where subcontracting has taken place.
Sub-programme: Corporate Services	
Infrastructure Delivery Management System (IDMS) solution implemented from the current financial year	Budget request for the 2020/21 FY had been sent for approval and follow up to be undertaken.

Changes to planned targets

Annual Performance Plan approved in February 2019: Programme Performance Indicator	Annual Performance Plan approved in October 2019 (After the tabling of the February APP) Programme Performance Indicator	Reason for Change
Number of departmental Quarterly Performance Reviews conducted against the planned performance of the department per financial year	Number of quarterly performance reports submitted to Gauteng Provincial Legislature	The second Programme Performance Indicator (PPI) is more specific on the oversight body to which it is submitted, the Gauteng Provincial Legislature.
Approved departmental Global Risk Register and Corresponding Global Risk Response Action Plan monitored and reported on annually	Number of approved Global Risk Response Action Plans monitored quarterly	The latest PPI reflects the quarterly monitoring of the Global Risk Register and its corresponding Global Risk Response Action Plan.
Accurate and complete Annual Financial Statements compiled and submitted to GPT	Unqualified Audit Opinion per financial year	The second PPI replaced the first one with a view to improve on the negative 2018/19 audit outcome.
	New PPIS introduced into the October 2019/20 APP (After the tabling of the February APP)	Reason for the introduction of the PPI
	Revised organisational structure of the Department submitted to the Department of Public Service & Administration (DPSA) by the end of the financial year Infrastructure Delivery Management System (IDMS) solution implemented from the current financial year	The Department embarked on a re-structuring exercise in Quarter 3 of 2019/20. This PPI was introduced as part of the re-structuring exercise, which is aimed at improving the Department's overall performance.
	Approved communication plan on prioritised Departmental programmes implemented	The communication plan was aimed at promoting the newly introduced programmes in the Department, especially the Mega Projects and Rapid Land Release Programme.
	Functional office accommodation acquired by the end of the current financial year	After the Bank of Lisbon tragedy that befell the Department during the 2018/19 financial year, a new building had to be sought to accommodate displaced staff and management.

Linking performance with budgets

The programme Administration spent R589 million of the R627 million adjusted appropriation in the 2019/20 financial year translating to an expenditure spend of 94% and spent R474 million of the R508 million in the 2018/19 financial year translating to an expenditure spend of 93%. The underspending on Administration is mainly due to savings on compensation of employees and on goods and services. The Department had a number of unfilled funded vacant posts which were only filled towards the end of the financial year. The saving on goods and services was due to some enforcement and implementation of cost containment measures. Expenditure under this programme was incurred to support the operations of the Department.

Sub-programme expenditure

	2018/2019			2019/2020		
	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
Corporate Services	508 332	474 752	33 580	627 196	589 132	38 064
Total	508 332	474 752	33 580	627 196	589 132	38 064

4.2 Programme 2: Housing Needs, Research and Planning

This programme promotes effective and efficient delivery of housing programmes through research, policy development, planning and monitoring and evaluation sub-programmes.

Strategic Objectives

The strategic objectives of this Programme Area have been revised to align to the amended performance indicators and targets for the remainder of the 19/20 financial year. The amended performance indicators and targets focus on the outcomes and outputs of the Department's short-term/immediate action plan for the August 2019 to March 2020 period. Thus, Housing Needs, Planning and Research will work towards the following amended strategic objectives:

- Fast-tracked development/review/finalisation of identified human settlement-related policies, legislation and strategic frameworks, throughout the current term of governance.
- Research on delivery of sustainable human settlements, throughout the term of governance.
- Development of Gauteng Master HS Spatial Plan and related plans and designs, throughout the term of governance
- Accelerated implementation of the RLRP.
- Identification of qualifying beneficiaries allocated to the available housing opportunities
- Ensure gender, youth and persons with disabilities are mainstreamed in all Department programmes and projects.

Sub-Programmes

Policy & Research

Purpose

Policy and Legislative review and/or revising and/or development on human settlements in Gauteng. Conduct research and develop innovative methods to address housing needs in Gauteng

Achievements

1 research report on land acquisition completed.

Development Planning

Purpose

Facilitate and undertake housing delivery planning and identify housing needs.

Achievements

A Draft Gauteng Human Settlement Spatial Masterplan with a spatial Vision has been completed and is to be canvassed for consultations with Municipalities, sector departments & other relevant stakeholders.

9 against 5 townships where milestones were unblocked on the following projects: Kudube Unit 1, Kudube Unit 3, Kudube Unit D, Badirile, Mayfield Ext.11, Daveyton Ext.12, Etwatwa Ext.35, Drieziek Proper, Drieziek Ext.4.

1 (Randwest Water and Sanitation Master Plan) to address challenges to water and sanitation in the West Rand achieved.

Rapid Land Release Programme

Purpose

The programme primarily seeks to make state-owned land available for use by Gauteng residents for both housing and non-housing related purposes, by first analysing the state of readiness of state-owned land for release, and if the land isn't ready, to prepare the land for release, and to supplement that work with the procurement of serviced sites from the private sector.

Achievements

A total of 106,210 against 30 000 potential release opportunities investigated on state-owned land thereby accounting for the annual target

Service Delivery

Purpose

To manage and administer the implementation of Customer Registration, Beneficiary and Subsidy Administration, Queries and Complaints and Allocations, as well as giving support to projects implementation on all Programmes in the Department.

Achievements

2 570 against 21 718 approved beneficiaries were allocated to available housing units.

GEYODI and Contractor Incubation

Purpose

Coordinate, implement and advocate the mainstreaming of empowerment programmes and participation of targeted groups including women, youth and people with disabilities in human settlements delivery value chain.

Achievements

185 against a target of 220 Youth were trained in bricklaying, plastering and construction management, thereafter placed onsite for experiential learning through the National Youth Service Brigade (NYSB) programme.

Strategic objectives

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Sub-programme: Policy						
Fast-tracked development/ review/ finalisation of identified human settlement related policies, legislation and strategic frameworks, throughout the current term of governance.	Implementation of policies, legislation and development plans that enable the achievement of integrated human settlements	New indicator	5 Policies developed for the year: <ul style="list-style-type: none"> ● Unlawful occupation of land policy ● Management of common spaces in walk-ups policy ● De-registration of missing and untraceable beneficiaries policy ● Provision of serviced sites policy for the RLRP ● Property maintenance policy 	Target not achieved. 0 policies developed/ reviewed/ finalised	(100%)	Unlawful occupation of land policy. Policy draft with Cabinet Memo and presentation submitted for Exco Subcommittee consideration. However, the submission was revised to effect policy enhancement after being presented at the Executive Council Technical Governance & Planning Sub-Committee meeting of 04th March 2020 The Department is to follow up the submission made to the Exco Subcommittee post the National Lockdown due to the Coronavirus.

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						<p>Management of common spaces in walk-ups policy. Enhanced draft policy document. Draft Policy document was shared, and additional comments received from Midvaal Local Municipality and Merafong Local Municipality as part of consultation and alignment. The policy was prepared to be tabled before the proposed Department's Policy Review Committee (PRC) that will recommend all future policies to the HoD for approval. However, the policy could not serve before the Policy Review Committee (PRC) until the Policy Review Committee is formally constituted. All drafted policies require endorsement from the subject committee before consideration for sign off by</p>

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						<p>the accounting officer and executive authority. The following founding documents still required the accounting officer's consideration i.e. Policy Review Committee Charter, Protocol for Policy Review Committee and Letters of appointment for Committee members. Draft Charter has been submitted to Legal Advisory Services for comments. The Department is to follow up the submission made to the Legal Advisory Services and prepare submission for HOD's consideration recommending constituting the Policy Review Committee, approval of the Policy Review Charter and the Policy Review Protocol. <i>The policy is therefore likely to be approved in the first quarter of the new financial year.</i></p>

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						<p>Deregistration of missing and untraceable beneficiaries' policy.</p> <p>The policy was prepared to be tabled before the proposed Department's Policy Review Committee (PRC) that will recommend all future policies for approval. enhanced policy could not serve before the PRC until PRC is formally constituted. The following founding documents still require approval: Policy Review Committee Charter, Protocol for Policy Review Committee and Letters of appointment for Committee members. Draft Charter has been submitted to Legal Advisory Services for comments. The Department is to follow up the submission made to the Legal Advisory Services and prepare submission for HoD's consideration</p>

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						recommending constituting the Policy Review Committee, approval of the Policy Review Charter and the Policy Review Protocol. <i>The policy is therefore likely to be approved in the first quarter of the new financial year.</i>
						Provision of services sites policy for the RLRP. Policy draft with Cabinet Memo and presentation submitted for Exco Subcommittee consideration. The submission was revised to effect policy enhancement after being presented at the Executive Council Technical Governance & Planning Sub-Committee meeting of 04 March 2020

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						<p>Property maintenance policy. Property Maintenance policy. The policy was prepared to be tabled before the proposed Department's Policy Review Committee (PRC) that will recommend all future policies for approval. Policy could not serve before the PRC until the Policy Review Committee is formally constituted. The following founding documents still require approval: Policy Review Committee Charter, Protocol for Policy Review Committee and Letters of appointment for Committee members. Draft Charter has been submitted to Legal Advisory Services for comments.</p>

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						<p>The Department is to follow up the submission made to the Legal Advisory Services and prepare submission for HoD's consideration recommending constituting the Policy Review Committee, approval of the Policy Review Charter and the Policy Review Protocol.</p> <p><i>The policy is therefore likely to be approved in the first quarter of the new financial year.</i></p>
	<p>Provincial Human Settlements Legislation developed/ reviewed/ finalised</p>	<p>Target not achieved. Draft addendum to the contract to enable the preferred legal services provider to commence work.</p>	<p>1 Gauteng Inclusionary Housing Bill/ Act</p>	<p>Target partially achieved. A workshop on the Inclusionary Housing Bill was held with internal stakeholders on 27th of February 2020. The objective was to establish legislative consensus to finalise the amendments be made on the outdated Draft Bill.</p>	<p>N/A</p>	<p>Contract delays led to revision of timelines. Conclusion of pending milestones namely,</p> <ul style="list-style-type: none"> ● Consultations with external stakeholders e.g. municipalities and other relevant parties ● Meeting with the Office of the Premiers (OoP) State Law Advisors for incorporation into the Provincial Legislative Drafting Programme/ Calendar for presentation purposes.

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Sub-programme: Research						
Research on delivery of sustainable human settlements throughout the current financial year	Human Settlement-related research reports completed	New Indicator	1 Land Acquisition and Release Research Report completed	Target achieved. 1 Research report on land acquisition completed.	0%	None
Sub-programme: Development Planning						
Development of Gauteng Master HS Spatial Plan and related plans and designs	Implementation of policies, legislation and development plans that enable the achievement of integrated human settlements	New Indicator	1 Approved Final Plan	Target partially achieved. A Draft Gauteng Human Settlement Spatial Masterplan with a spatial Vision has been completed and to be canvassed for consultations with Municipalities, sector departments & other relevant stakeholders.	N/A	The collation of information from various stakeholders did not go quickly, sessions still being held to solicit pending information to be able to finalise the plan. Collation of pending information, communication of the details of the compilation and finalisation of the first draft for presentation to relevant stakeholders are still to be completed.

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Development of Gauteng Master HS Spatial Plan and related plans and designs	Implementation of policies, legislation and development plans that enable the achievement of integrated human settlements	New Indicator	45 townships formalised by the end of the financial year	<p>Target partially achieved.</p> <p>9 townships were Formalized during the year under review:</p> <ol style="list-style-type: none"> 1. Kudube Unit 1 2. Kudub Unit 3 3. Kudube Unit D 4. Badirile 5. Mayfield Ext.11 6. Daveyton Ext 12 7. Etwatwa Ext.35 8. Drieziek Proper 9. Drieziek Ext.4 	(80%)	<p>Significant delays are encountered in:</p> <ul style="list-style-type: none"> ● approval of the layout plans/township applications and issuing of Services Clearance certificates. (Section 110/82) by the municipalities; ● obtaining correct planning files/ information of townships to ascertain and or determine outstanding planning milestones. ● completion of pegging work delayed due to the site being occupied in townships where surveying work is undertaken. <p>The province to suggest ways that could ensure that the municipality issues clearance in a shorter time frame. To ensure that Professional Resource Teams (PRTs) are on track.</p>

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Development of Gauteng Master HS Spatial Plan and related plans and designs	Implementation of policies, legislation and development plans that enable the achievement of integrated human settlements	New Indicator	24 plans completed for Informal Settlements Upgrading by the end of the financial year	Target not achieved. 0 plans completed for Informal Settlements Upgrading.	(100%)	The business plan was not approved on time by the National Department, the planned work was moved to the 2020/21 financial year. Expedite delivery in the new financial year.
Development of Gauteng Master HS Spatial Plan and related plans and designs	Implementation of policies, legislation and development plans that enable the achievement of integrated human settlements	New Indicator	5 townships with outstanding milestones to unblock blocked/ abandoned projects	Target achieved. 9 townships where milestones were unblocked on the following projects: 1. Kudube Unit 1 2. Kudube Unit 3 3. Kudube Unit D 4. Badirile 5. Mayfield Ext 11 6. Daveyton Ext 12 7. Etwatwa Ext 35 8. Drieziek Proper 9. Drieziek Ext 4	80%	The backlog on historical townships is huge however, more were unlocked. More townships need to be unlocked to enable registration of title Deeds.

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
				Whilst on Mabopane and Winterveld Ext 2, the surveyor general plan was approved however, township registration is still outstanding so the Department cannot register title deeds. The process is underway and documents have been submitted to the North West Housing Cooperation NWHC to request them to lift the imposed interdict of caveat.		
Development of Gauteng Master HS Spatial Plan and related plans and designs	Implementation of policies, legislation and development plans that enable the achievement of integrated human settlements	New Indicator	1 Number of Water and Sanitation Master Plan/s to address solutions to water and sanitation in the West Rand	Target achieved. 1 (Randwest Water and Sanitation Master Plan)	0%	None

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Development of Gauteng Master HS Spatial Plan and related plans and designs	Implementation of policies, legislation and development plans that enable the achievement of integrated human settlements	New Indicator	100% inclusion of municipal bulk infrastructure plans and areas of Provincial intervention in the HS Spatial Master Plan	<p>Target partially achieved.</p> <p>The following was undertaken:</p> <ul style="list-style-type: none"> ● Infrastructure plans ● The Gauteng Human Settlements Spatial Master Plan (GHSSMP) project team conducted a bulk engineering infrastructure assessment. A Summary of the bulk engineering services and the impact of bulk engineering services on current and future housing developments. The bulk services overview was undertaken for all regions surrounding existing GDHS Projects by analysing Master Plan information and through engagements with officials from the three metros and two district municipalities within the Gauteng Province. ● City of Tshwane Metropolitan Municipality 	N/A	<p>Tshwane, CoJ, and the two district municipalities have given their information for the infrastructure plans, and EMM only gave the master plan which needed a discussion to understand the detail provided, and a meeting has been requested from them to get more information on the spatial concepts used to depict it on the system, this meeting will be arranged after the lockdown.</p> <p>The outstanding areas related to Ekurhuleni MM, where information was obtained from Mr K Chihota (HOD: Water and Sanitation-EKURHULENI (MM))</p> <p>A meeting is to be arranged after the lockdown to discuss capacity and spatial representation of information and the Department is awaiting the meeting date.</p>

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
				<ul style="list-style-type: none"> ● City of Johannesburg Metropolitan Municipality ● Sedibeng District Municipality ● Emfuleni Local Municipality ● Midvaal Local Municipality ● Lesedi Local Municipality ● West Rand District Municipality ● Mogale City Local Municipality ● Rand West City Local Municipality ● Merafong Local Municipality 		
Development of Gauteng Master HS Spatial Plan and related plans and designs	Implementation of policies, legislation and development plans that enable the achievement of integrated human settlements	New Indicator	100% finalisation of project bank	<p>Target partially achieved.</p> <p>The process entailed the following:</p> <p>Obtained all information internally (planning, previous reports (Kasieboyz) and other internal documents);</p> <p>Created the GIS PORTAL and link projects as per 2019/20 plan.</p>	N/A	Letters were written to municipalities to enhance the project bank regarding legacy and mega projects, and responses to these were poor. More information was required to close gaps. Following the February 2020 IGR, a resolution was taken that the GDHS should

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
				<ul style="list-style-type: none"> ● Other information was added on (informal settlements, land purchases by GDHS, property owned by GDHS other); ● Spatial data (in view of the lack of certain information, a letter was forwarded as per IGR PLANNING SUB-COMMITTEE resolution to all the municipalities to provide information – the response was poor. ● Current stage as at end of the financial year, the process of conducting meetings with Municipalities to obtain information (a number of bi-lateral meetings were scheduled prior to lock-down and now require rescheduling). <p>In addition to the above, the internal quarterly reports will be linked to the GIS portal.</p>		<p>Write letters to the municipalities requesting for information to enhance the project bank, in relation to legacy and mega projects. These letters were sent to municipalities to get information and the response was quite poor, with only some information from Ekurhuleni and Mogale city being in the process of being analysed. Meetings to solicit further information had been arranged but due to the lockdown, this could not be completed.</p> <p>In terms of Tshwane, a meeting was concluded upon which they indicated that the information could be made available upon receipt of a formal request from the Department, to confirm that the service provider was acting behalf</p>

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						of the Department. The letter was duly drafted and was to be sent to the relevant DDG for signature. Further meetings with the local municipalities and the Johannesburg metro were still to be arranged post the lockdown. Follow-up would be made with municipalities who did not respond, as only some municipalities responded with information. All pending correspondence and engagements would be brought to closure post the lockdown period.
Sub-programme: Rapid Land Release Programme						
Accelerated Implementation of the RLRP	Increased ownership of land by poor communities	New Indicator	30 000 land release opportunities investigated	Target achieved. A total of 106, 210 potential release opportunities investigated on state-owned land thereby accounting for the annual target.	254%	The target was exceeded because the programme was in its infancy and the capabilities and timeframes of the PRTs and the programme itself to turn around feasibility studies was still to be determined.

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
		New Indicator	2000 Opportunities for implementation	Target not achieved. 0 release opportunities handed over for implementation.	(100%)	Non-completion of planning work, due to additional planning milestones that were not approved. Motivation for approval of additional planning milestones to be revised and resubmitted in 2020/21 FY.
		New Indicator	6 510 Opportunities handed over to beneficiaries	Target not achieved. 0 release opportunities handed over to beneficiaries.	(100%)	Target not achieved due to non-availability of beneficiaries to participate in the programme. No evidence was provided in this regard. Department working in conjunction with the National Department of Human Settlements (NDHS) to approach all beneficiaries on Needs register via SMS. All beneficiaries that agree to participate in the programme would be asked to apply for the subsidy.

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Sub-programme: Service Delivery						
Identification of qualifying beneficiaries allocated to the available housing opportunities	Approved beneficiaries allocated to the available housing units	7 040 Beneficiaries for the FY	21 718 Beneficiaries for the FY	Target not achieved. 2 570 approved beneficiaries were allocated to available housing units.	(88%)	<p>Allocations depend on the Project Managers alerting the Beneficiary Administration Unit on the readiness of units for occupation. Various other challenges faced included:</p> <p>Delay of Occupational Certificates (OC) from Municipalities.</p> <p>Quality Assurance (QA) assessment still outstanding.</p> <p>Construction stoppage by developer due to cashflow and community unrest matters.</p> <p>There was a lack of bulk infrastructure.</p> <p>A meeting with Project management to be convened to discuss the delay on all the active projects.</p> <p>Requests have been made to QA and municipality for both occupation certificates and QA certification.</p>

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						Quality assurance to undertake assessment in the 2020/21 financial year Department has resorted in shortening the 30 days to 15 days payment. National Department of Water and Sanitation has prioritised the Sedibeng and West Rand Sewer Network.
Sub-programme: GEYODI and Contractor Incubation						
Ensure gender, youth and persons with disabilities are mainstreamed in Departmental programmes and projects	Increased levels of participation for the designated groups in the mainstream economic programmes in the province	250 Youth for the FY	220 Youth for the FY	Target partially achieved. 250 Youth were recruited and trained in bricklaying, plastering and construction management, thereafter placed onsite for experiential learning through the National Youth Service Brigade (NYSB) programme. However, due to various reasons the number decreased to 185 learners whom completed all the trades (bricklaying, plastering and construction	14%	Various reasons for dropouts from the programme were either reported verbally by learners themselves or peers within the group. The reasons were as follows: <ul style="list-style-type: none"> ● Some registered to tertiary institutions ● Employment opportunities ● Business opportunity through sub-contracting in the area ● Due to pregnancy ● Loss of interest in the programme

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
				management) and onsite placement for experiential learning. In order to ensure proper class engagements and onsite management, the learners were divided into groups but all 185 have completed all trades and have been onsite for experiential learning purposes. Ten learners (inclusive of the 185) were placed in the Departmental directorates to undertake administrative functions.		
Ensure gender, youth and persons with disabilities are mainstreamed in Departmental programmes and projects	Increased levels of participation for the designated groups in the mainstream economic programmes in the province	40	40 Emerging contractors participating in the Incubator Programme	Target not achieved. The 40 incubator contractors were inducted and trained with experiential learning pending. The actual allocation of projects could not be realised to enable an experiential learning opportunity due to the non-transfer of funds to National Housing Finance Corporation (NHFC).	(100%)	Funds not yet transferred to implementing agent (NHFC). Pending matters will be resolved in the New FY.

Programme 2: Housing Needs, Policy and Planning						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Ensure gender, youth and persons with disabilities are mainstreamed in Departmental programmes and projects	Increased levels of participation for the designated groups in the mainstream economic programmes in the province	New Indicator	5 Co-operatives established and supported by the Department	Target not achieved. 0 co-operatives trained and mentored on technical matters.	(100%)	The building material co-operatives had not submitted all required documents to the Small Enterprise Development Agency (SEDA) and could therefore not be trained due to non-compliance. The Department to work with municipalities to identify alternative co-operatives to participate in the programme. Departmental Desktop compliance to be assessed prior to handover to SEDA for operationalisation of developmental imperatives.

Programme 2: Housing Needs, Policy and Planning

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Ensure gender, youth and persons with disabilities are mainstreamed in Departmental programmes and projects	Increased levels of participation for the designated groups in the mainstream economic programmes in the province	New Indicator	5 Co-operatives established and supported by the Department	Target not achieved. 0 co-operatives trained and mentored on technical matters.	(100%)	The building material co-operatives had not submitted all required documents to the Small Enterprise Development Agency (SEDA) and could therefore not be trained due to non-compliance. The Department to work with municipalities to identify alternative co-operatives to participate in the programme. Departmental Desktop compliance to be assessed prior to handover to SEDA for operationalisation of developmental imperatives.

Performance indicators

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Policy							
Number of policies developed/ reviewed/ finalised	New indicator	New indicator	New indicator	5	Target not achieved. 0 policies developed/ reviewed/ finalised.	(100%)	Unlawful occupation of land policy. Policy draft with Cabinet Memo and presentation submitted for Exco Subcommittee consideration. However, the submission was revised to effect policy enhancement after being presented at the Executive Council Technical Governance & Planning Sub-Committee meeting of 04th March 2020. The Department is to follow up the submission made to the Exco Subcommittee post the National Lockdown due to the Coronavirus.

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							<p>Management of common spaces in walk-ups policy.</p> <p>Enhanced draft policy document. Draft Policy document was shared, and additional comments received from Midvaal Local Municipality and Merafong Local Municipality as part of consultation and alignment. The policy was prepared to be tabled before the proposed Department's Policy Review Committee (PRC) that will recommend all future policies to the HoD for approval. However, the policy could not serve before the Policy Review Committee (PRC) until the Policy Review Committee is formally constituted.</p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							<p>All drafted policies require endorsement from the subject committee before consideration for sign off by the accounting officer and executive authority. The following founding documents still required the accounting officer's consideration i.e. Policy Review Committee Charter, Protocol for Policy Review Committee and Letters of appointment for Committee members. Draft Charter has been submitted to Legal Advisory Services for comments. The Department is to follow up the submission made to the Legal Advisory Services and</p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							prepare submission for HoD's consideration recommending constituting the Policy Review Committee, approval of the Policy Review Charter and the Policy Review Protocol. <i>The policy is therefore likely to be approved in the first quarter of the new financial year.</i>
							Deregistration of missing and untraceable beneficiaries' policy. The policy was prepared to be tabled before the proposed Department's Policy Review Committee (PRC) that will recommend all future policies for approval. enhanced policy could not serve before the PRC until PRC is formally constituted.

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							<p>The following founding documents still require approval: Policy Review Committee Charter, Protocol for Policy Review Committee and Letters of appointment for Committee members. Draft Charter has been submitted to Legal Advisory Services for comments. We are to follow up the submission made to the Legal Advisory Services, and prepare submission for the HoD's consideration recommending constituting the Policy Review Committee, approval of the Policy Review Charter and the Policy Review Protocol. <i>The policy is therefore likely to be approved in the first quarter of the new financial year.</i></p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							<p>Provision of services sites policy for the RLRP. Policy draft with Cabinet Memo and presentation submitted for Exco Sub-committee consideration. The submission was revised to effect policy enhancement after being presented at the Executive Council Technical Governance & Planning Sub-Committee meeting of 04 March 2020</p>
							<p>Property maintenance policy. The policy was prepared to be tabled before the proposed Department's Policy Review Committee (PRC) that will recommend all future policies for approval. Policy could not serve before the PRC until the Policy Review Committee is formally constituted.</p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							<p>The following founding documents still require approval: Policy Review Committee Charter, Protocol for Policy Review Committee and Letters of appointment for Committee members. Draft Charter has been submitted to Legal Advisory Services for comments. The Department is to follow up the submission made to the Legal Advisory Services and prepare submission for HoD's consideration recommending constituting the Policy Review Committee, approval of the Policy Review Charter and the Policy Review Protocol.</p> <p><i>The policy is therefore likely to be approved in the first quarter of the new financial year.</i></p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of Legislation developed, reviewed/ finalised	Target not achieved. The final report on cost-benefit, submitted for HOD's approval.	Target not achieved. Inception report developed.	Target not achieved. Draft addendum to the contract to enable the preferred legal services provider to commence work.	1	Target partially achieved. A workshop on the Inclusionary Housing Bill was held with internal stakeholders on 27th of February 2020. The objective was to establish legislative consensus to finalise the amendments be made on the outdated Draft Bill.	N/A	Contract delays led to revision of timelines. Conclusion of pending milestones namely, <ul style="list-style-type: none"> ● Consultations with external stakeholders e.g. municipalities and other relevant parties ● Meeting with the Office of the Premiers (OoP) State Law Advisors for incorporation into the Provincial Legislative Drafting Programme/ Calendar for presentation purposes.
Sub-programme: Research							
Number of Research reports completed	New indicator	New indicator	Target achieved. The housing and migration research report on Housing and Migration approved.	1	Target achieved. 1 Research report on land acquisition completed.	0%	None

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Development Planning							
Gauteng Human Settlements Spatial Master Plan completed by the end of 2019/20	New Indicator	New Indicator	New Indicator	1 Completed Plan	Target partially achieved. A Draft Gauteng Human Settlement Spatial Masterplan with a spatial Vision has been completed and to be canvassed for consultations with Municipalities, sector departments & other relevant stakeholders.	N/A	The collation of information from various stakeholders was not completed timeously, with sessions still being held to solicit pending information to be able to finalise the plan. Collation of pending information, communication of the details of the compilation and finalisation of the first draft for presentation to relevant stakeholders are still to be completed.

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of townships formalised by the end of the financial year	New Indicator	New Indicator	New Indicator	45	<p>Target partially achieved.</p> <p>9 townships were formalized during the year under review</p> <ol style="list-style-type: none"> 1. Kudube Unit 1 2. Kudube Unit 3 3. Kudube Unit D 4. Badirile 5. Mayfield Ext.11 6. Daveyton Ext.12 6. Etwatwa Ext.35 8. Drieziek Proper 9. Drieziek Ext.4 	(80%)	<p>Significant delays are encountered in:</p> <ul style="list-style-type: none"> ● approval of the layout plans/ township applications and issuing of Services Clearance certificates. (Section 110/82) by the municipalities; ● obtaining correct planning files/ information of townships to ascertain and or determine outstanding planning milestones. ● completion of pegging work delayed due to the site being occupied in townships where surveying work is undertaken. <p>The province is to suggest ways that could ensure that the municipality issues clearance in a shorter time frame in order to ensure that Professional Resource Teams (PRTs) are on track.</p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of plans completed for Informal Settlements Upgrading by the end of the financial year	New Indicator	New Indicator	New Indicator	24	Target not achieved. 0 plans completed for Informal Settlements Upgrading.	(100%)	The business plan was not approved on time by the National Department, the planned work was moved to the 2020/21 financial year. Expedited delivery is targeted in the new financial year.
Number of townships with outstanding milestones to unblock blocked/ abandoned projects	New Indicator	New Indicator	New Indicator	5	Target achieved. 9 townships where milestones were unblocked on the following projects. 1. Kudube Unit 1 2. Kudube Unit 3 3. Kudube Unit D 4. Badirile 5. Mayfield Ext.11 6. Daveyton Ext.12 7. Etwatwa Ext.35 8. Drieziek Proper 9. Drieziek Ext.4	80%	The backlog on historical townships is huge however, more were unlocked. More townships need to be unlocked to enable registration of title Deeds.

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
					Whilst on Mabopane and Winterveld Ext 2, the surveyor general plan was approved however, township registration is still outstanding so the Department cannot register title deeds. The process is underway and documents have been submitted to the North West Housing Cooperation (NWHC) to request them to lift the imposed interdict of caveat.		
Number of Water and Sanitation Master Plan/s to address challenges to water and sanitation in the West Rand	New Indicator	New Indicator	New Indicator	1	Target achieved. 1 (Randwest Water and Sanitation Master Plan)	0%	None.

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Percentage inclusion of municipal bulk infrastructure plans and areas of Provincial intervention in the HS Spatial Master Plan	New Indicator	New Indicator	New Indicator	100%	<p>Target partially achieved.</p> <p>The following was undertaken:</p> <ul style="list-style-type: none"> ● Infrastructure plans ● The Gauteng Human Settlements Spatial Master Plan (GHSSMP) project team conducted a bulk engineering infrastructure assessment. A Summary of the bulk engineering services and the impact of bulk engineering services on current and future housing developments. The bulk services overview was undertaken for all regions surrounding existing GDHS Projects by analysing Master Plan information and through engagements with officials from the three metros and two district municipalities 	N/A	<p>Tshwane, CoJ, and the two districts have given their information for the infrastructure plans, and EMM only gave the master plan which needed a discussion to understand the detail provided, and a meeting has been requested from them to get more information on the spatial concepts used to depict it on the system, this meeting will be arranged after the lockdown.</p> <p>The outstanding areas are related to Ekurhuleni MM, where information was obtained from Mr K Chihota (HOD: Water and Sanitation-EKURHULENI (MM)).</p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
					<p>within the Gauteng Province.</p> <p>City of Tshwane Metropolitan Municipality</p> <p>City of Johannesburg Metropolitan Municipality</p> <p>Sedibeng District Municipality</p> <p>Emfuleni Local Municipality</p> <p>Midvaal Local Municipality</p> <p>Lesedi Local Municipality</p> <p>West Rand District Municipality</p> <p>Mogale City Local Municipality</p> <p>Rand West City Local Municipality</p> <p>Merafong Local Municipality</p>		A meeting is to be arranged after the lockdown to discuss capacity and spatial representation of information and the Department is currently awaiting meeting date.

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Percentage finalisation of project bank by the end of the 2019/20 financial year	New Indicator	New Indicator	New Indicator	100%	<p>Target partially achieved.</p> <p>The process entailed the following milestones:</p> <ul style="list-style-type: none"> ● Obtained all information internally (planning, previous reports (Kasieboyz) and other internal documents); ● Created the GIS PORTAL and link projects as per 2019/20 business plan spatially. ● Other information was added on informal settlements, land purchases by GDHS, property owned by GDHS; other; ● Spatial data (in view of the lack of certain information, a letter was forwarded as per IGR PLANNING SUB-COMMITTEE resolution to all the municipalities to provide information – the response was poor). 	N/A	<p>Letters written to municipalities to enhance project bank regarding legacy and mega project, response was poor.</p> <p>More information was still required to close the gaps.</p> <p>Following the February 2020 IGR, a resolution was taken that the GDHS should write letters to the municipalities requesting for information to enhance the project bank, in relation to legacy and mega projects. These letters were sent to municipalities to get information and the response was quite poor, with only some information from Ekurhuleni and Mogale city being in the process of being analysed. Meetings to</p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
					<p>Current stage as at end of the financial year, the process of conducting meetings with Municipalities to obtain info (a number of bi-lateral meetings were scheduled prior to lockdown require rescheduling).</p> <p>In addition to the above, the internal quarterly reports will be linked to the GIS portal.</p>		<p>solicit further information had been arranged but due to the lockdown, this could not be completed.</p> <p>In terms of Tshwane, a meeting was concluded upon which they indicated that the information could be made available upon receipt of a formal request from the Department, to confirm that the service provider was acting behalf of the Department.</p> <p>The letter was duly drafted and was to be sent to the relevant DDG for signature.</p> <p>Further meetings with the local municipalities and the Johannesburg metro were still to be arranged post the lockdown. Follow up would be made with municipalities who did not respond, as</p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							only some municipalities responded with information. All pending correspondence and engagements would be brought to closure post the lock down.
Sub-programme: Rapid Land Release Programme							
Number of potential release opportunities investigated on State-owned land	New Indicator	New Indicator	New Indicator	30 000	Target achieved. A total of 106, 210 potential release opportunities investigated on state-owned land thereby accounting for the annual target.	254%	The target was exceeded because the programme was in its infancy and the capabilities and timeframes of the PRTs and the programme itself to turn around feasibility studies was still to be determined.
Number of release opportunities handed over for implementation	New Indicator	New Indicator	New Indicator	2000	Target not achieved. 0 release opportunities handed over for implementation.	(100%)	Non-completion of planning work, due to additional planning milestones that were not approved. Motivation for approval of additional planning milestones to be revised and resubmitted in 2020/21 FY.

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of release opportunities handed over to beneficiaries	New Indicator	New Indicator	New Indicator	6 510	Target not achieved. 0 release opportunities handed over to beneficiaries.	(100%)	Target not achieved due to non-availability of beneficiaries to participate in the programme. No evidence was provided in this regard. Department working in conjunction with the National Department of Human Settlements (NDHS) to approach all beneficiaries on Needs register via SMS. All beneficiaries that agree to participate in the programme would be asked to apply for the subsidy.
Sub programme: Service Delivery							
Number of approved beneficiaries allocated available housing units	New Indicator	New Indicator	New Indicator	21 718	Target not achieved. 2 570 approved beneficiaries were allocated to available housing units.	(88%)	Allocations depend on the Project Managers alerting the Beneficiary Administration Unit on the readiness of units for occupation. Various other challenges provided included:

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							<ul style="list-style-type: none"> ● Delay of Occupational Certificates (OC) from Municipalities. ● Quality Assurance (QA) assessment still outstanding. ● Construction stoppage by developer due to cashflow and community unrest matters. ● There was a lack of bulk infrastructure. <p>A meeting with Project Management to be convened to discuss the delay on all the active projects.</p> <p>Requests have been made to QA and municipality for both occupation certificates and QA certification.</p> <p>Quality Assurance to undertake assessment in the 2020/21 financial year</p>

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							The Department has resorted in shortening the 30 days to 15 days payment. National Department of Water and Sanitation has prioritised the Sedibeng and West Rand Sewer Network.
Sub programme: GEYODI and Contractor Incubation							
Number of youths trained and placed for experiential learning through NYSB	New Indicator	New Indicator	New Indicator	220	Target not achieved. 250 Youth were recruited and trained in bricklaying, plastering and construction management, thereafter placed onsite for experiential learning through the National Youth Service Brigade (NYSB) programme. However, due to various reasons the number decreased to 185 learners whom completed all the trades (bricklaying, plastering and construction	14%	Various reasons for dropouts from the programme were either reported verbally by learners themselves or peers within the group. The reasons were as follows: <ul style="list-style-type: none"> ● Some registered to tertiary institutions ● Employment opportunities Business opportunity through sub-contracting in the area ● Due to pregnancy ● Loss of interest in the programme.

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
					<p>management) and onsite placement for experiential learning. In order to ensure proper class engagements and onsite management, the learners were divided into groups but all 185 have completed all trades and have been onsite for experiential learning purposes.</p> <p>Ten learners (inclusive of the 185) were placed in the Departmental directorates to undertake administration functions.</p>		

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of emerging contractors participating in the Incubator Programme	New indicator	New indicator	New indicator	40 incubators allocated projects (Non-cumulative)	<p>Target not achieved.</p> <p>The 40 incubator contractors were inducted and trained with experiential learning pending.</p> <p>The actual allocation of projects could not be realised to enable an experiential learning opportunity due to the non-transfer of fund to National Housing Finance Corporation (NHFC).</p>	(100%)	Funds not yet transferred to implementing agent (NHFC). Pending matters will be resolved in the New FY.

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of co-operatives established and supported by the Department	New Indicator	New Indicator	New Indicator	5 trained technical matters and mentored (Non-cumulative)	Target not achieved. 0 co-operatives trained and mentored on technical matters.	(100%)	The building material co-operatives had not submitted all required documents to the Small Enterprise Development Agency (SEDA) and could therefore not be trained due to non-compliance. The Department will work with municipalities to identify alternative co-operatives to participate in the programme. Departmental Desktop compliance to be assessed prior to handover to SEDA for operationalisation of developmental imperatives.

Strategy to overcome areas of under performance

Below are the indicators were not achieved during the year under review as well as strategies to address underperformance:

Performance Indicators	Mitigations
Sub-programme: Policy	
Number of policies developed / reviewed / finalised	<p>Unlawful occupation of land policy. To follow up the submission made to the Exco Subcommittee post the National Lockdown due to the Coronavirus.</p> <p>Management of common spaces in walk-ups policy. To follow up the submission made to the Legal Advisory Services and prepare submission for HOD's consideration recommending constituting the Policy Review Committee, approval of the Policy Review Charter and the Policy Review Protocol. The policy is therefore likely to be approved in the first quarter of the new financial year.</p> <p>Deregistration of missing and untraceable beneficiaries policy. To follow up the submission made to the Legal Advisory Services and prepare submission for HOD's consideration recommending constituting the Policy Review Committee, approval of the Policy Review Charter and the Policy Review Protocol. The policy is therefore likely to be approved in the first quarter of the new financial year.</p> <p>Provision of services sites policy for the RLRRP. The submission was revised to effect policy enhancement after being presented at the Executive Council Technical Governance & Planning Sub-Committee meeting of 04 March 2020.</p> <p>Property maintenance policy. To follow up the submission made to the Legal Advisory Services and prepare submission for HOD's consideration recommending constituting the Policy Review Committee, approval of the Policy Review Charter and the Policy Review Protocol. <i>The policy is therefore likely to be approved in the first quarter of the new financial year.</i></p>
Sub-programme: Development Planning	
Number of plans completed for Informal Settlements Upgrading by the end of the financial year.	To expedite delivery in the new financial year.
Sub programme: Rapid Land Release Programme	
Number of release opportunities handed over for implementation	Motivation for approval of additional planning milestones to be revised and resubmitted in 2020/21 FY.
Number of release opportunities handed over to beneficiaries	Department working in conjunction with the National Department of Human Settlements (NDHS) to approach all beneficiaries on Needs register via SMS. All beneficiaries that agree to participate in the programme will be asked to apply for the subsidy.
Sub programme: GEYODI and Contractor Incubation.	
Number of co-operatives established and supported by the Department	<p>The Department aims to work with municipalities to identify alternative co-operatives to participate in the programme.</p> <p>Departmental Desktop compliance to be assessed prior to handover to SEDA for operationalisation of developmental imperatives.</p>

Changes to planned targets

Annual Performance Plan approved in February 2019: Programme Performance Indicator	Annual Performance Plan approved in October 2019 (After the tabling of the February APP) Programme Performance Indicator	Reason for Change
Number of provincial housing policies and implementation guidelines approved by the end of 2019/20	Number of policies developed/ reviewed/ finalised	The first PPI was slightly altered to make it more specific by inserting the word "finalisation" in the new PPI developed in October 2019.
Land acquisition and release research report completed by the end of the current financial year	Number of Research Reports completed	The second PPI was introduced to accommodate other research reports/ studies that the Department may have proposed be undertaken.
Number of townships registered with the Deeds Office for proclamation by the end of 2019/20	Number of townships formalised by the end of the financial year	The word "formalised" in the second PPI seemed to be more specific and accommodative of what needed to take place in aiding the issuance of title deeds.
Completed Gauteng Human Settlements Master Plan approved by the end of 2019/20	Gauteng Human Settlements Spatial Master Plan completed by the end of 2019/20	Wording of the PPI changed in the second PPI, with the word "approval" omitted to avoid "penalising" Development Planning (this is the Unit that is responsible for the development of this plan) in case the plan was completed on time but its approval delayed.

Programme Performance Indicator that formed part of the February 2019 APP but removed from the October APP (After the tabling of the February APP)	Reason for omission of the PPI in the October 2019/20 APP	Reason for Change
Annual Report consolidated and submitted to Gauteng Legislature as per the stipulated deadline	PPI considered operational for the APP.	
Number of MPAT reports submitted to the Department of Planning Monitoring & Evaluation (DPME)	The implementation of the MPAT had already been halted in Quarter 3 of 2019/20.	
Number of approved beneficiaries allocated to the available serviced sites	The following PPI that follows below, which still formed part of the October 2019/20 APP, covers the allocation sufficiently: "Number of approved beneficiaries allocated to the available housing units."	
	New PPIs introduced into the October 2019/20 APP (After the tabling of the February APP)	Reason for the introduction of the PPI
	Number of plans completed for Informal Settlements Upgrading by the end of the financial year	The formalisation of informal settlements was prioritised once again, with a multi-pronged approach to fast-track delivery on the programme.
	Number of townships with outstanding milestones to unblock blocked/ abandoned projects	Closure of the blocked/abandoned projects had to be fast-tracked.
	Number of Water and Sanitation Master Plan/s to address challenges to water and sanitation in the West Rand	The formalisation of informal settlements was prioritised once again, with a multi-pronged approach to fast-track delivery on the programme.

Programme Performance Indicator that formed part of the February 2019 APP but removed from the October APP (After the tabling of the February APP)	Reason for omission of the PPI in the October 2019/20 APP	Reason for Change
	Percentage inclusion of municipal bulk infrastructure plans and areas of Provincial intervention in the HS Spatial Master Plan	The formalisation of informal settlements was prioritised once again, with a multi-pronged approach to fast-track delivery on the programme.
	Percentage finalisation of project bank by the end of the 2019/20 financial year	A credible pipeline is required to deliver government-assisted housing uninterrupted.
	Number of potential release opportunities investigated on State-owned land	The Rapid Land Release Programme (RLRP) had just been introduced in the Department and its performance had to be monitored closely.
	Number of release opportunities handed over for implementation	The RLRP had recently been introduced in the Department, and its performance had to be monitored closely.
	Number of release opportunities handed over to beneficiaries	The RLRP had just been introduced in the Department, and its performance had to be monitored closely.
	Number of youths trained and placed for experiential learning through NYSB	The development of the vulnerable groups was prioritised.
	Number of emerging contractors participating in the Incubator Programme	The development of emerging contractors was prioritised.
	Number of co-operatives established and supported by the Department	The development of co-operatives was prioritised.

Linking performance with budgets

The programme Housing Needs Research and Planning spent R15 million of the R37 million adjusted appropriation in the 2019/20 financial year translating to an expenditure spend of 40% and spent R17 million of the R23 million in the 2018/19 financial year translating to an expenditure spend of 75%. The underspending on Housing Needs Research and Planning is mainly due to savings on the compensation of employees and goods and services. The Department had several unfilled funded vacant posts which were either only filled towards the end of the financial year or will be filled in the new financial year. The saving on goods and services was due to some due enforcement and implementation of cost containment measures. Expenditure under this programme was incurred to support the operations of the Department.

Sub-programme expenditure

Sub-Programme Name	2018/2019			2019/2020		
	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	13 650	9 966	3 684	14 718	8 960	5 758
Policy	6 234	5 199	1 035	13 393	2 465	10 928
Planning	2 805	1 864	941	9 541	3 603	5 938
Total	22 689	17 029	5 660	37 652	15 028	22 624

4.3 Programme 3: Housing Development

This Programme Area drives implementation of human settlement projects. In terms of the new paradigm shift the programme is responsible for developing New Towns. The programme is also responsible for implementation of National Housing Programmes utilising the Human Settlements Conditional Grant.

Strategic Objectives

Programme 3 works towards the following strategic objectives:

- Implementation of the housing subsidy programmes targeting the “gap market”
- To develop human settlements closer to social amenities and economic opportunities
- Provision of housing opportunities to beneficiaries across various social classes
- Provision of alternative housing through the rental and social housing programme to eligible beneficiaries
- Creation of work opportunities through the Expanded Public Works Programme amongst other programmes at the disposal of the Department

Financial Intervention (Land FLISP & Individual Subsidies)

Purpose

Implement the Finance-Linked Individual Subsidy Programme (FLISP)

Achievements

592 housing subsidies disbursed by the department under FLISP against 750 target.

Financial Intervention (Land Acquisition)

Purpose

Facilitate the identification and acquisition of well-located land for the development of human settlements

Achievements

None

Incremental Intervention

Purpose

Implement the IRDP (Integrated Residential Development Programme)

Achievements

Mega Projects: 8 280 stands developed against 6 232 and 7 348 against 10 814 housing units completed

Legacy Projects: 1 824 against 363 sites developed and 3 493 units completed against 7 124

2 out of 6 hostels at construction stage. Rethabile LTA and Sethokga (was on hold due to contractual issues as at the end of the financial year).

7 out of 16 hostels at detailed planning stage. (Kwa-Mazibuko, Diepkloof, Meadowlands, Nguni, Wattville, KwaThema and Thokoza).

3 against 4 projects (Evaton, Bekkersdal and Winterveld) were resuscitated.

The Rand value facilitated through Bulk infrastructure in mining towns yields a total of R190,8m against R226m

Social and Rental Intervention

Purpose

Implement the Social Housing and Rental Programme.

Achievements

720 against 1 312 Social Housing Capital units built.

Expanded Public Works Programme (EPWP) and Human Settlements Development Grant

Purpose

Create work opportunities at the disposal of the Department.

Achievements

7 821 out of 25 098 work opportunities created through the EPWP Incentive Grant in the financial year 2019/20.

2 371 against 20 000 work opportunities created through the Human Settlements Development Grant.

Strategic objectives

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
Sub-programme: Financial Intervention (FLISP & Individual Subsidies)						
Implementation of the housing subsidy programmes targeting the 'gap market'	Improved access to affordable housing for the 'gap market'	Target not achieved. 758 housing subsidies disbursed.	750 Beneficiaries for the FY	Target partially achieved. 592 housing subsidies disbursed by the department under FLISP.	(21%)	The reported additional disbursements could not be validated given that relevant portfolios of evidence had not been submitted at the time of reporting which coincided with the lockdown period. 768 disbursements were reported as a cumulative achievement however, a total of 176 was still pending POE submission; The Department is to further follow up on submission of pending PoE and explore the probability of reporting validated potential outputs during the 2020/21 financial year.

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
	Improved access to affordable housing for the 'gap market'	New Indicator	298 Beneficiaries for the FY	Target not achieved. 0 credit-linked individual housing disbursed.	(100%)	There was policy clarity sought from National Department of Human Settlements which had not been concluded as at the end of the financial year. Follow-up correspondence to the National Department was operationalised and response is still pending.
	Improved access to affordable housing for the 'gap market'	New Indicator	148 Beneficiaries for the FY	Target not achieved. 0 non-credit linked individual housing subsidies disbursed.	(100%)	There was policy clarity sought from the National Department of Human Settlements which had not been concluded as at the end of the financial year. Follow-up correspondence to the National Department was operationalised and response still pending.

Programme 3: Housing Development

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
Sub-programme: Financial Intervention (Land Acquisition)						
To develop human settlements closer to social amenities and economic opportunities	Human settlements located closer to social and economic opportunities	<p>Target not achieved.</p> <p>4 land acquired. (Sterkwater portion 3 with 732,75ha); 992 stands at Evaton West Ext 2 (36,8ha); 745 stands at Evaton West Ext 7&4 (18,6ha) and 777 stands at Evaton Beverly Hills (17,4ha)</p>	416 Ha (2 land parcels)	<p>Target achieved.</p> <p>0 parcels or hectares of land acquired, measuring 106.53 ha in total: 63.70 ha Eagles Nest and 42.83 ha Olivenhoutbosch.</p>	(100%)	<p>The size is less than planned since the Department did not have enough funds to buy more properties. The Department has a land acquisition plan that needs to be fully implemented in each financial year to ensure that the target in relation to the hectares, is met. The Department has started with the process leading to the acquisition but did not complete it prior to year end, i.e. valuation, negotiation and offer has been made on Mamelodi land and is awaiting approval. The actual land acquisition will be recorded on receipt of confirmatory documents and/ or once pending processes have been concluded. Valuation, negotiation and offer has been made on Mamelodi land and is awaiting approval. The actual land</p>

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
Sub-programme: Incremental Interventions						
Provision of housing opportunities to beneficiaries across various social classes	Percentage increase in the number of human settlements developments characterised by different housing typologies and socio-economic amenities that cater for all social classes	New indicator	17 046 (Mega Project sites 6 232) and units 10 814)	Target partially achieved. 15 628 (8 280 mega projects stands developed. 7 348 mega projects housing units completed)	(8%)	acquisition will be recorded on receipt of confirmatory documents and/or once pending processes have been concluded. The projects have entered into multi-year contracts, as a result the Developer has installed more services than what was expected for the current financial year: (Montrose, Elijah Barayi and Dan Tlome). NB** A total of 1671 Mega project stands achieved against unplanned outputs. Delivery for next financial year will be reduced by the number exceeded in the current financial year. Insufficient bulk infrastructure in Rama City and Jabulani CBD-Parcel K. Poor performance by the contractor in Savannah.

Programme 3: Housing Development

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
						Municipalities to fast track completion of bulk infrastructure. Contract was terminated.
		New indicator	7 487 (Legacy Project sites and units)	Target not achieved. 5 317 (1 824 legacy projects sites developed. 3 493 legacy projects housing units completed)	(29%)	South Hills; Stands were serviced and completed in the previous financial year, however, the portfolios of evidence (POE's) was issued to the Department from City of Johannesburg Municipality (COJ) during the 2019/20 financial year. <i>NB. ** A total of 1 299 Legacy project stands achieved against unplanned outputs.</i> There were delays in the appointment of contractor(s) in Hospital Hill, Drieziek Ext.4, Vlakfontein and Lawley Ext. 3 & 4.

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
						<p>Soshanguve Block MM; Community disruptions.</p> <p><i>NB. ** A total of 233 Legacy project housing units achieved against unplanned outputs.</i></p> <p>Department finalising appointment of Professional Resource Team (PRT) in Lawley</p> <p>Still awaiting the conclusion of the SCM processes for the appointment of the contractor.</p> <p>Drieziek Ext 4.</p>

Programme 3: Housing Development

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
		New Indicator	22 (6 hostels at construction stage and 16 hostels at detailed planning)	Target not achieved. 9 (2 hostels at construction stage. Rethabile LTA and Sethokga (was on hold due to contractual issues as at the end of the financial year) (7 hostels at detailed planning stage. (Kwa-Mazibuko, Diepkloof, Meadowlands, Nguni, Wattville, KwaThema and Thokoza)	(59%)	Not all projects had construction activities despite being at construction stage. This was due to SCM delays in appointment of relevant PRTs and/or Contractors. Hostel Projects that were at construction stage but without a service provider had been prioritised for 2020/21 financial year.

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
		New Indicator	500 CRUs rectified and allocated	Target not achieved. 0	(100%)	On certification of work done in the subject CRU by the Quality Assurance unit, rectification was not undertaken. Instead, refurbishment was confirmed. 54 units were refurbished at 95% and 30 units refurbished at 90% in Rethabile LTA. These units were still pending connections. The Department will focus on conclusion of pending connections to ensure occupation of the completed units.

Programme 3: Housing Development

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
		New Indicator	4 URPs resuscitated	<p>Target partially achieved.</p> <p>3 projects (Evaton, Bekkersdal and Winterveld) were resuscitated. Contractors appointed for reticulation and sewer upgrades – Work has commenced and is ongoing.</p> <ul style="list-style-type: none"> ● The establishment of the GCR URP Technical team done; draft charter developed. ● Inputs on work done to implement the current master plans received from different departments and municipalities. ● Bilateral collaboration between MEC for GDHS/ COGTA and GPG MEC's and Mayors undertaken to ensure coordinated planning in line with the integrated District Dev Model. <p>The Annual joint GCR URP Planning and Budgeting process to align APPs and IDP's delayed by Lockdown.</p>	(25%)	<p>Kliptown: Delays were encountered with the de-densification and decanting of Kliptown especially in the Kliptown Informal Settlement due to the interdict against the City. The interdict has since been lifted, and planning will commence as part of the joint GCR URP Annual Planning and Budgeting post lockdown. Inconclusive POE.</p> <p>The programme will be prioritized in the 2020/21 FY.</p>

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
		New Indicator	300 Top structures completed	Target not achieved. 0	N/A	<p>An assessment of the number of top structures of incomplete/ abandoned/ blocked housing projects and report were completed in January 2020 yielding 340 units for construction in the next financial year.</p> <p>The procurement for construction was still in progress.</p> <p>Late appointment of the PRT to conduct the assessment affected the rest of the plan. It was reported that the late submission of the report did not allow for procurement to commence in the 4th quarter. Targets were adjusted as follows:</p> <ul style="list-style-type: none"> ● Appointment of service provider by SCM- 30 May 2020 ● Handover to Regions for implementation. -1 June 2020 <p>Total of houses to be completed is 340 -construction envisaged to run with effect from June 2020 – March 2021.</p>

Programme 3: Housing Development

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
		New Indicator	R226m Rand value	<p>Target not achieved.</p> <p>The rand value facilitated for bulk infrastructure in mining towns against the total HSDG grant/allocation in mining towns constitutes R91,073,793.</p> <p><i>This excluded projects forming part of the 2% from Sedibeng (not under mining towns).</i></p> <p>The following projects were funded through the 2% bulk infrastructure allocation:</p> <ol style="list-style-type: none"> 1. Westonaria Borwa R14,561,930 2. Green Hills R20,000,000 3. 3 D Munsieville Ext 9 R35,000,000 <p><i>The following projects were no longer on the final approved recovery Business Plan (BP) however, budgeted and expenditure realised prior to adjustment during the 2019/20 FY</i></p>	(60%)	<p>The 2019/20 rand value facilitated was as per National Department of Human settlements confirmed approved budget duly evidenced on the final 2019/20 initial and final approved recovery business plan.</p> <p>The extent of investment in mining towns exceeds the R91m allocated for Bulk infrastructure through the 2% allowable for districts/ local municipalities. The other portion is funded through a separate mining towns budget where the following projects have contributed to the total bulk investment broken down as follows:</p> <p>Mining towns:</p> <p>Merafong: R46,9m</p> <ul style="list-style-type: none"> ● 3D Green-park: R4,000,000 ● Fochville: 17,944,000 ● 3D Khutsong South Extension 5&6: R25,000,000 and R10,690,000 (Geotech)

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
				4. Dr. Motlana -Muldersdrift homes Trust Foundation/ lthembaletu village R10,000,000 5. Chief Mogale- 3D Kagiso Azaadville (R1,511,863.86 6. 3 V Hekpoort (Dr. Sefularo): R10,000,000 Total 2% Rand value = R91,073,793		Rand-West R73,4m <ul style="list-style-type: none"> ● 3 D Drooghe- heuwel Water Reservoir and Water tower: R33,383,000.00 ● 3D Badirile Portion 48: R40,000,000 Mogale: 3V Tarlton Village 1: R31,111,000.00
		New Indicator	19 Informal settlements upgraded	Target not achieved. 0 informal settlements upgraded.	(100%)	The Upgrading of Informal Settlements Programme (UISP) Business Plan (BP) was not approved on time. The implementation of the BP will be prioritized in the 2020/21 FY.
		New Indicator	13 544 UISP Sites	Target not achieved. 0 UISP sites upgraded	(100%)	The UISP BP was not approved on time. The implementation of the BP will be prioritized in the 2020/21 FY.

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
		New Indicator	24 359 UISP units	Target not achieved. 0 UISP units.	(100%)	The UISP BP was not approved on time. The implementation of the BP will be prioritized in the 2020/21 FY.
		New Indicator	7 Site Plans	Target not achieved. 0 UISP sites plans developed.	(100%)	Dependent on Supply Chain Management processes. SCM processes are to be expedited.
Sub-programme: Social and Rental Programme						
Provision of alternative housing through the rental and social housing programme to eligible beneficiaries.	Increased access to alternative housing that is sponsored by government.	None	1 312 Units built for Consolidated Conditional Grant.	Target partially achieved. 720 Social Housing Capital units built.	(45%)	Not all units were reported as some occupancy certificates were not ready at the time of reporting. Additional units to be reported next financial year once occupancy certificates/ relevant POEs have been submitted.
Creation of work opportunities through the Expanded Public Works (EPWP) Programme amongst other programmes at the disposal of the Department	Increased work opportunities and skills development and training for the unemployed.	Target not achieved. 371 work opportunities created.	45 098 work opportunities created.	Target not achieved. 10 192 (7 821 work opportunities created through the EPWP Incentive Grant in the 2019/20 FY). (2 371 work opportunities created through the Human Settlements Development Grant.)	(77%)	Additional outputs/data collected reportedly on site without POE for validation purposes and therefore not captured due to lockdown. This category is not performing well in terms of skilled labour due to contractors who are not providing the requisite POE. Numerous

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
Sub-programme: Expanded public works programme and human settlements development grant						
						<p>outputs have been flagged on contractor reports received however, there are no POEs to support the reported numbers.</p> <p>The new panel of contractors should stipulate conditions facilitated through supply chain management and the legal services unit to ensure that their contract indicates skilled jobs created in the subject category.</p> <p>Capture all data collected onto the reporting system to enable validation through the Public Works System. Potential changes to the currently reported numbers were highlighted given that the applicable system was still open for capturing of additional outputs at the time of reporting. Additional figures could therefore reflect amendments subject to this being done within acceptable timeframes.</p>

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020 Comment on deviations	Comment on deviations
						The new panel of contractors should stipulate conditions facilitated through supply chain management and the legal services unit to ensure that their contract indicates skilled jobs created in the subject category.

Performance indicators

Programme 3: Housing Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Financial Interventions (FLISP & Individual Subsidies)							
Number of housing subsidies disbursed by the Department under FLISP by the end of the financial year.	Target achieved. 1 245 Houses built.	Target not achieved. 829 housing subsidies disbursed	Target not achieved. 758 housing subsidies disbursed.	750 housing subsidies disbursed	Target partially achieved. 592 housing subsidies disbursed by the department under FLISP.	(21%)	The reported additional disbursements could not be validated given that relevant portfolio of evidence had not been submitted at the time of reporting which coincided with the lockdown period.

Programme 3: Housing Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							768 disbursements were reported as cumulative achievement however, a total of 176 was still pending POE submission; The Department is to further follow up on submission of pending PoE and explore the probability of reporting validated potential outputs during the 2020/21 financial year.
Number of credit-linked individual housing subsidies (R0 – R3 500) disbursed to HLANO/MAWIGA	New Indicator	New Indicator	New Indicator	298	Target not achieved. 0 credit-linked individual housing disbursed.	(100%)	There was policy clarity sought from National Department of Human Settlements, which had not been concluded as at the end of the financial year. Follow-up correspondence to the National Department was operationalised and response to this is pending.

Programme 3: Housing Development

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of non-credit linked individual housing subsidies (R0 – R3 500) disbursed to qualifying beneficiaries	New Indicator	New Indicator	New Indicator	148	Target not achieved. 0 non-credit linked individual housing subsidies disbursed.	(100%)	There was policy clarity sought from the National Department of Human Settlements which had not been concluded as at the end of the financial year. Follow-up correspondence to the National Department was operationalised, and a response is pending.
Sub programme: Financial Interventions (Land Acquisition)							
Number of suitable and well-located land parcels acquired for development of human settlements	New Indicator	New Indicator	New Indicator	416 Ha (2 land parcels)	Target not achieved. 0 parcels or hectares of land acquired, measuring 106.2 ha in total: 63.7 ha Eagles Nest and 42.5 ha Olivenhoutbosch.	(100%)	The size is less than planned since the Department did not have enough funds to buy more properties. The Department has a land acquisition plan that needs to be fully implemented in each financial year to ensure that the target in relation to the hectares, is met. The Department has started with the process leading to the acquisition but did not complete it prior to year end, i.e. valuation,

Programme 3: Housing Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							negotiation and offer has been made on Mamelodi land and is awaiting approval. The actual land acquisition will be recorded on receipt of confirmatory documents and/or once pending processes have been concluded.
Sub-programme: Incremental Interventions							
Number of Mega Projects stands developed by the end of the financial year	Target not achieved. 2 879 stands serviced.	Target not achieved. 3 610	Target not achieved. 245 sites serviced	6 232	Target achieved. 8 280 mega projects stands developed.	33%	The projects have entered into multi-year contracts, as a result the Developer has installed more services than what was expected for the current financial year: (Montrose, Elijah Barayi and Dan Tlome). <i>NB** A total of 1 671 Mega project stands achieved against unplanned outputs.</i> Delivery for next financial year will be reduced by the number exceeded in the current financial year.

Programme 3: Housing Development

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of Mega Projects housing units completed by the end of the financial year	New Indicator	New Indicator	New Indicator	10 814	Target partially achieved. 7 348 mega projects housing units completed.	(32%)	Insufficient bulk infrastructure in Rama City and Jabulani CBD-Parcel K. Poor performance by the contractor in Savannah Municipalities to fast track completion of bulk infrastructure. Contract was terminated.
Number of Legacy Projects sites developed by the end of the financial year	New Indicator	New Indicator	New Indicator	363	Target achieved. 1 824 legacy projects sites developed.	402%	South Hills; Stands were serviced and completed in the previous financial year, however, the portfolios of evidence (POE's) was issued to the Department from City of Johannesburg Municipality (COJ) during the 2019/20 financial year. <i>NB.** A total of 1 299 Legacy project stands achieved against unplanned outputs.</i>

Programme 3: Housing Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of Legacy Projects housing units completed by the end of the financial year	New Indicator	New Indicator	New Indicator	7 124	Target not achieved. 3 493 legacy projects housing units completed.	(51%)	<p>There were delays in the appointment of contractor(s) in Hospital Hill, Drieziek Ext 4, Vlakkfontein and Lawley Ext. 3 & 4. Soshanguve Block MM; Community disruptions.</p> <p><i>NB.** A total of 233 Legacy project housing units achieved against unplanned outputs.</i></p> <p>Department is finalising the appointment of the Professional Resource Team (PRT) in Lawley</p> <p>Still awaiting the conclusion of the SCM processes for the appointment of the contractor for Drieziek Ext 4.</p>

Programme 3: Housing Development

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of hostels at construction stage by the end of the financial year	New Indicator	New Indicator	New Indicator	6 (Cumulative)	Target not achieved. 2 hostels at construction stage. Rethabile LTA and Sethokga (was on hold due to contractual issues as at the end of the financial year).	(67%)	Not all projects had construction activities despite being at construction stage. This was due to SCM delays in appointment of relevant PRTs and/or Contractors. Hostel Projects that were at construction stage but without a service provider had been prioritised for 2020/21 financial year.
Number of hostels whose detailed planning is completed per annum	New Indicator	New Indicator	New Indicator	3	Target not achieved. 0 hostels whose detailed planning is completed.	(100%)	Delays were encountered in the finalisation of Geo-tech Assessments for 4 hostels. Geo-tech assessments for the 4 hostels prioritized for the 2020/21 FY.

Programme 3: Housing Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of hostels at detailed planning by the end of the current financial year	New Indicator	New Indicator	New Indicator	16 (Cumulative)	Target not achieved. 7 hostels at detailed planning stage. (Kwa-Mazibuko, Diepkloof, Meadowlands, Nguni, Wattville, KwaThema and Thokoza.	(56%)	Procurement delays were encountered at the following hostels: Dube, Orlando West, Nobuhle and Madala. The Dube and Orlando West Hostels prioritized for the 2020/21 FY
Number of Hostel Community Residential Units (CRUs) rectified and allocated by the end of the financial year	New Indicator	New Indicator	New Indicator	500	Target not achieved. 0	(89%)	On certification of work done in the subject CRU by the Quality Assurance unit, rectification was not undertaken. Instead, refurbishment was confirmed. 54 units were refurbished at 95% and 30 units refurbished at 90% in Rethabile LTA. These units were still pending connections. The Department will focus on the conclusion of pending connections to ensure occupation of the completed units.

Programme 3: Housing Development

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of Urban Renewal Projects resuscitated in 2019/20	New Indicator	New Indicator	New Indicator	4 (Evaton, Bekkersdal, Winterveldt & Kliptown) (Non-cumulative)	<p>Target partially achieved.</p> <p>3 projects (Evaton, Bekkersdal and Winterveld) were resuscitated. Contractors appointed for reticulation and sewer upgrades – Work has commenced and is ongoing.</p> <ul style="list-style-type: none"> ● The establishment of the GCR URP Technical team done; draft charter developed. ● Inputs on work done to implement the current master plans received from different departments and municipalities. ● Bilateral collaboration between MEC for GDHS/ COGTA and GPG MECs and Mayors undertaken to ensure coordinated planning in line with the integrated District Dev Model. 	(25%)	<p>Kliptown: Delays were encountered with the de-densification and decanting of Kliptown especially in the Kliptown Informal Settlement due to the interdict against the City. The interdict has since been lifted, and planning will commence as part of the joint GCR URP Annual Planning and Budgeting post lockdown. Inconclusive POE.</p> <p>The programme will be prioritized in the 2020/21 FY.</p>

Programme 3: Housing Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
					The Annual joint GCR URP Planning and Budgeting process to align APPs and IDPs delayed by Lockdown.		
Number of top structures of incomplete/ abandoned/ blocked housing projects completed	New Indicator	New Indicator	New Indicator	300	Target not achieved. 0 structures of incomplete/ abandoned/ blocked housing projects completed	N/A	An assessment of the number of top structures of incomplete/ abandoned/ blocked housing projects and report were completed in January 2020 yielding 340 units for construction in the next financial year. The procurement for construction was still in progress. This was due to the late appointment of the PRT to conduct the assessment affected the rest of the plan hence no top structures were completed.

Programme 3: Housing Development

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							<p>Targets were adjusted as follows:</p> <ul style="list-style-type: none"> ● Appointment of service provider by SCM – 30 May 2020 ● Hand over to Regions for implementation. – 1 June 2020 <p>Total of houses to be completed is 340 – construction envisaged to run with effect from June 2020 – March 2021.</p>
Rand Value of funding facilitated for bulk infrastructure in mining towns by the end of the 2019/20 financial year	New Indicator	New Indicator	New Indicator	R226m	<p>Target not achieved.</p> <p>The rand value facilitated for bulk infrastructure in mining towns against the total HSDG grant/ allocation in mining towns constitutes R91,073,793. <i>This excluded projects which form part of the 2% from Sedibeng (not under mining towns).</i></p>	(60%)	The 2019/20 rand value facilitated was as per the National Department of Human Settlements' confirmed and approved budget, duly evidenced on the final 2019/20 initial and final approved recovery business plan.

Programme 3: Housing Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
					<p>The following projects were funded through the 2% bulk infrastructure allocation:</p> <ol style="list-style-type: none"> 1. Westonaria Borwa R14,561,930 2. Green Hills R20,000,000 3. 3 D Munsieville Ext 9 R35,000,000 <p><i>The following projects were no longer on the final approved recovery Business Plan (BP) however, budgeted and expenditure realised prior to adjustment during the 2019/20 FY)</i></p> <ol style="list-style-type: none"> 4. Dr. Motlana – Muldersdrift homes Trust Foundation/ Ithembaletu village R10, 000,000 		<p>The extent of investment in mining towns exceeds the R91m allocated for Bulk infrastructure through the 2% allowable for districts/ local municipalities. The other portion is funded through a separate mining towns budget where the following projects have contributed to the total bulk investment broken down as follows:</p> <p>Mining towns: Merafong: R46,9m</p> <ul style="list-style-type: none"> ● 3D Greenpark: R4,000,000 ● Fochville: 17,944,000 ● 3D Khutsong South Extension 5 & 6: <ul style="list-style-type: none"> ● R25,000,000 and R10,690,000 (Geotech)

Programme 3: Housing Development

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
					5. Chief Mogale- 3D Kagiso Azaadville (R1,511, 863.86 6. 3 V Hekpoort (Dr. Sefularo): R10,000, 000 Total 2% Rand value = R91,073, 793		Rand-West R73,4m <ul style="list-style-type: none"> 3 D Droogheuwel Water Reservoir and Water tower: R33,383, 000.00 3D Badirile Portion 48: R40,000,000 Mogale: <ul style="list-style-type: none"> 3V Tarlton Village1: R31,111, 000.00
Number of informal settlements upgraded by the end of the financial year	New Indicator	New Indicator	New Indicator	19 Informal settlements upgraded	Target not achieved. 0 informal settlements upgraded.	(100%)	The Upgrading of Informal Settlements Programme (UISP) Business Plan (BP) was not approved on time. The implementation of the BP will be prioritized in the 2020/21 FY.
Number of UISP (upgrading of informal settlements) sites upgraded – Category A (in-situ upgrading) and C (relocation)	New Indicator	New Indicator	New Indicator	13 544 UISP Sites	Target not achieved. 0 UISP sites upgraded	(100%)	The UISP BP was not approved on time. The implementation of the BP will be prioritized in the 2020/21 FY.

Programme 3: Housing Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of UISP units	New Indicator	New Indicator	New Indicator	24 359 UISP Units	Target not achieved. 0 UISP units.	(100%)	The UISP BP was not approved on time. The implementation of the BP will be prioritized in the 2020/21 FY.
Number of UISP sites plans developed	New Indicator	New Indicator	New Indicator	7 Site Plans	Target not achieved. 0 UISP sites plans developed.	(100%)	Dependent on Supply Chain Management processes. SCM processes to be expedited.
Sub-programme: Social and Rental Programme							
Number of Social Housing Capital units built	New Indicator	New Indicator	New Indicator	1 312	Target partially achieved. 720 Social Housing Capital units built.	(45%)	Not all units were reported as some occupancy certificates were not ready at the time of reporting Additional units to be reported next financial year once occupancy certificates/ relevant POE has been submitted.

Programme 3: Housing Development

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Expanded public works programme and human settlements development grant							
Number of work opportunities created through the Expanded Public Works Programme (EPWP) Incentive Grant in the 2019/20 financial year	New indicator	New indicator	Target not achieved. 731 work opportunities created.	25 098	Target not achieved. 7 821 work opportunities created through the EPWP Incentive Grant in the 2019/20 FY.	(69%)	Additional outputs/data collected reportedly on site without POE for validation purposes and therefore not captured due to lockdown. Capture all data collected onto the reporting system to enable validation through the Public Works System. Potential changes to the currently reported numbers were highlighted, given that the applicable system was still open for capturing of additional outputs at the time of reporting. Additional figures could therefore reflect amendments subject to this being done within acceptable timeframes.

Programme 3: Housing Development							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of labourers trained in different skills on construction programmes (painting, carpentry, plumbing, brick-laying)	New indicator	New indicator	Target not achieved.	500	Target not achieved. 0 labourers trained in different skills on construction programmes.	(100%)	No budget allocated. The programme to be prioritized once budget is confirmed.
Number of work opportunities created through the Human Settlements Development Grant by the end of 2018/19	New indicator	New indicator	Target not achieved. 242 work opportunities created with compliant POE.	20 000	Target not achieved. 2 371 work opportunities created through the Human Settlements Development Grant.	(88%)	This category is not performing well in terms of skilled labour, due to contractors who are not providing the requisite POE. Numerous outputs have been flagged on contractor reports received, however, there are no POEs to support the reported numbers. The new panel of contractors should stipulate conditions facilitated through supply chain management and the legal services unit to ensure that their contract indicates skilled jobs created in the subject category.

Strategy to overcome areas of underperformance

Below are the indicators were not achieved during the year under review as well as strategies to address underperformance:

Performance Indicators	Mitigations
Sub programme: Financial Interventions (FLISP & Individual Subsidies)	
Number of credit-linked individual housing subsidies (R0 – R3 500) disbursed to “HLANO/MAWIGA”	Follow-up correspondence to the National Department was operationalised and response is still pending.
Number of non-credit linked individual housing subsidies (R0 – R3 500) disbursed to “qualifying beneficiaries”	Follow-up correspondence to the National Department was operationalised and response is still pending.
Sub programme: Financial Interventions (Land Acquisition)	
Number of suitable and well-located land parcels acquired for development of human settlements	Valuation, negotiation and offer has been made on Mamelodi land and is awaiting approval. The actual land acquisition will be recorded on receipt of confirmatory documents and/or once pending processes have been concluded.
Sub programme: Incremental Intervention	
Number of hostels whose detailed planning is completed per annum	Geo-tech assessments for the 4 hostels prioritized for the 2020/21 FY.
Number of informal settlements upgraded by the end of the financial year	The implementation of the BP will be prioritized in the 2020/21 FY.
Number of UISP (upgrading of informal settlements) sites upgraded – Category A (in-situ upgrading) and C (relocation)	
Number of UISP units	
Sub-programme: Expanded public works programme and human settlements development grant	
Number of labourers trained in different skills on construction programmes (painting, carpentry, plumbing, brick-laying)	The programme to be prioritized once budget is confirmed.

Changes to planned targets

Annual Performance Plan approved in February 2019: Programme Performance Indicator	Annual Performance Plan approved in October 2019 (After the tabling of the February APP): Programme Performance Indicator	Reason for change
Number of projects under planning as part of the Inner-City Revitalisation Programmes in 2019/20	Number of Urban Renewal Projects resuscitated in 2019/20	The second PPI replaced the first one to ensure that the Urban Renewal Programme was seen to be active and measured as such.
Number of Department-owned hostels under redevelopment in 2019/20	Number of hostels at construction stage by the end of the financial year	This new PPI for hostel re-development highlighted the various activities that had to take place at hostels to develop them.
	Number of hostels whose detailed planning is completed per annum	This new PPI for hostel re-development highlighted the various activities that had to take place at hostels to develop them.
	Number of hostels at detailed planning by the end of the current financial year	This new PPI for hostel re-development highlighted the various activities that had to take place at hostels to develop them.
Number of Community Residential Units (CRUs) converted/upgraded	Number of Hostel Community Residential Units (CRUs) rectified and allocated by the end of the financial year	The second PPI was further improved to highlight the allocation of the converted/upgraded CRUs.

Annual Performance Plan approved in February 2019: Programme Performance Indicator	New PPIS introduced into the October 2019/20 APP (After the tabling of the February APP)	Reason for the introduction of the PPI
	Number of credit-linked individual housing subsidies (R0 – R3 500) disbursed to HLANO/MAWIGA	Providing assistance to this category of beneficiaries came to the fore once again in the Department.
	Number of non-credit linked individual housing subsidies (R0 – R3 500) disbursed to qualifying beneficiaries	Providing assistance to this category of beneficiaries came to the fore once again in the Department.
	Number of Mega Projects stands developed by the end of the financial year	As the main vehicle to deliver integrated and sustainable human settlements, Mega Projects had to be elevated in the APP.
	Number of Mega Projects housing units completed by the end of the financial year	As the main vehicle to deliver integrated and sustainable human settlements, Mega Projects had to be elevated in the APP.
	Number of Legacy Projects sites developed by the end of the financial year	The implementation of the Legacy Projects had to be elevated for close monitoring since the implementation of these projects should come to an end once they are completed.
	Number of Legacy Projects housing units completed by the end of the financial year	The implementation of the Legacy Projects had to be elevated for close monitoring, since the implementation of these projects should come to an end once they are completed.
	Number of UISP (upgrading of informal settlements) sites upgraded – Category A (in-situ upgrading) and C (relocation)	The formalisation of informal settlements was prioritised once again, with a multi-pronged approach to fast-track delivery on the programme.
	Number of UISP units	The formalisation of informal settlements was prioritised once again, with a multi-pronged approach to fast-track delivery on the programme.
	Number of UISP sites plans developed	The formalisation of informal settlements was prioritised once again, with a multi-pronged approach to fast-track delivery on the programme.

Linking performance with budgets

The programme Housing Development spent R4.990 billion of the R5.121 billion adjusted appropriation in the 2019/20 financial year translating to an expenditure spend of 97% and spent R4.991 billion of the R5.178 billion in the 2018/19 financial year translating to an expenditure spend of 96%

The underspending on Housing Development relates to savings on the Human Settlements Development Grant. The Department has applied for a rollover of the unspent funds due to the funds being committed and invoices received for those commitments.

The expenditure incurred under Housing Development was utilised for the following:

- The facilitation and provision of adequate housing opportunities and improved quality living environments
- A functionally equitable and integrated residential property market
- Enhanced institutional capabilities for effective coordination of spatial investment decisions

Sub-programme expenditure

Sub-Programme Name	2018/2019			2019/2020		
	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	190 142	189 613	529	195 510	194 794	716
Financial Intervention	926 489	800 046	126 443	283 424	235 711	47 713
Incremental Intervention	3 781 276	3 780 774	502	4 642 323	4 552 076	87 719
Social and Rental Intervention	269 529	210 264	59 265	-	-	-
Rural Intervention	10 359	10 299	60	-	-	-
Total	5 177 795	4 990 996	186 799	5 121 257	4 982 581	138 676

4.4 Programme 4: Housing Asset Management and Property Management

The Gauteng Housing Asset Management Programme is responsible for the efficient management of provincial assets through property management.

Strategic Objectives

- Facilitate sales and transfer of identified housing properties to qualifying beneficiaries throughout the current political term
- Maintenance of housing properties owned by the Department
- Devolution of housing properties to municipalities

Sale and Transfer of housing properties

Purpose

Sale and transfer of commercial properties owned by the Department

Achievements

5 830 against 34 271 title deeds registered in favour of beneficiaries of government subsidised housing (post-1994).

968 out of 4 384 title deeds registered in favour of beneficiaries of government subsidised housing (pre-1994)

898 new properties transferred to qualifying beneficiaries from 7 575 target.

2 102 against 2 300 rental housing disputes resolved by the Rental Housing Tribunal.

Housing Properties owned by the Department

Purpose

Maintenance of 6 inner city hostels owned by the Department; Maintenance of stands owned by the Department; and Maintenance of flats owned by the Department.

Achievements

Maintenance was done in 10 against 11 flats: South Fork Flats, Kerksdorp, Goud Street Flats, Hillbrow Flats, Dallas Flats, Double Alphabet Flats, Silwer Flats, Diamont Flats, Harlem Flats and Westgate Flats. The scope of maintenance work included the following: Plumbing, Electrical work and Cutting of grass. Further detail of work conducted per flat is available.

Devolution of Housing Properties

Purpose

Devolution of properties to municipalities in terms of the Housing Act.

Achievements

748 against 200 property units devolved to municipalities.

**The figure of 750 reported in the second quarter was revised down to 748, upon further data validation.

Strategic objectives

Programme 4: Housing Asset Management and Property Management						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Sub-programme: Sale and Transfer of Housing Properties						
Facilitate sales and transfer of housing properties to qualifying beneficiaries throughout the current political term	Increase in home ownership	<p>Target achieved.</p> <p>11 913 (total includes pre & post transfer)</p> <p>NB* The Asset and Regulation Directorate (ADARDI) has declared that title deeds are not reported real time as at registration but at physical receipt of title deeds from conveyancers. The additional projected title deeds are estimated at 3000 subject to completion of the verification process.</p>	48 830 Title deeds issued	<p>Target not achieved.</p> <p>6 798 (5 830 title deeds registered in favour of beneficiaries of government subsidized housing post-1994). (968 title deeds registered in favour of beneficiaries of government subsidized housing (pre-1994) by the end of the financial year.</p>	(86%)	<p>Some milestones in the township's formalisation process not yet finalised; Delays in issuing services certificates. These factors are dependencies for registration of properties.</p> <p>Engagement of municipalities especially Planning units to unblock the township formalisation process; Request to expedite issuance of services certificates via the intervention by the MEC.</p> <p>Verification of properties ownership get delayed by submission of inadequate documentation by claimants/ applicants. This must be done to avoid wrong registrations which are costly to rectify.</p>

Programme 4: Housing Asset Management and Property Management

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
						<p><i>**358 endorsements into full ownership for the MAWIGA area converting into full ownership/ property transfer for specific beneficiaries which is not necessarily a Title Deeds/ deeds search but bond cancellation with the North West Development Cooperation as a financial institution to enable full ownership by the individual. This is achieved through the conveyancing process, confirmed through an endorsement stamp. They not were counted as part of the reported title deeds.</i></p> <p>Increase awareness about the application process and requisite documentation.</p>

Programme 4: Housing Asset Management and Property Management						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Sub-programme: Housing Properties Maintenance						
Maintenance of Housing Properties owned by the department	Preservation of the Department's properties in an acceptable condition	<p>Target achieved.</p> <p>Maintenance undertaken on 11 flats viz: South Fork Flats, Harlem Flats, Kersie Dorp, Goud Street Flats, Octavia Flats, Hillbrow Flats, Dallas Flats, Double Alphabet Flats, Silver Flats, Diamond Flats and Westgate Flats. The scope of maintenance work included the following: Plumbing, Electrical work and Cutting of grass. Further detail of work conducted per flat is available.</p>	11 Flats maintained (Hillbrow, Dallas, Double Alphabet, Diamond, Goud Street, Kersie Dorp and Octavia Hills Flats)	<p>Target partially achieved.</p> <p>10 flats maintained viz: South Fork Flats, Kersie Dorp, Goud Street Flats, Hillbrow Flats, Dallas Flats, Double Alphabet Flats, Silver Flats, Diamond Flats, Harlem Flats and Westgate Flats. The scope of maintenance work included the following: Plumbing, Electrical work and Cutting of grass. Further detail of work conducted per flat is available.</p>	(9%)	Octavia hills flats did not require maintenance: no complaints/ requests were received.

Programme 4: Housing Asset Management and Property Management

Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
		<p>Target not achieved. 0 commercial properties transferred.</p>	4 commercial properties disposed (non-cumulative)	<p>Target not achieved. 0 commercial properties were transferred.</p>	(100%)	<p>Accounts could not be cleared due to incorrect municipal accounts and high amounts to be paid by the purchasers resulted in clearance applications expiring. <i>Purchasers indicated that the clearance figures obtained from COJ were unaffordable and unrealistic.</i></p>
						<p>The application for a clearance exemption would assist in the shops being transferred without first having to settle old outstanding debt. E-mails and a letter of undertaking were sent to the rates clearance section in COJ requesting assistance to waiver of the rates clearance. To seek approval to pay the full amount of rates and taxes in order to effect the transfer of commercial properties.</p>

Programme 4: Housing Asset Management and Property Management						
Strategic objectives	Strategic Objective Indicator	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement for 2019/2020	Comment on deviations
Sub-programme: Devolution of Housing Property						
Devolution of Housing Properties to municipalities	Increase in the number of properties devolved to municipalities by the Department	Target not achieved. 0 Rental units devolved.	200	Target achieved. 748 property units devolved to municipalities. <i>**The figure of 750 reported in the second quarter was revised down to 748, upon further data validation.</i>	274%	The annual target was exceeded. An urgent request was received from the COJ asking for the properties to be devolved as they wanted to issue title deeds and since this is a township, it could not be broken down to only devolve 200, it was sensible to devolve the entire 748 properties as requested.

Performance indicators

Programme 4: Housing Asset Management and Property Management							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Sale and Transfer of Housing Properties							
Number of title deeds registered in favour of beneficiaries of government subsidised housing (post-1994/ projects completed by 31 March 2014) by the end of the current financial year.	Target not achieved. 8 699 post-1994 properties regularised.	Target not achieved. 19 522 properties regularised.	Target not achieved. 9 755 NB* The Asset and Regulation Directorate (ADARDI) has declared that title deeds are not reported real time as at registration but at physical receipt of title deeds from conveyancers. The additional projected title deeds are estimated at 3000, subject to completion of the verification process.	34 271	Target not achieved. 5 830 title deeds registered in favour of beneficiaries of government subsidised housing (post-1994).	(83%)	Some milestones in the township's formalisation process not yet finalised; Delays in issuing services certificates. These factors are dependencies for registration of properties. Engagement of municipalities especially Planning units to unblock the township formalisation process; Request to expedite issuance of services certificates via the intervention by the MEC.

Programme 4: Housing Asset Management and Property Management							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of title deeds registered in favour of beneficiaries of government subsidised housing (pre-1994) by the end of the current financial year	2 576 Residential properties transferred to beneficiaries	Target not achieved. 2 812 residential properties transferred to beneficiaries	Target not achieved. 2 158 NB*ADARDI has declared that title deeds are not reported real time as at registration but at physical receipt of title deeds from conveyancers.	4 384	Target not achieved. 968 title deeds registered in favour of beneficiaries of government subsidised housing (pre-1994) by the end of the financial year.	(78%)	Verification of properties ownership get delayed by submission of inadequate documentation by claimants/ applicants. This must be done to avoid wrong registrations which are costly to rectify. <i>**358 endorsements into full ownership for the MAWIGA area converting into full ownership/ property transfer for specific beneficiaries which is not necessarily a Title Deeds/ deeds search but bond cancellation with the North West Development Cooperation as a financial institution to enable full ownership by the individual. This is achieved through the conveyancing process, confirmed through an endorsement stamp.</i>

Programme 4: Housing Asset Management and Property Management

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							They not were counted as part of the reported title deeds. Increase awareness about the application process and requisite documentation.
Number of new properties transferred to qualifying beneficiaries by the end of the current financial year	New indicator.	New indicator	Target not achieved. 0 New properties transferred	7 575	Target not achieved. 898 new properties transferred to qualifying beneficiaries.	(88%)	Some milestones in the township's formalisation process not yet finalised; Delays in issuing services certificates; Beneficiaries occupying houses but not approved on the HSS. These factors are dependencies for registration of properties. Engagement of municipalities especially Planning units to unblock the township formalisation process; Request to expedite issuance of services certificates via the intervention by the MEC; Regularisation and/or eviction of unapproved occupants.

Programme 4: Housing Asset Management and Property Management							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of housing disputes resolved by ADARDI by the end of the current financial year	New indicator.	Target not achieved. 185 housing disputes adjudicated over by the housing tribunal.	Target not achieved. 68 disputes resolved by housing tribunal.	300	Target not achieved. 26 housing disputes resolved by ADARDI for the quarter.	(91%)	This is a demand-driven output and depends on the number of cases brought forward to the Department by contenders. Owing to non-payment of adjudicators due to contractual matters, the process was affected during the reporting period. Housing disputes adjudication has since been temporarily halted until the appointment of adjudicators and translators/transcribers has been resolved.

Programme 4: Housing Asset Management and Property Management

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							An outreach programme must be started to create awareness about the programme. ADARDI has engaged Finance and the HOD's office to resolve payment issue Request to finalise appointments submitted to SCM and HOD.
Number of rental housing disputes resolved by the Rental Housing Tribunal by the end of the current financial year.	New indicator	New indicator	New indicator	2 300	Target partially achieved. 2 102 rental housing disputes resolved by the Rental Housing Tribunal.	(9%)	This is a demand-driven output and depends on the number of cases brought forward to the Department by contenders.

Programme 4: Housing Asset Management and Property Management							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Housing Properties Maintenance							
Number of flats maintained ¹ by the Department	<p>Target achieved.</p> <p>The following flats were maintained throughout the quarter: Dallas, Double Alphabet, Hillbrow, Kersie Dorp and South Fork flats. The maintenance work entailed general upkeep, plumbing and electric work.</p>	<p>Target not achieved.</p> <p>9 flats maintained, namely, Dallas, Westgate, Diamond, Double Alphabet, Goud Street, Hillbrow, Octavia Hills, Kersie Dorp and Southfork flats. The scope of maintenance work included the following: plumbing, electrical work and cutting of grass. Further detail of work conducted per flat is available.</p>	<p>Target achieved.</p> <p>Maintenance undertaken on 11 flats viz: South Fork Flats, Harlem Flats, Kersie Dorp, Goud Street Flats, Octavia Flats, Hillbrow Flats, Dallas Flats, Double Alphabet Flats, Silver Flats, Diamond Flats and Westgate Flats. The scope of maintenance work included the following: Plumbing, Electrical work and Cutting of grass. Further detail of work conducted per flat is available.</p>	11	<p>Target partially achieved.</p> <p>10 flats maintained viz: South Fork Flats, Kersie Dorp, Goud Street Flats, Hillbrow Flats, Dallas Flats, Double Alphabet Flats, Silver Flats, Diamond Flats, Harlem Flats and Westgate Flats. The scope of maintenance work included the following: Plumbing, Electrical work and Cutting of grass. Further detail of work conducted per flat is available.</p>	(9%)	Octavia hills flats did not require maintenance: no complaints/ requests were received.

Programme 4: Housing Asset Management and Property Management

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of commercial properties transferred to eligible beneficiaries	<p>Target achieved.</p> <p>2 commercial properties disposed and transferred to purchaser Transfer registered at Deeds Office.</p>	<p>Target not achieved.</p> <p>Rates clearance figures were received and forwarded to Finance for payment.</p>	<p>Target not achieved.</p> <p>0 commercial properties transferred.</p>	4	<p>Target not achieved.</p> <p>0 commercial properties were transferred.</p>	(100%)	<p>Accounts could not be cleared due to incorrect municipal accounts and high amounts to be paid by the purchasers resulted in clearance applications expiring.</p> <p>Purchasers indicated that the clearance figures obtained from COJ were unaffordable and unrealistic.</p> <p>The application for a clearance exemption would assist in the shops being transferred without first having to settle old outstanding debt.</p> <p>E-mails and a letter of undertaking were sent to the rates clearance section in COJ requesting assistance to waiver of the rates clearance.</p>

Programme 4: Housing Asset Management and Property Management

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
							To seek approval to pay the full amount of rates and taxes in order to effect the transfer of commercial properties.
Number of hostels maintained by the Department	Target achieved. 6 hostels were maintained, namely: MBA, Murray & Roberts, Denver, LTA, George Goch and Jeppe Hostels. The maintenance work entailed general upkeep, plumbing and electric work.	Target achieved. 6 hostels maintained, namely: Denver, Jeppe (Wolhuter), George Goch, LTA, MBA and Murray & Roberts. The scope of maintenance work included the following: daily cleaning of corridors, staircases, basements, emptying and washing of rubbish bins, ground upkeep as well as plumbing and electrical maintenance. Further detail of work conducted per hostel is available.	Target achieved. Cleaning 6 hostels cleaned, viz George Goch, Denver, Jeppe, LTA, MBA and Murray & Roberts. The scope of maintenance work included the following: daily cleaning of corridors, staircase, basements, emptying and washing of rubbish bins, ground upkeep as well as plumbing; electrical maintenance. Further detail of work conducted per Hostel is available.	6 (Non-cumulative)	Target not achieved. 0 hostels maintained.	(100%)	No bidder met minimum requirements/threshold and treasury then advised that the tender be cancelled. The procurement process receiving priority to enable the subject project to proceed. The department received approval from provincial Treasury to establish a panel for maintenance and draft terms of reference have been concluded.

Programme 4: Housing Asset Management and Property Management

Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Number of vacant stands maintained by the Department	Target not achieved. 60 vacant stands maintained.	Target achieved. 147 stands maintained (grass cutting).	Target not achieved. 23 vacant stands maintained.	118 (Non-cumulative)	Target not achieved. 0 vacant stands maintained.	(100%)	Grass cutting contract terminated due to non-performance by the appointed contractor. SCM appointed to appoint a new contractor with effect from the 1st of April 2020.
Inventory Management Register compiled by the end of the financial year	New indicator	New indicator	New indicator	Compile inventory management plan Establish the Inventory Register Implement inventory management policy	Target partially achieved. The Inventory Management Plan was updated; however, it was still in draft form. Inventory register has not been finalised. The inventory policy was approved.	N/A	Delays in the compilation of Inventory Management Plan due to insufficient information. To submit the second draft of the Inventory Management Plan for approval by the accounting officer in the new financial year.

Programme 4: Housing Asset Management and Property Management							
Performance indicator	Actual achievement 2016/2017	Actual achievement 2017/2018	Actual achievement 2018/2019	Planned target 2019/2020	Actual achievement 2019/2020	Deviation from planned target to actual achievement 2019/2020	Comment on deviations
Sub-programme: Devolution of Housing Property							
Number of property units devolved to municipalities	Target achieved. 4 817 properties devolved to municipalities.	Target not achieved. No properties devolved to municipalities.	Target not achieved. 0 Rental units devolved.	200 property units devolved to municipalities	Target achieved. 748 property units devolved to municipalities. <i>**The figure of 750 reported in the second quarter was revised down to 748, upon further data validation.</i>	274%	The annual target was exceeded. An urgent request was received from the COJ asking for the properties to be devolved as they wanted to issue title deeds and since this is a township, it could not be broken down to only devolve 200, it therefore made sense to devolve the entire 748 properties as requested.

Strategy to overcome areas of under performance

Below are the indicators not achieved during the year under review as well as strategies to address underperformance:

Performance Indicators	Mitigations
Sub-programme: Sale and Transfer of Housing Priorities	
Number of housing disputes resolved by ADARDI by the end of the current financial year	An outreach programme must be started to create awareness about the programme. ADARDI has engaged Finance and the HOD's office to resolve payment issue Request to finalise appointments submitted to SCM and HOD.
Sub-programme: Housing Properties Maintenance	
Number of commercial properties transferred to eligible beneficiaries	The application for a clearance exemption would assist in the shops being transferred without first having to settle old outstanding debt. E-mails and a letter of undertaking were sent to the rates clearance section in COJ requesting assistance to waiver of the rates clearance. To seek approval to pay the full amount of rates and taxes in order to effect the transfer of commercial properties.
Number of hostels maintained by the Department	Managers are required to provide reasons for deviation when underperformance is reported and were followed up on numerous occasions
Number of vacant stands maintained by the Department	SCM appointed to appoint a new contractor with effect from the 1st of April 2020.

Changes to planned targets

Annual Performance Plan approved in February 2019: Programme Performance Indicator	Annual Performance Plan approved in October 2019 (After the tabling of the February APP): Programme Performance Indicator	Reason for change
Number of rental flats maintained ²	Number of flats maintained ³ by the Department	The second PPI simply added the name of the entity that maintains the hostels, which is the "Department."
Number of hostels maintained	Number of hostels maintained by the Department	The second PPI simply added the name of the entity that maintains the hostels, which is the "Department."
Number of vacant stands maintained ⁴	Number of vacant stands maintained by the Department	The second PPI simply added the name of the entity that maintains the hostels, which is the "Department."

Linking performance with budgets

The programme Housing Asset Management spent R176 million of the R260 million adjusted appropriation in the 2019/20 financial year translating to an expenditure spend of 68% and spent R314 million of the R353 million in the 2018/19 financial year translating to an expenditure spend of 89%

The under expenditure on Housing Asset Management relates to savings on the Title Deeds Restoration Grant as a result of delays in township formalisation and registrations at the Deeds office. The Department has applied for a rollover of the unspent funds.

The expenditure incurred under Housing Asset Management was utilised for the following:

- Tenure of security for all recipients of government subsidized houses, both pre-and post- 1994 backlog
- Functioning of the secondary property market
- Improved quality of life.

Sub-programme expenditure

Sub-Programme Name	2018/2019			2019/2020		
	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	35 315	35 233	82	35 008	34 940	68
Sales and Transfers of housing Properties	105 811	66 304	39 507	160 549	76 210	84 339
Devolution of Housing Properties	-	-	-	-	-	-
Housing Properties Maintenance	212 100	212 059	41	64 880	64 857	23
Total	353 226	313 596	39 630	260 437	176 007	84 430

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

The table below reflects the transfer payments made for the period 1 April 2019 to 31 March 2020

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	Reasons for the funds unspent by the entity
Gauteng Partnership Fund (GPF)	Public entity	Development of Mega Projects	Social Housing Act, 2008 (Act No. 16 of 2008) The Housing Act, 1997 (No. 107 of 1997)	736 013 44 012 (Management Fee paid Opscap)	551 689	-
Housing Development Agency (HDA)	Public entity	Identify, acquire, hold, develop and release well-located land and buildings for Human Settlement	Housing Development Agency Act, 2008 (Act No. 23 of 2008) The Housing Act, 1997 (No. 107 of 1997)	34 047	34 047	-

5.2. Transfer payments to all organisations other than public entities

Name of Public Entity	Type of Organisation	Purpose of 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 public entity	Achievements of the public entity
City of Johannesburg	Metro	410 Tops Structures @ Lehae Project	-	55 103	43 663	The contract between the City and its service provider has lapsed. The department has, on a number of occasions, written to the City to request a report on the status of the project.
Merafong City	Municipality	Bulk Water Line @ Khutsong South Ext 5&6 Outfall Sewer @ Greens Park 5 ML Reservoir @ Fochville	-	46 944	13 399	For the Greenspark project the municipality is awaiting the council approval for the adjustment budget before funds can be spent. Due to delays in the completion of the curtain grounding in Khutsong south water pipe, this delay contributed in the commencement of the project. For the month of April 2020 All projects have been stopped due to the lockdown.

Name of Public Entity	Type of Organisation	Purpose of 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 public entity	Achievements of the public entity
Rand West city	Municipality	20ML Water Reservoir and 2ML Water Tower at Droogheuwel	-	33 383	26 554	An addendum was concluded with the municipality on the R73 383 000 contract to allow the department to appoint the service provider for the Afri-village and Montrose project as the department is currently running these projects having developers onsite. To date Practical completion certificate was issued on the 28th November 2019 for the electrical bulk supply for Green hills ext. 12 (Afri-village) and another Practical completion certificate was issued for bulk water main and sewer serviced for the Montrose project and the expenditure to date against the R40 million is RR30 823 922,58. The balance of R33 383 000 was then transferred to the municipality for the completion of the Droogheuiwel project. The mitigation plan to accelerate the expenditure for the

Name of Public Entity	Type of Organisation	Purpose of 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 public entity	Achievements of the public entity
						Droogehuiwel is as follows: Municipality to open all sections of work to run co-currently. All material purchases towards completion of the work will be undertaken. We will accelerate the works to complete the program in-order to accelerate the expenditure as well.
Mogale City	Municipality	Bulk water and Sewer Internal reticulation for 500 stands @ Brickvale	-	31 111	30 628	The planned completion was for end of April 2020 but due to the lockdown work on site was halted. Service provider was issued a letter to resume work under the level 4 regulations. Municipality is yet to receive the programme of works indicating new completion date.

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

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

Conditional Grant 1: Human Settlements Development Grant

Department who transferred the grant	National Department of Human Settlements	
Purpose of the grant	The creation of sustainable human settlements	
Expected outputs of the grant	To deliver 12 745 stands and 14 512 units (27 257 housing opportunities)	
Actual outputs achieved	Number of social and rental units delivered	720
	Number of housing units delivered	11 433
	Hectares of land acquired	0
	Number of serviced sites developed	10 104
Amount per amended DORA (R'000)	R 5 164 409 voted funds for the 2019/20 financial year, R49 371 approved rollover from the 2018/19 financial year and less R250 000 cut, adjusted to R 4 963 780	
Amount received (R'000)	R4 963 780	
Reasons if amount as per DORA was not received	N/A	
Amount spent by the department (R'000)	R4 842 185	
Reasons for the funds unspent by the entity	Cash challenges were experienced. There were savings on Compensation of Employees due to vacant posts not filled. The savings on Transfers and Subsidies is as a result of invoices being received after the payment cut-off date.	
Reasons for deviations on performance	Mega project (housing units) Poor performance by the contractors in Montrose and Savannah, Insufficient bulk infrastructure in Rama City. Legacy Projects (housing units) Delay in the appointment of contractor(s) in Hospital Hill, Drieziek Ext.4, Vlakfontein and Lawley Ext. 3 & 4. Soshanguve Block MM; Community disruptions.	
Measures taken to improve performance	Contract was terminated for poor performance and a new contractor appointed. Underperforming contractor was placed on terms. Municipalities to fast-track the completion of bulk infrastructure.	
Monitoring mechanism by the receiving department	Close monitoring of contractors and project management efficiencies and capacity to be enhanced.	

Conditional Grant 2: Title Deeds Restoration Grant

Department / Municipality to whom the grant has been transferred	National Department of Human Settlements
Purpose of the grant	The eradication of the pre 2014 title deeds backlog
Expected outputs of the grant	52 443 Title deeds (Pre-1994 title deeds: 4 384, Post-1994 title deeds: 34 271 and New title deeds: 13 788)
Actual outputs achieved	7 696 (Pre-1994 title deeds: 968, Post-1994 title deeds: 5 830 and New title deeds: 898)
Amount per amended DORA (R'000)	R160 550,00
Amount transferred (R'000)	R160 550,00
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department (R'000)	R76 211
Reasons for the funds unspent by the entity	-
Monitoring mechanism by the receiving department	-

6.2 Conditional grants and earmarked funds received

The Department received funding of R4 964 billion for the Human Settlements Development Grant and R160 550 million on the Title Deeds Restoration Grant.

The Department spent R4 857 billion on the Human Settlements Development Grant and R76 199 million on the Title Deeds Restoration Grant.

The Department received the full funding on both grants.

An indication of the extent to which the objectives were achieved, with a comparative analysis of provincial performance against targets. Where performance fell short of expectations, outline the reasons and measures taken to improve performance in the coming years if the grant is continuing.

An overall assessment of compliance with the Act, and an explanation of any measures taken in situations where there was non-compliance.

7. CAPITAL INVESTMENT

7.1 Capital investment, maintenance and asset management plan

Maintenance of infrastructure

Sectionalising of Hillbrow flats (198 units), Diamond street flats (48 units), Silwer street flats (16 units), Double Alphabet flats (216 units), Goud street flats (72 units) and Kersie Dorp (359 units), all of which are situated in Eldorado Park. Expected completion date to be 31st March 2021. Transfer of Westgate flats (80 units), Harlem flats (36 units) and Dallas flats (168 units) to beneficiaries.

Day-to-day maintenance carried out at the provincial owned flats and they include: Hillbrow flats, Dallas flats, Westgate flats, Double Alphabet flats, Silwer flats, Diamond flats, Goud flats, Southfork flats (114 units), Octavia hills flats (30 units) and Kersie Dorp. The scope of work included plumbing (unblocking sewers, repairs to burst water pipes, replacement of geysers, kitchen sinks, baths where necessary), and electrical repairs (lights, DB's, plug points etc), underground sewer pipes and water supply pipes were replaced at the Double Alphabet flats.

The two flats (Harlem and Dallas) were prioritised for refurbishment so that transfer to beneficiaries can be undertaken as sectionalisation process is already completed. The asset condition assessments were completed for Dallas and Harlem flats in 2019.

COJ requires that all developments (old and new) such as the flats must be compliant with the new SANS regulations, which will require that building plans need to be approved, full dolomitic studies and traffic impact studies need to be done, as well as occupancy certificates for each unit, which will require civil, plumbing, structural and electrical engineering assessments. No town planning applications will be approved without the above and this will cause immense delays to the property disposal process.

The rate of progress was slow due to administrative processes as approval per works order is now given by the CFO, via SCM, instead of the property management unit. A single works order now has to be signed by 6 officials which causes serious delays as there is no specific time within such signatures can be obtained, and this impacts negatively on the ground. By the time the contractor is instructed to attend to a problem, the problem would have increased in nature. Other challenges include negligence or a "don't care" attitude by the communities that result in breakages or blocking of sewers.

Infrastructure projects	2018/2019			2019/2020		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	4 568 384	4 139 682	428 702	4 496 871	4 334 191	162 680
Existing infrastructure assets	469 390	471 804	-2 414	462 709	437 689	25 020
Upgrades and additions	166 579	171 727	-5 148	199 268	222 220	(22 952)
Rehabilitation, renovations and refurbishments	242 811	130 109	112 702	198 561	139 451	59 110
Maintenance and repairs	60 000	169 968	(109 968)	64 880	76 018	(11 138)
Non-Infrastructure	263 590	222 377	41 213	191 596	172 022	19 574
Total	5 301 364	4 833 863	467 501	5 151 177	4 936 160	207 274

Assets Management

The Department maintains an excel spreadsheet manual asset register for moveable assets. The following measures were taken regarding the management of moveable assets:

- The Department has a sound asset management policy and it is firmly enforced.
- All moveable assets are being subjected to manual annual physical verification to confirm existence and physical conditions.
- Reconciliations are being carried out on a monthly basis between the assets register and the BAS General Ledger.

An Asset Disposal Committee has been appointed. Condemned, obsolete, scrapped and redundant assets identified during asset verification will be disposed of in the next financial years 2020/21.

The redundant Temporary Residential Units (TRUs) were disposed of in the financial year 2019/2020.

The Department will implement an electronic assets system during the 2020/2021 financial year which will strengthen internal controls around asset management and enables error-free verification and asset register updating.

Clayville



Part C
GOVERNANCE

1. INTRODUCTION

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

2. RISK MANAGEMENT

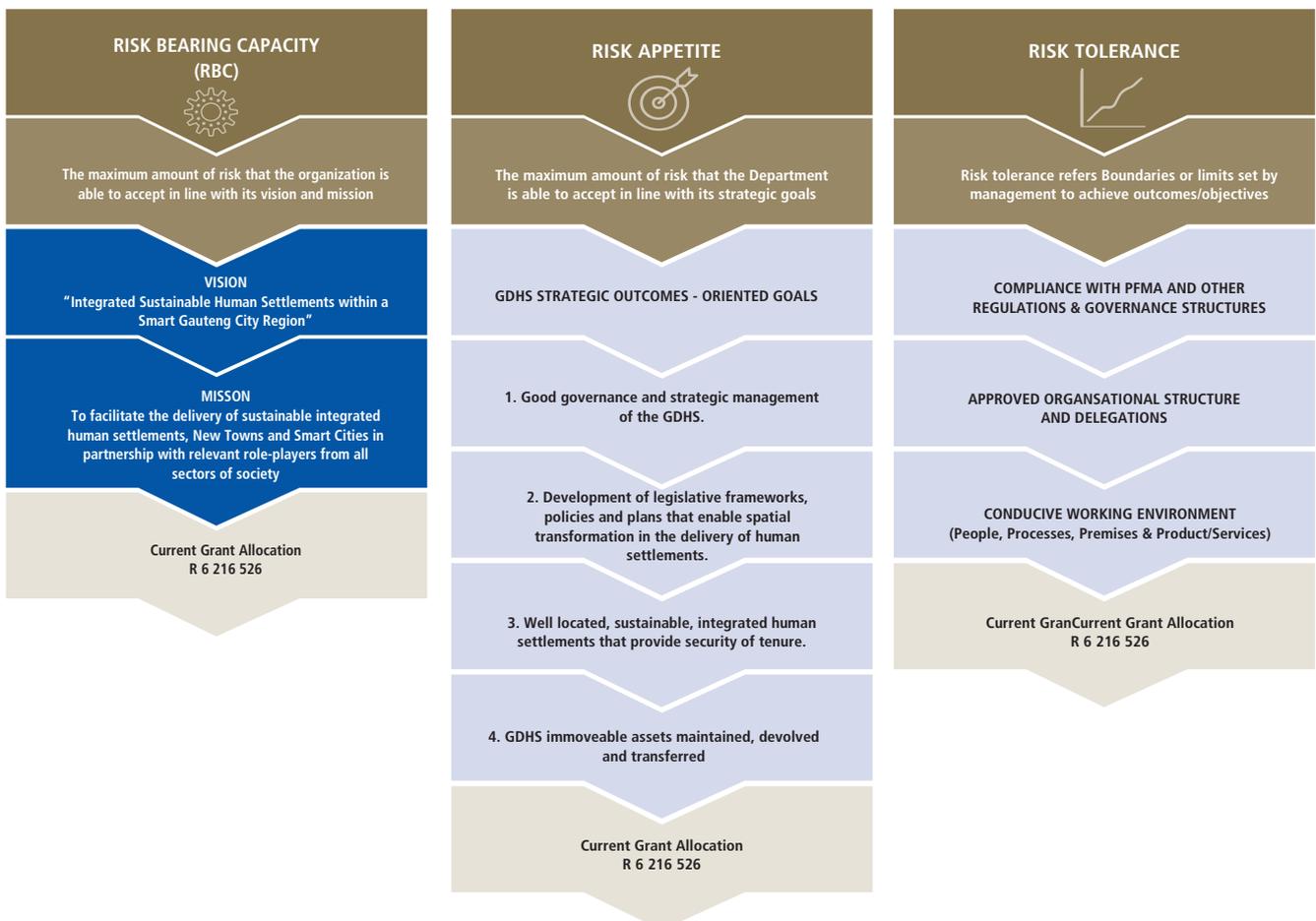
The Department has the approved Risk management Policy and Strategy. The Risk Management Policy provides a framework within which management can operate to enforce proactive Enterprise Risk Management processes. The framework instils a risk management culture throughout the Department of Human Settlements, ensuring that risk management efforts take effect within the Department. The Risk Appetite Statement, Combined Assurance Model and the Six Lines of Defence are described in detail in paragraphs below.

The Department held its Strategic Session on 24 – 26 June 2019 to Develop the five-year Strategic Plan for the Department. The environmental scanning was done using FIRM and PESTEL principles, and the following threats and opportunities were identified:

INTERNAL ENVIRONMENT		EXTERNAL ENVIRONMENT	
FIRM PRINCIPLES		PESTEL PRINCIPLE	
Principle	Challenges	Principle	Challenges
Financial	<p>Weak internal Controls:</p> <ul style="list-style-type: none"> ● Late payment of contractors ● Inadequate contract Management e.g. expired contracts ● Strategic Plan not aligned to Business Plan, Budget and APP ● Underperformance – financial performance not aligned to non-financial – targets not met ● Increased in Accruals, Irregular, Fruitless and wasteful expenditure ● Inadequate performance management system ● Unapproved policies ● Inadequate Business Continuity Management and disaster recovery policies 	Political	<ul style="list-style-type: none"> ● Land invasions ● Invasion of RDP houses ● Unfunded mandates resulting from political pronouncements
Infrastructure	<ul style="list-style-type: none"> ● Apartheid Spatial Design/Planning ● Poor planning and Misalignment of plans across spheres of government ● Inadequate bulk Infrastructure ● Failure of critical infrastructure – capacity, old and decaying ● Inadequate Project Readiness Matrix – Project Bank ● Insufficient Project Management Skills ● Lack of capacity of Contractors to deliver houses 	Economical	<ul style="list-style-type: none"> ● Unemployment ● Insufficient funding for Human Settlement Development – Lack of investment ● Cost of building a house in Gauteng is high compared to other Provinces – the available grants are insufficient.

INTERNAL ENVIRONMENT		EXTERNAL ENVIRONMENT	
FIRM PRINCIPLES		PESTEL PRINCIPLE	
Principle	Challenges	Principle	Challenges
Reputation	<ul style="list-style-type: none"> ● Perceived fraud and corruption ● Lack of Consequence Management Organisational Culture ● Low staff morale ● Service delivery protest 	Societal	<ul style="list-style-type: none"> ● Increased population growth ● Poverty ● Inequalities
Marketing and Communication	Lack of addressing the communities' concerns and adequate turnaround times <ul style="list-style-type: none"> ● Service delivery protests ● Lack of beneficial education and awareness 	Technological	<ul style="list-style-type: none"> ● Unautomated Systems- Manual processes – no IDMS ● Unintegrated systems – Systems interface
		Environmental	<ul style="list-style-type: none"> ● Suitable and well-located land ● Water Shortages ● Natural Disasters and Extreme weather events – Severe Storm/ Floods
		Legal	<ul style="list-style-type: none"> ● Red tape amongst the spheres of government ● Old ordinances in municipal space affect development and spatial planning ● Increased litigation emanating from non-payment of service providers

Design and content of risk appetite statement



GDHS Risk Appetite Statement

No	Item	Risk Appetite Statement	Achievement
1	Payment of Service Providers	<ul style="list-style-type: none"> To be paid within 15 days 	<ul style="list-style-type: none"> Still work in progress
2	Underspending	<ul style="list-style-type: none"> Zero tolerance 	<ul style="list-style-type: none"> Still work in progress
3	Accruals	<ul style="list-style-type: none"> To be cleared within 6 months 	<ul style="list-style-type: none"> Still work in progress
4	Delivery of Houses	<ul style="list-style-type: none"> No houses will be built where there is no bulk infrastructure An approved project readiness matrix and approved project pipeline (Projects in the Project Bank) to be complied with 90% of project delivery to be achieved during the 1st and 2nd year Building quality houses is of high importance 	<ul style="list-style-type: none"> Achieved Achieved Still work in progress Achieved
5	Ethical Development State	Ethical behaviour in the GDHS is our motto <ul style="list-style-type: none"> Total compliance with the Public Service Regulations 2016, Chapter 2 	<ul style="list-style-type: none"> Still work in progress Still work in progress
6	Compliance with Laws and Regulations	Failure to adhere to laws and regulations leads to reputational damage. The Department will obey the spirit and the letter of the laws and regulations that apply to its operating environment.	<ul style="list-style-type: none"> Still work in progress
7	Innovation	Innovation in developing sustainable human settlement is encouraged	<ul style="list-style-type: none"> Still work in progress

GDHS – Combined Assurance Model

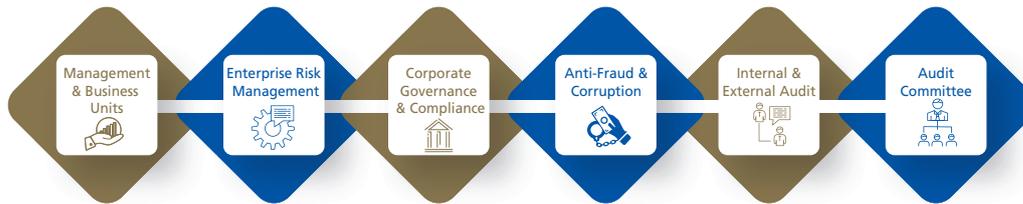
The Department of Human Settlements (GDHS) has implemented a combined assurance model which is co-ordinated and managed by the Enterprise Risk Management (ERM) function. The model is adopted from the King Report IV, with the purpose of integrating and aligning assurance processes in the Department. The model maximises risk and governance oversight and control efficiencies while optimising overall assurance to the Audit and Risk Committee, considering the Department of Human Settlement's Risk Appetite.

The GDHS's combined assurance model addresses the key risks facing the Department, coupled with the key processes and controls in place to ensure the mitigation of those risks. The following diagram depicts the role players in GDHS combine assurance model:



The Six Lines of Defence

The following diagram describes the Six Lines of Defence risk management strategy, which allocates roles and accountabilities at strategic and operational levels:



RISK ASSESSMENT IS CONDUCTED AT THREE LEVELS

Strategic Risks and their Emerging Risks	The possibility that unforeseen threats or opportunities may render the GDHS's strategy ineffective or that events or circumstances may occur which could hinder the ability of the GDHS to implement its strategy and successfully deliver on its mandate
Operational Risks and their Emerging Risks	The possibility that internal or external events and circumstances can have a disruptive impact on the reliability, continuity, quality and efficiency of the GDHS's operations or its entire assets
Project Risks and their Emerging Risks	The possibility that internal or external events and circumstances can have a disruptive impact on the completion of projects

GDHS – Critical Risks and Emerging risk

Risk No.	Risk	Cause	Mitigation/ Control Measure	Control Improvements	Risk Exposure		
					High	Medium	Low
STRATEGIC RISKS							
1	Inability to continue with Business operations in an event of disaster	Lack of conducive work environment compliant with SHEQ Requirements	<ul style="list-style-type: none"> ● Business Continuity Plan ● SHEQ – Checklist 	SHEQ – Compliance requirements are implemented as work in progress			
EMERGING RISKS							
2	Increase in Irregular Expenditure	Increase in expired contracts	Approved SCM Policy and processes <ul style="list-style-type: none"> ● Treasury Guidelines, Practice / Instruction notes ● Loss Control Officer 	To further extend these contracts for another 6-months in compliance with Treasury Regulations			

The Department has a functional Risk Management Committee, which sits quarterly to review progress status on the mitigating measures implemented by risk owners to ensure effectiveness in the achievement of the strategic objectives of the Department. The Accounting officer appoints members of this committee on an annual basis. The Independent Chairperson is appointed to advise the Accounting Officer on salient matters and emerging risks that might trigger risks for the Department.

The Audit Committee analyses and reviews the top 10 risks and emerging risks facing the Department on a quarterly basis, and advises management on how to improve upon internal control weaknesses in the implementation of risk management processes.

Progress has been made in the area of embedding the risk management, business continuity and combined assurance culture in the entire organisation. This culture is evaluated and monitored quarterly and its impacts will be assessed fully in the next two years.

3. FRAUD AND CORRUPTION

The Department had a draft fraud prevention plan for 2019/2020. The fraud prevention plan was reviewed to incorporate the provisions of the National Treasury Instruction Note No.3 of 2016/2017 on Prevention and Combating of Abuse in the Supply Chain Management System and the Public Service Regulations 2016.

The table below represents progress made in implementing various components of the fraud prevention plan based on the previous approved fraud prevention plan which was valid until end of 2018/2019.

Fraud Prevention Plan Components	Progress
A. Ethics, Awareness and Prevention/Code of conduct for public sector Employees. B. Combating fraud and corruption. C. Oversight, Transparency and Accountability. D. Policies and Procedures. E. Investigation. F. Fraud Detection. G. Reporting and Monitoring. H. Communication. I. Fraud Risk Assessment.	<ul style="list-style-type: none"> ● 9 workshops conducted to promote the code of conduct during the reporting year. ● The following policies, strategy, and plans were <ul style="list-style-type: none"> a) reviewed and there are draft policies to be considered by the Policy Committee: b) Financial Disclosure and Declaration of Financial Interest policy, Gifts & Hospitality Declaration policy c) Policy on Conducting Business with an Organ of State and Remunerative Work Outside the Public Service, d) Whistle Blowing policy, e) Strategic Framework on Anti-Fraud, Anti-Corruption and Ethics Management, ● Investigation: 20 cases were received, 6 cases finalized during the reporting year. Cases finalized include cases that were received in previous financial years. ● 4 Awareness Campaigns conducted on Ethical ● Awareness Week, Public Service Month, International Fraud Awareness Week and International Anti-Corruption Day. ● Fraud Risk Assessment and Ethics Risk Assessment was conducted, control measures in place to mitigate the risks, action plan developed by business units to address the residual risks. The fraud risk register was presented to the Risk Management Committee meeting and a further action plan was developed to identify the root causes of fraud. The report on root causes of fraud was presented to the Risk Management Committee meeting.

Officials and members of the public have the following mechanisms to make confidential disclosure or to report allegations of fraud, corruption and unethical conduct:

National Anti-Corruption Hotline-0800 701 701

They can report directly to the Anti-Fraud and Corruption Unit, physical address and contact details:

Diamond Building
 11 Diagonal Street
 5th Floor
 Ethics helpdesk: EthicsDHS@gauteng.gov.za

Cases can be reported telephonically, walk-in cases from members of the public, referral from the Office of the HOD and/or referral from officials of the Department. We have received cases from the National Anti-Corruption Hotline, as well as cases from the Office of the Public Protector.

How will allegations of fraud and corruption be dealt with by the Department?

The action taken by the Department will depend on the nature of the complaint (allegation of fraud and/or corruption).

The complaint raised will be screened and evaluated and may subsequently:

- Be investigated internally; or
- Be referred to another law enforcement agency such as the South African Police Service (SAPS).

Any fraud and corruption committed by an employee or any other person will be pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

- a) In case of employees, taking disciplinary action within a reasonable period of time after the incident;
- b) Instituting civil action to recover losses;
- c) Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
- d) Any other appropriate and legal remedy available.

The Department will ensure that losses or damages suffered by the Department as a result of all reported acts committed or omitted by an employee or any other person are recovered from such an employee or other person if he or she is found to be liable for such losses.

The Anti-Fraud and Corruption Unit will, upon receiving a report on allegations of fraud and corruption, respond in writing to the person who submitted the report:

- Acknowledging that the concern has been received;
- Indicating how the matter will be dealt with and by whom;
- Giving an estimate of how long it will take to provide a final response.

The Department accepts that the people, including employees, who report alleged fraud need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, information about outcomes of any investigation will be disseminated on a “need to know” basis.

4. MINIMISING CONFLICT OF INTEREST

The Ethics Management Sub-Directorate, a Sub-Directorate within the Anti-Fraud and Corruption Unit, manages conflict of interest and gives support and advice to employees and management for identifying, avoiding and managing conflicts of interest risk and how to minimise them. Awareness campaigns and workshops have been held to raise awareness on sources of conflict of interest, how to avoid a conflict of interest and policies governing officials’ conduct concerning conflict of interest. A conflict of interest arises when the public duties and private interests of a public official clash (directly or indirectly), which could improperly influence the performance of his/her official duties and responsibilities.

The conflict of interest can be actual, potential and/or perceived. These conflicts must be promptly managed to ensure that they do not actualize to an extent whereby employees’ personal interests are, or appear to be, divergent from their obligation to the Department and its mission. If not managed properly, this may undermine the legitimacy and objectivity of the employee’s decisions, actions and conclusions, thereby negatively affecting the goals of the Department.

The Ethics Management Sub-Directorate implements three mandatory programs which are designed to proactively identify and manage conflict of interest.

The first program is Financial Disclosure by all Senior Managers and other categories of designated employees such as officials appointed on Occupational Special Dispensation (OSD) levels i.e. Chief Construction Programme Managers, Deputy Directors, all officials within the Supply Chain Management Directorate and all officials in Directorates dealing with Finance.

The second program is the Other Remunerative Work Outside the Public Service, which requires that before an employee can undertake any form of employment outside public service, prior approval must be sought from the Member of Executive Council.

The third program is the Declaration of Gifts and Hospitality. The Code of Conduct provides that an employee shall not receive or accept any gift from any person in the course and scope of his or her employment, other than from a family member, to the cumulative value of R350 per year, unless prior approval is obtained from the relevant executive authority. We have observed that Senior Managers who are offered gifts are setting the tone at the top by declining the gifts offered to them. This can be attributed to the awareness campaigns and workshops to promote the Code of Conduct.

The draft policies outlined above are intended to minimise the possibility of conflicts of interest. To reiterate, these policies are the Gift and Hospitality policy, Financial Disclosure and Declaration of Interest policy and the Policy on conducting Business with an Organ of State and Other Remunerative Work Outside Public Service. In absence of the approved policies, the Public Service Act, Public Administration and Management Act, and the Public Service Regulations, 2016, apply and govern these areas (gifts, financial disclosure, conducting business with an organ of state, and other remunerative work outside the public service).

In cases where conflicts of interest have been identified, the Ethics Officer will conduct an investigation, prepare a report for the attention of the HOD and recommend what corrective action is required to address the conflict of interest.

5. CODE OF CONDUCT

The Department applies the Public Service Code of Conduct as found in the Public Service Regulations, 2016. Workshops are conducted to promote the Code of Conduct so that all officials of the Department adhere to the Code of Conduct. The Code of Conduct is distributed to officials during these workshops.

The Public Service Code of Conduct exists in order to give practical effect to the relevant constitutional provisions relating to the Public Service, and all employees are expected to comply with the Code of Conduct of the Department. It serves as a guideline for employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationships with others.

The primary purpose of the Code of Conduct is a positive one; namely, to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct in terms of Section 20(t) of the Public Service Act, 1994, and may be dealt with in accordance with the relevant sections of the Act or disciplinary procedures of the Public Service if he or she contravenes any provision of the Code of Conduct or fails to comply with any provision thereof.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Section 8 of the Occupational Health and Safety Act, Act No. 85 of 1993 states that, "Every Employer shall provide and maintain, as far as reasonably practicable, a working environment that is safe and without risk to the health of his employees". Section 10 of chapter two of the Constitution, the Bill of Rights, states that "Everyone has inherent dignity and the right to have their dignity respected and protected". In view of the latter, the Department implemented health and safety measures as well as health and wellness programmes during the year under review.

The following steps have been taken to ensure compliance with OHS ACT (No.85 of 1993) and General Safety regulations:

- Approved Occupational Health and Safety Policy
- Joint Occupational Health and Safety Committee has been established
- OHS Representatives, Fire Fighters and First aiders have been appointed and
- Staff has been trained on OHS Act and Regulations
- Quarterly building inspections conducted by OHS Representatives and Department of Labour (where necessary)
- All identified non-compliance issues were raised with the 16.1 and 16.2 for rectification

Despite the rigorous efforts taken by the Department, it is not fully compliant with OHS ACT (No.85 of 1993) and OHS Regulations.

The following Health and Safety issues have been identified:

- Shortage of protective clothing and safety equipment (e.g. first aid kits and evacuation chairs are not available). As a result, fire and evacuation drills cannot be conducted without the necessary safety equipment
- Old/badly maintained carpeting in departmental offices triggering allergies.
- The Department is not well-equipped to handle medical and fire emergencies due to shortage of workplace safety equipment.
- Poorly ventilated office spaces
- The Department has no dedicated OHS specialist

The Department uses an integrated model for addressing psychosocial challenges. All the health calendar events were observed during the year under review. Ongoing education and information sharing sessions about healthy lifestyles were conducted to reduce the stigma attached to chronic diseases, including HIV and AIDS. The Department also conducted Health Screening programmes (Blood sugar, Blood pressure, Cholesterol, BMI) in order to assist employees in detecting chronic diseases timeously.

7. PORTFOLIO COMMITTEES

The dates of the meeting:

No	Subject	Dates of the meeting
1.	(a) Presentation on the 4th Quarter Performance Report 2018/19 FY	16/07/2019
	(b) Budget Allocation 2019/20 FY	16/07/2019
2.	(a) Presentation on the 1st Quarter Performance Report 2019/20 FY	28/08/2019
	(b) Presentation for FIS	28/08/2019
3.	Presentation on Annual Report 2018/19 FY	15/11/2019
4.	Presentation 2nd Quarter Performance Report 2019/20	22/11/2019
5.	3rd Quarter Performance Report 2019/20 FY	06/03/2020

Matters raised by the Portfolio Committee and how the Department has addressed these matters:

7.1 (a) 4th Quarter Performance Report 2018/19 FY

The Department should submit a detailed report on how many and which Municipalities have risk strategies pertaining to dolomitic land

In Gauteng Province, dolomitic ground is reported to form a circular arch around the centre of Johannesburg and stretches through Centurion, parts of Ekurhuleni in Tembisa, Olifantsfontein and parts of Thokoza, makes a turn towards the west to underlay parts of the City of Johannesburg in Lenasia and occurring intensely in the far West Rand in and around Mogale City as well as Merafong. The Province has three prominent areas of sinkhole and subsidence development: The Far West Rand, the area south of Pretoria, and the East Rand.

The Gauteng macro-disaster risk assessment conducted by the North West University's African Centre for Disaster Studies (ACDS) for the Department of Cooperative Governance and Traditional Affairs in 2016, indicates that the occurrence of sinkholes in Gauteng is mostly associated with the existence of dolomite in an area, especially where mining activity takes place. (This is indicative in the southern parts of Ekurhuleni and the West Rand.)

Overlaying this (occurrence of sinkholes) with settlement data (formal and informal), possible risk areas for sinkhole formation can be identified, as shown in Map 1 below. From map 1 it is clear that all municipalities in Gauteng face a degree of threat from dolomite and sinkhole formation. However, each area presents its own set of challenges to the Provincial Disaster Management Centre. Specifically, City of Tshwane (COT) has significant deposits of dolomite in the Centurion and Atteridgeville areas. In the case of Centurion there is a dual risk of people's personal homes being at risk, as well as business infrastructure and mass transport infrastructure (Gautrain). Atteridgeville is a densely populated area with the majority of people with low income levels. Thus, if sinkholes were to form, a large number of people will be affected by the event and they would struggle to recover due to low income levels.

Settlements in the City of Ekurhuleni (COE) are in the same/similar situation as Atteridgeville in COT. In this instance the settlements most at risk include Tembisa, Thokoza, Vosloorus, Katlehong and Alberton. For the most part these areas (excluding Alberton) are categorised by low income levels with between 15-20% of the population receiving less than R20 000 per annum. These areas would therefore be in great need of disaster relief from either the Province or COE if sinkholes were to form.

Areas underlain by dolomite in the City of Joburg (COJ) (areas north of Lenasia and Southern parts of Soweto) are a huge concern due to the population density and poverty levels found in these areas. As illustrated by the population density map, this area is one of the most densely populated areas in the province with a significant percentage of low-income households with 10-20% earning less than R20 000 per annum.

In Sedibeng District Municipality (SDM), the current risk posed by dolomite is limited to a small part of Randvaal. Future planning for proposed development will increase the risk as the areas north of the town have been zoned for substantial expansion. These areas are underlain by dolomite. An integrated risk reduction strategy is needed to assess and reduce the risk posed by dolomite before these areas are developed.

The West Rand District Municipality (WRDM) contains significant areas that are underlain by dolomite. Areas at risk of sinkhole formation include formal and informal settlements around Westonaria and Carletonville. Although these areas are currently less densely populated than other areas of the province, this picture could change as economic activity draws more

people to the areas. Specifically, this risk is set to increase in future, as the area around Westonaria has been zoned in the Gauteng spatial development plan for future urban development.

Municipal disaster management plans account for dolomite risk as identified in the macro disaster risk assessment. Section 53 of the Disaster management Act 57 of 2002, requires municipalities to develop disaster management plans. These plans must identify and map risks, areas, ecosystems communities and households that are exposed or vulnerable to physical and human induced threats.

It is important to also note that disaster management plans developed by municipalities must, amongst other things, set out roles and responsibilities in terms of emergency response and post-disaster rehabilitation, capacity to fulfil these roles and responsibilities as well as contingency strategies and emergency procedures.

Dolomite has been identified as a risk in disaster management plans of municipalities as follows:

Name of Municipality	Dolomite risk identified	Level of plan
City of Joburg	Yes, identified as a risk	Level 1
City of Tshwane	Yes, identified as a priority risk	Level 1 with level 2 elements
City of Ekurhuleni	Yes, priority risk identified as part of geological hazards	Level 1 with level 2 elements
Sedibeng District Municipality	Yes, identified as a priority risk	Level 1
Emfuleni Local municipality	No, not identified	Level 1 with level 2 and 3 elements
Midvaal Local Municipality	Yes, identified as a risk	Level 1
Lesedi Local Municipality	Yes, identified as a risk	Level 1 plan not yet approved by council
Westrand District Municipality	Yes, identified as a priority risk	Level 1 with level 2 and 3 elements
Merafong Local Municipality	Yes, identified as a priority risk	Level 1
Mogale City Local Municipality	No	No disaster management plan
Randwest Local Municipality	No	No disaster management plan

Dolomite risk management plans or strategies must also form part of sector-specific plans. In the case of land use and developing/building of settlements, the Department of Human Settlements must develop strategies that specifically address sector-specific matters such as placing restrictions on land use, ensuring adherence to building codes when building on dolomitic land and proper installation of below-ground and above-ground infrastructure (including water bearing services). High-level information on the sector-specific issues identified in these strategies must be outlined in the disaster management plan that is developed by the sector department in terms of section 38 of the Disaster Management Act 57 of 2002.

It must be noted that CoGTA is in the process of assisting sector departments (including Human Settlements) to develop disaster management plans.

The development of dolomite-specific disaster response plans in addition disaster management plans (required by section 53 of the Disaster Management Act) is not compulsory for municipalities. However, it is highly recommended that municipalities that are most vulnerable to this hazard, such as the West Rand District Municipality and Merafong Local Municipality develop disaster response plans specifically to respond to this issue.

According to the records of the PDMC, the West Rand District Municipality and Merafong Local Municipality have developed disaster response plans specifically to respond to dolomite risk. In addition, Ekurhuleni Disaster Management also implements a dolomite strategy that has been developed by the City's Planning Department.

In view of the above, the status can be summarised as follows:

Eight (8) of the 11 municipalities have disaster plans to deal with dolomite risk;

One (1) municipality does not identify dolomite as a risk;

Two (2) municipalities have no disaster management plans; and

Three (3) have developed dolomite plans (in addition to disaster management).

The Department should explain who is responsible for the Alexandra Renewal Project and indicate what the responsibilities of Human Settlements and those of the City of Johannesburg municipality are.

The Department has recently appointed Ms L. Manenzhe as the Chief Director for Urban Renewal Programme which includes Alexandra Renewal Projects.

The responsibilities of the Gauteng Department of Human Settlements are largely about coordinating all government interventions in Alexandra as well as managing projects that the Department is specifically implementing there. The role of the City of Johannesburg, amongst other things, includes provision of basic services, enforcement of by-laws and implementing any project that it deems necessary in terms of its powers and functions.

The Department has put aside a budget to resuscitate the following projects in Alexandra:

- Nobuhle Hostel
- Extension 31
- Botlabela FLISP Project
- River Park Project

The Department should submit a clear breakdown on the creation of Jobs on the following programmes as per Region. (Expanded Public Works Programme (EPWP), GEYODI and Tshepo 1 000 000).

The Tshepo 1 000 000 has not been adequately implemented by the Department. It is only going to be implemented in the MTEF (2019 -2024).

Region	WO Achieved	Female Adult	Male Youth	Female Youth	People with Disabilities
Ekurhuleni	136	20	50	12	-
Joburg	71	6	33	5	-
Tshwane	82	11	27	5	-
Sedibeng	35	6	15	2	-
West Rand	407	19	207	23	-
Total	731	68	332	47	-

The Department should provide a detailed report on the 130 houses in Mogale City that were built on dolomitic areas and demolished. Further, the Department must outline whether those funds were accounted for.

As far as Mogale City is concerned, there are no records of 130 houses demolished due to being built on dolomitic land.

The Department should ensure that before building, bulk infrastructure is in place.

The above recommendation is noted. The Department no longer commences projects without bulk infrastructure being in place, and now awaits municipal confirmation of bulk infrastructure availability before construction takes place.

The Department should provide a copy of the Environmental Impact Assessment (EIA) and proof that the was rehabilitated at Brickville in Mogale.

Environmental Impact Assessment has been concluded:

- To establish the nature and engineering properties of the underlying soil strata for the entire farm for the proposed mixed-use development.
- To make preliminary recommendations in respect of the design and construction of foundations and earthworks for the proposed development in terms of dolomite stability and shallow geotechnical constraints.
- To draw attention to permanent ground water conditions.
- Finally, to comment on the suitability of the proposed development in relation to the dolomite stability, Inherent Hazard Class (IHC) and shallow geotechnical constraints in terms of the NHBRC classification system.

The Department should provide a list of the projects including MEGA projects that are currently under way and those that will be rolled out in 2019/20, areas and time frames.

There are currently 31 mega projects underway. Of these, 21 mega projects are under construction and 10 mega projects are at various stages of planning. 21 mega projects have commenced since 2015. Please refer to attached Annexure "C" for starting dates. Mega projects are multi-year projects, which will be undertaken over the course of 8-10 years depending on the overall project size.

The Department needs to provide the Portfolio Committee with a list of hostels (names) that were maintained/

The following are the six hostels that the department is responsible for maintaining:

- Jeppe Hostel
- Murray & Robert Hostel
- MBA Hostel
- Denver Hostel
- George Goch Hostel
- LTA/Rethabile Hostel

The Department should engage the National Department of Water and Sanitation, COGTA and municipalities to come up with ways to address the issue of insufficient bulk infrastructure. The Department of Human Settlements should plan projects with the Department of Cooperative Governance and Traditional Affairs (COGTA) from the initiation phase of each project.

The Department has the Joint Technical and Political Inter-Governmental Relations Forum which is convened quarterly, is co-chaired by the HODs of Human Settlements and COGTA respectively and reports to the Political IGR chaired by MEC.

COGTA and Municipalities are permanent members of the IGR meetings whose objectives, among others, are to align bulk infrastructure plans and housing plans. All projects are subjected to a project readiness matrix before budget is allocated for housing construction as per National Department of Human Settlements resolution.

7.1 (b) Budget Vote 8 2019/20FY

The Department should provide a report on what the reasons could be for non-allocation of funds on Buildings and other fixed structures. Furthermore, the department should provide a clear breakdown of what falls under this line item.

The budget for the Department is allocated based on the allocation to the Department by Gauteng Provincial Treasury. It must be further noted that the allocation from equitable share must cater for other operation costs inter alia, telephone, vehicles, data, office automation, travelling and so forth. As a result of internal allocation to other operational costs, the residue of the budget was, and remains insufficient to cover for all costs required for the building of sufficient spaces to accommodate all staff members of the Department.

The Department should provide a detailed report on how the non-filling of vacancies impacts on the day-to-day running of the Department and service delivery. Furthermore, time frames should be provided for the filing of the vacant posts.

Impact of non-filling of posts will predominantly be:

Ineffective implementation of strategy, poor performance and or service delivery by the Department due to lack of adequate and suitable human resources required to deliver on the constitutional mandate of the Department and Government at large. However, the Department currently has a low vacancy rate that is under 10% in terms of the acceptable norms and standards set by the DPSA. On average, the time taken to fill posts by the Department is 6 to 12 months.

7.2 (a) First Quarter Performance Report 2019/20FY

The Department should provide the Portfolio Committee with a report ensuring that the department will not surrender money back to the National Treasury.

Although the Department is making every effort to spend and pay for all outstanding claims, there is a likelihood that some funds may be surrendered to the Provincial Revenue Funds/National Revenue Funds. The Department is making every effort to minimise the surrender to a bare minimum.

The Department should provide reasons for the non-achievement on the percentages of procurement budget that targets businesses owned by PwDs.

The Department gives preference to companies owned by designated groups (women, youth and people with disabilities), when appointing contractors and professionals in various construction projects. Construction constitutes a major percentage of the procurement budget for the department.

It must be emphasised that the procurement spend is made up of contracts that were entered into in prior years, where preference to designated groups was not given much consideration. This overshadows the efforts by the Department towards improvement on procurement spend to designated groups.

The Department should provide a report on townships that are not proclaimed and state the names of the relevant municipalities.

There are 248 townships that require formalisation, and this process includes addressing milestones such as development or refinement and submission of layout plans, submission of general plans, opening of township register and township proclamation. These include townships developed from 1994 to date. In many instances, construction would have been undertaken and the delay in formalisation of the townships consequentially delays the disposal of properties through the issuance of title deeds.

The Department should provide more details on how it intends to address the unoccupied, newly-developed or upgraded hostels.

The decision was taken to repair CRUs as per the RDP specification, so that they can be allocated to the rightful beneficiaries after completion. In CRUs where there are invasions, the Department is working together with municipalities to deal with eviction processes.

The Department should ensure that RDPs and walk-ups in the hostels are built as budget was allocated to this process.

The Chief Directorate dealing with redevelopment of hostels is working within the allocated budget to undertake all work that is related to redesigning and construction of RDP Walk-ups in hostels.

The Department should indicate whether allocation of houses lies with the Department or Municipalities.

Allocation of houses is the joint responsibility of municipalities and the Gauteng Department of Human Settlements.

The Department should provide a report for waiting lists within all Municipalities.

There is only one Needs Register, which is the system owned by the National Department of Human Settlements.

The Department should provide reasons for its waiting for contracts to expire before appointing new contractors and elaborate on whether there is a contract management system within the Department.

The Department identifies contracts that are about to expire every three months, and issues monthly notification reports to respective project managers, who consider these notifications and make a determination on the extension required prior to expiry. This has been considered a weakness as contracts expire notwithstanding these notifications being issued. The Department is considering enhancements in this matter to guard against expiry of contracts.

The Department should provide a report on all completed and abandoned houses within the five (5) Regions in the province.

Region	Delivery Sites	Delivery Units
Ekurhuleni	0	409
Joburg	0	74
Tshwane	0	293
Sedibeng	345	300
West Rand	0	652
Gauteng	0	43
Total	345	1771

7.2 (b) Focus Intervention Study Township In Emfuleni Region 2019/20FY

The Department should provide mobile toilets to 39 beneficiaries.

The department is currently supplying chemical toilets to areas that are linked to the projects

The Department should attach houses to beneficiaries to avoid illegal invasion.

The Department is continuously linking beneficiaries to houses as they are being built.

The Department should put measures in place to ensure that ward councillors attend community meetings.

The Department arranges community meetings through the local ward councillors, as they are a point of entry to the community.

The Department should remove the TRUs after allocation of beneficiaries and report the number of people staying there.

The Department is currently providing TRUs to 192 families that are linked to a project and the TRUs will be removed as and when the houses are being allocated.

The Department should ensure that the MEC communicates with the speaker of Emfuleni Local Municipality to investigate allegations directed to the ward councillor.

The Department will await the Committee to provide more details on the matter so that the MEC will be able follow due process.

The Department should provide a report on why the contractor was not paid for four months

The Department is paying within 30 days, however some of the claims are submitted with errors and have to be rejected due to non-compliance.

The Department should provide a report on how SCM is processing invoices to avoid delays of payments to service providers.

The Department is in the process of automation to pay suppliers on an E-invoicing and procurement to pay service providers. All Contractors will have purchase orders and will be captured on SAP.

The Department should ensure that beneficiaries get R0.0 on their water meters.

Water meters are installed by the local municipality.

During the allocation of houses, the Department should prioritise the elders, PWDs, Child-headed families and people who registered between 1996-2010.

The Department is prioritising all the mentioned people in the allocation of houses.

The Department should provide reasons why, during site establishment, it did not realise that the land is rocky and will delay the project.

It is not possible to determine the extent of the delay that rocks may cause during site establishment of the project.

The Department should hold workshops on Joint Allocation Committee with municipalities and relevant councillors and stakeholders before starting to build a project.

The comment is noted, however the members of JAC should only be officials from the Department, Local municipality and District municipality.

7.3 Annual Performance Report 2018/19FY

The Department should provide plans on how they intend to ensure compliance and non-recurrence of AGs findings on the disclaimer due to limitation of scope.

The Department has formed a Limitation Task Team and has commenced work with a Steering Committee together with the AG. The Department is continuously tracking all audit findings. Presently the progress status of resolving the audit findings is at 47% for completely resolved, 52% for partially resolved and 1% unresolved.

The Department should provide reasons for under expenditure on the grant allocated for title deeds, as this is a cause for concern as there is huge backlog in title deeds

It is acknowledged that title deeds backlog remains a cause for concern in Gauteng. The following have been identified as reasons for under performance of the Title Deeds Restoration Grant:

- Non-filing of service certificates with the Deeds Offices resulted in a number of submissions being rejected. The Department, through the MEC's intervention, is working with municipalities for them to fast-track issuance of service certificates
- There were delays in conducting occupancy audits, which is a necessary step that precedes the drafting of deeds. The delay was largely due to non-availability of ward councillors during the period before and just after elections. However, there is a recovery plan and occupancy audits are being conducted in various townships across Gauteng. As a result, about 20 500 instructions have been issued to various conveyancing firms for them to facilitate for title deeds registration.
- A number of occupants were found not to have been approved on the Housing Subsidy System (HSS) when occupancy audits were conducted, and as a result, transfers and title deeds registration could not be undertaken.
- This is a problem encountered by all provinces whereby approved allocated beneficiaries sell their properties before properties are registered in their name. This challenge has been brought to the attention of the National Department of Human Settlements to be deliberated at MINMEC level, with a view to the possibility of development of a framework to address the registered backlog.

The Department should ensure that there is quality control on the reports between business plan and the APP.

Quality control of reports is the responsibility of each line manager, and each head of programme/programme manager ensures correctness and validity of the reported performance. Hence, each line manager is required to sign off their reports.

The organisation then, through the reporting unit, validates what would have been reported by each respective manager who would have submitted their report supported by relevant evidence.

The Department should submit a progress reports on the Brickvale mega project

The Geotech was done on the land and the outcome was that the site is located within the boundary of urban development and with alignment to the Municipal Spatial Development Plan. The area that is affected by the high risk of dolomite has been identified and if not in use. There are no significant environmental sensitivities on site and there is a stream to channel all the surface runoff water into.

The traffic impact assessment impact assessment is in progress to accommodate the development with respect to the land use, accessing township and the intersection upgrade with consideration to the alignment of the Municipal Spatial Development Plan.

There is bulk water infrastructure and capacity available near the development site, which is 5km away, to connect from. Engagement is in progress with Eskom for the power demand.

The Department should submit progress reports on the following projects:

● **Greenspark Village**

Construction of new outfall sewer line from Greenspark to Kokosi, including associated manholes, road crossings, connections, river crossings and relocation of sections of township outfall sewer and abandoning of existing Greenspark line.

The project is at 86% of overall progress. The work has been suspended due to COVID-19 Lockdown.

● **Dr. Motlana**

Installation of internal services and construction of houses

Water and sewer reticulation programme partially completed, the outstanding work is on connection and testing. Construction of top structure is at 0%.

● **Dr. Sefularo**

Water and sewer reticulation programme are completed, the only outstanding work is on connections and testing. Construction of top structure at 0%.

● **City of Johannesburg, where the Department spent R1 953 850.00 on the 200 shacks that were demolished in Alexander Township.**

The shacks were demolished by the City of Johannesburg Municipality, and not by the Department of Human Settlements.

7.4 (a) 2nd Quarter Performance Report 2019/20 FY

The Department should provide reasons for under expenditure during the 2nd quarter. An amount of R1 359 385 000.00 was allocated and managed to spend R1 302 346 000.00.

The under expenditure is as a result of gazetted funds that were not transferred to municipalities in line with Provincial Treasury approval not to transfer. The transfers were also impacted by the difference in financial years between province and local government. Secondly, the Department did not transfer all the approved funding to GPF as the transfer was dependent on work done on Mega Projects.

The Department should provide reasons for under expenditure under Programme 2: Housing Needs, Planning and Research

The under expenditure is as a result of misalignment between the budget and the structure (compensation of employee's budget), this has subsequently been corrected during the budget adjustment process. The Department has since aligned the two to ensure that expenditure is not impacted/under expenditure realised.

The Department should provide reasons for such a huge over expenditure and state whether this won't affect budget for this line item for the next coming two quarters for Payments for Capital Assets:

The over expenditure is as a result of the loss of equipment that the Department suffered from the BOL disaster. In 2019/20 the Department had to ensure that service delivery is not impacted by procuring the tools of trade (computers) for employees.

The over expenditure was however adjusted during the budget adjustment period when the Provincial Treasury approved a roll over for the Department. In the coming quarters, capital asset items will not be affected as the rollover has since been augmented during the budget adjustment.

The Department will continue to monitor its expenditure closely to avoid any over expenditure.

Programme 2: Housing Needs, Planning and Research

The Department should submit an update regarding the following policies:

- Urban management policy,
- The Deregistration of missing and untraceable beneficiaries' policy,
- The relocation of the displaced persons policy, and
- Revision and approval of the draft Land Invasion Policy Framework.

The Urban Management Policy was withdrawn, noting that urban management is part of by-law enforcement and the competency of local government.

The policy on Land Invasion Prevention Policy was presented and adopted by the Senior Management Team (chaired by HOD) and Executive Management Team (chaired by MEC) for submission to EXCO. The policy has been referred and consulted with the Office of the Premier, Economic Sector Policy Unit for the Technical Committee. It is scheduled to serve at EXCO in the first quarter of the new financial year.

The following policies were presented to Senior Management Team Meeting in December 2019. The policies were referred to the Department's new Policy Review Committee (PRCs). The Department established a Policy Review Committee (PRC) that will consider and recommend policies for approval to the HOD. The two policies will be tabled before the PRC once it's operational.

- Relocation of the displaced persons policy,
- The Deregistration of missing and untraceable beneficiaries policy.

Programme 4: Housing Asset Management and Property Management

The Department should provide reasons for non-compliant achievement on the planned target of transferring 3 447 title deeds to beneficiaries

The Department could not achieve its set targets on planned targets for title deeds registration mostly due to:

- Delayed physical verification/occupancy audits
- Occupants that were found not to be HSS approved

- Township service certificates that are not filed with Deeds Offices resulting to rejection of lodged draft deeds.
- Delays in signing of Power of Attorney by some municipalities.

The Department should provide a report if there are any consequence management measures that have been taken against unit managers who do not provide PoE for the work done.

The Department takes non-performance complaints seriously and steps are taken for managers that do not provide POEs. Firstly, the performance is not recorded where no POEs have been provided and Managers must write to the Accounting Officer and provide reasons for not providing POEs.

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Human Settlement Vote 8				
4.3.1	Reliability of reported performance information	The Department must provide the Committee with a progress report detailing status of the retrieval, sorting out and automation of the documents every quarter and continuing up until it is finalised.	Files are currently being sorted at the recovery site in Midrand's 88 storage spaces, except beneficiary management files, miscellaneous and those amongst personal belongings, furniture and other departmental assets. The Supply Chain Management, Finance and Human Resource files were identified and forwarded to Process owners, for verification which is still being done to address the Auditor-General's Findings. Furthermore, debtor's files are recreated on the system, with the assistance of National Department of Human Settlements. The Fund has started with the process of creating temporary file for debtors.	Yes
4.4.1	Annual Financial Statements	The Department must implement adequate controls measures to ensure that technical indicators meet the SMART criteria, adequately review performance management processes on a quarterly basis to ensure the FMPPI requirements are adhered to when developing indicators and maintain a detailed, accurate and complete listings for each indicator. Provide the Committee with a progress report every quarter and continuing up until the end of June 2020.	In the 1st Draft 2020/21 Annual Performance Plan (APP) that was submitted to the National Department of Performance Monitoring & Evaluation and to the Office of the Premier in November 2019, effected improvements in developing the Programme Performance Indicators (PPIs) in line with the Framework for Managing Programme Performance Information (FMPPI). The Final 2020/21 APP will also pay attention to the matter.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Department must put in place proper systems of authorisation to ensure that financial information maintained, checked and signed off prior to submission for audit and provide the Committee with a progress report every quarter and continuing up until the end of June 2020.	Financial information is maintained in physical form and electronically by the Office of the CFO. All submissions are signed off by the respective managers and Chief Financial Officer. The Department has improved its controls on all section 40 submissions to Treasury, this also includes quarterly financial reports that must be signed off by the managers and the Accounting Officer. Furthermore, financial information is submitted to internal control/Corporate Governance for quality checks before being submitted for Audit. The Financial and Procurement delegations have been revised to ensure that controls are in place. Standard Operating Procedures have also been reviewed to ensure that controls are improved.	Yes
4.4.3	Procurement contract management	The Department must implement a document management system to allow for speedy retrieval of information when required and provide the Committee with a progress report every quarter and continuing up until the end of June 2020.	The Department is in the process of procuring the Service Provider to implement a document management system. It has already prepared the specifications, which have been approved by the Bid Specification Committee for the Electronic Document Management System (EDMS); The specification has now been taken to pro-bid audit at Treasury; The advert for the tender for EDMS will be done after all compliance processes have been finalised.	Yes
4.4.5	Consequence management	The Department must monitor and review adherence to legislation by junior officials and intensify performance and consequence management processes to mitigate instances of findings on irregular expenditure and provide the Committee with a progress report detailing the adherence to legislation, application of consequence management every quarter and continuing up until the end of June 2020.	The Department has developed, amongst others, a Performance and Consequence Management Policy. Identified employees who do not adhere to the policies including the above are subjected to disciplinary processes. These guidelines were workshopped and circulated to ALL Senior Managers and Supervisors to implement in managing the performance of their employees.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Department must implement appropriate controls to address its cash flow management as well as to ensure that invoices are paid within 30 days as required by Treasury Regulation 8.2.3 and provide the Committee with a progress report detailing the effectiveness of controls every quarter and continuing up until the end of June 2020.	<p>The Department established a Payment Task team to address matters related to late payments to suppliers. The Department's business process for payment has been reviewed. In that, a process of procure to pay (P2P) and electronic E-Invoicing has been introduced in the department to try address the payment to suppliers within 30 days.</p> <p>The claims authorisation process has been streamlined to ensure that claims get approved before supplier can invoice the department in an attempt to alleviate the pressure of supplier chasing invoice throughout the system once claims have been submitted.</p>	Yes
4.5.1	Leadership, financial performance management	The Department must implement adequate controls to identify and report on irregular expenditure, intensify performance and consequence management processes to mitigate instances of findings on irregular expenditure and provide the Committee with a detailed report on the effectiveness of the controls every quarter and continuing up until the end of June 2020.	<p>The Department has been incurring irregular expenditure related to bulk services which has been accruing from the previous year's contracts; no new commitments are being made against the bulk projects on HSDG unless they are within 2% rate and approved accordingly.</p> <p>Other irregular expenditure is as a result of expired contracts, the department is instituting measures that enhances contract management, provide the early warning systems prior to the expiry of contracts.</p> <p>The process of accountability has been well explained and discussed at various management meetings with subsequent consequence management measures to be instituted where lack of accountability is detected.</p> <p>There has been no case where bulk infrastructure has been funded through the HSDG except where there are existing contracts. There are no new cases where contracts are being extended after the expiry thereof.</p>	Yes
		The Department must develop and implement an appropriate system of internal controls to ensure the conditions of the grant are adhered to and that required information is provided for audit in a timely manner and provide the Committee with a progress report detailing the effectiveness of the system every quarter and continuing up until the end of June 2020.	Information regarding irregular expenditure as result of old case that led to contravention of DORA requirement has been disclosed in the quarterly Financial Statement. All transfers to municipalities and agencies are done as per the DORA requirement. All municipal transfers are gazetted, and National Treasury and the National Department, as the transferring officers are notified about the Transfers. The Department does not process any transfers and/or subsidy not approved in the Business Plan. All payment related to projects under HSDG/DORA grant get approved by the HOD and Provincial Treasury to ensure that there are no projects that are paid outside Estimate of Capital Expenditure (ECE) and business plan.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		The Department must provide the Committee with a progress report detailing status of the approval of the Business Continuity Plan (BCP) and Disaster Recovery plan every quarter and continuing up until the end of June 2020.	Attached is the Approved Business Continuity Plan for 2019/20 as Annexure Q 09. The 2020/21 Business Continuity Plan (BCP) is being prepared to be finalised by the time we will be moving to the New Office Space, together with the Disaster Recovery Plan for the sake of alignment.	Yes
		In terms of Rule 179(4) that the Department provide the Committee (SCOPA) as well as the Human Settlements and COGTA Portfolio Committee with a progress report detailing the status of implementing the Information Technology Controls infrastructure maintenance plan every quarter and continuing up until finalization thereof	Report is attached as Annexure Q10	Yes
4.6.1	Investigations	The Department must provide the Committee with a progress report detailing the status of the investigation on a quarterly basis and continuing up until finalization thereof.	Refer to the attached Annexure Q11	Yes
		That the MEC must provide the Committee with a progress report detailing the effectiveness of measures put in place to address poor leadership in the Department within 30 days of adoption hereof and thereafter every quarter continuing up until the end of June 2020.	The Department is implementing consequence management measures. Currently, there are two cases of misconduct underway. Two senior officials are on suspension pending disciplinary action and one senior manager has been summarily dismissed. Senior Management Team Meeting are scheduled on a monthly basis followed up by the Executive Management Team Meeting to monitor the departmental performance and take necessary corrective measures as warranted.	
Gauteng Housing Fund				
4.2.1	Annual Financial Statements	The Gauteng Housing Fund must submit its 2018/19 annual financial statements for audit and provide the Committee with a quarterly progress report on this submission until the finalization thereof.	The 2018/19 Annual Financial Statement were submitted; hence they issued an opinion on them. The 1st and 2nd Quarter IFS for the Housing Fund have been submitted to the Gauteng Provincial Treasury. The previous year's opening balances have been closed.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
4.3.1	Leadership, financial and performance management	The Gauteng housing Fund must provide the Committee with a progress report detailing status of the retrieval, sorting out and automation of the documents from the Bank of Lisbon Building, every quarter and continuing up the finalization of this process.	Files are currently being sorted at the recovery site in Midrand's 88 storage spaces, except beneficiary management files, miscellaneous and those amongst personal belongings, furniture and other departmental assets. Fund and related finance files were identified and forwarded to Process owners, for verification which is still being done. Furthermore, debtor's files are recreated on the system, with the assistance of National Department of Human Settlements. The Fund has started with the process of creating temporary file for debtors.	Yes
		The Gauteng Housing Fund must implement a document management system that allows for speedy retrieval of information when required, and provide the Committee with a progress report every quarter and continuing up until the end of June 2020.	The Department is in the process of securing a Service Provider to implement a document management system. It has already prepared the specifications which have been approved by the Bid Specification Committee for the Electronic Document Management System (EDMS). The specification has now been taken to pro-bid audit at treasury. The advert for the tender for the EDMS will be done after all compliance processes have been finalised.	Yes
		In term of Rule 179(4), the Gauteng Housing Fund must provide the Committee (SCOPA) and the Human Settlement and CoGTA portfolio committee with a progress report detailing the status of disestablishment of the South African Housing Fund (through the promulgation of the Human Settlements Act), and subsequently the Provincial Housing Funds, and ultimately the Debtors System quarterly and continuing up until finalization thereof.	The Housing Act Amendments are on hold until further notice by National Department of Human Settlements, however the Housing Fund was delisted from the PFMA in 2003. As such, once the Housing Act is promulgated the Housing Fund will be legally close, therefore no transaction will be performed under the housing Fund.	Yes
		In terms of Rule 179(4) that the Gauteng housing Fund must provide the Committee (SCOPA) as well as the Human Settlements and CoGTA Portfolio Committee with a progress report detailing the status of implementing the Information Technology Controls infrastructure maintenance plan every quarter and continuing up until finalization thereof	National Department of Human Settlements maintains the Debtors system. The Department has submitted forms to appoint a system controller to the National Department of Human Settlements.	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
<p>Limitation of Scope</p> <p>The Department was unable to provide sufficient appropriate audit evidence for transfer payments, immovable tangible capital assets, payables not recognised, capital work in progress, contingent liabilities and compensation of employees, due to the status of the accounting records and non-submission of information.</p>	18/19	Some limitation of scope information was since provided for the Interim Audit which was conducted during January 2020 and the Department moved from Disclaimer opinion to a Qualified Opinion.
<p>Annual Performance Report</p> <p>The Department was unable to provide sufficient appropriate audit evidence for some indicators in Programme 2, 3 and 4 and in other instances differences were noted on the reported achievements.</p>	14/15	In Progress. All received listings are checked, verified and reviewed on monthly basis against received evidence in line with the Departments guidelines as provided on indicators section of the Annual Performance Plan.
<p>Annual financial statements and performance reports</p> <p>The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records resulting in material misstatements of expenditure and disclosure items identified by the auditors.</p>	14/15	In Progress. Management at a functional level are performing detailed reviews on the financials and the working paper file to validate the completeness, as per the requirements.
<p>Conditional grants and transfers</p> <p>The human settlements development grant was not spent in accordance with the applicable grant framework, as required by section 17(1) of the DORA and sufficient appropriate audit evidence could not be provided by the Department.</p>	14/15	In progress. The Department spent the budget allocated within the grant framework and shall request a response letter from National Department of Human Settlements that clearly classifies the various approvals sought.
<p>Procurement and contract management</p> <p>Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements as the information was not presented for audit purposes.</p> <p>Some of the goods and services with a transaction value below R500 000 were procured without obtaining valid price quotations and the preference point system was not applied in all procurement of goods and services above R30 000, as required by treasury regulation 16A6.</p> <p>Some of the quotations were accepted from prospective suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3.</p>	14/15	<p>In progress. Contracts are in place and procurement documents for new tenders are maintained. Where limitation of scope finding has been raised, such contracts identified are being disclosed as irregular expenditure as long as the contract remains valid.</p> <p>In Progress. A register of proposals received will be developed and implemented for all RFQs.</p> <p>In Progress. All memorandums will contain a checklist of all compliance requirements including tax status to ensure that verification is performed and service provider is compliant.</p>

<p>Expenditure management</p> <p>Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R445 023 000 as disclosed in note 22 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. This was mainly due to procurement processes not followed. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R11 868 000, as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. Most of the fruitless and wasteful expenditure was caused by payments of services that could not be verified.</p> <p>Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.</p>	14/15	<p>In progress. The Department is conducting Determination Tests (in accordance with the Irregular Expenditure Framework 2019/2020) in line with the submitted Irregular Expenditure and Fruitless and Wasteful Registers. The Department's Anti-Fraud and Corruption Business Unit finalised some cases on Irregular Expenditure, subsequent to year end.</p> <p>Management has implemented an Electronic Invoice Submission (EIS) system to ensure that invoices are settled within 30 days as well as use it as an early warning tool to ensure compliance.</p>
<p>Consequence management</p> <p>Sufficient appropriate audit evidence could not be obtained that disciplinary steps were taken against officials who had incurred irregular and fruitless and wasteful expenditure in prior years, as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular and fruitless and wasteful expenditure.</p>	2017/18	<p>In progress. The Department has instituted disciplinary measures against three employees and is currently in a process to institute consequence management, where necessary.</p>

10. INTERNAL CONTROL UNIT

Purpose

To build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements.

Strategic Objectives

The strategic objectives of the Internal Control Unit are to develop and advance the regulatory environment for sustainable human settlements.

Achievements

The Corporate Governance Unit facilitated the annual regulatory and performance audit by the Office of the Auditor-General (AG) and Gauteng Audit Services (GAS).

The Unit facilitated and developed response action plans for 17 Regulatory, Risk, Performance and Computer Audits.

The following internal control reviews were completed by the Corporate Governance Unit for the FY 2019/20

- Verification of Performance Information – Programme 3 (Q1)
- Verification of Performance Information – Programme 3 (Q3)
- Audit on Departmental Committees
- Incubator Programme
- Kliptown Renewal Project
- Compliance Reviews on Grant Management and Bulk Infrastructure
- Review of Key Controls (Q1, Q2, Q3 & Q4)
- Monitoring of the Compliance Risk Register and Regulatory Universe

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Objective of Internal Audit

Gauteng Audit Services (GAS) provides internal audit services to all GPG Departments. The objective of GAS is to promote sound corporate governance in the province through ensuring an effective internal control environment.

Key Activities of Internal Audit

Gauteng Audit Services (GAS) provides internal audit services to all GPG Departments. The objective of GAS is to promote sound corporate governance in the province through ensuring an effective internal control environment.

- Specify summary of audit work done

Gauteng Audit Services (GAS) provides internal audit services to all GPG Departments. The objective of GAS is to promote sound corporate governance in the province through ensuring an effective internal control environment. Implemented the approved audit plan through Risk and Compliance audit, Performance audit and Computer audits.

- Attendance of audit committee meetings by audit committee members

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Sidwell Mofokeng	<ul style="list-style-type: none"> ● MDP ● HMDP ● Diploma Public Sector Finance ● Cert Project Management ● Certified Risk Practitioner 	External	-	01 September 2016	Current	
Billy Mokale	<ul style="list-style-type: none"> ● Bachelor of Law ● Diploma in Corporate Law 	External	-	01 September 2018	Current	
Pumla Mzizi	<ul style="list-style-type: none"> ● CA(SA) ● Honours Bachelor of Commerce ● Honours Bachelor of Accounting Science 	External	-	01 September 2018	Current	

12. AUDIT COMMITTEE REPORT

Gauteng Provincial Government (GPG)

Report of the Audit Committee – Cluster 05

Gauteng Department of Human Settlements

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), five meetings were held during the current year, i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended
Mr. Sidwell Mofokeng (Former Chairperson)	04 (01 September 2016)
Adv. Collen Weapond (Chairperson)	01 (11 August 2020)
Mr. Billy Mokale (Former Member)	03 (01 September 2018)
Mr. Sidwell Mofokeng (current Member)	01 (01 September 2016)
Ms. Pumla Mzizi (Member)	04 (01 September 2018)

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of Meetings attended
Mr. Daniel Molokomme – (Acting Accounting Officer) 03	
Ms. Phindile Mbanjwa (Accounting Officer)	02
Ms. Abdullah Ismail (Chief Financial Officer)	05
Ms. Zanele Makhubo (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

The Audit Committee noted that the Acting Accounting Officer attended three (03) scheduled Audit Committee meetings since her appointment. Therefore, the Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter in relation to ensuring that there is proper representation for the Accounting Officer.

The Members of the Audit Committee met with the Senior Management of the Department and Internal Audit, collectively to address risks and challenges facing the Department. A number of in-committee meetings were held to address internal control weaknesses and deviations within the Department.

Audit Committee Responsibility

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

The effectiveness of internal control and Information and Communication Technology (ICT) Governance

The Audit Committee is concerned with the regression in the internal control environment of the Department. The regression in the internal control environment of the Department mainly relates to the failure to implement prior year recommendations of the AGSA, inadequate review of performance information and compliance with laws and regulations in the Supply Chain Management function. Some deficiencies in the system of internal control and deviations were reported in the Internal Audit Reports. SCM still remains an area of concern in light of the external audit findings. The Audit Committee note the implementation of IT Governance and systems as substantiated in the external audit report. The Department did not satisfactorily implement the recommendations AGSA and Internal Audit findings raised in previous years.

The Audit Committee also reviewed the progress with respect to the IT Governance in line with the ICT Framework which confirms that the Department maintains adequate IT Governance controls. Some progress was made by the Department to implement and monitor its Disaster Recovery Plan and Business Continuity Processes.

The following internal audit work was completed during the year under review:

- Human Settlement Development Grants
- Corporate Governance
- Risk Management
- Govan Mbeki Awards
- Follow up on Project Management
- Follow-Up: AG Findings including Housing fund

- Stakeholder Relations
- Supply Chain Management including Litigation
- Business Continuity Management
- Diagonal Building
- Records Management
- Maintenance and Rental of Housing Properties
- Urban Renewal programme – Winterveld
- Performance Information Audit
- Proactive Assurance
- Data analysis: SCM / HR / FIN (Q2)
- IT risk assessment
- Data analysis: SCM / HR / FIN (Q4)

The following were areas of concern:

- Design of business processes in areas such as Business Continuity Management,
- Corporate Governance,
- Urban Renewal programme – Winterveld,
- Human Settlements Grants and
- Other areas relating to the key drivers of the Department's mandate.

Internal Audit

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits. The Audit Committee is satisfied that the internal auditors consulted with Management, Auditor-General and the Audit Committee on its Internal Audit Plan.

The Audit Committee has noted considerable improvement in the communication between the Executive Management, the AGSA and the Internal Audit Function, which has strengthened the Corporate Governance initiatives within the Department.

The coordination of efforts between internal audit and AGSA have been enhanced further during the year in the provision of assurance services. The Committee believes this is an important step towards a fully effective combined assurance.

It was noted that a Quality Assurance Review (external assessment) was performed by an external independent reviewer during the year and Internal Audit was assessed to be Generally Conformant with the International Standards for Professional Practice of Internal Auditing.

The Audit Committee will continue to monitor the capacity and the resources allocated to the Internal Audit function.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee notes the effort made by the Department to improve its risk management processes, although some areas still requires improvement. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to enhance the performance of the Department. The Department should improve its culture of risk management in order to obtain a clean administration.

Forensic Investigations

Investigations into alleged financial irregularities, financial misconduct and fraud were performed during the year under review. The Audit Committee will monitor the recommendations as contained in the Forensic Investigation reports.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee notes the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and emphasise that the Department must improve the quality of its financial and non-financial reports.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Audit Committee reviewed the draft annual financial statements prepared by the department before the submission of the annual financial statements to the external auditors for audit the audit committee meeting held on 15th June 2020, special audit committee meeting held on 9th and 21st July 2020 and recommended them for audit.

One-on-One Meeting with the Accounting Officer

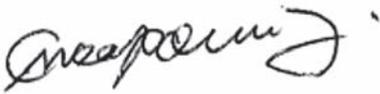
The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues.

One-on-One Meetings with the Executive Authority

The committee has not met with the Executive Authority for the Department to apprise the MEC on the performance of the Department it believes that the frequency of these interactions would be more beneficial to the Executive Authority.

Auditor-General of South Africa

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues.



Adv. Collen Weapond

Chairperson of the Audit Committee

Date: 7 October 2020

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 and Industry.

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 assessment of the departmental compliance to the BBBEE will be done effective 1 May 2020.
Developing and implementing a preferential procurement policy?	Yes	The assessment of the departmental compliance to the BBBEE will be done effective 1 May 2020.
Determining qualification criteria for the sale of state-owned enterprises?	No	The assessment of the departmental compliance to the BBBEE will be done effective 1 May 2020.
Developing criteria for entering into partnerships with the private sector?	No	The assessment of the departmental compliance to the BBBEE will be done effective 1 May 2020.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The assessment of the departmental compliance to the BBBEE will be done effective 1 May 2020.



Fluerhof

Part D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The Chief Directorate Human Capital and Corporate Management Services' purpose is to strengthen the dynamism of the Department for continuous improvement by providing Human capital management and corporate support functions within the Department.

The following are functions coordinated and performed within the Chief Directorate: Organisational Efficiency:

- Human Capital Utilisation and Development;
- Human Capital Services;
- Security and Facilities Management;
- and Information Communication Technology (ICT).

2. OVERVIEW OF HUMAN RESOURCES

The Status of human resources in the department

In line with Organisational Design Directive on Changes to organisational structure, the triggers that determined the organisational review are the following:

- The 2020-2025 Strategic Plan
- *Adverse findings as per 2018/2019 Auditor-General (AG) Report based on organisational performance. For the financial year 2018/19, the AG issued a disclaimer audit opinion*
- The transfer of the land management function from the Department of Infrastructure Development to GDHS
- The introduction of the Infrastructure Delivery Management System (IDMS) as a life cycle management development guide to infrastructure implementation.

Analysis conducted from 2016 to date revealed the following Operational Excellence Model (OPEX Pillars) challenges:

- Strategy Deployment;

The mission and vision of the department does not link to the business unit goals.

- Process Excellence;

There are no formal workplace organisation standards.

- Performance Management;

The KPIs of business units are not aligned to the overall goal of the department.

- High performing Work Teams;

There are no collaborative platforms to discuss bad organisational behaviour, no employee involvement, no management alignment and visibility, and a Feeling of "I'm not sure I'd like to work here" has been present.

Regional Service Delivery Model

In June 2018, an analysis was conducted to assess the sustainability of continuing to operate with the regional service model. The analysis highlighted that the operating model of regionalising the department has failed to assist on the delivery of the human settlements mandate. It went further to state that performance has been steadily declining resulting in the Department failing to meet its target on a yearly basis.

The professional project construction management capacity is now a small pool and thus, has contributed to the motivation to centralise the professional capacity at head office and by implication close down the Affordable Housing business units in the five regions where the construction project managers are located.

Other areas where there is re-alignment are the reporting by business units to the office of the HOD, Planning and Property Management Branch, Programme Management and Regional Coordination. This realignment is based on the IDMS framework.

Alignment and Analysis of the Organisational Structure

In conducting the diagnostic phase in the review of the current organisational structure (from 2015 to date), it is critical to review the current Service Delivery Model (SDM). This exercise is conducted in order to review and improve the current model of how the Department deliver its services.

The outcome of the diagnosis led to a determination that the Department is facing more operational challenges/problems than strategic challenges. Therefore, the following approach was utilised to continue with the review:

- Adoption and alignment to the IDMS Framework;
- Development of the departmental operating model;
- Reviewed business processes;
- Alignment to the Generic Human Settlements (HS) Model,
- Alignment to the National HS Process Guide, and
- Alignment to the Department of Public Service & Administration (DPSA) Generic Corporate Model

Infrastructure Delivery Management System (IDMS)

The current 2015 organisational structure is not aligned to the IDMS Framework as mandated by the Gauteng Provincial Executive Committee for the infrastructure delivery departments. The GP-IDMS is a model that provides for best practices in the delivery of infrastructure management. It provides for the delivery of infrastructure in a logical, methodical and auditable manner.

Infrastructure Delivery Management (IDM) Process

The IDM process has four processes namely: Portfolio, Programme, Project and Operations & Maintenance.

Portfolio process:

Currently, the Department does not have an Infrastructure Asset Management Plan (IAM Plan). The IAM Plan sets the overarching strategy for asset management and generally contains long-term plans, (usually 20 – 30 years or more for infrastructure assets), that outline the asset activities for each service area or asset class, and resources to provide a defined level of service in the most cost- effective way.

Programme process

The Delivery Plan is the Infrastructure Programme Management Plan (IPMP) which is a natural, and important succession to the IAMP, which highlights the infrastructure programmes and projects that will be executed, monitored and controlled over the planned Medium-Term Expenditure Framework (MTEF) period.

Project process

The lack of structured, integrated planning for the delivery of the various interlinked processes relating to the construction of human settlements remains a persistent challenge that requires decisive authorisation, direction and action.

Operations and maintenance process

The Department owns and manages investment properties in the form of rental stock i.e. flats, hostels, Community Residential Units (CRUs), commercial properties and management of the land register. In order to properly manage properties, an Operations and Maintenance Management Plan should be developed and updated timeously.

These are the fundamental principles that underpinned the grouping of homogeneous functions and alignment of the proposed macro-organisational Structure.

Provide commentary on the following:

- Human resource priorities for the year under review and the impact of these.
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- Employee performance management.

- Employee wellness programmes.
- Highlight achievements and challenges faced by the Department, as well as future human resource plans /goals.

Human resource priorities for the year under review

The Departmental MTEF Human Resource Plan 2017-2020 was developed and implemented for the period 1 April 2019 to 31 March 2020. The following are the Human Resources Priorities identified:

- Manage and review the organisational structure.
- Monitor compliance & adherence to the EE Plan.
- Management of PMDS.
- Leadership Development.
- Improve on the turnaround time for the filling of Posts.
- Development of Critical Skills.
- Improve labour relations management in the Department.
- Implement a reliable Human Resources Information Systems.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a% of total expenditure	Average personnel cost per employee (R'000)
Administration	236 842	216 908	653	19 281	48%	725
Housing Needs, Research and Planning	14 009	12 938	0	1 071	3%	369
Housing Development	186 285	186 285	0	0	41%	817
Housing Assets Management and Property Management	34 892	34 892	0	0	8%	187
Total	472 008	451 003	653	20 352	100%	602

Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (level 3-5)	33 033	7%	150	220
Highly skilled production (levels 6-8)	134 440	30%	331	406
Highly skilled supervision (levels 9-12)	222 360	49%	275	809
Senior and Top management (levels 13-16)	61 170	14%	60	1 020
Total	451 003	100%	816	556

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020

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
PR1 Administration P1	112 900	25%	11	0,00%	4 147	1%	6 797	1,51%
Housing Needs Research & Planning P2	18 000	4%	0	0%	299	0,07%	531	0,12%
GDR: Housing Development P3	115 000	25%	22	0,00%	2 573	0,57%	5 607	1,24%
Property Management P4	69 000	15%	97	0,02%	2 783	0,62%	4 125	1%
Total	314 900	70%	130	0,03%	9 802	2,17%	17 060	3,78%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Salaries		Overtime		Home Owners Allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	0	0	0	0	0	0	0	0
Skilled (level 3-5)	24 700	5,48%	17	0,00%	2 209	0,49%	2 494	0,55%
Highly skilled production (levels 6-8)	94 400	21%	57	0,01%	4 878	1,08%	9 270	2,06%
Highly skilled supervision (levels 9-12)	156 300	35%	56	0,01%	2 100	0,47%	4 847	1,07%
Senior management (level 13-16)	39 500	9%	0	0%	615	0,14	449	0,10%
Total	314 900	70%	130	0,03%	9 802	2,17%	17 060	3,78%

*The R3 149 (R'000) excludes Service Based (Other) RES amount of R237 (R'000), which is accounted for in the total expenditure for personnel.

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Programme 1: Administration	364	299	16%	5
Programme 2: Housing Needs, Research and Planning	39	35	10%	0
Programme 3: Housing Development	281	228	14%	14
Programme 4: Housing Asset Management and Property Management	230	186	19%	0
Total	914	748	16%	19

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020

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)	92	74	20%	1
Skilled (3-5)	159	127	20%	0
Highly skilled production (6-8)	311	259	17%	5
Highly skilled supervision (9-12)	296	242	18%	10
Senior management (13-16)	56	46	7%	3
Total	914	748	16%	19

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
Artisan	7	0	100%	0
Work Inspector	16	13	19%	0
Control Work Inspector	1	1	0%	0
Quality Assurance Inspector	17	15	12%	0
Town and Regional Planner	7	4	29%	1
Construction Project Manager	66	55	6%	7
Construction Chief Project Manager	16	10	31%	1
Legal Administration Officer	12	8	33%	0
Total	142	106	19%	9

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	3	2	63%	1	37%
Salary Level 14	13	12	92%	1	8%
Salary Level 13	39	34	87%	5	13%
Total	56	49	87%	7	13%

Table 3.3.2 SMS post information as on 30 September 2020

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	3	2	67%	1	33%
Salary Level 14	13	12	92%	1	8%
Salary Level 13	40	34	85%	6	15%
Total	57	48	84%	9	16%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Salary Level 16	1	1	0
Salary Level 15	1	1	0
Salary Level 14	1	1	0
Salary Level 13	1	1	0
Total	4	4	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within twelve months
N/A

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 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
N/A

Reasons for vacancies not filled within six months
None Required

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2019 and 31 March 2020

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)	92	0	0	0	0	0	0
Skilled (Levels 3-5)	159	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	311	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	296	1	0,34%	0	0	0	0
Senior Management Service Band A	39	0	0	0	0	0	0
Senior Management Service Band B	13	3	23%	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	914	4	23.3%	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020

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

Employees with a disability	0
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Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 and 31 March 2020

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2018 and 31 March 2019

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0
Total number of employees whose salaries exceeded the grades determine by job evaluation					None

3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Number of employees at beginning of period – 1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	223	0	12	5%
Highly skilled production (Levels 6-8)	248	7	10	4%
Highly skilled supervision (Levels 9-12)	183	11	12	6%
Senior Management Service Bands A	36	7	6	16%
Senior Management Service Bands B	10	2	2	20%
Senior Management Service Bands C	4	1	1	25%
Senior Management Service Bands D	0	1	0	0
Total	786	29	43	5%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020

Critical occupation	Number of employees at beginning of period – April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Construction Project Manager Candidate	0	2	0	0%
Construction Project Manager Chief Grade A	16	1	2	12%
Construction Project Manager Production Grade A	66	2	1	1%
Total	82	5	3	3.6%

Table 3.5.3 Reasons why staff left the department for the period 1 April 2019 and 31 March 2020

Termination type	Number	% of Total Resignations
Death	4	9%
Resignation	16	38%
Expiry of contract	6	14.0%
Dismissal – operational changes	0	0
Dismissal – misconduct	2	5%
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	13	30%
Transfer to other Public Service Departments	0	0
Other	2	5%
Total	43	
Total number of employees who left as a % of total employment	5%	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 and 31 March 2020

Occupation	Employees 1 April 2019	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
Construction Project Manager Chief Grade A	82	1	0	0	0%
Total	82	1	0	0	0%

Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020

Salary Band	Employees 1 April 2019	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
Lower skilled (Levels 1-2)	0	0	0%	0	0%
Skilled (Levels 3-5)	131	0	0%	0	0%
Highly skilled production (Levels 6-8)	318	7	2%	0	0%
Highly skilled supervision (Levels 9-12)	183	2	1%	0	0%
Senior Management (Level 13-16)	50	0	0%	0	0%
Total	764	9	8%	0	0%

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 – Senior officials and managers	27	0	1	2	27	0	1	0	58
02 – Professionals	90	3	4	4	83	2	1	2	189
03 – Technicians and associate professionals	44	2	3	1	80	2	2	2	136
04 – Clerks	112	0	2	1	171	7	6	6	305
05 – Service shop and market sales workers	14	2	0	1	5	0	0	0	22
07 – Craft and related trade workers	4	0	0	2	1	0	0	0	7
08 – Plant and machine operators and assemblers	9	0	0	0	0	0	0	0	9
09 – Labourers and related workers	23	0	1	1	12	0	0	0	37
Total	323	7	11	12	379	11	10	10	763
Employees with disabilities	8	0	0	0	8	0	0	0	16

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020

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	16	0	2	2	13	0	2	0	35
Professionally qualified and experienced specialists and mid-management	121	3	5	6	121	2	1	1	260
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	94	4	4	4	186	7	7	9	315
Semi-skilled and discretionary decision making	83	0	0	0	46	2	0	0	131
Contract (Top Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management), Permanent	5	0	0	0	4	0	0	0	9
Contract (Professionally Qualified), Permanent	2	0	0	0	2	0	0	0	4
Contract (Skilled Technical), Permanent	0	0	0	0	3	0	0	0	3
Total	323	7	11	12	379	11	10	10	763

Table 3.6.3 Recruitment for the period 1 April 2019 and 31 March 2020

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	5	0	0	1	4	0	0	0	10
Professionally qualified and experienced specialists and mid-management	6	0	0	0	5	0	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	6	0	0	0	7
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	12	0	0	1	16	0	0	0	29
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2019 and 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	1	0	0	0	1	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	6	0	0	9	16
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	2	0	0	0	7	0	0	9	18
Employees with disabilities	0								

Table 3.6.5 Terminations for the period 1 April 2018 and 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management 15-16	1	0	0	0	0	0	0	0	1
Senior Management 13-14	3	0	0	1	4	0	0	0	8
Professionally qualified and experienced specialists and mid-management 9-12	2	1	0	2	6	0	0	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents 6-8	6	0	0	0	4	0	0	0	10
Semi-skilled and discretionary decision making 3-5	6	0	0	0	6	0	0	0	12
Unskilled and defined decision-making 1-2	0	0	0	0	0	0	0	0	0
Top Management 15-16	1	0	0	0	0	0	0	0	1
Senior Management 13-14	3	0	0	1	4	0	0	0	8
Total	18	1	0	3	20	0	0	1	43
Employees with Disabilities									

Table 3.6.6 Disciplinary action for the period 1 April 2019 and 31 March 2020

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Verbal Warning	0	0	0	0	1	0	0	0	1
Written Warning	3	0	0	0	2	0	0	0	5
Final Written Warning	5	0	1	0	3	0	0	0	9
Suspension without pay	1	0	0	0	0	0	0	0	1
Dismissal	1	0	0	0	0	0	0	0	1
Not guilty	1	0	0	0	0	0	0	0	1
Not finalised/ Pending*	4	0	0	1	1	0	0	0	6*

*These cases could not be finalised due to the national lockdown

Table 3.6.7 Skills development for the period 1 April 2019 and 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	21	0	2	2	20	1	1	0	47
Professionals	24	0	0	0	36	0	0	1	61
Technicians and associate professionals	16	0	0	0	24	0	0	0	40
Clerks	4	0	0	0	16	0	0	0	20
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	3	0	0	0	4	0	0	0	7
Total	68	0	2	2	100	1	1	1	175
Employees with disabilities	1	0	0	0	0	0	0	0	1

3.7 Signing of Performance Agreements by SMS members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 March 2020

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0%
Salary Level 16	1	1	0	0%
Salary Level 15	3	3	3	100%
Salary Level 14	13	11	10	90%
Salary Level 13	39	35	31	88%
Total	56	50	44	88%

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

Reasons
Non-compliance and the constant changes of the HOD and EA result in the constant change of responsibilities, and this delayed submission.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2020

Reasons
Managers and the Head of Department were informed of the non-compliance.

3.8 Performance Rewards

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

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	416	686	67%	6 026	14
Male	168	315	53%	2 359	14
Female	249	371	67%	3 667	15
Asian	11	21	52%	184	17
Male	5	11	45%	94	19
Female	6	10	60%	90	15
Coloured	15	18	83%	231	15
Male	6	7	86%	106	18
Female	9	11	82%	125	14
White	13	22	59%	210	16
Male	6	12	50%	108	18
Female	7	10	70%	102	15
Employees with disability	11	16	68%	151	14
Total	467	763	61%	6 802	14

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

Salary band	Beneficiary profile			Cost		Total cost as a% of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0%	0	0	0%
Skilled (level 3-5)	82	131	61%	774	9	0.16%
Highly skilled production (level 6-8)	246	315	78%	3 379	14	0.71%
Highly skilled supervision (level 9-12)	139	260	54%	2 650	19	0.56%
Contractor (Level 6-8)	0	3	0	0	0	0
Contractor (Level 9-12)	0	4	0	0	0	0
Total	467	713	66%	6 802	15	1.43%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 and 31 March 2020

Critical occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Engineers and related professional	13	28	46%	227	17
Architects town and Traffic Planners	12	14	85%	237	20
Quantity Surveyors Professionals	3	3	100%	48	17
Artisan Project and related Superintendents	3	4	75%	44	15
Legal Related	4	5	80%	87	22
Inspectors of Apprentices works and Vehicles	1	3	33%	17	17
Total	36	57	63%	661	18

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 and 31 March 2020

Salary band	Beneficiary profile			Cost		Total cost as a% of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	
Band A	0	35	0%	0	0	0%
Band B	0	9	0%	0	0	0%
Band C	0	5	0%	0	0	0%
Band D	0	1	0%	0	0	0%
Total	0	50	0%	0	0	0%

3.9 Foreign workers

Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 and 31 March 2020

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	1	0.1%	1	0.1%	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	1	0.1%	1	0.1%	0	0
Occupation Specific Dispensation (OSD)	2	0.2%	2	0.2	0	0
Total	4	0.5%	4	0.5%	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 and 31 March 2020

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Chief Construction Project Manger	1	1.2%	1	1.2%	0	0
Chief Engineer	1	1.2%	1	1.2%	0	0

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	378	184	53	53	3,20689	201 597
Highly skilled production (levels 6-8)	1 412	309	173	173	2,98312	367 656
Highly skilled supervision (levels 9 -12)	1 049	226	121	121	3,26791	1 490 742
Top and Senior management (levels 13-16)	244	32	20	20	5,3043	1 567 501
Total	3 083	751	367	367	99 8835	3 627 496

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019

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	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	91	91	3	3	30.3	89 880
Highly skilled supervision (Levels 9-12)	28	28	1	1	7	50 481
Senior management (Levels 13-16)	58	58	2	2	19.3	348 733
Total	177	177	6	6	56.6	489 095

Table 3.10.3 Annual Leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	136	2 534	6.54780
Highly skilled production (Levels 6-8)	304	2 667	5.05113
Highly skilled supervision (Levels 9-12)	254	5 530	4.67654
Senior management (Levels 13-16)	47	1 059	4.83564
Total	741	11 790	21.11111

Table 3.10.4 Capped leave for the period 1 January 2019 to 31 December 2019

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 2019
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	139	6	23.16	30
Highly skilled production (Levels 6-8)	121	5	24.2	27
Highly skilled supervision (Levels 9-12)	72	5	14.4	27
Senior management (Levels 13-16)	13	2	6.5	8
Total	345	18	68.26	92

Table 3.10.5 Leave pay-outs for the period 1 April 2019 and 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-out for 2019/20 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2019/20	532	18	29
Current leave pay-out on termination of service for 2019/20	212	33	6
Total	744	51	14

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
N/A	None required

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr. Moses Dhlamini: Director -Human Capital Service
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		<p>The Department has an Employee Health and Wellness Unit which focusses on the following four pillars:</p> <ul style="list-style-type: none"> Wellness Management, Health and Productivity Management, HIV, AIDS, STI and TB Management and SHERQ Management <p>There are currently two posts that are filled:</p> <ul style="list-style-type: none"> 1x Head of the EHWP unit (DD level) – post filled 2 x Support to the Head (ASD levels) – only one filled <p>However, in order to effectively implement the four EHWP strategic pillars, there is a need for additional staff.</p> <p>Employee Health and Wellness unit is still awaiting budget allocation letter from Finance Directorate</p>
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		<ul style="list-style-type: none"> Health Assessment and Screening Health education Psycho-social Support Monitoring and Evaluation Health and Safety

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		The Department has established a Wellness Committee. The committee consists of the following members: <ul style="list-style-type: none"> ● Pumla Filizwe ● Makgale Nkwana ● Boitumelo Jack (16.2) ● Elisa Matodzi ● Amukelani Shibambo ● Melvin Malekutu ● Mike Mahase ● Bongisa Mitchell ● Mosa Moremi ● Elizabeth Ramadise ● Elsie Nhlapo ● Owen Baloyi
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The following EHWP policies have been approved by the HOD: <ul style="list-style-type: none"> ● Occupational Health and Safety Policy ● Wellness Management Policy ● Health and Productivity Management Policy ● HIV, AIDS, TB and STI Management Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Through the implementation of the HIV Policy, HR Recruitment Policy, Basic Conditions of Employment act.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		The Department conducts free and confidential HCT Testing every quarter; 147 employees tested for HIV during this period. 143 tested negative and 4 positives. The number of employees testing for HIV has significantly increased from 58 in 2018/19 financial year to 147 in 2019/20 financial year. There is a significant increase testing of 39% in the financial year 2019/20
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		<ul style="list-style-type: none"> ● Number of Peer educators trained ● Number of employees participating in HCT ● Number of Condoms distributed

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2019 and 31 March 2020

Subject matter	Date
PSCBC Resolution 1 of 2019: Agreement on the 2019 reconfiguration of government departments	25 October 2019
Total number of Collective agreements	None

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 and 31 March 2020

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	1	4%
Written warning	5	21%
Final written warning	9	38%
Suspended without pay	1	4%
Fine	0	0%
Demotion	0	0%
Dismissal	1	4%
Not guilty	1	4%
Case withdrawn	0	0%
Total	18	75%*

*Six (6) disciplinary hearing are pending due to national lockdown, which is 25%.

Total number of disciplinary hearings finalised	None
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020

Type of misconduct	Number	% of total
Absenteeism	2	8%
Fraud and dishonesty	1	4%
Insubordination	3	13%
Sexual Harassment	1	4%
Failure to provide records related to 2018/2019 Audit period	1	4%
Inaccurate financial statement related to 2018/2019 audit period	1	4%
Irregular expenditure	1	4%
Non-compliance with regulation – disclosure of financial interests	9	38%
Assault	1	4%
Poor performance	1	4%
Failure to follow the normal routing process	1	4%
Misleading the office by providing wrong information	2	8%
Total	24	100%

Table 3.12.4 Grievances logged for the period 1 April 2019 and 31 March 2020

Grievances	Number	% of total
Number of grievances resolved	12	80%
Number of grievances not resolved	3	20%
Total number of grievances lodged	15	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 and 31 March 2020

Disputes	Number	% of total
Number of disputes upheld	0	0%
Number of disputes dismissed	1	17%
Total number of disputes lodged	6	83%***

Table 3.12.6 Strike actions for the period 1 April 2019 and 31 March 2020

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2019 and 31 March 2020

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	150 days
Cost of suspension (R'000)	±R1 239 237.06

3.13 Skills development

Table 3.13.1 Training needs identified for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	22	0	5	2	7
	Male	25	0	5	2	7
Professionals	Female	99	0	5	1	6
	Male	89	0	5	1	6
Technicians and associate professionals	Female	51	0	7	1	8
	Male	81	0	7	1	8
Clerks	Female	198	0	2	1	3
	Male	123	0	2	1	3
Service and sales workers	Female	5	0	2	1	3
	Male	20	0	2	1	3
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	37	0	2	1	3
	Male	15	0	2	1	3
Sub Total	Female	412	0	23	7	30
	Male	353	0	23	7	30
Total		765	0	46	14	60

Table 3.13.2 Training provided for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019/20	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	22	0	2	2	4
	Male	25	0	0	2	2
Professionals	Female	99	0	5	0	5
	Male	89	0	5	0	5
Technicians and associate professionals	Female	51	0	6	0	6
	Male	81	0	6	0	6
Clerks	Female	198	0	2	0	2
	Male	123	0	2	0	2
Service and sales workers	Female	5	0	0	0	0
	Male	20	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	37	0	2	0	2
	Male	15	0	2	0	2
Sub Total	Female	412	0	17	2	17
	Male	353	0	17	2	17
Total		765	0	34	4	34

3.14 Injury on duty

Table 3.14.1 Injury on duty for the period 1 April 2019 and 31 March 2020

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

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2019 and 31 March 2020

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Development of the APP and strategic plan	1	21 June 2019 to 11 August	R638 400.00
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
1	1	21 June 2019 to 11 August 2019 (as per project plan)	R638 400.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2020 and 31 March 2020

Project title	Total number of consultants that worked on project	Duration (work days)	Donor and contract value in Rand
N/A	N/A	N/A	N/A
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	N/A	N/A	N/A

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2019 and 31 March 2020

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



Malibongwe Ridge

Part E

FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 8: GAUTENG DEPARTMENT OF HUMAN SETTLEMENTS

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Gauteng Department of Human Settlements set out on pages 232 to 284, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Human Settlements as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No.16 of 2019) (Dora).

Basis for qualified opinion

Immovable tangible capital assets

3. The department did not correctly record all items of immovable tangible assets in accordance with chapter 11, capital assets, in the MCS. Land acquired during the year were not correctly reflected as buildings and other fixed structures. Consequently, immovable tangible assets were understated by R82 040 193.
4. During 2019 the department did not have adequate systems in place to properly accounted for immovable assets in accordance with chapter 11, capital assets, in the MCS due to the status of the accounting records. Consequently, immovable assets were overstated by R402 178 430 in note 29 to the financial statements. I could not confirm the amounts by alternative means. My audit opinion on the financial statements for the period ended 31 March 2019 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Capital Work-in-progress

5. During 2019 the department did not have adequate systems in place to ensure that work in progress was correctly recorded in accordance with chapter 11, capital assets, in the MCS. Consequently, work in progress was overstated by R128 600 000 in note 29.4 to the financial statements. My audit opinion on the financial statements for the period ended 31 March 2019 was modified accordingly. I was still unable to confirm the work in progress by alternate means. Consequently, my opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the work in progress for the current period.

Contingent liabilities

6. During 2019, I was unable to obtain sufficient appropriate audit evidence for contingent liabilities as per note 16.1 in the financial statements and to confirm the contingent liabilities by alternative means. In addition, differences amounting to R64 552 503 were identified between amounts confirmed with legal counsel in comparison to amounts reflected on the financial statements. Consequently, I was unable to determine whether any adjustment was necessary to contingent liabilities stated at R656 614 000 in the financial statements. My audit opinion on the financial statements for the period ended 31 March 2019 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the contingent liabilities for the current period.

Payables not recognised

7. During 2019 the department did not have adequate systems in place to ensure that payables not recognised were correctly recorded in accordance with chapter 9, general departmental assets and liabilities, in the MCS. Consequently, payables not recognised was understated by R66 771 536 in note 18.2 to the financial statements. My audit opinion on the financial statements for the period ended 31 March 2019 was modified accordingly. I was still unable to confirm the payables not recognised by alternate means. Consequently, my opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the payables not recognised for the current period.

Context for the opinion

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

9. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
10. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Underspending of conditional grants transferred

12. As disclosed in note 33 to the financial statements, the department underspent on the Human settlements development grant by R121 595 000 and on the Title deeds restoration grant by R84 338 000.

Responsibilities of the accounting officer for the financial statements

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

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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programmes	Pages in the annual performance report
Programme 3: Housing development	111 – 144

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

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

Programme 3 – Housing development

Various indicators

22. The source information and method of collection for achieving the planned indicators was not clearly defined.

No.	Indicator description	Annual Target	Reported achievement
1	Number of hostels whose detailed planning is completed per annum	3	Target not achieved 0 hostels whose detailed planning is completed
2	Number of hostels at detailed planning by the end of the current financial year	16 (Cumulative)	Target partially achieved 7 hostels at detailed planning stage. (Kwa-Mazibuko, Diepkloof, Meadowlands, Nguni, Wattville, KwaThema and Thokoza)
3	Number of Hostels Community Residential Units (CRUs) rectified and allocated by the end of the year	500	Target not achieved 0
4	Number of Urban Renewal Projects resuscitated in 2019/20	4 (Evaton, Bekkersdal, Winterveldt & Kliptown)	Target partially achieved. 3 projects (Evaton, Bekkersdal and Winterveld) were resuscitated. Contractors appointed for reticulation and sewer upgrades – Work has commenced and is ongoing
5	Number of UISP sites plans developed by the end of the financial year	7 Site Plans	Target not achieved. 0 UISP sites plans developed

Various indicators

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

No.	Indicator description	Reported achievement	Audited Value
1	Number of housing subsidies disbursed by the Department under FLISP by the end of the financial year	Target partially achieved 592 housing subsidies disbursed by the department under FLISP	615
2	Number of suitable and well-located land parcels acquired for development of human settlements	Target not achieved 0 land parcels or hectares of land acquired	6

Various indicators

24. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 2 indicators relating to this programme. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report for the indicators listed below:

No.	Indicator description	Reported achievement
1	Number of mega projects stands developed by the end of the financial year	Target achieved 8 280 mega projects stands developed
2	Number of mega projects housing units completed by the end of the financial year	Target partially achieved 7348 Mega projects housing units completed

Other matter

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

Achievement of planned targets

26. Refer to the annual performance report on pages 111 to 144 for information on the achievement of planned targets for the year and explanations provided for the under-achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 22 to 24 of this report.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA.
30. Material misstatements on various disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Procurement and contract management

31. Some of the contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by treasury regulations 16A9.1(d).
32. Some of the construction contracts were awarded to contractors that did not qualify for the contract in accordance with CIDB regulation 17.
33. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.1 and 8.2.
34. Tender requirements for contracts above R30 million did not include a condition for mandatory subcontracting to advance designated groups, as required by the 2017 preferential procurement regulation 9(1).

Expenditure management

35. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1 011 241 458 as disclosed in note 21.1 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused due to supply chain management processes not followed. Irregular expenditure amounting to R13 317 286 was incurred on the Evaton Urban Renewal Programme.
36. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R18 484 000, as disclosed in note 22.1 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by interest on late payments and the incorrect calculation of interest paid to contractors.
37. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1. The non-compliance resulted in a material irregularity as reported in the section on material irregularities.
38. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Consequence management

39. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure and fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure and fruitless and wasteful expenditure.
40. Investigations were not conducted into all allegations of financial misconduct committed by some of the officials, as required by treasury regulation 4.1.1.

Other information

41. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information 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 in this auditor's report.
42. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
43. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

44. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

45. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified of opinion, the findings on the annual of performance report and the findings on compliance with legislation included in this report.
46. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls. Action plans were not adequately implemented which resulted in repeat audit findings on supply chain management, compliance with laws and regulations and material misstatements to the financial statements and the annual performance report.
47. Senior management did not implement effective controls over daily and monthly processing and reconciling of transactions to support financial reporting on various disclosure items including irregular expenditure.
48. Senior management did not prepare financial and performance reports that were supported and evidenced by reliable information, as submitted financial statements required amendments and performance achievements were not adequately supported.
49. Senior management did not review and monitor compliance with relevant laws and regulations resulting in material non-compliance.

Material irregularities

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

Material irregularity identified during the audit

51. The material irregularity identified is as follows:

Payment made to an incorrect contractor

52. A payment amounting to R2 528 142,20 was made to an incorrect contractor on 30 October 2019. Effective internal controls were not in place for approval and processing of the payment, as required by treasury regulation 8.1.1. This non-compliance is likely to result in a material financial loss of R2 528 142,20 which forms part of the amount disclosed as receivables in note 10.3 to the annual financial statements, if not recovered from the contractor.
53. The accounting officer was notified of the material irregularity on 07 September 2020 and invited to make a written submission on the actions taken and that will be taken to address the matter.
54. The following actions have been taken to address the material irregularity by accounting officer:
- A criminal case was opened by the department against the contractor on 27 November 2019. The contractor was arrested on 9 September 2020 and released on bail on 16 September 2020.
 - A forfeiture application by the Asset Forfeiture Unit within the National Prosecuting Authority was served on the contractor on 09 March 2020 and an order was obtained on 25 March 2020 to preserve some of the funds.
 - The departmental officials involved were identified and invited to make written representations to the accounting officer by 2 October 2020 on what gave rise to the breakdown in internal controls. The department is currently assessing the responses by the identified officials as part of the process to determine the required disciplinary steps.
55. I will follow up on the implementation of the planned actions, including disciplinary processes and processes to recover the funds, during in my next audit.

Material irregularities in progress

56. I identified another material irregularity during the audit and notified the accounting officer thereof as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in the next year's auditor's report.

Other reports

57. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

58. Various internal investigations were initiated by the department's anti-fraud unit to probe alleged financial irregularities, financial misconduct and fraud which may have taken place at the department. These investigations were not finalised at the date of this auditor's report.

Auditor - General

Johannesburg

30 November 2020



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

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



Nellmapius

Annual Financial Statements

FOR THE VOTE

TABLE OF CONTENTS

THE VOTE

APPROPRIATION STATEMENT	234
NOTES TO THE APPROPRIATION STATEMENT	250
STATEMENT OF FINANCIAL PERFORMANCE	252
STATEMENT OF FINANCIAL POSITION	253
STATEMENT OF CHANGES IN NET ASSETS	254
CASH FLOW STATEMENT	255
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (INCLUDING ACCOUNTING POLICIES)	256
ANNEXURES	285

APPROPRIATION STATEMENT for the year ended 31 March 2020

Appropriation per programme

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. ADMINISTRATION	636 068	-	(8 872)	627 196	589 132	38 064	93,9%	508 332	474 752
2. HOUSING NEEDS, RESEARCH AND PLANNING	40 926	-	(3 274)	37 652	15 028	22 624	39,9%	22 689	17 029
3. HOUSING DEVELOPMENT	5 114 575	-	6 682	5 121 257	4 982 581	138 676	97,3%	5 177 795	4 990 996
4. HOUSING ASSETS MANAGEMENT PROPERTY PLANNING	254 973	-	5 464	260 437	176 007	84 430	67,6%	353 226	313 596
Sub total	6 046 542	-	-	6 046 542	5 762 748	283 794	95,3%	6 062 042	5 796 373
Total	6 046 542	-	-	6 046 542	5 762 748	283 794	95,3%	6 062 042	5 796 373

	2019/20		2018/19	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Reconciliation with statement of financial performance ADD				
Departmental receipts	9 978		809	
Actual amounts per statement of financial performance (total revenue) ADD	6 056 520		6 062 851	
Aid assistance		-		1 016
Actual amounts per statement of financial performance (total expenditure)		5 762 748		5 797 389

APPROPRIATION STATEMENT for the year ended 31 March 2020

Appropriation per economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	863 718	(153)	(53)	863 512	815 206	48 306	94,4%	732 660	714 351
Compensation of employees	472 830	-	-	472 830	451 003	21 827	95,4%	448 432	439 799
Salaries and wages	392 069	5 200	10 000	407 269	393 187	14 082	96,5%	388 427	384 224
Social contributions	80 761	(5 200)	(10 000)	65 561	57 816	7 745	88,2%	60 005	55 575
Goods and services	390 888	(153)	(53)	390 682	364 203	26 479	93,2%	284 228	274 552
Administrative fees	88	(76)	-	12	11	1	91,7%	39	39
Advertising	2 715	(1 140)	-	1 575	1 575	-	100,0%	715	714
Minor assets	138	(52)	(72)	14	13	1	92,9%	69	59
Audit costs: External	12 018	(2 688)	-	9 330	9 329	1	100,0%	9 722	8 724
Bursaries: Employees	3 001	(206)	-	2 795	2 795	-	100,0%	1 418	1 422
Catering: Departmental activities	1 472	(261)	(130)	1 081	1 079	2	99,8%	1 108	1 090
Communication (G&S)	6 515	302	-	6 817	6 816	1	100,0%	6 544	6 543
Computer services	8 711	1 230	-	9 941	9 941	-	100,0%	4 816	4 815
Consultants: Business and advisory services	19 790	3 417	(1 176)	22 031	20 352	1 679	92,4%	27 000	26 968
Legal services	20 000	15 504	-	35 504	35 504	-	100,0%	18 407	18 803
Contractors	19 680	2 966	1 050	23 696	23 693	3	100,0%	40 450	40 450
Agency and support / outsourced services	6 193	-	-	6 193	5 655	538	91,3%	4 549	4 547
Fleet services (including government motor transport)	7 958	1 678	1 486	11 122	11 122	-	100,0%	3 381	3 379
Inventory: Food and food supplies	-	-	-	-	-	-	-	2	2
Consumable supplies	591	(141)	(168)	282	278	4	98,6%	315	315
Consumable: Stationery, printing and office supplies	1 570	(596)	(95)	879	878	1	99,9%	1 676	1 676
Operating leases	37 376	14 795	-	52 171	52 171	-	100,0%	48 205	48 203
Property payments	225 564	(33 383)	-	192 181	167 981	24 200	87,4%	102 671	93 697
Travel and subsistence	4 638	(397)	(73)	4 168	4 128	40	99,0%	3 962	3 958
Training and development	1 730	(1 076)	-	654	653	1	99,8%	672	671
Operating payments	2 048	(419)	(85)	1 544	1 541	3	99,8%	966	934
Venues and facilities	9 092	390	(790)	8 692	8 688	4	100,0%	7 541	7 543
Transfers and subsidies	5 153 372	5	53	5 153 430	4 931 105	222 325	95,7%	5 307 302	5 081 379
Households	5 153 372	5	53	5 153 430	4 931 105	222 325	95,7%	5 307 302	5 081 379

APPROPRIATION STATEMENT for the year ended 31 March 2020

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	162 745	5	53	162 803	78 461	84 342	48,2%	1 738	1 515
Other transfers to households	4 990 627	-	-	4 990 627	4 852 644	137 983	97,2%	5 305 564	5 079 864
Payments for capital assets	29 410	-	-	29 410	16 247	13 163	55,2%	21 868	431
Machinery and equipment	23 010	-	-	23 010	16 247	6 763	70,6%	12 815	431
Other machinery and equipment	23 010	-	-	23 010	16 247	6 763	70,6%	12 815	431
Software and other intangible assets	6 400	-	-	6 400	-	6 400	-	9 053	-
Payment for financial assets	42	148	-	190	190	-	100,0%	212	212
Total	6 046 542	-	-	6 046 542	5 762 748	283 794	95,3%	6 062 042	5 796 373

Statutory Appropriation per economic classification

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	863 718	(153)	(53)	863 512	815 206	48 306	94,4%	732 660	714 351
Compensation of employees	472 830	-	-	472 830	451 003	21 827	95,4%	448 432	439 799
Goods and services	390 888	(153)	(53)	390 682	364 203	26 479	93,2%	284 228	274 552
Interest and rent on land	284 735	(507)	-	284 228	274 552	9 676	96,6%	177 800	344 295
Transfers and subsidies	5 153 372	5	53	5 153 430	4 931 105	222 325	95,7%	5 307 302	5 081 379
Households	5 153 372	5	53	5 153 430	4 931 105	222 325	95,7%	5 307 302	5 081 379
Payments for capital assets	29 410	-	-	29 410	16 247	13 163	55,2%	21 868	431
Machinery and equipment	23 010	-	-	23 010	16 247	6 763	70,6%	12 815	431
Intangible assets	6 400	-	-	6 400	-	6 400	-	9 053	-
Payments for financial assets	42	148	-	190	190	-	100,0%	212	212
Total	6 046 542	-	-	6 046 542	5 762 748	283 794	95,3%	6 062 042	5 796 373

APPROPRIATION STATEMENT for the year ended 31 March 2020

Programme 1: Administration	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Corporate Service	636 068	-	(8 872)	627 196	589 132	38 064	93,9%	508 332	474 752
Total for sub programmes	636 068	-	(8 872)	627 196	589 132	38 064	93,9%	508 332	474 752
Economic classification									
Current payments	605 246	(153)	(9 464)	595 629	570 731	24 898	95,8%	485 152	473 076
Compensation of employees	229 559	-	(12 000)	217 559	216 908	651	99,7%	209 620	207 246
Salaries and wages	182 467	5 200	-	187 667	187 624	43	91,7%	180 508	179 829
Social contributions	47 092	(5 200)	(12 000)	29 892	29 284	608	98,0%	29 112	27 417
Goods and services	375 687	(153)	2 536	378 070	353 823	24 247	93,6%	275 532	265 830
Administrative fees	88	(76)	-	12	11	1	100,0%	39	39
Advertising	2 715	(1 140)	-	1 575	1 575	-	100,0%	715	714
Minor assets	66	(52)	-	14	13	1	92,9%	38	38
Audit costs: External	12 018	(2 688)	-	9 330	9 329	1	100,0%	9 722	8 706
Bursaries: Employees	3 001	(206)	-	2 795	2 795	-	100,0%	1 418	1 419
Catering: Departmental activities	1 222	(306)	-	916	915	1	99,9%	1 035	1 035
Communication (G&S)	6 515	302	-	6 817	6 816	1	100,0%	6 544	6 543
Computer services	8 711	1 230	-	9 941	9 941	-	100,0%	4 816	4 815
Consultants: Business and advisory services	15 864	3 417	-	19 281	19 281	-	100,0%	25 137	25 105
Legal services	20 000	15 504	-	35 504	35 504	-	100,0%	18 407	18 803
Contractors	19 680	2 966	1 050	23 696	23 693	3	100,0%	40 450	40 450
Agency and support / outsourced services	-	-	-	-	-	-	-	468	468
Fleet services (including government motor transport)	7 958	1 678	1 486	11 122	11 122	-	100,0%	3 381	3 379
Consumable supplies	346	(67)	-	279	278	1	99,6%	306	306

APPROPRIATION STATEMENT for the year ended 31 March 2020

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	1 475	(596)	-	879	878	1	99,9%	1 676	1 676
Operating leases	37 376	14 795	-	52 171	52 171	-	100,0%	48 205	48 203
Property payments	225 564	(33 383)	-	192 181	167 981	24 200	87,4%	102 671	93 628
Travel and subsistence	2 100	(406)	-	1 694	1 662	32	98,1%	1 591	1 591
Training and development	1 730	(1 076)	-	654	653	1	99,8%	672	671
Operating payments	1 642	(419)	-	1 223	1 222	1	99,9%	712	710
Venues and facilities	7 616	370	-	7 986	7 983	3	100,0%	7 529	7 531
Transfers and subsidies	1 370	5	592	1 967	1 964	3	99,8%	1 100	1 033
Households	1 370	5	592	1 967	1 964	3	99,8%	1 100	1 033
Social benefits	1 370	5	592	1 967	1 964	3	99,8%	1 100	873
Other transfers to households	-	-	-	-	-	-	-	-	160
Payments for capital assets	29 410	-	-	29 410	16 247	13 163	55,2%	21 868	431
Machinery and equipment	23 010	-	-	23 010	16 247	6 763	70,6%	12 815	431
Other machinery and equipment	23 010	-	-	23 010	16 247	6 763	70,6%	12 815	431
Software and other intangible assets	6 400	-	-	6 400	-	6 400	-	9 053	-
Payments for financial assets	42	148	-	190	190	-	100%	212	212
Total	636 068	-	(8 872)	627 196	589 132	38 064	93,9%	508 332	474 752

APPROPRIATION STATEMENT for the year ended 31 March 2020

1.1 Office of The MEC

Economic classification	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Current payments	605 246	(153)	(9 464)	595 629	570 731	24 898	95,8%	485 152	473 076
Compensation of employees	229 559	-	(12 000)	217 559	216 908	651	99,7%	209 620	207 246
Goods and services	375 687	(153)	2 536	378 070	353 823	24 247	93,6%	275 532	265 830
Transfers and subsidies	1 370	5	592	1 967	1 964	3	99,8%	1 100	1 033
Households	1 370	5	592	1 967	1 964	3	99,8%	1 100	1 033
Payments for capital assets	29 410	-	-	29 410	16 247	13 163	55,2%	21 868	431
Machinery and equipment	23 010	-	-	23 010	16 247	6 763	70,6%	12 815	431
Intangible assets	6 400	-	-	6 400	-	6 400	-	9 053	-
Payments for financial assets	42	148	-	190	190	-	100,0%	212	212
Total	636 068	-	(8 872)	627 196	589 132	38 064	93,9%	508 332	474 752

APPROPRIATION STATEMENT for the year ended 31 March 2020
Programme 2: Housing needs, research and planning

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMINISTRATION	15 107	-	(389)	14 718	8 960	5 758	60,9%	13 650	9 966
2. POLICY	15 507	-	(2 114)	13 393	2 465	10 928	18,4%	6 234	5 199
3. PLANNING	10 312	-	(771)	9 541	3 603	5 938	37,8%	2 805	1 864
Total for sub programmes	40 926	-	(3 274)	37 652	15 028	22 624	39,9%	22 689	17 029
Economic classification									
Current payments	40 926	-	(3 274)	37 652	15 028	22 624	39,9%	22 689	17 024
Compensation of employees	34 871	-	(1 000)	33 871	12 938	20 933	38,2%	18 336	12 674
Salaries and wages	26 449	-	(1 000)	25 449	11 497	13 952	45,2%	14 347	11 306
Social contributions	8 422	-	-	8 422	1 441	6 981	17,1%	3 989	1 368
Goods and services	6 055	-	(2 274)	3 781	2 090	1 691	55,3%	4 353	4 350
Minor assets	72	-	(72)	-	-	-	-	3	2
Audit costs: External	-	-	-	-	-	-	-	-	18
Catering: Departmental activities	171	50	(77)	144	143	1	99,3%	33	15
Consultants: Business and advisory services	3 926	-	(1 176)	2 750	1 071	1 679	38,9%	1 863	1 863
Agency and support / outsourced services	-	-	-	-	-	-	-	2 329	2 329
Consumable supplies	11	-	(11)	-	-	-	-	2	2
Consumable: Stationery, printing and office supplies	57	-	(57)	-	-	-	-	-	-
Travel and subsistence	182	(70)	(73)	39	30	9	76,9%	111	108
Operating payments	160	-	(18)	142	141	1	99,3%	-	1
Venues and facilities	1 476	20	(790)	706	705	1	99,9%	12	12
Transfers and subsidies	-	-	-	-	-	-	-	-	5
Households	-	-	-	-	-	-	-	-	5
Social benefits	-	-	-	-	-	-	-	-	5
Total	40 926	-	(3 274)	37 652	15 028	22 624	39,9%	22 689	17 029

APPROPRIATION STATEMENT for the year ended 31 March 2020

2.1 Administration

Economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	15 107	-	(389)	14 718	8 960	5 758	60,9%	13 650	9 966
Compensation of employees	14 362	-	-	14 362	8 606	5 756	59,9%	12 600	8 917
Goods and services	745	-	(389)	356	354	2	99,4%	1 050	1 049
Total	15 107	-	(389)	14 718	8 960	5 758	60,9%	13 650	9 966

2.2 Policy

Economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	15 507	-	(2 114)	13 393	2 465	10 928	18,4%	6 234	5 194
Compensation of employees	12 628	-	(1 000)	11 628	2 380	9 248	20,5%	2 959	1 920
Goods and services	2 879	-	(1 114)	1 765	85	1 680	4,8%	3 275	3 274
Transfers and subsidies	-	-	-	-	-	-	-	-	5
Households	-	-	-	-	-	-	-	-	5
Total	15 507	-	(2 114)	13 393	2 465	10 928	18,4%	6 234	5 199

APPROPRIATION STATEMENT for the year ended 31 March 2020

2.3 Planning

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 312	-	(771)	9 541	3 603	5 938	37,8%	2 805	1 864
Compensation of employees	7 881	-	-	7 881	1 952	5 929	24,8%	2 777	1 837
Goods and services	2 431	-	(771)	1 660	1 651	9	99,5%	28	27
Total	10 312	-	(771)	9 541	3 603	5 938	37,8%	2 805	1 864

APPROPRIATION STATEMENT for the year ended 31 March 2020

Programme 3: Housing development

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMINISTRATION	188 828	-	6 682	195 510	194 794	716	99,6%	190 142	189 613
2. FINANCIAL INTERVENTIONS	283 424	-	-	283 424	235 711	47 713	83,2%	926 489	800 046
3. INCREMENTAL INTERVENTIONS	4 642 323	-	-	4 642 323	4 552 076	90 247	98,1%	3 781 276	3 780 774
4. SOCIAL AND RENTAL INTERVENTION	-	-	-	-	-	-	-	269 529	210 264
5. RURAL INTERVENTIONS	-	-	-	-	-	-	-	10 359	10 299
Total for sub programmes	5 114 575	-	6 682	5 121 257	4 982 581	138 676	97,3%	5 177 795	4 990 996
Economic classification									
Current payments	188 328	-	6 895	195 223	194 507	716	99,6%	189 750	189 224
Compensation of employees	179 440	-	7 000	186 440	186 265	175	99,9%	185 569	185 043
Salaries and wages	157 702	-	5 900	163 602	163 517	85	99,9%	163 123	162 692
Social contributions	21 738	-	1 100	22 838	22 748	90	99,6%	22 446	22 351
Goods and services	8 888	-	(105)	8 783	8 242	541	93,8%	4 181	4 181
Minor assets	-	-	-	-	-	-	-	14	14
Bursaries: Employees	-	-	-	-	-	-	-	-	3
Catering: Departmental activities	-	21	-	21	21	-	100,0%	9	9
Agency and support / outsourced services	6 193	-	-	6 193	5 655	538	91,3%	1 752	1 750
Inventory: Food and food supplies	-	-	-	-	-	-	-	2	2
Consumable supplies	77	(74)	-	3	-	3	-	5	5
Consumable: Stationery, printing and office supplies	38	-	(38)	-	-	-	-	-	-
Travel and subsistence	2 334	53	-	2 387	2 388	-1	100,0%	2 190	2 190
Operating payments	246	-	(67)	179	178	1	99,4%	209	208

APPROPRIATION STATEMENT for the year ended 31 March 2020

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	4 926 247	-	(213)	4 926 034	4 788 074	137 960	97,2%	4 988 045	4 801 772
Households	4 926 247	-	(213)	4 926 034	4 788 074	137 960	97,2%	4 988 045	4 801 772
Social benefits	500	-	(213)	287	287	-	100,0%	392	392
Other transfers to households	4 925 747	-	-	4 925 747	4 787 787	137 960	97,2%	4 987 653	4 801 380
Total	5 114 575	-	6 682	5 121 257	4 982 581	138 676	97,3%	5 177 795	4 990 996

3.1 Administration

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	188 328	-	6 895	195 223	194 507	716	99,6%	189 750	189 221
Current payments	179 440	-	7 000	186 440	186 265	175	99,9%	185 569	185 043
Compensation of employees	8 888	-	(105)	8 783	8 242	541	93,8%	4 181	4 178
Goods and services	500	-	(213)	287	287	-	100,0%	392	392
Transfers and subsidies	500	-	(213)	287	287	-	100,0%	392	392
Households									
Total	188 828	-	6 682	195 510	194 794	716	99,6%	190 142	189 613

3.2 Financial intervention

Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	283 424	-	-	283 424	235 711	47 713	83,2%	926 489	800 046
Households	283 424	-	-	283 424	235 711	47 713	83,2%	926 489	800 046
Total	283 424	-	-	283 424	235 711	47 713	83,2%	926 489	800 046

3.3 Incremental interventions

Economic classification	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	3
Goods and services	-	-	-	-	-	-	-	-	3
Transfers and subsidies	4 642 323	-	-	4 642 323	4 552 076	90 247	98,1%	3 781 276	3 780 771
Households	4 642 323	-	-	4 642 323	4 552 076	90 247	98,1%	3 781 276	3 780 771
Total	4 642 323	-	-	4 642 323	4 552 076	90 247	98,1%	3 781 276	3 780 771

3.4 Social and rental intervention

Economic classification	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Transfers and subsidies Households	-	-	-	-	-	-	-	269 529	210 264
Total	-	-	-	-	-	-	-	269 529	210 264

3.5 Rural intervention

Economic classification	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Transfers and subsidies Households	-	-	-	-	-	-	-	10 359	10 299
TOTAL	-	-	-	-	-	-	-	10 359	10 299

APPROPRIATION STATEMENT for the year ended 31 March 2020

Programme 4: Housing assets, management property management

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ADMINISTRATION	29 544	-	5 464	35 008	34 940	68	99,8%	35 315	35 233
2. SALES AND TRANSFER OF HOUSING PROPERTIES	160 549	-	-	160 549	76 210	84 339	47,5%	105 811	66 304
3. DEVOLUTION OF HOUSING PROPERTIES	64 880	-	-	64 880	64 857	23	100,0%	212 100	212 059
Total for sub programmes	254 973	-	5 464	260 437	176 007	84 430	67,6%	353 226	313 596
Economic classification									
Current payments	29 218	-	5 790	35 008	34 940	68	99,8%	35 069	35 027
Compensation of employees	28 960	-	6 000	34 960	34 892	68	99,8%	34 907	34 836
Salaries and wages	25 451	-	5 100	30 551	30 549	2	100,0%	30 449	30 397
Social contributions	3 509	-	900	4 409	4 343	66	98,5%	4 458	4 439
Goods and services	258	-	(210)	48	48	-	100,0%	162	191
Minor assets	-	-	-	-	-	-	-	14	5
Catering: Departmental activities	79	(26)	(53)	-	-	-	-	31	31
Consumable supplies	157	-	(157)	-	-	-	-	2	2
Property payments	-	-	-	-	-	-	-	-	69
Travel and subsistence	22	26	-	48	48	-	100,0%	70	69
Operating payments	-	-	-	-	-	-	-	45	15
Transfers and subsidies	225 755	-	(326)	225 429	141 067	84 362	62,6%	318 157	278 569
Households	225 755	-	(326)	225 429	141 067	84 362	62,6%	318 157	278 569
Social benefits	160 875	-	(326)	160 549	76 210	84 339	47,5%	246	245
Other transfers to households	64 880	-	-	64 880	64 857	23	100,0%	317 911	278 324

APPROPRIATION STATEMENT for the year ended 31 March 2020

4.1 Administration	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	29 218	-	5 790	35 008	34 940	68	99,8%	35 069	34 988
Compensation of employees	28 960	-	6 000	34 960	34 892	68	99,8%	34 907	34 836
Goods and services	258	-	(210)	48	48	-	100,0%	162	152
Transfers and subsidies	326	-	(326)	-	-	-	-	246	245
Households	326	-	(326)	-	-	-	-	246	245
Total	29 544	-	5 464	35 008	34 940	68	99,8%	35 315	35 233

4.2 Sales and transfer of housing properties	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	39
Goods and services	-	-	-	-	-	-	-	-	39
Transfers and subsidies	160 549	-	-	160 549	76 210	84 339	47,5%	105 811	66 265
Households	160 549	-	-	160 549	76 210	84 339	47,5%	105 811	66 265
Total	160 549	-	-	160 549	76 210	84 339	47,5%	105 811	66 304

APPROPRIATION STATEMENT for the year ended 31 March 2020

4.3 Devolution Of Housing Properties

Economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	64 880	-	-	64 880	64 857	23	100,0%	212 100	212 059
Households	64 880	-	-	64 880	64 857	23	100,0%	212 100	212 059
Total	64 880	-	-	64 880	64 857	23	100,0%	212 100	212 059

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2020

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	627 196	589 132	38 064	6%

The under expenditure is as a result of vacant posts that were not filled as at the end of the financial year, as well as the late receipt and dispute of invoices relating to rates and taxes on Provincial Assets.

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Housing needs, research and planning	37 652	15 028	22 624	60%

The under expenditure is as a result of vacant posts that were not filled as at the end of the financial year.

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Housing development	5 121 257	4 982 581	138 676	3%

The under expenditure on the Human Settlements Development Grant is as a result of claims being received after payment cut-off date.

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Housing assets managements property planning	260 437	176 007	84 430	32%

The under expenditure on the Title Deeds Restoration Grant is as a result of the current processes that involve too many role players. The Department is currently reviewing its processes to address the delays in the issuance of title deeds.

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2020

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	472 830	451 003	21 827	5%
Goods and services	390 682	364 203	26 479	7%
Transfers and subsidies				
Households	5 153 430	4 931 105	222 325	4%
Payments for capital assets				
Machinery and equipment	23 010	16 247	6 763	29%
Intangible assets	6 400	-	6 400	100%
Payments for financial assets	190	190	-	0%

The under expenditure on Compensation of Employees relates to vacant posts not filled at year end. The under expenditure on Goods and Services relates to the late receipt of municipal invoices. The under expenditure on Machinery and Equipment was a result of the relocation to new offices not having taken place. The under expenditure on Software and other Intangible Assets is as result of the non-payment for the Claims Management System due to the delays caused by the fire of the Departmental building.

4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Human Settlements Development Grant	4 963 780	4 842 185	121 595	2%
Title Deeds Restoration Grant	160 549	76 211	84 338	53%
EPWP	10 458	10 458	-	0%

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
Revenue			
Annual appropriation	1	6 046 542	6 062 042
Departmental revenue	2	9 978	809
Total revenue		6 056 520	6 062 851
Expenditure			
Current expenditure			
Compensation of employees	4	451 003	439 799
Goods and services	5	364 203	274 552
Aid Assistance	3	-	1 016
Total current expenditure		815 206	715 367
Transfers and subsidies			
Transfers and subsidies	7	4 931 105	5 081 379
Total transfers and subsidies		4 931 105	5 081 379
Expenditure for capital assets			
Tangible assets	8	16 247	431
Total expenditure for capital assets		16 247	431
Payments for financial assets	6	190	212
Total expenditure		5 762 748	5 797 389
Surplus/(deficit) for the year		293 772	265 462
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		283 794	265 669
Annual appropriation		77 861	59 251
Conditional grants		205 933	206 418
Departmental revenue and NRF Receipts	12	9 978	809
Aid assistance	3	-	(1 016)
Surplus/(deficit) for the year		293 772	265 462

STATEMENT OF FINANCIAL POSITION as at 31 March 2020

		2019/20	2018/19
	Note	R'000	R'000
Assets			
Current assets			
		389 068	266 739
Cash and cash equivalents	9	337 593	242 549
Receivables	10	51 475	24 190
Total assets		389 068	266 739
Liabilities			
Current liabilities			
		378 355	266 680
Voted funds to be surrendered to the Revenue Fund	11	283 789	265 669
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	12	1 849	459
Payables	13	92 717	552
Total liabilities		378 355	266 680
Net assets		10 713	59
Represented by:			
Recoverable revenue		10 713	59
Total		10 713	59

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2020

	2019/20	2018/19
	R'000	R'000
Recoverable revenue		
Opening balance	59	171
Transfers:	10 654	(112)
Irrecoverable amounts written off	-	-
Debts revised	-	-
Debts recovered (included in departmental receipts)	88	(112)
Debts raised	10 566	-
Closing balance	10 713	59
Retained funds		
Opening balance	-	1 016
Utilised during the year	-	(1 016)
Closing balance	-	-
Total	10 713	59

CASH FLOW STATEMENT for the year ended 31 March 2020

		2019/20	2018/19
	Note	R'000	R'000
Cash flows from operating activities			
Receipts			
		6 056 170	6 062 851
Annual appropriated funds received	1.1	6 046 542	6 062 042
Departmental revenue received	2	3 669	442
Interest received	2.2	5 959	367
Net (increase)/decrease in working capital		64 880	(3 901)
Surrendered to Revenue Fund		(274 262)	(142 410)
Current payments		(815 206)	(715 367)
Payments for financial assets		(190)	(212)
Transfers and subsidies paid		(4 931 105)	(5 081 379)
Net cash flow available from operating activities	14	100 287	119 582
Cash flows from investing activities			
Payments for capital assets	8	(16 247)	(431)
Proceedings from sale of capital assets	2.3	350	-
Net cash flows from investing activities		(15 897)	(431)
Cash flows from financing activities			
Increase/(decrease) in net assets		10 654	(112)
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		10 654	(112)
Net increase/(decrease) in cash and cash equivalents		95 044	119 039
Cash and cash equivalents at beginning of period		242 549	123 510
Cash and cash equivalents at end of period	9	337 593	242 549

Summary of significant accounting policies

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

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

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

1. Basis of preparation

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

2. Going concern

The financial statements have been prepared on a going concern basis.

3. Presentation currency

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

4. Rounding

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

5. Comparative information

5.1 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.

5.2 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.

6. Revenue

6.1 Appropriated funds

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

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

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.

6.2 Departmental revenue

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

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

6.3 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

7. Expenditure

7.1 Compensation of employees

7.1.1 Salaries and wages

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

7.1.2 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.

7.2 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.

7.3 Accruals and payables not recognised

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

7.4 Leases

7.4.1 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.

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

7.4.2 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.

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

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

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

8. Aid Assistance

8.1 Aid assistance received

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

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

8.2 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.

9. 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.

10. Financial assets

10.1 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.

10.2 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.

11. Payables

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

12. Capital Assets

12.1 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.

12.2 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.

12.3 Intangible assets

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

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

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

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

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

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

12.4 Project Costs: Work-in-progress

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

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

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

13. Provisions and Contingents

13.1 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.

13.2 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.

13.3 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.

13.4 Capital commitments

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

14. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

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

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

15. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

16. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

17. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

18. 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.

The country has been plagued by the pandemic COVID-19 which has had negative effects across all people. The department has done internal reprioritisation within its budget amounting to R23 million to address internal Personal protective equipment (PPE) for staff in-order for operations to continue within the department

19. Principal-Agent arrangements

The department is party to a principal-agent arrangement for Gauteng Partnership Fund. In terms of the arrangement the department is the [principal] and is responsible for providing funding for human settlements mega projects]. 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.

20. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

21. 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.

22. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020

1. Annual Appropriation

1.1 Annual Appropriation

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

	2019/20			2018/19		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
1. ADMINISTRATION	627 196	627 196	-	508 333	508 333	-
2. HOUSING NEEDS, RESEARCH AND PLANNING	37 652	37 652	-	22 689	22 689	-
3. HOUSING DEVELOPMENTS	5 121 257	5 121 257	-	5 177 794	5 177 794	-
4. HOUSING ASSETS MANAGEMENT PROPERTY MANAGEMENT	260 437	260 437	-	353 226	353 226	-
Total	6 046 542	6 046 542	-	6 062 042	6 062 042	-

1.2 Conditional grants

	Note	2019/20	2018/19
		R'000	R'000
Total grants received	32	5 134 787	5 161 457
Provincial grants included in Total Grants received		5 134 787	5 161 457

2. Departmental revenue

	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	2.1	451	456
Interest, dividends and rent on land	2.2	5 959	367
Sale of Capital Assets	2.3	350	-
Transactions in financial assets and liabilities	2.4	3 218	(14)
Total revenue collected		9 978	809
		-	-
Departmental revenue collected		9 978	809

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020

2.1 Sales of goods and services other than capital assets

	Note 2	2019/20 R'000	2018/19 R'000
Sales of goods and services produced by the department			
Sales by market establishment		451	456
Total		451	456

Revenue generated through sales by market establishment mainly represent parking rental, sales of tender documents, servitude rights and commission insurance/garnishee order fees. For the period under review, the department recorded less revenue mainly because no tenders were advertised.

2.2 Interest, dividends and rent on land

	Note 2	2019/20 R'000	2018/19 R'000
Interest		5 959	367
Total		5 959	367

More interest in the current financial year derived from capital for purchase of land.

2.3 Sale of capital assets

	Note 2	2019/20 R'000	2018/19 R'000
Interest	29	350	-
Total		350	-

2.4 Transactions in financial assets and liabilities

	Note 2	2019/20 R'000	2018/19 R'000
Receivables		3 218	(14)
Total		3 218	(14)

3. Aid assistance

	Note	2019/20 R'000	2018/19 R'000
Opening Balance		-	1 016
As restated		-	1 016
Transferred from statement of financial performance		-	(1 016)
Paid during the year		-	-
Closing Balance		-	1 016

3.1 Aid assistance expenditure per economic classification

	Note 3	2019/20 R'000	2018/19 R'000
Current		-	1 016
Total aid assistance expenditure		-	1 016

4. Compensation of employees

4.1 Salaries and Wages

	Note	2019/20 R'000	2018/19 R'000
Basic salary		315 080	304 919
Performance award		6 802	6 603
Service Based		24 043	23 349
Compensative/circumstantial		774	1 036
Periodic payments		-	191
Other non-pensionable allowances		*46 488	48 125
Total		393 187	384 223

**Other non-pensionable allowances include leave discounting, overtime, capital remunerations, housing allowance, salaries and wages for internships and learnerships and all other non-pensionable allowances related to structured SMS and MMS packages.*

4.2 Social Contributions

	Note	2019/20 R'000	2018/19 R'000
Employer contributions			
Pension		40 681	39 120
Medical		17 060	16 384
UIF		-	1
Bargaining council		75	71
Total		57 816	55 576
Total compensation of employees		451 003	439 799
Average number of employees		*820	773

**The department has new management and Executive authority and key vacant post that were not filled have been in line with the new turn-around strategy of the department.*

5. Goods and services

		2019/20	2018/19
	Note	R'000	R'000
Administrative fees		11	38
Advertising		1 575	714
Minor assets	5.1	13	61
Bursaries (employees)		2 795	1 420
Catering		1 079	1 106
Communication		6 815	6 544
Computer services	5.2	9 941	4 815
Consultants: Business and advisory services		20 352	26 475
Legal services		35 503	18 803
Contractors		23 693	40 450
Agency and support / outsourced services		5 655	5 038
Audit cost – external	5.3	9 329	8 705
Fleet services		11 122	3 380
Inventory	5.4	-	2
Consumables	5.5	1 157	1 989
Operating leases		52 171	48 205
Property payments	5.6	167 981	93 668
Travel and subsistence	5.7	4 128	3 960
Venues and facilities		8 688	7 542
Training and development		653	672
Other operating expenditure	5.8	1 542	965
Total		364 203	274 552

5.1 Minor assets

		2019/20	2018/19
	Note 5	R'000	R'000
Tangible assets			
Machinery and equipment		13	61
Total		13	61

5.2 Computer services

		2019/20	2018/19
	Note 5	R'000	R'000
SITA computer services		9 941	4 254
External computer service providers		-	561
Total		9 941	4 815

There was a misclassification in the prior year amount. Included in the amount is the R4 992 for SITA computer services.

5.3 Audit cost – External

		2019/20	2018/19
	Note 5	R'000	R'000
Regularity audits		9 329	8 705
Total		9 329	8 705

Increased in expenditure results from audit fees accruals paid in the current year.

5.4 Inventory

	Note 5	2019/20 R'000	2018/19 R'000
Food and food supplies		-	2
Total		-	2

5.5 Consumables

	Note 5	2019/20 R'000	2018/19 R'000
Consumable supplies		278	313
Uniform and clothing		77	185
Household supplies		27	8
IT consumables		174	120
Stationery, printing and office supplies		879	1 676
Total		1 157	1 989

5.6 Property payments

	Note 5	2019/20 R'000	2018/19 R'000
Municipal services		*160 277	87 630
Property maintenance and repairs		558	273
Other		**7 146	5 765
Total		*167 981	93 668

*Increase in municipal services as a result of additional funding/rollovers funding from previous financial year to cater for old municipal debt.

**Other property payments relates to cleaning services.

5.7 Travel and subsistence

	Note 5	2019/20 R'000	2018/19 R'000
Local		4 126	3 458
Foreign		2	502
Total		4 128	3 960

5.8 Other operating expenditure

	Note 5	2019/20 R'000	2018/19 R'000
Resettlement costs		-	30
Other		*1 542	935
Total		1 542	965

*Other operating expenditure includes payments to printing and publication costs and life insurance premiums.

6. Payments for financial assets

	Note	2019/20 R'000	2018/19 R'000
Debts written off	6.1	190	212
Total		190	212

6.1 Debts written off

	Note 6	2019/20 R'000	2018/19 R'000
Ex-Employees (deceased)		190	212
Total		190	212
Total debt written off		190	212

The expenditure relates to deceased employees debts written off.

7. Transfers and subsidies

	Note	2019/20 R'000	2018/19 R'000
Provinces and municipalities	34	166 541	882 344
Households	Annex 1G	4 764 564	4 199 035
Total		4 931 105	5 081 379

8. Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets		16 247	431
Machinery and equipment		16 247	431
Total		16 247	431

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	16 247	-	16 247
Machinery and equipment	16 247	-	16 247
Total	16 247	-	*16 247

**Drastic increase in expenditure for capital assets is as a result of procurement of new laptops and desktops for employees affected by BOL disaster.*

8.2 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	431	-	431
Machinery and equipment	431	-	431
Total	431	-	431

9. Cash and cash equivalents

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account		337 593	242 549
Total		337 593	242 549

10. Receivables

	Note	2019/20			2018/19		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Staff debt	10.1	544	-	544	693	-	693
Fruitless and Wasteful Expenditure	10.3	13 094	-	13 094	-	-	-
Claims Recoverable	10.4	7 306	-	7 306	-	-	-
Other receivables	10.2	30 531	-	30 531	23 497	-	23 497
Total		51 475	-	51 475	24 190	-	24 190

10.1 Staff debt

	Note 10	2019/20 R'000	2018/19 R'000
Ex-employees		361	676
Debt Account		183	17
Total		544	693

10.2 Other receivables

	Note 10	2019/20 R'000	2018/19 R'000
Housing Fund		*30 480	23 405
Sal: Recoverable		14	-
Sal: Reversal		37	92
Total		30 531	23 497

*Other debtors mainly attribute to the fund expenditure incurred by the vote on behalf of Housing Fund amounting R30 480 million.

10.3 Fruitless and wasteful expenditure

	2019/20	2018/19
Note 10	R'000	R'000
Less amounts written off		
Transfers from note 22 Fruitless and Wasteful Expenditure	13 094	-
Total	13 094	-

10.4 Claims Recoverable

	2019/20	2018/19
Note 10	R'000	R'000
Advance management fee (GPF)	7 306	-
Total	7 306	-

11. Voted funds to be surrendered to the Revenue Fund

	2019/20	2018/19
Note	R'000	R'000
Opening balance	265 669	144 800
Prior period error	-	(3 250)
As restated	265 669	141 550
Transfer from statement of financial performance (as restated)	283 794	265 669
Paid during the year	(265 674)	(141 550)
Closing balance	283 789	265 669

11.1 Prior period error

	2018/19
Note 11	R'000
Nature of prior period error	(3 250)
Fruitless expenditure – COGTA relating to 2015/16	(3 250)
Total	(3 250)

The prior period error relates to the Fruitless and Wasteful expenditure which was written off in 2015/16 and was never implemented.

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

	2019/20	2018/19
Note	R'000	R'000
Opening balance	459	510
As restated	459	510
Transfer from Statement of Financial Performance (as restated)	9 978	809
Paid during the year	(8 588)	(860)
Closing balance	1 849	459

13. Payables – current

	Note	2019/20 R'000	2018/19 R'000
Clearing accounts (suspense account)	13.1	92 717	552
Total		*92 717	552

**An increase in other payables is due to R92 650 which was Memorandum of Agreement between Department of Human Settlements and Department of Water and Sanitation.*

13.1 Other payables

	Note 13	2019/20 R'000	2018/19 R'000
Description		4	2
Sal: ACB Recalls		63	388
Sal:Income Tax : CL		-	1
Sal: Pension Fund		-	161
Telephone Control Acc		92 650	-
Adv:Dom:P/Dept:GP Adv Acc		161	-
Total		*92 717	552

**An increase in other payables is due to R92 650 which was Memorandum of Agreement between Department of Human Settlements and Department of Water and Sanitation.*

14. Net cash flow available from operating activities

	Note	2019/20 R'000	2018/19 R'000
Net surplus/(deficit) as per Statement of Financial Performance		293 772	265 462
Add back non-cash/cash movements not deemed operating activities		(193 485)	(145 880)
(Increase)/decrease in receivables		(27 285)	(4 350)
(Increase)/decrease in prepayments and advances		0	41
Increase/(decrease) in payables – current		92 165	408
Proceeds from sale of capital assets		(350)	0
Expenditure on capital assets		16 247	431
Surrenders to Revenue Fund		(274 262)	(142 410)
Net cash flow generated by operating activities		100 287	119 582

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

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General account		337 593	242 549
Total		337 593	242 549

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

			2019/20	2018/19
		Note	R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	75	75
Claims against the department		Annex 3B	*2 784 734	643 061
Intergovernmental payables (unconfirmed balances)		Annex 5	-	13 478
Total			2 784 809	656 614

*The claims against the Department represent litigation claims relating to unpaid invoices due to disputes on services rendered and damages thereof, breach of contracts, freight train/motor vehicle collisions, wrongful and unlawful digging of pits on private property, culpable homicide in the Department's construction site and loss of profits.

17. Capital commitments

			2019/20	2018/19
		Note	R'000	R'000
Infrastructure				
Immovable Capital Assets: Buildings and Other fixed structures – Dwellings			-	-
Total			-	-

*The non-disclosure of commitments is due to update in the reporting of commitments in Modified Cash Standard Disclosure Requirements as per para. 64 which was applied retrospectively.

The prior period amount has been reclassified from capital to transfers and subsidies.

Paragraph .64 "A department shall disclose its commitments for capital expenditure as at the reporting date.

The sector specific guide: Human settlements departments issued in 2012 prescribed that housing-related payments which are made by a Human Settlements department are classified as transfer to households.

18. Accruals and payables not recognised

18.1 Accruals

			2019/20	2018/19
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	434	238	672	24 738
Transfers and subsidies	142 930	194 404	337 334	12 745
Total	143 364	194 642	338 006	37 483

			2019/20	2018/19
		Note	R'000	R'000
Listed by programme level				
Administration			672	24 738
Human Settlements Development Grant			337 334	12 745
Total			338 006	37 483

The significant increase in accruals is mainly due to reclassification of the discloser note in line with the new business processes.

18.2 Payables not recognised

	2019/20	2018/19
	R'000	R'000

Listed by economic classification

	30 Days	30+ Days	Total	Total
Goods and services	26 687	5 494	32 181	4 999
Transfers and subsidies	75 858	234 808	310 666	1 088 036
Total	102 545	240 302	342 847	1 093 035

	Note	2019/20	2018/19
		R'000	R'000

Listed by programme level

Administration		32 181	4 999
Human Settlements Development Grant		310 666	1 088 036
Total		342 847	1 093 035

	Note	2019/20	2018/19
		R'000	R'000

Included in the above totals are the following:

Confirmed balances with other departments	Annex 5	4 210	-
Confirmed balances with other government entities	Annex 5	1 624	-
Total		5 834	-

19. Employee benefits

	Note	2019/20	2018/19
		R'000	R'000
Leave entitlement		*32 450	45 489
Service bonus (13th Cheque)		12 459	11 941
Performance awards		**2 518	6 536
Capped leave		***7 895	8 970
Long Service Awards		****225	428
Total		55 547	73 364

*Included in the leave entitlement is a negative leave balance of R163 903,02 which is as a result of resolution 7 of 2000 which allows employees to accrue leave days on the 1st of January every year irrespective of the employment date.

**Performance bonus is 0,5% of the total compensation of employees' budget and this is payable in prior the 31st august of the new financial year after all assessments have been concluded. Calculated using the compensation of employees' budget * 0,5%.

***Capped leave is calculated based annual increase of those that have leave prior to 200.

****Long Service Award is calculated based on the cash award figures provided by DPSA as per the PSCBC resolution 1 of 2012.

20. Lease commitments

20.1 Operating leases

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	19 287	777	20 064
Later than 1 year and not later than 5 years	-	-	7 428	492	7 920
Total lease commitments	-	-	26 715	1 269	27 984

Included in the amount there's annual escalations relating to Elskafusion of 8%, and Broll is escalated at 10%.

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	23 657	958	24 615
Later than 1 year and not later than 5 years	-	-	24 288	285	24 573
Total lease commitments	-	-	47 945	1 243	49 188

20.2 Finance leases**

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	848	848
Later than 1 year and not later than 5 years	-	-	-	165	165
Total lease commitments	-	-	-	1 013	1 013

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	2 848	2 848
Later than 1 year and not later than 5 years	-	-	-	1 844	1 844
Total lease commitments	-	-	-	4 692	4 692

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	2019/20	2018/19
Note	R'000	R'000
Opening balance	5 058 949	4 613 926
As restated	5 058 949	4 613 926
Add: Irregular expenditure – relating to prior year	1 181	34 110
Add: Irregular expenditure – relating to current year	1 010 060	410 913
Closing balance	6 070 190	5 058 949
Analysis of awaiting condonation per age classification		
Current year	1 011 241	445 023
Prior years	5 058 949	4 613 926
Total	6 070 190	5 058 949

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

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
Extension beyond a permissible limit of 15%	None	331 684
No tax compliant at the time of appointment in terms of CSD report	None	38 062
No proof of procurement process followed for appointment of incubators	None	1 944
Bulk Infrastructure	None	83 535
Extension after the contract had expired	None	145 312
Extension made without following proper procurement process	None	22 454
Allocation not fair	None	133 350
HSDG spent in contravention to DORA framework, the money paid to a developer instead of transfer to municipality in terms of gazetted funds.	None	99 621
Contractor not having appropriate CIDB grading	None	16 574
Payments made without a valid contract- EPWP	None	10 458
Three quotations not sourced	None	1 181
Subcontracting was not included as a condition of tender	None	127 066
Total		1 011 241

22. Fruitless and wasteful expenditure

22.1 Reconciliation of fruitless and wasteful expenditure

		2019/20	2018/19
	Note	R'000	R'000
Opening balance		44 598	32 730
As restated		44 598	32 730
Fruitless and wasteful expenditure – relating to current year		18 484	11 868
Less: Amounts recoverable	22.3	(13 094)	-
Less: Amounts written off	22.4	(21 267)	-
Closing balance		28 721	44 598

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

Incident	Disciplinary steps taken/criminal proceedings	2019/20
		R'000
Interest paid on overdue accounts	None	15 503
Duplicate payments	None	453
Wrong supplier paid	Legal Actions taken against the supplier	2 528
Total		18 484

22.3 Details of fruitless and wasteful expenditure recoverable

Incident	2019/20
	R'000
Crimson King Properties – amounts paid erroneously and transferred to receivables	10 566
Sam Radebe Construction-wrong supplier paid	2 528
Total	13 094

22.4 Details of fruitless and wasteful expenditure written off

Incident	2019/20
	R'000
Interest and charges on overdue accounts	16 293
Payments made not in accordance with the applicable grant framework: Repairs to vandalised houses	4 974
Total	21 267

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020

23. Related party transactions

		2019/20	2018/19
Payments made	Note	R'000	R'000
Transfers and subsidies		735 922	1 163 871
Total		735 922	1 163 871

		2019/20	2018/19
Year end balances arising from revenue/payments	Note	R'000	R'000
Receivables from related parties		37 786	-
Total		37 786	-

		2019/20	2018/19
In kind goods and services provided/received	Note	R'000	R'000
Gauteng Housing Fund		110 772	47 148
Total		110 772	47 148

The Gauteng Department of Human Settlement is related to Department of Corporate Governance and Traditional Affairs, the Gauteng Partnership Funds and the Housing fund by virtue of being under the same control by Member of the Executive Council (MEC).

24. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers			
Member of the Executive Council(MEC)	1	-	-
Officials:			
Deputy Director General & HOD	7	9 048	11 396
Chief Directors	11	12 725	10 436
Regional Heads	5	8 591	-
Total		30 364	21 832

No political office bearer's expenditure, the budget for Member of the Executive Council (MEC) office is budgeted under Department of Corporate Governance and Traditional Affairs.

25. Provisions

		2019/20	2018/19
	Note	R'000	R'000
Mr. D Mnyausi of Lucky Lucky Construction		964	
Mr. P Nkumane of MP Builders		1 593	
Mr. V Mbatha of TV Construction		71	
Mr. MC Mautjana of Mautjana Projects		18	
Mr. W Mrawzeli of William Construction		74	
Total		2 720	

The department had case that were referred to the Public Protector in due to non-payment for work done at Alexandra project. However other complainants did not accept the outcomes from the Public Protector and they did not lodge any court application to review the Public Protector's report.

25.1 Reconciliation of movement in provisions – 2019/20

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	2 720			2 720
Increase in provision				
Settlement of provision				
Unused amount reversed				
Reimbursement expected from third party				
Change in provision due to change in estimation of inputs				
Closing balance	2 720			2 720

26. Non-adjusting events after reporting date

	2019/20
	R'000
Nature of event	
The country has been plagued by the pandemic COVID-19 which has had negative effects across all people. The department has done internal reprioritisation within its budget amounting to R23million to address internal Personal protective equipment (PPE) for staff in-order for operations to continue within the department	23 000
Total	23 000

27. Movable Tangible Capital Assets

Movement in movable tangible capital assets per asset register for the year ended 31 March 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	64 980	-	16 247	-	81 227
Transport assets	566	-	-	-	566
Computer equipment	48 433	-	16 166	-	64 599
Furniture and office equipment	11 572	-	-	-	11 572
Other machinery and equipment	4 409	-	81	-	4 490
Total movable tangible capital assets	64 980	-	16 247	-	81 227

Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	943	19 935

Included in the above are the losses reported to SAPS as well as unverified assets.

27.1 Additions

Additions to movable tangible capital assets per asset register for the year ended 31 March 2020

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	16 247	-	-	-	16 247
Computer equipment	16 166	-	-	-	16 166
Other machinery and equipment	81	-	-	-	81
Total additions to movable tangible capital assets	16 247	-	-	-	16 247

27.2 Movement for 2018/19

Movement in tangible capital assets per asset register for the year ended 31 March 2019

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	64 549	-	431	-	64 980
Transport assets	566	-	-	-	566
Computer equipment	48 433	-	-	-	48 433
Furniture and office equipment	11 536	-	36	-	11 572
Other machinery and equipment	4 014	-	395	-	4 409
Total movable tangible capital assets	64 549	-	431	-	64 980

27.3 Minor assets

Movement in minor assets per the asset register for the year ended as at 31 March 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	13 922	-	13 922
Additions	-	-	-	13	-	13
Total minor assets	-	-	-	13 935	-	13 935

Minor Capital Assets under investigation

	Number	Value
		R'000

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

Machinery and equipment	1 493	1 884
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The above assets under investigation relates to assets unverified.

Movement in minor assets per the asset register for the year ended as at 31 March 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	13 864	-	13 864
Additions	-	-	-	58	-	58
Total minor assets	-	-	-	13 922	-	13 922

28. Intangible Capital Assets

Movement in intangible capital assets per asset register for the year ended 31 March 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	10 902	-	-	-	10 902
Total intangible capital assets	10 902	-	-	-	10 902

28.1 Movement for 2018/19

Movement in intangible capital assets per asset register for the year ended 31 March 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	10 902	-	-	-	10 902
Total intangible capital assets	10 902	-	-	-	10 902

29. Immovable Tangible Capital Assets

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2020

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
Buildings and other fixed structures	143 369	-	-	(24 591)	118 778
Other fixed structures	143 369	-	-	(24 591)	118 778
Land and subsoil assets	1 271 313	-	70 000	-	1 341 313
Land	1 271 313	-	70 000	-	1 341 313
Total immovable tangible capital assets	1 414 682	-	70 000	(24 591)	1 460 091

29.1 Additions

Additions to immovable tangible capital assets per asset register for the year ended 31 March 2020

	Cash R'000	Non-cash R'000	(Capital work in progress current costs and finance lease payments) R'000	Received current, not paid (paid current year, received prior year) R'000	Total R'000
Land and subsoil assets	70 000	-	-	-	70 000
Land	70 000	-	-	-	70 000
Total additions to immovable tangible capital assets	70 000	-	-	-	70 000

29.2 Disposals

Disposals of immovable tangible capital assets per asset register for the year ended 31 March 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
Buildings and other fixed structures	24 422	169	24 591	350
Other fixed structures				
Temporary Relocation Units(TRU)	24 422	169	24 591	350
Total disposals of immovable tangible capital assets	24 422	169	24 591	350

Three Temporary relocation units were procured for the purpose of providing office space for contractors who were contracted for Bekkersdal Urban Renewal Project, as the project was completed the TRUs were moved to Bekkersdal SAPS for safety, due to the limited office space at the Police Station and the TRUs were utilised. The amount of R169 255,80 was a transfer to South African Police Services (SAPS).

29.3 Movement for 2018/19

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2019

	Opening balance R'000	Prior period error R'000	Additions	Disposals R'000	Closing Balance R'000
Buildings and other fixed structures	143 369	-	-	-	143 369
Other fixed structures	143 369	-	-	-	143 369
Land and subsoil assets	891 711	13 760	365 842	-	1 271 313
Land	891 711	13 760		-	1 271 313
Total immovable tangible capital assets	1 035 080	13 760	365 842	-	1 414 682

29.3.1 Prior period error

	Note	2018/19 R'000
Nature of prior period error		
Relating to 2018/19		13 760
		13 760
Total prior period errors		13 760

The department purchased land in the financial year ending 31 March 2019 and was not recorded in the immovable asset register for R13 760 000.

29.4 Capital Work-in-progress

Capital work-in-progress as at 31 March 2020

	Note Annexure 7	Opening balance 1 April 2019 R'000	Current Year WIP R'000	Ready for use (Assets to the AR)/ Contracts terminated R'000	Closing balance 31 March 2020 R'000
Buildings and other fixed structures		976 674	-	-	976 674
Total		976 674	-	-	976 674

Capital work-in-progress as at 31 March 2019

	Note Annexure 7	Opening balance 1 April 2018 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR)/ Contracts terminated R'000	Closing balance 31 March 2019 R'000
Buildings and other fixed structures		848 074	-	128 600	-	976 674
Total		848 074	-	128 600	-	976 674

29.5 S42 Immovable assets

Assets to be transferred in terms of S42 of the PFMA – 2019/20

	Number of assets R'000	Value of assets R'000
Buildings and other fixed structures	3	169
Other fixed structures	3	169
Total	3	169

30. Principal-agent arrangements

30.1 Department acting as the principal

	2019/20 R'000	2018/19 R'000
Housing Development Agency	1 621	8 234
Gauteng Partnership Fund	36 796	56 498
National Housing Finance Corporation	201	-
Total	38 618	64 732

1. National Development Agency(HDA) is an implementing agent for Munsieville projects for the installation of internal services. The department has entered into implementation protocol with Housing Development Agency for the development of water and sewer remedial work and construction of roads and storm water services. The Housing Development Agency receives 5% commission on the projects that it implements.
2. Gauteng Partnership Fund is an agent of the Department. In the 19/20 financial year the Department and the agency signed an implementation protocol for the implementation of the Mega Human settlement projects. The Gauteng Partnership funds receives 5% commission on the projects that it implements, and the commission is primarily based on the total amount transferred to the Fund.
3. The payments are made in terms of an agreement between the department and NHFC for implementing the finance linked individual subsidy programme, where NHFC pays qualifying beneficiaries the subsidy on behalf of the department. An agreement between the department and the National Housing Finance Corporation (NHFC) which states that NHFC is appointed as an implementing agent for the incubator projects on behalf of the department.

31. Prior Period Error

	Note	Amount before error correction 2018/19 R'000	Prior period error 2018/19 R'000	2018/19 R'000
Liabilities:				
Capital Commitments	17	11 499 100	(11 499 100)	-
Voted Funds to be surrendered		144 800	(3 250)	141 550
Net effect		11 643 900	(11 502 350)	141 550

Construction of RDP houses has been reclassified from capital to transfers and subsidies.

32. Inventories (Unaudited)

32.1 Inventories for the year ended 31 March 2020

	Completed Housing units	Major category of inventory	Major category of inventory	Major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	7 975 782	-	-	-	7 975 782
Add: Additions – Non-cash	1 251 759				1 251 759
Closing balance	9 227 541	-	-	-	9 227 541

Inventories for the year ended 31 March 2019

	Completed Housing units	Major category of inventory	Major category of inventory	Major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	7 004 698	-	-	-	7 004 698
Add: Additions – Non-cash	971 084				971 084
Closing balance	7 975 782	-	-	-	7 975 782

33. Statement of conditional grants received

Name of department	Grant allocation					Spent			2018/19		
	Division of revenue act/provincial grants	Roll overs	DoRA adjustments	Other adjustments	Total available	Amount received by department	Amount spent by department	Under/(over-spending)	% of available funds spent by department	Division of revenue act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Human Settlements Grant	5 164 409	49 371	(250 000)	-	4 963 780	4 963 780	4 842 185	121 595	98%	5 046 583	4 987 645
Extended Public Works Programme Title Deeds Restoration Grant	10 458	-	-	-	10 458	10 458	10 458	-	100%	9 063	9 006
	156 204	4 345	-	-	160 549	160 549	76 211	84 338	47%	105 811	66 542
	5 331 071	53 716	(250 000)	-	5 134 787	5 134 787	4 928 854	205 933		5 161 457	5 063 193

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

34. Statement of conditional grants and other transfers paid to municipalities

Name of municipality	2019/20						2018/19			
	GRANT ALLOCATION			SPENT			Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer	%
	DoRA and other transfers	Roll overs	Adjustments Available	Total available	Actual transfer	Funds withheld				
City of Johannesburg	245 507	-	-	552 945	166 541	-	-	135 919	135 919	
City of Tshwane	156 000	-	-	245 507	55 103	-	-	22 992	22 800	
Merafong City	46 944	-	-	156 000	-	-	-	88 383	88 383	
Mogale City	31 111	-	-	46 944	46 944	-	-	91 000	91 000	
Rand West City	73 383	-	-	31 111	31 111	-	-	46 900	46 900	
City of Ekurhuleni	-	-	-	73 383	33 383	-	-	506 342	497 342	
Total	552 945	-	-	552 945	166 541	-	-	891 536	882 344	

Annexure 1A (Unaudited)
Statement of conditional grants and other transfers paid to municipalities

Name of municipality	Grant allocation			Transfer		Spent			2018/19				
	DoRA and other transfers R'000	Roll overs R'000	Adjustments R'000	Total available	Actual transfer R'000	Funds withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by municipality R'000	Amount spent by municipality R'000	Unspent fund R'000	% of available funds spent by municipality	Division of Revenue Act R'000	Division of Revenue Act R'000
City of Johannesburg	245 507	-	-	245 507	55 103	-	-	55 103	-	-	0%	135 919	135 919
City of Tshwane	156 000	-	-	156 000	-	-	-	-	-	-	0%	22 992	22 800
Merafong City	46 944	-	-	46 944	46 944	-	-	46 944	-	-	0%	88 383	88 383
Mogale City	31 111	-	-	31 111	31 111	-	-	31 111	-	-	0%	91 000	91 000
Rand West City	73 383	-	-	73 383	33 383	-	-	33 383	-	-	0%	46 900	46 900
City of Ekurhuleni	-	-	-	-	-	-	-	-	-	-	0%	506 342	497 342
Total	552 945	-	-	552 945	166 541	-	-	166 541	-	-	-	891 536	882 344

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Annexure 1G (Unaudited)
Statement of transfers to households

Households	Transfer allocation				Expenditure		2018/19
	Adjusted appropriation Act	Roll overs	Adjustments	Total available	Actual transfer	% of available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Human Settlements Grant	5 164 409	49 371	(250 000)	4 963 780	4 675 644	94%	5 223 800
Extended Public Works Programme (EPWP)	10 458	-	-	10 458	10 458	100%	-
Title Deeds Restoration Grant	156 205	4 345	-	160 550	76 211	47%	-
Earmarked	16 390	-	-	16 390	-	0%	15 490
Households	1 370	-	-	1 370	2 251	164%	1 355
Total	5 348 832	53 716	(250 000)	5 152 548	4 764 564	-	5 240 645

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Annexure 3A (Unaudited)
Statement of financial guarantees issued as at 31 March 2020 – local

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2019	Guarantees draw downs during the year	Guarantees repayments/reduced/released during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2020	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
	Nedbank	-	52	-	-	-	52	-	-
	Old Mutual	-	23	-	-	-	23	-	-
	Subtotal	-	75	-	-	-	75	-	-
	Total	-	75	-	-	-	75	-	-

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Annexure 3B (Unaudited)
Statement of contingent liabilities as at 31 March 2020

Nature of liability	Opening balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Alcron Properties	100 386				100 386
Allenby Housing	64 774				64 774
Amandebele BA Molelane Traditional council		60 000			60 000
Asa Group Consultancy (pty) ltd	41 209				41 209
Department of Transport, Roads & Works	42				42
Document Warehouse		383			383
Golden Tread limited	1 350		1 350		0
JM Smith	271		271		0
L R Big Brain Construction cc	5 867	5 867			11 734
Lenga Monama	30				30
Lumkile	62		62		0
Mabalabala Holdings	1 065				1 065
Makgotamishe Building Construction (Pty) LTD	48 718	50 120	48 718		50 120
Manuel Gonsalves De achaidha & others	20 305				20 305
Masimango: Gugu Nokhuthula - obo Lindokuhle Godfrey Mbuyisa	4 110		4 110		0
Massbuild	3 550				3 550
Mbangatha Vuyokazi					0
Mogale Solution Providers (Pty) Ltd		3 311			3 311
Mpho Ramoshaba	13				13
Mr Makgetha Samuel Lehlohonolo	250				250
Mushanganiso Tshililo	166				166
Naidoo Navil	571				571
Naidoo Shivani	571				571
Nair Premila	575				575
Ngabolo Projects cc	1 509				1 509
OBS Consulting	296		296		0
Octopus Productions cc		2 101 500			2 101 500
Peter Mongoloo and others	900				900
Pillay Romilla	571				571

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Nature of liability	Opening balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (provide details hereunder)	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Red Ant Security	200 415		200 415		0
Scarlett Ibis 115 (Pty) Ltd	5 250				5 250
Shereno Printers cc	368		368		0
Sheriff Pretoria South West	11 239				11 239
Shivava Trading	1 418		1 418		0
Sonwabiso Maduna	100		100		0
Tshedza Protective Services		1 216			1 216
Vimtsire	84 521				84 521
XCF Moditi Consortium	42 590				42 590
Bobworth Investment (PTY) Ltd		3 489			3 489
Taurus Garden Trading		9 519			9 519
Hlano Financial Services		116 729			116 729
Buzzy Builders		2 495			2 495
Indlangamandla Security Protection and Projects		23 525			23 525
DGSD		10 721			10 721
ABSA Property Development		9 905			9 905
Subtotal	643 062	2 398 780	257 108	-	2 784 734
Total	643 062	2 398 780	257 108	-	2 784 734

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Annexure 4 (Unaudited)
Claims recoverable

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20*	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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								
Gauteng Department of Infrastructure Development	-	24	-	-	-	24	-	-
Department of Agriculture and Rural Development	-	484	-	-	-	484	-	-
National Department of Human Settlements	-	-	37	-	37	-	-	-
	-	508	37	-	37	508	-	-
Other government entities								
Gauteng Partnership Fund	-	389 511	296 583	-	296 583	389 511	-	-
Gauteng Partnership Fund	-	-	7 306	-	7 306	-	-	-
	-	389 511	303 889	-	303 889	389 511	-	-
Total	-	390 019	303 926	-	303 926	390 019	-	-

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Annexure 5 (Unaudited)
Inter-government payables

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20	
	31/03/2019		31/03/2019		31/03/2020		31/03/2019	
	R'000	R'000	R'000	R'000	R'000	R'000	Payment date up to six (6) working days before year end	Amount R'000
Departments								
Current								
Department of Justice and Constitutional Development	3 873	-	3 166	-	3 873	3 166	-	-
Gauteng Department of Agriculture	134	-	-	-	-	-	-	-
Gauteng Department of e-Government	-	-	4 478	-	-	4 478	-	-
National Department of Human Settlements	41	-	-	-	41	-	-	-
Gauteng Department of Economic Development	71	-	-	-	71	-	-	-
Limpopo Department of Public Works, Roads and Infrastructure	91	-	-	-	91	-	-	-
Subtotal	4 210	-	7 644	-	4 210	7 644	-	-
Other government entity								
Current								
Gg Fleet	1 624	-	5 834	-	1 624	5 834	-	-
Subtotal	1 624	-	5 834	-	1 624	5 834	-	-
Total inter-government payables	5 834	-	13 478	-	5 834	13 478	-	-

**UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Annexure 6 (Unaudited)

Inventories for the year ended 31 March 2020

	Housing material	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	7 975 782	-	-	-	7 975 782
Add: Additions – Non-cash	1 251 759	-	-	-	1 251 759
Closing balance	9 227 541	-	-	-	9 227 541

Inventories for the year ended 31 March 2019

	Housing material	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	7 004 698	-	-	-	7 004 698
Add: Additions – Non-cash	971 084	-	-	-	971 084
Closing balance	7 975 782	-	-	-	7 975 782

UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Annexure 7 (Unaudited)

Movement in capital work in progress

Movement in capital work in progress for the year ended 31 March 2020

	Opening balance	Current year capital WIP	Ready for use (Asset register)/ Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
Buildings and other fixed structures	2 998 735	1 065 715	(1 251 759)	2 812 691
Dwellings	2 998 735	1 065 715	(1 251 759)	2 812 691
Total	2 998 735	1 065 715	(1 251 759)	2 812 691

Movement in capital work in progress for the year ended 31 March 2019

	Opening balance	Prior period error	Current year capital WIP	Ready for use (Asset register)/ Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	2 999 916	-	969 903	(971 084)	2 998 735
Dwellings	2 999 916	-	969 903	(971 084)	2 998 735
Total	2 999 916	-	969 903	(971 084)	2 998 735

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE GAUTENG HOUSING FUND

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Gauteng Housing Fund set out on pages 296 to 321, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the entity. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Revaluation surplus

3. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for the revaluation surplus, due to the status of the accounting records and non-submission of information in support of this balance. I was unable to confirm the revaluation surplus by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the revaluation surplus stated at R1 098 727 000 (2019: R1 098 727 000) in the financial statements.

Property, plant and equipment

4. The entity did not recognise all items of property, plant and equipment in accordance with GRAP 17, Property, plant and equipment. Property, plant and equipment was overstated by R80 612 545 (2019: R94 759 482) as the entity did not hold ownership of the land. Hostels were not included in the property, plant and equipment disclosed in note 4 to the financial statements in the current and prior year disclosed as R371 662 000 (2019: R373 844 000). I was unable to determine the full extent of the misstatement for the current as well previous year as it was impractical to do so.
5. The entity further did not assess assets for impairment in the current and prior year at each reporting date in accordance with GRAP 17, Property, plant and equipment. I was unable to determine the impact on the net carrying amount of capital assets as it was impracticable to do so.

Rates and taxes

6. The entity did not have adequate systems in place to ensure that rates and taxes were correctly recorded in accordance with GRAP 1, presentation of financial statements. Consequently, expenditure relating to rates and taxes in the statement of financial performance was understated by R54 480 906 (2019: R5 621 918). Additionally, there was an impact on the creditors from exchange transactions stated at R678 000 (2019: R1 211 000) in note 5 to the financial statements.

Receivables from exchange transactions

7. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for receivables from exchange transactions, as these were not substantiated by supporting audit evidence. I was unable to confirm receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the receivables from exchange transactions stated at R30 673 000 (2019: R596 000) in the financial statements.

Operating expenses

8. The entity did not have adequate systems in place to ensure that operating expenses were correctly recorded in accordance with GRAP 1, presentation of financial statements. Consequently, expenditure relating to operating expenses in the statement of financial performance was understated by R12 994 932 (2019: R7 280 293). Additionally, there was an impact on the creditors from exchange transactions stated at R678 000 (2019: R1 211 000) in note 5 to the financial statements.

Repairs and maintenance

9. The entity did not have adequate systems in place to ensure that repairs and maintenance were correctly recorded. Contrary to the requirements of GRAP 17, Property, plant and equipment, management did not disclose the transactions relating to repairs and maintenance. Consequently, expenditure relating to repairs and maintenance was understated in the statement of financial performance in the current and prior year. I was unable to determine the impact of the understatement as it was impracticable to do so.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice (GRAP) prescribed by National Treasury and the requirements of the Public Finance Management Act, 1999 (Act no. 1 of 1999) (PFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

12. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
13. I am independent of the entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants' (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

16. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 55(1)(a) and (b) of the PFMA.
17. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer of opinion.

Internal control deficiencies

18. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion and the findings on compliance with legislation included in this report.
19. Material misstatements on the financial statements and compliance findings could have been avoided if leadership honoured commitments made to implement action plans to address the root causes.
20. Senior management did not prepare and review regular, accurate and complete financial reports that were supported and evidenced by reliable information, as submitted financial statements contained material misstatements.

Auditor-General

Johannesburg

31 October 2020



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Riverside View

Annual Financial Statements
FOR THE HOUSING FUND

GENERAL INFORMATION

Legal Form of Entity:

Trading Entity

Legislation governing the entity's operations:

Public Finance Management Act (Act 1 of 1999)

Acting Accounting Officer:

Phindile Mbanjwa

Acting Chief Financial Officer:

Abdul Ismail

E-mail address:

abdul.ismail@gauteng.gov.za

Registered Office:

68 Voortrekker Street

Navada Building

Alberton

1449

Business address:

68 Voortrekker Street

Navada Building

Alberton

1449

Postal address:

Private Bag X79

Marshalltown

2107

Telephone number:

(011) 355 4869

Fax number:

(011) 355 4710

Auditors:

Auditor-General

Registered Auditors

TABLE OF CONTENTS

THE HOUSING FUND

The reports and statements set out below comprise the Annual Financial Statements presented to the AG for audit:

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL	299
STATEMENT OF FINANCIAL POSITION S	300
STATEMENT OF FINANCIAL PERFORMANCE	301
STATEMENT OF CHANGES IN NET ASSETS	302
CASH FLOW STATEMENT	303
ACCOUNTING POLICIES	304
NOTES TO THE FINANCIAL STATEMENTS	315

Abbreviations:

GRAP:	Generally Recognised Accounting Practice
SO:	State Owned
AG:	Auditor-General
GHF:	Gauteng Housing Fund

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

The Accounting officer is required to maintain adequate accounting records and is responsible for the content and integrity of the Annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the Annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the Annual financial statements and were given unrestricted access to all financial records and related data.

The Annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Accounting officer acknowledge that they are ultimately responsible for the system of Interim financial controls established by the entity and place considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting officer has reviewed the entity's cash flow forecast for the year to 31 March 2019 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on Gauteng Department of Human Settlements for continued funding of operations. The Annual financial statements are prepared on the basis that the entity is a going concern. The National Department of Human Settlements is in a process of revising the National Housing Act and that the revision will result in the winding off of the Gauteng Housing Fund.

The external auditors are responsible for independently reviewing and reporting on the entity's Annual financial statements. The Annual financial statements have been examined by the entity's external auditors and their report is presented on page 226.

The Annual financial statements set out on pages 300 to 321, which have been prepared on the going concern basis, were approved by Ms. Phindile Mbanjwa on 11 December 2020 and were signed on its behalf by:



Ms. Phindile Mbanjwa

Accounting Officer

Gauteng Department of Human Settlements

Date: 11 December 2020

STATEMENT OF FINANCIAL POSITION as at 31 March 2020

	Note(s)	2019/20 R'000	2018/19 R'000
Assets			
Current assets			
Receivables from exchange transactions	3	30 673	596
Non-current assets			
Property, plant and equipment	4	371 662	373 844
Total assets		402 335	374 440
Liabilities			
Current liabilities			
Creditors from exchange transactions	5	678	1 211
Other financial liabilities	6	30 480	16 511
Total liabilities		31 159	17 722
Net assets		371 176	356 719
Net assets			
Accumulated surplus/(deficit)		(727 550)	(742 009)
Revaluation reserve		1 098 727	1 098 727
Total net assets		371 177	356 718

STATEMENT OF FINANCIAL PERFORMANCE for the year ending 31 March 2020

		2019/20	2018/19
	Note(s)	R'000	R'000
Revenue			
<i>Revenue from exchange transactions</i>		24 564	9 207
Rental and Administration fees	7	1 532	1 352
Other income	10	12 759	22
Interest income		10 273	7 833
<i>Revenue from non-exchange transactions</i>		110 772	47 148
Services rendered in kind		110 772	47 148
Total Revenue		135 336	56 355
Expenditure			
		(120 877)	(55 510)
Depreciation	4	(2 182)	(2 179)
Interest/rent/debtors written off	8	(0)	(1 629)
Loss on sale of property	9	-	-
Operating expenses		(7 923)	(4 554)
Salaries		(4 880)	(4 484)
Rates and taxes		(105 892)	(42 664)
Surplus/(Deficit) for the year		14 459	845

STATEMENT OF CHANGES IN NET ASSETS as at 31 March 2020

		Accumulated surplus/ (deficit)	Revaluation reserve	Total
	Note	R'000	R'000	R'000
Balance at 31 March 2018		(742 891)	1 098 727	355 836
Correction of error	16	-	-	-
Balance at 01 April 2018 Restated		(742 891)	1 098 727	355 836
Surplus/(Deficit) for the year		845		845
Balance at 31 March 2019		(742 046)	1 098 727	356 681
Correction of error	16	37		37
Balance at 01 April 2019 Restated		(742 009)	1 098 727	356 718
Surplus/(Deficit) for the year		14 459		14 459
Balance at 31 March 2019		(727 550)	1 098 727	371 177

CASH FLOW STATEMENT for the year ending 31 March 2020

		2019/20	2018/19
	Note	R'000	R'000
Cash flow from operating activities			
Net cash flows from operating activities	12	0	0
Net (decrease)/increase in Dept. of Human Settlements – Vote 8		0	0
Department of Human Settlements – Vote 8 at beginning of the year		0	0
Dept. of Human Settlements – Vote 8		0	0

ACCOUNTING POLICIES

1. Presentation of Annual financial statements

The Annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention.

The Annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The financial figures in the Annual financial statements have been rounded to the nearest thousands Rands ('000').

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

These Annual financial statements are presented in South African Rand, which is the functional currency of the Gauteng Housing Fund (GHF).

The principle accounting policies adopted in the preparation of this Annual financial statements are set out below:

1.1 Significant judgement and sources of estimation uncertainty

In preparing the Annual financial statements, management is required to make estimates and assumptions that affects the amounts represented in the Annual financial statements and related disclosures. Management is also required to exercise its judgement in the process of applying GHF's accounting policies. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual financial statements. When any significant judgements and sources of estimation uncertainty are applicable, they have been disclosed in the relevant notes and policies.

1.2 Comparative figures

When the presentation or classification of items in the Annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.3 Property, Plant and Equipment

Property, plant and equipment (PPE) are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- a) it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- b) the cost of the item can be measured reliably.

PPE is stated at cost less accumulated depreciation and accumulated impairment. Land is not depreciated as it is deemed to have an infinite life.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in determining the cost. Cost also includes an initial assessment of the costs of dismantling and removing the asset and restoring the site on which it is located.

Where an item of property, plant and equipment is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition. The cost of an item of PPE acquired in exchange for a non-monetary asset or monetary assets, or combination of monetary and non-monetary assets is measured at its fair value. If the acquired item cannot be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives.

The useful lives of items of property, plant and equipments have been assessed as follows:

Class	Useful life
Property – Buildings	10-120 years

ACCOUNTING POLICIES

The useful life, residual values and depreciation method of each asset are reviewed at each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

At each reporting date all items of PPE are reviewed for any indication that it may be impaired. If any indication exists, the asset is assessed in accordance with the policy on impairments.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

In terms of the Municipal Property Rates Act, 2004 (MPRA), the life cycle of a valuation roll is restricted to four years. Special permission may be obtained from the MEC for the Local Government to extend the life cycle of a roll to five years. The Department updates the values of the properties every five years or on availability of the new valuation roll.

1.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- a) cash;
- b) a residual interest of another entity; or
- c) a contractual right to:
 - i) receive cash or another financial asset from another entity; or
 - ii) exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- a) deliver cash or another financial asset to another entity; or
- b) exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

ACCOUNTING POLICIES

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- a) the entity designates at fair value at initial recognition; or
- b) are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- a) derivatives;
- b) combined instruments that are designated at fair value;
- c) instruments held for trading. A financial instrument is held for trading if:
 - i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - ii) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - iii) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - iv) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class

Receivables from exchange transactions

Category

Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the Statement of Financial Position or in the notes thereto:

Class

Payables from exchange transactions

Other financial liabilities

Category

Financial liability measured at amortised cost

Financial liability measured at fair value

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a) a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- b) non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

ACCOUNTING POLICIES

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- a) Financial instruments at fair value.
- b) Financial instruments at amortised cost.
- c) Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- a) a combined instrument that is required to be measured at fair value; or
- b) an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

ACCOUNTING POLICIES

Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- a) the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- c) the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - i) derecognise the asset; and
 - ii) recognise separately any rights and obligations created or retained in the transfer.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished – i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.5 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to GHF directly in return for service rendered/goods sold, the value of which approximates the consideration received or receivable.

Revenue is the gross inflows of economic benefits or service potential during the reporting period when those inflows result in increases in net assets, other than increases relating to contributions from owners. Revenue is recognised at the fair value of the consideration received or receivable.

Exchange transactions are transactions in which one entity receives assets or service or has liability extinguished and directly gives approximately equal value (primarily in the form for cash, goods or use of assets) to another entity in exchange.

Revenue comprises of rental of properties, sale of properties, and interest from loans to property owners and is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably.

Revenue from the rental of properties is recognised on a straight-line basis over the term of the lease agreement.

Revenue from the sale of properties is recognised when the following conditions have been satisfied:

- a) GHF has transferred to the buyer the significant risks and rewards of ownership.
- b) GHF retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold.
- c) The amount of the revenue can be measured reliably.
- d) It is probable that the economic benefits or service potential associated with the transaction will flow to GHF.
- e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

ACCOUNTING POLICIES

Interest income is accrued on a time proportionate basis using the effective interest rate method, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

When the inflow of cash or cash equivalents is deferred and the fair value of the consideration is less than the nominal amount of cash received or receivable, the arrangement effectively constitutes a financing transaction. The fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either: The prevailing rate for a similar instrument of an issuer with a similar credit rating; or A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

1.6 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Non-exchange transactions are transactions that are not exchange transactions.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

ACCOUNTING POLICIES

Debt forgiveness and assumption of liabilities

The entity recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the fair value of the debt forgiven. Where debt is carried at a value other than fair value, the receivable is recognised at the carrying amount.

1.7 Impairment of cash-generating assets

Impairment is a loss in the future economic benefit or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefit or service potential through depreciation.

Cash-generating assets are those assets managed by the entity with the objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return. A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired. Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

The carrying amounts of the Gauteng - Housing Fund assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the greater of its fair value less cost to sell and its value in use.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Basis for estimates of future cash flows

In measuring value in use the entity:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

ACCOUNTING POLICIES

Estimates of future cash flows exclude:

- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Foreign currency future cash flows

Future cash flows are estimated in the currency in which they will be generated and then discounted using a discount rate appropriate for that currency. The entity translates the present value using the spot exchange rate at the date of the value in use calculation.

Discount rate

The discount rate is a rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement

If the recoverable amount of the cash generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, this reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit. Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of Impairment

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

ACCOUNTING POLICIES

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.8 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable amount, it is impaired. Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

The carrying amounts of the Gauteng - Housing Fund assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the greater of its fair value less cost to sell and its value in use.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life. In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a discount rate that reflects the current market assessments of the time value money and the risks specific to the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a non-cash-generating asset is the present value of the non-cash-generating asset's remaining service potential.

The present value of the remaining service potential of a non-cash-generating asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of a cash-generating asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an oversized or overcapacity asset. Oversized assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

ACCOUNTING POLICIES

Restoration cost approach

Restoration cost is the cost of restoring the service potential of a cash-generating asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.9 Going Concern

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The intention of National Department of Human Settlement is to cease operations within 12 months and to transfer the function to the parent department under GRAP 105 and the related assets and liabilities at the fair values at that time.

1.10 Subsequent events

The directors are not aware of any matter or circumstance arising since the end of the financial year, unless otherwise dealt with in Annual financial statements, which significantly affects the financial position of the company or the results of its operations that would require adjustments to or disclosure in the Annual financial statements.

ACCOUNTING POLICIES

1.11 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity. Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

2. New standards and interpretations

Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods:

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact
The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods:	01-Apr-19	Not material
GRAP32 Service Concession Arrangements – Grantor: None	01-Apr-19	Not material
GRAP108 Statutory Receivables – No changes to recognition and measurement are expected, but additional disclosures and separate classification in the notes will be done on adoption.	01-Apr-19	Not material
GRAP109 Accounting by Principals and Agents – No changes to recognition and measurement are expected, but additional disclosures in the notes will be done on adoption.	01-Apr-19	Not material
IGRAP 17 Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset – None	Not yet set	Not material
Directive12 The Selection of an Appropriate Reporting Framework by Public Entities – None	01-Apr-18	Not material

	2019/20	2018/19
Note(s)	R'000	R'000

3. Receivables from exchange transactions

Rental debtors	3.1	24 941	24 098
Sales debtors	3.2	135 522	118 714
Other Receivables		24	336
Less: Provision for Impairment of debtors	3.3	(129 814)	(142 552)
		30 673	596

Receivables consists of loans to individuals, installment sale debtors and rental debtors, and are stated at anticipated realization value and other receivables which consist of unallocated receipts. Bad debts are written off during the financial year in which they deemed irrecoverable. Such debt are written off against provision for doubtful debt realized in prior years.

Credit quality of receivables from exchange transactions

The credit quality of receivables from exchange transactions that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty defaults rates.

Financial assets at amortised cost (Receivables from exchange transactions)

Financial assets at amortised cost past due but not impaired

"Receivables from exchange transactions which are less than 6 months past due are not considered to be impaired. At 31 March 2020, R30 673 (2019: R596) were past due but not impaired."

The ageing of the amounts past due but not impaired is as follows:

Less than 6 months	30 673	596
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The debtors with the ageing of over 6 months have been impaired and provided for, the provision was set at 99% was provided for both in 2019/20 and 2018/19 financial years end.

	2019/20	2018/19
	R'000	R'000
3.1 Rental debtors		
Debtors	24 941	24 098
	24 941	24 098
3.2 Sales debtors		
Property Loan Debtors	-	30
Property Sales Debtors	135 522	118 684
	135 522	118 714
3.3 Provision for Impairment of Debts		
Opening Balance	142 552	
Utilised during the year – bad debt written off	-	138 028
Impairment Reversal	(12 738)	-
Additional provision	-	4 525
Closing	129 814	142 552

Provisions were raised and management determined an estimate based on the information available.

Provision for impairment of debts is not disclosed as a liability (does not meet the definition of GRAP 1 of liabilities) as it is an adjustment for the fair value of recoverable debts, thus reduces the debts recoverable. Provision for bad debts is based on past non recoverable debt for each category.

4. Property, Plant and Equipment

	2020		
	Land	Buildings	Total
	R'000	R'000	R'000
Carrying value as at 1 April 2019	311 915	61 929	373 844
Cost/Revaluation	311 915	136 205	448 120
Accumulated depreciation and impairment losses	-	(74 276)	(74 276)
Depreciation		(2 182)	(2 182)
Carrying value of disposals	-	-	-
Cost/Revaluation	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Carrying value of devolutions	-	-	-
Cost/Revaluation	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Carrying value as at 31 March 2020	311 915	59 747	371 662
Cost/Revaluation	311 915	136 205	448 120
Accumulated depreciation and impairment losses	-	(76 458)	(76 458)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

	2019		
	Land	Buildings	Total
	R'000	R'000	R'000
Carrying value as at 1 April 2018	311 915	64 071	375 986
Cost/Revaluation	311 915	136 205	448 120
Accumulated depreciation and impairment losses		(72 134)	(72 134)
Depreciation		(2 179)	(2 179)
Prior Period Error		37	
Carrying value of disposals	-	-	-
Cost/Revaluation			
Accumulated depreciation and impairment losses	-		-
Carrying value of devolutions	-	-	-
Cost/Revaluation			
Accumulated depreciation and impairment losses	-		-
Carrying value as at 31 March 2019	311 915	61 929	373 844
Cost/Revaluation	311 915	136 205	448 120
Accumulated depreciation and impairment losses	-	(74 276)	(74 276)

Property, plant and equipment consists of property stock held for the provision of housing service benefits, and are disclosed as per GRAP 17. Properties are in the process of being devolved to municipalities and sold to qualifying individuals. The properties consists of flats, houses and vacant stands at various locations in Gauteng Province.

Land and buildings have been revalued by independent valuers as at 31 March 2013. The valuation of buildings determined by independent valuers have been applied retrospectively as the Municipal Valuation roll was used in previous year.

Various method have been used to determine the value of the properties involved. With many of the properties valuers have applied Direct Comparison method which entails the identifying of the subject property and finding transactions of similar properties that sold in the open market conditions between a willing buyer and willing seller. The valuers used these transactions to identify a market value fro the properties.

The Valuers also used Cost less Depreciation Method wich takes into consideration the building cost applicable on buildings of a property which are depreciated to determine a market value for the property. This method was used on only a few properties valued.

The carrying amount that would have been recognised had the assets been carried under cost model is equivalent to the revalued amount.

The GHF's management determined the useful live and related depreciation charges for property, plant and equipment. This estimate is based on the pattern in which service potential are expected to be consumed by the entity.

	2019/20	2018/19
	R'000	R'000

5. Creditors from exchange transactions

Trade creditors	678	1 211
Other trade creditors	-	
	678	1 211

Payables from exchange transaction are non-interest bearing and comprise of receivables with credit balances. The fair value of trade and other payables is equivalent to the carrying amount.

	2019/20	2018/19
	R'000	R'000
6. Other financial liabilities		
Department of Human Settlements	30 480	16 511
	30 480	16 511
<p>Other financial liabilities represents interdepartmental funds between Gauteng Housing Fund and the Department of Human Settlements. Interdepartmental funds are a result of the bank account held by the Gauteng Department of Human Settlements, thus it represents the movement of cash transactions between the Gauteng Housing Fund and Gauteng Department of Human Settlements.</p> <p>The Liability represent that the Cash utilised for the payment of Rates and Taxes and refunds to debtors with credit balances exceeds cash recovered from Trade and other Receivables.</p>		
7. Rental and Administration fees		
Rental raised	1 532	1 352
	1 532	1 352
8. Interest/rent/debtors written off		
Rent debtors	-	(573)
Loan debtors	-	-
Sales debtors	0	2 201
	0	1 629
9. (Profit)/loss on sale of property		
Market Value/Carrying value	-	-
Proceeds from disposal	-	-
	-	-
10. Other Income		
Other Operating Income	22	22
Provision For Bad Debt	12 738	-
	12 759	22

GHF assesses its receivables for impairment at the end of each financial year. In determining whether impairment loss should be recorded in surplus or deficit, the GHF makes judgement as to whether there is an observable trend indicating a measurable decrease in the estimated future cash flow from a financial asset. And other income which consist of debts raised every month against rental and sales debtors.

	2019/20	2018/19
	R'000	R'000

11. Related parties

Relationships

Controlling entity Gauteng Department of Human Settlements

Related party balances

Amount included in cash and cash equivalents regarding related party:

Other financial liabilities	30 480	16 511
Related party transactions		
Expenditure		
Rates and taxes, services and maintenance	105 892	42 664
Rates and taxes recovered from sale debtors	-	-
Refunds	-	-
Loans	-	-
Salaries	4 880	4 484
Rent	-	-
	110 772	47 148
Income		
Sales		
Loans	6	-
Rent	7	-
	13	-

The related party transactions and balances between the Fund and the Department are not at arm's length.

The entity is related to the Gauteng Partnership Fund subject to common control.

12. Net cash flows from operating activities

Deficit	14 459	846
Adjustments for:		
Depreciation and amortisation	2 182	2 179
Impairment reversal	12 738	(4 525)
Provisions	(12 738)	4 525
Loss on sale of property	-	-
Proceeds from disposal of assets	-	-
Other non-cash items	(1 066)	-
Changes in working capital		
Trade and other receivables	(30 077)	798
Trade and other payables	533	255
Other financial liabilities	13 969	(4 078)
	0	0

13. Risk management

Objective

The Fund's principal financial instruments comprise of receivables from exchange transactions, cash and cash equivalents and payables from exchange transactions. The receivables from exchange transactions, cash and cash equivalents and payables from exchange transactions arise directly from the Fund's operations.

The risks arising from the Fund's financial instruments are credit risk, interest rate risk and liquidity risk. The Accounting Officer reviews and agrees policies for managing these risks.

The objective of managing financial instrument risk is to safeguard the Fund assets whilst still enabling fulfillment of the Fund mandate. The Fund's method of measuring the risks mentioned below involves detailed project feasibility, regular project monitoring and management.

Liquidity risk

The Fund manages liquidity risk by granting of loans to borrowers for affordable housing through proper management of working capital, capital expenditure and its cash management policy. Liquidity risk is the risk arising from default of the counterparty. The objective of managing liquidity risk is to safeguard the Fund assets whilst still enabling fulfillment of the Fund mandate. The Fund manages liquidity risk through regular monitoring of financial assets. The forecasted cash flows considers the maturity of its financial assets and project cash flows from operations. Adequate reserves and liquid resources are also maintained.

Interest rate risk

The Fund's exposure to the risk of changes in the market interest rate relates primarily to the Fund's loans and receivables from exchange transactions with floating interest rates. The objective of managing interest rate risk management is to safeguard the Fund assets whilst still enabling fulfillment of the Fund mandate. The objective of interest rate risk management is to consider the effect of fluctuations in interest rates that might affect the fair value or future cash flows of a financial instrument. The method for measuring interest rate risk is the sensitivity analysis for fluctuations in the interest rate. Interest rate risk is managed internally by ensuring that allowances for increased interest rates are provided for in the project assessment. The Fund's exposure to interest rate risk arises from increases in the rate that could give rise to default of the counterparty.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument. The objective of credit risk is to ensure that the counterparty will meet its obligation under a financial instrument. The Fund is exposed to credit risk in respect of its receivables from exchange transaction. The method for measuring credit risk is the ongoing monitoring of financial assets. The Gauteng Housing Fund's credit risk exposure arises from default of the counterparty, with a maximum exposure of 97% of the total receivables from exchange transactions.

14. Going concern

"The National Housing Department is still committed to its decision to wind down the operation of Gauteng Housing Fund. No date for the wind down has been set in the Government Gazette.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments (if applicable) will occur in the ordinary course of business."

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

15. Financial Instruments disclosure (other)

	At fair value	At amortised cost	Total
	R'000	R'000	R'000
Categories of financial instruments			
2020			
Financial assets			
Receivables from exchange transactions	-	30 673	30 673
	-	30 673	30 673
Financial liabilities			
Payables from exchange transactions	-	678	678
Cash & cash equivalents	30 480		30 480
	30 480	678	31 159
2019			
Financial assets			
Receivables from exchange transactions	-	596	596
	-	596	596
Financial liabilities			
Payables from exchange transactions	-	1 211	1 211
Cash & cash equivalents	16 511	-	16 511
	16 511	1 211	17 722

Financial instruments in Statement of Financial Performance

2020			
Interest income		10 273	10 273
		10 273	10 273
2019			
Interest income		7 833	7 833
		7 833	7 833

16 Correction of error

The financial statements of 31 March 2020 have been restated to correct an error:

	R'000
The effect of the change is as follows:	
Statement of financial position and performance	
Retained Earnings	(37)
Accumulated depreciation and impairment losses	37

Restatement and correction of prior year balance	Amount before error	Prior period error	Restated
Land			
Cost/Revaluation	109 535	202 380	311 915
Building			
Cost/Revaluation	338 585	(202 380)	136 205
Accumulated depreciation and impairment losses	74 314	(37)	74 277

The nature of the prior period error was as a result of a casting error between the cost of the two assets classes as well as accumulated depreciation.



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