



**Western Cape
Government**

Human Settlements



Annual Report 2019/20
Department of Human Settlements

**DEPARTMENT OF
HUMAN SETTLEMENTS
Western Cape**

Vote 8

**Annual Report
2019/20
FINANCIAL YEAR**

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GENERAL INFORMATION

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Estimate City of Cape Town

Provincial Treasury

acronyms Strategic overview

Administration

mandates Actual

organisational structures

TOTAL capital assets

USDG Legislature

Foreword by the Minister

Housing Demand Database

G E N E R A L

I N F O R M A T I O N

1. DEPARTMENT'S GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements	EPWP	Expanded Public Works Programme
AGSA	Auditor-General of South Africa	ERM	Enterprise Risk Management
AO	Accounting Officer	ERMCO	Enterprise Risk Management Committee
APP	Annual Performance Plan	EXCO	Executive Committee
BAC	Bid Adjudication Committee	FLISP	Finance Linked Individual Subsidy Programme
B-BBEE	Broad-Based Black Economic Empowerment	FTE	Full-Time Equivalent
BCP	Business Continuity Plan	GAP	Governance Action Plan
BEC	Bid Evaluation Committee	GEHS	Government Employee Housing Scheme
BLC	Better Living Challenge	GIS	Geographic Information System
CE-I	Centre for e-Innovation	GMT	Government Motor Transport
CD	Chief Director	GPS	Global Positioning System
CFO	Chief Financial Officer	GPSSBC	General Public Service Sector Bargaining Council
CoCT	City of Cape Town	HDA	Housing Development Agency
CPC	Construction Procurement Committee	HDD	Housing Demand Database
CSC	Corporate Services Centre	HDI	Historically Disadvantaged Individuals
DEADP	Department of Environmental Affairs and Development Planning	HoD	Head of Department
DEDAT	Department of Economic Development and Tourism	HSDG	Human Settlement Development Grant
D: ERM	Directorate: Enterprise Risk Management	IC	Internal Control
DORA	Division of Revenue Act	ICT	Information and Communication Technology
DotP	Department of the Premier	IDPs	Integrated Development Plans
DPSA	Department of Public Service and Administration	IFC	International Finance Corporation
DSOP	Departmental SHERQ Operational Plan	IGR	Intergovernmental Relations
DTPW	Department of Transport and Public Works	IRDP	Integrated Residential Development Programme
EAP	Employee Assistance Programme	IRT	Integrated Reporting Tool
EDGE	Excellence in Design for Greater Efficiency	ISSP	Informal Settlement Support Plan
EHW	Employee Health and Wellness	LCT	Legal Compliance Tool
EHWP	Employee Health and Wellness Programme	LRA	Labour Relations Act
EEDBS	Enhanced Extended Discount Benefit Scheme	MEC	Member of Executive Council
		MIG	Municipal Infrastructure Grant

General Information

MPAT	Management Performance Assessment Tool	SAPS	South African Police Service
MTSF	Medium Term Strategic Framework	SBT	Sustainable Building Technologies
NDoHS	National Department of Human Settlements	SCM	Supply Chain Management
NDP	National Development Plan	SCOPA	Standing Committee on Public Accounts
NGO	Non-Governmental Organisation	SDFs	Spatial Development Frameworks
NTR	National Treasury Regulations	SDIP	Service Delivery Improvement Plan
OHAS	Occupational Health & Safety	SHEQ	Safety, Health, Environment and Quality
OPSCAP	Operations Capability	SHERQ	Safety, Health, Environment, Risk and Quality
OHASA	Occupational Health & Safety Act	SHI	Social Housing Institution
PEHG	Provincial Emergency Housing Grant	SHRA	Social Housing Regulatory Authority
PERSAL	Personnel and Salaries Management System	SITS	Supplier Invoice Tracking System
PFMA	Public Finance Management Act	SMME's	Small, Medium and Micro Enterprises
PFS	Provincial Forensic Services	SMS	Senior Management Service
PHP	People's Housing Process	SMT	Systems Monitoring Tool
PILIR	Policy on Incapacity Leave and Ill-Health Retirement	SOPs	Standard Operating Procedures
PPC	Property Planning Committee	ToR	Terms of Reference
PPP	Public Private Partnerships	UISP	Upgrading of Informal Settlements Programme
PSG	Provincial Strategic Goals	USDG	Urban Settlement Development Grant
PSC	Project Steering Committee	WC: DoHS	Western Cape Department of Human Settlements
PSCBC	Public Service Coordinating Bargaining Council	WCG	Western Cape Government
PSRMF	Public Sector Risk Management Framework	WCHDDB	Western Cape Housing Demand Database
PT	Provincial Treasury	WCHDF	Western Cape Housing Development Fund
RHT	Renting Housing Tribunal	WCHDDIP	Western Cape Housing Demand Data Improvement Programme
SALGA	South African Local Government Agency	WCSD	Western Cape Suppliers' Database
SANS	South African National Standards		

3. FOREWORD BY THE PROVINCIAL MINISTER OF THE DEPARTMENT

The 2019/20 financial year allowed us the opportunity to once again improve the lives of thousands of people across the Western Cape. Making a significant and tangible difference in the lives of the most deserving beneficiaries drives us to do more. From the onset of my tenure as Minister, we resolved that key drivers are needed if we are going to deliver housing opportunities to our people.

Four key drivers were identified:

- The radical acceleration of housing delivery;
- Radical Implementation of Innovative Solutions;
- An Integrated Approach to Human Settlements; and
- Radical Empowerment and Job Creation.

We arrived at these key drivers after extensive consultation with a variety of stakeholders, including engagements with municipalities to address some of the biggest issues and challenges the human settlements environment might be experiencing.

To further demonstrate that we are attentive to the views of our people, an executive directive was issued to all municipalities, stating that backyard dwellers should officially form part of their list of criteria for greenfield projects. This means that we're prioritising the elderly, persons with disabilities, those longest on the housing demand database i.e. 15 years and longer as well as the backyard dwellers. It is worth noting that we are the first provincial government to officially include backyard dwellers into our list of priority groups. In essence, this means that in all greenfield projects there will be a 50/50 split, while keeping all the other criterion in mind.

Furthermore, we have once again demonstrated our commitment to creating opportunities for Small, Medium and Micro Enterprises (SMME's), by allocating 66.74% of the Human Settlements Development Grant (HSDG) to benefit contractors with Historically Disadvantaged Individuals (HDI) representation.

In addition to this, 156 young people were trained in various disciplines within the built environment. This achievement was against a target of 150, whilst 1 056 work opportunities were created against a target of 800. This clearly shows that we are determined to achieve the objective of economic transformation and youth empowerment, as it ultimately benefits the majority of South Africans.

Our portfolio is unique and dynamic and needs thinking leaders to champion innovative strategies to meet the demands of our communities. It is not surprising that the number of disputes we have encountered throughout the past financial year, in which various individuals and/or groupings claim to be legitimate leaders in the respective communities. Regrettably, these disputes either caused a delay in the commencement of projects or some not commencing at all. We have, and will continue to engage the communities where we encounter these challenges and shortcomings.

The optimal use of Information and Communication Technology (ICT) is critical in this respect, particularly since the aim is to encourage the wider utilisation of ICT for the dissemination of information. This demonstrates transparency in our dealings as a department.

Positive strides are being made and we believe that with more direct access to and engagements with communities, there will be a clearer understanding of how we are assisting our people.

General Information

I'd like to thank the Head of Department for her and her team's commitment to improving the lives of our people. I'd also like to acknowledge my Ministerial staff for their unwavering support and dedication to the residents of the Western Cape.

Tertuis Simmers
Provincial Minister of the Department of Human Settlements
Western Cape Government
Date: 31 July 2020

4. REPORT OF THE ACCOUNTING OFFICER

During the 2019/20 financial year, the Western Cape Department of Human Settlements (WC: DoHS) continued to express its commitment to the Medium-Term Strategic Framework, the National Outcomes, as well as Provincial Strategic Goals, particularly Strategic Goal 4.

The following is an account of some of the highlights experienced by the Department during the year under review in terms of its strategic objectives.

1. Enhanced efficiency and effectiveness of the provincial Department of Human Settlements

The Management Performance Assessment Tool (MPAT), which aimed to assess and improve the governance structures in all state Departments, saw its final year of implementation during the 2018/19 financial year. This was due to a marked improvement in governance, management practices, and ultimately, service delivery. For the 2019/20 financial year, the Department continued to report on the MPAT standards, thereby showing its willingness to further improve its processes and to do so 'smartly'.

In addition, the Department introduced five (5) new Standard Operating Procedures (SOPs), particularly in the Supply Chain Management environment. In doing so, these SOPs will streamline supply chain management processes by eliminating or limiting errors and avoiding unnecessary delays.

2. Improved functionality, efficiencies of human settlements municipal support

2.1. Municipal Support

For the year under review, the Department continued to provide all municipalities with support in terms of developing their Integrated Development Plans (IDPs). In this regard, all 25 local municipalities received technical planning support, directed towards the accelerated packaging of housing projects. In addition, the Department assisted six (6) municipalities with technical and strategic support, in the development of their respective municipal Spatial Development Frameworks (SDFs).

2.2. Policy and Research Projects

During the 2019/20 financial year, the Department achieved its target of producing two (2) research papers and one (1) policy guideline. In this regard, the Department examined whether it is viable for government to provide subsidies to beneficiaries in the affordable instalment sales and lease option (or 'rent to buy') mechanisms at the point of sale. Currently, a subsidy can only be paid at property transfer, which is at the end of the deferred ownership period, thus limiting the subsidy's impact on affordability. In addition, the Department supplied measures government can take to promote owner-driven densification and crowd-in other private investment within newly created settlements/neighbourhoods.

Furthermore, the Department developed a policy guideline, The Implementation of Green Procurement in State Subsidised Housing in the Western Cape. This guideline aims to mainstream and promote green outcomes in the construction of state-subsidised housing in the Western Cape.

2.3. Partnerships

For the year under review, the Department continued to pursue partnerships with employers who are prepared to significantly contribute towards creating home ownership opportunities for their employees. APL Cartons in Breede Valley is one such employer, as well as Tronox/Andisa in the West Coast region.

General Information

In terms of Social Housing opportunities, partnerships are key to expanding this programme. In this regard, the following Social Housing initiatives are in the construction phase:

- The Conradie Better Living Model Exemplar Project represents a well-located, affordable, integrated, residentially-led, mixed-income and mixed-use development, and will yield 1 236 social rental housing opportunities;
- The first phase of the Glenhaven development in Bellville comprises 416 units;
- The Regent Villas project in Mitchells Plain will yield 104 units; and
- The Bothasig Phase 2 project broke ground in the last quarter of 2019.

The following partnership proposals were presented to the Department's EXCO in February 2020 and based on a feasibility analysis were endorsed for pursuance:

- Langeberg Employer-Assisted Housing;
- APL Cartons Employer-Assisted Housing in Breede Valley; and
- Tronox/Andisa FT for Matzikama and Saldanha Bay Municipalities.

The mentioned projects are currently in their planning phase, which includes beneficiary pre-screenings for credit worthiness to purchase a property in the FLISP market, availability and feasibility of land parcels for the identified partnerships and statutory planning requirements.

3. Improve the living conditions of beneficiaries through the Upgrading of the Informal Settlements Programme (UISP)

Since the launch of the Informal Settlement Support Plan (ISSP) in 2016, the Department has worked hard to turn the tide in informal settlements in various municipalities. To date, more than 45 000 households in 42 different settlements across the Province has benefitted through the services initiated. Eight NGOs in the built environment are assisting the Department with these programmes, through actively involving residents in the upgrading process. Our partnership arrangement with the Department of Economic Development and Tourism (DEDAT) has thus far yielded the development and mainstreaming of a toolkit for a Pop-Up Design and Build Incubator. This was undertaken in conjunction with the Craft and Development Institute, through the Better Living Challenge (BLC).

4. Accelerated housing opportunities

4.1. Housing Delivery

During the 2019/20 financial year, the Department delivered **8 038** units against a target of 9 723, and **5 842** sites against a target of 6 486. In addition, **2 337** EEDBS opportunities were provided to beneficiaries, against a target of 650. This has resulted in **16 217** housing opportunities delivered against a target of 16 859.

Description	Target	Actual
Housing units	9 723	8 038
Serviced sites	6 486	5 842
EEDBS opportunities	650	2 337
Total Housing opportunities	16 859	16 217

In terms of housing units, the underperformance can be attributed to delayed installation of water meters and connections to the power grid. Without these matters finalized, completion certificates could not be signed off. With regards to serviced sites, services could not be installed on some sites, as community members refused to be relocated.

The Department is addressing these issues, and has already put a number of mitigating strategies in place, such as:

- Regular technical meetings with municipalities, to ensure alignment of performance reporting, as well as to mitigate areas of concern;
- Regular engagements with communities to address concerns they may have; and
- Identify projects that can be brought forward or accelerated to mitigate any in-year issues arising on projects with delivery challenges.

5. Improved living conditions of beneficiaries by promoting ownership of property

Concerted efforts have been made by the Department to ensure that our beneficiaries receive full ownership to their houses. During the period under review, the Department ensured that **8 491** title deeds were transferred to beneficiaries against a target of 7 000. This achievement can be attributed to the allocation of a dedicated team tasked to expedite the transfer of title deeds through the title deed restoration programme.

6. Promote innovation and the better living concept

The Department recognises that innovation in construction technologies will pave the way for improved human settlement sustainability. Therefore, during the 2019/20 financial year, the Department constructed **1 684** units, using sustainable building technologies in construction, energy, water and sanitation. This is a significant over-achievement against the target of 1 000 and demonstrates concerted efforts by the Department to promote innovation and the better living concept.

7. Facilitate job creation and empowerment opportunities

Our determination and drive to empower the historically disadvantaged resulted in **66.74%** of the Human Settlements Development Grant (HSDG) benefitting contractors with HDI representation. This is expressive of our efforts to achieve the objective of economic transformation, and ultimately benefitting the majority of South Africans.

Our resolve to empower youth resulted in **156** young people being trained in various disciplines within the built environment, against a target of 150. In addition, **1 056** work opportunities were created against a target of 800. This is a significant over achievement and reflective of the Department's drive to ensure that the creation of job opportunities forms part of the human settlement's delivery chain.

Departmental receipts

The Department exceeded the amount targeted for collection in its revenue budget by R67.044 million.

General Information

The table below provides a breakdown of the revenue collected:

Departmental Receipts	2019/2020			2018/2019		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of Goods and Services other than Capital Assets	116	119	(3)	110	203	(93)
Interest, Dividends and Rent on Land	738	98	640	698	1386	(688)
Sales of Capital Assets	-	8	(8)	-	7	(7)
Transactions in Financial Assets and Liabilities	62 506	130 179	(67 673)	59 192	253 960	(194 768)
Total	63 360	130 404	(67 044)	60 000	255 556	(195 556)

The over-collection of Departmental revenue is mainly due to Urban Settlement Development Grant (USDG) funding of R88.419 million received from the City of Cape Town (CoCT) for internal civil engineering services at the Forest Village Housing project. The Department will apply to the Provincial Treasury for revenue retention of the over-collection for utilisation on infrastructure projects in 2020/21.

Sale of goods and services other than capital assets include R28 000 received for servitude rights, R68 000 for commission on insurance and garnishee orders administered via PERSAL, R1 000 for the sale of minor assets, R19 000 for the sale of tender documents and R3 000 for the sale of scrap, waste and other used current goods.

Included in the amount Interest, dividends and rent on land is R76 000 in respect of Departmental debt and R22 000 in respect of various PHP projects. The reduced income received in 2019/20 in comparison to the prior year 2018/19 is due to more PHP projects nearing completion.

The amount of R8 000 received for the sale of capital assets was for scrap machinery and equipment.

Included in the receipts for transactions in financial assets and liabilities are loans and advances in respect of Western Cape Housing Development Fund debtors (R12.012 million), USDG funding received from the City of Cape Town (CoCT) for internal civil engineering services at the Forest Village Housing project (R88.419 million), refund of holding cost for properties from the Housing Development Agency (HDA) (R10.934 million), sale of property in respect of the Finance Linked Individual Subsidy Programme (R8.807 million) and sale of property in Stellingdale to a developer (R4.289 million).

Programme expenditure

The tables below illustrate the virements between the various programmes and shifts and virements between the economic classifications:

VIREMENTS PER PROGRAMME

Programme	Adjusted appropriation	Virements	Final Appropriation	Surrenders/Rollovers	Actual Expenditure
	R '000	R '000	R '000	R '000	R '000
Programme 1: Administration	115 847	6 960	122 807	-	122 807
Programme 2: Housing Needs, Research and Planning	28 767	(1 431)	27 336	-	27 336
Programme 3: Housing Development	2 503 448	(6 115)	2 497 333	349	2 496 984
Programme 4: Housing Asset Management	36 059	586	36 645	-	36 645
Total	2 684 121	-	2 684 121	349	2 683 772

SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION

Programme 1: Administration (R 6 960 000)

Economic Classification	Adjusted Appropriation	Shifts	Virements	Final Appropriation	Actual Expenditure
	R '000	R '000	R '000	R '000	R '000
Compensation of Employees	88 045	(539)	5 117	92 623	92 623
Goods and Services	21 231	15	541	21 787	21 787
Departmental Agencies and Accounts	7	(1)	-	6	6
Households	294	248	199	741	741
Payments for Capital Assets	5 970	421	1 103	7 494	7 494
Payments for Financial Assets	300	(144)	-	156	156
Total	115 847	-	6 960	122 807	122 807

The total over-expenditure amounting to R6 960 000 on this Programme consist of the following:

- Over-expenditure on Compensation of employees of R5 117 000;
- Goods and Services of R541 000 which include Catering (R11 000), Consultants (R50 000) and Travel and subsistence (R480 000);
- Households: Social Benefits (R199 000) and Payments for Capital Assets of R1 103 000, which include Machinery and Equipment (R483 000) and Software and Intangible Assets (R620 000).

The over-expenditure of R5 117 000 on Compensation of Employees is due to the Rental Housing Tribunal members, Contract workers and Interns being remunerated in the previous financial year from the OPSCAP budget, but for the 2019/20 financial year the OPSCAP budget for Compensation of Employees was reduced from R27 046 000 in the financial year 2018/19 to R14 629 000 for the current financial year 2019/20, a budget cut of R12 417 000. Therefore, the Rental Housing Tribunal members, Contract workers and Interns were remunerated from Programme 1, resulting in an additional expenditure of R5 117 000 that resulted in the over expenditure in Programme 1.

General Information

The over-expenditure of R5 117 000 on Compensation of employees will be financed from under-expenditures on Compensation of Employees in Programmes 2 and 3.

The over-expenditure of R541 000 on Goods and services will be financed from an under-expenditure on Goods and services in Programmes 2 and 3.

The over-expenditure of R199 000 on Households: Social benefits is due to leave gratuities and retirement benefits for staff exiting the service. It will be financed from under-expenditures on Compensation of employees in Programme 3.

The over-expenditure of R1 103 000 on Payments for capital assets will be financed from and under-expenditure on Households in Programme 3.

The total virement to this Programme equals 6.01% of the amount appropriated under this main division in the Adjusted Estimates of Revenue and Expenditure 2019.

Programme 2: Housing Needs, Research and Planning (R1 431 000)

Economic Classification	Adjusted Appropriation	Shifts	Virement	Final Appropriation	Actual Expenditure
	R '000	R '000	R '000	R '000	R '000
Compensation of Employees	26 926	(74)	(1 349)	25 503	25 503
Goods and Services	1 820	-	(61)	1 759	1 759
Households	21	74	(21)	74	74
Total	28 767	-	(1 431)	27 336	27 336

The total under-expenditure of R1 431 000 on this Programme consist of the following:

Under-expenditure on Compensation of Employees amounting to R1 349 000, underspending of R61 000 on Goods and Services: (Catering: R11 000, Consultants: R50 000) and underfunding on Households: Social Benefits: R21 000.

The under-expenditure on Compensation of Employees is due to the resignation of a Senior Manager and the transfer of a Middle Manager (level 11).

The under-expenditure on Compensation of Employees will be shifted to Compensation of Employees and Households: Social Benefits in Programme 1 to cover over-expenditure in that Programme.

The under-expenditure of R61 000 on Goods and Services will be shifted to Goods and services in Programme 1 to cover over-expenditure in that Programme.

The under-expenditure of R21 000 on Households: Social Benefits will be shifted to Households: Social Benefits in Programme 1 to cover over-expenditure in that Programme.

The total virement equals 4.97% of the amount appropriated under this main division in the Adjusted Estimates of Revenue and Expenditure 2019.

Programme 3: Housing Development (R6 115 000)

Economic Classification	Adjusted Appropriation	Shifts	Virement	Final Appropriation	Actual Expenditure
	R '000	R '000	R '000	R '000	R '000
Compensation of Employees	108 540	(1 011)	(4 342)	103 187	103 038
Goods and Services	83 937	(24 735)	(480)	58 722	58 600
Provinces and Municipalities	79 964	5 135	-	85 099	85 099
Higher Education Institution	400	-	-	400	400
Non-profit Institutions	1 000	-	-	1 000	1 000
Households	2 227 492	20 611	(1 293)	2 246 810	2 246 732
Payments for Financial Assets	2 115	-	-	2 115	2 115
Total	2 503 448	-	(6 115)	2 497 333	2 496 984

The total under-expenditure of R6 115 000 on this Programme consist of the following:

Under-expenditure of R4 342 000 on Compensation of Employees, under-expenditure of R480 000 on Goods and Services and under-expenditure on Transfers to Households of R1 293 000.

The under-expenditure of R4 342 000 on Compensation of Employees is due to the non-filling of vacant OSD posts and the fact that the OPSCAP COE budget was reduced with R12.417 million. This under-expenditure will be shifted to the following programmes as follows:

Programme 1: Compensation of Employees	R 3 967 000
Programme 4: Households: Social Benefits	R 375 000

The under-expenditure of R480 000 on Goods and Services will be shifted to Goods and Services in Programme 1 to cover over-expenditure in that Programme.

The under-expenditure of R1 293 000 on Households will be shifted to the following programmes as follows to cover over-expenditure in these Programmes:

Programme 1: Transport Assets	R 462 000
Programme 1: Software and Intangible Assets	R 620 000
Programme 4: Provincial and Local Governments	R 211 000

The total virement equals 0.24% of the amount appropriated under this main division in the Adjusted Estimates of Revenue and Expenditure 2019.

General Information

Programme 4: Housing Asset Management (R 586 000)

Economic Classification	Adjusted Appropriation	Shifts	Virement	Final Appropriation	Actual Expenditure
	R '000	R '000	R '000	R '000	R '000
Compensation of Employees	24 976	(698)	-	24 278	24 278
Goods and Services	9 840	(267)	-	9 573	9 573
Provinces and Municipalities	1 000	507	211	1 718	1 718
Households	243	458	375	1 076	1 076
Total	36 059	-	586	36 645	36 645

The total over-expenditure of R586 000 on this Programme consist of the following:

Over-expenditure on Provinces and Municipalities: Rates and Taxes	R 211 000
Over-expenditure on Households: Social Benefits	R 375 000

The over-expenditure of R211 000 on Provinces and Municipalities for rates and taxes will be financed from an under-expenditure on Other transfers to Households in Programme 3.

The over-expenditure of R375 000 on Households: Social benefits will be financed from an under-expenditure on Compensation of Employees in Programme 3.

The total virement equals 1.63% of the amount appropriated for this main division in the Adjusted Estimates of Revenue and Expenditure 2019.

All the above-mentioned virements are within the 8% limit in terms of Section 43(2) of the PFMA.

The table below illustrates the expenditure per programme:

Programme Name	2019/2020			2018/2019		
	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	122 807	122 807	-	107 883	106 692	1 191
Housing Needs, Research and Planning	27 336	27 336	-	25 282	25 282	-
Housing Development	2 497 333	2 496 984	349	2 272 138	2 184 379	87 759
Housing Asset Management	36 645	36 645	-	35 978	35 978	-
Total	2 684 121	2 683 772	349	2 441 281	2 352 331	88 950

General Information

A

Explanation of Variance	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 3: Housing Development	2 497 333	2 496 984	349	0
Underspensing on current expenditure is due to cost containment measures and underspensing on Transfers to households is due to the final invoice in respect of the Provincial Emergency Housing Grant not received by 31 March 2020.				

Explanation of Variance per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 3: Housing development				
Compensation of Employees	103 187	103 038	149	0,14
Goods and Services	58 722	58 600	122	0,2
Transfer and Subsidies: Households	83 773	83 695	78	0,09
Provincial Emergency Housing Grant				
Total	245 682	245 333	349	0,14

Funds to be surrendered: R271 000

Savings due to Under-expenditures on Compensation of Employees amounting to R149 000 and savings on Goods and Services of R122 000 will be surrendered to the Provincial Treasury.

The under-expenditures on Compensation of employees and Goods and Services, (Travel and Subsistence) were due to cost containment measures.

Funds to be rolled-over: R78 000

The Department will apply for the roll-over of the under-expenditure of R78 000 on the Provincial Emergency Housing Grant.

Unauthorised, fruitless and wasteful expenditure

No unauthorised or fruitless and wasteful expenditure was incurred by the Department for the year under review.

Public Private Partnerships (PPPs)

The Department has not entered into any PPPs during the financial year.

Discontinued activities/activities to be discontinued

No activities are to be discontinued.

New or proposed activities

No new/proposed activities were noted during the year under review.

Supply chain management

There were no unsolicited bid proposals concluded for the year under review.

General Information

Oversight was performed by Internal Control over Supply Chain Management processes. This included the appointment of contractors and consequently payments in this regard to detect and prevent irregular expenditure for the year under review.

The Department moved from a transferring Department to an implementing Department. The establishment of the Department was not amended to make provision for construction procurement, and therefore, it experienced constraints in Supply Chain Management (SCM). The Department has been in constant discussions with Provincial Treasury to increase its equitable share to address this.

In kind gifts and donations provided by the Department or received from non-related parties

The following in kind gifts and donations were provided by the Department:	R'000
Donation for Homewise Youth competition	37
Sympathy flowers and fruit baskets	13
Key rings with engraving (home owner)	3
Act of Grace	22
Total	75

There were no in-kind gifts and donations received from non-related parties.

Exemptions and deviations received from the National Treasury

No exemption from the PFMA or Treasury Regulations or deviation from the financial reporting requirements were applied for or received for the current and / or previous financial year.

Events after the reporting date

There were no adjusting events after the reporting date.

Principal-Agent Arrangement

See Note 29 of the Annual Financial Statements (AFS).

Related parties

The Department occupies a building free of charge, which is managed by the Department of Transport and Public Works.

Parking spaces are also provided to government officials at an approved fee that is not market related.

The Department received corporate services from the Corporate Services Centre (CSC) of the Department of the Premier with effect from 1 November 2010. These related to the following service areas:

- Information and Communication Technology;
- Organisation Development;
- Provincial Training (transversal);
- Human Resource Management;
- Enterprise Risk Management;
- Internal Audit;
- Provincial Forensic Investigations;
- Legal Services; and
- Corporate Communication.

The Department has one unlisted public entity under its control, i.e. the Western Cape Housing Development Fund.

There were no transactions between the Department and the Western Cape Housing Development Fund.

The Department makes use of government motor vehicles managed by Government Motor Transport (GMT), which are based on tariffs approved by Provincial Treasury.

The Department received Security Advisory Services and Security Operations, as well as access control data from the Department of Community Safety in the Western Cape.

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.

Acknowledgement/s or Appreciation

I would like to express my gratitude to the Provincial Minister of Human Settlements, departmental staff, staff of the Auditor-General, the Audit Committee, Provincial Parliament, Corporate Services Centre (CSC), Provincial Treasury and municipalities for assisting the Department in delivering housing opportunities across the Western Cape, for the year under review.

Approval and sign off

The Annual Financial Statements set out on pages 156 – 233 and have been approved by the Accounting Officer.

Ms J Samson
Accounting Officer
Department of Human Settlements
Date: 31 July 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 J Samson
Accounting Officer
Department of Human Settlements
Date: 31 July 2020

6. STRATEGIC OVERVIEW

6.1 Vision

Residents of the Western Cape have access to liveable, accessible, safe and multi-opportunity settlements.

6.2 Mission

The mission for the Department of Human Settlements is:

- To provide settlements that offer good basic and socio-economic services;
- To offer a range of rental and ownership options that respond to the varied needs and income of households; and
- To consistently improve settlements through joint citizen and government effort supported by private sector contributions.

6.3 Values

The Department of Human Settlements' values are aligned to the Batho Pele principles, as well as those of the Western Cape Government. The Department has unpacked the values in order to make them more specific to the mandate of the Department:

Competence – Focused on developing staff, systems and processes that are fit-for-purpose. We must ensure that the Department functions optimally to deliver on its mandate and achieve its strategic goals and objectives.

Accountability – Being open and transparent about what the Department wants to achieve, and about its performance against the pre-determined objectives.

Integrity – Acting honestly and in the best interests of the Department, the taxpayers and the public we serve, taking proactive steps to improve governance and to prevent and act against corruption and maladministration.

Responsiveness – Ensuring that the human settlements we promote, enable and facilitate responds to the needs of our customers, and that we treat stakeholders with respect by consulting them in good faith, keeping them informed, responding to applications, complaints, queries and requests timeously and appropriately.

Caring – Treating people with empathy in responding to their needs, prioritising the needs of the most vulnerable in our society when we select projects to fund, and ensuring that municipalities do the same with the selection of beneficiaries.

Innovation – To be open to new ideas and develop creative solutions to challenges in a resourceful way.

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional mandates

Chapter 2 (Bill of Rights) of The Constitution, Section 26 requires the State to:

- Take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of everyone's right of access to housing; and
- To ensure no-one is evicted from their home, or has their home demolished without an order of the court, after considering all the relevant circumstances.

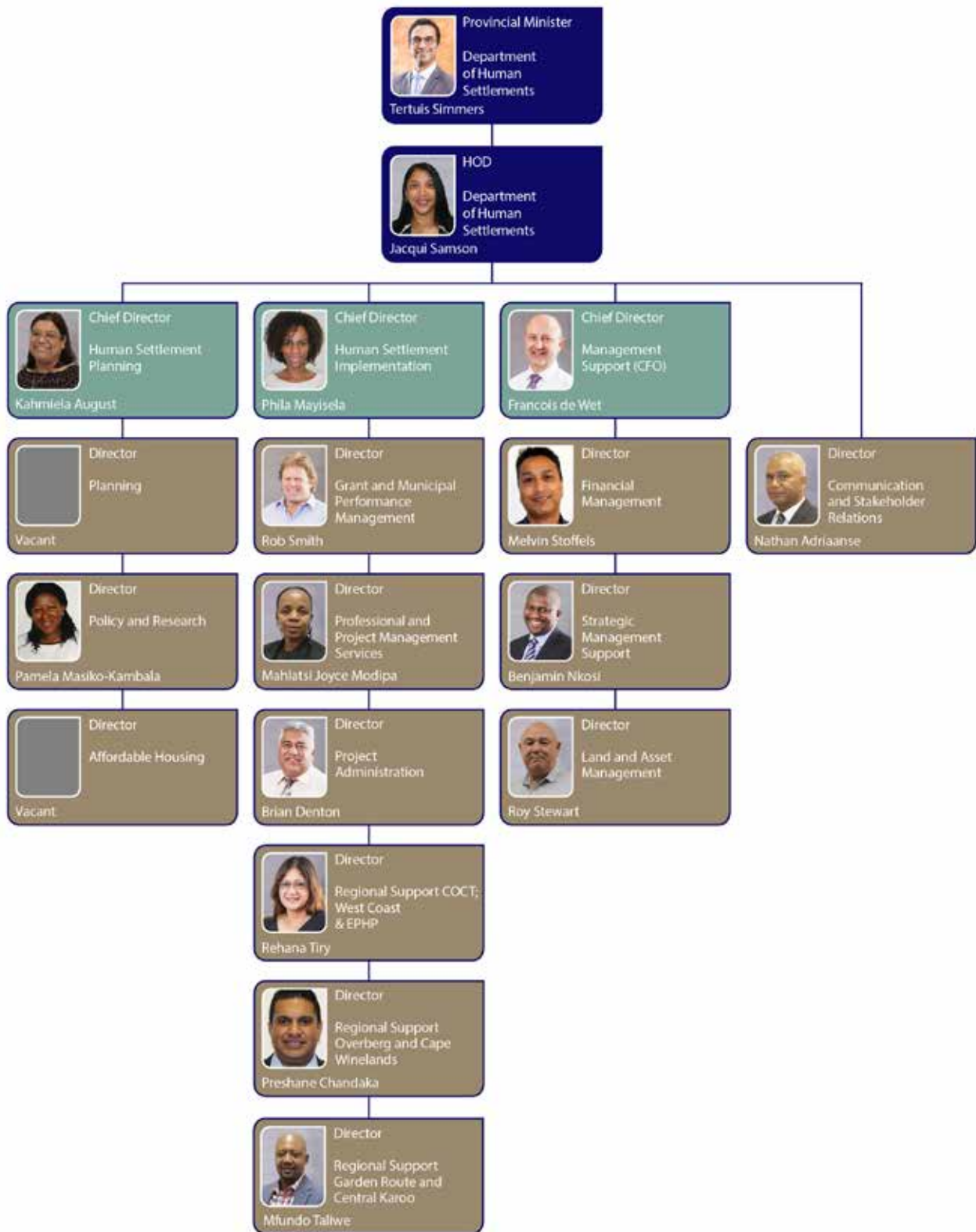
The Constitution further provides that housing is a competency that is held concurrently by national and provincial governments.

7.2 Statutory mandates

The following key pieces of legislation currently govern the housing environment:

- i. Housing Act (Act 107 of 1997);
- ii. Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (Act 19 of 1998);
- iii. Housing Consumers Protection Measures Act (Act 95 of 1998);
- iv. Rental Housing Act (Act 50 of 1999);
- v. Home Loan and Mortgage Disclosure Act (Act 63 of 2000);
- vi. Housing Development Agency Act (Act No. 23 of 2008);
- vii. Social Housing Act (Act No. 16 of 2008);
- viii. Sectional Titles Management Act (Act No. 8 of 2011);
- ix. Community Scheme Ombud Service Act (Act No. 9 of 2011);
- x. Western Cape Housing Development Act (Act 6 of 1999); and
- xi. Western Cape Land Use Planning Act (Act 3 of 2014).

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MINISTER

None



Belhar CBD



PERFORMANCE INFORMATION

Departmental Performance

reporting

Public Private Partnerships

Legislative

Affordable Housing

FLISP subsidies

Actual achievement

Service Delivery

Budget

Performance Indicator

Auditor

serviced sites

UISP Beneficiaries

housing opportunities

Housing Demand Database

PERFORMANCE

INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (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 151 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

There are several external factors that impact on the service delivery processes. These factors can be attributed to different variables, such as the slow economic growth, as well as a highly contested socio-political space. The following is an account of some of these factors:

2.1.1 Municipal capacity

The Department monitors and supports municipalities so that they can perform their functions properly. Municipalities operate in a complex environment and this influences how they perform. In this regard, the Department's efforts to capacitate and support municipalities have improved municipal capacity at project level. However, while municipal capacity has improved, the Department was still required to take over the implementation of certain projects, due to challenges in some municipalities.

2.1.2 Community instability

Land invasions and protests continue to be a real risk for the Department, creating delays in projects, and impacting negatively on service delivery. Furthermore, community instability also places strain on the budget, since it often implies that the Department should employ additional security, erect fencing to secure sites and provide a budget for litigation, should it be necessary.

2.1.3 Financial environment

Land invasions and protests continue to be a real risk for the Department, creating delays in projects, and impacting negatively on service delivery. Furthermore, community instability also places strain on the budget, since it often implies that the Department should employ additional security, erect fencing to secure sites and provide a budget for litigation, should it be necessary.

Performance Information

2.2 Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan (SDIP) for 1 April 2018 to 31 March 2021. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provision of Affordable Housing	<ul style="list-style-type: none"> Middle income groups 	<ul style="list-style-type: none"> 749 housing opportunities provided. The over-achievement was due to a higher demand for non-credit linked and FLISP subsidies than was anticipated. 	<ul style="list-style-type: none"> 1 102 housing opportunities. 	<ul style="list-style-type: none"> 1 606 housing opportunities provided. The over-achievement was due to a higher demand for non-credit linked and FLISP subsidies than was anticipated.
Provision of Serviced sites to beneficiaries	<ul style="list-style-type: none"> Qualifying applicants on the Housing Demand Database 	<ul style="list-style-type: none"> 8 872 serviced sites delivered. The over-achievement was due to the acceleration of UISP serviced sites. 	<ul style="list-style-type: none"> 9 500 serviced sites. 	<ul style="list-style-type: none"> 5 842 serviced sites delivered. The under-performance was due to services that could not be installed on some sites, as community members refused to be relocated.

B

Performance Information

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangement	Desired arrangements	Actual achievements
Provision of Affordable Housing		
<p>Consultation:</p> <p>a) IGR Regional Quality Technical Coordination meetings were held with municipalities. Furthermore, regular meetings were held with the public to address their concerns.</p> <p>Courtesy:</p> <p>a) Beneficiaries could obtain relevant information at the Walk in Centre at 27 Wale Street Cape Town. Furthermore, officials were trained to address queries raised by applicants and or beneficiaries in a courteous manner and to observe the Code of Conduct for the Public Service.</p> <p>Access:</p> <p>a) The service was accessible at the Walk in Centre at 27 Wale Street, Cape Town.</p> <p>Additional Achievement:</p> <p>b) Via project managers.</p> <p>Openness and Transparency:</p> <p>a) A Citizens Report was distributed in the mainstream and community newspapers.</p> <p>b) Suggestion boxes were placed at the Walk in Centre at 27 Wale Street, Cape Town for public use. The suggestions were reviewed and addressed.</p> <p>Value for Money:</p> <p>a) Consumer education was done internally, thus no additional costs incurred.</p>	<p>Consultation:</p> <p>a) IGR meetings held quarterly with all municipalities to check progress and address concerns.</p> <p>Courtesy:</p> <p>a) The Walk in Centre receive all clients courteously and observes the Code of Conduct for the Public Service.</p> <p>Access:</p> <p>a) Via Walk in Centre at 27 Wale Street, Cape Town.</p> <p>Openness and Transparency:</p> <p>a) A Citizens Report is distributed in the mainstream and community newspapers.</p> <p>b) Suggestion boxes at the Walk in Centre.</p> <p>Value for Money:</p> <p>a) Consumer education done internally, thus no additional costs incurred.</p>	<p>Consultation:</p> <p>a) IGR Regional Quality technical coordination meetings were held with municipalities. Furthermore, regular meetings were held with the public to address their concerns.</p> <p>Courtesy:</p> <p>a) Beneficiaries can obtain relevant information at the Walk in Centre at 27 Wale Street, Cape Town. Furthermore, officials are trained to address queries raised by applicants and/or beneficiaries in a courteous manner and to observe the Code of Conduct for the Public Service.</p> <p>Access:</p> <p>a) The service was accessible at the Walk in Centre at 27 Wale Street, Cape Town.</p> <p>Additional Achievement:</p> <p>b) Via project managers.</p> <p>Openness and Transparency:</p> <p>a) A Citizens Report was distributed in the mainstream and community newspapers.</p> <p>b) Suggestion boxes are placed at the Walk in Centre for public use and suggestions are reviewed and addressed.</p> <p>Value for Money:</p> <p>a) Consumer education was done internally, thus no additional costs incurred.</p>
<p>Additional Information:</p> <p>b) R63 609 286.18 was spent on Individual subsidies.</p>		<p>Additional Information:</p> <p>b) R139 514 has been spent on Individual subsidies.</p>

Performance Information

Current/actual arrangement	Desired arrangements	Actual achievements
Provision of Serviced Sites to Beneficiaries		
<p>Consultation: a) IGR Regional Quality technical co-ordination meetings were held with municipalities. Furthermore, regular meetings were held with the public to address their concerns.</p> <p>Courtesy: a) Beneficiaries could obtain relevant information at the Walk in Centre at 27 Wale Street, Cape Town. Furthermore, officials were trained to address queries raised by applicants and beneficiaries in a courteous manner and to observe the Code of Conduct for the Public Service.</p> <p>Access: a) The service was accessible at the Walk in Centre at 27 Wale Street, Cape Town.</p> <p>Additional Achievement: b) Via project managers.</p> <p>Openness and Transparency: a) A Citizens Report was distributed in the mainstream and community newspapers. b) Suggestion boxes were placed at the Walk in Centre at 27 Wale Street, Cape Town for public use. The suggestions were reviewed and addressed.</p> <p>Value for Money: a) Consumer education was done internally, thus no additional costs incurred.</p> <p>Additional Information: a) R676 355 1519 was spent on the Upgrading of Informal Settlements Programme (UISP) and the Integrated Residential Development Programme (IRDP).</p>	<p>Consultation: a) IGR meetings held quarterly with all municipalities to check progress and address concerns.</p> <p>Courtesy: a) The Walk in Centre receive all clients courteously and observes the Code of Conduct for the Public Service.</p> <p>Access: a) Via Walk in Centre at 27 Wale Street, Cape Town.</p> <p>Openness and Transparency: a) A Citizens Report is distributed in the mainstream and community newspapers. b) Suggestion boxes at the Walk in Centre</p> <p>Value for Money: a) Consumer education done internally, thus no additional costs incurred.</p>	<p>Consultation: a) IGR Regional Quality technical coordination meetings were held with municipalities. Furthermore, regular meetings were held with the public to address their concerns.</p> <p>Courtesy: a) Beneficiaries can obtain relevant information at the Walk in Centre at 27 Wale Street, Cape Town. Furthermore, officials are trained to address queries raised by applicants and/or beneficiaries in a courteous manner and to observe the Code of Conduct for the Public Service.</p> <p>Access: a) The service was accessible at the Walk in Centre at 27 Wale Street, Cape Town.</p> <p>Additional Achievement: b) Via project managers.</p> <p>Openness and Transparency: a) A Citizens Report was distributed in the mainstream and community newspapers. b) Suggestion boxes are placed at the Walk in Centre for public use. The suggestions are reviewed and addressed.</p> <p>Value for Money: a) Consumer education was done internally, thus no additional costs incurred.</p> <p>Additional Information: b) R896 560 has been spent on the Upgrading of Informal Settlements Programme (UISP) and the Integrated Residential Development Programme (IRDP).</p>

B

Performance Information

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Provision of Affordable Housing		
<p>a) Officials were trained to address queries by applicants and or beneficiaries.</p> <p>b) Municipal officials were trained to deal with concerns and enquiries relating to housing opportunities.</p> <p>c) TV screens were placed at the Walk in Centre at 27 Wale Street, Cape Town, displaying pertinent information relating to housing opportunities.</p> <p>d) The Departmental website was regularly updated, which offers information on how to access housing opportunities.</p>	<p>a) Well informed officials at the Walk in Centre.</p> <p>b) Municipal offices.</p> <p>c) TV screens at Walk in Centre displaying relevant human settlements information.</p> <p>d) Communication campaigns</p>	<p>a) Officials were trained to address queries by applicants and/or beneficiaries.</p> <p>b) Municipal officials were trained to deal with concerns and enquiries relating to housing opportunities.</p> <p>c) TV screens were placed at the Walk in Centre displaying pertinent information relating to housing opportunities.</p> <p>d) The Departmental website is regularly updated, which offers information on how to access housing opportunities.</p>
Provision of Serviced Sites to beneficiaries		
<p>a) Officials were trained to address queries by applicants and or beneficiaries.</p> <p>b) Municipal officials were trained to deal with concerns and enquiries relating to housing opportunities.</p> <p>c) TV screens were placed at the Walk in Centre at 27 Wale Street, Cape Town, displaying pertinent information relating to housing opportunities.</p> <p>d) The Departmental website was regularly updated, which offers information on how to access housing opportunities.</p>	<p>a) Well informed officials at the Walk in Centre.</p> <p>b) Municipal offices.</p> <p>c) TV screens at Walk in Centre displaying relevant human settlements information.</p> <p>d) Communication campaigns.</p>	<p>a) Officials were trained to address queries by applicants and or beneficiaries.</p> <p>b) Municipal officials were trained to deal with concerns and enquiries relating to housing opportunities.</p> <p>c) TV screens were placed at the Walk in Centre displaying pertinent information relating to housing opportunities.</p> <p>d) The Departmental website is regularly updated, which offers information on how to access housing opportunities.</p>

Performance Information

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Provision of Affordable Housing		
a) Beneficiaries were able to express their concerns at the Walk in Centre.	a) The Department addresses complaints in writing, after an investigation has been conducted.	a) Beneficiaries were able to express their concerns at the Walk in Centre.
Provision of Serviced Sites to Beneficiaries		
a) Beneficiaries were able to express their concerns at the Walk in Centre.	a) The Department addresses complaints in writing, after an investigation has been conducted.	a) Beneficiaries were able to express their concerns at the Walk in Centre.

B

2.3 Organisational environment

The Department continued to face the ongoing challenge of executing its statutory mandates within an increasingly constrained fiscal environment, growing provincial population, challenging social ills and increasing demand for services. To this end, building an efficient department is essential. Key elements in this drive are improvements to its organisational structure, stringent cost containment measures, effective departmental governance systems, business processes and strategies to improve the delivery of its services.

B

Restructuring

The Department of the Premier (Organisational Development) investigated the Department's current organisational structure to re-align the Departmental structure with the new strategic direction adopted by the Department and the revised business model. A regional delivery model was proposed whereby all functions have been mainstreamed per district. This will ensure accountability on delivery as regional managers will be responsible for the planning and delivery of targets. This process is still being finalised.

Senior Management Service

During the period under review, there was a change in the Department's executive leadership. Ms J Samson was promoted from Chief Director: Human Settlement Planning to the Head of Department, Human Settlements. The vacancy of the CD position was filled internally by Ms K August, the former Director of Affordable Housing. Additionally, a new MEC was appointed, Mr. T Simmers, who is a former member of the Standing Committee for Human Settlements.

While the Department welcomes the new leadership, it also acknowledges the vacancies this has created. Within the Chief Directorate: Human Settlement Planning, the post of Director: Affordable Housing is still vacant. Ms R Van Rensburg from the same Chief Directorate, has also retired during the year under review, leaving two (2) senior management positions vacant in one (1) Chief Directorate.

Customer Care

To better serve the public, the Department has embarked on renovations to the Walk in Centre. This has resulted in both the Helpdesk and the Rental Housing Tribunal (RHT) being moved to a temporary location, Norton Rose House, Cape Town, while renovations are being conducted. Services rendered by both the Helpdesk and the RHT are still accessible at the temporary location, and the change in location has been widely communicated to the public.

Standard Operating Procedures

In terms of Supply Chain Management, the Department has drafted the following Standard Operating Procedures (SOPs):

1. Urgent or Emergency Bids;
2. Open Tenders; and
3. Limited Bids.

These SOPs assisted with streamlining Supply Chain Management processes by eliminating or limiting errors and unnecessary delays. In doing so, the Supply Chain unit can provide a better service to the Department as well as to service providers who deliver an impactful service to the public.

Furthermore, a SOP was also developed to support the Management of the NGO Framework Agreements between DHS and its stakeholders. In addition, as a means to assist potential beneficiaries, a SOP was drafted to give guidance on the application process for the Enhanced Extended Discount Benefit Scheme (EEDBS).

Performance Information

Accreditation

The accreditation of the City of Cape Town (CoCT) involves the delegation and, subsequently, assignment of certain clearly defined functions in respect of the administration of national housing programmes.

2.4 Key policy developments and legislative changes

During the 2019/20 financial year, the Department co-hosted a provincial consultative workshop in partnership with the National Department of Human Settlements (NDHS), in order to solicit inputs for the Medium-Term Strategies Framework (2019-24).

3. STRATEGIC OUTCOME ORIENTED GOALS

As guided by Chapter 8 of the National Development Plan (NDP) and the 2014–2019 MTSF, the focus of this department is to work towards the realisation of a trajectory of transformed integrated human settlements by 2030.

The Department contributes to Provincial Strategic Goal 4, “to enable a resilient, sustainable quality and inclusive living environment” and to that end, the Department implemented several programmes that will support these strategies and strategic goals. The table below illustrates the Department’s achievements in relation to the strategic outcome orientated goals:

No	Strategic Outcome Orientated Goals	Strategic Objective	Progress made
1	Enhanced efficiency and effectiveness of the Provincial Department of Human Settlements	Enhanced Knowledge Management and Corporate Governance of Information and Communication Technology.	The Department achieved its target by implementing two (2) Knowledge Management Projects, namely: <ol style="list-style-type: none"> 1. Knowledge Hub Development; 2. Business Intelligence (BI) Framework Development.
2	Improved settlement functionality, efficiencies and resilience of human settlements	Improve integrated development and spatial planning at municipal level by providing municipalities with the support with regards to human settlement development.	Twenty-five (25) municipalities were capacitated during the 2019/20 financial year.
		Establish effective mechanisms for target setting, spatial targeting and future delivery projections.	The Multi Year Housing Development Plan (Part D of the APP) was developed and aligned to both the Annual Performance Plan (APP), as well as the Departmental Business Plan.

Performance Information

No	Strategic Outcome Orientated Goals	Strategic Objective	Progress made
2	Improved settlement functionality, efficiencies and resilience of human settlements	Enhancing the policy regime in relation to human settlements.	<p>The Department achieved its target by developing and finalising two (2) research papers and one (1) policy/policy guideline. This includes:</p> <ol style="list-style-type: none"> 1. Feasibility of offering proactive government support to households in backyard dwellings (research paper); 2. Deferred ownership: Exploring possibilities for ownership opportunities in the gap market utilising early subsidies for properties sold by instalment sales or lease option (research paper); and 3. Implementation Guideline for Green Procurement in the Construction of State-Subsidised Housing in the Western Cape (policy).
3	Accelerated housing opportunities	Implement an upscaled delivery programme.	The Department delivered 10 375 units against a target of 9 723.
4	Improved living conditions of beneficiaries through the Upgrading of the Informal Settlements Programme	Implement structured upgrading of informal settlements to promote and secure living environments.	The Department has delivered 5 842 serviced sites against a target of 6 486.
5	Improved living conditions of beneficiaries by promoting ownership of property	Improve security of tenure by ensuring that title deeds are transferred.	The Department delivered 8 491 title deeds against a target of 7 000.

B

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose

The purpose of this Programme is to provide overall management in the Department in accordance with all applicable acts and policies. It consists of two Sub-Programmes, namely:

- Office of the MEC:** To provide for the functioning of the Office of the MEC; and
Corporate Services: To provide corporate support that is non-core for the Department.

Strategic objectives

- Enhanced Knowledge Management and Corporate Governance of Information and Communication Technology.

Performance overview

For the year under review, as a Department we've adopted the Department of Planning, Monitoring and Evaluation's MPAT instrument to assess and measure performance. Stemming from the previous financial years' successes and achievements, the Department continued to build and improve on its processes in the various areas within the Programme. This has assisted the Programme to optimally support the rest of the Department to deliver and achieve the desired impact with its beneficiaries.

The Department can also report that during the 2019/2020 financial year, it introduced the following new SOPs:

- Management of NGO Framework Agreement;
- Application for the Enhanced Extended Discount Benefit Scheme (EEDBS);
- Urgent or Emergency Bids;
- Open Tenders; and
- Limited Bids.

These SOP's assisted with streamlining Supply Chain Management processes by eliminating or limiting errors and unnecessary delays. In doing so, it provided a better service to the Department as well as to service providers to deliver services to the public.

In terms of ICT, there has been significant strides in the development of ICT systems, we have implemented a mobile app that enables citizens to register and update their housing demand; an executive dashboard that displays progress on Human Settlements projects and an informal settlements dashboard that displays information about enumerations done within informal settlements.

In terms of technology refresh, we have modernised the audio-visual equipment of almost all the Department's boardrooms and extended its video conferencing capabilities.

The Department has formulated a new 5-year Strategic ICT Plan that supports its new strategy as well as digital transformation and will be implemented in the new strategic cycle.

The Department, through the implementation of the Department's Knowledge Management strategy, also implemented two (2) Knowledge Management Projects, namely:

1. A Knowledge Hub Development, built on the Department's new Intranet, enables all its officials to add content and engage through collaboration.

Performance Information

2. The drafting of a Business Intelligence (BI) Framework that guides the development and implementation of applications to support decision making based on credible data supported by evidence.

The Department continued with its existing Knowledge Management programmes that includes Department-specific induction programme sessions for newly appointed officials to orientate them with the strategy and operations of the Department; a mentorship programme; and knowledge sharing sessions that continued to gain momentum and interest amongst officials during the year under review.

B

Strategic Objectives

Programme 1: Administration						
Strategic objectives	Strategic Objective Performance 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 the Management Performance Assessment tool (MPAT) imperatives by 31 March 2020	SOI 1 Attainment of a level 4 on the overall MPAT assessment by 31 March 2020	Level 4	Level 4	Level 4	-	
Enhanced Knowledge Management and Corporate Governance of Information and Communication Technology by 31 March 2020	SOI 2 Number of Knowledge Management projects implemented by 31 March 2020	3	2	2	-	

Performance Indicators

Programme 1: Administration								
No.	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
1.1	To achieve a level 4 for financial management as prescribed in the 2018 Management Performance Assessment Tool (MPAT) by 31 March 2020	Level 4	Level 3	Level 4	Level 4	Level 4	-	
1.2	To achieve a level 4 for strategic management as prescribed in the 2018 Management Performance Assessment Tool (MPAT) by 31 March 2020	Level 4	Level 4	Level 4	Level 4	Level 4	-	
1.3	To achieve a level 4 for governance and accountability as prescribed in the 2018 Management Performance Assessment Tool (MPAT) by 31 March 2020	Level 4	Level 3	Level 4	Level 4	Level 4	-	
1.4	To achieve a level 4 for human resource management as prescribed in the 2018 Management Performance Assessment Tool (MPAT) by 31 March 2020	Level 3	Level 4	Level 4	Level 4	Level 4	-	
1.5	To achieve a level 4 for ICT governance as prescribed in the 2018 Management Performance Assessment Tool (MPAT) by 31 March 2020	-	-	Level 4	Level 4	Level 4	-	
1.6	Number of Knowledge Management projects implemented by 31 March 2020	-	4	3	2	2	-	

Performance Information

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets

None.

Linking performance with budgets

Expenditure per sub-programme

Programme 1: Administration

Sub-Programme	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	6 817	6 817	-	4 818	4 818	-
Corporate Services	115 990	115 990	-	103 065	101 874	1 191
Total	122 807	122 807	-	107 883	106 692	1 191

B

4.2 Programme 2: Housing Needs, Research and Planning

Purpose

The purpose of this Programme is to facilitate and undertake housing delivery planning. It consists of four Sub-Programmes, namely:

- Administration:** To provide administrative and/or transversal services;
- Policy:** To develop human settlements policies and policy guidelines;
- Planning:** To develop the provincial Multi-Year Housing Development Plans and project pipelines in co-operation with municipalities; and
- Research:** To conduct research on sustainable human settlements.

Strategic objectives

- Improve integrated development and spatial planning at municipal level by providing municipalities with the support with regards to human settlement development;
- Establish effective mechanisms for target setting, spatial targeting and future delivery projections; and
- Enhancing the policy regime in relation to human settlements.

Performance overview

Affordable Housing

The Finance Linked Individual Subsidy Programme (FLISP) remains one of the Department's top priorities, and during the 2019/20 financial year. The Department initiated its Consumer Readiness Programme. Its objectives were as follows:

- To create qualifying bondable home buyers from the Human Settlements/Municipal housing demand database, who have been declined by the financial institutions, due to affordability or an adverse credit record;
- To work with these beneficiaries to improve their credit scores and strained financial situations; and
- To enable a higher percentage of approved buyers within Departmental developments or the secondary housing market.

Overall, 201 households or 326 individuals were contacted to be enrolled in the initiative. Of these, 153 households (or 256 individuals) from the Swellendam, George & Drakenstein municipalities were enrolled. The credit ratings for Swellendam received, noted that 35 credit scores improved, 11 credit scores showed no change and 16 credit scores fell.

The Programme will run over a two-year period and 133 households (or 216 individuals) have already been identified for assistance within the Swellendam, Drakenstein and George Municipalities. The overall average income of the potential beneficiaries enrolled thus far is R10 535.

The Department also continues to pursue partnerships with employers who are prepared to significantly contribute toward creating home ownership opportunities for their employees. APL Cartons in Breede Valley is one such employer, as is Tronox/Andisa in the West Coast region. These partnership proposals were endorsed by the Department for further investigation and pursuance.

Partnerships are also key to the expansion of Social Housing opportunities. The following Social Housing initiatives are in the construction phase:

- The Conradie Better Living Model Exemplar Project represents a well-located, affordable, integrated, residentially-led, mixed-income and mixed-use development, implemented by the Social Housing

Performance Information

- Institution, Own Haven. The project will yield 1 236 Social Rental housing opportunities;
- The first phase of the Glenhaven development in Bellville comprises 416 units;
 - The Regent Villas Project in Mitchell's Plain will yield 104 units with construction nearing completion; and
 - The Bothasig Phase 2 project broke ground in the last quarter of 2019 and will yield 314 units.

The Affordable Housing unit had also entered into a number of Partnership Agreements with selected Social Housing Institutions (SHI's) to advance Social Housing projects and initiatives in the metro and non-metro. These include the following Social Housing Institutions: Instratin, DCI Community Housing Services and the South African Local Government Association (SALGA).

Planning

In terms of municipal support, the 2019/20 financial year saw the municipal IDPs develop a stronger focus on the implementation and construction of ongoing projects. All 25 local municipalities received technical planning support, directed toward the accelerated packaging of housing projects. It also included unblocking and facilitating infrastructure challenges to committed business plan projects, which included liaising with the Departments of Education, Health, Local Government and Environmental Affairs and Development Planning. Technical and strategic support was also rendered to provide inputs into six (6) municipal Spatial Development Frameworks (SDFs) (Oudtshoorn, Theewaterskloof, Overstrand, Matzikamma, Drakenstein and Stellenbosch).

The Department is the custodian of the Living Cape Framework, which was launched during 2019. This is a provincial framework that endeavours to achieve greater transversal planning and coordination. The focus is on improving integrated human settlement delivery, thus ensuring that we reap the urban dividend of our joint investments in a targeted way – in other words, that we get the best collective return on our money. Importantly, it also encourages government as a whole to move away from being a 'provider' through an increased role as an enabler. The Joint District Planning and Area-based planning approach is central, thus working toward ensuring joint and targeted interventions within our communities.

The Informal Settlement Support Programme (ISSP) was launched in 2016. At the core, the ISSP is capacity building created within the municipality and communities, thus allowing for proactive responses and forward planning initiatives. The programme focuses on informal settlements upgrading and follows a problem-solving process based on understanding user need, co-creating solutions and bringing together people from different disciplines to find new ways of tackling tough upgrading problems.

Since the launch of the ISSP, the Department has worked hard to turn the tide in informal settlements in various municipalities. To date, more than 45 000 households in 42 different settlements across the Province has benefitted through the services initiated. Eight NGO's in the built environment are assisting the Department with these programmes, through actively involving residents in the upgrading process. Our partnership arrangement with the Department of Economic Development and Tourism (DEDAT) has thus far yielded the development and mainstreaming of a toolkit for a Pop-Up Design and Build Incubator. This was undertaken in conjunction with the Craft and Development Institute, through the Better Living Challenge (BLC).

Policy and Research

For the 2019/20 financial year, the Policy & Research Directorate achieved its Annual Performance Plan targets, producing two research reports and one policy guideline.

The first research project examined whether it is viable for government to subsidize the supply of units to sell to beneficiaries in the affordable housing market via instalment and lease option (often called "rent-to-

Performance Information

buy”) mechanisms. The research was conducted mainly via case studies of Institutional Housing projects and private instalment sales initiatives in the Western Cape. The research showed that the legal framework in South Africa gives adequate protection to buyers in an instalment sale, but that sellers face payment risks, and if the framework is not properly followed, regulatory risks. Consumers in lease option arrangements have far fewer protections.

In most cases the Institutional Housing projects collapsed (often due to buyer non-payment), units were never transferred to beneficiaries and many remain in disrepair in government ownership. Massive losses were suffered by the government housing financier providing loan finance to housing institutions, and subsidy leakage was considerable. Thus, supplying subsidies for the construction of units is fraught with risk. Rather, providing subsidies to third-party private developers, and only once units are available and registrable, is preferable, as this lowers the risk of leakage and buyer non-payment.

The second project investigated the feasibility of offering proactive government support to households in backyard dwellings. The main aim of this research was to examine measures government can take to promote owner-driven densification and crowd-in other private investment within newly created settlements/neighbourhoods. Positive densification can be promoted through the judicious use of infrastructure grant funding like the Urban Settlement Development Grant (USDG), careful regulation and building control, and sensitive physical planning.

In addition to the research projects mentioned above, the Department also developed a policy guideline, *The Implementation of Green Procurement in State Subsidised Housing in the Western Cape*. This guideline aims to mainstream and promote green outcomes in the construction of state-subsidised housing in the Western Cape. Green outcomes are boosted by using building materials and fuels that are less harmful to the environment, embody smaller amounts of greenhouse gasses and reduce the impact on climate change. Energy and water efficiency will give rise to utility savings for households.

To enable the implementation of the Green Procurement Implementation Policy Guidelines, the Department approached the International Finance Corporation (IFC), a subsidiary of the World Bank, to fund the training of government officials in the Green Building Council of South Africa’s EDGE Tool (Excellence in Design for Greater Efficiency) and the piloting of EDGE Certification in subsidised housing projects. EDGE is a green building certification system that allows home designers and builders to assess the most cost-effective ways to incorporate energy and water saving options into homes. By implementing innovative and smart changes to our current norms and standards, no additional costs are likely to be incurred to construct EDGE-compliant (greener) houses. Thus, the construction costs will be within the current subsidy envelope.

Approximately 30 officials from the Department and the municipalities of Drakenstein and the City of Cape Town were trained via this initiative. The piloting of the EDGE Certification will take place in a future project and cover 500 units. The aim is for all state-subsidised housing units to be EDGE certified. The first step in achieving this momentous goal will be implemented through the pilot project, marking the first time that state-subsidised houses will be considered for green certification in the country.

One of the Department’s most innovative projects focused on Global Positioning Systems (GPS) and drone technology to spatially map informal settlements and assign geographic co-ordinates to entries on the Housing Demand Database (HDD) platform. The Department received funding to the value of R3.8 million in the past financial years from the Belgium government through the Tirelo Bosha Public Service Improvement Facility Programme via the DPSA, for this purpose. Part of this funding was also used to acquire five drones and to train two officials from the Department and an official from each of the George and Drakenstein municipalities in the application of drone technology, and to gain certified pilot licenses to sustain the work initiated in the project.

Performance Information

The Department has supported several research projects initiated by universities in the Western Cape, including the *Fire Safety for Informal Settlements* study. The funding and project are a joint initiative of the Fire Engineering Research Unit at Stellenbosch University (FireSUN) and the WCDHS. The project aims to improve informal settlement fire safety through a holistic understanding of the science of fire behaviour, application of fire safety engineering, social realities of communities, the complexity of addressing the challenges in settlements and limited resources available.

B

Strategic Objectives

Programme 2: Housing Needs, Research and Planning						
Strategic objectives	Strategic Objective Performance 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
Improve integrated development and spatial planning at municipal level by providing municipalities with the support with regards to human settlement development.	SOI 3 Total number of planned human settlement (housing) development projects aligned to IDPs, National and Provincial Priorities approved by 31 March 2020.	16	10	10	-	
Establish effective mechanisms for target setting, spatial targeting and future delivery projections.	SOI 4 The development of the annual Multi-Year Housing Plan by March 2020.	1	1	1	-	
Enhancing the policy regime in relation to human settlements.	SOI 5 Number of research papers developed by 31 March 2020.	2	2	2	-	

Performance Indicators

Programme 2: Housing Needs, Research and Planning									
No.	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	
Planning									
2.1	Number of planned human settlement projects aligned to IDPs and based on the objectives of Outcome 8 and representing national and provincial priorities approved by 31 March 2020	27	7	16	10	10	-		
2.2	Part D of the Annual Performance Plan populated according to the prescribed format of National Treasury by 31 March 2020	1	1	1	1	1	-		
2.3	Number of municipalities that the Department provides with technical support (including transfer of skills) to enable the municipality to produce development plans for human settlements projects by 31 March 2020	25	25	25	25	25	-		
Research									
2.4	Number of research papers produced with content relating to the development of sustainable human settlements by 31 March 2020	4	3	2	2	2	-		

Performance Indicators

Programme 2: Housing Needs, Research and Planning								
No.	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
Legislation and Policy								
2.5	Number of policies and policy guidelines developed by 31 March 2020	2	2	1	1	1	-	

Performance Information

Strategy to overcome areas of under performance

Not applicable.

Changes to planned targets

None.

Linking performance with budgets

Expenditure per sub-programme

Programme 2: Housing needs, Research and Planning

Sub-Programme	2019/2020			2018/2019		
	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	17 153	17 153	-	16 136	16 136	-
Planning	10 183	10 183	-	9 146	9 146	-
Total	27 336	27 336	-	25 282	25 282	-

B

4.3 Programme 3: Housing Development

Purpose

The purpose of this Programme is to provide housing opportunities, including access to basic services, to beneficiaries in accordance with the Housing Code. It comprises of four Sub-Programmes, namely:

Administration:	To provide administration support funded from equitable share;
Financial Interventions:	To facilitate immediate access to housing goods and services creating enabling environments and providing implementation support;
Incremental Intervention:	To facilitate access to housing opportunities through a phased process; and
Social & Rental Intervention:	To facilitate access to rental housing opportunities, supporting Urban Restructuring and Integration.

Strategic objectives

- Implement an upscaled delivery programme;
- Improve security of tenure by ensuring that title deeds are transferred;
- To create an enabling environment for the creation of job and empowerment opportunities; and
- To increase sustainable resource use, which includes exploring innovative technologies through construction, energy, water and sanitation.

Performance overview

The 2019/20 financial year proved to be a challenging year for the Department, as it could not implement all its projects and thus, was unable to achieve the targets set for serviced sites and housing units.

For housing units, the Department delivered **8 038** against a target of 9 723. While the construction of the housing units was complete, there were delays by the relevant authorities in the installation of water meters and connection to the power grid. Due to these factors, the units could not be signed off and counted as practically complete.

For serviced sites, the Department delivered **5 842** against a target of 6 486. Services could not be installed on some sites, as community members refused to be relocated. The under-performance can be attributed to community members who have built their own structures and refused to be relocated, thereby delaying the installation of services.

In terms of title deeds, the Department transferred **8 491** title deeds against a target of 7 000 and is as a result of mechanisms put in place by the Title Deeds Restoration Project. The aim of this project is to accelerate the eradication of the backlog in the transfer of ownership of houses in subsidy built human settlements and is continuing to yield positive results.

Furthermore, the Department remains committed to facilitating job creation and to this end, the Department has spent **66,74%** of its HSDG on appointing contractors with Historically Disadvantaged Individuals (HDI) representation. The overachievement is based on the SOPs that have been developed for Professional Service Providers and the Contractors Framework Agreement. However, for the year under review, fewer contractors with women and youth representation have tendered for jobs in the construction industry.

In this regard, the Department is encouraging women and youth to participate in its training programmes, and for the period under review, has trained **156** young people in the built environment sector against a target of 150. Furthermore, the Department provided **1 056** job opportunities against a target of 800.

During the 2019/20 financial year, the Department delivered **1 684** housing units against a target of 1 000, that incorporated sustainable building technologies such as construction, energy, water, and sanitation.

Aggregate 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
Total number of housing units delivered that have reached a stage of practical completion by 31 March 2020	11 283	10 212	7 828	9 723	8 038	-1 685	It should be noted that the construction of the units has been completed. However, delays in installing water meters and connections to the power grid by relevant authorities resulted in numerous housing units not being counted and reported as practically complete.
Total number of serviced sites delivered by 31 March 2020	8 546	9 773	8 872	6 486	5 842	-644	Challenges experienced as a result of community dynamics such as service delivery protests and refusal to relocate, resulted in project stoppages, thus delaying installation of services to sites.
Total number of housing units and serviced sites delivered by 31 March 2020	19 829	19 985	16 700	16 209	13 880	-2 329	

Strategic Objectives

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Performance 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
Implement an upscaled delivery programme.	SOI 6 Total number of housing units delivered by 31 March 2020	7 828	9 723	8 038	-1 685	It should be noted that the construction of the units has been completed. However, delays in installing water meters and connections to the power grid by relevant authorities resulted in numerous housing units not being counted and reported as practically complete.
	SOI 7 Total number of serviced sites delivered by 31 March 2020	8 872	6 486	5 842	-644	Challenges experienced as a result of community dynamics such as service delivery protests and refusal to relocate, resulted in project stoppages, thus delaying installation of services to sites.
Improve security of tenure by ensuring that title deeds are transferred.	SOI 8 Number of properties transferred to beneficiaries that were developed post 1994 by 31 March 2020	9 662	7 000	8 491	+1 491	The Title Deed Restoration Project brought in place mechanisms to expedite the transfer process.

Strategic Objectives

Programme 3: Housing Development						
Strategic objectives	Strategic Objective Performance 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
To create an enabling environment for the creation of job and empowerment opportunities.	SOI 9 Number of job opportunities facilitated by 31 March 2020	578	800	1 056	+256	More projects with labour absorptive capacity were actioned, which resulted in more job opportunities being facilitated.
	SOI 10 Percentage of Human Settlements Development Grant (HSDG) paid to contractors with HDI representation , within the housing sector by 31 March 2020	62.76%	50%	66.74%	+16.74%	Initiatives by the Department to encourage participation of HDI contractors in the economic mainstream yielded positive results.
To increase sustainable resource use which includes exploring innovative technologies through construction, energy, water and sanitation.	SOI 11 Total number of houses built using sustainable building technologies such as construction, energy, water, and sanitation, by 31 March 2020	1 111	1 000	1 684	+684	The exploration of the use of various SBT initiatives such as concrete portal, bennex blocks, herbal blocks in construction in various projects resulted in more units with sustainable building technologies initiatives being delivered.

Performance Indicators

Programme 3: Housing Development								
No.	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
Financial Interventions								
Individual Housing Subsidies (R0 – R3 500 Non-Credit Linked)								
3.1	Number of subsidies disbursed (R0 – R3 500 non-credit linked) by 31 March 2020	275	273	284	130	392	+262	A high demand for non-credit linked subsidies was experienced.
Finance Linked Individual Subsidy (R3 501 – R22 000 FLISP)								
3.2	Number of FLISP subsidies disbursed (R3 501 – R22 000) by 31 March 2020	745	589	465	996	1 214	+218	A high demand for FLISP subsidies was experienced.
Incremental Housing Programme								
3.3	Number of new sites connected to basic services as part of the Integrated Residential Development Programme (IRDP) within projects completed by 31 March 2020	6 412	6 461	6 569	4 420	4 967	+547	The challenges experienced necessitated the Department to bring forward other implementation ready projects planned for the ensuing year as mitigators.

Performance Indicators

Programme 3: Housing Development								
No.	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
Financial Interventions								
Incremental Housing Programme								
3.4	Number of housing units delivered that have reached the stage of practical completion as part of the Integrated Residential Development Programme (IRDP Phase 4) by 31 March 2020	4 073	4 577	4 777	6 589	4 950	-1 639	It should be noted that the construction of the units has been completed. However, delays in installing water meters and connections to the power grid by relevant authorities resulted in numerous housing units not being counted and reported as practically complete.
3.5	Number of sites delivered which are connected to basic services as part of the Upgrading of Informal Settlements Programme (UISP) within projects completed by 31 March 2020	2 134	705	2 019	2 066	875	-1 191	Challenges experienced as a result of community dynamics such as service delivery protests and refusal to relocate resulted in project stoppages, thus delaying installation of services to sites.

Performance Indicators

Programme 3: Housing Development								
No.	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
Financial Interventions								
Peoples Housing Process (PHP)								
3.6	Number of housing units delivered that has reached the stage of practical completion as part of the Peoples Housing Programme (PHP) by 31 March 2020	4 050	2 932	2 302	2 008	1 482	-526	Various municipalities experienced procurement challenges which resulted in delays in the implementation of projects.
Transfer of Title Deeds								
3.7	Number of properties transferred to beneficiaries that were developed post 1994 by 31 March 2020	9 767	9 793	9 662	7 000	8 491	+1 491	The Title Deed Restoration Project brought in place mechanisms to expedite the transfer process.
Empowerment Opportunities and Job Creation								
3.8	Number of job opportunities facilitated by 31 March 2020	345	1 735	578	800	1 056	+256	More projects with labour absorptive capacity were actioned, which resulted in more job opportunities being facilitated.

Performance Indicators

Programme 3: Housing Development								
No.	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
Financial Interventions								
Empowerment Opportunities and Job Creation								
3.9	Percentage of Human Settlements Development Grant (HSDG) paid to contractors with HDI representation , within the housing sector by 31 March 2020	50.21%	64.04%	62.76%	50%	66.74%	+16.74%	Initiatives by the Department to encourage participation of HDI contractors in the economic mainstream yielded positive results.
3.10	Percentage of HDI amount paid to contractors with women representation , within the housing sector by 31 March 2020	9.29%	10.49%	12.91%	30%	14.23%	-15.77%	Few contractors with women representation tendered for jobs in the construction arena.
3.11	Percentage of HDI amount paid to contractors with youth representation , within the housing sector by 31 March 2020	6.12%	3.77%	3.78%	10%	3.10%	-6.90%	Few contractors with youth representation tendered for jobs in the construction arena.



Performance Indicators

Programme 3: Housing Development								
No.	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
Financial Interventions								
Empowerment Opportunities and Job Creation								
3.12	Number of young people trained by 31 March 2020	150	132	177	150	156	+6	Initiatives embarked upon by the Department to entice young people to partake in construction activities resulted in more youth being recruited during the year under review.
Sustainable Resource Use								
3.13	Total number of houses built using sustainable building technologies such as construction, energy, water, and sanitation, by 31 March 2020	1 893	2 288	1 111	1 000	1 684	+684	The exploration of the use of various SBT initiatives such as concrete portal, bennex blocks, herbel blocks in construction in various projects resulted in more units with sustainable building technologies initiatives being delivered.

Performance Information

Delivery per housing programme

No.	Municipality	Programme	Delivery	
			Serviced Sites	Housing Units
1	Beaufort West	Integrated Residential Development Programme (IRDP)	-	247
2	Berg River	Integrated Residential Development Programme (IRDP)	-	0
3	Bitou	Integrated Residential Development Programme (IRDP)	-	345
		Upgrading of Informal Settlements Programme (UISP)	54	-
4	Breede Valley	Integrated Residential Development Programme (IRDP)	761	0
5	Cape Agulhas	People's Housing Process (PHP)	-	96
		Integrated Residential Development Programme (IRDP)	-	322
6	Cederberg	Integrated Residential Development Programme (IRDP)	-	134
7	City of Cape Town (includes Provincial Projects)	Integrated Residential Development Programme (IRDP)	1227	2549
		Upgrading of Informal Settlements Programme (UISP)	175	-
		People's Housing Process (PHP)	-	869
		Social Housing	-	133
8	Drakenstein	Integrated Residential Development Programme (IRDP)	251	64
		People's Housing Process (PHP)	-	5
9	George	Integrated Residential Development Programme (IRDP)	902	432
		Upgrading of Informal Settlements Programme (UISP)	79	-
		People's Housing Process (PHP)	-	195
10	Knysna	Upgrading of Informal Settlements Programme (UISP)	27	-
		People's Housing Process (PHP)	-	185
11	Langeberg	Integrated Residential Development Programme (IRDP)	46	-
12	Matzikama	Integrated Residential Development Programme (IRDP)	332	-
13	Mossel Bay	Integrated Residential Development Programme (IRDP)	150	21
		People's Housing Process (PHP)	-	1
14	Oudtshoorn	Integrated Residential Development Programme (IRDP)	-	144

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Performance Information

No.	Municipality	Programme	Delivery	
			Serviced Sites	Housing Units
15	Overstrand	Upgrading of Informal Settlements Programme (UISP)	83	-
		Integrated Residential Development Programme (IRDP)	999	63
16	Saldanha Bay	Integrated Residential Development Programme (IRDP)	-	81
		People's Housing Process (PHP)	-	3
17	Stellenbosch	Integrated Residential Development Programme (IRDP)	76	26
18	Swartland	Upgrading of Informal Settlements Programme (UISP)	165	-
		Integrated Residential Development Programme (IRDP)	134	128
		People's Housing Process (PHP)	-	2
19	Swellendam	Integrated Residential Development Programme (IRDP)	126	-
20	Theewaterskloof	Upgrading of Informal Settlements Programme (UISP)	255	-
		Integrated Residential Development Programme (IRDP)	-	32
		People's Housing Process (PHP)	-	126
21	Witzenberg	Integrated Residential Development Programme (IRDP)	-	229
22	Other Housing Programmes (Individual Housing Subsidy Programme), and Enhanced Extended Discount Benefits Scheme(EEDBS)		-	1 606
Total			5 842	8 038

Performance Information

Strategy to overcome areas of under performance

- Regular technical meetings will be held with municipalities to ensure alignment of performance reporting as well as to mitigate areas of concern;
- Regular engagements to be held with communities to address any concerns they may have; and
- As part of its Business Planning process, the Department will identify projects that can be brought forward or accelerated to mitigate any in-year issues arising on projects with delivery challenges.

Changes to planned targets

None.

Linking performance with budgets

Expenditure per sub-programme

Programme 3: Housing Development

Sub-Programme	2019/2020			2018/2019		
	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	173 625	173 354	271	119 101	115 115	3 986
Financial Intervention	446 171	446 093	78	459 024	375 251	83 773
Incremental Intervention	1 858 358	1 858 358	-	1 686 356	1 686 356	-
Social and Rental Intervention	19 179	19 179	-	7 657	7 657	-
Total	2 497 333	2 496 984	349	2 272 138	2 184 379	87 759

4.4 Programme 4: Housing Asset Management

Purpose

The purpose of this Programme is to provide for the strategic, effective and efficient management, devolution and transfer of housing assets. It comprises four Sub-Programmes, namely:

Administration:	To provide administration support funded from equitable share;
Sale and transfer of Housing Properties:	To provide for the sale and transfer of rental stock;
Devolution of Housing Properties:	To facilitate the devolution of housing assets; and
Housing Properties Management:	To provide for the maintenance of housing properties, the transfer of ownership and to identify and secure land.

Strategic objectives

- Improve the living conditions of beneficiaries by promoting ownership of property.

Performance overview

For the 2019/20 financial year, the Department exceeded its planned target of 650. This target was set to assist with reducing debtors with outstanding balances to nil. Due to more debtors applying and qualifying for the Enhanced Extended Discount Benefit Scheme (EEDBS) and write offs in terms of the Debt Write Off Policy, there was an overachievement of 1 687, bringing the actual debtors to **2 337**.

As for the number of title deeds transferred to qualifying beneficiaries of pre-1994 housing units, a total of 301 title deeds were transferred. With the Title Deeds Restoration Project, which was funded through the Title Deeds Restoration Grant, the Department made a concerted effort to accelerate the transfers of title deeds. Based on these efforts, the Department overachieved on its planned target by 191.

Strategic Objectives

Programme 4: Housing Asset Management						
Strategic objectives	Strategic Objective Performance 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
Improve the living conditions of beneficiaries by promoting ownership of property.	SOI 12 Number of debtors whose outstanding balances have been reduced to nil ; in terms of the legislative and regulatory prescripts by 31 March 2020.	1 670	650	2 337	+1 687	More debtors qualified for the Enhanced Extended Discount Benefit Scheme (EEDBS) and write offs in terms of the Debt Write-off Policy.
	SOI 13 Number of title deeds transferred to qualifying beneficiaries of pre-1994 housing units by 31 March 2020	341	110	301	+191	The title deeds restoration programme assisted in fast tracking activities in relation to title deeds transfers

Performance Indicators

Programme 4: Housing Asset Management								
No.	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
Housing Properties Management								
4.1	Number of debtors whose outstanding balances have been reduced to nil ; in terms of the legislative and regulatory prescripts by 31 March 2020.	1 490	1 813	1 670	650	2 337	+1 687	More debtors qualified for the Enhanced Extended Discount Benefit Scheme (EEDBS) and write offs in terms of the Debt Write-off Policy.
Transfer of Title Deeds								
4.2	Number of title deeds transferred to qualifying beneficiaries of pre- 1994 housing units by 31 March 2020.	504	344	341	110	301	+191	The title deeds restoration programme assisted in fast tracking activities in relation to title deeds transfers

Performance Information

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Linking performance with budgets

Expenditure per sub-programme

Programme 4: Housing Asset Management

Sub-Programme	2019/2020			2018/2019		
	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	26 731	26 731	-	24 024	24 024	-
Housing Properties Maintenance	9 914	9 914	-	11 954	11 954	-
Total	36 645	36 645	-	35 978	35 978	-

5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities

None.

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 01 April 2019 to 31 March 2020:

Name of Transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with S38(1)(i) of the PFMA	Amount transferred (R'000)	Amount spent by the Entity	Reasons for the funds unspent by the Entity
City of Cape Town	Municipality	Accreditation and Municipal Support Grant	YES	15 000	9 184	Appropriated in the municipal adjustments budget
		Settlement Assistance Grant	YES	1 500	804	Appropriated in the municipal adjustments budget
		Rates and Taxes	N/A	14 142	14 142	N/A
Matzikama	Municipality	Rates and Taxes	N/A	11	11	N/A
Saldanha Bay	Municipality	Acceleration of Housing Delivery Grant	YES	13 000	-	Appropriated in the municipal adjustments budget
		Rates and Taxes	N/A	83	83	N/A
Swartland	Municipality	Accreditation and Municipal Support Grant	YES	224	224	Appropriated in the municipal adjustments budget
		Rates and Taxes	N/A	13	13	N/A
Witzenberg	Municipality	Accreditation and Municipal Support Grant	YES	224	194	Appropriated in the municipal adjustments budget

Performance Information

Name of Transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with S38(1)(i) of the PFMA	Amount transferred (R'000)	Amount spent by the Entity	Reasons for the funds unspent by the Entity
Drakenstein	Municipality	Accreditation and Municipal Support Grant	YES	224	224	Appropriated in the municipal adjustments budget
		Rates and Taxes	N/A	156	156	N/A
Stellenbosch	Municipality	Accreditation and Municipal Support Grant	YES	224	224	Appropriated in the municipal adjustments budget
		Rates and Taxes	N/A	158	158	N/A
Breede Valley	Municipality	Accreditation and Municipal Support Grant	YES	448	387	Appropriated in the municipal adjustments budget
		Rates and Taxes	N/A	228	228	N/A
Theewaters-kloof	Municipality	Acceleration of Housing Delivery Grant	YES	1 000	308	Appropriated in the municipal adjustments budget
Cape Agulhas	Municipality	Accreditation and Municipal Support Grant	YES	224	224	Appropriated in the municipal adjustments budget
Swellendam	Municipality	Rates and Taxes	N/A	7	7	N/A
Hessequa	Municipality	Rates and Taxes	N/A	5	5	N/A
Mosselbay	Municipality	Acceleration of Housing Delivery Grant	YES	25 000	1 928	Appropriated in the municipal adjustments budget
		Accreditation and Municipal Support Grant	YES	224	75	Appropriated in the municipal adjustments budget

B

Performance Information

Name of Transferee	Type of organisation	Purpose for which the funds were used	Did the Dept. comply with S38(1)(i) of the PFMA	Amount transferred (R'000)	Amount spent by the Entity	Reasons for the funds unspent by the Entity
George	Municipality	Acceleration of Housing Delivery Grant	YES	10 000	-	Appropriated in the municipal adjustments budget
		Accreditation and Municipal Support Grant	YES	448	448	Appropriated in the municipal adjustments budget
		Rates and Taxes	N/A	50	50	N/A
Oudtshoorn	Municipality	Acceleration of Housing Delivery Grant	N/A	4 000	-	Appropriated in the municipal adjustments budget
Beaufort West	Municipality	Accreditation and Municipal Support Grant	N/A	224	224	Appropriated in the municipal adjustments budget
University of Stellenbosch	Higher Education Institution		YES	400	400	N/A
Cape Craft Design Institute	Non-Profit Institution		YES	1 000	1 000	N/A
Total				88 217	30 701	

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

None.

6.2. Conditional grants and earmarked funds received

The tables below details the conditional grants and ear marked funds received during for the period 1 April 2019 to 31 March 2020.

Conditional Grant 1: Human Settlements Development Grant (HSDG)

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	The facilitation and provision of basic infrastructure, top structures, and basic social and economic amenities that contribute to the establishment of sustainable human settlements.
Expected outputs of the grant	<ul style="list-style-type: none"> • 9 723 units • 6 486 sites
Actual outputs achieved	<ul style="list-style-type: none"> • 8 038 units • 5 842 sites
Amount per amended DORA	R 2 172 110
Amount received (R'000)	R 2 172 110
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 2 172 110
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	<p>Slow progress on completion of units was experienced as a result of delayed installations of water meters by the local authority and connections to the power grid by relevant authorities.</p> <p>Services could not be installed on some sites, as community members refused to be relocated.</p>

Performance Information

B

Measures taken to improve performance	<ul style="list-style-type: none"> Regular technical meetings will be held with municipalities to ensure alignment of performance reporting as well as to mitigate areas of concern; Regular engagements to be held with communities to address any concerns they may have; and As part of its Business Planning process, the Department will identify projects that can be brought forward or accelerated to mitigate any in-year issues arising on projects with delivery challenges.
Monitoring mechanism by the receiving Department	The Department submits quarterly reports to the National Department of Human Settlements during the financial year to track performance. At the end of the year an evaluation report is submitted to monitor performance.

Conditional Grant 2: Expanded Public Works Programme (EPWP)

Department who transferred the grant	National Department of Public Works
Purpose of the grant	To incentivise provincial Departments to expand work creation efforts through the use of labour intensive delivery methods.
Expected outputs of the grant	<ul style="list-style-type: none"> 800 Work Opportunities 165 Full Time Equivalent (FTE)
Actual outputs achieved	<ul style="list-style-type: none"> 1 056 Work Opportunities 321 Full Time Equivalent (FTE)
Amount per amended DORA	R 2 986 000
Amount received (R'000)	R 2 986 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 2 986 000
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	The Department submits quarterly reports to the National Department of Human Settlements during the financial year to track performance.

Performance Information

Conditional Grant 3: Provincial Emergency Housing Grant (PEHG)

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	The facilitation and provision of basic infrastructure, top structures, and basic social and economic amenities that contribute to the establishment of sustainable human settlements.
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DORA (R'000)	R 87 188
Amount received (R'000)	R 87 188
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 87 110
Reasons for the funds unspent by the entity	The balance of R78 000 could not be spent due to the final invoice in respect of the Provincial Emergency Housing Grant not being received by 31 March 2020. An application for the funds to be rolled over was submitted.
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	The Department submits quarterly reports to the National Department of Human Settlements during the financial year to track performance.

B

Performance Information

Conditional Grant 4: Title Deeds Restoration Grant (TDRG)

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	To finance and expedite the eradication of the backlog in the transfer of ownership of houses in subsidy built human settlements.
Expected outputs of the grant	<ul style="list-style-type: none"> • 7 000 title deeds to be transferred
Actual outputs achieved	<ul style="list-style-type: none"> • 8 491 title deeds to be transferred
Amount per amended DORA	N/A
Amount received (R'000)	R64 410 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 64 410 000
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	The Department submits quarterly reports to the National Department of Human Settlements during the financial year to track performance.

7. DONOR FUNDS

7.1. Donor funds received

None.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2019/20			2018/19		
	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
Maintenance and repairs	4 532	4 532	-	4 649	4 649	-
Total	4 532	4 532	-	4 649	4 649	-

B



City of Cape Town, Hangberg CRU



GOVERNANCE

AGSA objectives
INTERNAL CONTROL
meeting key activities
assessments conflict of
Audit Committee interest
CODE OF CONDUCT
responsibility
RISK MANAGEMENT
Portfolio Committee
Section 38 compliance
SCOPA
GOVERNANCE

1. INTRODUCTION

The management team of the Department of Human Settlements is committed to maintain the highest standards of governance, and therefore strives to conform to the governance principles highlighted in the King Code of Governance for South Africa released in 2009.

In terms of these governance principles, the following makes up the Department's governance structures:

- An Executive Committee which determines the strategy and leads the Department towards realising this strategy and its associated strategic goals;
- An Enterprise Risk Management Committee (ERMCO) (which is dealt with in more detail in paragraph 2);
- An Audit Committee providing independent oversight for governance, risk management and control processes of the Department;
- An Internal Audit function providing independent assurance to ensure that controls are in place to manage and mitigate risks, and that they are adequate and functioning effectively; and
- The Standing Committee on Public Accounts and the Standing Committee on Human Settlements assists the Accounting Officer (AO) and Executive Committee in governing the business of the Department in a fair, responsible and transparent manner.

2. RISK MANAGEMENT

The Accounting Officer of the Department takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF) and the Directorate Enterprise Risk Management (D: ERM) in the Department of the Premier (DotP) provides a centralised service to the Department. The Department established an Enterprise Risk Management Committee to assist the Accounting Officer in executing her responsibilities relating to risk management.

2.1 Enterprise Risk Management Committee responsibility

The Enterprise Risk Management Committee reported that it has complied with its responsibilities arising from Section 38 (1)(a)(i) of the Public Finance Management Act (Act number 1 of 1999), National Treasury Regulations 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The ERMCO also reported that it has adopted an appropriate formal Terms of Reference (ToR) (approved by the ERMCO chairperson on 26 March 2018) and regulated its affairs in compliance with this ToR and has discharged all its responsibilities as contained therein.

2.2 Enterprise Risk Management committee members

The ERMCO comprises of selected members of the Department's senior management team. As per the ToR, the ERMCO met four (4) times (once quarterly) during the year under review.

Governance

The table below provides information on ERMCO members and the meetings attended for the year under review:

Member	Position	Meetings attended	Date appointed
Ms J Samson	Accounting Officer and Chairperson with effect 01/01/2020	2	13/04/2018
Mr T Mguli	Accounting Officer and Chairperson, term expired on 31/12/2019	3	26/03/2018
Mr F de Wet	Chief Director: Management Support - (Chief Financial Officer and Departmental Risk Champion)	3	26/03/2018
Ms P Mayisela	Chief Director: Human Settlement Implementation	4	29/03/2018
Ms K August	Chief Director: Human Settlement Planning	1	Recently appointed to the post
Mr M Stoffels	Director: Financial Management	2	04/04/2018
Mr B Nkosi	Director: Strategic Management Support	3	10/04/2018
Mr S Moolman	Deputy Director: Management Support	3	11/04/2018

The following is an indication of other officials who attended the ERMCO meetings for the year under review:

Member	Position	Meetings attended
Ms A Haq	Director: Enterprise Risk Management (DotP)	4
Ms V Simpson-Murray	Director: Internal Audit (DotP)	3
Mr P de Villiers	Deputy Director: Internal Audit (DotP)	4
Mr R J van Rensburg	Chief Director: Provincial Forensic Services (DotP)	3
Ms M Natesan	Deputy Director: Provincial Forensic Services (DotP)	4
Mr E Peters	IT Governance and Risk Practitioner Cel (DotP)	2
Mr R Chibvongodze	Chief Risk Advisor: Enterprise Risk Management (DotP)	3
Mr X Khanyile	Assistant Director: Enterprise Risk Management (DotP)	1

2.3 Enterprise Risk Management Committee key activities

The Accounting Officer is the chairperson of the ERMCO, and the Chief Financial Officer is the Departmental Risk Champion. In executing its function, the ERMCO performed the following key activities during the 2019/20 financial year:

- Assessed the Department's ERM Policy, Strategy and Implementation Plan, inclusive of the risk appetite and tolerance levels; for recommendation by the Audit Committee and approval by the Accounting Officer and the effectiveness thereof;
- Evaluated the effectiveness of mitigating strategies to address the material strategic, programme, ethics and economic crime risks;
- Reviewed all risks outside the approved tolerance levels for further action;
- Evaluated the extent and effectiveness of integration of risk management within the Department;
- Reviewed the Fraud and Corruption Prevention Plan and concomitant Implementation Plan and recommended the same for approval by the Accounting Officer;
- Evaluated the effectiveness of the implementation of the Departmental Fraud and Corruption Prevention Plan; and
- Provided oversight on ethics, risks and the management thereof.

2.4 Key strategic risks considered and addressed during the year

The following key strategic risks for the Department were reviewed on a quarterly basis, including assessing the mitigations in place:

- The inability to provide settlements/housing stock to meet the growth in urbanisation, which is caused by a range of social, economic and political factors, including migration into the province. The Upgrading of Informal Settlements Programme provides a framework to manage this risk.
- Linking to the above and also driven by the growth in population, is the lack of bulk services. The Informal Settlement Support Plan and various grants provides the mechanism to address this.
- Land invasion and vandalism is a risk that materialised on various occasions in the year under review and remains a risk as long as the required number of housing units cannot be provided.

Each programme's risks are deliberated upon and debated at the quarterly ERMCO meetings. Programme managers are required to provide feedback on progress with implementation of action plans to reduce the likelihood of risks materialising and/or the impact should they materialise. Opportunities (upside risks) are also discussed. ERMCO also referred risks back that are required to be analysed more extensively and recommends additional mitigations or actions to manage risks.

The Social Cluster Audit Committee provided independent oversight of the Department's system of risk management. The Audit Committee was furnished with Quarterly ERM progress reports and risk registers to execute their independent oversight role.

2.5 Key emerging risks for the following financial year

The key emerging risk the Department will have to consider in the next financial year relates to the COVID-19 pandemic, with an internal and external focus. On the one hand, the Department will have to consider how it will continue and recover its business during and after the pandemic, and on the other, the Department will need to take into account the negative effect the pandemic may have on human settlements in the province.

2.6 Conclusion

The Department received the necessary guidance and assistance from the ERM Committee to be in line with the Audit Committee's compliance requirements on a quarterly basis. The Internal Control provides a co-ordination/secretariat role between ERM, Audit Committee and the Department.

3. FRAUD AND CORRUPTION

Fraud and corruption represents significant potential risks to the Department's assets and can negatively impact on service delivery efficiency and the Department's reputation.

The WCG adopted an Anti-Fraud and Corruption Strategy, which confirms the Province's zero-tolerance stance towards fraud, theft and corruption. In line with this strategy, the Department is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external, and vigorously pursues and prosecutes by all legal means available, any parties who engage in such practices, or attempt to do so.

The Department has an approved Fraud and Corruption Prevention Plan and a concomitant Implementation Plan, which gives effect to the Prevention Plan.

Various channels for reporting allegations of fraud, theft and corruption exist, and these are described in detail in the Provincial Anti-Fraud and Corruption Strategy, the WCG Whistle-blowing Policy, and the Departmental Fraud and Corruption Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department, and to generate statistics for the WCG and the Department.

Employees and workers who blow the whistle on suspicions of fraud, corruption and theft, are protected if the disclosure is a protected disclosure (i.e. meets statutory requirements of the Protected Disclosures Act, No. 26 of 2 000 e.g. if the disclosure was made in good faith). The WCG Whistle-blowing Policy provides guidelines to employees and workers on how to raise concerns with the appropriate line management, specific designated persons in the WCG or external institutions, where they have reasonable grounds for believing that offences or improprieties have been or are being perpetrated in the WCG. The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and, should they do so in person, their identities are kept confidential by the person to whom they are reporting.

If, after investigation, fraud, theft or corruption is confirmed, the employee who participated in such acts is subjected to a disciplinary hearing. The WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where prima facie evidence of criminal conduct is detected, a criminal matter is reported to the South African Police Services.

Governance

For the year under review, PFS issued a Case Movement Certificate for the Department noting the following:

Cases	Number of cases
Open cases as at 1 April 2019	3
New cases (2019/20)	1
Closed cases (2019/20)	(3)
Open cases as at 31 March 2020	1

The following table further details the closed cases indicated above:

Nature and investigation outcomes of three cases closed
Allegations were substantiated in the following 2 cases: <ul style="list-style-type: none">• 1 case of fraud (the case was reported to SAPS); and• 1 case of non-compliance.
In 1 case the investigation was concluded with no adverse findings.

4. CONFLICT OF INTEREST

During the year under review, the Department received Persal reports on a quarterly basis, verified against the Western Cape Suppliers' Database (WCSD) aimed at identifying WCG officials who have financial interest in companies on the approved suppliers' database. If any Departmental officials have business interests with suppliers on the WCSD, the Department is obligated to investigate the matter. The Department also requires that all members of the Senior Management Services (SMS) complete a financial disclosure declaration. In this regard, the Department fully complied with all the legislative prescripts, for the 2019/20 financial year. The Department also ensured that all Supply Chain Management officials and all other officials that might have a financial interest in any business, to disclose it accordingly on an annual basis. The members of the Departmental Bid Evaluation Committee (BEC) and the Bid Adjudication Committee (BAC), as well as the Construction Procurement Committee (CPC) are required to sign a declaration of interest before each meeting to evaluate and adjudicate the bids received. Should a conflict of interest arise, those members are expected to recuse themselves in this regard.

5. CODE OF CONDUCT

The Department distributed the Explanatory Manual on the Code of Conduct for the Public Service to all employees as a basis for awareness. The manual is also dealt with and handed to all new appointees as part of the induction process. The dissemination of the Code of Conduct addresses employee behaviour in the workplace and contributes to the Department's drive to maintain the highest levels of ethics, the eradication of incidents of corruption and the promotion of good governance.

It is noted that the primary purpose of the Code of Conduct is a positive one, namely to promote exemplary conduct. Notwithstanding this, should an employee be guilty of misconduct, he or she may be subjected to disciplinary action if he or she contravenes any provision of the Code of Conduct.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

During the year under review, the Department achieved the following:

Awareness, Induction and Training sessions

- Conducted three (3) OHS induction sessions, for interns as well as new appointees;
- Conducted an awareness session related to Global Handwashing Day with posters and issuing of soap to all staff members; and
- Facilitated First Aid training to eleven (11) Departmental OHS representatives.

Committee Meetings

- Conducted four (4) quarterly OHAS Committee meetings and one (1) adhoc Committee meeting; and
- Held ten (10) maintenance meetings with DTPW to discuss outstanding DHS projects and complaints.

Evacuation Exercises

- Conducted evacuation awareness sessions for staff in both 27 Wale Street and George Office;
- Facilitated an unannounced evacuation exercise at Goodwood Office;
- Conducted an evacuation planning meeting for 27 Wale Street;
- Conducted an evacuation exercise at the York Park Building, George; and
- Facilitated the fumigation of 27 Wale Street, York Park Building, Alfred Street and Goodwood Office.

Policies

- Reviewed the OHAS Policy and the ToR for the OHAS Committee; and
- Updated the Smoking Policy.

Standard Operating Procedures

Completed SOPs for:

- First Aid Room;
- Wheelchair Operation;
- Waste Collection;
- Cleaning and Tea Services;
- Lift Entrapment; and
- Shower facility including guidelines.

Business Continuity Plans (BCP)

- Reviewed the Departmental Business Continuity Plan (BCP);
- Completed the BCP ICT Maintenance and Testing of Online Workbook;
- Facilitated the approval of contingency plans for 27 Wale Street, Goodwood office and George office; and
- Drafted the Power Outage BCP Test Plan.

Reports

- Reported on a Systems Monitoring Tool (SMT), Integrated Reporting Tool (IRT) and Legal Compliance Tool (LCT) to Employee Health & Wellness (EHW);
- Quarterly OHS reports were submitted to HoD and to ERMCO;
- Monthly water and electricity consumption statistics for Departmental buildings were provided to staff, with set targets to achieve; and
- 12 Reports relating to OHASA complaints and incidents were drafted and submitted to management with relevant recommendations to rectify shortcomings.

Tests

- Generator Mains Fail Test conducted; and
- All Departmental fire extinguishers (CO² and hoses) were serviced.

7. PORTFOLIO COMMITTEES

The Department attended a total of five (5) Standing Committee meetings during the financial year under review. Meetings were held per quarter or at the discretion of the Standing Committee.

The table below provides a breakdown of dates on which the meetings were held:

Standing Committee	Date
Standing Committee on Human Settlements	31 July 2019
Standing Committee on Human Settlements	25 October 2019
Standing Committee on Public Accounts	25 October 2019
Standing Committee on Human Settlements	27 November 2019
Standing Committee on Human Settlements	12 March 2020

The table below illustrates the requests emanating from those meetings and the Department's responses in this regard:

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
11/4/1/2/6	Briefing by the Department of Human Settlements	The process leading up to the long and the short list and the process leading up to the finalisation of the interviews to fill the vacancies on the Western Cape Rental Housing Tribunal.	All information was submitted on 30 July 2019.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> 1. First Quarterly Performance Report for the period April 2019 – June 2019; 2. New innovations that aligns with provincial policy; and 3. Challenges associated with new programmes being implemented in terms of the Department's Strategic Plan. 	All information was submitted on 10 September 2019.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> 1. Deliberation on Vote 8: Human Settlements in the Schedule to the Western Cape Adjustment Appropriation Bill, 2019; and 2. Consideration and adoption of the Draft Committee Report on Vote 8: Human Settlements in the Schedule to the Western Cape Adjustment Appropriation Bill, 2019. 	No additional information was required by the Committee.	Yes

Governance

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
11/4/1/2/6	Cluster B site Visit in Beaufort West S1 housing project	<p>Project name: Beaufort West S1 housing</p> <p>Programme: IRDP</p> <p>Project size: 798 top structures</p> <p>Progress to date: 776 top structures has been completed in December 2019 (this includes 12 Military Veterans).</p>	All information was submitted on 30 January 2020.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> Western Cape Housing Development Fund and the Western Cape Housing Tribunal; and Briefings by Auditor-General of South Africa and Audit Committee on the audit outcomes of 2018/19 Annual Reports and Entity. 	All information was submitted on 10 February 2020.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	Western Cape Adjustment Appropriation Bill, 2019.	All information was submitted on 10 February 2020.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> The status of the GAP Housing from 2014 - 2020; The status of the Rent to Buy Model in the implementation of the GAP Housing Programme; and The challenges and successes regarding the process related to the implementation of the GAP Housing Programme. 	All information was submitted on 11 February 2020.	Yes
11/4/1/2/6	Briefing by the Department of Human Settlements	<ol style="list-style-type: none"> Additional Adjustments Appropriation Bill; and The Appropriation Bill. 	No additional information was required by the Committee.	Yes

8. SCOPA RESOLUTIONS

The Committee noted the audit opinion of the Auditor-General regarding the annual financial statements of the Department for the 2018/19 financial year, having obtained a clean audit report with no findings. This audit opinion remains the same as the audit outcome for the 2017/18 financial year, where the Department obtained a clean outcome.

8.1 Audit opinion

The Auditor-General of South Africa raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor deficiencies in its internal controls.

8.2 Financial management

The Department of Human Settlements spent R2 352 billion of a budget of R2 441 billion, resulting in an overall under-expenditure of R88 950 million (3.6 %).

In addition, the total estimated Departmental revenue budget of R60 million was over-collected by R195 556 million, which resulted in a Departmental receipt of R255 556 million. The revenue over-collection occurred under the following line items:

- Sale of goods and services other than capital assets (R93 000);
- Interest, dividends and rent on land (R688 000);
- Sale of the Departmental capital assets (R7 000); and
- Transactions in financial assets liabilities (R194 768 million).

The Committee noted that the overall under-spending within the Department occurred under the following programmes:

Programme 1: Administration (R1 191 million):

The under-expenditure on “Machinery and equipment” was due to a delay in the modernisation of office accommodation, and the under-expenditure on “Goods and services” was due to cost containment measures.

Programme 3: Housing Development (R87 759 million):

The under-expenditure on “Compensation of Employees” of R3 986 million was due to retirements and the non-filling of funded vacant senior management posts. The non-spending of the “Provincial Emergency Housing Grant” of R83 773 million was due to the fact that it was only appropriated on 12 March 2019, therefore resulting in a delay in finalising the tender processes.

8.3 Resolutions

None.

8.4 List of information required

The Department provided the Committee with the following information:

List of information required	Comment
A report on the internal control non-significant weaknesses, which were identified by the Audit Committee in terms of Grant Management and Construction Procurement, including the mechanisms which were developed to ensure assurance coverage on these matters, as reflected on pages 4 to 7 of the Audit Committee Briefing Document.	Information was submitted to the Committee on 29 January 2020.
A report on the “Key Emerging Risks” that was identified for the 2018/19 financial year, relating to the erosion of mandates, as reflected on page 100 of the Annual Report (2018/19).	Information was submitted to the Committee on 29 January 2020.
A report on the Provincial Forensic Services cases which were opened and closed, as reflected on page 101 of the Annual Report (2018/19).	Information was submitted to the Committee on 29 January 2020.
A copy of the legislation which allows for the payment of an exit gratuity owing to provincial ministers, as reflected on page 205 of the Annual Report (2018/19).	Information was submitted to the Committee on 29 January 2020.
A report in respect of the matter of the Hawston Sea Farms Foundation vs the Premier and Minister of the Department of Human Settlements, which is currently in its final stages of settlement negotiations.	Information was submitted to the Committee on 29 January 2020.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

No matters have given rise to a qualification, disclaimer, adverse opinion, and matters of non-compliance for this Department. The Department received an unqualified clean Financial Audit Report for 2013/14, 2014/15, 2015/16, 2017/18, 2018/19 and for the period under review, 2019/20.

10. INTERNAL CONTROL UNIT

During the year under review, the sub directorate: Internal Control once again played a valuable role in respect of the linkage between the auditors (external and internal) and the Department during the audit processes. In respect of the external audit process (period February-September 2020) all the requested documentation (i.e. Requests for Information, Communication of Audit Findings, Departmental responses and related matters, etc.) were coordinated and quality assured by this unit withstanding the challenges experienced during the Covid-19 lock down period.

Within the sub directorate Internal Control, a panel was established headed by the Director: Financial Management, with the aim to address/review and discuss all audit related matters and risks during the audit process on a regular basis. These initiatives contributed to a smooth and almost problem free audit process with the aim of a positive audit outcome that resulted in a financially clean audit opinion for 2013/14, 2014/15, 2015/16, 2017/18 and 2018/19. The Department once again received an unqualified clean Financial Audit Report for the period under review, 2019/20 amidst the challenges experienced during the Covid-19 lock down period.

In respect of the internal audit process for the period under review the unit once again provided assistance with the follow up of recommendations arising from the internal audits, due to the fact that Internal Audit does not have the capacity to provide this coverage. Internal Control (IC) involvement in meetings i.r.o the Audit planning and findings are as follows:

- IC is involved from the planning stage of the audit to be familiar with the audit scope;
- IC familiarises themselves during the exit meetings with the details of the audit findings;
- IC takes cognisance of line function's comments i.r.o recommendations, action plans and agreed due dates; and
- IC familiarises themselves with the responsible officials/unit that will be responsible for the implementation of the agreed action plans. Senior staff of the unit also serve on the Departmental Internal Audit Steering Committee that meets on a monthly basis to discuss the outcomes and progress as per the Internal Audit plan, which includes the audit outcomes in respect of finalised audits and progress made in respect of previous recommendations/action plans.

The sub directorate also plays a valuable role in coordinating all the recommendations emanating from the investigations by the Provincial Forensic Services (PFS) for the period under review. All documentation that was required in respect of investigations was timeously provided to the PFS as and when requested. The unit is responsible to ensure the implementation of all recommendations made and the follow up of all outstanding responses in respect of recommendations of finalised investigations for reporting purposes. During the period under review, all recommendations were implemented as at 31 March 2020.

On the compliance side, this unit performed a 100% post checking on all payments made by the Department to avoid non-compliance in relation to applicable laws and legislation, and to ensure correctness and value for money. Internal Control also ensures that all payments are paid within the prescribed 30 days by coordinating the flow of invoices received from suppliers to the Department (different directorates) up to the processing thereof monthly. To further enhance this process, the Department developed and implemented a Standard Operating Procedure (SOP) in November 2017, which specifically addresses the adherence to turnaround times at the different directorates, to ensure that invoices are paid within the prescribed 30 days. The unit is also responsible for reporting to Provincial Treasury on a monthly basis regarding the 30 days' compliance in

terms of NTR's 8.2. 3. It can be reported that the department achieved a success rate of 99.4% for the period under review in respect of invoices paid within the prescribed 30 days.

In terms of Section 38 (1) (j) of the PFMA, the Internal Control unit conducted formal inspections at the following eleven (11) local municipalities within the Western Cape, to ascertain if the allocated funds were utilised for the intended purpose during the 2019/20 financial year.

- Oudtshoorn;
- Witzenberg;
- Theewaterskloof;
- Breede Valley;
- Saldanha;
- Stellenbosch;
- Swartland;
- Cederberg;
- Knysna;
- Bitou; and
- George.

During the previous financial year, an Internal Audit report raised a concern that funds paid to municipalities lack proper oversight pertaining to monitoring and control as reflected in the lack of submission of monthly reconciliation or the inconsistent monthly reporting. The correctness of the balances was hence also questioned due to this non-compliance. The Department demonstrated a commitment to address these shortcomings by visiting specific problematic municipalities. The following municipalities were subsequently visited during the period under review by the Director: Finance and officials of the IC unit in order to investigate and correct these outstanding balances.

- Oudtshoorn;
- Theewaterskloof;
- Witzenberg;
- Saldanha Bay;
- Cederberg; and
- Breede Valley.

The Department also intended to visit the following municipalities to investigate correctness of balances of transfers to municipalities however due to the challenges experienced during the Covid-19 lock down period the visits could not take place.

- Mossel Bay;
- George;
- Knysna; and
- Bitou.

During the year under review, the unit was also responsible for coordinating and reporting on the CGROGAP in respect of the Department to Provincial Treasury (PT) and the Audit Committee, which ensured that all previous AG findings were addressed and subsequently prevented the re-occurrence thereof. Physical verifications (walk-through's) were regularly conducted to ensure that control measures as per action plans contained in the GAP in respect of prior year's audit findings were confirmed as implemented. Regular quarterly reporting to the Audit Committee confirm that the Department's Implementation Plan for audit issues raised in the previous year were appropriate, and those issues have been adequately resolved. The AG's management report also supports this view. The audit report also confirms that the accounting officer provided oversight, including plans designed to address prior year findings continue to improve and create stability in the control environment of the department.

Internal Control was also responsible for coordinating the SCOPA resolutions and presentations to SCOPA during the year under review. Reporting on all the above issues was done timeously to the different stakeholders/role players (i.e. MEC, EXCO, SCOPA, Audit Committee, PT, PSC & PFS).

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Department. It should assist the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes. The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the department's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process; and
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

Internal Audit work completed during the year under review for the Department included five assurance engagements. Details of these engagements are included in the Audit Committee report.

The Audit Committee is established as an oversight body, providing independent oversight over governance, risk management and control processes in the Department, which include oversight and review of the following:

- Internal Audit function;
- External Audit function (Auditor General of South Africa - AGSA);
- Departmental Accounting and reporting;
- Departmental Accounting Policies;
- AGSA management and audit report;
- Departmental In year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Pre-determined objectives;
- Ethics and Forensic Investigations.

The table below discloses relevant information on the Audit Committee members:

Members	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Ameen Amod	MBA; CIA; CGAP; CRMA; B Com Accounting	External	N/A	01 January 2019 (2nd term)	N/A	7
Mr Ebrahim Abrahams	B Com Accounting	External	N/A	01 January 2019 (1st term)	N/A	7
Mr Pieter Strauss	B Acc; B Compt Hons; CA (SA)	External	N/A	01 January 2019 (1st term)	N/A	7
Ms Annelise Cilliers	B Compt Hons; CA (SA)	External	N/A	01 January 2019 (1st term)	N/A	7

12. AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1. 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 these terms and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

In line with the PFMA and Treasury Regulations, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following internal audit engagements were approved by the Audit Committee and completed by Internal Audit during the year under review:

Assurance Engagements:

- Delegations Framework
- Internal Control Unit
- Housing Subsidy System
- Title Deeds Administration
- Grant Expenditure Management

The areas for improvement, as noted by Internal Audit during the performance of their work, were agreed to by Management. The Audit Committee monitors the implementation of the agreed actions on a quarterly basis.

In-Year Management and Monthly/Quarterly Report

The Audit Committee is satisfied with the content and quality of the quarterly in-year management and performance reports issued during the year under review by the Accounting Officer of the Department in terms of the Treasury Regulations and the Division of Revenue Act.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual report, with the Auditor-General South Africa (AGSA) and the Accounting Officer;
- Reviewed the AGSA's Management Report and Management's responses thereto;
- Reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- Reviewed material adjustments resulting from the audit of the Department.

Compliance

The Audit Committee has reviewed the Department's processes for compliance with legal and regulatory provisions.

Provincial Forensics Services

The Provincial Forensic Services (PFS) presented us with statistics. The Audit Committee monitors the progress of the PFS reports on a quarterly basis. There were no matters brought to our attention that required further reporting by the Audit Committee.

Performance Information

The Audit Committee has reviewed the information on predetermined objectives as reported in the Annual Report.

Report of the Auditor-General South Africa

The Audit Committee has, on a quarterly basis, reviewed the Department's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA are monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements and proposes that these audited Annual Financial Statements be accepted and read together with their report.

The Audit Committee commends the Department for achieving an unqualified audit opinion with no material findings.

The Audit Committee wishes to express their appreciation to the Management of the Department, the AGSA and the WCG Corporate Assurance Branch for the co-operation and information they have provided to enable us to compile this report.

Conclusion

While the Audit Committee commends the Department for attaining an unqualified audit with no material findings, the Audit Committee is concerned about its cost impact. This cost of compliance has the ability to displace scarce resources from service delivery to audit outcomes.



Mr Ameen Amod
Chairperson of the Social Cluster Audit Committee
Department of Human Settlements
9 October 2020

13. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE 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	Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	No	<p>The following guidance specific to departments has been given from PT SCM:</p> <ol style="list-style-type: none"> 1. When the 2017 Regulations were issued, the Provincial Treasury presented to Cabinet the implementation challenges which inter alia included the raising of the threshold of the 80/20 point scoring system from a threshold of R1 million to R50 million will result in a “premium” increase for preferencing; introduction of pre-qualification criteria; introduction of a negotiation process and a passing over provision as a corrective measure for procuring entities to deal with the potential distortion of market related prices as a result of the introduction of prequalification criteria; contradiction in terms of where it speaks to “if feasible [own emphasis] to sub-contract for a contract above R30 million, an organ of state must [own emphasis] apply subcontracting to advance designated group” and local production and content challenges. 2. Cabinet approved the following strategy for WCG: <ol style="list-style-type: none"> 2.1 The issuance of an interim strategy to deal with the requirements of the PPPRs, as well as supply chain management governance requirements via Provincial Treasury Instructions (PTIs) that makes provision for the WCG to: <ol style="list-style-type: none"> a. apply its discretion not to implement the pre-qualification criteria (i.e. regulation 4); b. apply its discretion not to implement regulation 6(9)(a)-(c) and 7(9)(a)-(c); c. conduct empowerment assessments for all procurement above R10 million (EME threshold), and further enabling departments to lower the threshold should its analysis so dictate; and d. implement regional indicators to target local suppliers using the e-procurement system and simultaneously consider the rotation of suppliers.

Governance

Criteria	Yes/No	Discussion
		<p>2.2 The development and implementation of an Economic Procurement Policy, in partnership with the Departments of Economic Development and Tourism and the Department of the Premier, that is aligned to Provincial Strategic Goal 1 (which covers job creation and infrastructure development) and is aligned to the Medium-Term Budget Policy Statement. The EPP has been drafted and finalised for implementation.</p> <p>2.3 The development and implementation of a broader economic transformation policy that seeks to:</p> <ol style="list-style-type: none"> a. promote private sector procurement towards targeted provincial economic growth areas; and b. further strengthen the partnership with the private sector by enabling access to the WCG supplier database. <p>2.4 Specific commodity focused strategies that target economic transformation e.g. security and catering strategies (PT led initiatives to look at transversal strategies and transversal contracts) will be a key focus to implement strategic procurement initiatives. To date the Provincial Treasury has implemented a transversal security framework agreement in keeping with this for the Province.</p> <p>2.5 Leveraging the economies of scale principle by packaging projects into longer term contracts, longer than 3 years based on criteria such as a corporate social responsibility plan, quality of service, etc.</p> <p>2.6 The roll-out of the framework agreement model for goods and services and investigate contractor development in the context of goods and services. [Departmental procurement spend as it relates to Preferential procurement regulations may be utilised from the PT 4th quarter insight report.]</p>
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	



HUMAN RESOURCE MANAGEMENT

Staff Workforce
Overtime VACANCIES
Senior Personnel
expenditure Highly
Housing Temporary skilled
allowance PROFESSIONAL
active posts
critical occupation
JOB EVALUATION
Amount EQUITY
Transfers
HUMAN RESOURCE
MANAGEMENT

1. INTRODUCTION

Our contribution to the work of the Western Cape Government is as a result of the persistent, and often selfless, efforts of the people within the Department of Human Settlements.

To consistently deliver improved services to the citizens of the Western Cape Province is not without its own challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between a range of competing variables.

Apart from the fact that these variables are inter-dependent and inter-related, they are also governed by stringent rules and regulations, which prove difficult when retention and attraction initiatives are explored.

These include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, workforce empowerment, career management, succession planning, employment equity and creating an enabling environment where employees are able to thrive. Further to this, the Department is required to function within an austere environment, which demands that managers consider the impact of “doing more with less”.

Despite the changing patterns and demands impacting on the modern workplace, the consistent hard work of our people, has resulted in remarkable achievements and service delivery improvement during the year under review.

2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

2.1 Departmental workforce planning priorities

- The role of Workforce Planning is important to ensure that the Department has the required number of people with the requisite skills, knowledge and attitudes to perform the work. Through this process the Department annually assesses its workforce profile against current and future organisational needs.
- The aim of this assessment is to identify to what extent the current workforce profile addresses the key people management outcomes that would guarantee service continuity and value.
- The Workforce Plan 2016-2021 is aligned to the vision and mission of the Department and will assist in meeting its strategic objectives.
- The assumptions on which this Workforce Plan was developed are still valid and strategies chosen to achieve the outcomes are appropriate.
- The Workforce Plan is drafted in line with the Departmental Strategic Plan and Workforce Planning priorities and strategies are identified to ensure that the Department will meet its strategic mandate with its people who deliver service with excellence. The prioritised outcomes are as follows:
 - *Competent people in the right numbers at the right place at the right time with the right attitude;*
 - *A performance conducive workplace;*
 - *Leaders that are exemplars of the behaviours associated with the organisation's values;*
 - *Highly engaged people.*
 - *A citizen-centric performance culture*
 - *A diverse workforce with equal opportunities for all*

2.2 Employee performance management

The purpose of Performance Management is to increase performance by encouraging individual commitment, accountability and motivation.

All employees are required to complete a performance agreement before 31 May each year. The agreement is in essence a contract between the employer and the employee containing the projects, programmes, activities, expectations and standards for the required delivery. In order to facilitate a standardised administration process, the Western Cape Government has devised an electronic system, namely PERMIS (Performance Management Information System), that allows for the entire performance management process to be captured, monitored and managed.

The performance management process requires that a mid-year review and an annual assessment is conducted, but that the operational targets and achievements linked to the performance agreement be monitored and communicated on an ongoing basis. In instances where targets or performance expectations are not met, the gaps are addressed through the management of poor performance. In this context, a performance consulting unit has been established within the Corporate Services Centre (Chief Directorate: People Management Practices) to assist line managers (people managers) in dealing with poor performance. The process is developmental, however, in instances where individuals have been identified as poor performers in terms of the legislative framework, they are required to subject themselves to a developmental plan or alternatively to disciplinary action.

2.3 Employee wellness

The WCG's transversal Employee Health and Wellness Programme (EHW) follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

The EHW Programme is monitored in the Department through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting) and secondary services (face-to-face counselling, trauma and critical incidents, training and targeted intervention, executive coaching, advocacy).

A quarterly report is prepared by the Directorate: Organisational Behaviour within the Corporate Services Centre that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the Department of Public Service and Administration (DPSA) is a requirement and such reporting focuses on four areas namely, HIV/ AIDS, Health and Productivity, Wellness Management and SHEQ (Safety, Health, Environment and Quality).

2.4 People management monitoring

The Department, in collaboration with the Corporate Services Centres monitors the implementation of a range of people management compliance indicators. The monthly Barometer Fact File, that is developed by the Chief-Directorate: People Management Practices within the Corporate Services Centre, provides the Department with regular updates on the workforce profile and other relevant people management data to enable decision-making. The indicators include, inter alia, staff establishment information, headcount, people expenditure projections, sick leave patterns, the monetary value of annual leave credits, discipline cases, vacancy rates, staff movement, employment equity etcetera.

3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarise final audited expenditure by programme (Table 3.1.1) and by salary bands (Table 3.1.2).

The figures in Table 3.1.1 are drawn from the Basic Accounting System and the figures in Table 3.1.2 are drawn from the PERSAL [Personnel Salary] system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other Departments. This means there may be a difference in the total expenditure reflected on these systems.

The key in the table below is a description of the Programmes within the Department. Programmes will be referred to by their number from this point forward.

Programme	Programme designation
Programme 1	Administration
Programme 2	Housing Needs, Research and Planning
Programme 3	Housing Development
Programme 4	Housing Asset Management

Table 3.1.1: Personnel expenditure by programme, 2019/20

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Goods & services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of employees remunerated
Programme 1	122 807	90 641 (*)	1 197	20 590	74%	394	230
Programme 2	27 336	25 503	117	1 642	93%	490	52
Programme 3	2 496 984	103 038	477	58 123	4%	450	229
Programme 4	36 645	24 278	37	9 536	66%	411	59
Total	2 683 772	243 460	1 828	89 891	9%	427	570

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the MEC. The number is accumulative and not a snapshot as at a specific date.

** The total COE expenditure of Programme 1 amounts to R92 623 that includes the Minister's remuneration of R1 982 million.*

Human Resource Management

The total COE expenditure on Programme 3 amounts to R103 038 that includes the remuneration of Human Settlements Practitioners seconded to Oudtshoorn and Knysna municipalities to manage the Human Settlements Portfolios and the secondment of Professional Programme Managers from the Housing Development Agency (HDA) to the Department of Human Settlements to perform/manage Human Settlements Portfolios.

Table 3.1.2: Personnel expenditure by salary band, 2019/20

Salary bands	Personnel expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of employees
Interns	2 425	1.0	43	57
Lower skilled (Levels 1-2)	1 258	0.5	126	10
Skilled (Levels 3-5)	25 470	10.9	214	119
Highly skilled production (Levels 6-8)	82 138	35.0	409	201
Highly skilled supervision (Levels 9-12)	100 656	42.9	637	158
Senior management (Levels 13-16)	22 736	9.7	1 083	21
Total	234 682	100.0	415	566

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number is accumulative and not a snapshot as at a specific date.

Human Resource Management

The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. These tables do not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. In each case, the table provides an indication of the percentage of the personnel expenditure that was used for these items.

Table 3.1.3: Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2019/20

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	61 797	26.3	2 519	1.1	2 130	0.9	4 218	1.8
Programme 2	16 995	7.2	75	0.0	357	0.2	666	0.3
Programme 3	67 747	28.9	1 256	0.5	1 971	0.8	3 527	1.5
Programme 4	17 038	7.3	1 446	0.6	782	0.3	1 035	0.4
Total	163 577	69.7	5 296	2.3	5 240	2.2	9 446	4.0

Human Resource Management

Table 3.1.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2019/20

Salary bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Interns	2 415	1.0	-	-	-	-	-	-
Lower skilled (Levels 1-2)	904	0.4	-	-	87	0.0	89	0.0
Skilled (Levels 3-5)	17 418	7.4	704	0.3	1 172	0.5	1 692	0.7
Highly skilled production (Levels 6-8)	57 331	24.4	3 257	1.4	2 424	1.0	4 724	2.0
Highly skilled supervision (Levels 9-12)	70 789	30.2	1 334	0.6	1 556	0.7	2 839	1.2
Senior management (Levels 13-16)	14 720	6.3	-	-	-	-	103	0.0
Total	163 577	69.7	5 296	2.3	5 240	2.2	9 446	4.0

D

3.2 Employment and vacancies

The following tables summarise the number of active posts on the establishment, the number of employees (excluding interns and the Minister), and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three key variables, namely: Programme (Table 3.2.1), Salary Band (Table 3.2.2) and Critical Occupations (Table 3.2.3). All information in this section is provided as a snapshot as at the end of the financial year under review.

Table 3.2.1: Employment and vacancies by programme, as at 31 March 2020

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	188	179	4.8
Programme 2	39	38	2.6
Programme 3	187	185	1.1
Programme 4	55	50	9.1
Total	469	452	3.6

Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2020

Salary band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1-2)	12	12	-
Skilled (Levels 3-5)	100	97	3.0
Highly skilled production (Levels 6-8)	206	197	4.4
Highly skilled supervision (Levels 9-12)	133	129	3.0
Senior management (Levels 13-16)	18	17	5.6
Total	469	452	3.6

Human Resource Management

Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2020

Critical occupations	Number of active posts	Number of posts filled	Vacancy rate %
Architect	7	7	-
Engineer	7	7	-
Financial Manager	12	12	-
GIS Specialist	3	3	-
Project Manager	2	2	-
Research and Statistical Analyst	7	7	-
Urban Designer/Town and Regional Planner	9	9	-
Works Inspector	29	29	-
Total	76	76	-

Note: Critical occupations - refer to occupations that are critical for service delivery. If these occupations are not present in the Department, the function/services will collapse.

3.3 Job evaluation

Job evaluation was introduced as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities are required to evaluate each new post in his or her organisation or re-evaluate any post where the post mandate or content has significantly changed. This job evaluation process determines the grading and salary level of a post. It should be understood that Job Evaluation and Staff Performance Management differ in the sense that Job Evaluation refers to the value/weighting of the activities that are associated with the post and Staff Performance Management refers to the review of an individual's performance.

Table 3.3.1: Job evaluation, 1 April 2019 to 31 March 2020

Salary band	Number of active posts as at 31 March 2020	Number of posts evaluated	% of posts evaluated	Posts upgraded		Posts downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1-2)	12	0	0.0	0	0.0	0	0.0
Skilled (Levels 3-5)	100	3	0.6	0	0.0	0	0.0
Highly skilled production (Levels 6-8)	206	22	4.7	8	1.7	0	0.0
Highly skilled supervision (Levels 9-12)	133	16	3.4	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	14	4	0.9	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	3	1	0.2	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	1	1	0.2	0	0.0	0	0.0
Total	469	47	10.0	8	1.7	0	0.0

Note: The "Number of posts evaluated" per Salary Band reflects the Final Approved Post Level after Job Evaluation.

Posts have been upgraded or downgraded in this financial year as a result of national benchmarking/job evaluation processes which have taken place during previous financial years and implemented during the period under review.

Human Resource Management

Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2019 to 31 March 2020

Beneficiaries	African	Coloured	Indian	White	Total
Female	3	0	2	0	5
Male	0	0	0	0	0
Total	3	0	2	0	5
Employees with a disability					0

Note: Table 3.3.2 is a breakdown of posts upgraded in table 3.3.1. The remaining 3 posts upgraded were vacant at the time of implementation.

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation or where higher notches awarded to employees within a particular salary level. Each salary level consists of 12 notches. Reasons for the deviation are provided in each case.

Table 3.3.3: Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2019 to 31 March 2020

Major occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
None					

Table 3.3.4: Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2019 to 31 March 2020

Beneficiaries	African	Coloured	Indian	White	Total
None					

3.4. Employment changes

Turnover rates provide an indication of trends in the employment profile of the Department during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupation (Table 3.4.2). This section does not include information related to interns.

Table 3.4.1: Annual turnover rates by salary band, 1 April 2019 to 31 March 2020

Salary band	Number of employees as at 31 March 2019	Turnover rate 2018/19	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2019/20
Lower skilled (Levels 1-2)	9	37.5	4	0	0	0	0.0
Skilled (Levels 3-5)	109	24.8	17	2	23	1	22.0
Highly skilled production (Levels 6-8)	187	9.9	19	1	18	1	10.2
Highly skilled supervision (Levels 9-12)	121	9.9	23	0	18	0	14.9
Senior Management Service Band A (Level 13)	13	8.3	3	0	3	0	23.1
Senior Management Service Band B (Level 14)	3	0.0	0	0	0	0	0.0
Senior Management Service Band C (Level 15)	1	0.0	0	0	1	0	100.0
Total	443	14.0	66	3	63	2	14.7
			69		65		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (Both Provincially & Nationally). Two contract employees took up permanent positions, whilst fourteen were re-appointed into the Department. Should these be excluded the turnover rate would be 11%.

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Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2019 to 31 March 2020

Critical occupations	Number of employees as at 31 March 2019	Turnover rate 2018/19	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2019/20
Architect	7	0.0	4	0	1	0	14.3
Engineer	5	12.5	0	0	0	0	0.0
Financial Manager	12	11.1	0	0	0	0	0.0
GIS Specialist	3	0.0	0	0	0	0	0.0
Project Manager	2	0.0	0	0	0	0	0.0
Research and Statistical Analyst	6	28.6	2	0	1	0	16.7
Urban Designer/ Town and Regional Planner	8	0.0	1	0	1	0	12.5
Works Inspector	27	7.4	3	0	2	0	7.4
Total	70	8.5	10	0	5	0	7.1
			10		5		



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Table 3.4.3: Staff leaving the employ of the Department, 1 April 2019 to 31 March 2020

Exit category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2019
Death	1	1.5	0.2
Resignation *	21	32.3	4.7
Expiry of contract	30	46.2	6.8
Dismissal - operational changes	0	0.0	0.0
Dismissal - misconduct	0	0.0	0.0
Dismissal - inefficiency	0	0.0	0.0
Discharged due to ill-health	0	0.0	0.0
Retirement	8	12.3	1.8
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory Body	0	0.0	0.0
Transfers to other Public Service Departments	2	3.1	0.5
Promotion to another WCG Department	3	4.6	0.7
Total	65	100.0	14.7

Note: Table 3.4.3 identifies the various exit categories for those staff members who have left the employ of the Department.

* Resignations are further discussed in tables 3.4.4 and 3.4.5.

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Table 3.4.4: Reasons why staff resigned, 1 April 2019 to 31 March 2020

Resignation reasons	Number	% of total resignations
No Reason Provided	12	57.1
Other Occupation	1	4.8
Own Business	2	9.5
Health Related	1	4.8
Insufficient Progression Possibilities	1	4.8
Need for a Career Change	3	14.3
Work/life Balance	1	4.8
Total	21	100.0

Table 3.4.5: Different age groups of staff who resigned, 1 April 2019 to 31 March 2020

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	0	0.0
Ages 25 to 29	3	14.3
Ages 30 to 34	5	23.8
Ages 35 to 39	6	28.6
Ages 40 to 44	5	23.8
Ages 45 to 49	1	4.8
Ages 50 to 54	1	4.8
Ages 55 to 59	0	0.0
Ages 60 to 64	0	0.0
Ages 65 >	0	0.0
Total	21	100.0

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Table 3.4.6 Employee initiated severance packages

Total number of employee initiated severance packages offered in 2019/20	None
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Table 3.4.7: Promotions by salary band, 1 April 2019 to 31 March 2020

Salary band	Number of Employees as at 31 March 2019	Promotions to another salary level	Promotions by critical occupation	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1-2)	9	0	0.0	2	22.2
Skilled (Levels 3-5)	109	1	0.9	61	56.0
Highly skilled production (Levels 6-8)	187	4	2.1	117	62.6
Highly skilled supervision (Levels 9-12)	121	6	5.0	75	62.0
Senior management (Levels 13-16)	17	3	17.6	12	70.6
Total	443	14	3.2	267	60.3

Note: Promotions reflect the salary level of an employee after he/she was promoted.

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Table 3.4.8: Promotions by critical occupation, 1 April 2019 to 31 March 2020

Salary band	Number of Employees as at 31 March 2019	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees in critical occupations
Architect	7	0	0.0	5	71.4
Engineer	5	0	0.0	1	20.0
Financial Manager	12	0	0.0	10	83.3
GIS Specialist	3	0	0.0	3	100.0
Project Manager	2	0	0.0	2	100.0
Research and Statistical Analyst	6	0	0.0	2	33.3
Urban Designer/ Town and Regional Planner	8	0	0.0	6	75.0
Works Inspector	27	0	0.0	10	37.0
Total	70	0	0.0	39	55.7

Note: Promotions reflect the salary level of an employee after he/she was promoted.

D

3.5. Employment equity

Table 3.5.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2020

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	1	0	0	0	0	1
Senior management (Levels 13-14)	2	4	1	2	4	1	1	1	0	0	16
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	23	48	1	25	11	29	2	5	0	1	145
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	25	41	1	6	38	66	2	10	0	0	189
Semi-skilled and discretionary decision making (Levels 3-5)	10	20	0	2	24	29	1	5	0	0	91
Unskilled and defined decision making (Levels 1-2)	3	4	0	0	1	2	0	0	0	0	10
Total	63	117	3	35	78	128	6	21	0	1	452
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	63	117	3	35	78	128	6	21	0	1	452

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level.

For the number of employees with disabilities, refer to Table 3.5.2.

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Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2020

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	0	1	0	1	1	1	0	0	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	1	0	1	0	0	0	3	0	0	7
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	0	0	1	2	0	0	3
Unskilled and defined decision making (Levels 1-2)	0	1	0	0	0	0	0	0	0	0	1
Total	2	3	0	2	1	1	1	5	0	0	15
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	2	3	0	2	1	1	1	5	0	0	15

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level.

For the number of employees with disabilities, refer to Table 3.5.2.

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Table 3.5.3: Recruitment, 1 April 2019 to 31 March 2020

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	1	0	0	0	2	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid- management (Levels 9-12)	3	7	0	3	1	6	0	2	0	1	23
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	6	2	0	0	3	8	0	1	0	0	20
Semi-skilled and discretionary decision making (Levels 3-5)	4	1	0	0	6	7	0	1	0	0	19
Unskilled and defined decision making (Levels 1-2)	2	1	0	0	0	1	0	0	0	0	4
Total	16	11	0	3	12	22	0	4	0	1	69
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	16	11	0	3	12	22	0	4	0	1	69

A = African; C = Coloured; I = Indian; W = White.

Note: Recruitment refers to the appointment of new employees to the staff establishment of the Department, but excludes interns. The totals include transfers from other government Departments and / or institutions, as per Table 3.4.1.

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Table 3.5.4: Promotions, 1 April 2019 to 31 March 2020

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	0	0	0	0	0	1	0	0	0	0	1
Senior management (Levels 13-14)	0	1	0	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	2	2	0	0	0	1	0	1	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	1	2	0	0	0	1	0	0	0	0	4
Semi-skilled and discretionary decision making (Levels 3-5)	0	0	0	0	1	0	0	0	0	0	1
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
Total	3	5	0	0	1	4	0	1	0	0	14
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	3	5	0	0	1	4	0	1	0	0	14

A = African; C = Coloured; I = Indian; W = White.

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department, as per Table 3.4.7.

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Table 3.5.5: Terminations, 1 April 2019 to 31 March 2020

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	1	0	0	0	0	0	0	0	0	0	1
Senior management (Levels 13-14)	0	2	0	0	0	1	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	5	1	0	1	3	7	0	1	0	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	3	4	0	0	1	9	0	2	0	0	19
Semi-skilled and discretionary decision making (Levels 3-5)	4	5	1	0	5	8	0	1	0	0	24
Unskilled and defined decision making (Levels 1-2)	0	0	0	0	0	0	0	0	0	0	0
Total	13	12	1	1	9	25	0	4	0	0	65
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	13	12	1	1	9	25	0	4	0	0	65

A = African; C = Coloured; I = Indian; W = White.

Note: Terminations refer to those employees (excluding interns) who have left the employ of the Department, including transfers to other Departments, as per Table 3.4.1.

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Table 3.5.6: Disciplinary actions, 1 April 2019 to 31 March 2020

Disciplinary actions	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Suspension without a salary and a FWW	0	0	0	0	0	0	1	0	0	0	1
Employee resigned during disciplinary hearing	0	1	0	0	0	0	0	0	0	0	1
Total	0	1	0	0	0	0	1	0	0	0	2
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	1	0	0	0	0	1	0	0	0	2

A = African; C = Coloured; I = Indian; W = White.

Note: The disciplinary actions total refers to formal outcomes only and not headcount. For further information on the outcomes of the disciplinary hearings and the types of misconduct addressed at disciplinary hearings, refer to Tables 3.12.2 and Table 3.12.3.

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Table 3.5.7: Skills development, 1 April 2019 to 31 March 2020

Occupational levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	0	0	0	0	0	0	0	0	0
Senior management (Levels 13-14)	2	2	1	2	2	1	0	0	10
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	13	26	0	13	5	21	2	5	85
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	16	34	1	4	22	47	0	8	132
Semi-skilled and discretionary decision making (Levels 3-5)	11	20	0	3	21	24	1	3	83
Unskilled and defined decision making (Levels 1-2)	1	2	0	0	1	2	0	0	6
Total	43	84	2	22	51	95	3	16	316
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	43	84	2	22	51	95	3	16	316

A = African; C = Coloured; I = Indian; W = White.

Note: The above table refers to the total number of employees who have received training during the period under review, and not the number of training interventions attended by individuals. For further information on the actual training provided, refer to Table 3.13.2.

3.6. Signing of Performance Agreements by SMS members

Table 3.6.1: Signing of Performance Agreements by SMS members, as at 31 May 2019

SMS post level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100.0
Salary Level 14	3	3	3	100.0
Salary Level 13	15	12	12	100.0
Total	19	16	16	100.0

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded. Furthermore, the table reflects post salary details and not the individual salary level of employees. The allocation of performance-related rewards (cash bonus) for SMS members is dealt with later in the report. Refer to Table 3.8.5 in this regard.

Table 3.6.2: Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2019

Reasons for not concluding Performance Agreements with all SMS
Not applicable

Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2019

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None required



3.7. Filling of SMS posts

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

Table 3.7.1: SMS posts information, as at 30 September 2019

SMS level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0	0	-
Salary Level 14	3	3	100.0	0	-
Salary Level 13	15	14	93.3	1	6.7
Total	19	18	94.7	1	5.3

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.

Table 3.7.2: SMS posts information, as at 31 March 2020

SMS level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0	0	-
Salary Level 14	3	3	100.0	0	-
Salary Level 13	14	13	92.9	1	7.1
Total	18	17	94.4	1	5.6

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.

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Table 3.7.3: Advertising and Filling of SMS posts, as at 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 after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	1	1	0
Salary Level 14	1	1	0
Salary Level 13	2	4	0
Total	4	6	0

Table 3.7.4: Reasons for not having complied with the filling of active vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant

SMS level	Reasons for non-compliance
Head of Department	N/A
Salary Level 14	N/A
Salary Level 13	N/A

Table 3.7.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts
None

3.8. Employee performance

The following tables note the number of staff by salary band (table 3.8.1) and staff within critical occupations (3.8.2) who received a notch progression as a result of performance management. (i.e. qualifying employees who scored between 3 – 4 in their performance ratings).

Table 3.8.1: Notch progressions by salary band, 1 April 2019 to 31 March 2020

Salary band	Employees as at 31 March 2019	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	9	2	22.2
Skilled (Levels 3-5)	109	61	56.0
Highly skilled production (Levels 6-8)	187	117	62.6
Highly skilled supervision (Levels 9-12)	121	75	62.0
Senior Management (Level 13-16)	17	12	70.6
Total	443	267	60.3

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Table 3.8.2: Notch progressions by critical occupation, 1 April 2019 to 31 March 2020

Critical occupations	Employees as at 31 March 2019	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Architect	7	5	71.4
Engineer	5	1	20.0
Financial Manager	12	10	83.3
GIS Specialist	3	3	100.0
Project Manager	2	2	100.0
Research and Statistical Analyst	6	2	33.3
Urban Designer/Town and Regional Planner	8	6	75.0
Works Inspector	27	10	37.0
Total	70	39	55.7

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To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2018/19, but paid in the financial year 2019/2020. The information is presented in terms of race, gender, and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) and critical occupations (Table 3.8.6).

Table 3.8.3: Performance rewards by race, gender, and disability, 1 April 2019 to 31 March 2020

Race and gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	69	130	53.1	278	4 023
Male	35	57	61.4	138	3 954
Female	34	73	46.6	139	4 094
Coloured	138	242	57.0	521	3 774
Male	63	113	55.8	269	4 269
Female	75	129	58.1	252	3 357
Indian	6	9	66.7	29	4 843
Male	2	4	50.0	12	5 804
Female	4	5	80.0	17	4 363
White	37	49	75.5	256	6 906
Male	26	31	83.9	199	7 670
Female	11	18	61.1	56	5 101
Employees with a disability	9	13	69.2	46	5 136
Total	259	443	58.5	1 130	4 360

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Table 3.8.4: Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2019 to 31 March 2020

Salary bands	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	2	9	22.2	2	995	0.0
Skilled (Levels 3-5)	44	109	40.4	77	1 760	0.0
Highly skilled production (Levels 6-8)	106	187	56.7	308	2 910	0.1
Highly skilled supervision (Levels 9-12)	95	121	78.5	647	6 809	0.3
Total	247	426	58.0	1 034	4 189	0.5

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12 employees, reflected in Table 3.1.2.

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Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 01 April 2019 to 31 March 2020

Salary bands	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	9	13	69.2	68	7 541	0.3
Senior Management Service Band B (Level 14)	3	3	100.0	27	8 836	0.1
Senior Management Service Band C (Level 15)	0	1	0.0	0	0	0.0
Total	12	17	70.6	95	7 865	0.4

Note: The cost is calculated as a percentage of the total personnel expenditure for those employees at salary levels 13-16, reflected in Table 3.1.2.

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Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2019 to 31 March 2020

Salary bands	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Architect	7	7	100.0	30	4 259	0.0
Engineer	2	5	40.0	29	14 358	0.0
Financial Manager	11	12	91.7	66	5 960	0.0
GIS Specialist	2	3	66.7	11	5 582	0.0
Project Manager	2	2	100.0	11	5 673	0.0
Research and Statistical Analyst	4	6	66.7	37	9 369	0.0
Urban Designer/ Town and Regional Planner	7	8	87.5	50	7 097	0.0
Works Inspector	20	27	74.1	73	3 625	0.0
Total	55	70	78.6	307	5 568	0.1

3.9 Foreign workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands (Table 3.9.1) and major occupation (Table 3.9.2). The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 3.9.1: Foreign Workers by salary band, 1 April 2019 to 31 March 2020

Salary band	1 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0.0	0	0.0	0	0
Skilled (Levels 3-5)	0	0.0	0	0.0	0	0
Highly skilled production (Levels 6-8)	0	0.0	0	0.0	0	0
Highly skilled supervision (Levels 9-12)	0	0.0	1	100.0	1	100.0
Senior Management (Level 13-16)	0	0.0	0	0.0	0	0
Total	0	0.0	1	100.0	1	100.0

Note: The table above includes non- citizens with permanent residence in the Republic of South Africa.

Table 3.9.2: Foreign Workers by major occupation, 1 April 2019 to 31 March 2020

Salary band	1 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% change
Assistant Director	0	0.0	1	100.0	1	100.0
Total	0	0.0	1	100.0	1	100.0

3.10. Leave utilisation for the period 1 January 2019 to 31 December 2019

The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both instances, the estimated cost of the leave is also provided.

Table 3.10.1: Sick leave, 1 January 2019 to 31 December 2019

Salary bands	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Interns	234	59.4	55	72	76.4	4	64
Lower skilled (Levels 1-2)	71	76.1	8	11	72.7	9	31
Skilled (Levels 3-5)	1 114	75.6	98	127	77.2	11	800
Highly skilled production (Levels 6-8)	1 932	77.7	179	191	93.7	11	2 294
Highly skilled supervision (Levels 9-12)	1 156	78.7	129	151	85.4	9	2 139
Senior management (Levels 13-16)	74	82.4	11	21	52.4	7	227
Total	4 581	76.6	480	573	83.8	10	5 555

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. The three-year sick leave cycle started in January 2019 and ends in December 2021. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.

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Table 3.10.2: Incapacity leave, 1 January 2019 to 31 December 2019

Salary bands	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Interns	0	0.0	0	72	0.0	0	0
Lower skilled (Levels 1-2)	0	0.0	0	11	0.0	0	0
Skilled (Levels 3-5)	88	100.0	4	127	3.1	22	65
Highly skilled production (Levels 6-8)	84	100.0	6	191	3.1	14	107
Highly skilled supervision (Levels 9-12)	80	100.0	4	151	2.6	20	162
Senior management (Levels 13-16)	0	0.0	0	21	0.0	0	0
Total	252	100.0	14	573	2.4	18	334

D Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his or her normal sick leave, the employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the employer's discretion, as provided for in the Leave Determination and Policy on Incapacity Leave and Ill-Health Retirement (PILIR).

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Table 3.10.3: Annual Leave, 1 January 2019 to 31 December 2019

Salary bands	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	665	64	10
Lower skilled (Levels 1-2)	159	9	18
Skilled (Levels 3-5)	2 126	113	19
Highly skilled production (Levels 6-8)	4 644	194	24
Highly skilled supervision (Levels 9-12)	3 512	156	23
Senior management (Levels 13-16)	456	20	23
Total	11 562	556	21

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Table 3.10.4: Capped leave, 1 January 2019 to 31 December 2019

Salary bands	Total capped leave available as at 31 Dec 2018	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2019	Total capped leave available as at 31 Dec 2019
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	12	1	1	1	4	11
Highly skilled production (Levels 6-8)	1 461	16	5	3	38	1 426
Highly skilled supervision (Levels 9-12)	1 062	161	3	54	27	892
Senior management (Levels 13-16)	464	173	3	58	4	291
Total	2 999	351	12	29	73	2 621

Note: It is possible for the total number of capped leave days to increase as employees who were promoted or transferred into the Department, retain their capped leave credits, which form part of that specific salary band and ultimately the Departmental total.

Table 3.10.5: Leave pay-outs, 1 April 2019 to 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average payment per employee
Leave pay-outs during 2019/20 due to non-utilisation of leave for the previous cycle	134	3	44 535
Capped leave pay-outs on termination of service	1 107	8	138 405
Current leave pay-outs on termination of service	695	58	11 985
Total	1 936	69	28 057

3.11. Health promotion programmes, including HIV and AIDS

Table 3.11.1: Steps taken to reduce the risk of occupational exposure, 1 April 2019 to 31 March 2020

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p>The nature of the Department's work does not expose employees to increased risk of contracting HIV & AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.</p>	<p>HIV & AIDS Counselling and Testing (HCT) and Wellness screenings were conducted in general. Employee Health and Wellness Services are rendered to all employees in need and include the following:</p> <ul style="list-style-type: none"> • 24/7/365 Telephone counselling; • Face to face counselling (4 session model); • Trauma and critical incident counselling; • Advocacy on HIV&AIDS awareness, including online E-Care services; and • Training, coaching and targeted Interventions where these were required.

Table 3.11.2: Details of health promotion including HIV & AIDS Programmes, 1 April 2019 to 31 March 2020

Question	Yes	No	Details, if yes
<p>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, 2016? If so, provide her/his name and position.</p>	✓		<p>Ms Maria van der Merwe, Acting Director: Organisational Behaviour (Department of the Premier)</p>
<p>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.</p>	✓		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to the eleven (11) Departments, including the Department of Human Settlements.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the eleven (11) client Departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, and two (2) EHW Practitioners. Budget: R2.65 m</p>

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Question	Yes	No	Details, if yes
<p>3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.</p>	<p>✓</p>		<p>The Department of the Premier has entered into a service level agreement with ICAS until 31 January 2020 and thereafter Metropolitan Health from 1 February 2020. These external service providers rendered an Employee Health and Wellness Service to the eleven (11) Departments of the Corporate Services Centre (CSC).</p> <p>The following interventions were conducted:</p> <ul style="list-style-type: none"> • Stress & Work-life Balance; Mental Health; Work life Integration & Mindfulness; GRIT for Employees; Relationship Enrichment & Communication; Positive Thinking (Empowering Women from within); Diversity Development; Substance Abuse; Emotional Intelligence; Team Cohesion, Relationship Building and Effective Communication; HCT & Wellness Screening and EHW Information Facilitated Sessions. • Awareness Sessions conducted: Employee Information sessions: Empowering the Women from within: Disability & Reasonable Accommodation and conducted a Mental Health Survey. <p>These interventions are based on trends reflected in the quarterly reports and implemented to address employee or Departmental needs.</p> <p>The targeted interventions for both employees and managers were aimed at personal development; promotion of healthy lifestyles; and improving coping skills. This involved presentations, workshops, group discussions to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. Targeted Interventions were also implemented to equip managers with tools to engage employees in the workplace.</p> <p>Information sessions were also provided to inform employees of the EHW service and how to access the Employee Health and Wellness (EHW) Programme. Promotional material such as pamphlets, posters and brochures were distributed.</p>

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Question	Yes	No	Details, if yes
<p>4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	✓		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each Department.</p> <p>The Department of Human Settlements is represented by Mr Robbie Roberts and Mr Francois Du Plessis.</p>
<p>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.</p>	✓		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province in December 2016. In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants. Workplace practices are constantly monitored to ensure policy compliance and fairness.</p> <p>Under the EHW banner, four (4) EHW Policies were approved which includes HIV & AIDS and TB Management that responds to the prevention of discrimination against employees affected and infected by HIV & AIDS and TB in the workplace. The policy is in line with the amended National EHW Strategic Framework 2019.</p> <p>Further to this, the Department of Health, that is the lead Department for HIV & AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all Departments of the Western Government.</p> <p>During the reporting period, the transversal EHW policies including the HIV, AIDS and TB Management Policy have been audited by DPSA against the DPSA policies as well as the National Strategic Plan for HIV, TB and STIs (2017-2022) which ensures inclusivity and elimination of discrimination and stigma against employees with HIV.</p>

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Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<p>The Provincial Strategic Plan on HIV & AIDS, STIs and TB 2017-2022 has been implemented to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> • Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees. • Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees. <p>The Department implemented the following measures to address the stigma and discrimination against those infected or perceived to be infective with HIV:</p> <ul style="list-style-type: none"> • Wellness Screenings (Blood pressure, Glucose, Cholesterol, TB, BMI) • HCT Screenings • TB Talks and Screenings • Distributing posters and pamphlets; • Condom distribution and spot talks; and • Commemoration of World AIDS Day and Wellness events.
7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have you achieved.	✓		<p>HCT SESSIONS:</p> <p>The following Wellness and HCT screening sessions were conducted:</p> <p>The Department participated in zero (0) HCT and Wellness screening sessions.</p> <p>Zero (0) employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p> <p>There were zero (0) clinical referral for TB, HIV or STIs for further management.</p>
8. Has the Department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<p>The impact of health promotion programmes is indicated through information provided through the EHW quarterly reports.</p> <p>The EHWP is monitored through quarterly and annual reporting and trend analysis can be derived through comparison of Departmental utilisation and demographics i.e. age, gender, problem profiling, employee vs. manager utilisation, number of cases. Themes and trends also provide a picture of the risks and impact the EHW issues have on individual and the workplace.</p>

3.12. LABOUR RELATIONS

The following provincial collective agreements were entered into with trade unions for the period under review.

Table 3.12.1: Collective agreements, 1 April 2019 to 31 March 2020

Total collective agreements	None
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Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the Department for the period.

Table 3.12.2: Misconduct and disciplinary hearings finalised, 1 April 2019 to 31 March 2020

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Suspension without a salary and a Final Written Warning	1	50.0
Employee resigned during disciplinary hearing	1	50.0
Total	2	100.0
Percentage of total employment		0.4

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2019 to 31 March 2020

Type of misconduct	Number	% of total
Falsifies records or any documents	1	50.0
Steals, bribes or commits fraud	1	50.0
Total	2	100.0

Table 3.12.4: Types of misconduct addressed at disciplinary hearings, 1 April 2019 to 31 March 2020

Grievances lodged	Number	% of total
Number of grievances resolved	12	75.0
Number of grievances not resolved	4	25.0
Total number of grievances lodged	16	100.0

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers to cases where the outcome was not in favour of the aggrieved. All cases, resolved and not resolved have been finalised.

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Table 3.12.5: Disputes lodged with Councils, 1 April 2019 to 31 March 2020

Disputes lodged with councils	Number	% of total
Number of disputes upheld	1	50.0
Number of disputes dismissed	1	50.0
Total number of disputes lodged	2	100.0

Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC). When a dispute is "upheld", it means that the Council endorses the appeal as legitimate and credible in favour of the aggrieved. When a dispute is "dismissed", it means that the Council is not ruling in favour of the aggrieved.

Table 3.12.6: Strike actions, 1 April 2019 to 31 March 2020

Strike actions	Number
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 3.12.7: Precautionary suspensions, 1 April 2019 to 31 March 2020

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

Note: Precautionary suspensions refer to staff who were suspended with full pay, whilst the case was being investigated.

3.13. Skills development

This section highlights the efforts of the Department with regard to skills development. Table 3.13.1 reflect the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

Table 3.13.1: Training needs identified, 1 April 2019 to 31 March 2020

Occupational categories	Gender	Number of employees as at 1 April 2019	Training needs identified at start of reporting period			
			Learner-ships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 - 16)	Female	7	0	25	0	25
	Male	10	0	19	0	19
Professionals (Salary Band 9 - 12)	Female	46	0	136	0	136
	Male	88	0	202	0	202
Technicians and associate professionals (Salary Band 6 - 8)	Female	107	0	204	0	204
	Male	66	0	240	0	240
Clerks (Salary Band 3 - 5)	Female	62	0	118	0	118
	Male	39	0	86	0	86
Elementary occupations (Salary Band 1 - 2)	Female	3	0	0	0	0
	Male	3	0	2	0	2
Sub Total	Female	230	0	487	0	487
	Male	214	0	553	0	553
Total		444	0	1 040	0	1 040
Employees with disabilities	Female	5	0	4	0	4
	Male	8	0	4	0	4

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Workplace Skills Plan.

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Table 3.13.2: Training provided, 1 April 2019 to 31 March 2020

Occupational categories	Gender	Number of employees as at 31 March 2020	Training needs identified at start of reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 - 16)	Female	8	0	10	0	10
	Male	9	0	10	0	10
Professionals (Salary Band 9 - 12)	Female	46	0	63	0	63
	Male	95	0	100	0	100
Technicians and associate professionals (Salary Band 6 - 8)	Female	113	0	117	0	117
	Male	69	0	91	0	91
Clerks (Salary Band 3 - 5)	Female	56	0	136	0	136
	Male	32	0	82	0	82
Elementary occupations (Salary Band 1 - 2)	Female	3	0	5	0	5
	Male	6	0	3	0	3
Sub Total	Female	234	0	331	0	331
	Male	218	0	287	0	287
Total		452	0	618	0	618
Employees with disabilities	Female	8	0	0	0	0
	Male	7	0	1	0	1

Note: The above table identifies the number of training courses attended by individuals during the period under review.

3.14. Injury on duty

This section provides basic information on injuries sustained whilst being on official duty.

Table 3.14.1: Injury on duty, 1 April 2019 to 31 March 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0.0
Temporary disablement	1	100.0
Permanent disablement	0	0.0
Fatal	0	0.0
Total	1	100.0
Percentage of total employment		0.2

3.15. Utilisation of consultants

Table 3.15.1: Consultant appointments using appropriated funds

No.	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Worked months/days/hours	Contract value in rand	Total amount paid in the 2019/20 financial year	BBBEE Level
1	Aurecon South Africa (Pty) Ltd					R 6 597 013.62	R 1 339 789.22	Level 1
2	Elite Consulting					R 3 711 490.00	R 862 772.49	Level 2
3	Nako Iliso	Airport Informal Settlement Precinct	Professional Fees	5	84 Months	R 31 945 516.16	R 622 165.74	Level 2
4	JG Afrika					R 3 811 000.00	R 683 154.22	Level 1
5	Bergstan SA					R 3 976 098.54	R 679 313.94	Level 3
6	Luyanda Mpahlwa Design Space Africa					R 1 300 410.00	R 70 776.70	Level 2
7	Element Consulting Engineers					R 1 499 989.00	R 401 721.74	Level 2
8	Miradi Architects					R 866 940.00	R 47 184.47	Level 4
9	Gibb					R 7 231 514.53	R 1 056 705.10	Level 2
10	Umtha Consultancy	Kosovo Informal Settlement	Professional Fees	8	84 Months	R 1 125 000.00	R 116 550.00	Level 1
11	ARG Design (Town Planner)					R 2 747 038.60	R 232 161.75	Level 2
12	Power Construction					R 299 947 344.96	R 14 586 326.12	Level 1
13	FJC Consulting					R 1 054 291.00	R 31 628.73	Level 2

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No.	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Worked months/days/hours	Contract value in rand	Total amount paid in the 2019/20 financial year	BBBEE Level
14	Jubelle Projects				76 Months	R 60 392 465.99	R 4 527 176.81	Level 3
15	Matlapa Constuction Consulting				73 Months	R 10 228 715.63	R 558 868.94	Level 1
16	Neil Lyners				79 Months	R 36 234 477.82	R 3 054 961.12	Level 1
17	SVA International				78 Months	R 17 448 956.96	R 2 333 056.11	Level 2
18	Innovative Transport Solutions				54 Months	R 14 701 396.00	R 4 968 604.38	N/A
19	BSP Consulting Engineers	TransHex Housing Project	Business & Advisory Services: Project Management	11	74 Months	R 5 044 483.45	R 1 638 358.60	Level 2
20	Guillaume Nel (Gnec)				78 Months	R 4 017 244.00	R 456 391.43	Level 4
21	African Town Planning Services				6 Months	R 62 600.00	R 6 400.00	Level 4
22	Amps Registered Quantity				75 Months	R 5 129 891.43	R 310 878.91	Level 1
23	Ole Bogeng and Associates				76 Months	R 7 803 604.65	R 466 318.38	Level 1
24	Mott Mcdonald				84 Months	R 28 312 602.74	R 2 500 952.77	Level 5

3.15. Utilisation of consultants

Table 3.15.1: Consultant appointments using appropriated funds

No.	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Worked months/days/hours	Contract value in rand	Total amount paid in the 2019/20 financial year	BBBEE Level
1	Aurecon South Africa (Pty) Ltd					R 6 597 013.62	R 1 339 789.22	Level 1
2	Elite Consulting	Airport Informal Settlement Precinct	Professional Fees	5	84 Months	R 3 711 490.00	R 862 772.49	Level 2
3	Nako Iliso					R 31 945 516.16	R 622 165.74	Level 2
4	JG Afrika					R 3 811 000.00	R 683 154.22	Level 1
5	Bergstan SA					R 3 976 098.54	R 679 313.94	Level 3
6	Luyanda Mpahlwa Design Space Africa					R 1 300 410.00	R 70 776.70	Level 2
7	Element Consulting Engineers					R 1 499 989.00	R 401 721.74	Level 2
8	Miradi Architects					R 866 940.00	R 47 184.47	Level 4
9	Gibb	Kosovo Informal Settlement	Professional Fees	8	84 Months	R 7 231 514.53	R 1 056 705.10	Level 2
10	Umtha Consultancy					R 1 125 000.00	R 116 550.00	Level 1
11	ARG Design (Town Planner)					R 2 747 038.60	R 232 161.75	Level 2
12	Power Construction					R 299 947 344.96	R 14 586 326.12	Level 1
13	FJC Consulting					R 1 054 291.00	R 31 628.73	Level 2

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No.	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Worked months/days/hours	Contract value in rand	Total amount paid in the 2019/20 financial year	BBBEE Level
14	Jubelle Projects				76 Months	R 60 392 465.99	R 4 527 176.81	Level 3
15	Matlapa Constuction Consulting				73 Months	R 10 228 715.63	R 558 868.94	Level 1
16	Neil Lyners				79 Months	R 36 234 477.82	R 3 054 961.12	Level 1
17	SVA International				78 Months	R 17 448 956.96	R 2 333 056.11	Level 2
18	Innovative Transport Solutions				54 Months	R 14 701 396.00	R 4 968 604.38	N/A
19	BSP Consulting Engineers	TransHex Housing Project	Business & Advisory Services: Project Management	11	74 Months	R 5 044 483.45	R 1 638 358.60	Level 2
20	Guillaume Nel (Gnec)				78 Months	R 4 017 244.00	R 456 391.43	Level 4
21	African Town Planning Services				6 Months	R 62 600.00	R 6 400.00	Level 4
22	Amps Registered Quantity				75 Months	R 5 129 891.43	R 310 878.91	Level 1
23	Ole Bogeng and Associates				76 Months	R 7 803 604.65	R 466 318.38	Level 1
24	Mott Mcdonald				84 Months	R 28 312 602.74	R 2 500 952.77	Level 5

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No.	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Worked months/days/hours	Contract value in rand	Total amount paid in the 2019/20 financial year	BBBEE Level
25	JG Afrika					R 779 739.63	R 76 781.31	Level 1
26	Delta Built Environment Consultants					R 7 499 945.00	R 1 642 000.50	Level 1
27	Ebesa Architects					R 6 000 000.00	R 751 063.90	Level 2
28	MLH Architects & Planners					R 2 360 000.00	R 55 000.00	Level 3
29	AMM Geomatics					R 3 199 800.00	R 148 369.42	Level 2
30	MZI Development Services	Greater Retreat Development Project	Human Settlements Redress Programme	10	36 Months	R 2 142 855.00	R 350 968.92	Level 1
31	HHO					R 885 094.29	R 173 890.80	Level 1
32	Morula Consulting Engineers and					R 11 200 000.00	R 838 564.79	Level 1
33	Malani Padayachee and Associates					R 659 850.00	R 82 900.00	N/A
34	IX Engineers					R 3 124 439.23	R 89 066.50	Level 1

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No.	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Worked months/days/hours	Contract value in rand	Total amount paid in the 2019/20 financial year	BBBEE Level
35	BSP Consulting Engineers				73 Months	R 9 733 475.41	R 449 121.62	Level 2
36	Jubelie Projects				65 Months	R 20 660 535.62	R 780 712.98	Level 3
37	Neil Lyners				82 Months	R 29 091 421.56	R 1 859 171.77	Level 1
38	Guillaume Nel (Gnec)				48 Months	R 1 448 775.00	R 72 070.00	Level 4
39	Archi Cape Town	Vlakkeland Housing Project	Business & Advisory Services: Project Management	8	13 Months	R 5 541 643.50	R 784 502.59	Level 1
40	AGS Consultants				66 Months	R 2 020 853.84	R 141 109.13	Level 1
41	Lakhanya Quantity Surveyors				64 Months	R 1 023 070.22	R 86 591.25	Level 1
42	Nuplan Africa				8 Months	R 286 000.00	R 11 300.00	Level 4
43	Royal Haskoning DHV					R 1 949 718.20	R 1 949 718.20	Level 2
44	Matthysen Van Vuuren					R 3 276 000.00	R 54 900.00	Level 4
45	Thabile Engineering					R 5 535 750.00	R 416 500.00	Level 2
46	IX Engineers					R 73 993.88	R 73 993.88	Level 1
47	MZI Development Services	Taiwan & YB Informal Settlement Upgrade	Professional Services	8	36 Months	R 66 240.00	R 66 240.00	Level 1
48	JZE Architects					R 2 285 000.00	R 363 400.00	Level 1
49	WSP Group Africa					R 6 582 664.00	R 1 141 909.39	Level 1
50	Human Settlement Holistic Services					R 6 371 634.40	R 4 378 002.51	N/A

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No.	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Worked months/days/hours	Contract value in rand	Total amount paid in the 2019/20 financial year	BBBEE Level
51	Bosch Semele (Pty) Ltd	Malibu Conifers: W16110006	Business & Advisory Services: Project Management	3	12 Months	R 5 247 368.60	R 2 283 785.80	Level 2
52	GJA Electrical Consulting					R 380 000.00	R 175 560.00	Level 1
53	Aurecon South Africa (Pty) Ltd					R 402 651.00	R 13 422.50	Level 1
54	Jubelie Projects	De Novo	Human Settlements Redress Programme	2	12 Months		R 3 136 734.41	Level 3
55	Royal Haskoning DHV	Syferfontein: W14090005	Human Settlements Redress Programme	1	-	R 91 857 415.00	R 2 666 675.43	Level 2
56	Lukhozi Consulting Engineers	Ithemba	Human Settlements Redress Programme	1	48 Months	R 6 094 959.98	R 638 169.33	Level 2
57	Lukhozi Consulting Engineers	Forest Village Housing Project	Bussiness & Advisory Services: Project Management	1	12 Months	R 107 693 846.32	R 19 751 588.40	Level 2
58	Educational Support Services Trust	Community Based Planning and Enumeration	Business & Advisory Services		36 Months	R 1 319 580.90	R 629 366.53	N/A
59	Isandla Institute					R 984 417.00	R 32 750.62	Level 4
60	People's Environmental Planning					R 6 887 213.09	R 517 277.89	N/A
61	Community Organisation Resource Center (CORC)					R 4 886 695.00	R 1 268 910.00	Level 2
62	VPUU					R 11 141 419.55	R 276 135.91	Level 2
63	Development Action Group					R 7 790 373.00	R 2 391 485.90	Level 1

Human Resource Management

No.	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Worked months/days/hours	Contract value in rand	Total amount paid in the 2019/20 financial year	BBBEE Level
64	Aurecon South Africa (Pty) Ltd					R 4 926 353.00	R 1 147 764.88	Level 1
65	WSP Group Africa					R 783 953.60	R 209 026.50	Level 1
66	Bigen Africa Services	Penhill Greenfields	Professional Fees	5	84 Months	R 9 493 343.20	R 777 969.13	Level 1
67	ASLA					R 762 987 074.67	R 960 825.00	Level 3
68	IX Engineers (Previously Worley Parsons)					R 26 013 634.87	R 907 039.04	Level 1
69	C2C	Highbury Military Vets: W17020003	Human Settlements Redress Programme	1	12 Months	R 3 590 738.89	R 1 938 858.23	Level 1
70	Thabile Engineering	Silvertown Emergency Housing Pro.	Human Settlements Redress Programme	2	18 Months	R 1 839 843.00	R 698 250.00	Level 2
71	WSP Group Africa					R 5 597 980.00	R 1 244 933.51	Level 1
72	Lukhozi Consulting Engineers	Delft Symphony: Pre 3 & 5: W12110012	Human Settlements Redress Programme	1	12 Months	R 22 599 220.57	R 611 201.75	Level 2
73	Lukhozi Consulting Engineers	Delft 7: 518: W16090001	Human Settlements Redress Programme	1	12 Months	R 9 091 831.57	R 388 284.34	Level 2
74	Lukhozi Consulting Engineers	Themb Dom Work Hous Project	Human Settlements Redress Programme	2	12 Months	R 2 467 066.06	R 139 446.52	Level 2
75	Royal Haskoning DHV						R 2 229 757.25	Level 2
76	C2C	Our Pride Phase 2 FHP	Human Settlements Redress Programme	N/A	29 months	R 3 338 520.82	R 1 299 388.13	Level 1
77	Human Settlement Holistic Services	Erf 26943 Khayelitsha	Professional Fees And Construction	1	68 Months	R 26 896 741.00	R 12 261 795.43	N/A

Human Resource Management

No.	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: Worked months/days/hours	Contract value in rand	Total amount paid in the 2019/20 financial year	BBBEE Level
78	Royal Haskoning DHV	Wilderness Heights	Professional Fees	1	12 Months	R 166 319.00	R 130,788.20	Level 2
79	Lukhozi Consulting Engineers	Rondevlei Weir	Professional Fees	1	12 Months	R 905 625.00	R 33,925.16	Level 2
80	Afriwire And Steel	Dep.prop.emerg Effort	Business & Advisory Services: Project Management	2	7 days	R 777 337.00	R 387,882.82	Level 2
81	Gateway Metalworks					R 1 824 946.20	R 10,050.00	Level 1
82	Chauke Quantity Surveyors	Kwanokuthula	Professional Fees	1	12 Months	R 1 084 956.66	R 238,277.45	Level 2
83	Gibb	Grabouw Storm Water Masterplan	Professional Fees	1	36 Months	R 5 328 500.00	R 1,260,119.67	Level 2
84	C2C Consulting Engineers	Blue Downs Infill Hsg Pro	Human Settlements Redress Programme	1	30 Months	R 1 944 342.14	R 888,865.87	Level 1
85	Aurecon South Africa (Pty) Ltd	Blue Downs Military Veterans	Human Settlements Redress Programme	1	30 Months	R 492 230.00	R 60,825.00	Level 1
	Total						R 119,997,203.73	

Human Resource Management

Table 3.15.2: Consultant appointments using Donor funds

Programme	Consulting firm	Project title	Nature of the project	Total number of consultants that worked on the project	Duration: work days/hours	Contract value in rand	Total number of projects	Total individual consultants	Bbbee level
None.									



Forest Village



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ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

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REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2020

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE NO. 8: WESTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Department of Human Settlements set out on pages 4 to 54, 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 cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape 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 Standards (MCS) prescribed by the National Treasury and the requirements of Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Uncertainty relating to the future outcome of litigation

7. With reference to note 18.1 to the financial statements, the department was a defendant in a land claim lawsuit of R87,2 million as at 31 March 2020, which the department was disputing. The ultimate outcome of this matter cannot currently be determined and no provision for any liability that may result has been made in the financial statements

Restatement of corresponding figures

8. As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2019 have been restated because of an error, in the financial statements of the Department as at, and for the year ended, 31 March 2020.

REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2020

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out in pages 223 to 233 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

11. The board of directors, which constitutes the accounting officer, is responsible for the preparation and fair presentation of the financial statements in accordance with MCS prescribed by the National Treasury and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. 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

13. 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.
14. 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

15. 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 selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. 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.

REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2020

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 3: housing development	49-56

18. 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.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for programme 3: housing development

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the annual performance report on pages 49 to 56 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

22. 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.
23. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

24. 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.
25. 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.

REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2020

26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained during the audit, or otherwise appears to be materially misstated.
27. 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.
28. I have nothing to report in this regard.

Internal control deficiencies

29. 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. I did not identify any significant deficiencies in internal control.

Auditor General

Cape Town
30 September 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 selected programmes and on the department’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in 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 board of directors, which constitutes the accounting officer
 - conclude on the appropriateness of the use of the accounting officer 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 Western Cape Department of Human Settlements to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern
 - 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.

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per programme									
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
1. Administration	115 847	-	6 960	122 807	122 807	-	100.0	107 883	106 692
2. Housing Needs, Research and Planning	28 767	-	(1 431)	27 336	27 336	-	100.0	25 282	25 282
3. Housing Development	2 503 448	-	(6 115)	2 497 333	2 496 984	349	100.0	2 272 138	2 184 379
4. Housing Asset Management	36 059	-	586	36 645	36 645	-	100.0	35 978	35 978
Total	2 684 121	-	-	2 684 121	2 683 772	349	100.0	2 441 281	2 352 331
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				67 044				195 556	
Aid assistance				551				5 541	
Actual amounts per Statement of Financial Performance (Total Revenue)				2 751 716				2 642 378	
Add: Aid assistance					390				7 232
Actual amounts per Statement of Financial Performance Expenditure					2 684 162				2 359 563

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per economic classification									
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	365 315	(27 309)	(574)	337 432	337 161	271	99.9	317 735	313 748
Compensation of employees	248 487	(2 322)	(574)	245 591	245 442	149	99.9	229 217	225 231
Salaries and wages	216 075	(112)	1 008	216 971	216 822	149	99.9	202 821	198 835
Social contributions	32 412	(2 210)	(1 582)	28 620	28 620	-	100.0	26 396	26 396
Goods and services	116 828	(24 987)	-	91 841	91 719	122	99.9	88 518	88 517
Administrative fees	340	(170)	-	170	170	-	100.0	155	155
Advertising	620	59	-	679	679	-	100.0	409	409
Minor assets	776	(494)	-	282	282	-	100.0	215	215
Audit costs: External	6 340	444	-	6 784	6 784	-	100.0	6 438	6 438
Bursaries: Employees	590	218	-	808	808	-	100.0	601	601
Catering: Departmental activities	377	(97)	-	280	280	-	100.0	245	245
Communication (G&S)	1 398	(94)	-	1 304	1 304	-	100.0	1 109	1 109
Computer services	2 027	1 534	-	3 561	3 561	-	100.0	2 040	2 040
Consultants: Business and advisory services	35 506	(33 391)	-	2 115	2 115	-	100.0	397	397
Infrastructure and planning services	12 982	(1 913)	-	11 069	11 069	-	100.0	18 181	18 181
Legal services	2 002	(534)	-	1 468	1 468	-	100.0	1 063	1 063
Contractors	730	(227)	-	503	503	-	100.0	665	665
Agency and support / outsourced services	2 800	(2 800)	-	-	-	-	-	-	-
Entertainment	64	(32)	-	32	32	-	100.0	8	8
Fleet services (including government motor transport)	2 660	705	-	3 365	3 365	-	100.0	3 182	3 182
Consumable supplies	707	(323)	-	384	384	-	100.0	602	602
Consumable: Stationery, printing and office supplies	1 229	(232)	-	997	997	-	100.0	678	678
Operating leases	1 734	(93)	-	1 641	1 641	-	100.0	1 755	1 755
Property payments	34 177	12 468	-	46 645	46 645	-	100.0	41 048	41 048
Travel and subsistence	5 781	1 300	-	7 081	6 959	122	98.3	5 807	5 807
Training and development	1 410	(390)	-	1 020	1 020	-	100.0	1 669	1 669

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per economic classification									
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
Operating payments	1 128	217	-	1 345	1 345	-	100.0	1 059	1 059
Venues and facilities	1 238	(965)	-	273	273	-	100.0	1 178	1 177
Rental and hiring	212	(177)	-	35	35	-	100.0	14	14
Transfers and subsidies	2 310 421	27 032	(529)	2 336 924	2 336 846	78	100.0	2 111 526	2 027 753
Provinces and municipalities	80 964	5 642	211	86 817	86 817	-	100.0	44 079	44 079
Municipalities	80 964	5 642	211	86 817	86 817	-	100.0	44 079	44 079
Municipal bank accounts	80 964	5 642	211	86 817	86 817	-	100.0	44 079	44 079
Departmental agencies and accounts	7	(1)	-	6	6	-	100.0	406	406
Departmental agencies	7	(1)	-	6	6	-	100.0	406	406
Higher education institutions	400	-	-	400	400	-	100.0	300	300
Non-profit institutions	1 000	-	-	1 000	1 000	-	100.0	4 500	4 500
Households	2 228 050	21 391	(740)	2 248 701	2 248 623	78	100.0	2 062 241	1 978 468
Social benefits	1 946	2 014	(740)	3 220	3 220	-	100.0	686	686
Other transfers to households	2 226 104	19 377	-	2 245 481	2 245 403	78	100.0	2 061 555	1 977 782
Payments for capital assets	5 970	421	1 103	7 494	7 494	-	100.0	7 173	5 983
Machinery and equipment	5 970	421	483	6 874	6 874	-	100.0	7 145	5 955
Transport equipment	3 320	673	483	4 476	4 476	-	100.0	4 334	4 334
Other machinery and equipment	2 650	(252)	-	2 398	2 398	-	100.0	2 811	1 621
Software and other intangible assets	-	-	620	620	620	-	100.0	28	28
Payment for financial assets	2 415	(144)	-	2 271	2 271	-	100.0	4 847	4 847
Total	2 684 121	-	-	2 684 121	2 683 772	349	100.0	2 441 281	2 352 331

E

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 1: ADMINISTRATION									
Sub-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
1. Office of the MEC	6 908	(575)	484	6 817	6 817	-	100.0	4 818	4 818
2. Corporate services	108 939	575	6 476	115 990	115 990	-	100.0	103 065	101 874
Total	115 847	-	6 960	122 807	122 807	-	100.0	107 883	106 692

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	109 276	(524)	5 658	114 410	114 410	-	100.0	100 228	100 227
Compensation of employees	88 045	(539)	5 117	92 623	92 623	-	100.0	81 362	81 362
Salaries and wages	76 652	-	4 623	81 275	81 275	-	100.0	70 737	70 737
Social contributions	11 393	(539)	494	11 348	11 348	-	100.0	10 625	10 625
Goods and services	21 231	15	541	21 787	21 787	-	100.0	18 866	18 865
Administrative fees	200	(110)	-	90	90	-	100.0	110	110
Advertising	290	273	-	563	563	-	100.0	245	245
Minor assets	776	(494)	-	282	282	-	100.0	215	215
Audit costs: External	6 340	(682)	-	5 658	5 658	-	100.0	5 067	5 067
Bursaries: Employees	590	218	-	808	808	-	100.0	601	601
Catering: Departmental activities	114	(13)	11	112	112	-	100.0	80	80
Communication (G&S)	893	(84)	-	809	809	-	100.0	673	673
Computer services	1 961	1 503	-	3 464	3 464	-	100.0	1 786	1 786
Consultants: Business and advisory services	80	(31)	50	99	99	-	100.0	186	186
Legal services	70	(70)	-	-	-	-	-	-	-
Contractors	360	141	-	501	501	-	100.0	531	531
Agency and support / outsourced services	300	(300)	-	-	-	-	-	-	-
Entertainment	30	(7)	-	23	23	-	100.0	6	6

APPROPRIATION STATEMENT

for the year ended 31 March 2020

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
Fleet services (including government motor transport)	2 660	705	-	3 365	3 365	-	100.0	3 182	3 182
Consumable supplies	493	(188)	-	305	305	-	100.0	516	516
Consumable: Stationery, printing and office supplies	1 134	(140)	-	994	994	-	100.0	678	678
Operating leases	1 150	1	-	1 151	1 151	-	100.0	1 226	1 226
Property payments	250	(232)	-	18	18	-	100.0	82	82
Travel and subsistence	2 150	(769)	480	1 861	1 861	-	100.0	1 712	1 712
Training and development	460	(71)	-	389	389	-	100.0	774	774
Operating payments	680	335	-	1 015	1 015	-	100.0	569	569
Venues and facilities	60	185	-	245	245	-	100.0	619	618
Rental and hiring	190	(155)	-	35	35	-	100.0	8	8
Transfers and subsidies	301	247	199	747	747	-	100.0	381	381
Departmental agencies and accounts	7	(1)	-	6	6	-	100.0	6	6
Departmental agencies	7	(1)	-	6	6	-	100.0	6	6
Households	294	248	199	741	741	-	100.0	375	375
Social benefits	294	245	199	738	738	-	100.0	225	225
Other transfers to households	-	3	-	3	3	-	100.0	150	150
Payments for capital assets	5 970	421	1 103	7 494	7 494	-	100.0	7 173	5 983
Machinery and equipment	5 970	421	483	6 874	6 874	-	100.0	7 145	5 955
Transport equipment	3 320	673	483	4 476	4 476	-	100.0	4 334	4 334
Other machinery and equipment	2 650	(252)	-	2 398	2 398	-	100.0	2 811	1 621
Software and other intangible assets	-	-	620	620	620	-	100.0	28	28
Payment for financial assets	300	(144)	-	156	156	-	100.0	101	101
Total	115 847	-	6 960	122 807	122 807	-	100.0	107 883	106 692

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Sub-programme: 1.1: OFFICE OF THE MEC									
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	6 572	(524)	484	6 532	6 532	-	100.0	4 417	4 417
Compensation of employees	5 338	(539)	473	5 272	5 272	-	100.0	3 319	3 319
Goods and services	1 234	15	11	1 260	1 260	-	100.0	1 098	1 098
Transfers and subsidies	16	-	-	16	16	-	100.0	-	-
Households	16	-	-	16	16	-	100.0	-	-
Payments for capital assets	320	(51)	-	269	269	-	100.0	401	401
Machinery and equipment	320	(51)	-	269	269	-	100.0	401	401
Total	6 908	(575)	484	6 817	6 817	-	100.0	4 818	4 818

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Sub-programme: 1.2: CORPORATE SERVICES									
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	102 704	-	5 174	107 878	107 878	-	100.0	95 811	95 810
Compensation of employees	82 707	-	4 644	87 351	87 351	-	100.0	78 043	78 043
Goods and services	19 997	-	530	20 527	20 527	-	100.0	17 768	17 767
Transfers and subsidies	285	247	199	731	731	-	100.0	381	381
Departmental agencies and accounts	7	(1)	-	6	6	-	100.0	6	6
Households	278	248	199	725	725	-	100.0	375	375
Payments for capital assets	5 650	472	1 103	7 225	7 225	-	100.0	6 772	5 582
Machinery and equipment	5 650	472	483	6 605	6 605	-	100.0	6 744	5 554
Software and other intangible assets	-	-	620	620	620	-	100.0	28	28
Payment for financial assets	300	(144)	-	156	156	-	100.0	101	101
Total	108 939	575	6 476	115 990	115 990	-	100.0	103 065	101 874

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 2: HOUSING NEEDS, RESEARCH AND PLANNING									
Sub-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
1. Administration	18 273	-	(1 120)	17 153	17 153	-	100.0	16 136	16 136
2. Planning	10 494	-	(311)	10 183	10 183	-	100.0	9 146	9 146
Total	28 767	-	(1 431)	27 336	27 336	-	100.0	25 282	25 282

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	28 746	(74)	(1 410)	27 262	27 262	-	100.0	25 279	25 279
Compensation of employees	26 926	(74)	(1 349)	25 503	25 503	-	100.0	24 109	24 109
Salaries and wages	23 648	(74)	(1 098)	22 476	22 476	-	100.0	21 102	21 102
Social contributions	3 278	-	(251)	3 027	3 027	-	100.0	3 007	3 007
Goods and services	1 820	-	(61)	1 759	1 759	-	100.0	1 170	1 170
Administrative fees	60	(23)	-	37	37	-	100.0	13	13
Advertising	50	(50)	-	-	-	-	-	47	47
Catering: Departmental activities	65	(7)	(11)	47	47	-	100.0	21	21
Communication (G&S)	100	(6)	-	94	94	-	100.0	86	86
Computer services	-	-	-	-	-	-	-	45	45
Consultants: Business and advisory services	299	(110)	(50)	139	139	-	100.0	-	-
Infrastructure and planning services	-	88	-	88	88	-	100.0	-	-
Contractors	10	(10)	-	-	-	-	-	-	-
Entertainment	8	(7)	-	1	1	-	100.0	-	-
Consumable supplies	45	(33)	-	12	12	-	100.0	12	12
Consumable: Stationery, printing and office supplies	15	(15)	-	-	-	-	-	-	-
Operating leases	140	(9)	-	131	131	-	100.0	143	143
Property payments	-	2	-	2	2	-	100.0	-	-

APPROPRIATION STATEMENT

for the year ended 31 March 2020

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
Travel and subsistence	770	244	-	1 014	1 014	-	100.0	659	659
Training and development	120	(3)	-	117	117	-	100.0	13	13
Operating payments	40	19	-	59	59	-	100.0	89	89
Venues and facilities	98	(80)	-	18	18	-	100.0	42	42
Rental and hiring	-	-	-	-	-	-	-	-	-
Transfers and subsidies	21	74	(21)	74	74	-	100.0	3	3
Households	21	74	(21)	74	74	-	100.0	3	3
Social benefits	21	74	(21)	74	74	-	100.0	3	3
Total	28 767	-	(1 431)	27 336	27 336	-	100.0	25 282	25 282

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Sub-programme: 2.1: 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									
Current payments	18 252	(63)	(1 099)	17 090	17 090	-	100.0	16 133	16 133
Compensation of employees	16 952	(63)	(1 049)	15 840	15 840	-	100.0	15 516	15 516
Goods and services	1 300	-	(50)	1 250	1 250	-	100.0	617	617
Transfers and subsidies	21	63	(21)	63	63	-	100.0	3	3
Households	21	63	(21)	63	63	-	100.0	3	3
Total	18 273	-	(1 120)	17 153	17 153	-	100.0	16 136	16 136

Sub-programme: 2.2: 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
Economic classification									
Current payments	10 494	(11)	(311)	10 172	10 172	-	100.0	9 146	9 146
Compensation of employees	9 974	(11)	(300)	9 663	9 663	-	100.0	8 593	8 593
Goods and services	520	-	(11)	509	509	-	100.0	553	553
Transfers and subsidies	-	11	-	11	11	-	100.0	-	-
Households	-	11	-	11	11	-	100.0	-	-
Total	10 494	-	(311)	10 183	10 183	-	100.0	9 146	9 146

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 3: HOUSING DEVELOPMENT									
Sub-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
1. Administration	179 740	-	(6 115)	173 625	173 354	271	99.8	119 101	115 115
2. Financial Interventions	244 899	201 272	-	446 171	446 093	78	100.0	459 024	375 251
3. Incremental Interventions	2 034 809	(176 451)	-	1 858 358	1 858 358	-	100.0	1 686 356	1 686 356
4. Social and Rental Interventions	44 000	(24 821)	-	19 179	19 179	-	100.0	7 657	7 657
Total	2 503 448	-	(6 115)	2 497 333	2 496 984	349	100.0	2 272 138	2 184 379

APPROPRIATION STATEMENT

for the year ended 31 March 2020

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	192 477	(25 746)	(4 822)	161 909	161 638	271	99.8	157 285	153 299
Compensation of employees	108 540	(1 011)	(4 342)	103 187	103 038	149	99.9	101 218	97 232
Salaries and wages	94 183	469	(2 517)	92 135	91 986	149	99.8	91 437	87 451
Social contributions	14 357	(1 480)	(1 825)	11 052	11 052	-	100.0	9 781	9 781
Goods and services	83 937	(24 735)	(480)	58 722	58 600	122	99.8	56 067	56 067
Administrative fees	80	(42)	-	38	38	-	100.0	29	29
Advertising	280	(228)	-	52	52	-	100.0	79	79
Audit costs: External	-	1 126	-	1 126	1 126	-	100.0	1 371	1 371
Catering: Departmental activities	181	(93)	-	88	88	-	100.0	133	133
Communication (G&S)	370	(5)	-	365	365	-	100.0	320	320
Computer services	66	31	-	97	97	-	100.0	209	209
Consultants: Business and advisory services	35 009	(33 210)	-	1 799	1 799	-	100.0	112	112
Infrastructure and planning services	12 982	(2 002)	-	10 980	10 980	-	100.0	18 180	18 180
Legal services	1 450	(733)	-	717	717	-	100.0	278	278
Contractors	360	(358)	-	2	2	-	100.0	116	116
Agency and support/outsourced services	2 500	(2 500)	-	-	-	-	-	-	-
Entertainment	24	(17)	-	7	7	-	100.0	2	2
Consumable supplies	110	(78)	-	32	32	-	100.0	57	57
Consumable: Stationery, printing and office supplies	50	(49)	-	1	1	-	100.0	-	-
Operating leases	380	(70)	-	310	310	-	100.0	311	311
Property payments	25 085	13 344	-	38 429	38 429	-	100.0	30 012	30 012
Travel and subsistence	2 750	1 713	(480)	3 983	3 861	122	96.9	3 250	3 250
Training and development	830	(353)	-	477	477	-	100.0	832	832
Operating payments	350	(141)	-	209	209	-	100.0	360	360

APPROPRIATION STATEMENT

for the year ended 31 March 2020

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
Venues and facilities	1 060	(1 050)	-	10	10	-	100.0	416	416
Rental and hiring	20	(20)	-	-	-	-	-	-	-
Transfers and subsidies	2 308 856	25 746	(1 293)	2 333 309	2 333 231	78	100.0	2 110 107	2 026 334
Provinces and municipalities	79 964	5 135	-	85 099	85 099	-	100.0	43 079	43 079
Municipalities	79 964	5 135	-	85 099	85 099	-	100.0	43 079	43 079
Municipal bank accounts	79 964	5 135	-	85 099	85 099	-	100.0	43 079	43 079
Departmental agencies and accounts	-	-	-	-	-	-	-	400	400
Departmental agencies	-	-	-	-	-	-	-	400	400
Higher education institutions	400	-	-	400	400	-	100.0	300	300
Non-profit institutions	1 000	-	-	1 000	1 000	-	100.0	4 500	4 500
Households	2 227 492	20 611	(1 293)	2 246 810	2 246 732	78	100.0	2 061 828	1 978 055
Social benefits	1 388	1 240	(1 293)	1 335	1 335	-	100.0	423	423
Other transfers to households	2 226 104	19 371	-	2 245 475	2 245 397	78	100.0	2 061 405	1 977 632
Payment for financial assets	2 115	-	-	2 115	2 115	-	100.0	4 746	4,746
Total	2 503 448	-	(6 115)	2 497 333	2 496 984	349	100.0	2 272 138	2 184 379

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Sub-programme: 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	97 810	(874)	(4 822)	92 114	91 843	271	99.7	77 875	73 889
Compensation of employees	93 911	(884)	(4 342)	88 685	88 536	149	99.8	74 158	70 172
Goods and services	3 899	10	(480)	3 429	3 307	122	96.4	3 717	3 717
Transfers and subsidies	81 930	874	(1 293)	81 511	81 511	-	100.0	41 226	41 226
Provinces and municipalities	53 000	-	-	53 000	53 000	-	100.0	32 011	32 011
Households	28 930	874	(1 293)	28 511	28 511	-	100.0	9 215	9 215
Total	179 740	-	(6 115)	173 625	173 354	271	99.8	119 101	115 115

Sub-programme: 3.2: FINANCIAL INTERVENTIONS

	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	73 164	(15 858)	-	57 306	57 306	-	100.0	79 138	79 138
Compensation of employees	14 629	(127)	-	14 502	14 502	-	100.0	27 060	27 060
Goods and services	58 535	(15 731)	-	42 804	42 804	-	100.0	52 078	52 078
Transfers and subsidies	169 620	217 130	-	386 750	386 672	78	100.0	375 140	291 367
Provinces and municipalities	26 964	5 013	-	31 977	31 977	-	100.0	11 011	11 011
Departmental agencies and accounts	-	-	-	-	-	-	-	400	400
Higher education institutions	400	-	-	400	400	-	100.0	300	300
Non-profit institutions	1 000	-	-	1 000	1 000	-	100.0	4 500	4,500
Households	141 256	212 117	-	353 373	353 295	78	100.0	358 929	275 156
Payment for financial assets	2 115	-	-	2 115	2 115	-	100.0	4 746	4 746
Total	244 899	201 272	-	446 171	446 093	78	100.0	459 024	375 251

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Sub-programme: 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	21 503	(9 014)	-	12 489	12 489	-	100.0	272	272
Goods and services	21 503	(9 014)	-	12 489	12 489	-	100.0	272	272
Transfers and subsidies	2 013 306	(167 437)	-	1 845 869	1 845 869	-	100.0	1 686 084	1 686 084
Provinces and municipalities	-	122	-	122	122	-	100.0	57	57
Households	2 013 306	(167 559)	-	1 845 747	1 845 747	-	100.0	1 686 027	1 686 027
Total	2 034 809	(176 451)	-	1 858 358	1 858 358	-	100.0	1 686 356	1 686 356

Sub-programme: 3.4: SOCIAL AND RENTAL 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
Transfers and subsidies	44 000	(24 821)	-	19 179	19 179	-	100.0	7 657	7 657
Households	44 000	(24 821)	-	19 179	19 179	-	100.0	7 657	7 657
Total	44 000	(24 821)	-	19 179	19 179	-	100.0	7 657	7 657

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Programme 4: HOUSING ASSET 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	26 217	139	375	26 731	26 731	-	100.0	24 024	24 024
2. Housing Properties Maintenance	9 842	(139)	211	9 914	9 914	-	100.0	11 954	11 954
Total	36 059	-	586	36 645	36 645	-	100.0	35 978	35 978

	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	34 816	(965)	-	33 851	33 851	-	100.0	34 943	34 943
Compensation of employees	24 976	(698)	-	24 278	24 278	-	100.0	22 528	22 528
Salaries and wages	21 592	(507)	-	21 085	21 085	-	100.0	19 545	19 545
Social contributions	3 384	(191)	-	3 193	3 193	-	100.0	2 983	2 983
Goods and services	9 840	(267)	-	9 573	9 573	-	100.0	12 415	12 415
Administrative fees	-	5	-	5	5	-	100.0	3	3
Advertising	-	64	-	64	64	-	100.0	38	38
Catering: Departmental activities	17	16	-	33	33	-	100.0	11	11
Communication (G&S)	35	1	-	36	36	-	100.0	30	30
Consultants: Business and advisory services	118	(40)	-	78	78	-	100.0	99	99
Infrastructure and planning services	-	1	-	1	1	-	100.0	1	1
Legal services	482	269	-	751	751	-	100.0	785	785
Contractors	-	-	-	-	-	-	-	18	18
Entertainment	2	(1)	-	1	1	-	100.0	-	-
Consumable supplies	59	(24)	-	35	35	-	100.0	17	17
Consumable: Stationery, printing and office supplies	30	(28)	-	2	2	-	100.0	-	-
Operating leases	64	(15)	-	49	49	-	100.0	75	75

APPROPRIATION STATEMENT

for the year ended 31 March 2020

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
Property payments	8 842	(646)	-	8 196	8 196	-	100.0	10 954	10 954
Travel and subsistence	111	112	-	223	223	-	100.0	186	186
Training and development	-	37	-	37	37	-	100.0	50	50
Operating payments	58	4	-	62	62	-	100.0	41	41
Venues and facilities	20	(20)	-	-	-	-	-	101	101
Rental and hiring	2	(2)	-	-	-	-	-	6	6
Transfers and subsidies	1 243	965	586	2 794	2 794	-	100.0	1 035	1 035
Provinces and municipalities	1 000	507	211	1 718	1 718	-	100.0	1 000	1 000
Municipalities	1 000	507	211	1 718	1 718	-	100.0	1 000	1 000
Municipal bank accounts	1 000	507	211	1 718	1 718	-	100.0	1 000	1 000
Households	243	458	375	1 076	1 076	-	100.0	35	35
Social benefits	243	455	375	1 073	1 073	-	100.0	35	35
Other transfers to households	-	3	-	3	3	-	100.0	-	-
Total	36 059	-	586	36 645	36 645	-	100.0	35 978	35 978

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Sub-programme: 4.1: 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	25 974	(319)	-	25 655	25 655	-	100.0	23 989	23 989
Compensation of employees	24 976	(698)	-	24 278	24 278	-	100.0	22 528	22 528
Goods and services	998	379	-	1 377	1 377	-	100.0	1 461	1 461
Transfers and subsidies	243	458	375	1 076	1 076	-	100.0	35	35
Households	243	458	375	1 076	1 076	-	100.0	35	35
Total	26 217	139	375	26 731	26 731	-	100.0	24 024	24 024

Sub-programme: 4.2: HOUSING PROPERTIES MAINTENANCE									
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	8 842	(646)	-	8 196	8 196	-	100.0	10 954	10 954
Goods and services	8 842	(646)	-	8 196	8 196	-	100.0	10 954	10 954
Transfers and subsidies	1 000	507	211	1 718	1 718	-	100.0	1 000	1 000
Provinces and municipalities	1 000	507	211	1 718	1 718	-	100.0	1 000	1 000
Total	9 842	(139)	211	9 914	9 914	-	100.0	11 954	11 954

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-E) 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

Per programme:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Programme 3: Housing Development	2 497 333	2 496 984	349	0.01

Underspending is due to cost containment measures and the final invoice in respect of the Provincial Emergency Housing Grant not received by 31 March 2020.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

4.2 Per economic classification

Per economic classification:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Current expenditure				
Compensation of employees	245 591	245 442	149	0.06
Goods and services	91 841	91 719	122	0.13
Transfers and subsidies				
Households	2 248 701	2 248 623	78	-

Underspending on current expenditure is due to cost containment measures and underspending on Transfers to households is due to the final invoice in respect of the Provincial Emergency Housing Grant not received by 31 March 2020.

4.3 Per conditional grant

Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Provincial Emergency Housing Grant	87 188	87 110	78	0.09

Underspending is due to the final invoice not received by 31 March 2020.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	1	2 684 121	2 441 281
Departmental revenue	2	67 044	195 556
Aid assistance	3	551	5 541
TOTAL REVENUE		2 751 716	2 642 378
EXPENDITURE			
Current expenditure			
Compensation of employees	4	245 442	225 231
Goods and services	5	91 719	88 517
Aid assistance	3	120	2 329
Total current expenditure		337 281	316 077
Transfers and subsidies			
Transfers and subsidies	7	2 336 846	2 027 753
Aid assistance	3	-	4 570
Total transfers and subsidies		2 336 846	2 032 323
Expenditure for capital assets			
Tangible assets	8	7 144	6 288
Intangible assets	8	620	28
Total expenditure for capital assets		7 764	6 316
Payments for financial assets	6	2 271	4 847
TOTAL EXPENDITURE		2 684 162	2 359 563
SURPLUS FOR THE YEAR		67 554	282 815
Reconciliation of Net Surplus for the year			
Voted Funds		349	88 950
Annual appropriation		271	5 177
Conditional grants		78	83 773
Departmental revenue and PRF Receipts	13	67 044	195 556
Aid assistance	3	161	(1 691)
SURPLUS FOR THE YEAR		67 554	282 815

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current Assets			
		195 520	218 038
Cash and cash equivalents	9	3 739	185 994
Prepayments and advances	10	129	109
Receivables	11	191 652	31 935
Non-Current Assets			
Receivables	11	2 299	2 202
TOTAL ASSETS		197 819	220 240
LIABILITIES			
Current Liabilities			
		134 611	157 325
Voted funds to be surrendered to the Revenue Fund	12	349	88 950
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	13	1 196	291
Payables	14	132 757	67 936
Aid assistance unutilised	3	309	148
Non-Current Liabilities			
Payables	15	28 461	28 258
TOTAL LIABILITIES		163 072	185 583
NET ASSETS		34 747	34 657
Represented by:			
Recoverable revenue		34 747	34 657
TOTAL		34 747	34 657

STATEMENTS OF CHANGES IN NET ASSETS

for the year ended 31 March 2020

	2019/20 R'000	2018/19 R'000
NET ASSETS		
Recoverable revenue		
Opening balance	34 657	34 592
Transfers	90	65
Debts revised	(32)	(10 974)
Debts recovered (included in departmental receipts)	(78)	(92)
Debts raised	200	11 131
Closing balance	34 747	34 657

Included in the net asset amount are loans, sales and rental debtors. The net amount of this, after provision for impairment, amounts to R5.411 million.

CASH FLOW STATEMENT

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
		2 815 068	2 702 371
Annual appropriated funds received	1.1	2 684 121	2 441 281
Departmental revenue received	2	130 298	254 163
Interest received	2.2	98	1 386
Aid assistance received	3	551	5 541
Net (increase)/ decrease in working capital		(94 916)	11 392
Surrendered to Revenue Fund		(218 449)	(266 560)
Surrendered to RDP Fund/Donor		-	(154)
Current payments		(337 281)	(316 077)
Payments for financial assets		(2 271)	(4 847)
Transfers and subsidies paid		(2 336 846)	(2 032 323)
Net cash flow available from operating activities	16	(174 695)	93 802
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(7 764)	(6 316)
Proceeds from sale of capital assets	2.3	8	7
Increase in non-current receivables		(97)	(157)
Net cash flows from investing activities		(7 853)	(6 466)
Increase in net assets		90	65
Increase in non-current payables		203	3 665
Net cash flows from financing activities		293	3 730
Net increase/ (decrease) in cash and cash equivalents		(182 255)	91 066
Cash and cash equivalents at beginning of period		185 994	94 928
Cash and cash equivalents at end of period	17	3 739	185 994

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

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

2. Going concern

The financial statements have been prepared on a going concern basis.

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

7.2 Departmental revenue

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

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

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and the amount of revenue can be measured reliably.

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

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

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

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

8.3 Accruals and payables not recognised

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

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

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

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; the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Finance lease liabilities are not recognised in the statement of financial position and as such finance lease payments do not reduce liabilities in the statement of financial position. Payments to the lessors are recognised as payments for capital assets in the statement of financial performance and as a result are reflected as cash for investing activities in the cash flow statement.

9. Aid Assistance

9.1 Aid assistance received

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

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

9.2 Aid assistance paid

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

10. Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

12. Loans and receivables

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

13. Investments

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

14. Financial assets

14.1 Financial assets (not covered elsewhere)

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

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

14.2 Impairment of financial assets

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

15. Payables

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

16. Capital Assets

16.1 Immovable capital assets

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

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

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

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

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

16.4 Project Costs: Work-in-progress

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

17. Provisions and Contingents

17.1 Provisions

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

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Capital commitments

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

18. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

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

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

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and/or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

21. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23. Principal-Agent arrangements

The department is party to a principal-agent arrangement with the SA Post Office for the collection of housing debt from beneficiaries. In terms of the arrangement the department is the principal and is responsible for reimbursing the SA Post Office for collecting such revenue on behalf of the Department. 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.

There is also a principle-agent arrangement between the Department and municipalities whereby the municipalities act as agent for the Department in the development of human settlements. No fees are payable to the municipalities in this regard.

The Department is acting as agent for the City of Cape Town for the construction of bulk infrastructure funded from the Urban Settlement Development Grant (USDG).

24. Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.

25. Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

26. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

27. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

28. Inventories (Effective from date determined in a Treasury Instruction)

At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

29. Public-Private Partnerships

Public Private Partnerships are accounted for based on the nature and/or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

30. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised as provisions) is disclosed in the Employee benefits note.

31. Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfers of functions are accounted for by the transferor by de-recognising or removing assets and liabilities at their carrying amounts at the date of transfer.

32. Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by de-recognising or removing assets and liabilities at their carrying amounts at the date of the merger.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

PART B: EXPLANATORY NOTES

1. Appropriation

1.1 Annual Appropriation

Programmes	2019/20			2018/19		
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000	Funds not requested/ not received R'000
Administration	122 807	122 807	-	107 883	107 883	-
Housing Needs, Research and Planning	27 336	27 336	-	25 282	25 282	-
Housing Development	2 497 333	2 497 333	-	2 272 138	2 272 138	-
Housing Asset Management	36 645	36 645	-	35 978	35 978	-
Total	2 684 121	2 684 121	-	2 441 281	2 441 281	-

Included in the total actual funds received are the following: **National Conditional Grants:** Human Settlement Development Grant (R2.172 110 billion); Title Deeds Restoration Grant (R64.410 million); Provincial Emergency Housing Grant (R87.188 million), which includes R3.415 million allocated to the Wupperthal Disaster Fund; Expanded Public Works Programme Integrated Grant for Provinces (R2.986 million). **Provincial Grants:** Provincial Contribution towards the acceleration of housing delivery (R77.556 million), of which R53 million was allocated to municipalities and R24.556 million was allocated to Transfers to households, as well as Equitable Share (R279.871 million). The total under-expenditure on appropriated funds received amounted to R349 000, consisting of the following: Compensation of Employees (R149 000); Goods and services (R122 000) and Transfer and Subsidies (R78 000). The Department applied for the roll-over of the R78 000 which could not be spent in respect of the Provincial Emergency Housing Grant.

1.2 Conditional grants

	Note	2019/20 R'000	2018/19 R'000
Total grants received	31	2 326 694	2 156 051

The Conditional Grants received consist of the Human Settlement Development Grant (R2.172 110 billion); Title Deeds Restoration Grant (R64.410 million); Provincial Emergency Housing Grant (R87.188 million) and the Expanded Public Works Programme Integrated Grant for Provinces (R2.986 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

2. Departmental Revenue

	Note	2019/20 R'000	2018/19 R'000
Sales of goods and services other than capital assets	2.1	119	203
Interest, dividends and rent on land	2.2	98	1 386
Sales of capital assets	2.3	8	7
Transactions in financial assets and liabilities	2.4	130 179	253 960
Total revenue collected		130 404	255 556
Less: Own revenue included in appropriation	13	63 360	60 000
Departmental revenue collected		67 044	195 556

The over-collection of Departmental revenue is mainly due to Urban Settlement Development Grant (USDG) funding of R88.419 million received from the City of Cape Town (CoCT) for internal civil engineering services at the Forest Village Housing project. The Department will apply to the Provincial Treasury for revenue retention of the over-collection for utilisation on infrastructure projects in 2020/2021.

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	2	116	197
Administrative fees		28	-
Other sales		88	197
Sales of scrap, waste and other used current goods		3	6
Total		119	203

Administrative fees are in respect of Servitude rights (R28 000). Other sales include Commission on insurance and garnishee orders administered via PERSAL (R68 000); Sale of minor assets (R1 000) and Sale of tender documents (R19 000).

2.2 Interest, dividends and rent on land

Interest	2	98	1 386
Total		98	1 386

Included in the amount for interest is R76 000 in respect of Departmental debt and R22 000 in respect of various PHP projects. The reduced income received in 2019/20 in comparison to the prior year 2018/19 is due to more PHP projects nearing completion.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

2.3 Sales of capital assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets	2		
Machinery and equipment	27.2	8	7
Total		8	7

The amount received was for the sale of scrap machinery and equipment.

2.4 Transactions in financial assets and liabilities

	Note	2019/20	2018/19
Loans and advances		12 014	91 142
Other Receipts including Recoverable Revenue		118 165	162 818
Total		130 179	253 960

Included in the receipts for Loans and advances is an amount of R12.012 million in respect of Western Cape Housing Development Fund debtors. Included in Other Receipts including Recoverable Revenue are USDG funding received from the City of Cape Town (CoCT) for internal civil engineering services at the Forest Village Housing project (R88.419 million); refund of holding cost for properties from the Housing Development Agency (HDA) (R10.934 million); Sale of property in respect of the Finance Linked Individual Subsidy Programme (R8.807 million) and Sale of property in Stellingdale to a developer (R4.289 million).

3. Aid Assistance

Opening Balance	148	1 993
Transferred from statement of financial performance	161	(1 691)
Paid during the year	-	(154)
Closing Balance	309	148

Aid assistance was received from the Department of Public Service and Administration (DPSA) for the Global Positioning System (GPS) (Enhancement of the Western Cape Housing Demand Database) of which the closing balance was R148 000 as at 31 March 2019. Funds received for aid assistance from the DPSA in 2019/2020 was R551 000 and the expenditure was R390 000, ie. current expenditure R120 000 and capital expenditure R270 000. The closing balance of R309 000 will be spent in the 2020/2021 financial year.

3.1 Analysis of balance by source

	Note	2019/20	2018/19
Aid assistance from other sources (DPSA)	3	309	148
Closing Balance		309	148

3.2 Analysis of balance

	Note	2019/20	2018/19
Aid assistance unutilised	3	309	148
Closing Balance		309	148

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

3.3 Aid assistance expenditure per economic classification

	Note	2019/20 R'000	2018/19 R'000
Current	3	120	2 329
Capital		270	333
Transfers and subsidies		-	4 570
Total aid assistance expenditure		390	7 232

The amount spent on capital was for drones which were recorded in the assets register for tangible movable capital assets.

4. Compensation of employees

4.1 Salaries and wages

	4	2019/20	2018/19
Basic salary		169 915	156 368
Performance award		1 323	3 318
Service Based		11 109	10 170
Compensative/circumstantial		6 660	5 304
Periodic payments		6 218	3 120
Other non-pensionable allowances		21 597	20 555
Total		216 822	198 835

4.2 Social contributions

Employer contributions

	4	2019/20	2018/19
Pension		19 024	17 650
Medical		9 438	8 638
Bargaining council		44	41
Insurance		114	67
Total		28 620	26 396

Total compensation of employees

		245 442	225 231
Average number of employees		472	473

Compensation of employees (COE) increased by 9% which is due to general salary increases and the appointment of professional contract workers. The average remuneration per employee increased by 9.2% to R520 004 (2018/19: 8.6% to R476 176, as restated). The prior year total figure for compensation of employees has been restated to R225.231 million (2018/19: R225.164 million) due a change in the Standard Chart of Accounts. Non-life insurance on subsidised vehicles is now classified as compensation of employees instead of operating expenditure under goods and services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

5. Goods and services

	Note	2019/20 R'000	2018/19 R'000
Administrative fees		170	155
Advertising		679	409
Minor assets	5.1	282	215
Bursaries (employees)		808	601
Catering		280	245
Communication		1 304	1 109
Computer services	5.2	3 561	2 040
Consultants: Business and advisory services		2 115	397
Infrastructure and planning services		11 069	18 181
Legal services		1 468	1 063
Contractors		503	665
Entertainment		32	8
Audit cost - external	5.3	6 784	6 438
Fleet services		3 365	3 182
Consumables	5.4	1 381	1 280
Operating leases		1 641	1 755
Property payments	5.5	46 645	41 048
Rental and hiring		35	14
Travel and subsistence	5.6	6 959	5 807
Venues and facilities		273	1 177
Training and development		1 020	1 669
Other operating expenditure	5.7	1 345	1 059
Total		91 719	88 517

The increase in Consultants: Business and Advisory Services is mainly due to the appointment of project managers. The decrease in Infrastructure and Planning services is mainly due to the capitalisation of expenditure to Human Settlement Development Grant housing projects. The decrease in Venues and facilities is mainly due to the following once-off payments totalling R854 000 that occurred during the prior year: Finance and Land and Asset Management strategic planning session, Communications and Stakeholders relations conference, African Construction and Totally Concrete Exhibition, Cape Construction Exhibition and Govan Mbeki Awards ceremony. The decrease in Training and development is due to reduced spending on training for employees and nil expenditure on training and training material for non-employees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

5.1 Minor assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets	5		
Machinery and equipment		282	215
Total		282	215

R225 000 was spent on computer equipment and R57 000 was spent on other machinery and equipment.

5.2 Computer services

	Note	2019/20 R'000	2018/19 R'000
SITA computer services	5	1 805	1 710
External computer service providers		1 756	330
Total		3 561	2 040

The increase in computer services is mainly due to the appointment of a System analyst and Change manager for systems development as well as external system maintenance.

5.3 Audit cost – external

	Note	2019/20 R'000	2018/19 R'000
Regularity audits	5	6 784	6 438
Total		6 784	6 438

5.4 Consumables

	Note	2019/20 R'000	2018/19 R'000
Consumable supplies	5	384	602
Uniform and clothing		5	19
Household supplies		112	62
IT consumables		125	347
Other consumables		142	174
Stationery, printing and office supplies		997	678
Total		1 381	1 280

Included in the amount for Household supplies is COVID-19 related expenditure amounting to R26 000. Other consumables include gifts and awards (R12 000), materials and supplies (R91 000), bags and accessories (R24 000), security access consumables (R5 000), fuel supplies (R8 000), tent, flags and accessories (R1 000) and photographic consumables (R1 000).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

5.5 Property payments

	Note	2019/20	2018/19
	5	R'000	R'000
Municipal services		10 602	10 322
Property management fees		72	90
Property maintenance and repairs		4 532	4 657
Other		31 439	25 979
Total		46 645	41 048

Included in Other are deeds searches (R2.896 million) and safeguard and security (R28.543 million). The increase in Property payments is mainly due to the acceleration of the issuing of Title deeds: R2.896 million (2018/19: R614 000), escalation in safeguarding and security needs: R28.543 million (2018/19: R25.365 million) and increase in fire protection services: R2.410 million (2018/19: R242 000).

5.6 Travel and subsistence

	Note	2019/20	2018/19
	5		
Local		6 421	5 655
Foreign		538	152
Total		6 959	5 807

The increase in Travel and subsistence is due to the Housing Demand Database verification and new registration drive in various areas in the Western Cape.

5.7 Other operating expenditure

	Note	2019/20	2018/19
	5		
Resettlement costs		-	120
Other		1 345	939
Total		1 345	1 059

Included in Other is R1.246 million for printing and publication services, R67 000 for competency certificates and drivers licences, as well as R32 000 for courier and delivery services. The increase in Other operating expenditure is mainly due to expenses relating to Competency assessments and drivers licences, as well as Printing and Publications Services for Annual performance plans, Strategic plans, Annual reports and Annual financial statements. The 2018/19 total figure for Other operating expenditure has been restated due a change in the Standard Chart of Accounts where non-life insurance on subsidised vehicles is now classified as compensation of employees instead of operating expenditure under goods and services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

6. Payments for financial assets

	Note	2019/20 R'000	2018/19 R'000
Other material losses written off	6.1	154	71
Debts written off	6.2	2 117	4 776
Total		2 271	4 847

Included in the total amount for debts written off is R2.114 million in respect of private enterprises.

6.1 Other material losses written off

6

Nature of losses

Loss of office equipment (Laptops, camera)	14	44
Government vehicle and vehicle accessories damage	40	27
Local government	100	-
Total	154	71

6.2 Debts written off

6

Nature of debts written off

Ex-employees: Salary and housing subsidy overpayments (Uneconomical to recover)	-	30
Private enterprises: Account Administrators: People's Housing Projects	2 114	4 746
Private enterprise: FNB	1	-
ECG: Department of Human settlements	2	-
Total	2 117	4 776

Other debt written off: R2.114 million are in respect of Account Administrators: People Housing Projects who received funds but did not complete the specific projects. All attempts to recover the funds were unsuccessful and written off in line with the Departmental delegations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

7. Transfers and Subsidies

	Note	2019/20 R'000	2018/19 R'000
Provinces and municipalities	32	86 817	44 079
Departmental agencies and accounts	Annex 1B	6	406
Higher education institutions	Annex 1C	400	300
Non-profit institutions	Annex 1D	1 000	4 500
Households	Annex 1E	2 248 623	1 978 468
Total		2 336 846	2 027 753

Included in the amount of R86.817 million transferred to Provinces and municipalities is R53 million relating to the Provincial contribution towards the acceleration of housing delivery grant (2018/19: R32.011 million), as well as R17.464 million in respect of Accreditation assistance (2018/19: R5 million) and R1.5 million for Settlement assistance relating to the Human Settlement Development Grant, as well as R14.853 million for Rates and taxes (2018/19: R5.568 million). Accumulatively, of all transfers and subsidies, R327.565 million was unspent at municipalities as at 31/03/2020 (2018/19: R582.171 million).

8. Expenditure for capital assets

Tangible assets

Machinery and equipment	27	7 144	6 288
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Intangible assets

Software	28	620	28
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Total		7 764	6 316
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The amount for Intangible assets was for the procurement of Autocad specialised toolsets and architecture, engineering and construction collection software.

8.1 Analysis of funds utilised to acquire capital assets- 2019/20

	Note	Voted Funds R'000	Aid assistance R'000	Total R'000
	8			
Tangible assets				
Machinery and equipment		6 874	270	7 144
Intangible assets				
Software		620	-	620
Total		7 494	270	7 764

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

8.2 Analysis of funds utilised to acquire capital assets- 2018/19

	Note	Voted Funds R'000	Aid assistance R'000	Total R'000
	8			
Tangible assets				
Machinery and equipment		5 955	333	6 288
Intangible assets				
Software		28	-	28
Total		5 983	333	6 316

8.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
	8		
Tangible assets			
Machinery and equipment		4 520	4 399
Total		4 520	4 399

The finance lease expenditure consists of daily tariffs paid in respect of GG-vehicles allocated to the Department by Government Motor Transport (GMT) (R4.476 million) and finance leases for other machinery and equipment, ie. 3G cards and cellular phones (R44 000).

9. Cash and cash equivalents

	17		
Consolidated Paymaster General Account		3 739	185 994
Total		3 739	185 994

10. Prepayments and advances

Travel and subsistence		129	109
Total		129	109

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

11. 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
Claims recoverable	11.1	190 963	2 292	193 255	31 264	2 173	33 437
Recoverable expenditure	11.2	682	-	682	652	-	652
Staff debt	11.3	7	7	14	19	29	48
Total		191 652	2 299	193 951	31 935	2 202	34 137

The increase in receivables is due to claims instated against the City of Cape Town (CoCT) in respect of projects implemented on their behalf.

11. Claims recoverable

	Note	2019/20 R'000	2018/19 R'000
National departments	11	4 910	-
Provincial departments		41	3 627
Public entities		23 903	24 287
Private enterprises		3 429	5 415
Households and non-profit institutions		145	108
Local governments		160 827	-
Total		193 255	33 437

Included in claims recoverable (National departments) is R4.910 million owed by the Department of Military Veterans in respect of housing projects. Public entities are in respect of R23.903 million owed by Thubelisha Homes. The amount for Private enterprises mainly relates to the fraudulent use of PHP subsidies which were held in trust by Account Administrators. The amount for Households and non-profit institutions relates to out of service staff debt. Included in Local governments are City of Cape Town (R158.785 million), Beaufort West Municipality (R1.915 million) and Bitou Municipality (R127 000).

11.2 Recoverable expenditure (disallowance accounts)

Disallowance damages and losses	682	550
Local government	-	100
Private enterprise	-	1
Department of Justice and Constitutional Development	-	1
Total	682	652

The disallowance damages and losses includes R11 000 in respect of GG-vehicle damages, as well as losses of computer and other equipment totalling R671 000, which are under investigation to determine responsibility.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

11.3 Staff debt

	Note	2019/20	2018/19
	11	R'000	R'000
Breach of contract: Study bursaries		14	20
Salary related debt (salaries overpaid)		-	28
Total		14	48

The above-mentioned debts are in-service staff debt as recognised in the staff debt account.

11.4 Impairment of receivables

	11	2019/20	2018/19
Estimate of impairment of receivables		28 072	30 032
Total		28 072	30 032

The impairment of receivables was assessed at balance sheet date. The test for impairment was done per individual debtor, as well as different classes of debtors. Further consideration was given to all outstanding accounts on which there were little or no movement for more than 1 year. Debtors who have never paid have also been provided for. Included in the impairment figure is public entities (R23.903 million), Private enterprises which mainly relates to the fraudulent use of PHP subsidies which were held in trust by Account Administrators (R3.429 million), recoverable expenditure as per the disallowance: damages and losses account (R682 000) and out of service staff debt (R58 000).

12. Voted Funds to be surrendered to the Revenue Fund

Opening balance	88 950	10 512
Transfer from statement of financial performance	349	88 950
Paid during the year	(88 950)	(10 512)
Closing balance	349	88 950

13. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund

Opening balance	291	783
Transfer from statement of financial performance	67 044	195 556
Own revenue included in appropriation	63 360	60 000
Paid during the year	(129 499)	(256 048)
Closing balance	1 196	291

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

14. Payables - current

	Note	2019/20 R'000	2018/19 R'000
Advances received	14.1	132 669	67 812
Clearing accounts	14.2	87	57
Other payables	14.3	1	67
Total		132 757	67 936

Advances received are in respect of Urban Settlement Development Grant (USDG) funds received from the City of Cape Town (CoCT) for the provision of bulk infrastructure by the Department. Payables current: Advances received (R59.796 million 2018/19) amount has been restated to R67.812 million. This was due to the reclassification of USDG transactions from non-current payables to current payables.

14.1 Advances received	14		
Other institutions	Annex 6	132 669	67 812
Total		132 669	67 812

The amount of R132.669 million was received from the CoCT for bulk services being constructed on their behalf. The comparative figure of R59.796 million disclosed in 2018/19 has been restated to R67.812 million. This was due to the reclassification of (USDG) transactions from non-current payables to current payables.

14.2 Clearing accounts	14		
Salary clearing accounts		87	57
Total		87	57

14.3 Other payables	14		
Department of Justice and Constitutional Development		-	67
ECG: Department of Education		1	-
Total		1	67

15. Payables - non-current

	Note	One to two years R'000	Two to three years R'000	More than three years R'000	2019/20 Total R'000	2018/19 Total R'000
Advances received	15.1	13 501	10 973	3 987	28 461	28 258
Total		13 501	10 973	3 987	28 461	28 258

Payables non-current: Advances received (R36.274 million 2018/19) amount has been restated to R28.258 million. This was due to the reclassification of USDG transactions from non-current payables to current payables.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

15.1 Advances received

	Note	2019/20	2018/19
		R'000	R'000
Other institutions	Annex 6	28 461	28 258
Total		28 461	28 258

The amount of R28.461 million was received from the CoCT for bulk infrastructure being constructed on their behalf. The comparative figure of R36.274 million disclosed in 2018/19 has been restated to R28.258 million. This was due to the reclassification of USDG transactions from non-current payables to current payables.

16. Net cash flow available from operating activities

Net surplus as per Statement of Financial Performance		67 554	282 815
Add back non cash/cash movements not deemed operating activities		(242 249)	(189 013)
(Increase)/decrease in receivables	11	(159 717)	21 105
Increase in prepayments and advances	10	(20)	(51)
Increase/(decrease) in payables - current	14	64 821	(9 662)
Proceeds from sale of capital assets	2	(8)	(7)
Expenditure on capital assets	8	7 764	6,316
Surrenders to Revenue Fund	12 & 13	(218 449)	(266 560)
Surrenders to RDP Fund/Donor	3	-	(154)
Own revenue included in appropriation	2	63 360	60 000
Net cash flow generated by operating activities		(174 695)	93 802

Add back non-cash/cash movements not deemed operating activities ((R197.186 million) 2018/19)) has been restated to (R189.013 million). Decrease in payables-current ((R17.678 million) 2018/19)) has been restated to (R9.662 million). Net cash flow generated by operating activities (R85.629 million 2018/19) has been restated to R93.802 million. This was due to the reclassification of receivables and payables non-current to current.

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

Consolidated Paymaster General account	9	3 739	185 994
Total		3 739	185 994

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

18. Contingent liabilities and contingent assets

		Note	2019/20 R'000	2018/19 R'000
18.1 Contingent liabilities				
Liable to	Nature			
Other	Breach of contract	Annex 2	87 158	87 158
Total			87 158	87 158

The amount of R87.158 million for Other is in respect of the matter Hawston Sea Farms Foundation v. the Premier and MEC of the Department, which is currently in its final stages of settlement negotiations.

18.2 Contingent assets

Nature of contingent asset

PILIR cases	42	200
FIU investigation: Recovery of money paid to Trafalgar high school	120	120
Erf 6225, Delft - G&S Yon	47	47
Alleged irregularities by estate agent & conveyancer iro. Housing Subsidy Programme	93	93
Total	302	460

The amount of R42 000 for PILIR cases is in respect of 3 cases pending and 6 cases declined as at 31 March 2020. The Province is currently investigating several PILIR cases and therefore the Department is unable to reliably measure the value of the PILIR cases. The Department can also not reliably measure the contingent asset of the Government Employees Housing Scheme of the Individually Linked Savings Facility (ILSF), resulting from resignations and termination of service. As such, it is not disclosed.

19. Capital commitments

Machinery and equipment	639	477
Total	639	477

Capital expenditure, Approved and contracted (R5.148 968 billion 2018/19) amount has been restated to R0, Approved and not yet contracted (R1.733 766 billion 2018/19) amount has been restated to R0. This was due to the misinterpretation of the Modified Cash Standard for capital commitments. The expenditure commitments for approved and contracted infrastructure/housing projects for 2019/20 is R5.975 122 billion (R5.148 968 billion 2018/19) which are subject to the availability of funds. The allocations for approved projects are annually gazetted as transfers to households and in line with the approved business plans. The projects span over multiple years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

20. Accruals and payables not recognised

20.1 Accruals

Listed by economic classification			2019/20	2018/19
	30 days	30 + days	R'000	R'000
			Total	Total
Goods and services	12 294	3 637	15 931	4 103
Transfers and subsidies	170 227	3 297	173 524	45 076
Total	182 521	6 934	189 455	49 179

Listed by programme level

Programme 1: Administration			1 892	569
Programme 2: Housing needs, research and planning			999	488
Programme 3: Housing development			174 571	45 703
Programme 4: Housing asset management			11 993	2 419
Total			189 455	49 179

The increase of approximately R140 million in accruals is mainly due to invoices with huge amounts that were not received from project developers by 31 March 2020 for services rendered before the reporting period. There was a delay in issuing of claims/invoices to the department caused by the Covid-19 pandemic lockdown level 5, effective from 27 March 2020.

20.2 Payables not recognised

Listed by economic classification			2019/20	2018/19
	30 days	30 + days	R'000	R'000
			Total	Total
Goods and services	1 627	2 874	4 501	890
Transfers and subsidies	82 364	70 534	152 898	57 100
Total	83 991	73 408	157 399	57 990

Listed by programme level

Programme 1: Administration			1 275	7
Programme 2: Housing needs, research and planning			1 331	20
Programme 3: Housing development			154 163	57 962
Programme 4: Housing asset management			630	1
Total			157 399	57 990

Included in Payables not recognised is R46.934 million payable to numerous municipalities and public entities as listed in the annexures to the Annual Financial Statements. The increase of approximately R100 million in payables is mainly due to a number of invoices with huge amounts received from project developers during March 2020. These invoices could not be paid before 31 March 2020 due to insufficient funds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

21. Employee benefits

	2019/20 R'000	2018/19 R'000
Leave entitlement	5 833	4 806
Service bonus	5 288	5 051
Performance awards	1 228	1 146
Capped leave	4 345	5 303
Other	654	2 061
Total	17 348	18 367

Included in the amount of R5.833 million for Leave entitlement are leave credit balances amounting to R788 000. Provision for performance bonuses was calculated at 0.5% of the budget for Compensation of Employees in 2019/20, i.e. R245.591 million. Other include accrued compensation of employees (R352 000) and provision of R302 000 for long service cash awards due in 2020/2021. The decrease in Other is due to a provision made in 2018/19 for an exit gratuity of R1.318 million for the Provincial Minister of Human Settlements. At this stage the department is unable to reliably measure the long term portion of the long service awards.

22. Lease commitments

22.1 Operating leases

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2019/20					
Not later than 1 year	-	-	-	1 017	1 017
Later than 1 year and not later than 5 years	-	-	-	777	777
Total lease commitments	-	-	-	1 794	1 794

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2018/19					
Not later than 1 year	-	-	-	1 188	1 188
Later than 1 year and not later than 5 years	-	-	-	783	783
Total lease commitments	-	-	-	1 971	1 971

The operating leases relates to photocopy machines. No assets are sub-leased.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

22.2 Finance leases

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2019/20					
Not later than 1 year	-	-	-	4 372	4 372
Later than 1 year and not later than 5 years	-	-	-	4 756	4 756
Total lease commitments	-	-	-	9 128	9 128

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2018/19					
Not later than 1 year	-	-	-	4 510	4 510
Later than 1 year and not later than 5 years	-	-	-	7 511	7 511
Total lease commitments	-	-	-	12 021	12 021

Included in the 2019/20 figures are finance lease commitments for GG vehicles amounting to R9.077 million. The Department leased 62 vehicles from GMT during 2019/20 (64 vehicles: 2018/19). No assets are sub-leased.

23. Accrued departmental revenue

	2019/20 R'000	2018/19 R'000
Transactions in financial assets and liabilities	22 787	22 115
Total	22 787	22 115

The prior year amount of R22.142 million has been restated as R22.115 million due to a data fix on the National debtors system by the National Department of Human Settlements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

23.1 Analysis of accrued departmental revenue

	2019/20 R'000	2018/19 R'000
Opening balance	22 115	21 151
Less: Amounts received	(3 802)	(3 942)
Add: Amounts recognised	5 957	5 418
Less: Amounts written-off/reversed as irrecoverable	(1 483)	(512)
Closing balance	22 787	22 115

The opening balance (R21.168 million 2018/19) amount has been restated to R21.151 million. Less: amounts received (R3.957 million 2018/19) amount has been restated to R3.942 million. Add: amounts recognised (R5.443 million 2018/19) amount has been restated to R5.418 million. The accrued departmental revenue was restated due to adjustments on rental debtors system. Included in the total amount of R22.787 million for accrued departmental revenue are fraudulent subsidies previously allocated to non-qualifying beneficiaries which are being recovered by the Special Investigating Unit (SIU). To date a total amount of R16.356 million (including interest of R7.479 million) was claimed by the SIU, of which R7.101 million was received by the Department. The total amount outstanding as recorded by the SIU is R7.576 million, of which R7.199 million is impaired. Included in the total outstanding amount are credit balances to the value of R95 400. Private account administrators are no longer utilised, as the municipalities now perform this function. Also included in the amount of R22.787 million is accrued departmental revenue of R13.532 million in respect of rental debtors of which R7.212 million is impaired.

23.2 Accrued department revenue written off

Nature of losses

Irrecoverable rental income written off	1 483	512
Total	1 483	512

23.3 Impairment of accrued departmental revenue

Estimate of impairment of accrued departmental revenue	14 411	12 808
Total	14 411	12 808

The test for impairment was done per individual debtor, as well as per the different classes of debtors. Further consideration was given to all outstanding accounts on which there was little or no movement for more than 120 days. Debtors that have never paid have also been provided for. The impairment figure includes the impairment of the rental debtors (R7.212 million) and the impairment of the SIU debtors (R7.199 million). Estimate of impairment of accrued departmental revenue (R12.835 million 2018/19) amount has been restated to R12.808 million.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	2019/20 R'000	2018/19 R'000
Opening balance	3 278	7
Add: Irregular expenditure - relating to prior year	135 071	-
Add: Irregular expenditure - relating to current year	130 085	3 278
Less: Prior year amounts condoned	-	(7)
Closing balance	268 434	3 278

Analysis of awaiting condonation per age classification

Current year	130 085	3 278
Prior years	138 349	-
Total	268 434	3 278

The Department submitted a submission to the Provincial Treasury in order to obtain condonement of the irregular expenditure (R3.278 million), but it was referred to the Department of the Premier who requested an investigation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

24. Irregular expenditure (continued)

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
Relating to prior years: Non-compliance to Treasury Regulation (TR) 16A.3.2 (a). Specifications in its nature restricted other potential suppliers to respond to the tender invitation as the specifications stated that bidders that do not have an office in the Western Cape will not be considered for the tender. The specifications were drafted in a biased manner as they did not allow all potential suppliers to offer their services.	Finding raised during audit 2019/20. Pending investigation.	135 071
Award made to a restricted supplier. The department extended their contract with Comwezi Security Services who at the date of award of the extension was listed on National Treasury's (NT) database of restricted suppliers.	Finding raised during audit 2019/20. Pending investigation.	2 227
Human Settlements Development Grant (HSDG) not utilised for the intended purpose (Nyamga KTC 3 Housing Project). Monies paid for bulk infrastructure on behalf of the City of Cape Town which should have been paid from the Urban Settlement Development Grant and not the HSDG.	Finding raised during audit 2019/20. Pending investigation.	401
Non-compliance to TR 16A.3.2 (a). Specifications in its nature restricted other potential suppliers to respond to the tender invitation as the specifications stated that bidders that do not have an office in the Western Cape will not be considered for the tender. The specifications were drafted in a biased manner as they did not allow all potential suppliers to offer their services.	Finding raised during audit 2019/20. Pending investigation.	127 457
Total		265 156

The irregular expenditure (R135.071 million and R127.457 million) is due to non-compliance to TR 16A.3.2(a) which resulted from the appointment of Professional Service Providers (PSP) on a framework agreement in 2014/15 and 2017/18 whereby the tender documents included a condition that the PSP must have a Western Cape office in order to be considered for appointment. This is bias and might have excluded some potential bidders. None of the identified irregular expenditure has led to a loss to the State. Further investigation will be conducted by the Department to establish if there are more PSP appointments that do not comply with TR 16A.3.2(a).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

25. Related party transactions

The Department occupies a building free of charge managed by the Department of Transport and Public Works. Parking space is also provided to government officials at an approved fee that is not market related.

The Department received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:

- Information and Communication Technology
- Organisation Development
- Provincial Training (transversal)
- Human Resource Management
- Enterprise Risk Management
- Internal Audit
- Provincial Forensic investigations
- Legal Services
- Corporate Communication

The Department has one unlisted public entity under its control, i.e. Western Cape Housing Development Fund. There were no transactions between the Department and the Western Cape Housing Development Fund as all transactions relating to the Western Cape Housing Development Fund are accounted for in the books of the Department.

The Department makes use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury. The Department received Security Advisory Services and Security Operations, as well as access control data from the Department of Community Safety in the Western Cape.

26. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers	1	1 982	1 978
Management	4	6 040	5 874
Total		8 022	7 852

Key management personnel are officials who have authority and responsibility for planning, directing and controlling the activities of the department. Management includes all officials on salary level 14 and above. The amount for political office bearers is for the MEC of the Department. Included in the total for key management personnel are performance bonuses of R27 000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27. Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	16 161	-	2 373	(986)	17 548
Transport assets	32	-	-	-	32
Computer equipment	10 960	-	1 767	(680)	12 047
Furniture and office equipment	2 628	-	149	(258)	2 519
Other machinery and equipment	2 541	-	457	(48)	2 950
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16 161	-	2 373	(986)	17 548

There are 1320 movable tangible capital assets on the Department's asset register. Information on GG Vehicle Finance lease assets for the current and comparative years are disclosed in an Annexure to the AFS.

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	151	1 719

These assets mainly consist of computer equipment that could not be verified due to it being stolen or lost. The cases are being investigated to determine responsibility and enhancement of control measures. The book value of assets under investigation is R164 000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27.1 Additions

ADDITIONS TO MOVABLE 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
MACHINERY AND EQUIPMENT	7 144	19	(4 520)	(270)	2 373
Transport assets	4 476	-	(4 476)	-	-
Computer equipment	1 748	19	-	-	1 767
Furniture and office equipment	149	-	-	-	149
Other machinery and equipment	771	-	(44)	(270)	457
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	7 144	19	(4 520)	(270)	2 373

27.2 Disposals

DISPOSALS OF MOVABLE 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
MACHINERY AND EQUIPMENT	958	28	986	8
Transport assets	-	-	-	-
Computer equipment	666	14	680	6
Furniture and office equipment	258	-	258	2
Other machinery and equipment	34	14	48	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	958	28	986	8

The assets sold for cash were scrapped.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27.3 Movement for 2018/19

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	14 898	(18)	2,207	(926)	16,161
Transport assets	32	-	-	-	32
Computer equipment	10 005	(33)	1 593	(605)	10 960
Furniture and office equipment	2,847	15	31	(265)	2 628
Other machinery and equipment	2,014	-	583	(56)	2 541
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	14 898	(18)	2 207	(926)	16 161

	Note	2018/19 R'000
Prior period error		
Nature of prior period error		
Relating prior to 2018/19	27.4	
Asset category corrections:		
Asset price correction: Computer equipment		(18)
Asset category corrections: Computer equipment		(15)
Asset category corrections: Furniture and Office equipment		15
Total		(18)

The prior period errors in respect of assets were mostly due to asset category corrections.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	4	-	7 287	-	7 291
Additions	-	-	-	322	-	322
Disposals	-	-	-	(207)	-	(207)
TOTAL MINOR ASSETS	-	4	-	7 402	-	7 406

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	4 149	-	4 149
TOTAL NUMBER OF MINOR ASSETS	-	-	-	4 149	-	4 149

Minor Capital Assets under investigation

	Number	Value R'000
Machinery and equipment	4	65

These assets mainly consist of computer equipment that could not be verified due to it being stolen or lost. The cases are being investigated to determine responsibility and enhancement of control measures. The book value of assets under investigation is nil.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27.4 Minor assets ... continued

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	4	-	7 264	-	7 268
Prior period error	-	-	-	(14)	-	(14)
Additions	-	-	-	356	-	356
Disposals	-	-	-	(319)	-	(319)
TOTAL MINOR ASSETS	-	4	-	7 287	-	7 291

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	1	-	4 127	-	4 128
TOTAL NUMBER OF MINOR ASSETS	-	1	-	4 127	-	4 128

Total number of minor assets has been restated to 4128 (4146 2018/19) this was due to reclassification of minor assets to consumables.

	Note	2018/19 R'000
Prior period error		
Nature of prior period error		
Relating prior to 2018/19	27.4	
Asset category corrections:		
Asset data correction: Machinery and equipment		4
Asset to consumables: Machinery and equipment		(20)
Asset price correction: Machinery and equipment		2
Total		(14)

The prior period errors in respect of assets were mostly due to asset category corrections.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	1 193	-	1 193
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	1 193	-	1 193

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	1 245	-	1 245
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	1 245	-	1 245

The amount written off in 2019/20 is for redundant machinery and equipment amounting to R986 000 and redundant minor assets amounting to R207 000.

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	514	-	620	-	1 134
TOTAL INTANGIBLE CAPITAL ASSETS	514	-	620	-	1 134

The additions were for Autocad specialised toolsets and architecture, engineering and construction collection software.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

28.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non- cash R'000	(Development work-in- progress current costs) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	620	-	-	-	620
TOTAL ADDITIONS TO INTANGI- BLE CAPITAL ASSETS	620	-	-	-	620

28.2 Movement for 2018/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Total R'000
SOFTWARE	486	-	28	-	514
TOTAL INTANGIBLE CAPITAL ASSETS	486	-	28	-	514

29. Principal-agent arrangements

29.1 Department acting as the principal

	2019/20 R'000	2018/19 R'000
SA Post Office (Commision paid to SA Post Office for collecting housing debt on behalf of the Department)	Fee paid 37	Fee paid 47
Total	37	47

Although there is a principal/agent relationship between the Department and the Municipalities, no agency fees are paid to municipalities. There are no cost implications should the principal-agent arrangements be terminated and no resources are under the custodianship of the agents. The agents make use of their own resources.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

29.2 Department acting as the agent

Reconciliation of funds and disbursements – 2019/20

Category of revenue/expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
City of Cape Town (bulk infrastructure)	461 599	348 866
Total	461 599	348 866

Reconciliation of funds and disbursements – 2018/19

Category of revenue/expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
City of Cape Town (bulk infrastructure)	236 535	140 465
Total	236 535	140 465

The above amounts represent funds received from the City of Cape Town (CoCT) (principal) and expenses incurred on their behalf for the construction of bulk infrastructure for the 2019/20 financial year. The infrastructure will be handed over to the CoCT on satisfactory completion as thereof. There is no risk associated with the relationship. There were no changes that occurred during the reporting period in respect of the terms and conditions of the arrangement. The accumulative balance of funds received from the City of Cape Town as at 31 March 2020 is R112.733 million (2018/19: R96.070 million).

Reconciliation of carrying amount of receivables and payables – 2019/20

Payables

Name of entity	Opening balance R'000	Funds received R'000	Cash paid on behalf of principal R'000	Closing balance R'000
City of Cape Town (bulk infrastructure)	96 070	365 529	348 866	112 733
Total	96 070	365 529	348 866	112 733

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

Reconciliation of carrying amount of receivables and payables – 2018/19

Payables

	Opening balance R'000	Funds received R'000	Cash paid on behalf of principal R'000	Closing balance R'000
Name of entity				
City of Cape Town (bulk infrastructure)	102 177	134 358	140 465	96 070
Total	102 177	134 358	140 465	96 070

30. Prior period errors

30.1 Correction of prior period errors

	Note	Amount before error correction R'000	2018/19 Prior period error R'000	Restated amount R'000
Expenditure				
Employer Contributions: Insurance	4.2	-	67	67
Other operating expenditure: Other	5.7	1 006	(67)	939
Compensation of employees: Statement of Financial Performance		225 164	67	225 231
Goods and services: Statement of Financial Performance		88 584	(67)	88 517
Net effect		314 754	-	314 754

The prior year total figure for Employer contributions: Insurance has been restated due a change in the Standard Chart of Accounts. Non-life insurance on subsidised vehicles is now classified as Employer contributions instead of operating expenditure under goods and services.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

30.1 Correction of prior period errors ... continued

	Note	Amount before error correction R'000	2018/19 Prior period error R'000	Restated amount R'000
Assets				
Accrued departmental revenue				
	23.1			
Opening balance		21 168	(17)	21 151
Less: Amounts received		3 957	(15)	3 942
Add: Amounts recognised		5 443	(25)	5 418
Closing balance		22 142	(27)	22 115
Impairment of accrued departmental revenue: estimate	30.3	12 835	(27)	12 808
Movable capital assets				
	27.3			
Computer equipment		10 993	(33)	10 960
Furniture and office equipment		2 613	15	2 628
Machinery and equipment	27.4	7 305	(14)	7 291
Net effect		86 456	(143)	86 313

The accrued departmental revenue was restated due to adjustments on rental debtors. The prior period errors in respect of assets are due to asset category, price and data corrections (movable tangible capital assets).

	Note	Amount before error correction R'000	2018/19 Prior period error R'000	Restated amount R'000
Liabilities				
Payables-current				
	14			
Payables-current: Advances received		59 796	8 016	67 812
Advances received: Other institutions	14.1	59 796	8 016	67 812
Payables non-current				
	15			
Payables-non-current: Advances received		36 274	(8 016)	28 258
Advances received: Other institutions	15.1	36 274	(8 016)	28 258
Capital commitments				
	19			
Approved and contracted		5 148 968	(5 148 968)	-
Approved and not yet contracted		1 733 766	(1 733 766)	-
Machinery and equipment		-	477	477
Net effect		7 074 874	(6 882 257)	192 617

Payables were restated due to a reclassification of transactions within projects from non-current to current payables. Capital commitments were restated due to the misinterpretation of Modified Cash Standard.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

30.1 Correction of prior period errors ... continued

	Note	2018/19		Restated amount R'000
		Amount before error correction R'000	Prior period error R'000	
Other				
Current Liabilities: Statement of Financial Position		149 309	8 016	157 325
Current- Payables: Statement of Financial Position		59 920	8 016	67 936
Non-current- Payables: Statement of Financial Position		36 274	(8 016)	28 258
Net (increase)/ decrease in working capital: Cash flow statement		3 219	8 173	11 392
Net cash flow available from operating activities: Cash flow statement		85 629	8 173	93 802
Increase/ (decrease) in non-current payables: Cash flow statement		11 681	(8 016)	3 665
Net cash flows from financing activities: Cash flow statement		11 746	(8 016)	3 730
Increase in non-current receivables	16	-	(157)	(157)
Add back non-cash/cash movements not deemed operating activities	16	(197 186)	8 173	(189 013)
Decrease in payables - current	16	(17 678)	8 016	(9 662)
Net effect		228 543	32 535	261 078

Payables were restated due to a reclassification of transactions within projects from non-current to current payables.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

31. Statement of Conditional Grants received

NAME OF GRANT	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 Settlement Development Grant	2 073 610	-	98 500	-	2 172 110	2 172 110	2 172 110	-	100%	2 018 903	2 018 903
Expanded Public Works Programme Integrated Grant for Provinces	2 986	-	-	-	2 986	2 986	2 986	-	100%	3 014	3 014
Title Deeds Restoration Grant	64 410	-	-	-	64 410	64 410	64 410	-	100%	50 361	50 361
Provincial Emergency Housing Grant	-	83 773	-	3 415	87 188	87 188	87 110	78	100%	83 773	-
Total	2 141 006	83 773	98 500	3 415	2 326 694	2 326 694	2 326 616	78		2 156 051	2 072 278

It is certified that, in terms of DORA, that all transfers in terms of the Act were deposited into the primary bank account of the Western Cape Government.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

32. Statement of Conditional Grants and other transfers to municipalities

NAME OF MUNICIPALITY	2019/20							2018/19	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act and Other transfers	Actual Transfer
	Division of Revenue Act and Other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental transfers to municipalities									
Accreditation assistance grant									
Municipality: City of Cape Town	15 000	-	-	15 000	15 000	-	-	5 000	5 000
Municipality: Swartland	224	-	-	224	224	-	-	-	-
Municipality: Witzenberg	224	-	-	224	224	-	-	-	-
Municipality: Drakenstein	224	-	-	224	224	-	-	-	-
Municipality: Stellenbosch	224	-	-	224	224	-	-	-	-
Municipality: Breede Valley	448	-	-	448	448	-	-	-	-
Municipality: Cape Agulhas	224	-	-	224	224	-	-	-	-
Municipality: Mosselbay	224	-	-	224	224	-	-	-	-
Municipality: George	448	-	-	448	448	-	-	-	-
Municipality: Oudtshoorn	1 270	-	(1 270)	-	-	-	-	-	-
Municipality: Beaufort West	224	-	-	224	224	-	-	-	-
Settlement assistance grant									
Municipality: City of Cape Town	1 500	-	-	1 500	1 500	-	-	1 500	1 500
Provincial contribution towards the acceleration of housing delivery									
Municipality: Drakenstein	-	-	-	-	-	-	-	17 325	17 325
Municipality: Stellenbosch	-	-	-	-	-	-	-	9 686	9 686
Municipality: Oudtshoorn	4 000	-	-	4 000	4 000	-	-	5 000	5 000
Municipality: Saldanha Bay	13 000	-	-	13 000	13 000	-	-	-	-
Municipality: Theewaterskloof	1 000	-	-	1 000	1 000	-	-	-	-
Municipality: Mosselbay	25 000	-	-	25 000	25 000	-	-	-	-
Municipality: George	10 000	-	-	10 000	10 000	-	-	-	-
Other transfers to municipalities									
Municipal rates and taxes									
Municipality: City of Cape Town	9 000	-	5 142	14 142	14 142	-	-	5 084	5 084
Municipality: Matzikama	-	-	11	11	11	-	-	1	1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

NAME OF MUNICIPALITY	2019/20							2018/19	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act and Other transfers	Actual Transfer
	Division of Revenue Act and Other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipality: Saldanha Bay	-	-	83	83	83	-	-	78	78
Municipality: Swartland	-	-	13	13	13	-	-	12	12
Municipality: Drakenstein	-	-	156	156	156	-	-	60	60
Municipality: Stellenbosch	-	-	158	158	158	-	-	145	145
Municipality: Breede Valley	-	-	228	228	228	-	-	89	89
Municipality: Swellendam	-	-	7	7	7	-	-	7	7
Municipality: Hessequa	-	-	5	5	5	-	-	33	33
Municipality: George	-	-	50	50	50	-	-	59	59
Total	82 234	-	4 583	86 817	86 817	-	-	44 079	44 079

The adjustments in respect of the municipal rates and taxes were due to the final shifts and virements as per the Appropriation Statements. It is certified that the transfers were paid into the primary bank account of the Municipalities

33. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

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

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental transfers to municipalities													
Accreditation assistance grant													
Municipality:													
City of Cape Town	15 000	-	-	15 000	15 000	-	-	15 000	9 184	5 816	61%	5 000	5 000
Municipality:													
Swartland	224	-	-	224	224	-	-	224	224	-	100%	-	-
Municipality:													
Witzenberg	224	-	-	224	224	-	-	224	194	30	87%	-	-
Municipality:													
Drakenstein	224	-	-	224	224	-	-	224	224	-	100%	-	-
Municipality:													
Stellenbosch	224	-	-	224	224	-	-	224	224	-	100%	-	-
Municipality:													
Breede Valley	448	-	-	448	448	-	-	448	387	61	86%	-	-
Municipality:													
Cape Agulhas	224	-	-	224	224	-	-	224	224	-	100%	-	-
Municipality:													
Mosselbay	224	-	-	224	224	-	-	224	75	149	33%	-	-
Municipality:													
George	448	-	-	448	448	-	-	448	448	-	100%	-	-
Municipality:													
Oudtshoorn	1 270	-	(1 270)	-	-	-	-	-	-	-	-	-	-
Municipality:													
Beaufort West	224	-	-	224	224	-	-	224	224	-	100%	-	-
Settlement assistance grant													
Municipality:													
City of Cape Town	1 500	-	-	1 500	1 500	-	-	1 500	804	696	54%	1 500	1 500
Provincial contribution towards the acceleration of housing delivery grant													
Municipality:													
Drakenstein	-	-	-	-	-	-	-	-	-	-	-	17 325	17 325
Municipality:													
Stellenbosch	-	-	-	-	-	-	-	-	-	-	-	9 686	9 686

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipality: Oudtshoorn	4 000	-	-	4 000	4 000	-	-	4 000	-	4 000	0%	5 000	5 000
Municipality: Saldanha Bay	13 000	-	-	13 000	13 000	-	-	13 000	-	13 000	0%	-	-
Municipality: Theewaterskloof	1 000	-	-	1 000	1 000	-	-	1 000	308	692	31%	-	-
Municipality: Mosselbay	25 000	-	-	25 000	25 000	-	-	25 000	1 928	23 072	8%	-	-
Municipality: George	10 000	-	-	10 000	10 000	-	-	10 000	-	10 000	0%	-	-
Other transfers to municipalities													
Municipal rates and taxes													
Municipality: City of Cape Town	9 000	-	5 142	14 142	14 142	-	-	14 142	14 142	-	100%	5 084	5 084
Municipality: Matzikama	-	-	11	11	11	-	-	11	11	-	100%	1	1
Municipality: Saldanha Bay	-	-	83	83	83	-	-	83	83	-	100%	78	78
Municipality: Swartland	-	-	13	13	13	-	-	13	13	-	100%	12	12
Municipality: Drakenstein	-	-	156	156	156	-	-	156	156	-	100%	60	60
Municipality: Stellenbosch	-	-	158	158	158	-	-	158	158	-	100%	145	145
Municipality: Breede Valley	-	-	228	228	228	-	-	228	228	-	100%	89	89
Municipality: Swellendam	-	-	7	7	7	-	-	7	7	-	100%	7	7
Municipality: Hessequa	-	-	5	5	5	-	-	5	5	-	100%	33	33
Municipality: George	-	-	50	50	50	-	-	50	50	-	100%	59	59
Total	82 234	-	4 583	86 817	86 817	-	-	86 817	29 301	57 516		44 079	44 079

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
SABC (TV licences)	7	-	(1)	6	6	100%	6
Human Sciences Research Council	-	-	-	-	-	-	400
Total	7	-	(1)	6	6		406

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

INSTITUTION NAME	TRANSFER ALLOCATION				TRANSFER			2018/19
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
University of Cape Town	-	-	-	-	-	-	-	300
Stellenbosch University	400	-	-	400	400	-	100%	-
Total	400	-	-	400	400	-		300

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

INSTITUTION NAME	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Cape Craft and Design Institute	1 000	-	-	1 000	1 000	100%	1 400
South African Planning Institute	-	-	-	-	-	-	100
SOHCO Property Investments	-	-	-	-	-	-	3 000
Total	1 000	-	-	1 000	1 000		4 500

ANNEXURE 1E

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							
Employee social benefits - leave gratuity	1 102	-	711	1 813	1 813	100%	501
Post retirement benefits	-	-	132	132	132	100%	136
Injury on duty	33	-	101	134	134	100%	49
Act of Grace Payment	-	-	22	22	22	100%	74
Departmental T-shirts	-	-	-	-	-	-	149
Early Retirement Pension Penalty	811	-	330	1 141	1 141	100%	-
Gifts and donations	38	-	3	41	41	100%	-
Subtotal	1 984	-	1 299	3 283	3 283		909

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS (continued)

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
Subsidies							
Human Settlement Development Grant	2 046 926	-	22 894	2 069 820	2 069 820	100%	1 918 522
Expanded Public Works Programme Integrated Grant for Provinces	2 986	-	(239)	2 747	2 747	100%	2 890
Title Deeds Restoration Grant	64 410	-	(3 154)	61 256	61 256	100%	50 024
Water saving measures on departmental and municipal projects (Provincial water response plan)	-	-	-	-	-	-	6 123
Provincial Emergency Housing Grant	87 188	-	(149)	87 039	86 961	100%	83 773
Provincial contribution towards the acceleration of housing delivery grant	24 556	-	-	24 556	24 556	100%	-
Subtotal	2 226 066	-	19 352	2 245 418	2 245 340		2 061 332
Total	2 228 050	-	20 651	2 248 701	2 248 623		2 062 241

The underspending of R78 000 on the Provincial Emergency Housing Grant was due to consultancy fee invoices that were not received by 31 March 2020. Provincial Treasury approval will be obtained to request that the funds be rolled over to be utilised in the 2020/2021 financial year.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1F STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/BY 31 MARCH 2020	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
Received in cash						
The Department of Public Service and Administration (DPSA)	Global positioning system (GPS)	148	551	390	-	309
Total		148	551	390	-	309

ANNEXURE 1G STATEMENT OF GIFTS, DONATIONS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
	R'000	R'000
Made in kind		
Govan Mbeki awards (Trophies and picture posters in frame)	-	29
Departmental T-shirts	-	149
Sympathy flowers and fruit baskets	13	9
Act of Grace	22	-
Donation for Homewise youth competition	37	-
Key rings with engraving (home owner)	3	-
Total	75	187

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 2

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
Hawston Seafarms Foundation v. Premier and the MEC for Department of Human Settlements	87 158	-	-	-	87 158
Total	87 158	-	-	-	87 158

The matter Hawston Seafarms Foundation v. the Premier and the MEC of the Department is in final settlement negotiations.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 3 CLAIMS RECOVERABLE

	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
GOVERNMENT ENTITY	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
WCG: Department of Education	-	3 622	-	-	-	3 622	-	-
WCG: Department of Agriculture	-	-	-	3	-	3	-	-
WCG: Department of Health	41	-	-	-	41	-	-	-
ECG: Department of Human Settlements	-	-	-	2	-	2	-	-
Department of Military Veterans	-	-	4 910	-	4 910	-	-	-
Subtotal	41	3 622	4 910	5	4 951	3 627		-
OTHER GOVERNMENTAL ENTITIES								
Thubelisha Homes	-	-	23 903	23 903	23 903	23 903	-	-
City of Cape Town	-	-	158 785	100	158 785	100	-	-
Beaufort West Municipality	-	-	1 915	-	1 915	-	-	-
Bitou Municipality	-	-	127	-	127	-	-	-
Subtotal	-	-	184 730	24 003	184 730	24 003		-
Total	41	3 622	189 640	24 008	189 681	27 630		-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 4 INTER-GOVERNMENT PAYABLES

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	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice and Constitutional Development	-	-	-	449	-	449	-	-
WCG: Department of Education	-	-	-	1	-	1	-	-
Subtotal	-	-	-	450	-	450		-
OTHER GOVERNMENT ENTITIES								
Current								
Municipality: Beaufort West	-	-	461	8 469	461	8 469	-	-
Municipality: Saldanha Bay	-	-	-	1 176	-	1 176	-	-
Municipality: Knysna	-	-	6 304	2 355	6 304	2 355	-	-
Municipality: Cederberg	-	-	2 099	7 109	2 099	7 109	-	-
Municipality: Cape Agulhas	-	-	2 209	7 200	2 209	7 200	-	-
Municipality: City of Cape Town	-	-	44	3	44	3	-	-
Municipality: Overstrand	-	-	8 127	1 412	8 127	1 412	-	-
Municipality: Matzikama	-	-	-	6 054	-	6 054	-	-
Municipality: Breede Valley	-	-	-	1 020	-	1 020	-	-
Municipality: Swartland	-	-	1 700	-	1 700	-	-	-
Municipality: Witzenberg	-	-	4 653	-	4 653	-	-	-
Municipality: Langeberg	-	-	4 193	-	4 193	-	-	-
Municipality: Mossel Bay	-	-	13 061	-	13 061	-	-	-
Office of the Auditor- General	-	-	959	-	959	-	-	-
Housing Development Agency	-	-	3 000	-	3 000	-	-	-
SITA	-	-	120	-	120	-	-	-
South African Broadcasting Corporation	-	-	3	-	3	-	-	-
Subtotal	-	-	46 933	34 798	46 933	34 798		
Total	-	-	46 933	35 248	46 933	35 248		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 5

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2020

	Immovable Assets pre-1994 R'000	Total R'000
Inventories		
Opening balance	1 547 603	1 547 603
(Less): Disposals	(170 325)	(170 325)
Add/(Less): Adjustments	389 513	389 513
Closing balance	1 766 791	1 766 791

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2019

	Immovable Assets pre-1994 R'000	Total R'000
Inventories		
Opening balance	1 599 210	1 599 210
Add/(Less): Adjustments to prior year balances	34 554	34 554
(Less): Disposals	(78 500)	(78 500)
Add/(Less): Adjustments	(7 661)	(7 661)
Closing balance	1 547 603	1 547 603

The above inventory consists of properties relating to the Western Cape Housing Development Fund. It excludes the Department's inventory for infrastructure/housing projects financed from the Human Settlement Development Grant. In this regard the Department is currently in the process to determine the exact number of houses built, but not transferred to beneficiaries. This is part of the title deed restoration programme which is a priority for National and Provincial government. This will assist the Department in reporting the opening balance for inventory in the ensuing financial year. The effective date for the disclosure of inventory will be determined by National Treasury.

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 6

INTER-ENTITY ADVANCES RECEIVED (Note 14 and Note 15)

ENTITY	CONFIRMED BALANCE OUTSTANDING		UNCONFIRMED BALANCE OUTSTANDING		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER INSTITUTIONS						
Current						
City of Cape Town (USDG funds for bulk services)	-	-	132 669	67 812	132 669	67 812
Subtotal	-	-	132 669	67 812	132 669	67 812
Non-Current						
City of Cape Town (USDG funds for bulk services)	-	-	28 461	28 258	28 461	28 258
Subtotal	-	-	28 461	28 258	28 461	28 258
TOTAL	-	-	161 130	96 070	161 130	96 070
Current	-	-	132 669	67 812	132 669	67 812
Non-current	-	-	28 461	28 258	28 461	28 258

The comparatives for current and non-current were restated. Advances received current (R59.796 million 2018/19) amount has been restated to R67.812 million. Advances received non-current (R36.274 million 2018/19) amount has been restated to R28.258 million. This was due to the reclassification of Urban Settlement Development Grant (USDG) transactions from non-current advances to current advances.

ANNEXURE 7

Transport assets as per finance lease register

Movable Tangible Capital Assets

	2019/20 R'000	2018/19 R'000
Opening balance	12 948	12 067
Additions	241	1,855
Disposals	(987)	(974)
Closing balance	12 202	12 948

As at 31 March 2020 the department used 62 (2019:64) GMT-vehicles which were under a financing arrangement unique to the WCG and this annexure discloses the minimum requirements to the Modified Cash Standard.



Forest Village Housing Project, City of Cape Town



ANNEXURE A

HDI WOMEN %
YOUTH %

Knysna expenditure

contractor Gebrouw

Cape purchase rooidakke

Agulhas Commitments

municipality

housing construction

OVERSTRAND

sub-total B-BBEE

Central Karoo District

ANNEXURE A

Annexure A

Non - Metro Projects

HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure			
					Expenditure	HDI	Women	Youth
Cape Winelands District Municipality								
Breede Valley Municipality								
W17070001/1	IRD P:PH2: De Doorns Orchards 109 units	Power Construction	Level 1	100.00%	11 767 162.40	1 126 337.10	132 682.51	-
W15030017	IRD P:PH1: De Doorns: Orchards - 118 Services	Power Construction	Level 1	100.00%	449 720.00	449 720.00	52 977.02	-
W02100004	IRD P:PH2: Avian Park	Power Construction	Level 1	100.00%	40 029 992.42	2 550 000.00	300 390.00	-
W15050001	IRD P:PH2: Rawsonville	ASLA	Level 3	90.00%	37 670 625.42	171 569.70	4 958.36	-
W16020002	IRD P:PH1: Breede Valley: Transhex benef admin	Martin & East	Level 1	100.00%	-	314 000.00	4 929.80	-
W16020002	IRD P:PH1: Transhex: Martin&East	Martin & East	Level 1	100.00%	119 644 447.30	82 164 454.88	1 289 981.94	-
W17120009	IRD P:PH2: Transhex: TSSN	TSSN Carriers	Level 1	100.00%	47 924 057.06	10 444 064.64	-	-
		Professional Fees	N/A	N/A	37 486 100.58	-	-	-
		Jubellie Projects	Level 3	90.00%	-	4 074 459.13	-	-
		Matlapa Construction Consulting	Level 1	100.00%	-	423 903.69	255 613.93	42 390.37
		Greystone t'a MZI Development Services	Level 1	100.00%	-	56 494.50	-	-
W16020002	IRD P:PH1: Transhex: Prof Fees (GJ)	Neil Lyners	Level 1	100.00%	-	3 054 961.12	1 099 786.00	-
		FJC Consulting	Level 2	95.00%	-	10 858.50	-	-
		SVA International	Level 2	95.00%	-	1 442 292.76	101 393.18	-
		Innovative Transport Solutions	Level 2	95.00%	-	4 720 174.16	1 791 306.09	-
		BSP Consulting Engineers	Level 2	95.00%	-	1 556 440.67	-	-

HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure			
					Expenditure	HDI	Women	Youth
W16020002 (continued)	IRD P:PH1: Transhex: Prof Fees (GJ) (continued)	Guillaume Nel (GNEC)	Level 4	85.00%	-	387 932.72	-	-
		ARG Design	Level 2	95.00%	-	8 550.00	2 992.50	-
		African Town Planning Services (Nuplan)	Level 4	85.00%	-	5 440.00	-	-
		Amps Registered Quantity	Level 1	100.00%	-	310 878.91	-	-
		Ole Bogeng and Associates	Level 1	100.00%	-	466 318.38	-	-
		Mott McDonald	Level 5	80.00%	-	2 000 762.22	5 402.06	-
Subtotal					154 674 383.70	-	-	-
Drakenstein Municipality								
W17110007	IRD P:PH1&PH2: Ukhana: Vlakkeland	Ukhana	Level 1	100.00%	62 810 980.71	25 330 988.29	25 330 988.29	-
W17110007	IRD P:PH1&PH2: Kalesego: Vlakkeland	Kalesego	Level 1	100.00%	80 859 094.28	43 379 101.86	-	-
W17110007	IRD P:PH1&PH2: JVZ CONSTRUCT: Vlakkeland	JVZ Construction	Level 1	100.00%	-	10 414 594.47	3 211 860.93	-
	Professional Fees	Professional Fees	N/A	N/A	39 104 001.14	-	-	-
	BSP Consulting Engineers	BSP Consulting Engineers	Level 2	95.00%	-	426 665.54	-	-
	Jubelie Projects	Jubelie Projects	Level 3	90.00%	-	702 641.68	-	-
	Neil Lyners	Neil Lyners	Level 1	100.00%	-	1 859 171.77	669 301.84	-
W17110007 (continued)	IRD P PH 1: Vlakkeland Prof Fees (continued)	Guillaume Nel (GNEC)	Level 4	85.00%	-	61 259.50	-	-
		Archi Cape Town	Level 1	100.00%	-	784 502.59	784 502.59	392 251.30
		AQS Consultants	Level 1	100.00%	-	141 109.13	14 110.91	-
		Lakhanya Quantity Surveyors	Level 2	95.00%	-	82 261.69	24 678.51	-
W17110007	IRD P PH 1: Vlakkeland Prof Fees	African Town Planning Services (NUPLAN)	Level 4	85.00%	-	9 605.00	-	-
		SVA International	Level 2	95.00%	-	42 531.50	2 989.96	-

Annexure A

HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure				
					Expenditure	HDI	Women	Youth	
W17020005	IRDP:PHI: Paarl Simondium TR1.1	ASLA	Level 3	90.00%	-	1 068 606.48	30 882.73	-	
Not on HSS	Land: Paarl Simondium Farm 1222	Land purchase	N/A	N/A	-	-	-	-	
W11080002	IRDP:PH2: GOUDA 150 Units (transfers)	Van der Spuy and Partners/ (Melon)	Level 3	90.00%	-	121 500.00	-	-	
W11020004	UISP: Paarl Lantana	EXEO/ (Juhan Construction)	Level 1	100.00%	-	888 901.40	202 136.18	-	
W19040008	IRDP:PHI: Schoongezicht 347 sites	Municipality	N/A	N/A	-	-	-	-	
W11020002	IRDP:PHI: Kingston Town (transfers)	Municipality	N/A	N/A	-	-	-	-	
	PHP: FBOCKS: Phola Park/ Thembani Retrofit	F Bocks	Level 1	100.00%	-	1 320 606.04	-	-	
	PHP: GREYSTONE: Phola Park/ Thembani Retrofit	Greystone Trading t/a Mzi Developments	Level 1	100.00%	-	686 894.92	-	-	
	PHP: UDO: Phola Park/Them-bani Retrofit	UDO	Level 1	100.00%	-	518 396.07	518 396.07	518 396.07	
	Subtotal		N/A	N/A		146 062 520.06	-	-	
Langeberg Municipality									
W18060011	UISP: Robertson: Nkanini	ASLA Construction	Level 3	90.00%	38 301 521.42	739 376.10	21 367.97	-	
W19030008	UISP: Bloekomhoutsloof TR1.1	ASLA Construction	Level 3	90.00%	37 807 476.42	294 735.60	8 517.86	-	
W13100009	IRDP:PHI: Robertson: Nqubela	ASLA Construction	Level 3	90.00%	42 788 388.42	4 777 556.40	138 071.38	-	
W16120001	IRDP:PH2: Mcgregor: Land Scapping	ASLA Construction	Level 3	90.00%		2 743 274.14	79 280.62	-	
	Subtotal				46 985 483.80	-	-	-	
Stellenbosch Municipality									
W15070004	IRDP:PH2: Watergang 193 units	Ncuthu	Level 1	100.00%	37 635 911.57	155 919.15	-	-	
W11030002	IRDP:PHI: Klampmuts	Power Construction	Level 1	100.00%	39 645 080.50	2 165 088.08	255 047.38	-	
W17120008	IRDP:PHI: Idas Valley	ASLA Construction	Level 3	90.00%	39 433 297.61	1 757 974.67	50 805.47	-	

Annexure A

HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure			
					Expenditure	HDI	Women	Youth
W19040003	LAND: Watergang	Land purchase	N/A	N/A	-	-	-	-
Not on HSS	IRD P:PHI: De Novo Prof Fees (GJ)	Jubelle	Level 3	90.00%	-	2 823 060.97	-	-
Not on HSS	IRD P:PHI: Blackbird: De Novo	Blackbird Trading	Level 1	100.00%	-	673 422.71	538 738.17	-
W09000002	IRD P:PH2: Franschoek: Mooi-water (TDRG)	RJ Mullins Civils	Level 2	95.00%	-	-	-	-
	Subtotal				91 274 461.96	-	-	-
Witzenberg Municipality								
W18010002/1	IRD P:PHI: Ceres: Vredebes - 3022 sites	ASLA Construction	Level 3	90.00%	51 218 666.45	12 364 806.63	357 342.91	-
W18050004	IRD P:PHI: Ceres: Vredebes: 600 T/S	ASLA Construction	Level 3	90.00%	53 853 913.74	14 736 529.19	425 885.69	-
Not on HSS	IRD P:PHI: Ceres: Nduli - Journal (GJ)	Nandi Bulabula Inc	Level 1	100.00%	-	322 000.00	322 000.00	-
W12110002	IRD P:PH2: Chris Hani (transfers)	Development Action Group	Level 1	100.00%	-	225 020.00	-	-
	Subtotal				68 139 607.77	-	-	-
Overberg District Municipality								
Cape Agulhas Municipality								
W16010022/1	IRD P:PH2: Bredasdorp Site H - 158 units	Melon Housing	Level 1	100.00%	58 279 042.42	20 799 050.00	-	-
W18060012/1	IRD P:PH2: Bredasdorp Site F - 490 units	ASLA Construction	Level 3	90.00%	77 910 449.42	36 387 411.30	1 051 596.19	-
	Subtotal				98 709 499.42	-	-	-
Overstrand Municipality								
W12090002	IRD P:PH1: Hawston 489 sites(W17040005)	Cornfield	Level 2	95.00%	38 892 294.42	1 341 686.90	597 989.85	-
W18060014	IRD P:PH2: Hawston 378 units	Melon Housing	Level 1	100.00%	57 514 930.42	20 034 938.00	-	-
W18100012	IRD P:PH1: Gansbaai: Masakhane	Cornfield	Level 2	95.00%	45 895 803.42	7 995 020.45	3 563 380.61	-

Annexure A

HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure			
					Expenditure	HDI	Women	Youth
W14040004	IRDP:PH2: Swartdam Road (transfers)	Transfers	N/A	N/A	-	-	-	-
W18040012	Land: Schulphoek	Land Purchase	N/A	N/A	69 179 992.42	-	-	-
W18040012 (G.J)	Land: Schulphoek -Concept Development Planning	Van Zyl & Associates	Level 1	100.00%	-	28 800.00	-	-
W12060003	UISP: Zweifhle: Mandela Square 836 sites	Cornfield	Level 2	95.00%	43 795 942.42	6 000 152.50	2 674 267.97	-
W15080001	IRDP:PH1: Stanford 783 sites	Cornfield	Level 2	95.00%	71, 60 791.06	31 996 758.71	14 260 955.36	-
	Subtotal				139 181 592.06	-	-	-
Swellendam Municipality								
W19050004	IRDP:PH1: Barrydale: Smitsville 87 sites	Municipality	N/A	N/A	49 342 941.42	-	-	-
	Subtotal				49 342 941.42	-	-	-
Theewaterskloof Municipality								
W16030005	PHP: Asande/Cawewo: Hillside 321 Units	CAWEWO	Level 1	100.00%	43 762 008.84	6 282 016.42	6 282 016.42	-
W17120007	UISP: 7Sirs: Grabouw: Irak	7SIRS	Level 8	65.00%	54 487 075.23	11 054 603.83	-	-
W11120001	UISP: Grabouw: Rooidakke: 1169 sites	7SIRS	Level 8	65.00%	45 283 427.76	5 072 232.97	-	-
W13060013/4	PHP: Grabouw: Rooidakke: Rainbow - Ph 4: 281 T/S	Municipality	N/A	N/A	-	-	-	-
W18020010	UISP: Siyayanzela	Municipality	N/A	N/A	-	-	-	-
W17080067	Soc: Botriver Community Hall	Municipality	N/A	N/A	-	-	-	-
Not on HSS	IRDP:PH2: Botriver - VPUU (violence prevention)	Municipality	N/A	N/A	-	-	-	-
Not on HSS	IRDP:PH2: Riemvasmaak - VPUU	Municipality	N/A	N/A	-	-	-	-
W18070005	IRDP:PH2: Riversonderend: Joe Slovo	ASLA	Level 3	90.00%	46 266 342.42	7 907 715.00	228 532.96	-

Annexure A

HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure			
					Expenditure	HDI	Women	Youth
W19040006	Land: Beaumont Tr1.1	Land Purchase	N/A	N/A	38 859 284.41	-	-	-
W19040005	Land: Beaumont Purchase	Land Purchase	N/A	N/A	-	-	-	-
	Subtotal				88 101 010.03	-	-	-
Central								
Beaufort West Municipality								
W18060008	Beaufort West S1 513 units	ASLA Construction	Level 3	90.00%	88 123 861.47	45 579 482.15	1 317 247.03	-
W18060008	IRDP:PH2: Beaufort West S1 798 units - ASLA security	ASLA Construction	Level 3	90.00%	-	519 963.30	15 026.94	-
	Subtotal				8 701 598.47	-	-	-
Prince Albert Municipality								
W17070002	IRDP:PH2: Prince Albert 243 units	ASLA Construction	Level 3	90.00%	38,708,008.71	1 105 214.66	31 940.70	-
	Subtotal				38 708 008.71	-	-	-
Eden District Municipality								
Bitou Municipality								
W16010030	IRDP:PH2: Ukhana: Kwanokuthula - 441 T/S	Ukhana	Level 1	100.00%	57 776 259.31	20 296 266.89	20 296 266.89	-
Not on HSS	IRDP:PH2: Chauke: Kwanokuthula - 441 T/S Prof Fees	Chauke Surveyors	Level 2	95.00%	38 292 892.27	772 254.86	-	-
W17120001	IRDP:PHI: New Horizons	Sonqua	Level 1	100.00%	-	4 164 951.00	-	-
W19020004	IRDP:PHI: Green Valley	Sonqua	Level 1	100.00%	-	488 499.00	-	-
W18010028	IRDP:PHI: Kwanotuthla: 398 Sites	Sonqua	Level 1	100.00%	-	447 120.00	-	-
W19010006	UISP Plett: Kurland	Municipality	N/A	N/A	-	-	-	-
W18020021	UISP: Plett: Qolweni	Municipality	N/A	N/A	-	-	-	-
W18040013	UISP: Plett: Qolweni: Bossiesgif	Star Time Trading	Level 1	100.00%	-	5 837 207.68	-	-
	Subtotal				72 162 410.27	-	-	-

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HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure		
					Expenditure	HDI	Youth
George Municipality							
W18010003/1	IRDP:PHI: ASLA: Erf 325: Syferfontein 736 sites + 679 units	ASLA Construction	Level 3	90.00%	98 180 536.33	54 630 489.52	1 578 821.15
W18010003/1	IRDP:PHI: RAUBEX: Erf 325: Syferfontein 359 sites + 173 flisp	Raubex	Level 1	100.00%	85 938 858.18	48 458 865.76	9 967 988.69
W18010003/1	IRDP:PHI: SIMPLY DO: Erf 325: Syferfontein 175 sites	Simply Do	Level 3	90.00%	57 092 134.76	17 650 928.11	-
W18010003/1	IRDP:PHI: PHP SUPPL: Erf 325: Syferfontein 169 units	PHP Building Suppliers	Level 1	100.00%	40 674 165.20	3 194 172.78	1 916 503.67
W18010003/1	IRDP:PH2: ENIGMA: Erf 325: Syferfontein 224 units	Enigma Built Environment	Level 1	100.00%	45 457 418.48	7 977 426.06	2 233 679.30
W18010003/1	IRDP:PHI: Syferfontein: Erf 325 Prof Fees (GJ)	Royal Huskoning DHV	Level 2	95.00%	42 852 398.11	5 103 785.41	244 981.70
W15030019	IRDP:PHI: ACV Civils: Metro-grounds: 671 Services	ACV Civils	Level 2	95.00%	52 158 037.48	13 944 142.81	320 715.28
W15030019	IRDP:PHI: Royal Hask: Metro-grounds: Prof Fees (GJ)	Royal Huskoning DHV	Level 2	95.00%	37 910 601.01	409 078.16	19 635.75
Not on HSS	IRDP:PHI: Royal Hask: Wilderness Heights: Prof Fees (GJ)	Royal Huskoning DHV	Level 2	95.00%	37 610 780.62	124 248.79	5 963.94
W18060015	PHP: Golden Valley: 136 T/s	PHP Building Suppliers	Level 1	100.00%	42 241 052.00	4 761 059.58	2 856 635.75
	Subtotal				202 796 050.39	-	-
Hessequa Municipality							
W16040008	IRDP:PHI: Melkhoutfontein 170 units (transfers)	ASLA Construction	Level 3	90.00%	37 501 992.42	19 800.00	572.22
	Subtotal				37 501 992.42	-	-
Knysna Municipality							

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HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure			
					Expenditure	HDI	Women	Youth
W07030007/2	PHP: Knysna: Vision 2002: 459 Units	Kamashaba Electrical	Level 1	100.00%	37 739 405.44	259 413.02	-	-
		Limise Designers	Level 1	100.00%	37 813 928.06	333 935.64	-	-
		Malib Project	Level 1	100.00%	37 734 774.42	254 782.00	-	-
		NR Hlangula Projects	Level 1	100.00%	37 750 326.06	270 333.64	-	-
W16070003	PHP: Knysna: Hlalani	Inyameko Trading 618	Level 1	100.00%	37 787 483.62	307 491.20	307 491.20	-
		Ziniya Trading	Level 1	100.00%	37 789 308.27	309 315.85	309 315.85	-
		Singqomo Trading	Level 1	100.00%	37 755 598.41	275 605.99	-	-
		Sikhulile Engineers (Sintec)	Level 4	85.00%	46 254 896.08	7 458 668.11	-	-
W16070007	PHP: Knysna: Hlalani	Sikhulile Engineers (Sintec)	Level 4	85.00%	39 186 293.22	1 450 355.68	-	-
W16080008	Bloemfontein: Construction of 150 units	A & P Civils	Level 1	100.00%	-	7 010 050.63	3 505 025.32	-
W16080009	UISP: Knysna: Happy Valley 120 units	Zwelo/ Bukho Q JV	Level 1	100.00%	39 024 893.22	1 544 900.80	-	-
W16020008	PHP: Knysna: Golweni 220 units	Sikhulile Engineers (Sintec)	Level 4	85.00%	40 591 713.10	2 644 962.58	-	-
W15120001	PHP: Knysna: Ethembeni 200 units	Sikhulile Engineers (Sintec)	Level 4	85.00%	38 231 012.42	638 367.00	-	-
W18060013	IRDP:PHI: Hornlee Infill 155 units	Sikhulile Engineers (Sintec)	Level 4	85.00%	38 666 830.42	1 008 812.30	-	-
W18020003	IRDP:PHI: Karatara TRI.1	Nozomi t/a JPB Construction	Level 2	95.00%	-	6 108 852.46	610 885.25	-
W14050003	IRDP:PHI: HEIDEVALLEI 515 SITES	Sikhulile Engineers (Sintec)	Level 4	85.00%	-	4 707 310.87	-	-
W18020001	IRDP:PHI: Rheenendal TRI.1	Sonqua Consultants	Level 1	100.00%	37 890 331.42	410 339.00	-	-
W18020002	UISP: Sedgfield 600 sites	Chauke Surveyors	Level 2	95.00%	40 106 394.42	2 495 081.90	-	-
		Chauke Surveyors	Level 2	95.00%	37 660 385.42	171 373.35	-	-
		SC Colarossi Housing	Level 1	100.00%	-	6 734 397.07	-	-
		Sikhulile Engineers (Sintec)	Level 4	85.00%	-	1 812 368.27	-	-

Annexure A

HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure				
					Expenditure	HDI	Women	Youth	
W19020008	UISP: Sedgefield 207 sites Tr1.1	Chauke Surveyors	Level 2	95.00%	-	226 031.60	-	-	
W11090003	UISP: Knysna Vision 2002 1393 sites	Zwelo/Bukho Q JV	Level 1	100.00%	-	5 382 653.82	-	-	
Not on HSS	EHP: Knysna: Witlokasie Fire Damaged Houses	Sikhulile Engineers (Sintec)	Level 4	85.00%	49 689 547.14	10 378 121.51	-	-	
	Subtotal				105 458 853.70	-	-	-	
Mossel Bay Municipality									
W19010012	UISP: Greater Mossel Bay: 3790 Sites - NUSP	Entsha Henra Construction	Level 1	100.00%	46 455 803.06	8 975 810.64	1 602 182.20	-	
W18030008	PHP: Kwanokuthula: Yakhindlu	Apex SA Developers	Level 1	100.00%	38 581 380.84	1 101 388.42	-	-	
W02100006	PHP: Kwanokuthula: Elangeni	Marnol Projects	Level 1	100.00%	41 979 992.42	4 500 000.00	52 200.00	-	
W12050002	IRDP:PH2: Asazani Zinyoka	Marnol Projects	Level 1	100.00%	-	9 700 439.00	112 525.09	-	
Not on HSS	IRDP:PH1: Mosselbay: Royal Hask: Louis Fourie PRofFees	Royal Huskoning DHV	Level 2	95.00%	43 988 723.30	6 183 294.34	296 798.13	-	
W16050003	IRDP:PH1: Mosselbay: Ruwacon: Louis Fourie	Ruwacon	Level 1	100.00%	77 336 564.91	39 856 572.49	14 029 513.52	11 028 313.61	
W16080010	IRDP:PH1: Mosselbay: Sonskyn-vallei	Entsha Henra Construction	Level 1	100.00%	51 680 670.42	14 200 678.00	2 534 821.02	-	
	Subtotal				122 323 611.85	-	-	-	
Oudtshoorn Municipality									
W13030011	IRDP:PH1&PH2 Rosevalley 967 Sites&Units	ASLA Construction	Level 3	90.00%	49 049 034.63	10 412 137.99	300 910.79	-	
W16110008	UISP: Dysseldorp 534 sites	ASLA Construction	Level 3	90.00%	-	10 020 510.00	289 592.74	-	
W13090017	IRDP:PH1: DE RUST BLOMNEK (RED ANTS)	Red Ants	Level 2	95.00%	38 059 592.42	550 620.00	55 062.00	-	
	Subtotal				60 762 534.63	-	-	-	

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HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure		
					Expenditure	HDI	Youth
West Coast District Municipality							
Bergriver Municipality							
W19030005	IRDP:PH1: Porterville De Keiders Tr1.1	Municipality	N/A	N/A	37 676 541.42	-	-
W19030006	IRDP:PH1: Piketberg: Watsonia Tr1.1	Municipality	N/A	N/A	37 659 300.42	-	-
W15030006	IRDP:PH1&PH2: Velddrift: Noor-dhoek: 107 Services & T/S	Nozomi t/a JPB Construction	Level 2	95.00%	44 213 766.30	6 397 085.19	639 708.52
	Subtotal				44 589 623.30	-	-
Cederberg Municipality							
W16020007	IRDP:PH1: Lambertsbay	ASLA Construction	Level 3	90.00%	39 534 542.31	1 849 094.90	53 438.84
W18060009	IRDP:PH2: Lambertsbay Erf 168 184 units	ASLA Construction	Level 3	90.00%	52 144 738.42	13 198 271.40	381 430.04
W19010013/1	EHP: ASLA: Wupperthal: 53 Emergency Units	ASLA Construction	Level 3	90.00%	39 870 379.61	2 151 348.47	62 173.97
	Subtotal				56 589 675.50	-	-
Matzikama Municipality							
W17080001/1	IRDP:PH1: Lutzville Erf 1288 (Tr1.2)(planning	ASLA Construction	Level 3	90.00%	37 479 992.42	-	-
W19030003/1	IRDP:PH1: Lutzville Erf 1288 - 332 Sites	ASLA Construction	Level 3	90.00%	57 100 906.42	17 658 822.60	510 339.97
W18040025	IRDP:PH1: Vredendal North Ph 5: 398 Sites	ASLA Construction	Level 3	90.00%	43 428 330.56	5 353 504.33	154 716.28
	Subtotal				63 049 244.56	-	-
Saldanha Bay Municipality							
W18110003	EHP: White City & Diazville - 5 Damaged Units	XM Sompuku	Level 1	100.00%	38 071 684.42	591 692.00	591 692.00
W19020006	EHP: Fire Kits & Relocation Costs 2018-2021	Municipality	N/A	N/A	38 592 013.75	-	-

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HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure			
					Expenditure	HDI	Women	Youth
W12020001	PHP: George Kerridge: Ikamvalethu	Vicmol Construction	Level 1	100.00%	37 972 132.42	492 140.00	492 140.00	-
W19070007	UISP: George Kerridge: Tsitsiratsitsi	Municipality	N/A	N/A	-	-	-	-
Not on HSS	UISP: Middelpos: Joe Slovo	Municipality	N/A	N/A	-	-	-	-
W14060004	IRD:PHI: Educational Support Service: George Kerridge	Municipality	N/A	N/A	-	-	-	-
W18040015	IRD:PHI: Paternoster	Municipality	N/A	N/A	-	-	-	-
W18060010	IRD:PHI: Langebaan 200 Sites	Municipality	N/A	N/A	-	-	-	-
W18020015	IRD:PHI: Louwville 200 Sites	Municipality	N/A	N/A	-	-	-	-
W96090003	IRD:PHI: Vredenburg Urban Renewal Tr1.1	Municipality	N/A	N/A	38 859 284.42	-	-	-
Not on HSS	IRD:PHI: Saldanhay Bay: Comm Based Planning	Municipality	N/A	N/A	37 547 052.42	67 060.00	67 060.00	-
	Subtotal				54 293 300.38	-	-	-
Swartland Municipality								
W19090001	Land: Malmesbury: Kalbaskraal	Municipality	N/A	N/A	-	-	-	-
W19090003	IRD:PHI: Malmesbury: Kalbaskraal 135 sites	Exeo	Level 1	100.00%	-	3 221 131.00	732 485.19	-
W19010008	IRD:PHI: Malmesbury: Kalbaskraal 146 sites	Planning	N/A	N/A	-	-	-	-
W19090002	IRD:PHI: Riebeeck Kasteel 441 sites	Exeo	Level 1	100.00%	-	13 924 743.50	3 166 486.67	-
W18040017	IRD:PHI: Riebeeck Kasteel 757 sites	Planning	N/A	N/A	-	-	-	-
W17120006	IRD:PHI: Riebeeck West	ASLA	Level 3	90.00%	-	1 118 635.20	32 328.56	-

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HSS No.	Project Description	Contractor	BEE Level	HDI	Actual Expenditure			
					Expenditure	HDI	Women	Youth
W19100001	IRD:P:PHI: Malmesbury: De Hoop	Exeo	Level 1	100.00%	42 767 278.42	5 287 286.00	1 202 328.84	-
W19090004	IRD:P:PHI: Moorreesburg: Sibanye: 650 sites	ASLA	Level 3	90.00%	47 246 177.42	8 789 566.50	254 018.47	-
	Subtotal				83 554 765.42	-	-	-
MUNICIPAL EXPENDITURE					885 538 413.46	139 840 707.67	14 469 812.64	

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