



Western Cape  
Government



Department of Human Settlements

**Annual Report**  
2022/23





**Western Cape  
Government**

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**DEPARTMENT OF HUMAN SETTLEMENTS**

**Western Cape Government**

**VOTE 8**

**ANNUAL REPORT  
2022/2023**

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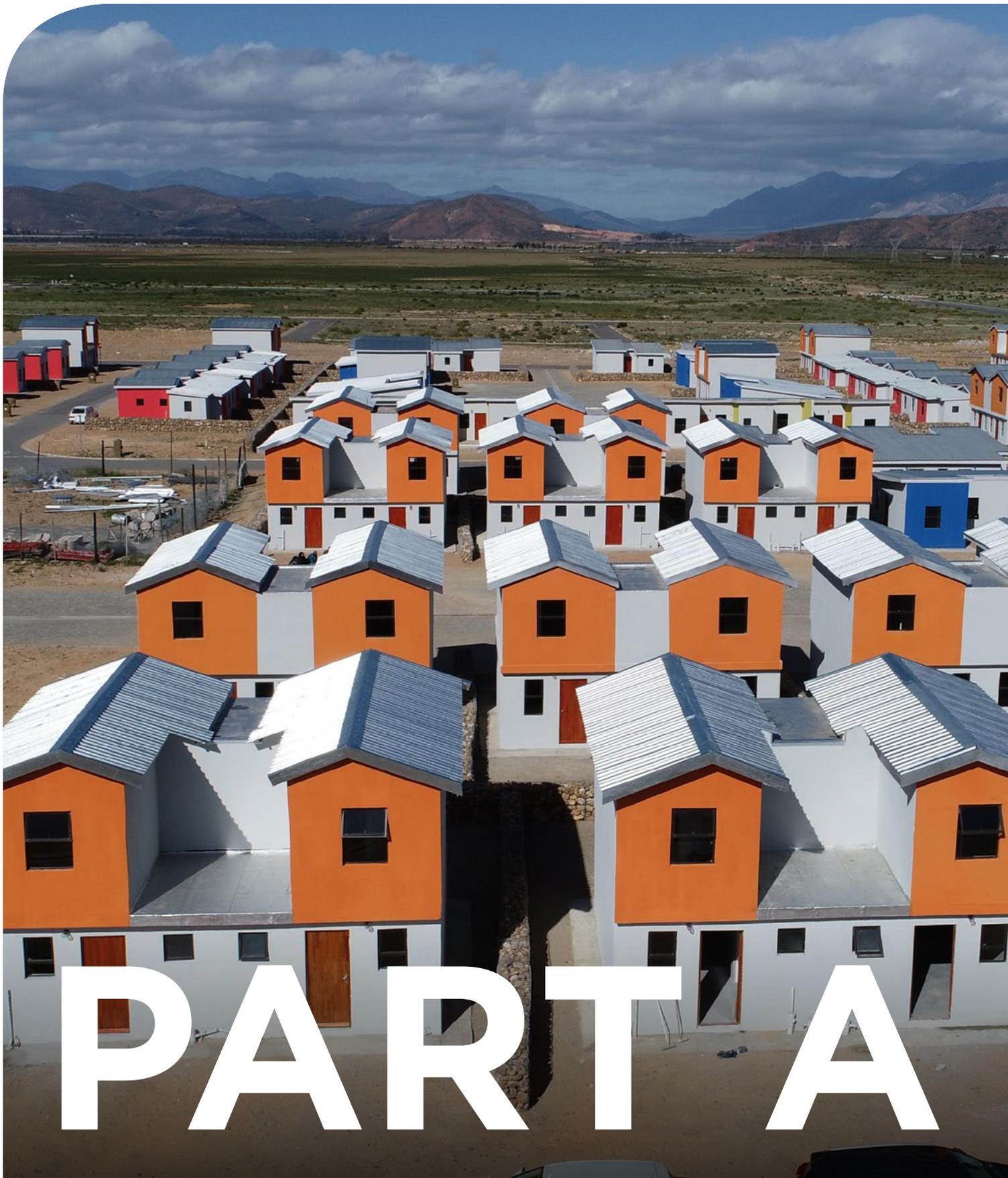
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# PART A

General Information



# Part A: General Information

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## 1. Contact details for the Department

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### **WESTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS**

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## 2. Acronyms

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AFR	Asset Finance Reserve
AGSA	Auditor-General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
B-BBEE	Broad-based black economic empowerment
BCP	Business Continuity Plan
BNG	Breaking New Ground
CDG	Care Dependency Grant
CDP	Career Development Plan
Ce-I	Centre for e-Innovation
CIBD	Construction Industry Development Council
CoCT	City of Cape Town
CRU	Community Residential Units
CSC	Corporate Service Centre, DotP
DORA	Division of Revenue Act
DotP	Department of the Premier
DPSA	Department of Public Service and Administration
DTPW	Department of Transport and Public Works
EDGE	Excellence in Design for Greater Efficiencies software
EE	Employment Equity
EEDBS	Enhanced Extended Discount Benefit Scheme
EHWP	Employee Health and Wellness Programme
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ERMCO	Ethics and Enterprise Risk Management Committee
ESS	Enhanced Service Site
FFSS	Future-Fit Skills Strategy
FLISP	Finance Linked Individual Subsidy Programme
GMT	Government Motor Transport
GPSSBC	General Public Service Sector Bargaining Council

HCT	HIV Voluntary Counselling and Testing
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HR	Human Resources
HSDG	Human Settlements Development Grant
HSS	Housing Subsidy System
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IESBA	International Ethics Standard Board for Accountants
ILSF	Individually Linked Saving Facility
IRDP	Integrated Residential Development Programme
ISA	International Standard on Auditing
ISUPG	Informal Settlement Upgrading Partnership Grant
KM	Knowledge Management
MCS	Modified Cash Standard
MEC	Member of the Executive Council
MOA	Memorandum of Agreement
MTSF	Medium Term Strategic Framework
NDHS	National Department of Human Settlements
NHBRC	National Home Builders Registration Council
NT	National Treasury
NUSP	National Upgrading Support Programme
OAG	Office of the Attorney General
PAA	Public Audit Act
PAY	Premier's Advancement of Youth
PDG	Permanent Disability Grant
PERMIS	Performance Management Information System
PERMPS	Provincial Enterprise Risk Management Policy and Strategy
PERSAL	Personnel and Salary System
PFS	Provincial Forensic Services
PHDAs	Priority Housing Development Areas

PHP	People's Housing Process
PHSHDAs	Priority Human Settlement and Housing Development Areas
PID	Project Initiation Document
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act, 2000
PRF	Provincial Revenue Fund
PPR	Preferential Procurement Regulations
PRECCA	Prevention and Combating of Corrupt Activities Act, 2004
PSC	Provincial Steering Committee
PSCBC	Public Service Coordinating Bargaining Council
PSDF	Provincial Spatial Development Framework
PTI	Provincial Training Institute
RHT	Rental Housing Tribunal
RZ	Restructuring Zone
SAPS	South African Police Service
SASSA	South African Social Security Agent
SBT	Sustainable Building Technology
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SHERQ	Safety, Health, Environment, Risk and Quality
SHI	Social Housing Institution
SHRA	Social Housing Regulatory Authority
SITA	State Information Technology Agency
SIU	Special Investigating Unit
SL	Salary Level
SMS	Senior Management Service
SOPA	State of the Province Address
STI	Sexually Transmitted Infection

TB	Tuberculosis
TOR	Terms of Reference
UIFW	Unauthorised, Irregular, Fruitless and Wasteful
UISP	Upgrading of Informal Settlements Programme
WCG	Western Cape Government
WCPP	Western Cape Provincial Parliament
WHO	World Health Organisation

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### 3. Foreword by the Provincial Minister

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The 2022/23 financial year was an unorthodox year given the imminent merger of two Departments (Human Settlements and Transport and Public Works). The delivery of **7 808 housing opportunities** highlights the Department's ability to deliver under extremely challenging conditions. We, yet again, exceeded the target in delivery of the **Individual Subsidy (Non-Credit Linked) Programme** with **272** subsidies delivered, against a target of 250. The delivery of **1 436 First Home Finance (previously referred to as FLISP)** houses is an example of why the Department continues to be the leader in the delivery of Affordable Housing in the country.

Over the year we saw a heightened environment due to the disruptions and stoppages of projects through extortion tactics of the construction mafia. These challenges compromised emerging contractors' abilities to establish themselves as reputable businesses and increased the likelihood of them failing in their endeavours. The work stoppage on development projects had a negative impact and compromised our commitment to deliver adequate housing opportunities.

One such project where we saw the severity of these acts is the R248 million Airport precinct project in Gugulethu. This site unfortunately could not operate at its optimum since its closure in March 2022. The illegal occupation of vacant land and buildings remained as one of the key challenges and risks. Notwithstanding the service delivery protests and community unrest combined with escalating violence and the destruction of public property, the former Department of Human Settlements pulled all stops to deliver the much-needed housing opportunities to qualifying and deserving beneficiaries. The delivery of the first Deferred Ownership (**Rent to Own**) pilot project in the Millpark Project in Cape Agulhas reaffirmed the Department's stature as being innovative and futures thinking.

By remaining committed to the creation of economic opportunities and empowerment for marginalised members of society and Small, Medium and Micro Enterprises (SMMEs) the Department contributed an expenditure of **66.39%** of this fiscal year's Human Settlements Development Grant (HSDG). Additionally, the Department created **1 111** job opportunities through the HSDG and Informal Settlement Upgrading Partnership Grant (ISUPG).

I once again want to take this opportunity to express my heartfelt appreciation to the tireless effort and commitment of every individual over this past fiscal year. This year's journey is a true reflection that as a team we can achieve beyond our expectations and limits. It gives me great pleasure to present the 2022/23 Annual Report for the formidable former Western Cape Department of Human Settlements.



**Tertuis Simmers**

**Executive Authority: Department of Human Settlements**

**Date: 29 September 2023**

## 4. Report of the Accounting Officer (AO)

The year under review marks the fourth year of implementing the current MTSF deliverables and the final year that the Department of Human Settlements will report as a standalone Department. From 01 April 2023, the Department merged with components of the former Department of Transport and Public Works to become the Department of Infrastructure.

During the reporting period, the Department continued to strive towards creating sustainable human settlements and improving the quality of life for its beneficiaries while remaining within the parameters of the legislation.

### 4.1 Overview of the operations of the Department

During the 2022/23 financial year, numerous factors impacted the Department's ability to deliver services to its beneficiaries. These factors can largely be attributed to the social and economic conditions on a local and international landscape. However, the Department remained steadfast in its commitment to deliver. In doing so and in line with transversal coordination through the Joint District Management Approach (JDMA), extensive engagements with sector departments involved in creating integrated sustainable human settlements strengthened the capacity of Municipalities across the Province and formed the foundation of departmental business planning.

**Table 1: Housing opportunity performance 2022/23**

Opportunity	Planned Annual Target 2022/23	Actual Achievement 2022/23
Housing units	8 463	5 380
Serviced sites	2 747	1 230
Enhanced Extended Discount Benefit Scheme (EEDBS)	600	1 198
<b>Total number of housing opportunities</b>	<b>11 810</b>	<b>7 808</b>

As a commitment to economic recovery for the Western Cape, the Department had a focused approach on the 3 focus areas of the Western Cape Recovery Plan of jobs, safety and wellbeing.

A total of 1 111 job opportunities were created in 2022/23 in human settlements. This achievement was against a target of 1 000. In addition, the Department spent 66.39% of its HSDG to empower contractors in targeted groups, particularly women and youth. This percentage equates to R1 081 032 978.86 of the total grant allocation. This investment allowed these contractors to operate and function optimally and render a quality service to the Department.

In terms of the safety focus area, the Department continued to design and develop settlements with safety features such as adequate streetlighting and lighting in public open spaces and courtyards.

In line with the wellbeing focus area, the Department continued to live out the value of integrity and dignity by ensuring that citizens in the Western Cape have access to shelter and the associated basic services. Although faced with numerous challenges, the

Department still made a significant contribution towards this focus area through providing access to basic services and upgrades in informal settlements. The ISUPG was used for the sole purpose of improving the wellbeing of the citizens of the Province, particularly those living in informal settlements. The delivery of over 7 000 housing opportunities for the 2022/23 financial year is evident of the Department's commitment to the wellbeing of its beneficiaries.

Owning property can provide stability and security, as it offers a sense of permanence and a place to call home. The Department recognises this and to this end, a concerted effort was made by the Department to partner with Municipalities to provide security of tenure by issuing title deeds. The issuing of title deeds remains a challenge, with the Department acutely aware of its importance. A Title Deed provides stability and security to beneficiaries. The Department continues to put measures in place to ensure improved delivery. The following table is a synopsis of the number of title deeds issued during the reporting period:

**Table 2: Title deed performance 2022/2023**

Output Indicator	Planned Annual Target 2022/23	Actual Achievement 2022/23
Number of pre - 1994 title deeds registered	150	331
Number of post - 1994 title deeds registered	4 500	1 880
Number of post - 2014 title deeds registered	4 500	973
Number of new title deeds registered	1 000	543
<b>Total number of title deeds registered</b>	<b>10 150</b>	<b>3 727</b>

## 4.2 Overview of the financial results of the Department

### Departmental receipts

Table 3 provides information on Departmental receipts.

**Table 3: Breakdown of the revenue collected**

Departmental receipts	2022/23			2021/22		
	Estimated amount R'000	Actual amount collected R'000	(Over)/under collection R'000	Estimated amount R'000	Actual amount collected R'000	(Over)/under collection R'000
Sale of goods and services other than capital assets	95	72 231	(72 136)	128	33 093	(32 965)
Transfers Received	-	5 391	(5 391)	-	6 195	(6 195)
Interest, dividends and rent on land	10 307	7 202	3 105	821	2 727	(1 906)

Departmental receipts	2022/23			2021/22		
	Estimated amount R'000	Actual amount collected R'000	(Over)/under collection R'000	Estimated amount R'000	Actual amount collected R'000	(Over)/under collection R'000
Sale of capital assets	5	-	5	-	1	(1)
Financial transactions in assets and liabilities	-	177 146	(177 146)	69 572	36 785	32 787
<b>Total</b>	<b>10 407</b>	<b>261 970</b>	<b>(251 563)</b>	<b>70 521</b>	<b>78 801</b>	<b>(8 280)</b>

The Department exceeded the amount targeted for collection in its revenue budget by R251.563 million.

The over collection was mainly under Financial transactions in assets and liabilities due to unspent subsidies received from Municipalities, Housing Development Agency refund and Urban Settlement Development Grant refunds received from City of Cape Town. The amount of Other Receipts including Recoverable Revenue has been restated. This was due to the Standard Chart of Accounts (SCOA) reclassification.

Sale of goods and services other than capital assets includes Commission on insurance and garnishee orders administered via PERSAL and Sale of tender documents, Sales by market establishment that represents occupational rent received for Finance Linked Individual Subsidy Program (FLISP) houses, the sale of FLISP houses and rental income received from debtors. The amount of Sales by market establishment has been restated. This was due to the reclassification in respect of the disclosure note.

Transfers Received: The amount of Public corporations and private enterprises relates to Eskom subsidies received for electrical connections has been restated. This was due to the Standard Chart of Accounts (SCOA) reclassification.

Interest, dividends and rent on land: The amount of Rent on land has been restated. This was due to the reclassification in respect of the disclosure note.

## Programme expenditure

Table 4 provides more detail on programme expenditure.

**Table 4: Expenditure per Programme**

Programme name	2022/23			2021/22		
	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
Programme 1: Administration	133 210	133 155	55	137 224	133 414	3 810

Programme name	2022/23			2021/22		
	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
Programme 2: Housing Needs, Research and Planning	27 119	27 114	5	26 000	25 486	514
Programme 3: Housing Development	2 242 956	2 025 343	217 613	2 195 527	2 157 804	37 723
Programme 4: Housing Asset Management	74 689	69 206	5 483	51 508	45 225	6 283
<b>Total</b>	<b>2 477 974</b>	<b>2 254 818</b>	<b>223 156</b>	<b>2 410 259</b>	<b>2 361 929</b>	<b>48 330</b>

The Department spent R2.255 billion or 91% of its final appropriation which translates into an underspending of R223.156 million.

The underspending predominantly relates to procurement delays, community unrest and instances of extortion on projects in respect of the Human Settlement Development Grant (HSDG) and the Informal Settlement Upgrading Partnership Grant (ISUPG).

### 4.3 Virements and rollovers

#### Virements

Table 5 provides details on virements effected in the year under review.

**Table 5: Virements**

Programme from	Amount	Programme To	Amount
Programme 3: Housing Development	1 941	Programme 1: Administration	1 667
		Programme 4: Housing Asset Management	274
Programme 4: Housing Asset Management	1 172	Programme 1: Administration	767
		Programme 2: Housing Needs, Research and Planning	405
<b>Total Virements</b>	<b>3 113</b>		<b>3 113</b>

#### Rollovers

Table 6 provides details on rollovers requested from the 2022/23 financial year to the 2023/24 financial year.

**Table 6: Rollovers requested**

Programme	R'000	Purpose
Programme 3: Housing Development	212 134	HSDG and ISUPG projects
Programme 4: Housing Asset Management	3 961	Title deeds restoration: Mossel Bay Local Municipality
<b>Total rollovers</b>	<b>216 095</b>	

#### 4.4 Revenue retention

The Department submitted a request amounting to R175 million from the Asset Finance Reserve (AFR) component in the Provincial Revenue Fund (PRF) towards infrastructure expenditure. This allocation has been designated to the 2023 Main Budget. The remainder of the revenue will remain in the AFR.

#### 4.5 Unauthorised, irregular and fruitless and wasteful expenditure

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

R171.159 million as disclosed in note 24 of the Annual Financial Statements is in respect of the carry through of the irregular procurement that occurred in the prior years.

#### 4.6 Public-private partnerships (PPPs)

The Department did not enter into any PPPs during the financial year under review.

#### 4.7 Discontinued key activities/ activities to be discontinued

No activities have been or will be discontinued.

#### 4.8 New or proposed activities

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

#### 4.9 Supply Chain Management (goods and services)

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

#### 4.10 Gifts and donations received in kind from non-related parties

R26 000 worth of Departmental gifts, sympathy flowers and fruit baskets were donated to staff during the financial year under review. Exemptions and departures received from National Treasury.

#### 4.11 Exemptions and departures received from 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.

#### **4.12 Events after the reporting date**

See note 28 of the Annual Financial Statements.

#### **4.13 Principal-agent arrangements**

See note 31 of the Annual Financial Statements.

#### **4.14 Related parties**

See note 25 of the Annual Financial Statements.

#### **4.15 Other**

There are no other material facts or circumstances that may affect the reader's understanding of the financial state of affairs that are not addressed elsewhere in this report.

#### **4.16 Acknowledgements**

I would like to express my appreciation to the Provincial Minister of Human Settlements, Departmental staff, staff of the Auditor-General, the Audit Committee, Provincial Parliament, Corporate Service Centre (CSC) in the Department of the Premier, Provincial Treasury and the Municipalities for assisting the Department to deliver integrated human settlements during the 2022/23 financial year.



**Ms L Schuurman**  
**Accounting Officer**  
**Department of Human Settlements**

**Date: 31 August 2023**

## 5. Statement of responsibility for and confirmation of accuracy of, the Annual Report

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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 free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report issued by the National Treasury (NT).
- The Annual Financial Statements (Part F) have been prepared in accordance with the Modified Cash Standard and the relevant frameworks and guidelines issued by NT.
- The AO is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The AO 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, Annual Financial Statements and, in line with an agreed governance framework with the Corporate Services Centre in the Department of the Premier, for human resources (HR) information.
- 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 HR information and the financial affairs of the Department for the financial year ended 31 March 2023.

Regards



**Ms L Schuurman**  
**Accounting Officer**  
**Department of Human Settlements**

**Date: 31 August 2023**

## 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 of 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.
- To consistently improve settlements through joint citizen and government effort supported by private sector contributions.

### 6.3 Values

The Department embraces the values of the Western Cape Government (WCG) and aligns to the Batho Pele principles, which are:



The Department has unpacked the values to make them more specific to its mandate. These values are all underpinned by teamwork. A detailed explanation of the meaning of each core value is provided in Table 7.

**Table 7: Provincial values and behavioural statements**

Value	Behavioural statement
<b>Caring</b>	Treating people with empathy when 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 their selection of beneficiaries.
<b>Competence</b>	Focused on developing staff, systems and processes that are fit-for purpose to ensure the Department functions optimally to deliver on its mandate and achieve its strategic goals and objectives.
<b>Accountability</b>	Being open and transparent about what we want to achieve and about our performance against our pre-determined objectives.
<b>Integrity</b>	Acting honestly and in the best interests of the Department, the taxpayers and the public we serve and taking proactive steps to improve governance and prevent and act against corruption and maladministration.
<b>Innovation</b>	To be open to new ideas and develop creative solutions to challenges in a resourceful way.
<b>Responsiveness</b>	Ensuring that the human settlements we promote enable and facilitate a helpful response to the needs of our customers and that we treat stakeholders with respect by consulting them in good faith, keeping them informed and responding to applications, complaints, queries and requests timeously and appropriately.

## 7. Legislative and other mandates

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### 7.1 Constitutional mandates

Chapter 2 (the Bill of Rights) of the Constitution of the Republic of South Africa, 1996 in section 26 requires the State to:

- Take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of everyone's right of access to housing.
- 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.

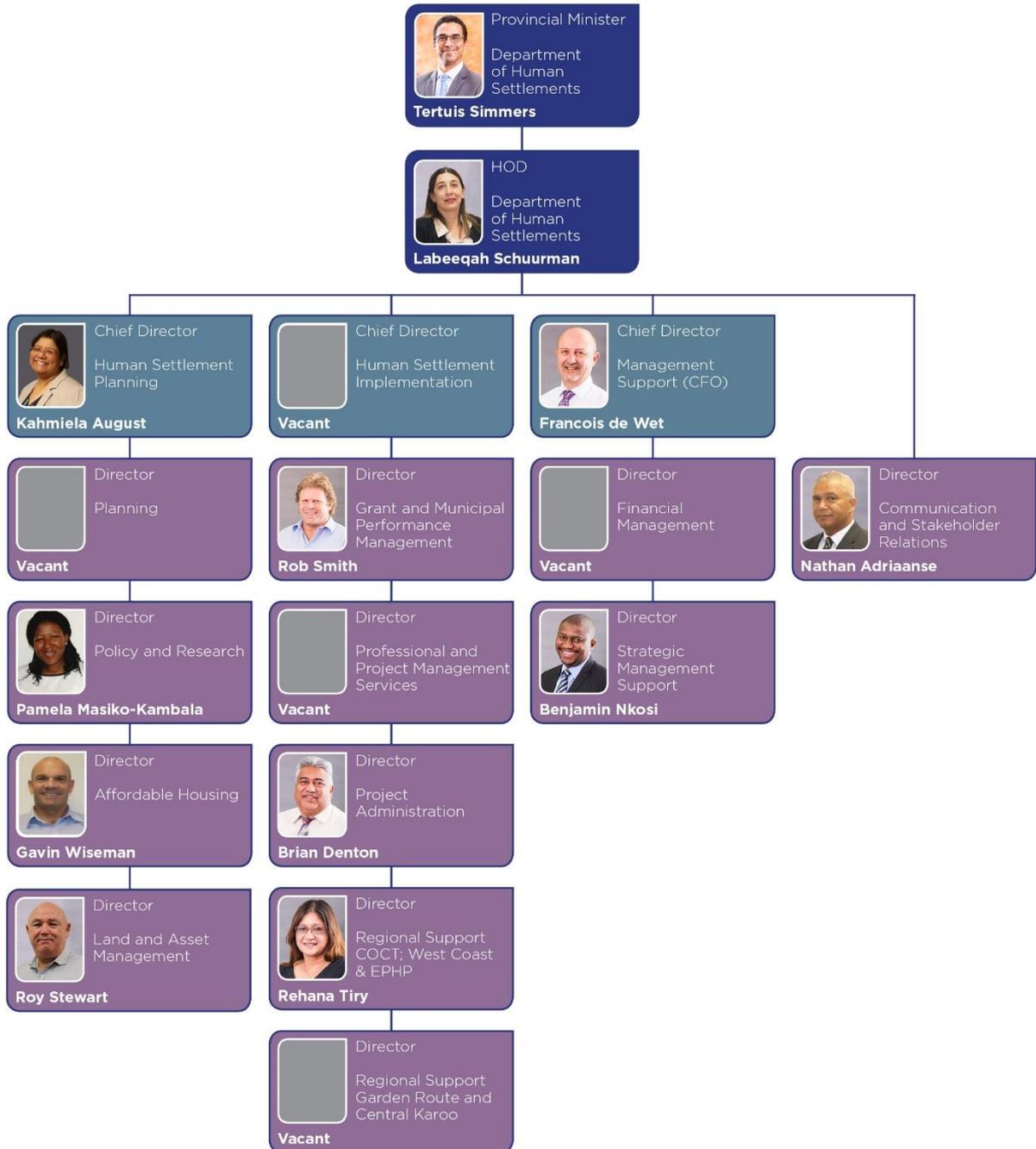
The Constitution further provides that housing is a competency that is held concurrently by national and provincial governments.

### 7.2 Statutory mandates

The following legislation governs the housing environment:

- Housing Act (Act 107 of 1997).
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (Act 19 of 1998).
- Housing Consumers Protection Measures Act (Act 95 of 1998).
- Rental Housing Act (Act 50 of 1999).
- Home Loan and Mortgage Disclosure Act (Act 63 of 2000).
- Housing Development Agency Act (Act 23 of 2008).
- Social Housing Act (Act 16 of 2008).
- Sectional Titles Management Act (Act 8 of 2011).
- Community Scheme Ombud Service Act (Act 9 of 2011).
- Western Cape Housing Development Act (Act 6 of 1999).
- Western Cape Land Use Planning Act (Act 3 of 2014).

## 8. Organisational structure as at 31 March 2023



## 9. Entities reporting to the Provincial Minister

None.



# PART B

Performance  
Information



## Part B: 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 no 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 137-147 of the Report of the Auditor-General, published as Part F: Financial Information.

### 2. Overview of Departmental performance

#### 2.1 Service delivery environment

During the 2022/23 financial year, numerous factors impacted on the Department's ability to deliver services to its beneficiaries. These factors can largely be attributed to the social and economic environment in the Western Cape and the impact of domestic and international factors. Below is an account of the performance of the Department for the period under review.

**Table 8: Total number of housing opportunities**

Opportunity	Planned Annual Target 2022/23	Actual Achievement 2022/23
Housing units	8 463	5 380
Serviced sites	2 747	1 230
Enhanced Extended Discount Benefit Scheme (EEDBS)	600	1 198
<b>Total number of housing opportunities</b>	<b>11 810</b>	<b>7 808</b>

#### Socio-economic dynamics

Socio-economic dynamics play a pivotal role in the delivery of sustainable human settlements. Factors outside the Department's control include instances of extortion by construction cartels, gangsterism, violence, land invasions and service delivery protests in communities. These factors severely hampered service delivery in the year under review, adding further strain on an already constrained budget, as additional security needed to be procured to protect sites and contractors. The issues mentioned above are not new and are also not unique to the Department of Human Settlements and are becoming more common across many public service delivery Departments. The Department seeks to overcome these challenges by improving its planning, management, governance and accountability systems.

## 2.2 Innovation in information and communication technology (ICT)

The global ICT industry made big strides forward over the past three years, notably enabling remote access to services. The Department responded by continuing to provide ICT systems internally to its staff as well as externally to the public to facilitate service delivery.

The Department continued to invest in enhancing its digital service to citizens through the mobile housing APP and redeveloping the Western Cape Housing Demand Database into a fully integrated system which enables Municipalities to engage with applicants using text messaging and email. Building on mobile technologies, the Department ran a pilot mobile reporting APP for fieldworkers to capture evidence in the field using their mobile devices.

## 2.3 Service Delivery Improvement Plan (SDIP)

WCG Departments will not be reporting on the SDIP 2022/23 Part B during the 2022/23 financial year. All national and provincial Departments were required to submit approved 2023-2025 SDIPs to DPSA by 31 March 2023 (DPSA Circular No 14 of 2022 and DG Circular No 59 of 2022).

## 2.4 Organisational environment

In his State of the Province Address (SOPA) in 2022, the Premier announced that the Department of Human Settlements and the Department of Transport and Public Works (DTPW) would cease to exist on 31 March 2023 and that two new Departments would be established on 1 April 2023. The new Department of Infrastructure would consist of the former Department of Human Settlements and the infrastructure components of the former Department of Transport and Public Works. Following this announcement, a collaborative process began to bring these changes into effect.

During the year under review, the Department underwent internal changes to its senior management team. The post of Head of Department (HOD) had been vacant since June 2021 and various senior managers had acted in the position. With effect from 1 November 2022, Labeeqah Schuurman was appointed as the HOD. She guided the Department through its transition into a Branch of the new Department of Infrastructure.

## 2.5 Key policy developments and legislative changes

The Affordable Housing Programme was one of the Department's priority programmes. One of the key policy developments was the revised FLISP policy, now called the First Home Finance Programme. The revised policy has been delinked from being a mortgage-only option to applicants being able to access the subsidy through options which include a pension or provident fund loan, a cooperative or community-based savings scheme (e.g., a stokvel), or an unsecured loan. By amending the policy, many potential applicants who were not able to access a mortgage from a financial institution can now realise their dream of becoming homeowners.

### 3. Achievement of institutional Impacts and Outcomes

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At the commencement of the Medium-Term Strategic Framework (MTSF) planning period, the Department set out four outcomes with appropriate performance indicators: improved efficiencies; liveable neighbourhoods; access to adequate housing; and improved security of tenure. During the year under review, the performance indicators measuring the four outcomes were amended to bring them into alignment with the prescribed National Department of Human Settlements (NDHS) standardised national indicators. The Department's Annual Performance Plan (APP) was then reviewed and re-tabled.

Work on the "improved efficiencies" outcome took the form of ICT interventions and enhancements implemented over the past four years. To date, a total of **10** interventions/enhancements have been made. The overperformance was due to additional enhancements and interventions that were implemented to meet the need for remote access during the COVID-19 National State of Disaster of 2020/21 and 2021/22.

A range of APP indicators were set in place to measure the second outcome, "liveable neighbourhoods", namely rezoning of land for human settlement developments, the completion of integrated implementation plans and the completion of township establishment processes. This outcome is primarily focused on investment in the priority human settlement and housing development areas (PHSHDAs). The Department has made significant strides towards the achievement of this outcome with a total of **8** integrated implementation plans and **7** township establishment processes completed.

In respect of Outcome 3, "Access to adequate housing and empowerment opportunities for citizens in the Western Cape", the Department has been faced with major delivery challenges, namely with contractors and with community dynamics. In the period 2019/20–2022/23, a total of **42 105** housing opportunities were delivered. The challenges are further elaborated on in the performance overview for the Programme.

Outcome 4, "Improved security of tenure through home ownership" was strongly focused on transferring and registering title deeds. This outcome seeks to promote home ownership through the transferring of rights and rewards to the beneficiary of a housing unit. In the period 2019/20–2022/23, a total of **27 035** title deeds in various categories were registered.

## 4. Programme performance information

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### 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:

#### Sub-programmes

- Office of the MEC: To provide for the functioning of the Office of the MEC.
- Corporate Services: To provide non-core corporate support to the Department.

#### Institutional Outcome

- Improved efficiencies.

#### Programme contribution to specific Outcomes, Outputs, Output Indicators and Targets and actual achievements

This Programme provided a backbone of support and guidance in the areas of finance, human resource, ICT, communications and general support services.

The Department continued to build on implementing improvements on the process of certification of invoices. These improvements resulted in an achievement of **99.50%** of all invoices received being paid within 30 days.

In the ICT space, the Department continued to invest in enhancing its digital service to citizens through its mobile housing APP and redeveloping the Western Cape Housing Demand Database into a fully integrated system which enables Municipalities to engage with applicants using text messaging and emails. Building on mobile technologies, the Department ran a pilot on a mobile reporting app for fieldworkers, which aims to capture evidence in the field using their mobile devices. A knowledge management (KM) maturity assessment has been conducted to understand whether the initiatives implemented across the Department contributed to realising the aims of its current KM Framework.

The Business Continuity Plan (BCP) is a document that consists of the critical information the Department needs to continue operating during an unplanned event or disaster. A total of **7** initiatives were executed in the year under review to ensure that Departmental activities can continue during and following any critical incident or disruption.

A total of **18** municipal engagements were held with stakeholders (Municipalities and communities) to relay human settlement messages and related programmes. The success of these engagements is evident as stakeholders clearly understood the strategic direction and priorities of the Department and could positively contribute towards them.

## Programme 1 Administration: Performance information prior to in-year changes

No targets were adjusted in this Programme during the 2022/23 financial year.

**Table 9: Programme 1: Administration: Performance information including in-year amendments**

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
1.1	Improved efficiencies	Invoices paid	Percentage of <b>invoices paid</b> within 30 days by 31 March 2023.	98%	99%	98%	99.50%	+1.5%	The Department continued to implement improvements on the certification process, which resulted in the over performance.
1.2		Evaluation studies completed	Number of <b>evaluation studies completed</b> by 31 March 2023.	0	1	3	1	-2	The consultation process that included external stakeholders to finalise the Terms of References (TORs) took longer than expected.
1.3		ICT systems enhanced	Number of <b>ICT systems enhanced</b> by 31 March 2023.	6	2	2	2	-	-

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
1.4	Improved efficiencies	Knowledge Management projects implemented	Number of <b>Knowledge Management projects</b> implemented by 31 March 2023.	1	2	1	1	-	-
1.5		Municipal engagements	Number of <b>municipal engagements</b> held by 31 March 2023.	6	20	16	18	+2	The Department had more engagements with the Municipalities regarding project implementation.
1.6		Number of BCP initiatives executed	Number of initiatives executed as part of implementing the <b>Business Continuity Plan</b> by 31 March 2023.	9	0	4	7	+3	To ensure that the Department's business continues should a disaster occur, more initiatives were executed.

## Linking performance to budgets

**Table 10: Programme 1: Administration & Sub-programme expenditure**

Sub-Programme	2022/23			2021/22		
	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
Office of the MEC	8 861	8 807	54	9 479	8 387	1 092
Corporate Services	124 349	124 349	–	127 745	125 027	2 718
<b>Total</b>	<b>133 210</b>	<b>133 156</b>	<b>54</b>	<b>137 224</b>	<b>133 414</b>	<b>3 810</b>

### Strategy to overcome areas of under-performance

The Department is reviewing the execution of evaluation studies in the context of becoming a part of the new Department of Infrastructure on 1 April 2023.

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

Not applicable.

## 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:

### Sub-programmes

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

### Institutional Outcome

- Liveable neighbourhoods.

### Programme contribution to specific Outcomes, Outputs, Output Indicators and Targets and actual achievements

#### Policy Paper

A policy was developed on the Prioritisation of households affected by permanent disabilities to receive top structures in government-subsidised housing projects. However, it was approved outside of the reporting period. The policy aims to improve mechanisms for prioritising people with permanent disabilities in housing projects. It uses internationally accepted conceptions of disability developed by the World Health Organization (WHO). The policy provides for the immediate implementation of "interim measures", which provides for two alternative verification measures, namely a) the receipt of a Permanent Disability Grant (PDG) or a Care Dependency Grant (CDG) from the South Africa Social Security Agent (SASSA), and b) the medical certificates required for physical adjustments to subsidy housing units, that are now combined to reduce targeting errors. Those receiving only a PDG also require the medical certificate, in order to be prioritised. In the short-to-medium term, the policy provides for the introduction of an assessment process based on WHO's framework, to further reduce targeting errors.

#### Policy Guidelines

Two policy guidelines were developed in the year under review. Including *Sustainable Building Technologies (SBTs) in the Planning and Development of Enhanced Serviced Site (ESS) Projects* offers guidance to practitioners when applying SBT principles and practices in ESS projects. The guideline is intended to be used by Municipalities as a reference document when rolling out more sustainable ESS projects and by technical implementation partners seeking guidance on how to include interventions to align the delivery of ESS projects to a Municipality's sustainability goals. The guideline is structured around five phases of a building life cycle, namely: planning, design, construction, operations and maintenance, renovation and deconstruction. This highlights that sustainability, as a practice is most effective when it is applied holistically, rather than selectively, to a development cycle. It is also made

clear that the challenges presented by each site and each project will be different and as such the appropriate sustainable solutions will differ.

The *Municipal Policy Template for Human Settlements Beneficiary Selection in Ownership-based Subsidy Projects* provides detailed guidelines to Municipalities for the review and reformulation of municipal beneficiary selection policies to align them with the amendments in the Western Cape Beneficiary Selection Policy Framework that was approved in 2022. It is expected that Municipalities, as subsidy housing developers, will use the guidelines to redraft their policies and bring them in line with the Western Cape Policy Framework, adjusting the template for local circumstances.

## Research Reports

### Sectional title Breaking New Ground (BNG) funding and management

The paper investigated various mechanisms for financing the maintenance and management of multi-storey BNG typology schemes, to promote urban densification. Findings show significant risks associated with inadequate funding of these units and long-term external support would be required, as the research demonstrated that very few BNG beneficiaries could afford to pay adequate levies. Regarding management support mechanisms, the report found that, while sectional title managing agents would be a minimum requirement, additional support through providing Executive Management Agent services or direct oversight of the board of trustees would be most pragmatic. Several funding streams that could potentially contribute to the financial sustainability of the model were identified. However, most are contingent on other actors, or national Policy changes. The research recommends, failing the provision of a new significant national funding stream, that sectional title BNG should only be pursued in the most strategic instances – where it is most needed and most viable.

### Supporting Beneficiaries of Serviced Sites in the Consolidation Process

The research paper explored ways of providing support to beneficiaries of Enhanced Serviced Sites (ESS) in constructing safe and formal houses on serviced sites. The research considered the international and domestic history of serviced site projects, current programmes and support nationally and analysed three recent domestic projects in order to draw lessons learnt and best practice. Historic analysis and best practice demonstrate that the model can be successful with the right support, but that realistic expectations, in terms of consolidation timelines and levels of formality are critical. Three key areas of potential beneficiary support were identified, namely: providing a supportive regulatory environment through the relaxation of building regulations; improving access to construction financing options; and providing technical assistance such as through building plans or construction advice.

### Feasibility of an Incremental Starter House for the Western Cape

This paper explored the feasibility of introducing an incremental starter house as a potential housing subsidy typology. The starter house, a 40 sqm frame structure with a 20 sqm area enclosed under a roof, is an innovation of the Department that could be directed towards eligible beneficiaries who do not fall in the priority groups set in the 2020

National Directive. In comparison to a serviced site, it is a housing opportunity that can be improved through self-building by the beneficiary based on their needs and resources. The house could address the housing demand and help reduce the backlog depending on the scale of delivery and uptake by Municipalities. The research presents an approximate cost for the house's construction and undertakes the crucial task of determining compliance with key building regulations. To be implemented, it would require endorsement by the National Home Builders Registration Council (NHBRC) and funding from either the HSDG or the ISUPG.

### **Identifying Opportunities for Designated Housing Contractors**

The research offers insight into how Historically Disadvantaged Individuals (HDIs) contractors interact with the Department. It outlines some of the challenges they face due to, amongst others, inadequate resources, insufficient financial and project management capacity on their side. From interviews held with contractors graded 4 to 6 by the Construction Industry Development Board (CIDB) and a not-for-profit organisation representing the interests of HDIs, it was found that the non-performance of some HDI contractors in housing construction projects is due to multi-faceted issues. These include a lack of business skills, poor financial management skills, limited construction experience, low profit margins and limited to no working capital. Understanding HDI contractor challenges in a broader context requires prolonged monitoring of their performance. The report also recommends that the Department should strengthen its project management and mentoring support. It should also advocate for the human settlement sector to offer more post-training support to HDI contractors.

### **Accelerating Access to Affordable and Social Housing**

The Department recognises the importance of accelerating the affordable housing initiative and focuses on aligning and enhancing the primary instruments for delivering such housing.

One of these instruments is the Social Housing Programme, which facilitates the development of affordable rental opportunities in designated restructuring zones (RZs). To extend the reach of the programme beyond the City of Cape Town (CoCT), RZs have been designated for 11 leader towns in the Western Cape. The Municipalities of Drakenstein, Stellenbosch and Mossel Bay are actively exploring strategies to deliver social housing in their areas of jurisdiction by studying successful projects implemented by social housing institutions (SHIs) in the City of Cape Town.

A series of eight capacitation workshops were conducted with Municipalities in the Cape Winelands, Garden Route and West Coast districts to support the implementation of the Social Housing Programme. The workshops included visits to Mossel Bay, George, Knysna, Plettenberg Bay, Saldanha Bay, Malmesbury, Worcester and Hermanus.

During the reporting period, two housing projects were completed: Conradie Park Phase 1 (130 units) and Maitland Mews (204 units). **Two** new social housing projects received support for implementation from the Provincial Minister.

The Department has introduced the Deferred Ownership Model, which is being piloted in Bredasdorp in the Cape Agulhas Local Municipality. This innovative funding model allows

beneficiaries to rent their units for a period of 24 to 36 months, after which they have the option to purchase the unit. The model is enabling many families that would previously have been excluded to gain access to the property market.

Ongoing sectoral engagements are held to promote affordable housing among important role-players outside government. A total of **2** banking forums were held and **2** partnerships agreements were concluded with key stakeholders in the period under review.

### **Planning**

During the 2022/23 financial year, the Planning Directorate provided technical support to **26** Municipalities. This support took the form of comments to the human settlements planning components of Municipalities' five-year integrated development plans (IDPs). These interventions sought to ensure that municipal IDPs are in alignment with provincial strategies, to ensure that human settlements are planned for PSHDAs and to ensure that provincial budgetary commitments in respect of human settlements are included in municipal budgets.

The Department influenced the long-term planning (5–20 years) of Municipalities by helping to ensure that long-term strategies for human settlements are included in these plans. The Department provided input and support for the development of the Swartland, George and City of Cape Town district plans.

The Department assisted the Hessequa Local Municipality to develop its Spatial Development Framework (SDF), highlighting pockets of well-located land that can be considered for developing housing opportunities in the future.

In addition, the Department undertook to draft development plans in the following PSHDAs: Grabouw, Villiersdorp and Blaauwberg, Atlantis and the Voortrekker Road Corridor in Cape Town. These development plans form part of municipal long-term plans. All the local Municipalities were assisted to develop their human settlement pipelines and to package project initiation documents (PIDs) for Project Planning Committee meetings. Many of these projects have subsequently been included in the Provincial Business Plan.

As a commitment to exploring innovative approaches to human settlements delivery, the Department commissioned a drone project, with a total of 11 successful missions flown in the 2022/23 financial year. 10 of the flights were flown by licensed departmental officials, with 1 being flown by the service provider at a project handover ceremony. Projects flown were based on a departmental priority and include New Woodlands, Dal Josefat, Transhex, Vlakkeland, Vredebes, Ebenheazer, Mountain View, Qolweni, Masakhane and Railton. Further exploratory work on the usage of drones will be further investigated in future.

The Department also managed the development of a Phase 1 GIS web viewer in this financial year. The project was conceptualized as a technology demonstrator for GIS online services with three different dashboards, with a web viewer of Human Settlement planning data also being developed. These three dashboards showcase informal settlements, pipeline projects and Departmental Business Planning data.

**Table 11: Programme 2: Housing Needs, Research and Planning – performance against originally tabled APP until date of re-tabling**

This table highlights the original APP indicator titles before re-tabling and the actual performance for quarters 1 and 2. (Re-tabling took place in November 2022.)

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.5	Liveable neighbourhoods	Integrated implementation plans completed	Number of <b>integrated implementation Programmes</b> within the priority housing development areas completed 31 March 2023.	1	2	5	0	-5	These are annual targets and will be reported on in the 4 <sup>th</sup> Quarter.	The indicator was amended to be compliant with the National Sector Standardised indicators.
2.9		Percentage of land rezoned	Percentage of acquired land during 2014 – 2019, <b>rezoned</b> by 31 March 2023.	0	6%	45.16%	0	-45.16%		

**Table 12: Programme 2: Housing Needs, Research and Planning: Performance information including in-year amendments**

This table highlights the amended APP indicator titles after re-tabling and the actual performance for all quarters. (Re-tabling occurred during November 2022.)

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
<b>Policy</b>									
2.1	Liveable neighbourhoods	Policies approved	Number of <b>policies approved</b> by 31 March 2023.	1	2	1	0	-1	The policy was developed within the reporting period, however, approval occurred outside the reporting period.
2.2		Policy implementation guidelines approved	Number of <b>policy implementation guidelines approved</b> by 31 March 2023.	1	2	2	2	-	-
<b>Research</b>									
2.3	Liveable neighbourhoods	Research reports completed	Number of <b>research reports completed</b> by 31 March 2023.	1	1	4	4	-	-

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
<b>Planning</b>									
2.4	Liveable neighbourhoods	Part D of the Annual Performance Plan populated	<b>Part D of the Annual Performance Plan populated</b> according to the prescribed format of National Treasury by 31 March 2023.	1	1	1	1	-	-
2.5		Integrated implementation plans completed	Number of <b>Integrated Implementation Programmes</b> for priority development areas completed per year.	1	2	5	5	-	-

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
2.6	Liveable neighbourhoods	Approved human settlement projects contained in the IDP	Number of <b>approved human settlement projects</b> contained in the IDP Chapter based on the objectives of Outcome 8 and representing national and provincial priorities by 31 March 2023.	10	13	10	13	+3	The Department received more project applications from Municipalities.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
2.7	Liveable neighbourhoods	Municipalities provided with technical support	Number of Municipalities that the Department provides with <b>technical support</b> (including transfer of skills) to enable the Municipality to produce development plans for human settlements projects by 31 March 2023.	25	26	26	26	-	-
2.8		Township establishment processes completed	Number of <b>township establishment processes</b> within the priority housing development areas completed by 31 March 2023.	0	4	5	3	-2	Appeals lodged by communities in the Highbury area resulted in the suspension of township establishment processes for two projects in Highbury within the Blue Downs PSHDA.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
2.9	Liveable neighbourhoods	Percentage of land rezoned	Percentage of <b>land</b> acquired during 2014–2019 within the PDAs <b>rezoned</b> .	0	6%	45.16%	0%	-45.16	The protractedness of the consultation process needed for rezoning prolonged the finalisation of land rezoned.
2.10		Sustainable livelihoods plans	Number of <b>sustainable livelihoods plans</b> developed for informal settlement projects by 31 March 2023.	New indicator		5	5	-	-

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
2.11	Liveable neighbourhoods	Individual informal settlement upgrading plans	Number of approved <b>individual informal settlement upgrading plans</b> prepared and aligned to the National Upgrading Support Programme (NUSP) methodology by 31 March 2023.	New indicator		50	41	-9	The consultation process with NDHS and other stakeholders to establish an agreed way forward was delayed by two quarters of the financial year, which impacted on the remaining time for implementation.
2.12		Social compacts concluded	Number of <b>social compacts concluded</b> with communities outlining their role in the upgrading process by 31 March 2023.	New indicator		5	5	-	-

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
<b>Affordable Housing</b>									
2.13	Liveable neighbourhoods	Social housing projects supported	Number of <b>social housing projects supported</b> for approval by 31 March 2023.	New indicator		2	2	-	-
2.14		Social Housing Business Plan	Submission of the <b>Social Housing Business Plan</b> to the Social Housing Regulatory Authority (SHRA) by 31 March 2023.	New indicator		1	1	-	-
2.15		Engagements held with the PSC	Number of <b>Provincial Steering Committee (PSC) engagements</b> held for the Social Housing Programme by 31 March 2023.	New indicator		4	4	-	-

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
2.16	Liveable neighbourhoods	Capacitation workshops held	Number of <b>capacitation workshops held</b> with leader towns for the Social Housing Programme by 31 March 2023.	New indicator		8	8	-	-
2.17		Banking forums held	Number of <b>banking forums</b> held by 31 March 2023.	New indicator		2	2	-	-
2.18		Partnership agreements concluded	Number of <b>partnerships agreements</b> concluded with key stakeholders by 31 March 2023.	New indicator		6	2	-4	The 4 other banks which were targeted, decided to form a collective and this agreement was not concluded during the financial year.

## Linking performance to budgets

**Table 13: Programme 2: Housing Needs, Research and Planning and Sub-programme expenditure**

Sub-Programme	2022/23			2021/22		
	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
Administration	15 226	15 226	-	14 449	14 209	240
Planning	11 893	11 888	5	11 551	11 277	274
<b>Total</b>	<b>27 119</b>	<b>27 114</b>	<b>5</b>	<b>26 000</b>	<b>25 486</b>	<b>514</b>

## Strategies to overcome areas of under-performance

The Department will improve on its consultation process with the relevant stakeholders to ensure achievement of the targeted commitments.

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

Not applicable.

### 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:

#### Sub-programmes

- Administration: To provide administration support funded from equitable share.
- Financial Intervention: 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.
- Social & Rental Intervention: To facilitate access to rental housing opportunities, supporting urban restructuring and integration.

#### Institutional Outcomes

- Access to adequate housing and empowerment opportunities for citizens in the Western Cape.

#### Programme contribution to specific Outcomes, Outputs, Output Indicators and Targets

The 2022/23 financial year had significant challenges that hampered service delivery, such as poor contractor performance, procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects. Despite this, the Department remained steadfast in its commitments and delivered **5 380** units against a target of 8 463 and **1 230** serviced sites against a target of 2 747. The Department acknowledges its under-performance and is working closely with its key stakeholders to mitigate the impact of current challenges and underlines its determination to forge ahead and execute its mandate.

The Department appreciates that economic empowerment is an important tool to improve livelihoods and reduce poverty and to this end, the Department consciously targeted 50% of its HSDG allocation toward targeted groups, particularly women and youth. During the year under review, the Department spent over R1 billion, which constitutes **66.39%** of its HSDG allocation, on targeted groups. Similarly, a total of **15.96%** and **13.29%** was spent on contractors with women and youth, against targets of 10% and 4% respectively.

The Department acknowledges that skills training can help support decent work, more equitable and inclusive growth and be the bridge between education and the labour market. To this end, the Department continued to invest on its effort to empower young people with skills within the built environment. During the year under review, **274** young people were trained against a target of 250. In addition, the Department enabled the creation of **1 111** job opportunities against a target of 1 000, thus contributing to the fight against unemployment.

**Table 14: Aggregate Indicators**

Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
Total number of <b>housing units</b> * delivered that have reached a stage of practical completion by 31 March 2023	6 247	6 191	8 463	5 380	-3 083	Poor contractor performance, procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects resulted in under-performance.
Total number of <b>serviced sites</b> ** delivered by 31 March 2023	5 204	3 973	2 747	1 230	-1 517	
Total number of <b>housing units and serviced sites</b> delivered by 31 March 2023	<b>11 451</b>	<b>10 164</b>	<b>11 210</b>	<b>6 610</b>	<b>-4 600</b>	

\* The total number of housing units is measured by indicators 3.1, 3.2 and 3.3 in Table 16.

\*\* The total number of serviced sites is measured by indicator 3.4 in Table 16.

NB: A serviced site refers to land that is ready to build on and has immediate access to water, sewerage and roads.

## Programme Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

**Table 15: Programme 3: Housing Development – performance against originally tabled APP until date of re-tabling**

This table highlights the original APP indicator titles before re-tabling and the actual performance for quarters 1 and 2. (Re-tabling took place in November 2022.)

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.2	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	FLISP subsidies disbursed	Number of beneficiaries earning between R3 501 – R22 000 per month provided with subsidies through the <b>Finance Linked Individual Subsidy Programme (FLISP)</b> by 31 March 2023.	813	1 620	2 000	892	-1 108	Quarter 1 & 2 delivery	The indicator title was amended to be compliant with the National Sector Standardised indicators.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.3		IRDP sites delivered	Number of sites connected to basic services as part of the <b>Integrated Residential Development Programme (IRDP)</b> by 31 March 2023.	4 783	2 178	1 164	0	0	No targets were set for the quarter 1 & 2	Indicator was collapsed with the Serviced Sites indicator, to be compliant with the National Sector Standardised indicators.
3.4	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	IRDP units delivered	Number of housing units delivered that have reached the stage of practical completion as part of the <b>Integrated Residential Development Programme (IRDP)</b> by 31 March 2023.	4 001	3 464	5 498	1 174	-4 324	Quarter 1 & 2 delivery	Indicator was collapsed with the BNG indicator, to be compliant with the National Sector Standardised indicators.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.5		UISP sites connected	Number of sites connected to basic services as part of the <b>Upgrading of Informal Settlements Programme (UISP)</b> by 31 March 2023.	421	1 795	1 583	23	-1 560	Quarter 1 & 2 delivery	Indicator was collapsed with the Serviced Sites indicator, to be compliant with the National Sector Standardised indicators.
3.6		Informal settlements upgraded	Number of <b>informal settlements upgraded</b> to phase 3 by 31 March 2023.	0	0	6	0	0	Annual target will be reported on in the 4 <sup>th</sup> quarter	The indicator title was amended to be compliant with the National Sector Standardised indicators.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.8	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	PHP units delivered	Number of housing units delivered that have reached the stage of practical completion of part of the <b>People's Housing Programme (PHP)</b> by 31 March 2023.	1 148	730	715	97	-618	Quarter 1 & 2 delivery	Indicator was collapsed with the BNG indicator, to be compliant with the National Sector Standardised indicators.

**Table 16: Programme 3: Housing Development: Performance information including in-year amendments**

This table highlights the amended APP indicator titles after re-tabling and the actual performance for all quarters. (Re-tabling occurred during November 2022.)

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
<b>Financial Intervention</b>									
<b>Individual Housing Subsidies (R0 – R3 500 Non-Credit Linked)</b>									
3.1	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	Individual (Non-Credit Linked) subsidies disbursed	Number of beneficiaries earning between R0 – R3 500 per month provided with subsidies through the <b>Individual Subsidy (Non-Credit Linked) Programme</b> by 31 March 2023.	285	377	250	272	+22	The Department received a higher amount of subsidy applications than was expected.
<b>Finance Linked Individual Subsidy (R3 501 – R22 000 FLISP)</b>									
3.2	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	FLISP subsidies disbursed	Number of households that received subsidies through <b>FLISP</b> .	813	1 620	2 000	1 436	-564	Increased interest rates exacerbated affordability challenges, which resulted in fewer subsidy applications being approved.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
<b>Incremental Housing Programme</b>									
3.3	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	BNG houses delivered	Number of <b>Breaking New Grounds (BNG)</b> houses delivered.	6 247	6 191	6 213	3 672	-2 541	Poor contractor performance, procurement delays, community unrests, lack of cooperation from key stakeholders and instances of extortion on projects resulted in delays that contributed to the under-performance.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
3.4	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	Serviced sites delivered	Number of <b>serviced sites</b> delivered.	5 204	3 973	2 747	1 230	-1 517	Poor contractor performance, procurement delays, community unrests, lack of cooperation from key stakeholders and instances of extortion on projects resulted in delays that contributed to the under-performance.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
3.6	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	Informal settlements upgraded	Number of <b>informal settlements upgraded</b> to Phase 3 of the Upgrading of Informal Settlements Programme (UISP).	0	2	6	1	-5	Lack of cooperation by informal settlements dwellers to move away from construction path, coupled with other challenges experienced from communities and procurement delays resulted in the under-performance.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
3.7	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	Interim engineering services	Number of informal settlements provided with <b>interim engineering services</b> (water, sanitation and electricity) by 31 March 2023.		New indicator	44	1	-43	Basic services is a municipal competency, the Department provides financial support based on applications received. Only one Municipality applied for funding.
<b>Empowerment Opportunities and Job Creation</b>									
3.9	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	Percentage of HSDG paid to contractors in designated groups	Percentage of the <b>Human Settlements Development Grant (HSDG)</b> paid to contractors in targeted groups in terms of the Preferential Procurement Policy Framework Act (PPPFA), within the housing sector by 31 March 2023.	67.53%	68.67%	50%	66.39%	+16.39%	Continued effort to generate awareness of construction related business opportunities was provided to targeted groups.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
3.10	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	Percentage of the HSDG paid to contractors with women representation	Percentage of the amount spent on targeted groups paid to <b>contractors with women representation</b> within the housing sector by 31 March 2023.	14.68%	14.50%	10%	15.96%	+5.96%	Continued effort to generate awareness of construction related business opportunities was provided to targeted groups.
3.11		Percentage of the HSDG paid to contractors with youth representation	Percentage of the amount spent on targeted groups paid to <b>contractors with youth representation</b> , within the housing sector by 31 March 2023.	5.34%	6.18%	4%	13.29%	+9.29%	Continued effort to generate awareness of construction related business opportunities was provided to targeted groups.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
3.12	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	Job opportunities facilitated	Number of <b>job opportunities</b> facilitated by 31 March 2023.	937	881	1 000	1 111	+111	Efforts engaged in ensuring that labour intensive projects are activated and implemented in various projects resulted in more job opportunities being created across the province.
3.13		Young people trained	Number of <b>young people trained</b> by 31 March 2023.	56	159	250	274	+24	Continued effort to encourage young people to participate in construction related activities resulted in a higher intake.
3.14		Percentage of investment in PHDAs*	<b>Percentage of investment</b> of the total Human Settlements allocation <b>in PHDAs</b> by 31 March 2023.	New indicator		62%	62%	-	-

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
<b>Sustainable Resource Use</b>									
3.15	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	Houses built using SBTs	Total number of houses built using <b>sustainable building technologies</b> (SBTs) such as construction, energy, water and sanitation by 31 March 2023.	1 035	1 120	700	363	-337	Some projects which delivered on SBTs were not subjected to EDGE Certification.
<b>Enhanced Extended Discount Benefit Scheme</b>									
3.16	Access to adequate housing and empowerment opportunities for citizens in the Western Cape	Beneficiaries who benefitted through the EEDBS	Number of beneficiaries who benefitted through the <b>Enhanced Extended Discount Benefit Scheme (EEDBS)</b> by 31 March 2023.	1 313	1 331	600	1 198	+598	More debtors qualified for write-offs in terms of the debt write-off policy of the Department.

\* PHDAs = priority housing development areas, also known as PSHDAs.

**Table 17: Delivery per housing programme 2022/23**

Municipality	Programme	Delivery	
		Serviced Sites	Housing Units
Bitou	Integrated Residential Development Programme	-	169
Breede Valley	Integrated Residential Development Programme	-	170
Cederberg	Integrated Residential Development Programme		63
City of Cape Town (includes provincial projects)	Integrated Residential Development Programme	-	1 116
	People's Housing Process	-	102
Drakenstein	Integrated Residential Development Programme	179	104
Hessequa	Integrated Residential Development Programme	-	150
Knysna	Upgrading of Human Settlements Programme	17	-
	People's Housing Process	-	89
Langeberg	Integrated Residential Development Programme	-	112
Matzikama	Integrated Residential Development Programme	35	312
Mossel Bay	Integrated Residential Development Programme	-	227
	Upgrading of Human Settlements Programme	32	-
	People's Housing Process	-	10
Oudtshoorn	Integrated Residential Development Programme	-	255
Overstrand	Integrated Residential Development Programme	113	400
	Upgrading of Human Settlements Programme	111	-
Saldanha Bay	Integrated Residential Development Programme	192	-
Stellenbosch	Integrated Residential Development Programme	-	98
Swartland	Integrated Residential Development Programme	36	295
Swellendam	Integrated Residential Development Programme	515	-
Other housing programmes (Individual Housing Subsidy Programme, FLISP)		-	1 708
<b>Total</b>		<b>1 230</b>	<b>5 380</b>

## Linking performance to budgets

**Table 18: Programme 3: Housing Development & Sub-programme expenditure**

Sub-Programme	2022/23			2021/22		
	Final appropriation R'000	Actual expenditure R'000	(Over)/ under expendi- ture R'000	Final appropriation R'000	Actual expenditure R'000	(Over)/ under expenditure R'000
Administration	124 704	122 368	2 336	159 614	157 944	1 670
Financial Interventions	228 234	212 372	15 862	206 494	170 576	35 918
Incremental Interventions	1 890 018	1 690 603	199 415	1 829 419	1 829 284	135
<b>Total</b>	<b>2 242 956</b>	<b>2 025 343</b>	<b>217 613</b>	<b>2 195 527</b>	<b>2 157 804</b>	<b>37 723</b>

## Strategies to overcome areas of under-performance

The Department will continue with its under-performance mitigation efforts through:

- Conducting regular technical meetings with Municipalities to ensure alignment of performance reporting as well as to mitigate areas of concern.
- Conducting regular meetings with communities to address any issues they may have.
- Identifying projects that can be brought forward or accelerated to mitigate any in-year issues arising on projects with delivery challenges through the Business Plan process.
- Exploring a hybrid delivery model which aims to provide a more agile approach to housing delivery.

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

The Department requested exemption from the following Nationally Prescribed Sector Indicators:

Standardised Indicator	Reason for exemption
Number of rental social housing units delivered.	Social housing is no longer managed by Departments, but by social housing institutions.
Number of community residential units (CRUs) delivered.	Community residential units are no longer managed by Departments, but by social housing institutions.

## 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 of four Sub-Programmes, namely:

### Sub-programmes

- Administration: To provide administration support funded from the 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.
- Housing Properties Management: To provide for the maintenance of housing properties, transferring ownership and identifying and securing land.

### Institutional Outcomes

- Security of tenure through home ownership.

### Programme contribution to specific Outcomes, Outputs, Output Indicators and Targets

The Department acknowledges the difficulties around meeting its annual title deed targets. A Title Deed Action Plan focussed on improving support to Municipalities was developed and thus initiated. The Action Plan seeks to improve the policy framework, professional resource support, data cleansing and the need for a dedicated project manager to improve co-ordination between the Department and the Municipalities.

A total of **3 727** title deeds were registered against a target of 10 150. For pre-1994 title deeds, the Office of the State Attorney and private conveyancers assisted with expediting and prioritising the registration of title deeds, resulting in an over performance on the set target. However, the fact that the title deeds registration process also relies on external role players, i.e., the Deeds Office and Municipalities, can delay the registration process. This has resulted in the Department under-performing in its registration of title deeds in other categories.

It is important to note that title deed targets were set based on a historical performance basis, with backlogs from the previous 5- year cycle carried through to the current 5- year cycle. The challenges faced by the Western Cape are experienced in all Provinces. The Department will work toward reducing the title deeds backlog through collaborative engagement with other Provinces, Municipalities, National Departments and other relevant stakeholders.

It should be noted that the Department aligned its indicators with the National Sector Standardised indicators. However, the essence, measurement and reporting of the indicators remained unchanged. The changes are highlighted in the tables below.

**Table 19: Programme 4: Housing Asset Management – performance against originally tabled APP until date of re-tabling**

This table highlights the original APP indicator titles before re-tabling and the actual performance for quarters 1 and 2. (Re-tabling took place in November 2022.)

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.2		Pre 1994 title deeds transferred	Number of <b>title deeds transferred to qualifying beneficiaries of pre-1994 housing units</b> by 31 March 2023.	112	110	150	157	+7	Quarter 1 & 2 delivery	The indicator title was amended to be compliant with the National Sector Standardised indicators.
4.3	Security of tenure through home ownership	Title deeds (pre-2014) registered	Number of <b>title deeds registered for pre-2014 developments</b> by 31 March 2023.	3 598	2 073	4 500	1 571	-2 929	Quarter 1 & 2 delivery	
4.4		Title deeds (post-2014) registered	Number of <b>title deeds registered for post-2014 developments</b> by 31 March 2023.	2 642	5 981	4 500	591	-3 909	Quarter 1 & 2 delivery	

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.5	Security of tenure through home ownership	Title deeds (post-2019) registered	Number of <b>title deeds registered for post-2019 developments</b> by 31 March 2023.			1 000	151	-849	Quarter 1 & 2 delivery	The indicator title was amended to be compliant with the National Sector Standardised indicators.

**Table 20: Programme 4: Housing Asset Management: Performance information including in-year amendments**

This table highlights the amended APP indicator titles after re-tabling and the actual performance for all quarters. (Re-tabling took place in November 2022.)

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
4.1	Security of tenure through home ownership	Rental units devolved	Number of <b>rental units devolved</b> to Municipalities in terms of Section 15 of the Housing Act, 1997, by 31 March 2023.	0	34	32	0	-32	The deeds of alienation from the Stellenbosch Municipality were not finalised, as the Municipality did not accept the Department's offer for future maintenance and upgrades.
4.2		Pre-1994 title deeds registered	Number of <b>pre-1994 title deeds</b> registered.	112	110	150	331	+181	The overperformance was due to increased effort to expedite the property transfer transactions in collaboration with the Office of the State Attorney and private conveyancers.
4.3		Post-1994 title deeds registered	Number of <b>post-1994 title deeds</b> registered.	3 598	2 073	4 500	1 880	-2 620	Capacity challenges were experienced by both the Department and Municipalities, who are participants in the title deed processes.

No	Outcomes	Outputs	Output Indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from Planned Target to Actual Achievement 2022/23	Reasons for deviations
4.4	Security of tenure through home ownership	Post-2014 title deeds registered	Number of <b>post-2014 title deeds</b> registered.	2 642	5 981	4 500	973	-3 527	Capacity challenges were experienced by both the Department and Municipalities, who are participants in the title deed processes.
4.5		New title deeds registered	Number of <b>new title deeds</b> registered.	New indicator		1 000	543	-457	Capacity challenges were experienced by both the Department and Municipalities, who are participants in the title deed processes.

## Linking performance to budgets

### Sub-Programme expenditure

**Table 21: Programme 4: Housing Asset Management & Sub-programme expenditure**

Sub-Programme	2022/23			2021/22		
	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
Administration	51 610	46 175	5 435	27 359	26 539	820
Housing Property Maintenance	23 079	23 031	48	24 149	18 686	5 463
<b>Total</b>	<b>74 689</b>	<b>69 206</b>	<b>5 483</b>	<b>51 508</b>	<b>45 225</b>	<b>6 283</b>

### Strategies to overcome areas of under-performance

Provincial performance has demonstrated a downward trend in title deed performance over the last few years. Strategies to overcome under-performance include:

- The main challenge at all government spheres is available human resource capacity to drive the eradication of the title deeds backlog specifically. The Department has now appointed a dedicated Title Deeds Project Manager, who is focussing on the improvement of co-ordination between the Department and Municipalities, as well as driving the establishment of an improved policy environment.
- A due diligence exercise to understand the complexities around the title deeds backlog per project and per Municipality is required. This will consequently enable the appointment of pointed service providers to render targeted Municipal and Provincial Support, as an outcome of the due diligence.
- A specific focus on data gathering and data cleansing, which requires specific technical and information management skills. The appointment of a Data Analyst and an Information Analyst is recommended.
- Existing systems, like the HSS, has data gaps as it relates to title deeds and is consequently deemed unreliable. A technical data and information solution is recommended, which must include correlating data across various systems (held by different organisations), data consolidation and cleansing, data reporting compilation and data analysis.
- A renewed focus on updating the Provincial Title Deeds Policy Framework is also pivotal. This includes clearly identifying and motivating where legislative and policy changes are required at all spheres, as well as supporting the development of guiding documents to enable Municipalities to develop focused policies around complicated matters (e.g., beneficiary regularization).
- An analysis and audit of all property owned by Human Settlements will be undertaken, clearly identifying which properties we have title deeds for and which properties we do not have title deeds for.
- A plan, linked to financial implications and consequent timing for potential title deed replacement will be developed.

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

Not applicable.

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## **5. Transfer payments**

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### **5.1 Transfer payments to public entities**

No transfer payments were made to public entities.

### **5.2 Transfer payments to all organisations other than public entities**

The tables below reflect the transfer payments made for the period 1 April 2022 to 31 March 2023 per Programme.

**Table 22: Transfer payments to all organisations**

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
City of Cape Town	Municipality	Accreditation and Municipal Support Grant	Yes	10 000	7 746	Appropriated in the municipal adjustments budget
		Settlement assistance	Yes	1 500	1 018	Appropriated in the municipal adjustments budget
		Title deeds restoration	Yes	11 129	11 129	Appropriated in the municipal adjustments budget
		Rates and taxes	n/a	4 583	4 583	n/a
Swartland	Municipality	Accreditation and Municipal Support Grant	Yes	256	145	n/a
		Rates and taxes	n/a	18	18	n/a
Witzenberg	Municipality	Accreditation and Municipal Support Grant	Yes	256	182	Appropriated in the municipal adjustments budget
Drakenstein	Municipality	Accreditation and Municipal Support Grant	Yes	256	-	Appropriated in the municipal adjustments budget
		Rates and taxes	n/a	126	126	n/a
Stellenbosch	Municipality	Accreditation and Municipal Support Grant	Yes	256	26	Appropriated in the municipal adjustments budget
		Rates and taxes	n/a	157	157	n/a
Breede Valley	Municipality	Accreditation and Municipal Support Grant	Yes	513	377	Appropriated in the municipal adjustments budget
		Rates and taxes	n/a	142	142	n/a

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
		Title deeds restoration	Yes	2 505	2 505	Appropriated in the municipal adjustments budget
		Devolution of properties	Yes	3 400	-	Appropriated in the municipal adjustments budget
Cape Agulhas	Municipality	Accreditation and Municipal Support Grant	Yes	256	-	Appropriated in the municipal adjustments budget
		Acceleration of housing delivery	Yes	15 000	-	Appropriated in the municipal adjustments budget
Mossel Bay	Municipality	Accreditation and Municipal Support Grant	Yes	256	20	Appropriated in the municipal adjustments budget
George	Municipality	Accreditation and Municipal Support Grant	Yes	513	21	Appropriated in the municipal adjustments budget
		Rates and taxes	n/a	56	56	n/a
Beaufort West	Municipality	Accreditation and Municipal Support Grant	Yes	256	-	n/a
Garden Route	Municipality	Accreditation and Municipal Support Grant	Yes	5 000	-	n/a
Saldanha Bay	Municipality	Accreditation and Municipal Support Grant	Yes	-	-	Appropriated in the municipal adjustments budget
		Rates and taxes	n/a	-	-	n/a
		Acceleration of housing delivery	Yes	667	-	Appropriated in the municipal adjustments budget

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Matzikama	Municipality	Rates and taxes	n/a	9	9	n/a
Swellendam	Municipality	Rates and taxes	n/a	8	8	n/a
		Title deeds restoration	Yes	172	-	Appropriated in the municipal adjustments budget
		Acceleration of housing delivery	Yes	5 500	-	Appropriated in the municipal adjustments budget
Hessequa	Municipality	Rates and taxes	n/a	3	3	n/a
		Title deeds restoration	Yes	3 266	-	Appropriated in the municipal adjustments budget
		Acceleration of housing delivery	Yes	2 200	-	Appropriated in the municipal adjustments budget
Kannaland	Municipality	Rates and taxes	n/a	2	2	n/a
Bitou	Municipality	Rates and taxes	n/a	5	5	n/a
Cederberg	Municipality	Title deeds restoration	Yes	240	-	Appropriated in the municipal adjustments budget
<b>Total</b>				<b>68 506</b>	<b>28 278</b>	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023, but no transfer payments were made.

**Table 23: Transfer Payments budgeted**

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Mossel Bay	Title deeds restoration	3 961	-	The underspending is mainly due to a payment that was returned by the bank in respect of the title deeds restoration. The Municipality did not timeously inform the Department of the change of banking details.
Saldanha Bay	Title deeds restoration	1 474	-	The underspending was realised in respect of the title deeds restoration programme. The Municipality spent the unspent funds instead of returning the unspent funds to the Department. These funds were re-appropriated to the Municipality during the Adjusted Budget process.

## 6. Conditional grants

### 6.1 Conditional grants and earmarked funds paid

No Conditional Grants or earmarked funds are paid by the National Department of Human Settlements.

### 6.2 Conditional grants and earmarked funds received

The tables below detail the conditional grants and ear marked funds received for the period 1 April 2022 to 31 March 2023.

#### Conditional Grant: Human Settlements Development Grant

Table 24: Conditional Grant: Human Settlements Development Grant

<b>Department which transferred the grant</b>	National Department of Human Settlements
<b>Purpose of the grant</b>	The facilitation and provision of basic infrastructure, top structures and basic social and economic amenities that contribute to the establishment of sustainable human settlements.
<b>Expected outputs of the grant</b>	1 164 sites 8 463 units
<b>Actual outputs achieved</b>	1 070 sites 5 380 units
<b>Amount per amended DORA (R'000)</b>	R1 628 418
<b>Amount received (R'000)</b>	R1 525 136
<b>Reasons if amount as per DORA was not received</b>	n/a
<b>Amount spent by the Department (R'000)</b>	R1 525 136
<b>Reasons for the funds unspent by the entity</b>	n/a
<b>Reasons for deviations on performance</b>	Poor contractor performance, procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects resulted in the under-performance.
<b>Measures taken to improve performance</b>	The Department will continue with its under-performance mitigation efforts through: <ul style="list-style-type: none"> <li>• Conducting regular technical meetings with Municipalities to ensure alignment of performance reporting as well as to mitigate areas of concern.</li> <li>• Conducting regular meetings with communities to address any issues they may have.</li> <li>• Identifying projects that can be brought forward or accelerated to mitigate any in-year issues arising on projects with delivery challenges through the Business Plan process.</li> <li>• Exploring a hybrid delivery model which aims to provide a more agile approach to housing delivery.</li> </ul>

<b>Monitoring mechanism by the receiving Department</b>	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.
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## Conditional Grant: Informal Settlement Upgrading Partnership Grant

Table 25: Conditional Grant: Informal Settlement Upgrading Partnership Grant

<b>Department which transferred the grant</b>	National Department of Human Settlements
<b>Purpose of the grant</b>	To facilitate a programmatic and inclusive approach to upgrading informal settlements.
<b>Expected outputs of the grant</b>	1 583 sites
<b>Actual outputs achieved</b>	160 sites
<b>Amount per amended DORA (R'000)</b>	R 489 834
<b>Amount received (R'000)</b>	R 377 839
<b>Reasons if amount as per DORA was not received</b>	n/a
<b>Amount spent by the Department (R'000)</b>	R 377 839
<b>Reasons for the funds unspent by the entity</b>	n/a
<b>Reasons for deviations on performance</b>	Poor contractor performance, procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects resulted in the under-performance.
<b>Measures taken to improve performance</b>	The Department will continue with its under-performance mitigation efforts through: <ul style="list-style-type: none"> <li>• Conducting regular technical meetings with Municipalities to ensure alignment of performance reporting as well as to mitigate areas of concern.</li> <li>• Conducting regular meetings with communities to address any issues they may have.</li> <li>• Identifying projects that can be brought forward or accelerated to mitigate any in-year issues arising on projects with delivery challenges through the Business Plan process.</li> <li>• Exploring a hybrid delivery model which aims to provide a more agile approach to housing delivery.</li> </ul>
<b>Monitoring mechanism by the receiving Department</b>	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: Expanded Public Works Programme

**Table 26: Conditional Grant: Expanded Public Works Programme**

<b>Department which transferred the grant</b>	National Department of Public Works
<b>Purpose of the grant</b>	To incentivise provincial Departments to expand work creation efforts through the use of labour-intensive delivery methods
<b>Expected outputs of the grant</b>	1 000 job opportunities
<b>Actual outputs achieved</b>	1 111 job opportunities
<b>Amount per amended DORA (R'000)</b>	R 2 978
<b>Amount received (R'000)</b>	R 2 978
<b>Reasons if amount as per DORA was not received</b>	n/a
<b>Amount spent by the Department (R'000)</b>	R 2 978
<b>Reasons for the funds unspent by the entity</b>	n/a
<b>Reasons for deviations on performance</b>	n/a
<b>Measures taken to improve performance</b>	n/a
<b>Monitoring mechanism by the receiving Department</b>	The Department submits quarterly reports to the National Department of Human Settlements during the financial year to track performance.

## 7. Donor funds

The Department did not receive donor assistance.

## 8. Capital investment

The capital investment, maintenance and asset management against final allocations for the Vote is tabled below.

**Table 27: Capital investment**

Infrastructure projects	2022/2023			2021/2022		
	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	5 344	5 344	-	2 817	2 817	-
<b>Total</b>	<b>5 344</b>	<b>5 344</b>	<b>-</b>	<b>2 817</b>	<b>2 817</b>	<b>-</b>



# PART C

Governance



# Part C: Governance

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## 1. Introduction

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The management team of the Department of Human Settlements is committed to maintaining 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.

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## 2. Risk management

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The Department established an Enterprise Risk Management Committee (ERMCO) to assist the Accounting Officer (AO) in executing her responsibilities relating to risk management.

### **Ethics and Enterprise Risk Management Committee Report**

#### **1. Enterprise Risk Management Policy and Strategy**

The Department adopted an Enterprise Risk Management (ERM) Policy on 15 April 2020 for the 2020/21 – 2024/25 financial years. This policy articulates the risk management philosophy and captures, on a high-level, the roles and responsibilities of the different role players. It provides the basis for the risk management process which is supplemented with the detail in the strategy. The ERM strategy and implementation plan was approved on 31 March 2022.

The ERM Strategy and Implementation Plan outlines how the Department will go about implementing the ERM Policy adopted by the Accounting Officer (AO). This ERM Strategy is informed by the Provincial Enterprise Risk Management Policy and Strategy (PERMPS) as well as its own ERM Policy and risk profiles.

## ERMCO Responsibility

The ERMCO reports that it has complied with its responsibilities arising from Section 38 (1)(a)(i) of the Public Finance Management Act, Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The ERMCO also reports that it has adopted the appropriate formal Terms of Reference (approved by the ERMCO chairperson on 17 June 2021) and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein.

## ERMCO members

The ERMCO comprises of the AO, top management, SMS and selected members of the Department's management team. As per its Terms of Reference the ERMCO met four times during the year under review. All meetings were attended by members or his/her representative.

The table below discloses relevant information on ERMCO members:

**Table 28: ERMCO members**

Name	Position	Meetings Attended	Date Appointed
Ms P. Mayisela	Acting Accounting Officer (Resigned from Department - 31 August 2022)	0	29/03/2018
Ms L. Schuurman	Accounting Officer (Chairperson)	2	01/11/2022
Mr F. de Wet	Chief Financial Officer (Departmental Risk Champion)	4	26/03/2018
Ms K. August	Chief Director: Human Settlements Planning	4	30/03/2021
Ms S. January-Manzini	Acting Director: Financial Management	3	19/01/2023
Mr B. Denton	Director: Human Settlements Implementation	4	01/06/2021
Mr M. Stoffels	Director: Financial Management (Retired – 30 September 2022)	1	04/04/2018
Mr B. Nkosi	Director: Strategic Management Support	3	10/04/2018
Mr S. Moolman	Deputy Director: Management Support	4	11/04/2018

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

**Table 29: ERMCO meetings**

Name	Position	Meetings Attended
Ms A. Haq	Director: Enterprise Risk Management (DotP)	3
Ms V. Simpson-Murray	Director: Internal Audit (DotP)	4
Ms A. Behardien	Deputy Director: Internal Audit (DotP)	4
Ms M. Natesan	Deputy Director: Provincial Forensic Services (DotP)	4
Ms M. Danker	Deputy Director: Provincial Forensic Services (DotP)	3
Mr P. Pillay	Deputy Director: Provincial Forensic Services (DotP)	4

Name	Position	Meetings Attended
Mr R. Arendse	Deputy Director: Enterprise Risk Management (DotP)	3
Ms N. Mabude	Assistant Director: Enterprise Risk Management (DotP)	3
Ms P. Kleyn	Service Manager: Ce-I (DotP)	3
Ms M. Brockman	Assistant Director: Human Settlement Internal Control	3
Ms B. Bagaqani	Secretariat: Human Settlements	4
Mr E. Nakeli	Secretariat: Human Settlements	4

### ERMCO key activities

The AO is the chairperson of the ERMCO and the Deputy Director: Internal Control is the Risk Champion of the Department. In executing its function, the ERMCO performed the following key activities during the year:

- Reviewed the Department's ERM Strategy and Implementation Plan before recommendation by the Audit Committee and approval by the AO.
- Monitored and reviewed risks in set grouped categories of appetite ranges, reviewed and applied appropriate risk appetite and tolerances guided by the PERMPS adopted by Provincial Top Management.
- Reported to the AO any material changes to the risk profile of the Department.
- Confirmed the Department's citizen centric strategic risks. This illustrates the Department's efforts in addressing the contributing factors and impacts that relate directly to the citizen.
- Received and considered risk intelligence and trend reports.
- Identified emerging risks.
- Reviewed risks that are outside the tolerance levels for further action / attention.
- Monitored the implementation of the Fraud and Corruption Prevention Implementation Plan.
- Monitored the implementation of the Departmental ERM Policy, Strategy and Implementation Plan.
- Evaluated the effectiveness and mitigating strategies to address the material, ethics and economic crime risks.
- Provided oversight on ethics management in the Department.

### 3. Key strategic risks considered and addressed during the year

**Risk 1: Inability to accelerate the upgrading processes of informal settlements.** The risk remains crucial as it directly and negatively impacts on both the Department's mandate as well as its purpose. This is evident through the mushrooming of informal settlements, service delivery protests and the infringement of citizens basic human rights. The current controls in place prove insufficient especially since the land release programme, stakeholder engagements and political buy-in are medium to long term actions. Municipalities aligning their business plans to the upgrading of informal settlements programme is assisting in the short term, so too are the implementation of the turnaround plan and appointment of a professional services team.

**Risk 2: Inefficient rollout of title deeds transfers.** The rollout has been inefficient due to incorrect and poorly executed beneficiary management, contested ownership, as well as a historic backlog dating back to pre-1994. This has impacted the Department

financially as it is liable for municipal services and rates until transfer. The only control articulated to date is the "Normalisation Policy that is retro-actively utilised to fix poor beneficiary management."

**Risk 3: Ineffective prioritisation of people from vulnerable groups.** Factors effecting the prioritization include amongst others; an outdated database susceptible to being manipulated, changes in allocation criteria, fluidity of the vulnerable groups and beneficiaries declining opportunities. This results in the most deserving recipients not being prioritized, social unrest and the well-being and dignity of the vulnerable people being negatively impacted. Controls addressing this risk include amongst others, utilization of a beneficiary selection framework and allocation guidelines; as well as the screening of subsidy applications on the WC housing Demand Database prior to being captured on HSS.

#### **4. Key emerging risks for the following financial year**

The emerging risk that is currently being unpacked by the Department is the "Formation of the Department of Infrastructure" which is presenting some uncertainties in terms of resources and timelines.

This will be further discussed and analysed, if necessary, in the new Financial Year, within the Department of Infrastructure.

#### **Management of risks**

Regular strategic and programme risk assessments are conducted to determine the effectiveness of the Department's risk management strategy and to identify new and emerging risks because of changes in the internal and/or external environment. Each programme's risks were deliberated and debated during the year and presented at the quarterly ERMCO meetings. Senior managers were 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. ERMCO also referred risks back to the respective programmes that should be analysed more extensively and recommended additional mitigations or actions to manage risks. Management takes ownership of risks and often discusses risk matters at various platforms as part of its culture in an effort to constrain risks in a collaborative and innovative way. The Department's ERM Policy and Strategy are circulated to all officials on an annual basis for all levels of staff to stay abreast of enhancements that have been effected and as a means of embedding risk management throughout the Department. Bespoke and generic risk awareness sessions were also conducted to share benchmarking elements so that risk management can mature in the Department. Activities detailed in the implementation plan are perpetually monitored and periodically reported on, in the same way that APP deliverables are monitored, to detect potential risks and deviations from indicators and the achievement of outcomes and non-adherence to legislative and policy mandates.

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.

## 5. Conclusion

The Department is committed to good governance in the management of the organisation and the implementation of the human settlements projects. Progress on the implementation of the approved risk management implementation plan is reported on a quarterly basis to the Committee, whereby the risks are evaluated taking into consideration where changes have arisen in the Department's operations.



**L Schuurman**  
**Accounting Officer**  
**Department of Human Settlements**  
**Date: 31 August 2023**

### 3. Fraud and corruption

Fraud and corruption represent 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 2000 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 Service.

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

**Table 30: Case Movement Certificate**

Cases	Number of cases
Open cases as at 1 April 2022	2
New cases (2022/23)	6
Closed cases (2022/23)	(2)
Open cases as at 31 March 2023	6

The following table further analyses the closed cases indicated above:

**Table 31: Closed cases**

<b>Nature and investigation outcome of the closed cases</b>
In 2 cases the investigations were concluded with no adverse findings, but recommendations were made.

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## 4. Minimising conflicts of interest

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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 2022/23 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.

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## 5. Code of Conduct

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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.

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## 6. Health, safety and environmental issues

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The Occupational Health and Safety Act, 1993, imposes a responsibility on the Department of Human Settlements (DHS) to ensure the physical health and safety of their employees.

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

## Awareness, Induction and Training sessions

- Training provided to fifteen DHS Fire Marshals.
- Training provided to fourteen DHS First Aid Marshals.
- Twenty-five OHS brochures were distributed to DHS George staff during access permit verification exercises as part of awareness raising.
- Monthly water consumption communicated to all DHS staff.
- Four hundred Condoms were replenished in all bathrooms in DHS facilities as part of awareness raising.

## Committee Meetings

- The Department OHS committee terms of reference (TOR) was reviewed and approved by the HOD.
- Two prescribed OHS committee meetings were held.
- Eleven maintenance meetings were held with DTPW to discuss outstanding DHS OHS projects and complaints.
- Attended quarterly WCG Transversal OHS Technical Steering Committee meetings.
- Three Provincial Employee Health and Wellness (EHW) steering committee meetings were attended.
- One Floor Marshall meeting conducted.
- Attended all scheduled Electricity Disruption meetings scheduled by Disaster Management.

## Evacuation Exercises

- Two evacuation exercises were conducted at 27 Wale Street facility.
- Two evacuation exercises were conducted at George DHS facility.
- Facilitated the completion of fire phones and PA system installation in 27 Wale Street facility, as part of the upgrade of the fire system.
- Facilitated the service of all DHS facility fire extinguishers and fire hoses.
- Procured and issued first aid bag replenishments to appointed First.
- Facilitated the fumigation of 27 Wale Street, York Park Building, Alfred Street and Goodwood Office. Two fumigation exercises were facilitated at 27 Wale Street and Alfred Street, two fumigation exercise was facilitated at Goodwood Office and two fumigation exercises were facilitated at George Office.

## Policies

- Drafted an OHS Policy for the Department that was approved by the HOD.
- Drafted a Breastfeeding in the workplace Policy for the Department that was approved by HOD.
- The Smoking Policy for the Department was reviewed and approved by the HOD.
- The Integrated Waste Management Plan for the Department was reviewed and approved by the HOD.
- The Employee Health and Wellness (EHW) plan approved by the HOD.

## Standard Operating Procedures

The following SOPs were completed and approved by the HOD:

- Departmental First Aid Room.
- Cleaning and Tea Services.
- Shower Facility.
- Injury on duty (IOD) and guidelines.
- Lift entrapment.

## Business Continuity Plans (BCP)

- The Business Continuity Plan for the Department was reviewed and approved by the HOD. DHS Business Impact Assessment (BIA) was completed and approved by the HOD.
- Contingency Plan for 27 Wale Street, Goodwood Office and York Park Building was approved by the HOD.
- Facilitated the procurement two hundred 1ltr hand sanitiser spray bottles.
- Facilitated the monthly replenishment of diesel for DHS generators used during power outages.
- Complete DHS Electricity Disruption Risk Assessment and submitted to Disaster Management.
- Drafted DHS Electricity Disruption Recovery Plan and submitted to Disaster Management.

## Reports

- Quarterly OHS reports submitted to the HOD, IMLC, Security Committee and to ERMCO.
- Twenty-four reports relating to OHS complaints and incidents were drafted and submitted to management with relevant recommendations to rectify shortcomings at DHS facilities.
- One HIRA progress report indicating progress made with implementation was submitted to DOCS.
- Monthly water and electricity consumption statistics for Departmental buildings were provided to staff.
- 130 maintenance complaints related to OHS were submitted to DTPW for rectification. Of these 130 items reported, 123 were rectified.
- Four Department of Public Service and Administration (DPSA) Employee Health and Wellness (EHW) quarterly reports (2022-2023) were drafted, approved by HOD and submitted to the Department of the Premier (DoTP) Organisational Behaviour.

## Tests

- HSS Continuity Tests were completed in January 2023 and test was deemed successful by SITA.
- BIZ project ICT test plan was drafted for implementation during the next reporting period and the test plan was approved.
- Facilitated the servicing of the generator and start-up of generator at 27 Wale Street facility and Goodwood office facility.
- Facilitated three 27 Wale Street facility power shutdowns during the period.

- One OHS Full Building Audit for the Department was completed and approved by the HOD.
- One OHS Office Audit for the Department was completed and approved by the CFO for implementation.
- Facilitated fire test at 27 Wale Street facility.

## 7. Portfolio Committees

**Table 32: Standing Committee meeting dates**

No	Standing Committee	Date
1	Standing Committee on Human Settlements	15 March 2022
2	Standing Committee on Human Settlements	28 November 2022
3	Standing Committee on Human Settlements	27 January 2023

**Table 33: Standing Committee information requests**

Resolution no.	Subject	Details	Department's response	Resolved?
11/4/1/2/6	Briefing by the Department of Human Settlements	Deliberation of Vote: 8, Human Settlements, in the Schedule to the Western Cape Appropriation Bill, 2022	All information submitted to the Committee	Yes
WCPP 11/4/1/2/6	Briefing by the Department of Human Settlements	Brief the Committee on Vote 8: Human Settlements, in the Schedule to the Western Cape Adjustments Appropriation Bill, (2022)	All information submitted to the Committee	Yes
WCPP 11/4/6)	Briefing by the Department of Human Settlements	<ul style="list-style-type: none"> <li>• The number of housing developments halted in the City in the last five years due to extortion</li> <li>• The number of beneficiaries who have been affected by these cases in the last five years</li> <li>• The number of cases reported by the City contractors to the South African Police Service (SAPS) and whether SAPS has assisted</li> <li>• The support the City received from the Department of Community Safety</li> </ul>	All information submitted to 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 2021/22 financial year, having obtained an unqualified audit report with findings on compliance to key legislation in respect of expenditure management and the utilisation of conditional grants; as well as findings on

predetermined objectives and internal control deficiencies. This audit opinion remains unchanged from the audit outcome for the 2020/21 financial year, where the Department obtained an unqualified audit report with findings on compliance to key legislation, material misstatements in the submitted financial statements, procurement and contract management; including deficiencies in the internal controls of the Department.

## 8.1 Audit opinion

The Auditor-General of South Africa raised findings with the Department on compliance to key legislation with respect to expenditure management and the utilisation of conditional grants; including findings on predetermined objectives and deficiencies in the internal controls, contract management; including deficiencies in the internal controls.

## 8.2 Financial management

During the period under review, the Department spent R2,361 billion of an appropriated budget of R2,410 billion, which resulted in an under expenditure of R48,330 million (98% budget spend). For the 2020/21 financial year, the Department spent R2,380 billion of an appropriated budget of R2,426 billion, which resulted in an under-expenditure of R46,180 million (98% budget spend).

In addition, the total estimated Departmental receipts budget of R70,521 million was over-collected by R8,280 million, which resulted in a Departmental receipt of R78,801 million. The revenue over- and under collections occurred under the following line items:

- Sale of goods and services other than capital assets (R34 000 under-collection).
- Interest, dividends and rent on land (R9,174 million over-collection).
- Sale of the Departmental capital assets (R1 000 over-collection).
- Transactions in financial assets liabilities (R861 000 under-collection).

### Findings on compliance to key legislation:

The following material compliance findings were reported in the audit report:

#### *Utilisation of conditional grants*

A portion of the funds received from the Informal Settlements Upgrading Partnership Grant (ISUPG) were transferred to Bitou Municipality, based on an agreed payment schedule without notification of and approval of the transfer, by National Treasury, as required by section 16(3) and 16(3)(a)(ii)(bb) of the Division of Revenue Act No 9 of 2021.

#### *Expenditure management*

Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R718 897, as disclosed in note 24 of the annual financial statements, as required by section 38(1)(c)(ii) of the Public Finance Management Act 1 of 1999 (PFMA) and Treasury Regulation (TR) 9.1.1. The irregular expenditure was caused due to the supplier not being tax compliant on the date of award.

### ***Finding on material irregularity***

The material irregularities were identified as follows:

Finance linked individual subsidies (FLISP), which are funded by the Human Settlements Development Grant (HSDG), were incorrectly calculated and paid to beneficiaries in terms of the National Housing Code of 2009, which resulted in a material financial loss of R22 million. However, it was reported that the AGSA satisfied itself that appropriate action has been taken to resolve the material irregularity.

### ***Finding on internal control deficiencies***

The matters which related to the findings on the internal control deficiencies within the Department were contained within Programme 3: Housing development and Programme 4: Housing Asset Management. The report of the AGSA which highlights these findings can be read under notes 38 to 41 on page 124 of the Annual Report 2021/2022.

### 8.3 Resolution/s

Table 34: SCOPA information requests

Resolution No.	Subject	Details	Department's response	Resolved?
4.1	Paragraph 1 on the Table of <b>Transversal Departmental resolutions</b> - Page 2 <b>Broad-Based Black Economic Empowerment (BBBEE)</b> That the Public Account Committee engage the relevant stakeholders to determine the most effective way forward in this manner.	Briefing to be scheduled by the Public Accounts Committee.	Not applicable / Transversal	Yes
4.2	Paragraph 2 on the Table of <b>Transversal Departmental resolutions</b> - Pages 2 and 3 <b>Compliance Audits versus Performance Audits</b> That the Public Account Committee engage the AGSA, Audit Committee and Provincial Treasury to ascertain whether the WCG is at a state of readiness to conduct performance audits.	Briefing to be scheduled by the Public Accounts Committee.	Not applicable / Transversal	Yes
4.3	Paragraph 3 on the Table of <b>Transversal Departmental resolutions</b> - Page 3 <b>Transfer of funds from Departments to Municipalities in the Western Cape</b> That the Public Account Committee engage with the respective Departments and entities and engage them on funds that were transferred to Municipalities.	Briefing to be scheduled by the Public Accounts Committee.	Not applicable / Transversal	Yes
4.4	Paragraph 4 on the Table of <b>Transversal Departmental resolutions</b> - Page 3 <b>Componentisation of assets</b> That the Public Account Committee engages with Provincial Treasury on the readiness of the Departments and entities of the WCG on this matter.	Briefing to be scheduled by the Public Accounts Committee.	Not applicable / Transversal	Yes

Resolution No.	Subject	Details	Department's response	Resolved?
12.3.1	<p>Page: 6 of the <b>Audit Committee Report Briefing document</b>.                      Heading: "Emerging Risks"                      Description:                      The Committee notes the emerging risks which were highlighted and discussed with the Audit Committee when it briefed it prior to engaging with the Department on the contents of its Annual Report. The Committee acknowledges the emerging risk which has been raised as the move from a clean audit to performance auditing and service delivery.</p>	<p>That the Audit Committee brief the Public Accounts Committee on the audit outcome of the Department of Human Settlements; including the value of the quarterly Audit Committee meetings in assisting the Department in achieving a clean audit outcome in future.</p>	<p>The Audit Committee briefed the PAC on 13 September 2023.</p>	Yes
12.3.2	<p>Pages: 121-125 of the <b>Annual Report of the Department</b>                      Description:                      The Committee notes the audit findings of the AGSA in relation to the Department which resulted in an unqualified audit with findings on certain matters.</p>	<p>That the Department brief the Committee on how it plans to prevent a future recurrence of the same findings; including at which employee levels and Departmental units the challenges were identified which contributed to the audit finding of the Department.</p>	<p>The Department briefed the PAC on 13 September 2023.</p>	Yes

#### 8.4 List of information required

The Committee requested that the Department furnish it with a report on the rental unit contracts which were in place and active for the 2021/22 financial year. The request was attended to and submitted to the Committee.

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## 9. Prior modifications to Audit Reports

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There were no modifications to the Audit Reports.

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## 10. Internal Control units

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During the year under review, the sub directorate: Internal Control (IC) 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 for the 2022/23 financial year, 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.

The sub directorate: Internal Control, was part of an Audit management team headed by the DDG, 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 audit process and a positive audit outcome.

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. The unit's involvement in this process is as follows:

- IC was involved from the planning stage of the audit to be familiar with the audit scope.
- IC familiarised themselves during the exit meetings with the details of the audit findings.
- IC took cognisance of line function's comments in respect of recommendations, action plans and agreed due dates.
- IC familiarised themselves with the responsible officials/unit that will be responsible for the implementation of the agreed action plans. Senior staff of the unit also served 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 and action plans.

The sub directorate also played 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 were required in respect of investigations, were 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.

On the compliance side, this unit was involved in checking all the Finance Linked Individual Subsidy Programme (FLISP) files processed by the Department to avoid non-compliance in relation to the Material Irregularity issued by the AGSA in the 2020/21 financial year. 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. The unit is also responsible for reporting to Provincial Treasury monthly 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 99.6% 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, which states the following:

- (1) The Accounting Officer for a Department, trading entity or constitutional institution.
- (j) before transferring any funds (other than grants in terms of the annual Division of Revenue Act or to a constitutional institution) to an entity within or outside government, must obtain a written assurance from the entity that that entity implements effective, efficient and transparent financial management and internal control systems, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

To be compliant to Section 38 (1) (j) of the PFMA, the Internal Control unit instituted municipal inspections as a management tool to follow the Department's funds to ensure that Departmental monies are accounted for and utilised for the intended purpose. The Internal Control unit visited six Municipalities for the 2022/2023 financial year.

The Audit Committee as part of their compliance and oversight role, introduced an internal control template whereby the Department is compelled to report the status progress of important matters on a quarterly basis. In this template the Internal Control unit must report on the following aspects:

- Implementation and adherence to laws and regulations.
- Irregular, unauthorized, fruitless and wasteful expenditure.
- Feedback on the implementation of AGSA findings.
- Follow up on forensic matters.
- Feedback on the implementation of internal audit recommendations handed over to internal control.
- Report on Loss control cases.
- Post auditing detail report (verification).

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).

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## 11. Internal Audit and Audit Committees

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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.
- 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 four assurance engagements and four follow ups. 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:

**Table 35: Audit Committee member information**

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Mr Pieter Strauss (Chairperson)	BCom Accounting; BCompt Honours; CA (SA)	External	n/a	1 January 2022 (2nd term)	n/a	9
Mr Ebrahim Abrahams	BCom Accounting Honours	External	n/a	1 January 2022 (2nd term)	n/a	9
Ms Annelise Cilliers	BCompt Honours; CA (SA)	External	n/a	1 January 2022 (2nd term)	n/a	9
Ms Fayruz Mohamed	BCompt Honours; CA (SA)	External	n/a	1 January 2022 (1st term)	n/a	9

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## 12. Audit Committees

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### 12.1 Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2023.

#### 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

The Department is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, to adapt to changes in the environment it operates in and to promote efficiency and effectiveness of operations, supports reliable reporting and compliance with laws and regulations. The WCG adopted a Combined Assurance Framework which identifies and integrates assurance providers. The first level of assurance is management assurance, requiring of line management to maintain effective internal controls and execute those procedures on a day-to-day basis by means of supervisory controls and taking remedial action where required. The second level of assurance is internal assurance provided by functions separate from direct line management, entrusted with assessing adherence to policies, procedures, norms, standards and frameworks. The third level of assurance is independent assurance providers that are guided by professional standards requiring the highest levels of independence.

A risk-based Combined Assurance Plan was developed for the Department, facilitated by Internal Audit, who is also an independent assurance provider. 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

- Directive on Public Administration and Management Delegations
- Project Management
- Internal Control Unit Assessment
- 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 National 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.
- Reviewed the AGSA's Management Report and management's response 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.

## **Performance Information**

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

## **Post year-end event**

The Department integrated with the Department of Infrastructure on 1 April 2023.

## **Report of the Auditor-General South Africa**

The Audit Committee have on a quarterly basis reviewed the Department's implementation plan for audit issues raised in the prior year. We have 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 Statements be accepted and read together with their report.



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**Mr Pieter Strauss**  
**Chairperson of the Social Cluster Audit Committee**  
**Date: 11 August 2023**

### 13. B-BBEE compliance performance information

The following table has been completed to comply with the BB-BEE requirements of the BB-BEE Act of 2013 and requirements determined by the Department of Trade, Industry and Competition.

**Table 36: BB-BEE compliance**

Has the Department/ public entity applied any relevant Code of Good Practice (BB-BEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes/ No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	n/a
Developing and implementing a preferential procurement policy?	No	The Department of Human Settlements did not implement an independent policy in terms of the Preferential Procurement Policy Framework Act (PPPFA). The Department is aligned with the national framework.
Determining qualification criteria for the sale of state-owned enterprises?	No	n/a
Developing criteria for entering into partnerships with the private sector?	No	n/a
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	n/a





# PART D

Human Resource  
Management



# Part D: Human Resource Management

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## 1. Introduction

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Our ability to contribute effectively to the Western Cape Government's (WCG) work is a direct outcome of the persistent and often selfless efforts of the individuals within the Department.

The contemporary landscape of people management has undergone significant changes in recent years, exacerbated by the onset of COVID19, necessitating intricate navigation through various competing factors. These factors are not only interconnected but also subject to stringent rules and regulations, which pose challenges when implementing initiatives to attract and retain talent.

Some of these challenges include striking a balance between service delivery imperatives, attracting and retaining critical and scarce skills, empowering the workforce, managing career development, succession planning, promoting employment equity and creating an environment that enables employee growth and fulfilment. Furthermore, the Department operates within a constrained budgetary environment, requiring managers to consider the impact of accomplishing more with limited resources.

Despite the evolving patterns and demands that impact the modern workplace, our dedicated employees have consistently demonstrated their unwavering commitment, resulting in notable achievements and improvements in service delivery throughout the year under review.

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## 2. Status of people management at the Department

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### 2.1 Departmental workforce planning

- 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 2021–2026 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 Workforce Planning prioritised strategic interventions are as follows:

- Identifying and developing the required organisational capability.
- Adopting values and competency-based recruitment practices (which includes the possibility of an online application and screening system to enhance the recruitment practices and attract the right candidates that are future- and culture-fit).
- Diversifying the talent pool.
- Adopting talent and skills development strategies for employees on new emerging skills (e.g., Fourth Industrial Revolution competencies/ functional and technical skills as well as behavioural skills that are critically needed to support the future-fit organisation).
- Prioritising training interventions to address Departmental Critical Competencies and Career Development Plan (CDP) requirements.
- Developing and implementing the Future-Fit Skills Strategy (FFSS).
- Developing youth development programmes for assisting with creating talent pipelines (internships).
- Reconfiguring the Provincial Training Institute (PTI) into a provincial learning and innovation centre.
- Promoting employment equity (EE) priorities as indicated in the Departmental EE Plan to guide the recruitment and selection decisions of the Department.
- Providing health and wellness interventions/ services in support of employee wellbeing.
- Developing and implementing the transition to a new way of work/ WCG citizen-centric culture project.

## 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 a mid-year review and an annual assessment to be 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 Department of the Premier (Chief Directorate: People Management Practices) to assist line managers (people managers) to deal 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 (EHWP) 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 incident support, training and targeted intervention, executive coaching and advocacy).

A quarterly report is prepared by the Directorate: Organisational Behaviour within the Department of the Premier 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 is a requirement and such reporting focuses on four areas namely, HIV/ AIDS, Health and Productivity, Wellness Management and SHERQ (safety, health, environment, risk and quality).

### **2.4 People management monitoring**

The Department, in collaboration with the Department of the Premier, 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 in the Department of the Premier provides the Department with regular updates on the workforce profile and other relevant people management data to enable decision-making. The indicators include staff establishment information, headcount, people expenditure projections, sick leave patterns, the monetary value of annual leave credits, discipline cases, vacancy rates, staff movement and employment equity.

### 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 PERSAL [Personnel and Salary Administration 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, 2022/23**

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	133,155	100,041	293	24,316	75.1	488	205
Programme 2	27,114	26,048	80	1,022	96.0	592	44
Programme 3	2,025,343	87,900	4 856	33,928	4.3	521	169
Programme 4	69,206	26,373	26	16,897	38.1	426	62
<b>Total</b>	<b>2,254,818</b>	<b>240,362</b>	<b>5,255</b>	<b>76,163</b>	<b>10.7</b>	<b>501</b>	<b>480</b>

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns (i.e., Premier's Advancement of Youth [PAY], matric, graduate and student) and the Provincial Minister. The number of employees is cumulative and not a snapshot as at a specific date.

**Table 3.1.2: Personnel expenditure by salary band, 2022/23**

Salary bands	Personnel expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of employees
Interns	229	0.1	46	5
Lower skilled (Levels 1-2)	2,115	0.9	111	19
Skilled (Levels 3-5)	25,181	10.6	274	92
Highly skilled production (Levels 6-8)	89,409	37.7	449	199
Highly skilled supervision (Levels 9-12)	102,231	43.1	691	148
Senior management (Levels 13-16)	17,901	7.6	1,119	16
<b>Total</b>	<b>237,066</b>	<b>100.0</b>	<b>495</b>	<b>479</b>

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns (i.e., Premier's Advancement of Youth [PAY], matric, graduate and student), but excluding the Provincial Minister. The number of employees is cumulative and not a snapshot as at a specific date.

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 are part of 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, 2022/23**

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	61,960	26.1	4,331	1.8	2,643	1.1	5,382	2.3
Programme 2	18,182	7.7	1	0.0	403	0.2	752	0.3
Programme 3	59,976	25.3	1,613	0.7	1,960	0.8	4,394	1.9

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 4	17,235	7.3	1,351	0.6	900	0.4	1,431	0.6
<b>Total</b>	<b>157,352</b>	<b>66.4</b>	<b>7,296</b>	<b>3.1</b>	<b>5,905</b>	<b>2.5</b>	<b>11,958</b>	<b>5.0</b>

**Note:** The figures in Table 3.1.3 and 3.1.4 are drawn from PERSAL [Personnel and Salary Administration system] and not the Basic Accounting 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 expenditure reflected on these systems, e.g., salaries, overtime, housing and medical assistance. Further to this, the table above does not make provision for other expenditure such as pensions, performance bonus and other allowances which are part of total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

**Table 3.1.4: Salaries, overtime, housing allowance and medical assistance by salary band, 2022/23**

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	226	0.1	-	-	-	-	-	-
Lower skilled (Levels 1-2)	1,226	0.5	-	-	167	0.1	297	0.1
Skilled (Levels 3-5)	15,534	6.6	1,171	0.5	1,202	0.5	2,156	0.9
Highly skilled production (Levels 6-8)	58,890	24.8	4,242	1.8	2,872	1.2	6,317	2.7
Highly skilled supervision (Levels 9-12)	70,003	29.5	1,882	0.8	1,665	0.7	3,138	1.3
Senior management (Levels 13-16)	11,473	4.8	-	-	-	-	50	0.0
<b>Total</b>	<b>157,352</b>	<b>66.4</b>	<b>7,296</b>	<b>3.1</b>	<b>5,905</b>	<b>2.5</b>	<b>11,958</b>	<b>5.0</b>

**Note:** The figures in Table 3.1.3 and 3.1.4 are drawn from PERSAL [Personnel Salary Administration system] and not the Basic Accounting 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 expenditure reflected on these systems, e.g., salaries, overtime, housing and medical assistance. Further to this, the table above does not make provision for other expenditure such as pensions, performance bonus and other allowances which are part of the total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

## 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 Provincial 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 2023**

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	186	180	3.2
Programme 2	40	38	5.0
Programme 3	142	140	1.4
Programme 4	53	53	-
<b>Total</b>	<b>421</b>	<b>411</b>	<b>2.4</b>

**Table 3.2.2: Employment and vacancies by salary band, as at 31 March 2023**

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1-2)	13	13	-
Skilled (Levels 3-5)	90	90	-
Highly skilled production (Levels 6-8)	184	181	1.6
Highly skilled supervision (Levels 9-12)	119	115	3.4
Senior management (Levels 13-16)	15	12	20.0
<b>Total</b>	<b>421</b>	<b>411</b>	<b>2.4</b>

**Table 3.2.3: Employment and vacancies by critical occupation, as at 31 March 2023**

Critical occupations	Number of active posts	Number of posts filled	Vacancy rate %
Architect	4	4	-
Engineer	7	7	-
Research and Statistical Analyst	5	5	-
Urban Designer/ Town and Regional Planner	8	8	-
Construction Project Manager	11	11	-
<b>Total</b>	<b>35</b>	<b>35</b>	<b>-</b>

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 summarises the number of posts that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 3.3.1: Job evaluation, 1 April 2022 to 31 March 2023**

Salary Band	Number of active posts as at 31 March 2023	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)	13	-	0.0	-	-	-	-
Skilled (Levels 3-5)	90	1	0.2	-	-	-	-
Highly skilled production (Levels 6-8)	184	12	2.9	-	-	-	-
Highly skilled supervision (Levels 9-12)	119	7	1.7	-	-	-	-
Senior Management Service Band A (Level 13)	12	-	0.0	-	-	-	-
Senior Management Service Band B (Level 14)	2	1	0.2	-	-	-	-
Senior Management Service Band C (Level 15)	1	1	0.2	-	-	-	-
<b>Total</b>	<b>421</b>	<b>22</b>	<b>5.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Table 3.3.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2022 to 31 March 2023**

Beneficiaries	African	Coloured	Indian	White	Total
None					

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 2022 to 31 March 2023**

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 2022 to 31 March 2023**

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 2022 to 31 March 2023**

Salary Band	Number of employees as at 31 March 2022	Turnover rate % 2021/22	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2022/23
Lower skilled (Levels 1-2)	13	0.0	-	-	-	-	0.0
Skilled (Levels 3-5)	97	9.7	7	1	12	2	14.4
Highly skilled production (Levels 6-8)	196	4.7	4	-	21	-	10.7
Highly skilled supervision (Levels 9-12)	120	15.3	10	-	22	2	20.0
Senior Management Service Band A (Level 13)	12	8.3	-	-	3	-	25.0
Senior Management	3	0.0	-	-	1	-	33.3

Salary Band	Number of employees as at 31 March 2022	Turnover rate % 2021/22	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2022/23
Service Band B (Level 14)							
Senior Management Service Band C (Level 15)	-	100.0	1	-	-	-	0.0
<b>Total</b>	<b>441</b>	<b>9.0</b>	<b>22</b>	<b>1</b>	<b>59</b>	<b>4</b>	<b>14.3</b>
			<b>23</b>		<b>63</b>		

**Note:** "Transfers" refer to the lateral movement of employees from one public service Department to another (both provincially and nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (number of employees as at 31 March 2022).

**Table 3.4.2: Annual turnover rates by critical occupation, 1 April 2022 to 31 March 2023**

Critical Occupation	Number of employees as at 31 March 2022	Turnover rate % 2021/22	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2022/23
Architect	5	0.0	-	-	1	-	20.0
Engineer	8	11.1	-	-	2	-	25.0
Research and Statistical Analyst	4	83.3	2	-	1	-	25.0
Urban Designer/ Town and Regional Planner	10	0.0	-	-	1	1	20.0
Construction Project Manager	12	9.1	-	-	1	-	8.3
<b>Total</b>	<b>39</b>	<b>16.7</b>	<b>2</b>	<b>-</b>	<b>6</b>	<b>1</b>	<b>17.9</b>
			<b>2</b>		<b>7</b>		

**Note:** "Transfers" refer to the lateral movement of employees from one public service Department to another (both provincially and nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (number of employees as at 31 March 2022).

**Table 3.4.3: Staff leaving the employ of the Department, 1 April 2022 to 31 March 2023**

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2022
Death	2	3.2	0.5
Resignation *	39	61.9	8.8
Expiry of contract	10	15.9	2.3
Dismissal – operational changes	-	0.0	0.0
Dismissal – misconduct	-	0.0	0.0
Dismissal – inefficiency	-	0.0	0.0
Discharged due to ill-health	-	0.0	0.0

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2022
Retirement	8	12.7	1.8
Employee initiated severance package	-	0.0	0.0
Transfers to Statutory Body	-	0.0	0.0
Transfers to other Public Service Departments	4	6.3	0.9
Promotion to another WCG Department	-	0.0	0.0
<b>Total</b>	<b>63</b>	<b>100.0</b>	<b>14.3</b>

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.

**Table 3.4.4: Reasons why staff resigned, 1 April 2022 to 31 March 2023**

Resignation reasons	Number	% of total resignations
Need for career change	2	5.1
No reason provided	36	92.3
Personal health	1	2.6
<b>Total</b>	<b>39</b>	<b>100.0</b>

**Table 3.4.5: Different age groups of staff who resigned, 1 April 2022 to 31 March 2023**

Age group	Number	% of total resignations
Ages <19	-	0.0
Ages 20 to 24	-	0.0
Ages 25 to 29	6	15.4
Ages 30 to 34	12	30.8
Ages 35 to 39	10	25.6
Ages 40 to 44	4	10.3
Ages 45 to 49	3	7.7
Ages 50 to 54	2	5.1
Ages 55 to 59	1	2.6
Ages 60 to 64	1	2.6
Ages 65 >	-	0.0
<b>Total</b>	<b>39</b>	<b>100.0</b>

**Table 3.4.6: Employee initiated severance packages**

Total number of employee-initiated severance packages offered in 2022/23	None
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**Table 3.4.7: Promotions by salary band, 1 April 2022 to 31 March 2023**

Salary band	Number of employees as at 31 March 2022	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1-2)	13	-	0.0	7	53.8
Skilled (Levels 3-5)	97	-	0.0	55	56.7
Highly skilled production (Levels 6-8)	196	3	1.5	121	61.7
Highly skilled supervision (Levels 9-12)	120	4	3.3	67	55.8
Senior management (Levels 13-16)	15	-	0.0	10	66.7
<b>Total</b>	<b>441</b>	<b>7</b>	<b>1.6</b>	<b>260</b>	<b>59.0</b>

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after he/ she was promoted. Employees who do not qualify for notch progressions are not included.

**Table 3.4.8: Promotions by critical occupation, 1 April 2022 to 31 March 2023**

Critical occupation	Number of employees as at 31 March 2022	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	5	-	0.0	2	40.0
Engineer	8	-	0.0	6	75.0
Research and Statistical Analyst	4	-	0.0	2	50.0
Urban Designer/ Town and Regional Planner	10	-	0.0	4	40.0
Construction Project Manager	12	-	0.0	6	50.0
<b>Total</b>	<b>39</b>	<b>-</b>	<b>0.0</b>	<b>20</b>	<b>51.3</b>

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after he/ she was promoted. Employees who do not qualify for notch progressions are not included.

### 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 2023**

Occupational levels	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	1	-	-	-	-	1
Senior management (Levels 13-14)	1	3	-	3	2	1	1	-	-	-	11
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	21	39	1	20	13	26	2	6	-	1	129
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	23	35	-	5	41	62	3	9	-	-	178
Semi-skilled and discretionary decision making (Levels 3-5)	8	20	-	1	22	27	-	3	-	-	81
Unskilled and defined decision making (Levels 1-2)	3	4	-	-	1	3	-	-	-	-	11
<b>Total</b>	<b>56</b>	<b>101</b>	<b>1</b>	<b>29</b>	<b>79</b>	<b>120</b>	<b>6</b>	<b>18</b>	<b>-</b>	<b>1</b>	<b>411</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>56</b>	<b>101</b>	<b>1</b>	<b>29</b>	<b>79</b>	<b>120</b>	<b>6</b>	<b>18</b>	<b>-</b>	<b>1</b>	<b>411</b>

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.

**Table 3.5.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2023**

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	2	-	1	1	1	1	-	-	-	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	2	2	-	1	1	-	1	3	-	-	10
Semi-skilled and discretionary decision making (Levels 3-5)	-	-	-	-	-	-	-	2	-	-	2
Unskilled and defined decision making (Levels 1-2)	-	1	-	-	-	-	-	-	-	-	1
<b>Total</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>19</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>19</b>

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

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

**Table 3.5.3: Recruitment, 1 April 2022 to 31 March 2023**

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	1	-	-	-	-	1
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	1	1	-	1	3	2	-	2	-	-	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	1	1	-	-	1	1	-	-	-	-	4
Semi-skilled and discretionary decision making (Levels 3-5)	2	1	-	-	4	1	-	-	-	-	8
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>8</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>23</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>8</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>23</b>

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 exclude interns. The totals include transfers from other government Departments and / or institutions, as per Table 3.4.1.

**Table 3.5.4: Promotions, 1 April 2022 to 31 March 2023**

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

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, by applying and being successful for an advertised post, through the recruitment and selection process as per Table 3.4.7.

**Table 3.5.5: Terminations, 1 April 2022 to 31 March 2023**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13-14)	1	1	1	-	1	-	-	-	-	-	4
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	4	13	-	-	2	4	-	1	-	-	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	4	4	1	1	3	6	-	2	-	-	21
Semi-skilled and discretionary decision making (Levels 3-5)	2	1	-	-	8	2	-	1	-	-	14
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11</b>	<b>19</b>	<b>2</b>	<b>1</b>	<b>14</b>	<b>12</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>63</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>11</b>	<b>19</b>	<b>2</b>	<b>1</b>	<b>14</b>	<b>12</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>63</b>

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.

**Table 3.5.6: Disciplinary actions, 1 April 2022 to 31 March 2023**

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Suspension without pay coupled with a Final Written Warning	1	-	-	-	-	-	-	-	-	-	1
<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>							
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>							

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.

**Table 3.5.7: Skills development, 1 April 2022 to 31 March 2023**

Occupational levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-
Senior management (Levels 13-14)	-	2	1	1	1	-	1	-	6
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	16	26	-	14	9	15	2	5	87
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Levels 6-8)	7	21	-	3	20	34	1	7	93
Semi-skilled and discretionary decision making (Levels 3-5)	6	8	-	-	12	17	-	1	44

Occupational levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	1	-	-	1
<b>Total</b>	<b>29</b>	<b>57</b>	<b>1</b>	<b>18</b>	<b>42</b>	<b>67</b>	<b>4</b>	<b>13</b>	<b>231</b>
Temporary employees	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>29</b>	<b>57</b>	<b>1</b>	<b>18</b>	<b>42</b>	<b>67</b>	<b>4</b>	<b>13</b>	<b>231</b>

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 2022**

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	-	-	-
Salary Level 14	3	3	3	100.0
Salary Level 13	12	12	12	100.0
<b>Total</b>	<b>16</b>	<b>15</b>	<b>15</b>	<b>100.0</b>

*Note:* This table refers to employees who are appointed as Senior Management Service 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 2022**

Reasons for not concluding Performance Agreements with all SMS
n/a

**Table 3.6.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2022**

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 2022**

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	-	-	-	-	-
Salary Level 14	3	3	100.0	-	-
Salary Level 13	11	11	100.0	-	-
<b>Total</b>	<b>14</b>	<b>14</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

*Note:* This table refers to employees who are appointed as 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 2023**

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	-	-
Salary Level 14	2	2	100.0	-	-
Salary Level 13	12	9	75.0	3	25.0
<b>Total</b>	<b>15</b>	<b>12</b>	<b>80.0</b>	<b>3</b>	<b>20.0</b>

**Note:** This table refers to employees who are appointed as -SMS- members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.

**Table 3.7.3: Advertising and filling of SMS posts, as at 31 March 2023**

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
Head of Department	1	1	-
Salary Level 14	1	-	-
Salary Level 13	2	-	-
<b>Total</b>	<b>4</b>	<b>1</b>	<b>-</b>

**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 (Table 3.8.2) who received a notch progression as a result of performance management. (i.e., qualifying employees who scored between 3 and 4 in their performance ratings).

**Table 3.8.1: Notch progressions by salary band, 1 April 2022 to 31 March 2023**

Salary band	Employees as at 31 March 2022	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	13	7	53.8
Skilled (Levels 3-5)	97	55	56.7
Highly skilled production (Levels 6-8)	196	121	61.7
Highly skilled supervision (Levels 9-12)	120	67	55.8
Senior management (Levels 13-16)	15	10	66.7
<b>Total</b>	<b>441</b>	<b>260</b>	<b>59.0</b>

**Table 3.8.2: Notch progressions by critical occupation, 1 April 2022 to 31 March 2023**

Critical occupations	Employees as at 31 March 2022	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Architect	5	2	40.0
Engineer	8	6	75.0
Research and Statistical Analyst	4	2	50.0
Urban Designer/ Town and Regional Planner	10	4	40.0
Construction Project Manager	12	6	50.0
<b>Total</b>	<b>39</b>	<b>20</b>	<b>51.3</b>

**Table 3.8.3: Performance rewards by race, gender and disability, 1 April 2022 to 31 March 2023**

Race and gender	Beneficiary profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
None					

**Table 3.8.4: Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2022 to 31 March 2023**

Salary bands	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
None						

**Table 3.8.5: Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2022 to 31 March 2023**

Salary bands	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
None						

**Table 3.8.6: Performance rewards (cash bonus) by critical occupation, 1 April 2022 to 31 March 2023**

Critical occupation	Beneficiary profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
None						

### 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 2022 to 31 March 2023**

Salary band	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	0.0	-	0.0	-	0.0
Skilled (Levels 3-5)	-	0.0	-	0.0	-	0.0
Highly skilled production (Levels 6-8)	-	0.0	-	0.0	-	0.0
Highly skilled supervision (Levels 9-12)	1	100.0	1	100.0	-	0.0

Salary band	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% change
Senior management (Levels 13-16)	-	0.0	-	0.0	-	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>-</b>	<b>0.0</b>

**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 2022 to 31 March 2023**

Major occupation	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% change
Assistant Director	1	100.0	1	100.0	-	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	<b>-</b>	<b>0.0</b>

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

### 3.10 Leave utilisation for the period 1 January 2022 to 31 December 2022

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 2022 to 31 December 2022**

Salary band	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	24	58,3	4	4	100,0	6	7
Lower skilled (Levels 1-2)	134	72,4	10	11	90,9	13	57
Skilled Levels 3-5)	1 129	79,2	85	93	91,4	13	834
Highly skilled production (Levels 6-8)	2 359	80,4	166	193	86,0	14	2 877
Highly skilled supervision (Levels 9-12)	1 167	78,7	128	151	84,8	9	2 291
Senior management (Levels 13-16)	37	73,0	8	18	44,4	5	115
<b>Total</b>	<b>4 850</b>	<b>79,3</b>	<b>401</b>	<b>470</b>	<b>85,3</b>	<b>12</b>	<b>6 181</b>

**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 2022 and ends in December 2024. 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.

**Table 3.10.2: Incapacity leave, 1 January 2022 to 31 December 2022**

Salary band	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	-	-	-	4	-	-	-
Lower skilled (Levels 1-2)	-	-	-	11	-	-	-
Skilled Levels 3-5)	11	100,0	1	93	1,1	11	8
Highly skilled production (Levels 6-8)	501	100,0	6	193	3,1	84	578
Highly skilled supervision (Levels 9-12)	72	100,0	3	151	2,0	24	195
Senior management (Levels 13-16)	-	-	-	18	-	-	-
<b>Total</b>	<b>584</b>	<b>100,0</b>	<b>10</b>	<b>470</b>	<b>2,1</b>	<b>58</b>	<b>781</b>

**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).

Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave having to be paid at the time of termination of service.

**Table 3.10.3: Annual leave, 1 January 2022 to 31 December 2022**

Salary band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	43	4	11
Lower skilled (Levels 1-2)	249	11	23
Skilled Levels 3-5)	2 093	91	23
Highly skilled production (Levels 6-8)	5 082	189	27
Highly skilled supervision (Levels 9-12)	3 634	148	25

Salary band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Senior management (Levels 13-16)	380	15	25
<b>Total</b>	<b>11 481</b>	<b>458</b>	<b>25</b>

**Table 3.10.4: Capped leave, 1 January 2022 to 31 December 2022**

Salary band	Total capped leave available as at 31 Dec 2021	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 2022	Total capped leave available as at 31 Dec 2022
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	7,21	15,00	1	15,00	3	10,35
Highly skilled production (Levels 6-8)	1 142,52	159,83	10	15,98	26	973,82
Highly skilled supervision (Levels 9-12)	881,15	32,86	3	10,95	25	853,43
Senior management (Levels 13-16)	259,42	130,00	1	130,00	3	129,42
<b>Total</b>	<b>2 290,30</b>	<b>337,69</b>	<b>15</b>	<b>22,51</b>	<b>57</b>	<b>1 967,02</b>

**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 2022 to 31 March 2023**

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs during 2022/23 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service	690	7	98 618
Current leave pay-outs on termination of service	895	37	24 189

### 3.11 Health promotion programmes, including HIV and AIDS

**Table 3.11.1: Health promotion programmes, including HIV and AIDS, 1 April 2022 to 31 March 2023**

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 &amp; AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.</p>	<p>Employee health and wellness services are rendered to all employees in need and include the following:</p> <ul style="list-style-type: none"> <li>• Wellness screenings for employees to know their HIV status.</li> <li>• Condom distribution.</li> <li>• Information, communication and education campaigns.</li> <li>• Psycho-social development interventions.</li> <li>• Counselling.</li> </ul>

**Table 3.11.2: Details of health promotion including HIV and AIDS Programmes, 1 April 2022 to 31 March 2023**

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>Letitia Isaacs, Director (Acting): 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 Department of the Premier provides a transversal service to 11 WCG client Departments, including the Department of Human Settlements.</p> <p>A designated Employee Health and Wellness unit in the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the 11 client Departments.</p> <p>The unit consists of a Deputy Director, three Assistant Directors and two EHWP practitioners.</p> <p>The annual budget was R3 261 000.00.</p>

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>The Department of the Premier has entered into a service level agreement with Metropolitan Health (external service provider) to render an Employee Health and Wellness Service to eleven (11) provincial Departments.</p> <p>The following interventions were conducted: counselling; trauma debriefing and awareness; managerial consultations; psycho-social development interventions; information, communication and education; coaching; group therapy; reasonable accommodation.</p> <p>These interventions are based on trends reflected in the quarterly reports and implemented to address employee or Departmental needs.</p> <p>Information on how to access the Employee Health and Wellness Programme was distributed online.</p>
<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 is represented by Robbie Roberts.</p>

Question	Yes	No	Details, if yes
<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.</p> <p>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 EHW Policies were approved which includes HIV and AIDS and TB Management that responds to the prevention of discrimination against employees affected and infected by HIV and AIDS and TB in the workplace.</p> <p>Further to this, the Department of Health, that is the lead Department for HIV and AIDS, has approved the Transversal HIV and AIDS/ STI Workplace Policy and Programme that is applicable to all Departments of the Western Cape Government. The document is in line with the four pillars of the National EHW Strategic Framework 2018 as amended.</p> <p>During the reporting period, the transversal EHW policies including the HIV, AIDS and TB Management Policy have been reviewed against the DPSA policies as well as the National Strategic Plan for HIV, TB and STIs (2023–2028) which ensures inclusivity and elimination of discrimination and stigma against employees with HIV.</p>

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 and AIDS, STIs and TB 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"> <li>• Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees.</li> <li>• 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.</li> </ul> <p>The Department implemented the following measures to address the stigma and discrimination against those infected or perceived to be infected with HIV:</p> <ul style="list-style-type: none"> <li>• Education campaigns.</li> <li>• Commemoration of World AIDS Day.</li> <li>• Grievance process.</li> <li>• Interventions such as diversity management.</li> </ul>
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><b>HCT SESSIONS:</b></p> <ul style="list-style-type: none"> <li>• The Department participated in <b>2</b> HCT and wellness screening sessions.</li> <li>• <b>49</b> employees were tested and counselled for HIV, tuberculosis and sexually transmitted infections (STIs).</li> </ul>
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 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 and 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 2022 to 31 March 2023**

Subject matter	Date
PSCBC Resolution 2 of 2023 - Agreement on the Salary Adjustment 2023 - 2025	31/3/2023

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 2022 to 31 March 2023**

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Suspension without pay coupled with a Final Written Warning	1	100.0
<b>Total</b>	<b>1</b>	<b>100.0</b>
Percentage of total employment		<b>0.2</b>

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

**Table 3.12.3: Types of misconduct addressed at disciplinary hearings, 1 April 2022 to 31 March 2023**

Type of misconduct	Number	% of total
Under Influence of Habit-Forming/Stupefying Drug	1	100.0
<b>Total</b>	<b>1</b>	<b>100.0</b>

**Table 3.12.4: Grievances lodged, 1 April 2022 to 31 March 2023**

Grievances lodged	Number	% of total
Number of grievances resolved	3	75.0
Number of grievances not resolved	1	25.0
<b>Total number of grievances lodged</b>	<b>4</b>	<b>100.0</b>

**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.

**Table 3.12.5: Disputes lodged with councils, 1 April 2022 to 31 March 2023**

Disputes lodged with councils	Number	% of total
Number of disputes upheld	-	-
Number of disputes dismissed	-	-
<b>Total number of disputes lodged</b>	<b>-</b>	<b>-</b>

**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 rules in favour of the aggrieved. When a dispute is "dismissed", it means that the Council rules in favour of the Department.

**Table 3.12.6: Strike actions, 1 April 2022 to 31 March 2023**

Strike actions	Number
Total number of persons working days lost	2
Total cost (R'000) of working days lost	2
Amount (R'000) recovered as a result of no work no pay	2

**Note:** The total number of person working days lost include cases where days and/or hours were lost due to strike action.

**Table 3.12.7: Precautionary suspensions, 1 April 2022 to 31 March 2023**

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

**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 2022 to 31 March 2023**

Occupational categories	Gender	Number of employees as at 1 April 2022	Training needs identified at start of reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 – 16)	Female	5	-	4	-	4
	Male	10	-	11	-	11
Professionals (Salary Band 9 – 12)	Female	47	-	66	-	66
	Male	90	-	147	-	147
Technicians and associate professionals (Salary Band 6 – 8)	Female	119	-	161	-	161
	Male	66	-	78	-	78
Clerks (Salary Band 3 – 5)	Female	60	-	71	-	71
	Male	31	-	39	-	39
Elementary occupations (Salary Band 1 – 2)	Female	4	-	-	-	-
	Male	7	-	-	-	-
Sub Total	Female	235	-	302	-	302
	Male	204	-	275	-	275
<b>Total</b>		<b>439</b>	<b>-</b>	<b>577</b>	<b>-</b>	<b>577</b>
Employees with disabilities	Female	10	-	25	-	25
	Male	9	-	9	-	9

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

**Table 3.13.2: Training provided, 1 April 2022 to 31 March 2023**

Occupational categories	Gender	Number of employees as at 31 March 2023	Training provided during the reporting period			
			Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 – 16)	Female	5	-	3	-	3
	Male	7	-	5	-	5
Professionals (Salary Band 9 - 12)	Female	48	-	74	-	74
	Male	81	-	102	-	102
Technicians and associate professionals (Salary Band 6 - 8)	Female	115	-	126	-	126
	Male	63	-	69	-	69
Clerks (Salary Band 3 – 5)	Female	52	-	61	-	61
	Male	29	-	20	-	20
Elementary occupations (Salary Band 1 – 2)	Female	4	-	1	-	1
	Male	7	-	-	-	-
Sub Total	Female	<b>224</b>	-	<b>265</b>	-	<b>265</b>
	Male	<b>187</b>	-	<b>196</b>	-	<b>196</b>
<b>Total</b>		<b>411</b>	-	<b>461</b>	-	<b>461</b>
Employees with disabilities	Female	10	-	16	-	16
	Male	9	-	16	-	16

**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 2022 to 31 March 2023**

Nature of injury on duty	Number	% of total
Required basic medical attention only	-	-
Temporary disablement	2	100.0
Permanent disablement	-	-
Fatal	-	-
<b>Total</b>	<b>2</b>	<b>100.0</b>
Percentage of total employment		0.4

### 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: work days/ Hours	Contract value in rand	BBBEE level	Total amount paid in the 2022/23 financial year
1	AMPS Registered Quantity Surveyors	Transhex Housing Project	Quantity Surveying	10	5 years 8 Months	R 1,081,200.00	Level 1	R 207,255.31
2	BSP Consulting Engineers		Structural Engineering		2 years 6 Months	R 1,575,000.00	Level 2	R 138,000.00
3	GNEC		Environmental Consulting		5 years 8 Months	R 1,289,227.00	Level 2	R 52,700.00
4	Jubelie Projects		Project Management		2 years 6 Months	R 17,655,981.39	Level 1	R 2,466,893.78
5	Mpamop Africa		Civil Engineering Services		6 Years	R 11,010,056.79	Level 1	R 674,665.39
6	Neil Lyners and Associates		Electrical Engineering Services		6 Years	R 15,857,958.00	Level 1	R 441,645.81
7	Ole Bogeng and Associates		Quantity Surveying		5 years 8 Months	R 1,621,800.00	Level 1	R 362,152.00
8	Posh Ideas		Architect and urban designing		5 years 8 Months	R 3,108,080.42	Level 1	R 234,000.00
9	SVA International		Architect and urban designing		5 years 8 Months	R 4,326,452.65	Level 1	R 351,000.00
10	J & B Surveys		Land Surveying		5 years 8 Months	R 1,095,000.00	Level 3	R 500,000.00
11	Bergstan South Africa Consulting	Airport Precinct	Civil/ Structural/ Geotech/ Fire & Wet Services	10	60 Months	R 23,566,671.27	Level 1	R 1,386,929.84

No.	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	BBBEE level	Total amount paid in the 2022/23 financial year
12	Elite Consulting Holdings		Development Facilitation		60 Months	R 2,139,485.47	Level 1	R 520,733.62
13	Frontline Health, Safety & Environment		Professional Health & Safety		60 Months	R 626,086.96	Level 1	R 62,250.00
14	GJA Electrical Consulting Engineers		Electrical Engineering		60 Months	R 3,947,158.48	Level 1	R 744,121.96
15	IX Engineers Pty Ltd		Project Management		60 Months	R 5,920,737.72	Level 1	R 1,409,810.49
16	JG Afrika Pty Ltd		Environmental Planning		60 Months	R 300,000.00	Level 1	R 310,861.18
17	Nako Iliso Consulting		Traffic Engineering Services		60 Months	R 9,626,990.82	Level 1	R 3,342,512.82
18	Red Landscape Architects		Landscaping Services		60 Months	R 2,639,972.17	Level 4	R 252,102.29
19	Urban Dynamics Western Cape		Town Planning		60 Months	R 780,974.56	Level 1	R 351,438.56
20	Zutari Pty Ltd		Project Management		60 Months	R 14,264,005.13	Level 4	R 2,596,403.85
21	Atvantage Quantity Surveyors		Kosovo		Project Management	9	60 Months	R 519,000.00
22	ARG Designs	Town Planning & Urban Design		60 Months	R 2,778,967.50		Level 2	R 571,873.13
23	FJC Consulting	Land Surveying Services		60 Months	R 82,494.72		Level 2	R 68,578.04
24	Frontline Health, Safety & Environment	Professional Health & Safety		60 Months	R 103,500.00		Level 1	R 9,000.00

No.	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	BBBEE level	Total amount paid in the 2022/23 financial year
25	GIBB Pty Ltd		Environmental Consulting		60 Months	R 22,396,718.98	Level 1	R 6,557,851.25
26	Mpamot Africa		Civil Engineering Services		60 Months	R 13,507,504.07	Level 1	R 1,692,874.54
27	MW & ML Projects		Expert Witness (Arbitration)		Linked to milestone completion	R 231,500.00		R 231,500.00
28	Umtha Consultancy		Development Facilitation		60 Months	R 1,243,500.00	Level 1	R 285,562.50
29	WSP Group Africa		Civil/ Structural & Geotech.		60 Months	R 17,992,609.32	Level 1	R 5,782,266.41
30	Delta Built Environment Consultants	Greater Retreat IRDP	Project Management	3	36 Months	R 7,499,945.00	Level 1	R 210,000.00
31	JG Afrika Pty Ltd		Environmental Consulting		36 Months	R 779,739.63	Level 1	R 4,658.24
32	Greystone Trading 1143 t/a MZI Development Services		Development Facilitation		36 Months	R 114,835.88	Level 1	R 114,835.88
33	AQS Consultants	Vlakkeland Housing Project	Quantity Surveying	6	25 Months	R 1,036,547.27	Level 1	R 606,497.02
34	GNEC		Environmental Consulting		21 Months	R 886,908.58	Level 2	R 84,032.00
35	Jubelie Projects		Project Management		28 Months	R 5,323,680.37	Level 1	R 1,691,765.77
36	Lakhanya Quantity Surveyors CC		Quantity Surveying		25 Months	R 691,031.51	Level 1	R 157,769.34
37	Neil Lyners and Associates		Electrical Engineering		21 Months	R 4,331,324.70	Level 1	R 401,335.07

No.	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	BBBEE level	Total amount paid in the 2022/23 financial year
38	BSP Consulting Engineers	Taiwan & YB Informal Settlement Upgrade	Civil & Structural Engineering	10	21 Months	R 299,495.09	Level 2	R 251,055.50
39	Bisiwe van Niekerk INC		Quantity Surveying		72 Months	R 866,117.00	Level 2	R 131,979.68
40	Built Environmental Partnership		Traffic Engineering Services		72 Months	R 178,500.00	Level 1	R 22,250.00
41	CNDP Africa		Town Planning		72 Months	R 3,522,306.00	Level 4	R 514,100.00
42	Human Settlements Holistic Services		Stakeholder & Beneficiary Management		72 Months	R 6,371,634.40	n/a	R 682,794.69
43	JZE Architects Pty Ltd		Architectural Services		72 Months	R 2,524,600.00	Level 2	R 803,567.78
44	Nadeson Consulting Services Pty Ltd		Civil Engineering Services		72 Months	R 3,654,750.00	Level 1	R 124,261.52
45	Red Landscape Architects		Landscaping Services		72 Months	R 699,733.99	Level 4	R 406,582.28
46	Thabile Engineering		Electrical Engineering Services		72 Months	R 5,535,750.00	Level 1	R 1,014,225.14
47	WSP Group Africa Pty Ltd		Project Management Services		72 Months	R 6,911,797.20	Level 1	R 816,931.86
48	Mabune Consulting	Environmental Consulting	72 Months	R 580,000.00	Level 1	R 295,285.69		
49	Bergstan South Africa Consulting	Ithemba	Civil/ Structural/ Geotech & Wet Services	4	36 Months	R 10,764,022.07	Level 1	R 776,210.18
50	GJA Electrical		Electrical Engineering Services		36 Months	R 1,318,879.14	Level 1	R 86,034.12

No.	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	BBBEE level	Total amount paid in the 2022/23 financial year
51	MV Abayili		Architectural Services		36 Months	R 1,574,439.72	Level 5	R 195,978.42
52	Zutari Pty Ltd		Project Management		36 Months	R 17,666,599.49	Level 4	R 484,466.85
53	Bigen Africa Services Pty Ltd	Penhill Welmoed	Electric Engineering Services	7	60 Months	R 10,917,344.68	Level 1	R 2,900,368.28
54	BSP Consulting Engineers		Civil & Structural Engineering		60 Months	R 11,919,366.00	Level 2	R 2,330,861.63
55	Siyakatala		Professional Health & Safety		60 Months	R 981,670.13	Level 1	R 692,187.91
56	IX Engineers Pty Ltd		Project Management		60 Months	R 30,691,327.42	Level 1	R 6,090,926.31
57	Zutari Pty Ltd		Environmental Planning Services		60 Months	R 5,379,485.29	Level 4	R 809,530.85
58	Planning Partners		Town Planning Services		60 Months	R 157,000.00	Level 3	R 119,000.00
59	SMEC South Africa		Civil Engineering Services		60 Months	R 17,879,049.00	Level 1	R 3,604,286.70
60	Kantey & Templer	Gatesville Flats	Civil & Structural Engineering	3	24 Months	R 1,900,500.00	Level 1	R 98,000.00
61	Planning Partners		Project Management		24 Months	R 577,500.00	Level 3	R 212,098.00
62	Vanacore		Stakeholder & Beneficiary Management		24 Months	R 220,794.00	Level 1	R 185,216.00
63	Greystong Trading 1143 t/a MZI Development Services	Blue Downs Veterans	Development Facilitation	1	Linked to milestone completion	R 70,426.50	Level 1	R 16,827.50

No.	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	BBBEE level	Total amount paid in the 2022/23 financial year
64	Human Settlement Holistic Services	Silvertown Emergency	Stakeholder & Beneficiary Management	4	29 Months	R 2,190,888.00	n/a	R 162,565.31
65	Nadeson Consulting Services Pty Ltd		Civil Engineering Services		29 Months	R 3,403,000.00	Level 1	R 54,675.00
66	Thabile Engineering		Electric Engineering Services		29 Months	R 1,839,843.00	Level 1	R 87,228.00
67	WSP Group Africa Pty Ltd		Project Management		29 Months	R 53,979,800.00	Level 1	R 491,436.43
68	Ibabatane	Du Noon / Killarney Gardens	Quantity Surveying	9	24 Months	R 978,925.00	Level 1	R 426,950.00
69	BTKM		Quantity Surveying		24 Months	R 1,294,625.00	Level 1	R 204,110.00
70	Human Settlement Holistic Services		Stakeholder & Beneficiary Management		24 Months	R 4,114,735.50	n/a	R 860,947.54
71	JG Afrika Pty Ltd		Environmental Planning Services		24 Months	R 377,611.88	Level 1	R 45,236.00
72	Kantey & Templer		Civil & Structural Engineering		24 Months	R 8,574,269.92	Level 1	R 4,027,927.05
73	L & R Architects		Architectural Services		24 Months	R 2,709,076.00	Level 1	R 682,200.00
74	Mega Ndira		Removal Of Top Soil		Linked to milestone completion	R 39,275.00	Level 1	R 39,275.00
75	Planning Partners		Project Management Services		24 Months	R 3,976,353.26	Level 3	R 732,103.57

No.	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	BBBEE level	Total amount paid in the 2022/23 financial year
76	ZSM Developers		Fence Installations		Linked to milestone completion	R 106,728.48	Level 1	R 106,728.48
77	APEX Architects	Schulphoek Development Project	Architecture & Urban Designing	6	24 Months	R 714,913.75	Level 1	R 178,728.44
78	BMK Group		Civil Engineering Services		24 Months	R 4,762,050.90	Level 1	R 1,168,354.22
79	KFD Wilkinson		Civil Engineering Services		24 Months	R 3,136,367.32	Level 2	R 1,230,034.23
80	MOTLA		Electric Engineering Services		24 Months	R 559,678.20	Level 2	R 128,739.70
81	Vanacore		Stakeholder & Beneficiary Man.		24 Months	R 1,709,000.00	Level 1	R 225,314.80
82	Van Zyl & Associates		Project Management Services		24 Months	R 4,191,497.97	Level 1	R 5,199,331.87
<b>TOTAL</b>						<b>R385 153 616.41</b>		<b>R74 633 588.62</b>

**Table 3.15.2: Consultant appointments using donor funds**

No.	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	BBBEE level	Total amount paid in the 2022/23 financial year
None								





# PART E

PFMA Compliance  
Report



## Part E: PFMA compliance report

### 2.7.1 Information on Irregular, Fruitless and Wasteful, Unauthorised Expenditure and Material Losses

#### Irregular expenditure

a) Reconciliation of irregular expenditure	2022/23	2021/22
	R'000	R'000
Opening balance	167 219	464 675
Add: Irregular expenditure confirmed	171 159	199 468
Less: Irregular expenditure condoned	-	(403 864)
Less: expenditure not condoned and removed	(4 382)	(74 498)
Less: Amounts recoverable	(135)	(40 734)
<b>Closing balance</b>	<b>333 861</b>	<b>145 047</b>

b) Details of current and previous year irregular expenditure (under assessment, determination and investigation)	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	-	17 599
Irregular expenditure that relates to 2021/22	48 320	-
Irregular expenditure under investigation	14	-
<b>Total</b>	<b>48 334</b>	<b>17 599</b>

c) Details of current and previous year irregular expenditure condoned	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	403 864
<b>Total</b>	<b>-</b>	<b>403 864</b>

d) Details of current and previous year irregular expenditure removed - (not condoned)	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure not condoned and removed	(4 382)	(74 498)
<b>Total</b>	<b>(4 382)</b>	<b>(74 498)</b>

e) Details of current and previous year irregular expenditure recoverable	2022/2023	2021/2022
	R'000	R'000
Irregular expenditure recovered	(135)	(40 734)
<b>Total</b>	<b>(135)</b>	<b>(40 734)</b>

### 2.7.2 Information on late/non-payment of suppliers

	Number of invoices	Consolidated value R'000
Valid invoices received	11 076	2 116 067 264,82
Invoices paid within 30 days or agreed period	11 028	2 104 864 697,71
Invoices paid after 30 days or agreed period	48	11 202 567,11

2.7.3 Information on Supply Chain Management				
Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Management, Maintenance and Security Services of Delft TRA 55.1 and TRA 6 and Jakes Gerwel THA 'S by Sobambisana Community Developments.	Sobambisana	Limited bidding	LTD HSC 01/2022/2023	2 945 748.09
Appoint Delta Bec as project manager for the greater Retreat developments project	Delta BEC	Limited bidding	LTD HSC 02/2022/2023	3 374 818.65
Appoint Zutari Pty Ltd as a Geotechnical Engineer for the greater Hermanus (Schulphoek Project	Zutari	Limited bidding	LTD HSC 04/2022/2023	560 569.80
Appoint Mzi developments services as development facilitator for the greater retreat development project Delta Bec as project manager for the greater Retreat developments project	Mzi development	Limited bidding	LTD HSC 05/2022/2023	1 427 973.75
Appoint apex architects as an architect and urban designer for the greater Hermanus (Schulphoek project)	Apex Architects	Limited bidding	LTD HSC 07/2022/2023	714 913.00
Appoint professional services to complete the blue down infill sites housing projects	C2C	Limited bidding	LTD HSC 08/2022/2023	1 980 116.00
Re appoint Kantey & Templer consulting engineers (pty) ltd for civil & structural engineering services for Killarney Garden	Kantey & Templer	Limited bidding	LTD HSC 09/2022/2023	8 594 269.92
Re-appoint Human Settlement holistic Services Pty Ltd for stakeholder management and beneficiary administration Services for Killarney Garden TRA project	Human Settlements Holistic Services (HSHS)	Limited bidding	LTD HSC 10/2022/2023	1 529 400.00
Appoint C. De Cerff and Associates as a Conveyancer for the greater Hermanus (Schulphoek)	C De Cerff	Limited bidding	LTD HSC 12/2022/2023	58 800.00
Appoint GIBB as a Project manager for Kosovo informal settlement	GIBB	Limited bidding	LTD HSC 14/2022/2023	7 061 579.55
Appoint CNDV Africa (Pty) LTD as a town planner for the Taiwan & YB section informal settlement upgrade project	CNDV Africa	Limited bidding	LTD HSC 15/2022/2023	302 500.00
Appoint Quantity Surveyor -Greater Retreat Project	MMPA	Limited bidding	LTD HSC 17/2022/2023	1 119 510.00
Re-appoint of Lukhozi for additional professional service for delays and increase contractor professional services to complete the blue down infill sites housing projects	Lukhozi	Limited bidding	LTD HSC 18/2022/2023	3 668 759.55

2.7.3 Information on Supply Chain Management				
Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Re-appoint of Lukhozi for additional professional service for delay construction work	Lukhozi	Limited bidding	LTD HSC 19/2022/2023	610 075.37
Appoint EBESA architect (pty) Ltd as an architect and urban designer for the greater retreat development project.	EBESA	Limited bidding	LTD HSC 23/2022/2023	1 788 600.45
Re-appoint JR Sekwele & associates (pty) ltd for civil engineering construction services for Valhalla Park housing project	JR Sekwele And Associates	Limited bidding	LTD HSC 24 /2022/2023	18 172 255.23
Re-appoint ZSM Developers for the structure construction for the Valhalla Park housing project	ZSM Developers	Limited bidding	LTD HSC 26/2022/2023	18 778 747.00
The bulk electrical contract hsc 15/2018/2019 with Adenco construction at the Welmoed estate developments project	Adenco	Limited bidding	LTD HSC 27 /2022/2023	28 412 653.11
Reappointment SIQU Group - Gugulethu Infill Project Construct 26 Top Structure, Related Electrical Reticulation & Street Lighting For Erf 226 (Phase	SIQU Group	Limited bidding	LTD HSC 29 /2022/2023	9 929 839.39
Appoint a conveyancer directly to solicit advice as to the appropriate wording for title deed conditions to be registered in favour of western cape government over property which is acquired from third party owners by the housing development agency (HDA) O.B.O the Department of human settlement	Mindes	Limited bidding	LTD HSC 36/2022/2023	79 350.00
Appointment of Sonqua Consulting As Project Managers To Oversee The Construction Of Ebenezer Top Structures, Portion 20	Sonqua	Limited bidding	LTD HSC 37/2022/2023	2 562 510.60
Re-appoint Motla Consulting Engineers for the Killarney gardens TRA project.	Motla	Limited bidding	LTD HSC 38/2022/2023	1 131 923.40
Southern Corridor Programme appoint Jono Trust as Town Planner for the Airport precinct Informal Settlement project	Jono Trust	Limited bidding	LTD HSC 39/2022/2022	104 000.00
Re-appoint IX Engineers for the Killarney gardens TRA project.	IX Engineers	Limited bidding	LTD HSC 40/2022/2023	864 386.14
Southern Corridor Programme re-appoint Nako Iliso as Traffic Engineer for the Airport precinct Informal Settlement project	Nako Iliso	Limited bidding	LTD HSC 41/2022/2023	27 348.46

<b>2.7.3 Information on Supply Chain Management</b>				
<b>Project description</b>	<b>Name of supplier</b>	<b>Type of procurement by other means</b>	<b>Contract number</b>	<b>Value of contract R'000</b>
Southern Corridor Programme re-appoint Nako Iliso as Civil and Structural for the Airport precinct Informal Settlement Project	Nako Iliso	Limited bidding	LTD HSC 43/2022/2023	842 916.41
Re-appointment of Planning Partners for Project Management Service on the Killarney Gardens TRA Project	Planning Partners	Limited bidding	LTD HSC 45/2022/2023	4 169 175.97
Re-appointment of Human Settlements Holistic Services for Project Management Service on the Killarney Gardens TRA Project	Human Settlements Holistic Services (HSHS)	Limited bidding	LTD HSC 46/2022/2023	2 127 235.50
Appoint Motla Electrical Engineers as Electrical Engineers for the Gatesville flats project	Motla Electrical Engineers	Limited bidding	LTD HSC 48/2022/2023	236 813.90
Re-appoint FJC Consulting as Land Surveyors for the Gatesville flats project	FJC Consulting	Limited bidding	LTD HSC 49/2022/2023	424 265.00
Re-appoint Gibb 9 (PTY) LTD as Environmental Control Officer on the Kosovo Housing Project	GIBB (PTY)LTD	Limited bidding	LTD HSC 51/2022/2023	35 953.26
Re-appoint Vanacore Subsidy Management for the Gatesville flats project	Vanacore Subsidy Management	Limited bidding	LTD HSC 52/2022/2023	340 570.00
Re-appointment of Lawula Projects (PTY) LTD -LTD Forest Village Housing Project Completion of 57 BNG units, completion of 32 FLISP units, construction of 76 new BNG units and repair of 42 FLISP units.	Lawula Projects (PTY)LTD	Limited bidding	LTD HSC 53/2022/2023	4 069 458.37
Southern Corridor: Appoint Planning Partners as town planners for the Welmoed Estate Development	Planning Partners	Limited bidding	LTD HSC 54/2022/2023	119 700.00
Re-appointment of BTKM Quantity Surveyors for Quantity Surveying Services for Killarney gardens TRA project	BTKM Quantity Surveyors	Limited bidding	LTD HSC 59/2022/2023	1 015 425.00
Re-appointment of F Salie Attorneys as conveyancers on the Gatesville Housing Project	F Salie Attorneys	Limited bidding	LTD HSC 60/2022/2023	645 082.20
Re-appoint FJC Consulting as Town Planners and Land Surveyors for the Killarney gardens TRA project	FJC Consulting	Limited bidding	LTD HSC 69/2022/2023	79 486.00
Re-appoint of Marnol Projects to complete the Our Pride Phase 2 FLISP Housing project	Marnol Projects	Limited bidding	LTD HSC 72/2022/2023	4 637 688.50
Re-appoint of JG Afrika as Traffic Engineer for the Kosovo-Weltevreden Wedge	JG Afrika	Limited bidding	LTD HSC 74/2022/2023	657 500.00

<b>2.7.3 Information on Supply Chain Management</b>				
<b>Project description</b>	<b>Name of supplier</b>	<b>Type of procurement by other means</b>	<b>Contract number</b>	<b>Value of contract R'000</b>
Re-appoint of Umtha Consultancy as Development Facilitator for the Kosovo-Weltevreden Wedge	Umtha Consultancy	Limited bidding	LTD HSC 77/2022/2023	4 036 750.00
Re-appoint of Kantey and Templer as Civil and Structural Engineers for the Gatesville Flats Project	Kantey & Templer	Limited bidding	LTD HSC 78/2022/2023	2 462 659.55
Re-appoint of Greystone (MZI Development Services) to conclude the remaining transfers for Blue downs Military Veterans	Mzi Development Services - Greystone 1183	Limited bidding	LTD HSC 79/2022/2023	57 914.70
Re-appoint of Simply Do Construction to complete the Blue Downs Infill Housing Project	Simply Do Construction	Limited bidding	LTD HSC 80/2022/2023	1 123 226.94
Re-appoint of C2C Consulting Engineers to complete the Our Pride Phase 2 FLISP Housing Project	C2C Consulting Engineers	Limited bidding	LTD HSC 81/2022/2023	1 584 503.19
<b>Total</b>				<b>R75 806 013.94</b>





# PART F

Financial  
Information



## Part F: Financial Information

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## Report of the auditor-general to 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 148 to 201, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Human Settlements as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the requirements of the Division of Revenue Act 5 of 2022 (Dora).

#### Basis for opinion

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

#### Emphasis of matter

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

#### Restatement of corresponding figures

7. As disclosed in note 32 to the financial statements, the corresponding figures for 31 March 2022 were restated, as a result of errors in the financial statements of the Department at and for the year ended, 31 March 2023.

#### Uncertainty relating to future outcomes of claims against the Department

8. With reference to note 18 to the financial statements, the Department is the defendant in various ongoing litigation and claims. The ultimate outcome of these cases cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

### **Non-adjusting events after the reporting date**

9. As disclosed in note 28 to the financial statements, the Department is going through an institutional reorganisation whereby the infrastructure components of the Western Cape Department of Transport and Public Works are combining with those of the Western Cape Department of Human Settlements to form a new Western Cape Department of Infrastructure.

### **Underspending of the conditional grant**

10. As disclosed in note 33 to the annual financial statements, the Department materially underspent on the informal settlement upgrading partnership grant (ISUPG). The underspent is due to procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects.

### **Other matters**

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

### **Unaudited supplementary schedules**

12. The supplementary information set out on pages 202-215 does not form part of the financial statement and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

### **National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework**

13. On 23 December 2022 National Treasury issued Instruction Note No. 4: Public Finance Management Act 1 of 1999 (PFMA) Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure (UIFW expenditure). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 24 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Department of Human Settlements. The disclosure of these movements (e.g., condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of the other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

### **Responsibilities of the accounting officer for the financial statements**

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS as prescribed by 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.

15. In preparing the financial statements, the accounting officer is responsible for assessing the Department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Department or to cease operations or has no realistic alternative but to do so.

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

16. 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.
17. 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**

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting is responsible for the preparation of the annual performance report.
19. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the Department's performance on its primary mandated functions and that are of significant national, community or public interest.

<b>Programme</b>	<b>Page numbers</b>	<b>Purpose</b>
Programme 2: Housing needs, research and planning	24-37	To facilitate and undertake housing delivery needs, research and planning.
Programme 3: Housing development	38-53	To provide housing opportunities, including access to basic services, to beneficiaries in accordance with the housing code.
Programme 4: Housing Asset Management	54-59	To provide for the strategic, effective and efficient management, devolution and transfer of housing assets.

20. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the Department's planning and delivery on its mandate and objectives.
21. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the Department's mandate and the achievement of its planned objectives.

- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
  - the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
  - the reported performance information is presented in the annual performance report in the prescribed manner.
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
22. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
23. The material findings on the performance information of the selected programme are as follows:

#### Programme 4: Housing asset management

##### Various indicators

24. Based on audit evidence, the actual achievements for four (4) indicators did not agree to what was reported. I could not determine the actual achievements, but I estimated them to be materially more. Consequently, it is likely that the achievement against the target was better than reported.

Indicator	Target	Reported achievement
4.4 Number of title deeds registered for post-2014 developments by 31 March 2023 (Table 19)	4 500	591
4.5 Number of title deeds registered post-2019 developments by 31 March 2023 (Table 19)	1 000	151
4.4 Number of post-2014 title deeds registered (Table 20)	4 500	973
4.5 Number of new title deeds registered (Table 20)	1 000	543

##### Other matters

25. I draw attention to the matters below.

##### Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.
27. The Department plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
<b>Programme 2: Housing needs, research and planning</b>		
Targets achieved: 72%		
Budget spent: 99,9%		
Indicator 2.9: Percentage of land acquired during 2014-2019 within PDA's rezoned	45,16%	0%
<b>Programme 3: Housing Development</b>		
Targets achieved: 50%		
Budget spent: 90,3%		
Indicator 3.2: Number of households that received subsidies through FLISP	2 000	1 436
Indicator 3.3: Number of breaking new grounds (BNG) delivered	6 213	3672
Indicator 3.4: Number of serviced sites delivered	2 747	1 230
Indicator 3.6: Number of informal settlements upgraded to phase 3 of the upgrading of informal settlements programme (UISP)	6	1
<b>Programme 4: Housing asset Management</b>		
Targets achieved: 20%		
Budget spent: 92,7%		
Indicator 4.3: Number of post-1994 title deeds registered	4 500	1 880
Indicator 4.4: Number of post-2014 title deeds registered	4 500	973
Indicator 4.5: Number of new title deeds registered	1 000	543

28. Reasons for the underachievement of targets are included in the annual performance report on pages 28-36, 39-51 and 55-58.

### Material misstatements

29. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of *Programme 3: Housing development* and *Programme 4: Housing Asset Management*. Management did not correct all of the misstatements and I reported material findings in this regard.

### Report on compliance with legislation

30. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the Department's compliance with legislation.
31. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
32. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the Department, clear to allow consistent measurement and evaluation, while also sufficiently

detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

33. I did not identify any material non-compliance with the selected legislative requirements.

### **Other information in the annual report**

34. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

35. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

37. The other information I obtained prior to the date of this auditor's report are the performance information. The remaining information, which includes, foreword by the provincial minister of the Department, report of the accounting officer the statement of responsibility and confirmation of the accuracy of the annual report, strategic review, legislative and other mandates, organisational structure and governance and entities reporting to the provincial minister are expected to be made available to us after 31 August 2023.

38. When I do receive and read the information, which includes foreword by the provincial minister of the Department, the accounting officer's statement of responsibility and confirmation of the accuracy of the annual report, strategic review, legislative and other mandates, organisational structure and governance and entities reporting to the provincial minister, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### **Internal control deficiencies**

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

40. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report.

41. The controls implemented by management to prepare and review listings were not sufficient to identify whether the listings and associated evidence for the indicators agree to the reported achievement as disclosed in the annual performance report. Management did not complete accurate performance reports that are supported and evidenced by reliable information, which resulted in material misstatements in Programme 4.

### Other reports

42. The Provincial Forensic Services were investigating eight (8) cases, three (3) relating to possible fraud, three (3) relating to alleged gross irregularities, one (1) alleged corruption and one (1) on various allegations (alleged corruption, conflict of interest/fraud). The one (1) investigation relating to possible fraud and the other one (1) relating to alleged gross irregularities was finalised and reported to the accounting officer on 3 April 2023. The other six (6) investigations were still in progress at the date of this report.

*Auditor-General*

Cape Town  
31 July 2023



## Annexure to the auditor's report

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### *Professional judgement and professional scepticism*

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

#### *Financial statements*

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a Department to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### *Communication with those charged with governance*

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

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

### Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 1 Section 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii) Section 39(1)(a); 39(2)(a) Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44 (1) and (2); 45(b)
Treasury Regulations for Departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Section 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2 Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c) Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b) & (e); 16A 6.3(a) – (e); 16A 6.4; 16A 6.5; 16A 6.6; 16A 7.1; 16A 7.3; 16A 7.6; 16A 7.7; 16A8.2 (1) and (2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A 9; 16A 9.1; 16A9.1( e); 16A9.1(b)(ii); 16A(1)(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2(a)(ii) & (iii) Treasury Regulation 17.1.1 Treasury Regulation 18.2
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2); 25(1)( e)(i) and (iii)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1) Section 29
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
Competition Act 89 of 1998	Section 4(1)(b)(ii)
Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA)	Section 1(i); 2.1(a); 2.1(b); 2.1(f)

Legislation	Sections or regulations
Preferential Procurement Regulations (PPR) of 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1; 9.2 Regulation 10.1; 10.2 Regulation 11.1; 11.2 Regulation 12.1 and 12.2
PPR of 2022	Regulation 3.1 Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4
NT SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e) ; 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4 (a) -(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1 Paragraph 4.1
NT SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
NT SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
NTN SCM instruction note 09 of 2022/23	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
NT SCM instruction note 4 of 2015/16	Paragraph 3.4
NT SCM instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 2.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1
Public Service Act	Section 30 (1)
Division of Revenue Act No.5 of 2022 (DoRA)	Section 12(5) Section 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii) (bb)

Legislation	Sections or regulations
State Information Technology Act 88 of 1998 (SITA)	Section 7(3) Section 7(6)(b) Section 20(1)(a)(l)
SITA General Regulations	Regulation 8.1.1(b); 8.1.4; 8.1.7 Regulation 9.4; 9.6 Regulation 13.1(a); 14.1; 14.2

Appropriation per programme										
Programme	2022/23							2021/22		
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000	
1. Administration	130 776	-	2 434	133 210	133 155	55	100.0%	137 224	133 414	
2. Housing Needs, Research and Planning	26 714	-	405	27 119	27 114	5	100.0%	26 000	25 486	
3. Housing Development	2 244 897	-	(1 941)	2 242 956	2 025 343	217 613	90.3%	2 195 527	2 157 804	
4. Housing Asset Management	75 587	-	(898)	74 689	69 206	5 483	92.7%	51 508	45 225	
<b>Total</b>	<b>2 477 974</b>	<b>-</b>	<b>-</b>	<b>2 477 974</b>	<b>2 254 818</b>	<b>223 156</b>	<b>91.0%</b>	<b>2 410 259</b>	<b>2 361 929</b>	
<b>Reconciliation with Statement of Financial Performance</b>										
<b>Add:</b>										
Departmental receipts				251 563				8 280		
Aid assistance				-				-		
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>2 729 537</b>				<b>2 418 539</b>		
<b>Add: Aid assistance</b>									309	
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>2 254 818</b>				<b>2 362 238</b>	

Appropriation per economic classification									
Economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>320 540</b>	<b>(630)</b>	<b>406</b>	<b>320 316</b>	<b>316 525</b>	<b>3 791</b>	<b>98.8%</b>	<b>337 645</b>	<b>327 885</b>
Compensation of employees	243 425	(593)	(75)	242 757	240 362	2 395	99.0%	244 712	244 624
Salaries and wages	212 765	(994)	(260)	211 511	209 116	2 395	98.9%	214 164	214 164
Social contributions	30 660	401	185	31 246	31 246	-	100.0%	30 548	30 460
<b>Goods and services</b>	<b>77 115</b>	<b>(37)</b>	<b>481</b>	<b>77 559</b>	<b>76 163</b>	<b>1 396</b>	<b>98.2%</b>	<b>92 933</b>	<b>83 261</b>
Administrative fees	80	(45)	-	35	35	-	100.0%	109	109
Advertising	360	633	-	993	993	-	100.0%	386	386
Minor assets	210	96	-	306	306	-	100.0%	953	953
Audit costs: External	9 295	(295)	-	9 000	9 000	-	100.0%	11041	11041
Bursaries: Employees	611	37	-	648	648	-	100.0%	445	445
Catering: Departmental	74	62	-	136	136	-	100.0%	159	136
Communication (G&S)	1 933	719	4	2 656	2 656	-	100.0%	3 389	3 329
Computer services	2 196	1545	952	4 693	4 693	-	100.0%	3 742	2 166
Consultants: Business and advisory services	16 344	(12 281)	-	4 063	2 667	1 396	65.6%	7 980	5 591
Infrastructure and planning services	1 192	9 016	-	10 208	10 208	-	100.0%	16 934	16 934
Legal services	12 120	(2 757)	(1 667)	7 696	7 696	-	100.0%	6 083	6 083
Contractors	220	380	1 340	1 940	1 940	-	100.0%	208	208
Agency and support / outsourced services	3 616	(3 616)	-	-	-	-	0.0%	2 705	2 705
Entertainment	22	(5)	-	17	17	-	100.0%	23	23
Fleet services (including government motor transport)	2 950	241	-	3 191	3 191	-	100.0%	2 825	2 581
Consumable supplies	288	(78)	-	210	210	-	100.0%	560	560
Consumable: Stationery, printing and office supplies	608	(227)	-	381	381	-	100.0%	778	778
Operating leases	1 367	(103)	-	1 264	1 264	-	100.0%	1 663	1 391
Property payments	15 405	2 766	(250)	17 921	17 921	-	100.0%	27 219	22 904
Travel and subsistence	5 203	505	53	5 761	5 761	-	100.0%	4 198	3 435
Training and development	1 826	3 380	49	5 255	5 255	-	100.0%	512	482
Operating payments	1 037	69	-	1 106	1 106	-	100.0%	908	908
Venues and facilities	158	(80)	-	78	78	-	100.0%	113	113
Rental and hiring	-	1	-	1	1	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>2 150 770</b>	<b>630</b>	<b>(847)</b>	<b>2 150 553</b>	<b>1 931 188</b>	<b>219 365</b>	<b>89.8%</b>	<b>2 063 085</b>	<b>2 025 822</b>
Provinces and municipalities	74 912	-	(922)	73 990	68 506	5 484	92.6%	35 391	34 243
Municipalities	74 912	-	(922)	73 990	68 506	5 484	92.6%	35 391	34 243
Municipal bank accounts	74 912	-	(922)	73 990	68 506	5 484	92.6%	35 391	34 243
Departmental agencies and accounts	13	-	-	13	13	-	100.0%	12	12
Departmental agencies	13	-	-	13	13	-	100.0%	12	12
Non-profit institutions	-	-	-	-	-	-	0.0%	61	61
Households	2 075 845	630	75	2 076 550	1 862 669	213 881	89.7%	2 027 621	1 991 506
Social benefits	1 911	600	75	2 586	2 586	-	100.0%	2 751	2 702
Other transfers to households	2 073 934	30	-	2 073 964	1 860 083	213 881	89.7%	2 024 870	1 988 804
<b>Payments for capital assets</b>	<b>6 634</b>	<b>(138)</b>	<b>384</b>	<b>6 880</b>	<b>6 880</b>	<b>-</b>	<b>100.0%</b>	<b>8 188</b>	<b>6 881</b>
Machinery and equipment	6 334	-	384	6 718	6 718	-	100.0%	8 123	6 816
Transport equipment	4 855	(193)	-	4 662	4 662	-	100.0%	4 980	4 766
Other machinery and equipment	1 479	193	384	2 056	2 056	-	100.0%	3 143	2 050
Software and other intangible	300	(138)	-	162	162	-	100.0%	65	65
<b>Payment for financial</b>	<b>30</b>	<b>138</b>	<b>57</b>	<b>225</b>	<b>225</b>	<b>-</b>	<b>100.0%</b>	<b>1 341</b>	<b>1 341</b>
<b>Total</b>	<b>2 477 974</b>	<b>-</b>	<b>-</b>	<b>2 477 974</b>	<b>2 254 818</b>	<b>223 156</b>	<b>91.0%</b>	<b>2 410 259</b>	<b>2 361 929</b>

Programme 1: ADMINISTRATION									
Sub-programme	2022/23							2021/22	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
1. Office of the MEC	9 389	(528)	-	8 861	8 806	55	99.4%	9 479	8 387
2. Corporate services	121 387	528	2 434	124 349	124 349	-	100.0%	127 745	125 027
<b>Total</b>	<b>130 776</b>	<b>-</b>	<b>2 434</b>	<b>133 210</b>	<b>133 155</b>	<b>55</b>	<b>100.0%</b>	<b>137 224</b>	<b>133 414</b>

Economic classification	2022/23							2021/22	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
<b>Current payments</b>	<b>122 792</b>	<b>(373)</b>	<b>1 993</b>	<b>124 412</b>	<b>124 357</b>	<b>55</b>	<b>100.0%</b>	<b>125 339</b>	<b>122 885</b>
Compensation of employees	100 451	(355)	-	100 096	100 041	55	99.9%	96 936	96 936
Salaries and wages	88 098	(727)	-	87 371	87 316	55	99.9%	84 558	84 558
Social contributions	12 353	372	-	12 725	12 725	-	100.0%	12 378	12 378
<b>Goods and services</b>	<b>22 341</b>	<b>(18)</b>	<b>1 993</b>	<b>24 316</b>	<b>24 316</b>	<b>-</b>	<b>100.0%</b>	<b>28 403</b>	<b>25 949</b>
Administrative fees	74	(47)	-	27	27	-	100.0%	106	106
Advertising	180	598	-	778	778	-	100.0%	108	108
Minor assets	210	96	-	306	306	-	100.0%	953	953
Audit costs: External	9 295	(295)	-	9 000	9 000	-	100.0%	11 041	11 041
Bursaries: Employees	611	37	-	648	648	-	100.0%	445	445
Catering: Departmental activities	48	57	-	105	105	-	100.0%	120	120
Communication (G&S)	1 419	(976)	-	443	443	-	100.0%	2 757	2 697
Computer services	1 787	303	653	2 743	2 743	-	100.0%	3 523	1 947
Consultants: Business and advisory services	600	(90)	-	510	510	-	100.0%	1 332	1 332
Legal services	22	-	-	22	22	-	100.0%	132	132
Contractors	210	347	1 340	1 897	1 897	-	100.0%	137	137
Entertainment	18	(3)	-	15	15	-	100.0%	21	21
Fleet services (including government motor transport)	2 950	241	-	3 191	3 191	-	100.0%	2 825	2 581
Consumable supplies	218	(88)	-	130	130	-	100.0%	509	509
Consumable: Stationery, printing and office supplies	586	(238)	-	348	348	-	100.0%	756	756
Operating leases	1 130	(97)	-	1 033	1 033	-	100.0%	1 326	1 110
Property payments	101	(42)	-	59	59	-	100.0%	80	80
Travel and subsistence	1 686	96	-	1 782	1 782	-	100.0%	1 286	928
Training and development	219	74	-	293	293	-	100.0%	173	173
Operating payments	839	68	-	907	907	-	100.0%	660	660
Venues and facilities	138	(60)	-	78	78	-	100.0%	113	113
Rental and hiring	-	1	-	1	1	-	100.0%	-	-
<b>Transfers and subsidies</b>	<b>1 320</b>	<b>373</b>	<b>-</b>	<b>1 693</b>	<b>1 693</b>	<b>-</b>	<b>100.0%</b>	<b>2 356</b>	<b>2 307</b>
Departmental agencies and accounts	13	-	-	13	13	-	100.0%	12	12
Departmental agencies	13	-	-	13	13	-	100.0%	12	12
Households	1 307	373	-	1 680	1 680	-	100.0%	2 343	2 294
Social benefits	1 307	358	-	1 665	1 665	-	100.0%	2 343	2 294
Other transfers to households	-	15	-	15	15	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>6 634</b>	<b>(138)</b>	<b>384</b>	<b>6 880</b>	<b>6 880</b>	<b>-</b>	<b>100.0%</b>	<b>8 188</b>	<b>6 881</b>
Machinery and equipment	6 334	-	384	6 718	6 718	-	100.0%	8 123	6 816
Transport equipment	4 855	(193)	-	4 662	4 662	-	100.0%	4 980	4 766
Other machinery and equipment	1 479	193	384	2 056	2 056	-	100.0%	3 143	2 050
Software and other intangible assets	300	(138)	-	162	162	-	100.0%	65	65
Payment for financial assets	30	138	57	225	225	-	100.0%	1 341	1 341
<b>Total</b>	<b>130 776</b>	<b>-</b>	<b>2 434</b>	<b>133 210</b>	<b>133 155</b>	<b>55</b>	<b>100.0%</b>	<b>137 224</b>	<b>133 414</b>

<b>Programme 2: HOUSING NEEDS, RESEARCH AND PLANNING</b>									
	2022/23							2021/22	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
<b>Sub-programme</b>									
1. Administration	14 803	87	336	15 226	15 226	-	100.0%	14 449	14 209
2. Planning	11911	(87)	69	11893	11888	5	100.0%	11551	11277
<b>Total</b>	<b>26 714</b>	<b>-</b>	<b>405</b>	<b>27 119</b>	<b>27 114</b>	<b>5</b>	<b>100.0%</b>	<b>26 000</b>	<b>25 486</b>

	2022/23							2021/22	
	Final Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Budget R'000	Actual Expenditure R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>26 670</b>	<b>-</b>	<b>405</b>	<b>27 075</b>	<b>27 070</b>	<b>5</b>	<b>100.0%</b>	<b>25 809</b>	<b>25 295</b>
Compensation of employees	26 053	-	-	26 053	26 048	5	100.0%	24 582	24 582
Salaries and wages	23 239	(138)	-	23 101	23 096	5	100.0%	21 832	21 832
Social contributions	2 814	138	-	2 952	2 952	-	100.0%	2 750	2 750
<b>Goods and services</b>	<b>617</b>	<b>-</b>	<b>405</b>	<b>1 022</b>	<b>1 022</b>	<b>-</b>	<b>100.0%</b>	<b>1 227</b>	<b>713</b>
Administrative fees	3	2	-	5	5	-	100.0%	2	2
Catering: Departmental activities	9	2	-	11	11	-	100.0%	27	4
Communication (G&S)	119	5	4	128	128	-	100.0%	120	120
Computer services	-	-	299	299	299	-	100.0%	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	0.0%	9	9
Contractors	10	10	-	20	20	-	100.0%	38	38
Entertainment	2	-	-	2	2	-	100.0%	-	-
Consumable supplies	11	1	-	12	12	-	100.0%	8	8
Operating leases	6	(6)	-	-	-	-	0.0%	67	11
Property payments	-	-	-	-	-	-	0.0%	-	-
Travel and subsistence	416	(39)	53	430	430	-	100.0%	558	153
Training and development	26	5	49	80	80	-	100.0%	71	41
Operating payments	9	26	-	35	35	-	100.0%	49	49
Venues and facilities	-	-	-	-	-	-	0.0%	-	-
<b>Transfers and subsidies</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>44</b>	<b>-</b>	<b>100.0%</b>	<b>191</b>	<b>191</b>
Non-profit institutions	-	-	-	-	-	-	0.0%	61	61
Households	44	-	-	44	44	-	100.0%	130	130
Social benefits	44	-	-	44	44	-	100.0%	130	130
<b>Total</b>	<b>26 714</b>	<b>-</b>	<b>405</b>	<b>27 119</b>	<b>27 114</b>	<b>5</b>	<b>100.0%</b>	<b>26 000</b>	<b>25 486</b>

<b>Programme 3: HOUSING DEVELOPMENT</b>									
Sub-programme	2022/23							2021/22	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
1. Administration	126 645	-	(1 941)	124 704	122 368	2 336	98.1%	159 614	157 944
2. Financial Interventions	228 234	-	-	228 234	212 372	15 862	93.1%	206 494	170 576
3. Incremental Interventions	1 890 018	-	-	1 890 018	1 690 603	199 415	89.4%	1 829 419	1 829 284
<b>Total</b>	<b>2 244 897</b>	<b>-</b>	<b>(1 941)</b>	<b>2 242 956</b>	<b>2 025 343</b>	<b>217 613</b>	<b>90.3%</b>	<b>2 195 527</b>	<b>2 157 804</b>

Economic classification	2022/23							2021/22	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
<b>Current payments</b>	<b>127 738</b>	<b>(238)</b>	<b>(1 941)</b>	<b>125 559</b>	<b>121 828</b>	<b>3 731</b>	<b>97.0%</b>	<b>142 809</b>	<b>141 152</b>
Compensation of employees	90 747	(238)	(274)	90 235	87 900	2 335	97.4%	98 499	98 411
Salaries and wages	78 771	(129)	(274)	78 368	76 033	2 335	97.0%	86 589	86 589
Social contributions	11 976	(109)	-	11 867	11 867	-	100.0%	11 910	11 822
<b>Goods and services</b>	<b>36 991</b>	<b>-</b>	<b>(1 667)</b>	<b>35 324</b>	<b>33 928</b>	<b>1 396</b>	<b>96.0%</b>	<b>44 310</b>	<b>42 741</b>
Administrative fees	3	-	-	3	3	-	100.0%	1	1
Advertising	-	-	-	-	-	-	0.0%	-	-
Catering: Departmental activities	13	7	-	20	20	-	100.0%	11	11
Communication (G&S)	362	1 695	-	2 057	2 057	-	100.0%	473	473
Computer services	409	1 229	-	1 638	1 638	-	100.0%	219	219
Consultants: Business and advisory services	15 744	(12 210)	-	3 534	2 138	1 396	60.5%	5 819	4 250
Infrastructure and planning services	1 186	9 022	-	10 208	10 208	-	100.0%	16 656	16 656
Legal services	10 748	(2 805)	(1 667)	6 276	6 276	-	100.0%	4 778	4 778
Contractors	-	21	-	21	21	-	100.0%	33	33
Agency and support / outsourced services	3 616	(3 616)	-	-	-	-	0.0%	2 705	2 705
Entertainment	2	(2)	-	-	-	-	0.0%	2	2
Consumable supplies	29	8	-	37	37	-	100.0%	14	14
Operating leases	215	1	-	216	216	-	100.0%	254	254
Property payments	70	2 959	-	3 029	3 029	-	100.0%	10 808	10 808
Travel and subsistence	2 945	405	-	3 350	3 350	-	100.0%	2 211	2 211
Training and development	1 550	3 306	-	4 856	4 856	-	100.0%	232	232
Operating payments	79	-	-	79	79	-	100.0%	94	94
Venues and facilities	20	(20)	-	-	-	-	0.0%	-	-
<b>Transfers and subsidies</b>	<b>2 117 159</b>	<b>238</b>	<b>-</b>	<b>2 117 397</b>	<b>1 903 515</b>	<b>213 882</b>	<b>89.9%</b>	<b>2 052 718</b>	<b>2 016 652</b>
Provinces and municipalities	42 685	-	-	42 685	42 684	1	100.0%	27 571	27 571
Municipalities	42 685	-	-	42 685	42 684	1	100.0%	27 571	27 571
Municipal bank accounts	42 685	-	-	42 685	42 684	1	100.0%	27 571	27 571
Higher education institutions	-	-	-	-	-	-	0.0%	-	-
Households	2 074 474	238	-	2 074 712	1 860 831	213 881	89.7%	2 025 147	1 989 081
Social benefits	540	238	-	778	778	-	100.0%	277	277
Other transfers to households	2 073 934	-	-	2 073 934	1 860 053	213 881	89.7%	2 024 870	1 988 804
<b>Total</b>	<b>2 244 897</b>	<b>-</b>	<b>(1 941)</b>	<b>2 242 956</b>	<b>2 025 343</b>	<b>217 613</b>	<b>90.3%</b>	<b>2 195 527</b>	<b>2 157 804</b>

<b>Programme 4: HOUSING ASSET MANAGEMENT</b>									
Sub-programme	2022/23							2021/22	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
1. Administration	51 031	305	274	51 610	46 175	5 435	89.5%	27 359	26 539
2. Housing Properties Maintenance	24 556	(305)	(1 172)	23 079	23 031	48	99.8%	24 149	18 686
<b>Total</b>	<b>75 587</b>	<b>-</b>	<b>(898)</b>	<b>74 689</b>	<b>69 206</b>	<b>5 483</b>	<b>92.7%</b>	<b>51 508</b>	<b>45 225</b>

Economic classification	2022/23							2020/21	
	Approved Budget R'000	Shifting of Funds R'000	Virement R'000	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final budget %	Final Budget R'000	Actual Expenditure R'000
<b>Current payments</b>	<b>43 340</b>	<b>(19)</b>	<b>(51)</b>	<b>43 270</b>	<b>43 270</b>	<b>-</b>	<b>100.0%</b>	<b>43 688</b>	<b>38 553</b>
Compensation of employees	26 174	-	199	26 373	26 373	-	100.0%	24 695	24 695
Salaries and wages	22 657	-	14	22 671	22 671	-	100.0%	21 185	21 185
Social contributions	3 517	-	185	3 702	3 702	-	100.0%	3 510	3 510
<b>Goods and services</b>	<b>17 166</b>	<b>(19)</b>	<b>(250)</b>	<b>16 897</b>	<b>16 897</b>	<b>-</b>	<b>100.0%</b>	<b>18 993</b>	<b>13 858</b>
Administrative fees	-	-	-	-	-	-	0.0%	-	-
Advertising	180	35	-	215	215	-	100.0%	278	278
Catering: Departmental activities	4	(4)	-	-	-	-	0.0%	1	1
Communication (G&S)	33	(5)	-	28	28	-	100.0%	39	39
Computer services	-	13	-	13	13	-	100.0%	-	-
Consultants: Business and advisory services	-	19	-	19	19	-	100.0%	820	-
Legal services	1 350	48	-	1 398	1 398	-	100.0%	1 173	1 173
Contractors	-	2	-	2	2	-	100.0%	-	-
Entertainment	-	-	-	-	-	-	0.0%	-	-
Consumable supplies	30	1	-	31	31	-	100.0%	29	29
Consumable: Stationery, printing and office supplies	22	11	-	33	33	-	100.0%	22	22
Operating leases	16	(1)	-	15	15	-	100.0%	16	16
Property payments	15 234	(151)	(250)	14 833	14 833	-	100.0%	16 331	12 016
Travel and subsistence	156	43	-	199	199	-	100.0%	143	143
Training and development	31	(5)	-	26	26	-	100.0%	36	36
Operating payments	110	(25)	-	85	85	-	100.0%	105	105
Venues and facilities	-	-	-	-	-	-	0.0%	-	-
<b>Transfers and subsidies</b>	<b>32 247</b>	<b>19</b>	<b>(847)</b>	<b>31 419</b>	<b>25 936</b>	<b>5 483</b>	<b>82.5%</b>	<b>7 820</b>	<b>6 672</b>
Provinces and municipalities	32 227	-	(922)	31 305	25 822	5 483	82.5%	7 819	6 671
Municipalities	32 227	-	(922)	31 305	25 822	5 483	82.5%	7 819	6 671
Municipal bank accounts	32 227	-	(922)	31 305	25 822	5 483	82.5%	7 819	6 671
Households	20	19	75	114	114	-	100.0%	1	1
Social benefits	20	4	75	99	99	-	100.0%	1	1
Other transfers to households	-	15	-	15	15	-	100.0%	-	-
<b>Total</b>	<b>75 587</b>	<b>-</b>	<b>(898)</b>	<b>74 689</b>	<b>69 206</b>	<b>5 483</b>	<b>92.7%</b>	<b>51 508</b>	<b>45 225</b>

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

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

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

Detail of these transactions can be viewed in the note 1 (Annual Appropriation) to the Annual Financial Statements.

**3. Detail on payments for financial assets**

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

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

**4.1 Per programme**

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Per programme:	R'000	R'000	R'000	%
Programme 3: Housing Development	2 242 956	2 025 343	217 613	9.7

The underspending is mainly due to procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects in respect of the Human Settlement Development Grant (HSDG) and the Informal Settlement Upgrading Partnership Grant (ISUPG). All projects are contractually committed and are in planning/implementation stage. Request for roll-over of unspent funds was submitted to Provincial Treasury.

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Per programme:	R'000	R'000	R'000	%
Programme 4: Housing Asset Management	74 689	69 206	5 483	7.3

The underspending is mainly due to a payment that was returned by the bank in respect of the Title Deeds Restoration programme for Mossel Bay Municipality. Mossel Bay Municipality did not timeously inform the Department of the change of banking details (R3.961 million). A further underspending was realised in respect of the Title Deeds Restoration programme for Saldanha Bay Municipality. Saldanha Bay Municipality spent the unspent funds instead of returning the unspent funds to the Department (R1.474 million) that was re-appropriated to the Municipality during the Adjusted Budget process.

#### 4.2 Per economic classification

Economic classification:	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
<b>Transfers and subsidies</b>				
Provinces and Municipalities	73 990	68 506	5 484	7.4
Households	2 076 550	1 862 669	213 881	10.3

The underspending for Provinces and Municipalities is mainly due to a payment that was returned by the bank in respect of the Title Deeds Restoration programme for Mossel Bay Municipality. Mossel Bay Municipality did not timeously inform the Department of the change of banking details (R3.961 million). A further underspending was realised in respect of the Title Deeds Restoration programme for Saldanha Bay Municipality. Saldanha Bay Municipality spent the unspent funds on the project instead of returning the unspent funds to the Department (R1.474 million) that was re-appropriated to the Municipality during the Adjusted Budget process. The underspending for Households is mainly due to procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects in respect of the Human Settlement Development Grant (HSDG) and the Informal Settlement Upgrading Partnership Grant (ISUPG). All projects are contractually committed and are in planning/implementation stage. Request for roll-over of unspent funds was submitted to Provincial Treasury.

#### 4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
Human Settlement Development Grant	1 628 418	1 525 136	103 282	6.3
Informal Settlements Upgrading Partnership Grant for Provinces	489 834	377 839	111 995	22.9

The underspending is mainly due to procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects in respect of the Human Settlement Development Grant (HSDG) and the Informal Settlement Upgrading Partnership Grant (ISUPG). All projects are contractually committed and are in planning/implementation stage. Request for roll-over of unspent funds was submitted to Provincial Treasury.

	Note	2022/23 R'000	2021/22 R'000
<b>REVENUE</b>			
Annual appropriation	1	2 477 974	2 410 259
Departmental revenue	2	251 563	8 280
<b>TOTAL REVENUE</b>		<b>2 729 537</b>	<b>2 418 539</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	240 362	244 624
Goods and services	5	76 163	83 261
<b>Total current expenditure</b>		<b>316 525</b>	<b>327 885</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	7	1 931 188	2 025 822
Aid assistance	3	-	309
<b>Total transfers and subsidies</b>		<b>1 931 188</b>	<b>2 026 131</b>
<b>Expenditure for capital assets</b>			
Tangible assets	8	6 718	6 816
Intangible assets	8	162	65
<b>Total expenditure for capital assets</b>		<b>6 880</b>	<b>6 881</b>
<b>Payments for financial assets</b>	6	225	1 341
<b>TOTAL EXPENDITURE</b>		<b>2 254 818</b>	<b>2 362 238</b>
<b>SURPLUS FOR THE YEAR</b>		<b>474 719</b>	<b>56 301</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted funds		223 156	48 330
Annual appropriation		7 879	12 277
Conditional grants		215 277	36 053
Departmental revenue and PRF receipts	13	251 563	8 280
Aid assistance	3	-	(309)
<b>SURPLUS FOR THE YEAR</b>		<b>474 719</b>	<b>56 301</b>

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>402 592</b>	<b>286 831</b>
Cash and cash equivalents	9	333 919	207 439
Prepayments and advances	10	8	32
Receivables	11	68 665	79 360
<b>Non-current assets</b>		<b>2 624</b>	<b>2 444</b>
Receivables	11	2 624	2 444
<b>TOTAL ASSETS</b>		<b>405 216</b>	<b>289 275</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>368 741</b>	<b>247 425</b>
Voted funds to be surrendered to the Revenue Fund	12	223 156	48 330
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	13	1 878	5 389
Payables	14	143 707	193 706
<b>Non-Current Liabilities</b>	15		
Payables		-	6 494
<b>TOTAL LIABILITIES</b>		<b>368 741</b>	<b>253 919</b>
<b>NET ASSETS</b>		<b>36 475</b>	<b>35 356</b>
<b>Represented by:</b>			
Recoverable revenue		36 475	35 356
<b>TOTAL</b>		<b>36 475</b>	<b>35 356</b>

	<b>Note</b>	<b>2022/23</b>	<b>2021/22</b>
		<b>R'000</b>	<b>R'000</b>
<b>NET ASSETS</b>			
<b>Recoverable revenue</b>			
Opening balance		35 356	34 773
Transfers		<b>1 119</b>	<b>583</b>
Debts revised		-	(14)
Debts recovered (included in Departmental revenue)		(25)	(78)
Debts raised		1 144	675
<b>Total</b>		<b>36 475</b>	<b>35 356</b>

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>2 739 944</b>	<b>2 489 059</b>
Annual appropriation funds received	1.1	2 477 974	2 410 259
Departmental revenue received	2	254 768	76 073
Interest received	2.2	7 202	2 727
Net (increase)/decrease in net working capital		(39 280)	103 764
Surrendered to Revenue Fund		(313 811)	(122 403)
Current payments		(316 525)	(327 885)
Payments for financial assets		(225)	(1 341)
Transfers and subsidies paid		(1 931 188)	(2 026 131)
<b>Net cash flow available from operating activities</b>	<b>16</b>	<b>138 915</b>	<b>115 063</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(6 880)	(6 881)
Proceeds from sale of capital assets	2.3	-	1
(Increase)/decrease in non-current receivables		(180)	(65)
<b>Net cash flow available from investing activities</b>		<b>(7 060)</b>	<b>(6 945)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		1 119	583
Increase/ (decrease) in non-current payables		(6 494)	(29 021)
<b>Net cash flows from financing activities</b>		<b>(5 375)</b>	<b>(28 438)</b>
Net increase/(decrease) in cash and cash equivalents		126 480	79 680
Cash and cash equivalents at beginning of period		207 439	127 759
<b>Cash and cash equivalents at end of period</b>	<b>17</b>	<b>333 919</b>	<b>207 439</b>

## PART A: ACCOUNTING POLICIES

### Summary of significant accounting policies

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

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

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

#### 1. Basis of preparation

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

#### 2. Going concern

The financial statements have been on a going concern basis.

#### 3. Presentation currency

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

#### 4. Rounding

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

#### 5. Comparative information

##### 5.1 Prior period comparative information

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

##### 5.2 Current year comparison with budget

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

#### 6. Revenue

##### 6.1 Appropriated funds

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

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

Appropriated funds are measured at the amounts receivable.

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

## **6.2 Departmental revenue**

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

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

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

## **6.3 Accrued Departmental revenue**

Accruals in respect of Departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the Department; and
- the amount of revenue can be measured reliably.

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

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

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

## **7. Expenditure**

### **7.1 Compensation of employees**

#### **7.1.1 Salaries and wages**

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

#### **7.1.2 Social contributions**

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

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

#### **7.2 Other expenditure**

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

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

### **7.3 Accruals and payables not recognised**

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

### **7.4 Leases**

#### **7.4.1 Operating leases**

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

#### **7.4.2 Finance leases**

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

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

### **8. Aid assistance**

#### **8.1 Aid assistance received**

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

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

#### **8.2 Aid assistance paid**

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

### **9. Cash and cash equivalents**

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

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

### **10. 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.

**11. 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.

**12. Financial assets**

**12.1 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.

**12.2 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.

**13. Payables**

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

**14. Capital assets**

**14.1 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 asset register is provided in the notes to financial statements.

**14.2 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.

### **14.3 Intangible capital assets**

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the Department commences the development phase of the project.

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.

## **15. Provisions and contingents**

### **15.1 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.

### **15.2 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.

### **15.3 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.

### **15.4 Capital commitments**

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

## **16. Unauthorised expenditure**

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

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received.

- Or approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance.
- Or transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprise of

- unauthorised expenditure that was under assessment in the previous financial year.
- unauthorised expenditure relating to previous financial year and identified in the current year.

Unauthorised incurred in the current year.

#### **17. Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of.

- fruitless and wasteful expenditure that was under assessment in the previous financial year.
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year.
- Fruitless and wasteful expenditure incurred in the current year.

#### **18. Irregular expenditure**

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year.
- irregular expenditure relating to previous financial year and identified in the current year.
- Irregular expenditure incurred in the current year.

#### **19. 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.

#### **20. 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.

**21. 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) and Informal Settlement Upgrading Partnership Grant for provinces (ISUPG).

The Department is also acting as agent for Mosselbay Municipality for the electrification of housing units funded by National Department of Mineral Resources and Energy.

**22. Departures from the MCS requirements**

The Department had no departures from the MCS requirements.

**23. 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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

**24. 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 full compensation of key management personnel is recorded in the notes to the financial statements.

**25. Inventories (Effective from date determined by the Accountant-General)**

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.

**26. 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.

**27. Employee benefits**

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

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

**28. Mergers**

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

Mergers are accounted for by the combining Departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

## PART B: ACCOUNTING POLICIES

### 1. Appropriation

#### 1.1. Annual Appropriation

	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested /not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	133 210	133 210	-	137 224	137 224	-
2. Housing Needs, Research and Planning	27 119	27 119	-	26 000	26 000	-
3. Housing Development	2 242 956	2 242 956	-	2 195 527	2 195 527	-
4. Housing Asset Management	74 689	74 689	-	51 508	51 508	-
<b>Total</b>	<b>2 477 974</b>	<b>2 477 974</b>	<b>-</b>	<b>2 410 259</b>	<b>2 410 259</b>	<b>-</b>

All appropriated funds were requested and received.

#### 1.2. Conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total grants received	33	2 121 230	2 035 376

The Conditional Grants received consist of the Human Settlement Development Grant: R1.628 418 billion; the Expanded Public Works Programme Integrated Grant for Provinces: R2.978 million as well as the Informal Settlements Upgrading Partnership Grant for Provinces: R489.834 million.

**2. Departmental revenue**

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
Sales of goods and services other than capital assets	2.1	72 231	33 093
Interest and rent on land	2.2	7 202	2 727
Sales of capital assets	2.3	-	1
Transactions in financial assets and liabilities	2.4	177 146	36 785
Transfer received	2.5	5 391	6 195
<b>Total revenue collected</b>		<b>261 970</b>	<b>78 801</b>
Less: Own revenue included in appropriation	13	10 407	70 521
<b>Departmental revenue collected</b>		<b>251 563</b>	<b>8 280</b>

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

Sales of goods and services produced by the Department		72 230	33 091
Sales by market establishment		72 148	32 999
Administrative fees		-	1
Other sales		82	91
Sales of scrap, waste and other used current goods		1	2
<b>Total</b>	<b>2</b>	<b>72 231</b>	<b>33 093</b>

Other sales include Commission on insurance and garnishee orders administered via PERSAL: R73 000 and Sale of tender documents: R9 000. Sales by market establishment represents occupational rent received for First Home Finance houses, the sale of FLISP houses and rental income received from debtors. The amount of Sales by market establishment has been restated. This was due to the reclassification in respect of the disclosure note.

**2.2. Interest and rent on land**

Interest		7 202	2 727
<b>Total</b>	<b>2</b>	<b>7 202</b>	<b>2 727</b>

The amount of Rent on land has been restated. This was due to the reclassification in respect of the disclosure note.

### 2.3. Sales of capital assets

		2022/23	2021/22
	Note	R'000	R'000
<b>Tangible capital assets</b>			
Machinery and equipment		-	1
<b>Total</b>	<b>2</b>	<b>-</b>	<b>1</b>

### 2.4. Transactions in financial assets and liabilities

Loans and advances		3 065	2 047
Other Receipts including Recoverable Revenue		174 081	34 738
<b>Total</b>	<b>2</b>	<b>177 146</b>	<b>36 785</b>

The increase is mainly due to the unspent subsidies received from Municipalities, Housing Development Agency refund and Urban Settlement Development Grant refunds received from City of Cape Town. The amount of Other Receipts including Recoverable Revenue has been restated. This was due to the Standard Chart of Accounts (SCOA) reclassification.

### 2.5. Transfers received

Public corporations and private enterprises		5 391	6 195
<b>Total</b>	<b>2</b>	<b>5 391</b>	<b>6 195</b>

The Public corporations and private enterprises relate to Eskom subsidies received for electrical connections has been restated. This was due to the Standard Chart of Accounts (SCOA) reclassification.

## 3. Aid Assistance

Opening Balance		-	309
Transferred from statement of financial performance		-	(309)
<b>Total</b>		<b>-</b>	<b>-</b>

### 3.1. Aid assistance expenditure per economic classification

Transfers and subsidies		-	309
<b>Total</b>	<b>3</b>	<b>-</b>	<b>309</b>

**4. Compensation of employees**

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>4.1. Salaries and wages</b>			
Basic salary		158 524	164 019
Performance award		50	-
Service Based		185	312
Compensative/circumstantial		8 468	7 324
Periodic payments		3 681	3 774
Other non-pensionable allowances		38 208	38 735
<b>Total</b>	<b>4</b>	<b>209 116</b>	<b>214 164</b>

Compensation/circumstantial payments is in respect of remunerated acting allowances, overtime and role-playing allowances.

**4.2. Social contributions**

**Employer contributions**

Pension		19 200	19 076
Medical		11 948	11 251
Bargaining council		48	48
Insurance		50	85
<b>Total</b>	<b>4</b>	<b>31 246</b>	<b>30 460</b>
<b>Total compensation of employees</b>		<b>240 362</b>	<b>244 624</b>
Average number of employees		<b>419</b>	<b>446</b>

Insurance payments is in respect of subsidised vehicles.

**5. Goods and services**

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
Administrative fees		35	109
Advertising		993	386
Minor assets	5.1	306	953
Bursaries (employees)		648	445
Catering		136	136
Communication		2 656	3 329
Computer services	5.2	4 693	2 166
Consultants: Business and advisory services		2 667	5 591
Infrastructure and planning services		10 208	16 934
Legal services		7 696	6 083
Contractors		1 940	208
Agency and support / outsourced services		-	2 705
Entertainment		17	23
Audit cost – external	5.3	9 000	11 041
Fleet services		3 191	2 581
Consumables	5.4	591	1 338
Operating leases		1 264	1 391
Property payments	5.5	17 921	22 904
Rental and hiring		1	-
Travel and subsistence	5.6	5 761	3 435
Venues and facilities		78	113
Training and development		5 255	482
Other operating expenditure	5.7	1 106	908
<b>Total</b>		<b>76 163</b>	<b>83 261</b>

The increase in Advertising mainly relates to public notices and marketing in respect of fees paid to the marketing agency for the monthly radio presentation in accordance with the transversal contract. Increase in Training and development is due to artisan development related expenditure. The increase in contractors is due to an appointment of Special Investigating Unit for forensic investigation into alleged housing irregularities in Overstrand Municipality. The decrease in Consultants: Business and advisory services is due to the postponement of two evaluation studies. The decrease in Infrastructure and planning services is due to professional fees capitalized against approved projects. The decrease in Agency and support / outsourced services is due to once-off arbitration cost incurred in 2021/22 in respect of COVID-19 related and other claims received from contractors disputed by the Department. The decrease in Consumables is mainly due to cost saving initiatives. Increase in Bursaries is due to the increase in the number of bursary holders.

**5.1. Minor assets**

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>Tangible capital assets</b>			
Machinery and equipment		306	953
<b>Total</b>	<b>5</b>	<b>306</b>	<b>953</b>

The decrease is due to the once-off refurbishment of the ground floor in 2021/22.

**5.2. Computer services**

SITA computer services		1 392	1 769
External computer service providers		3 301	397
<b>Total</b>	<b>5</b>	<b>4 693</b>	<b>2 166</b>

The increase is mainly due to services that include analysis, change management in respect of the adoption of new information systems and the re-development of the Western Cape Housing Development Data Base (WCHDDB) and Rental Housing Tribunal (RHT) enhancements.

**5.3. Audit cost - external**

Regularity audits		9 000	11 041
<b>Total</b>	<b>5</b>	<b>9 000</b>	<b>11 041</b>

**5.4. Consumables**

Consumable supplies		210	560
Uniform and clothing		4	3
Household supplies		90	145
IT consumables		40	263
Other consumables		76	149
Stationery, printing and office supplies		381	778
<b>Total</b>	<b>5</b>	<b>591</b>	<b>1 338</b>

Other consumables include medical supplies: R3 000, materials and supplies: R20 000, bags and accessories: R15 000, fuel supplies: R12 000 as well as gifts and awards: R26 000. Decrease in Consumables is mainly due to the increased issuing of consumables to officials returning to office full time after COVID-19 in 2021/22.

**5.5. Property payments**

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
Municipal services		9 185	9 103
Property management fees		395	5 694
Property maintenance and repairs		5 344	2 817
Other		2 997	5 290
<b>Total</b>	<b>5</b>	<b>17 921</b>	<b>22 904</b>

The decrease in Property management fees is due to holding cost paid to Housing Development Agency. Other is in respect of deeds searches: R2.871 million and property payments: Firefighting/protection services: R125 000. The amount of Other and Municipal services has been restated. This was due to the reclassification in respect of the disclosure note.

**5.6. Travel and subsistence**

Local		5 254	3 435
Foreign		507	-
<b>Total</b>	<b>5</b>	<b>5 761</b>	<b>3 435</b>

Foreign relates to an official trip by Minister and nominated officials attending the eleventh session of the World Urban Forum in Poland.

**5.7. Other operating expenditure**

Professional bodies, membership and subscription fees		20	27
Resettlement costs		81	74
Other		1 005	807
<b>Total</b>	<b>5</b>	<b>1 106</b>	<b>908</b>

Included in Other are printing and publication services: R983 000, competency certificates and licenses: R20 000 as well as courier and delivery services: R2 000. Other and Professional bodies, membership and subscription fees has been restated. This was due to the reclassification in respect of the disclosure note.

**6. Payments for financial assets**

Other material losses written off	6.1	162	1 324
Debts written off	6.2	63	17
<b>Total</b>		<b>225</b>	<b>1 341</b>

**6.1. Other material losses written off**

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>Nature of other material losses</b>			
Loss of machinery and equipment		144	207
Government Vehicle and vehicle accessories damage		18	14
Private enterprise		-	976
Bitou Municipality		-	127
<b>Total</b>	<b>6</b>	<b>162</b>	<b>1 324</b>

Losses of machinery and equipment mainly consists of computer equipment written off.

**6.2. Debts written off**

**Nature of debts written off**

Staff relating		63	17
<b>Total debt written off</b>	<b>6</b>	<b>63</b>	<b>17</b>

**7. Transfers and subsidies**

Provinces and Municipalities	Annex 1A	68 506	34 243
Departmental agencies and accounts	Annex 1B	13	12
Non-profit institutions	Annex 1C	-	61
Households	Annex 1D	1 862 669	1 991 506
<b>Total</b>		<b>1 931 188</b>	<b>2 025 822</b>

Included in the amount of R68.506 million transferred to Provinces and Municipalities is R17.818 million in respect of Municipal Accreditation and Capacity Building Grant (2021/22: R13.671 million), Settlement assistance grant: R1.500 million (2021/22:R1.500 million), Title-Deeds Restoration: R17.312 million (2021/22:R12.400 million), Provincial contribution towards the acceleration of housing delivery: R26.767 million (2021/22: R0), as well as R5.109 million for Rates and taxes (2021/22: R6.672 million). Accumulatively, of all transfers and subsidies, R142.238 million was unspent at Municipalities as at 31 March 2023 (2021/22: R210.205 million).

**8. Expenditure for capital assets**

	Note	2022/23 R'000	2021/22 R'000
<b>Tangible capital assets</b>			
Machinery and equipment	29	6 718	6 816
<b>Intangible capital assets</b>			
Software	30	162	65
<b>Total</b>		<b>6 880</b>	<b>6 881</b>

**8.1. Analysis of funds utilised to acquire capital assets -2022/23**

		Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible capital assets</b>				
Machinery and equipment	8	6 718	-	6 718
<b>Intangible capital assets</b>				
Software	8	162	-	162
<b>Total</b>		<b>6 880</b>	<b>-</b>	<b>6 880</b>

**8.2. Analysis of funds utilised to acquire capital assets – 2021/22**

		Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible capital assets</b>				
Machinery and equipment	8	6 816	-	6 816
<b>Intangible capital assets</b>				
Software	8	65	-	65
<b>Total</b>		<b>6 881</b>	<b>-</b>	<b>6 881</b>

**8.3. Finance lease expenditure included in Expenditure for capital assets**

<b>Tangible capital assets</b>			
Machinery and equipment		4 721	4 809
		<b>4 721</b>	<b>4 809</b>

The finance lease expenditure consists of daily tariffs paid in respect of GG-vehicles allocated to the Department by Government Motor Transport (GMT): R4.662 million and finance leases for other machinery and equipment; cellular phones: R59 000. Daily tariffs are payable on a monthly basis, covering the operational costs, capital costs of replacement of vehicles and the implicit finance costs in this type of arrangement. The implicit Interest is based on Provincial Treasury's approved tariffs for GMT. The Department uses the vehicles for most of its useful life. The agreement does not provide for contingent lease payments and at the end of the useful life as determined by the lessor, the vehicles are returned where it is sold on auction for the benefit of the lessor.

## 9. Cash and cash equivalents

		2022/23	2021/22
	Note	R'000	R'000
Consolidated Paymaster General Account		333 919	207 439
<b>Total</b>	17	<b>333 919</b>	<b>207 439</b>

The increase is mainly due to underspending on conditional grants.

## 10. Prepayments and advances

Travel and subsistence	8	32
<b>Total</b>	<b>8</b>	<b>32</b>

### Analysis of Total Prepayments and advances

Current Prepayments and advances	8	32
<b>Total</b>	<b>8</b>	<b>32</b>

## 11. Receivables

	Note	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	36 861	2 536	39 397	45 634	2 414	48 048
Recoverable expenditure	11.2	60	-	60	326	-	326
Staff debt	11.3	35	88	123	86	30	116
Other receivables	11.4	31 709	-	31 709	33 314	-	33 314
<b>Total</b>		<b>68 665</b>	<b>2 624</b>	<b>71 289</b>	<b>79 360</b>	<b>2 444</b>	<b>81 804</b>

**11.1. Claims recoverable**

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
National Departments		1 637	1 637
Provincial Departments		6 327	4 486
Public entities		26 519	24 353
Private enterprises		2 716	2 594
Households and non-profit institutions		76	111
Local governments		2 122	14 867
<b>Total</b>	<b>11</b>	<b>39 397</b>	<b>48 048</b>

Included in claims recoverable (National Departments) is R1.637 million owed by the Department of Military Veterans in respect of houses built for Military Veterans. Public entities mainly relate to R26.508 million owed by Thubelisha Homes. The amount for Private enterprises mainly relates to 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 is Beaufort West Municipality: R1.915 million. Decrease in claims recoverable was due to funds received from CoCT in respect of projects implemented on their behalf.

**11.2. Recoverable expenditure**

Disallowance damages and losses		42	191
Disallowance Miscellaneous		16	135
Salary disallowance deduction		2	-
<b>Total</b>	<b>11</b>	<b>60</b>	<b>326</b>

**11.3. Staff debt**

Study bursaries and Salary related debt		123	116
<b>Total</b>	<b>11</b>	<b>123</b>	<b>116</b>

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

**11.4. Other receivables**

City of Cape Town		988	2 593
Provincial Treasury		30 721	30 721
<b>Total</b>	<b>11</b>	<b>31 709</b>	<b>33 314</b>

The amount of R30.721 million is in respect of voted funds over surrendered to Provincial Treasury relating to 2020/21. The Department will approach the National Department of Human Settlements for the funds.

### 11.5. Impairment of receivables

		2022/23	2021/22
	Note	R'000	R'000
Estimate of impairment of receivables		29 329	27 312
<b>Total</b>	11	<b>29 329</b>	<b>27 312</b>

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 impairment figure is public entities: R26.519 million, Private enterprises which relates to housing projects: R2.716 million, recoverable expenditure: R58 000 and out of service staff debt: R36 000.

### 12. Voted funds to be surrendered to the Revenue Fund

Opening balance		48 330	46 180
Transferred from statement of financial performance		223 156	48 330
Paid during the year		(48 330)	(46 180)
<b>Closing balance</b>		<b>223 156</b>	<b>48 330</b>

The underspending is mainly due to procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects in respect of the Human Settlement Development Grant (HSDG) and the Informal Settlement Upgrading Partnership Grant (ISUPG). All projects are contractually committed and are in planning/implementation stage. Underspending on the Department is mainly due to unspent conditional grants to be surrendered is in respect of Human Settlement Development Grant (HSDG): R103.282 million and the Informal Settlement Upgrading Partnership Grant (ISUPG): R111.995 million. Request for roll-over of unspent funds was submitted to Provincial Treasury.

#### 12.1. Reconciliation on unspent conditional grants

Total conditional grants received	1.2	2 121 230	2 035 376
Total conditional grants spent		(1 905 953)	(1 999 323)
Unspent conditional grants to be surrendered		215 277	36 053
Less: Paid to the Provincial Revenue Fund by Provincial Department		-	(36 053)
Approved for rollover		-	(5 196)
Not approved for rollover		-	(30 857)
<b>Due to the Provincial Revenue Fund</b>	12	<b>215 277</b>	<b>-</b>

Unspent conditional grants to be surrendered is in respect of Human Settlement Development Grant (HSDG): R103.282 million (2021/22: R135 000) and the Informal Settlement Upgrading Partnership Grant (ISUPG): R111.995 million (R35.918 million).

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

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
Opening balance		5 389	2 811
Transferred from statement of financial performance		251 563	8 280
Own revenue included in appropriation		10 407	70 521
Paid during the year		(265 481)	(76 223)
<b>Closing balance</b>		<b>1 878</b>	<b>5 389</b>

**14. Payables - current**

Advances received	14.1	143 603	190 806
Clearing accounts	14.2	100	2 249
Other payables	14.3	4	651
<b>Total</b>		<b>143 707</b>	<b>193 706</b>

**14.1. Advances received**

Local Government: CoCT	Annex 6	143 603	190 806
<b>Total</b>	<b>14</b>	<b>143 603</b>	<b>190 806</b>

Advances received are in respect of Urban Settlement Development Grant (USDG) and Informal Settlement Upgrading Grant (ISUPG) funds received from the CoCT for the provision of bulk infrastructure by the Department.

**14.2. Clearing accounts**

Salary clearing accounts		100	56
Provincial Treasury (Exchequer grant account)		-	2 193
<b>Total</b>	<b>14</b>	<b>100</b>	<b>2 249</b>

**14.3. Other payables**

Local government: Swartland Municipality		-	651
Private enterprise: National Housing Finance Corporation		1	-
WCG: Department of Local Government		1	-
Rental debtor (refund)		2	-
<b>Total</b>	<b>14</b>	<b>4</b>	<b>651</b>

15. Payables – non-current

	Note	2022/23				2021/22
		One to two years	Two to three years	Older than three years	Total	
		R'000	R'000	R'000	R'000	
Advances received	15.1	-	-	-	-	6 494
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 494</b>

15.1 Advances received

	Note	2022/23	2021/22
		R'000	R'000
Local Government: CoCT	Annex 6	-	6 494
<b>Total</b>	15	<b>-</b>	<b>6 494</b>

16. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance		474 719	56 301
Add back non-cash/cash movements not deemed operating activities		(335 804)	58 762
(Increase)/decrease in receivables	11	10 695	49 575
(Increase)/decrease in prepayments and advances	10	24	(24)
Increase/(decrease) in payables – current	14	(49 999)	54 213
Proceeds from sale of capital assets	2	-	(1)
Expenditure on capital assets	8	6 880	6 881
Surrenders to Revenue Fund	12&13	(313 811)	(122 403)
Own revenue included in appropriation	2	10 407	70 521
<b>Net cash flow generating</b>		<b>138 915</b>	<b>115 063</b>

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

Consolidated Paymaster General account		333 919	207 439
<b>Total</b>	9	<b>333 919</b>	<b>207 439</b>

## 18. Contingent liabilities and contingent assets

		2022/23	2021/22
	Note	R'000	R'000
<b>18.1. Contingent liabilities</b>			
<b>Liable to</b>			
Claims against the Department	Annex 2	42 000	42 125
<b>Total</b>		<b>42 000</b>	<b>42 125</b>

LT/158/2021-22 (R22 million): The claim against the Department is in respect of Sobambisana Community Developments (PTY) LTD (SCD) claim for damages which relates to breach of Memorandum of Agreement (MOA). SCD claim was submitted against DHS during 2018/19, the matter has been dealt with in the high court and not yet been resolved at year end.

LT/202/2021-22 (R20 million): Damages claim against the Department. Plaintiff's son crushed to death by a half-built wall. Matter is defended.

## 18.2. Contingent assets

### Nature of contingent asset

PILIR cases		721	25
FIU investigation: Recovery of money paid to Trafalgar high school		-	120
Erf 6225, Delft - G&S Yon		-	47
Alleged irregularities by estate agent & conveyancer iro. Housing Subsidy Programme		93	93
Breach of contract		231	-
<b>Total</b>		<b>1 045</b>	<b>285</b>

The amount of R721 000 for PILIR cases is in respect of 1 case pending and 9 cases declined and 1 case partially approved as at 31 March 2023. 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. The Breach of contract is in respect of a developer not honouring the contractual conditions.

## 19. Capital commitments

Machinery and equipment		411	1 031
<b>Total</b>		<b>411</b>	<b>1 031</b>

**20. Accruals and payables not recognised**

**20.1. Accruals**

	2022/23			2021/22
	30 Days	30+ Days	Total	Total
<b>Listed by economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services	2 078	277	2 355	4 220
Transfers and subsidies	31 614	4 122	35 736	38 209
Other	168		168	412
<b>Total</b>	<b>33 860</b>	<b>4 399</b>	<b>38 259</b>	<b>42 841</b>

	2022/23	2021/22
<b>Listed by programme level</b>	<b>R'000</b>	<b>R'000</b>
Programme 1: Administration	1 801	1 831
Programme 2: Housing needs, research and planning	38	29
Programme 3: Housing development	31 906	39 546
Programme 4: Housing asset management	4 514	1 435
<b>Total</b>	<b>38 259</b>	<b>42 841</b>

Other mainly consists of remuneration in respect of Rental Housing Tribunal members. The decrease in accruals is due to efficiency measures put in place to ensure that claims are received and paid timeously.

**20.2. Payables not recognised**

	2022/23			2021/22
	30 Days	30+ Days	Total	Total
<b>Listed by economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Goods and services	895	-	895	1 393
Transfers and subsidies	31 519	1 303	32 822	68 032
Other	10	-	10	-
<b>Total</b>	<b>32 424</b>	<b>1 303</b>	<b>33 727</b>	<b>69 425</b>

	2022/23	2021/22
<b>Listed by programme level</b>	<b>R'000</b>	<b>R'000</b>
Programme 1: Administration	450	90
Programme 2: Housing needs, research and planning	-	3
Programme 3: Housing development	33 038	69 114
Programme 4: Housing asset management	239	218
<b>Total</b>	<b>33 727</b>	<b>69 425</b>

Other mainly consists of remuneration in respect of Rental Housing Tribunal members. The decrease in payables is due to efficiency measures put in place to ensure that claims are received and paid timeously.

## 21. Employee benefits

Leave entitlement	7 023	7 410
Service bonus	5 356	5 380
Capped leave	3 511	4 078
Other	975	1 305
<b>Total</b>	<b>16 865</b>	<b>18 173</b>

Included in the amount of R7.023 million for Leave entitlement are leave credit balances amounting to R489 000. Capped leave is in respect of accrued annual leave credits prior to 1 July 2002. The monetary value is only paid out to employees in the event of death, retirement or medical boarding. Other includes accrued compensation of employees: R125 000 and provision of R116 000 for long service cash awards due in 2023/24 as well as provision for employer liability in respect of early retirement: R734 000 due in 2023/24. 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

	2022/23		2021/22	
	Machinery and equipment	Total	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	1 172	1 172	1 430	1 430
Later than 1 year and not later than 5 years	607	607	1 254	1 254
<b>Total lease commitments</b>	<b>1 779</b>	<b>1 779</b>	<b>2 684</b>	<b>2 684</b>

The operating leases relate to photocopy machines. A normal lease agreement period entered by the Department is 36 months. Thereafter the lease agreement is renewed or terminated. The repairs and maintenance are included in the

lease agreement. Enhancements are not allowed up until renewal of lease agreement and there is no sub-leasing or disposal. The Department does not have an option to purchase the leased asset at the expiry of the lease period.

## 22.2. Finance lease

	2022/23		2021/22	
	Machinery and equipment	Total	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	5 211	5 211	4 776	4 776
Later than 1 year and not later than 5 years	11 999	11 999	4 462	4 462
<b>Total lease commitments</b>	<b>17 210</b>	<b>17 210</b>	<b>9 238</b>	<b>9 238</b>

Included in the 2022/23 figures are finance lease commitments for GG vehicles amounting to R17.179 million. The increase in Finance leases is due to vehicles that were withdrawn from service and replaced with new vehicles. The Department of Human Settlements leased 61 vehicles from GMT as at 31 March 2023 (31 March 2022: 61). Daily tariffs are payable on a monthly basis, covering the operational costs, capital costs of replacement of vehicles and the implicit finance costs in this type of arrangement.

The implicit Interest is based on Provincial Treasury's approved tariffs for GMT. The Department uses the vehicle for most of the useful life of the vehicle. The agreement does not provide for contingent lease payments and at the end of the useful life as determined by the lessor, the vehicles are returned where it is sold on auction for the benefit of the lessor.

## 23. Accrued Departmental revenue

	2022/23	2021/22
	R'000	R'000
Transactions in financial assets and liabilities	25 288	25 385
<b>Total</b>	<b>25 288</b>	<b>25 85</b>

### 23.1. Accrued Departmental revenue

Opening balance	25 385	22 173
Less: Amounts received	(4 446)	(3 352)
Add: Amounts recorded	5 794	6 564
Less: Amounts written-off	(1 445)	-
<b>Closing balance</b>	<b>25 288</b>	<b>25 385</b>

23

Included in the total amount of R25.288 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 R13.930 million was claimed by the SIU, of which R7.964 million was received by the Department. Also included in the amount of R25.288 million is accrued Departmental revenue of R19.153 million in respect of rental debtors.

**23.2. Accrued Department revenue written off**

	<b>2022/23</b>	<b>2021/22</b>
	<b>R'000</b>	<b>R'000</b>
Transactions in financial assets and liabilities	1 445	-
<b>Total</b>	<b>1 445</b>	<b>-</b>

**23.3. Impairment of accrued Departmental revenue**

Transactions in financial assets and liabilities	17 082	17 888
<b>Total</b>	<b>17 082</b>	<b>17 888</b>

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 R10.879 million and the impairment of the SIU debtors R6.203 million.

**24. Unauthorised, Irregular and Fruitless and wasteful expenditure**

Irregular expenditure	171 159	199 468
<b>Total</b>	<b>171 159</b>	<b>199 468</b>

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

**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**

	<b>2022/23</b>	<b>2021/22</b>
	<b>R'000</b>	<b>R'000</b>
Political office bearers	2 093	1 978
Management	4 712	4 917
<b>Total</b>	<b>6 805</b>	<b>6 895</b>

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.

**27. Provisions**

Retention retained: Housing projects	67 724	71 711
Hawston Sea Farms	-	1 670
Raubex Infra (PTY) LTD	144	144
<b>Total</b>	<b>67 868</b>	<b>73 525</b>

**27.1. Reconciliation of movement in provisions - 2022/23**

	<b>Housing Projects</b>	<b>Hawston Sea Farms</b>	<b>Raubex Infra (PTY) Ltd</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	71 711	1 670	144	73 525
Increase in provision	28 212	-	-	28 212
Settlement of provision	(32 199)	(1 670)	-	(33 869)
<b>Closing balance</b>	<b>67 724</b>	<b>-</b>	<b>144</b>	<b>67 868</b>

**Reconciliation of movement in provisions - 2021/22**

	<b>Housing Projects</b>	<b>Hawston Sea Farms</b>	<b>Raubex Infra (PTY) Ltd</b>	<b>Total provisions</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Opening balance	69 877	1 670	-	71 547
Increase in provision	18 102	-	144	18 246
Settlement of provision	(16 268)	-	-	(16 268)
<b>Closing balance</b>	<b>71 711</b>	<b>1 670</b>	<b>144</b>	<b>73 525</b>

Retention fees are calculated by using the actual retention amount withheld, in terms of Departmental Housing Projects built, from the contractors as per the progress payment certificates paid to contractors on the milestones achieved. The retention amount is further limited to the contract value as stated in the retention clause. The retention fees are paid out to contractors at the completion of a contract. The uncertainty arises due to the timing of when the amount will be paid over to the contractors. The timing depends on when the project will be satisfactorily completed and signed off as such. Due to outside circumstances, it cannot always be reliably determined when these amounts will be paid out.

The amount of R144 000 is in respect of Raubex remittal application to cover losses for the period that the contract was delayed by the Department. The claim was submitted against DHS during 2020/21. The matter has been dealt with in the court and a settlement agreement was reached but not yet settled as at year end. The settlement amount should still be taxed by the court and will be paid by the Department in line with the court's order which is anticipated to be finalised within the 2023/24 financial year.

**28. Non-adjusting events after reporting date**

The Department of Human Settlements is being merged with the infrastructure components of the Department of Transport and Public Works to form a new Department of Infrastructure. On 22 April 2022, Premier Alan Winde named Tertuis Simmers as the Provincial Minister of Infrastructure and Daylin Michell as the Provincial Minister of Mobility. It is impractical at this stage to determine the financial effect.

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>				
Transport assets	31	-	-	31
Computer equipment	13 746	1 630	(1 250)	14 126
Furniture and office equipment	2 590	23	(8)	2 605
Other machinery and equipment	3 857	343	(6)	4 194
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>20 224</b>	<b>1 996</b>	<b>(1 264)</b>	<b>20 956</b>

There are 1351 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 annexure 7.

Movable Tangible Capital Assets under investigation

	Number	Value
		R'000
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation</b>		
Machinery and equipment	20	304

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.

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

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>					
Transport assets	31		-	-	31
Computer equipment	13 330		1 083	(667)	13 746
Furniture and office equipment	2 521		69	-	2 590
Other machinery and equipment	3 181		854	(178)	3 857
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>19 063</b>	<b>-</b>	<b>2 006</b>	<b>(845)</b>	<b>20 224</b>

**29.2. Minor assets**

**29.3. MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	4	8 682	8 686
Additions	1	302	303
Disposals	-	(28)	(28)
<b>Total Minor assets</b>	<b>5</b>	<b>8 956</b>	<b>8 961</b>

	Intangible assets	Machinery and equipment	Total
Number of minor assets at cost		2	4 727
<b>Total number of minor assets</b>	<b>2</b>	<b>4 727</b>	<b>4 729</b>

**Minor capital assets under investigation**

	Number	Value
		R'000
<b>Included in the above total of the minor capital assets per the asset register that are under investigation</b>		
Machinery and equipment	2	3

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.

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

	Intangible assets	Machinery and equipment	Total
	R'000	R'000	R'000
Opening balance	4	7 744	7 748
Additions	-	961	961
Disposals	-	23	23
<b>Total Minor assets</b>	<b>4</b>	<b>8 682</b>	<b>8 686</b>

	Intangible assets	Machinery and equipment	Total
Number of minor assets at cost	1	4 645	4 646
<b>Total number of minor assets</b>	<b>1</b>	<b>4 645</b>	<b>4 646</b>

**29.4. Movable tangible capital assets written off**

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023**

	Machinery and equipment	Total
	R'000	R'000
Assets written off	1 292	1 292
<b>Total movable assets written off</b>	<b>1 292</b>	<b>1 292</b>

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022**

	Machinery and equipment	Total
	R'000	R'000
Assets written off	868	868
<b>Total movable assets written off</b>	<b>868</b>	<b>868</b>

The amount written off is for redundant machinery and equipment amounting to R1.264 million and redundant minor assets amounting to R28 000.

**30. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	1 199	3 843	-	5 042
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>1 199</b>	<b>3 843</b>	<b>-</b>	<b>5 042</b>

The increase is due to the software received as non-cash addition from Department of the Premier (DotP) in terms of Section 42 of the PFMA (Housing Demand application).

**30.1. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	1 134	-	65	-	1 199
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>1 134</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>1 199</b>

**31. Principal-agent arrangements**

**31.1. Department acting as the principal**

	2022/23	2021/22
	R'000	R'000
SA Post Office (Commission paid to SA Post Office for collecting housing debt on behalf of the Department)	11	17
<b>Total</b>	<b>11</b>	<b>17</b>

The Municipalities and the Metro in the Western Cape act as agents of the Department to deliver on the human settlements mandate of the Province. This function is a concurrent function between the National and Provincial spheres of government (to the Constitution). The Municipalities apply to the Department for funding to implement the projects and the funding is gazetted as part of the budget process. The roles and responsibilities are defined in the respective grant frameworks (HSDG & ISUPG). The risks associated with the transfer of funds are mitigated and form part of the reporting conditions per the grant frameworks.

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.

**31.2. Department acting as the agent**

**Reconciliation of funds and disbursements - 2022/23**

	Total funds received	Expenditure incurred against funds
	R'000	R'000
<b>Category of revenue/expenditure per arrangement</b>		
City of Cape Town (bulk infrastructure)	255 509	111 907
Mosselbay Municipality (electrification)	4 583	4 583
<b>Total</b>	<b>260 092</b>	<b>116 490</b>

The above amounts represent funds received from the CoCT (principal) and Mosselbay Municipality (principal) and expenses incurred on their behalf for the construction of bulk infrastructure as well as for electrification of housing units respectively. The infrastructure will be handed over to the CoCT on satisfactory completion thereof. There is no risk associated with these relationships. There were no changes that occurred during the reporting period in respect of the terms and conditions of the arrangement.

The Department uses its own resources and assets to implement projects, whereby the CoCT and Mosselbay Municipality are acting as principal. The funding received and the movement for the year are disclosed in the AFS as prescribed.

**Reconciliation of funds and disbursements - 2021/22**

**Category of revenue/expenditure per arrangement**

City of Cape Town (bulk infrastructure)	346 934	149 635
Mosselbay Municipality (electrification)	6 135	6 135
<b>Total</b>	<b>353 069</b>	<b>155 770</b>

The above amounts represent funds received from the CoCT (principal) and Mosselbay Municipality (principal) and expenses incurred on their behalf for the construction of bulk infrastructure as well as for electrification of housing units respectively. The infrastructure will be handed over to the CoCT on satisfactory completion thereof. There is no risk associated with these relationships. There were no changes that occurred during the reporting period in respect of the terms and conditions of the arrangement.

**31.3. Reconciliation of carrying amount of receivables and payables - 2022/23**

	Opening balance	Funds received	Cash paid on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000
<b>Payables</b>				
City of Cape Town (bulk infrastructure)	197 299	58 210	111 907	143 602
Mosselbay Municipality (electrification)	-	4 583	4 583	-
<b>Total</b>	<b>197 299</b>	<b>62 793</b>	<b>116 490</b>	<b>143 602</b>

**Reconciliation of carrying amount of receivables and payables - 2021/22**

	Opening balance	Funds received	Cash paid on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000
<b>Payables</b>				
City of Cape Town (bulk infrastructure)	174 944	171 990	149 635	197 299
Mosselbay Municipality (electrification)	-	6 135	6 135	-
<b>Total</b>	<b>174 944</b>	<b>178 125</b>	<b>155 770</b>	<b>197 299</b>

**32. Prior period errors**

**32.1. Correction of prior period errors**

		2021/22		
		Amount before error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
<b>Revenue</b>				
<b>Departmental revenue</b>	2			
Sales by market establishment	2.1	-	32 999	32 999
Rent on land	2.2	7 268	(7 268)	-
Transactions in financial assets and liabilities	2.4	66 664	(31 926)	34 738
Public corporations and private enterprises	2.5	-	6 195	6 195
<b>Net effect</b>		<b>73 932</b>	<b>-</b>	<b>73 932</b>

The prior period errors were due to the Standard Chart of Accounts (SCOA) reclassification of revenue items in respect of Sales by market establishment (Rent on land and the sale of First Home Finance houses and, Public corporations and private enterprises).

**Prior period errors**

**Correction of prior period errors**

		<b>2021/22</b>		
		<b>Amount before error correction</b>	<b>Prior period error</b>	<b>Restated</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Expenditure</b>				
<b>Goods and services</b>				
Municipal services	5			
	5.5	9 228	(125)	9 103
Other		5 165	125	5 290
Professional bodies, membership and subscription fees	5.7	-	27	27
Other		834	(27)	807
<b>Net effect</b>		<b>15 227</b>	<b>-</b>	<b>15 227</b>

The prior period errors were due to the reclassification in respect of the disclosure note.

33. Statement of conditional grants received

	2022/23					2021/22					
	GRANT ALLOCATION					SPENT					
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	Under / (overspending)	% of available funds spent by department	Division of Revenue Act / Provincial grants	Amount spent by department
Name of grant	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Human Settlement Development Grant	1 628 418	-	-	-	1 628 418	1 628 418	1 525 136	103 282	94%	1 575 285	1 575 150
Expanded Public Works Programme Integrated Grant for Provinces	2 978		-	-	2 978	2 978	2 978	-	100%	2 662	2 662
Informal Settlements Upgrading Partnership Grant for Provinces	84 638	5 196	-	-	489 834	489 834	377 839	111 995	77%	457 429	421 511
<b>TOTAL</b>	<b>2 116 034</b>	<b>5 196</b>	<b>-</b>	<b>-</b>	<b>2 121 230</b>	<b>2 121 230</b>	<b>1 905 953</b>	<b>215 277</b>		<b>2 035 376</b>	<b>1 999 323</b>

The underspending is mainly due to procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects in respect of the Human Settlement Development Grant (HSDG) and the Informal Settlement Upgrading Partnership Grant (ISUPG). All projects are contractually committed and are in planning/implementation stage. Request for roll-over of unspent funds was submitted to Provincial Treasury.

**34. Statement of conditional grants and other transfers paid to Municipalities**

Name of Municipality	2022/23				2021/22					
	GRANT ALLOCATION			TRANSFER						
	DORA and other transfers	Roll overs	Adjustments	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
<b>Departmental transfers to Municipalities</b>										
<b>Municipal Accreditation and Capacity Building Grant</b>										
Municipality: City of Cape Town	10 000	-	-	10 000	10 000	-	-	7 500	7 500	
Municipality: Swartland	256	-	-	256	256	-	-	252	252	
Municipality: Witzenberg	256	-	-	256	256	-	-	252	252	
Municipality: Drakenstein	256	-	-	256	256	-	-	252	252	

Municipality: Stellenbosch	256	-	-	256	256	-	-	452	452
Municipality: Breede Valley	513	-	-	513	513	-	-	503	503
Municipality: Cape Agulhas	256	-	-	256	256	-	-	252	252
Municipality: Mosselbay	256	-	-	256	256	-	-	252	252
Municipality: George	513	-	-	513	513	-	-	1 103	1 103
Municipality: Beaufort West	256	-	-	256	256	-	-	252	252
Municipality: Garden Route	5 000	-	-	5 000	5 000	-	-	5 000	1 801
Municipality: Saldanha Bay	-	-	-	-	-	-	-	800	800
<b>Settlement assistance grant</b>									
Municipality: City of Cape Town	1 500	-	-	1 500	1 500	-	-	1 500	1 500
<b>Title-Deeds Restoration</b>									
Municipality: City of Cape Town	11 129	-	-	11 129	11 129	-	-	12 400	12 400
Municipality: Cederberg	-	-	240	240	240	-	-	-	-

Municipality: Saldanha Bay	-	-	1 474	1 474	-	-	-	-	-
Municipality: Breede Valley	-	-	2 505	2 505	2 505	-	-	-	-
Municipality: Swellendam	-	-	172	172	172	-	-	-	-
Municipality: Hessequa	-	-	3 266	3 266	3 266	-	-	-	-
Municipality: Mosselbay	-	-	3 961	3 961	-	-	-	-	-
<b>Provincial contribution towards the acceleration of housing delivery</b>									
Municipality: Saldanha Bay	-	-	667	667	667	-	-	-	-
Municipality: Breede Valley	-	-	3 400	3 400	3 400	-	-	-	-
Municipality: Cape Agulhas	-	-	15 000	15 000	15 000	-	-	-	-
Municipality: Swellendam	-	-	5 500	5 500	5 500	-	-	-	-
Municipality: Hessequa	-	-	2 200	2 200	2 200	-	-	-	-
<b>Other transfers to Municipalities</b>									
<b>Municipal rates and taxes</b>									

Municipality: City of Cape Town	2 200	-	2 431	4 583	4 583	-	-	16 036	6 194
Municipality: Matzikama	-	-	9	9	9	-	-	14	14
Municipality: Saldanha Bay	-	-	-	-	-	-	-	8	8
Municipality: Swartland	-	-	18	18	18	-	-	17	17
Municipality: Drakenstein	-	-	127	127	126	-	-	140	140
Municipality: Stellenbosch	-	-	157	157	157	-	-	130	130
Municipality: Breede Valley	-	-	142	142	142	-	-	92	92
Municipality: Swellendam	-	-	8	8	8	-	-	10	10
Municipality: Hessequa	-	-	3	3	3	-	-	6	6
Municipality: George	-	-	56	56	56	-	-	56	56
Municipality: Kannaland	-	-	2	2	2	-	-	5	5
Municipality: Bitou	-	-	5	5	5	-	-	-	-
<b>Total</b>	<b>32 647</b>	<b>-</b>	<b>41 343</b>	<b>73 990</b>	<b>68 506</b>	<b>-</b>	<b>-</b>	<b>47 284</b>	<b>34 243</b>

**35. 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.

**36. COVID 19 Response expenditure**

	Note	2022/23 R'000	2021/22 R'000
<b>Goods and services</b>		-	-
Consumable supplies		-	92
<b>Total</b>	Annex 9	<b>-</b>	<b>92</b>

**ANNEXURE 1A**

**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

Name of Municipality	GRANT ALLOCATION			TRANSFER			SPENT				2021/22		
	Division of Revenue Act	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by Department	Division of Revenue Act / Provincial grants	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Departmental transfers to Municipalities</b>													
<b>Municipal Accreditation and Capacity Building Grant</b>													
Municipality: City of Cape Town	10 000	-	-	10 000	10 000	-	-	10 000	7 746	2 254	77%	7 500	7 500
Municipality: Swartland	256	-	-	256	256	-	-	256	145	111	57%	252	252
Municipality: Witzenberg	256	-	-	256	256	-	-	256	182	74	71%	252	252
Municipality: Drakenstein	256	-	-	256	256	-	-	256	-	256	0%	252	252
Municipality: Stellenbosch	256	-	-	256	256	-	-	256	26	230	10%	452	452
Municipality: Breede Valley	513	-	-	513	513	-	-	513	377	136	73%	503	503

Municipality: Cape Agulhas	256	-	-	256	256	-	-	256	-	256	0%	252	252
Municipality: Mosselbay	256	-	-	256	256	-	-	256	20	236	8%	252	252
Municipality: George	513	-	-	513	513	-	-	513	21	492	4%	1 103	1 103
Municipality: Beaufort West	256	-	-	256	256	-	-	256	-	256	0%	252	252
Municipality: Garden Route	5 000	-	-	5 000	5 000	-	-	5 000	-	5 000	0%	5 000	1 801
Municipality: Saldanha Bay	-	-	-	-	-	-	-	-	-	-	-	-	800
<b>Settlement assistance grant</b>													
Municipality: City of Cape Town	1 500	-	-	1 500	1 500	-	-	1 500	1 018	482	68%	1 500	1 500
<b>Title-Deeds Restoration</b>													
Municipality: City of Cape Town	11 129	-	-	11 129	11 129	-	-	11 129	11 129	-	100%	12 400	12 400
Municipality: Cederberg	-	-	240	240	240	-	-	240	-	240	0%	-	-

Municipality: Saldanha Bay	-	-	1 474	1 474	-	-	-	-	-	-	-	-	-
Municipality: Breede Valley	-	-	2 505	2 505	2 505	-	-	2 505	2 505	-	100%	-	-
Municipality: Swellendam	-	-	172	172	172	-	-	172	-	172	0%	-	-
Municipality: Hessequa	-	-	3 266	3 266	3 266	-	-	3 266	-	3 266	0%	-	-
Municipality: Mosselbay	-	-	3 961	3 961	-	-	-	-	-	-	-	-	-
<b>Provincial contribution towards the acceleration of housing delivery</b>													
Municipality: Saldanha Bay	-	-	667	667	667	-	-	667	-	667	0%	-	-
Municipality: Breede Valley	-	-	3 400	3 400	3 400	-	-	3 400	-	3 400	0%	-	-
Municipality: Cape Agulhas	-	-	15 000	15 000	15 000	-	-	15 000	-	15 000	0%	-	-
Municipality: Swellendam	-	-	5 500	5 500	5 500	-	-	5 500	-	5 500	0%	-	-
Municipality: Hessequa	-	-	2 200	2 200	2 200	-	-	2 200	-	2 200	0%	-	-
<b>Other transfers to Municipalities</b>													

<b>Municipal rates and taxes</b>													
Municipality: City of Cape Town	2 200	-	2431	4 583	4 583	-	-	4 583	4 583	-	100%	16 036	6 194
Municipality: Matzikama	-	-	9	9	9	-	-	9	9	-	100%	14	14
Municipality: Saldanha Bay	-	-	-	-	-	-	-	-	-	-	-	8	8
Municipality: Swartland	-	-	18	18	18	-	-	18	18	-	100%	17	17
Municipality: Drakenstein	-	-	127	127	126	-	-	126	126	-	100%	140	140
Municipality: Stellenbosch	-	-	157	157	157	-	-	157	157	-	100%	130	130
Municipality: Breede Valley	-	-	142	142	142	-	-	142	142	-	100%	92	92
Municipality: Swellendam	-	-	8	8	8	-	-	8	8	-	100%	10	10
Municipality: Hessequa	-	-	3	3	3	-	-	3	3	-	100%	6	6
Municipality: George	-	-	56	56	56	-	-	56	56	-	100%	56	56
Municipality: Kannaland	-	-	2	2	2	-	-	2	2	-	100%	5	5
Municipality: Bitou	-	-	5	5	5	-	-	5	5	-	100%	-	-
<b>Total</b>	<b>32 647</b>	<b>-</b>	<b>41 343</b>	<b>73 990</b>	<b>68 506</b>	<b>-</b>	<b>-</b>	<b>68 506</b>	<b>28 278</b>	<b>40 228</b>		<b>47 284</b>	<b>34 243</b>

**ANNEXURE 1B  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2021/22
	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)	13	-	-	13	13	100%	12
<b>Total</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>		<b>12</b>

**ANNEXURE 1C  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2021/22
	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
<b>Transfers</b>							
Cape Craft and Design Institute	-	-	-	-	-	-	61
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>

**ANNEXURE 1D**

**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE			2021/22	
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Budget	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers</b>								
Employee social benefits - leave gratuity	-	-	1 585	1 585	1 585	100%	1 001	1 001
Post retirement benefits	-	-	136	136	136	100%	192	143
Early Retirement Pension Penalty	-	-	857	857	857	100%	1 558	1 558
Injury on duty	-	-	7	7	7	100%	-	-
Act of grace	-	-	30	30	30	100%	-	-
<b>Total</b>	-	-	<b>2 615</b>	<b>2 615</b>	<b>2 615</b>		<b>2 751</b>	<b>2 702</b>
<b>Subsidies</b>								
Human Settlement Development Grant	1 543 311	-	40 789	1 584 100	1 482 215	94%	1 515 322	1 515 186
Expanded Public Works Programme Integrated Grant for Provinces	-	-	-	-	-	-	2 531	2 280
Informal Settlements Upgrading Partnership Grant for Provinces	484 638	5 196	-	489 834	377 839	77%	457 429	421 511
Provincial contribution towards the acceleration of housing delivery grant	-	-	-	-	-	-	49 588	49 827
<b>Total</b>	<b>2 027 949</b>	<b>5 196</b>	<b>40 789</b>	<b>2 073 934</b>	<b>1 860 054</b>	<b>-</b>	<b>2 024 870</b>	<b>1 988 804</b>
<b>Total</b>	<b>2 027 949</b>	<b>5 196</b>	<b>43 404</b>	<b>2 076 549</b>	<b>1 862 669</b>	<b>-</b>	<b>2 027 621</b>	<b>1 991 506</b>

The underspending is mainly due to procurement delays, community unrest, lack of cooperation from key stakeholders and instances of extortion on projects in respect of the Human Settlement Development Grant (HSDG) and the Informal Settlement Upgrading Partnership Grant (ISUPG). All projects are contractually committed and are in planning/implementation stage. Request for roll-over of unspent funds was submitted to Provincial Treasury.

**ANNEXURE 1E**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

<b>NATURE OF GIFT, DONATION OR SPONSORSHIP</b>	<b>2022/23</b>	<b>2021/22</b>
<b>(Group major categories but list material items including name of organisation)</b>	<b>R'000</b>	<b>R'000</b>
<b>Made in kind</b>		
Sympathy flowers and fruit baskets	5	4
Donation for youth programme (Toolboxes for artisan trainees)	-	14
Gifts: Departmental	21	-
<b>Total</b>	<b>26</b>	<b>18</b>

**ANNEXURE 2**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023**

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the Department</b>					
1. LT/158/2021-22: Sobambisana Community Development (PTY) Ltd (SCD)	22 000	-	-	-	22 000
2. LT/351/2020-21: Vlakkeland Project Architectural Services	125	-	125	-	-
3. LT/202/2021-22: Plaintiff's son crushed to death by a half-built wall	20 000	-	-	-	20 000
<b>Total</b>	<b>42 125</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>42 000</b>

The claim against the Department (LT/158/2021-22) is in respect of Sobambisana Community Developments (PTY) LTD (SCD) claim for damages (R22 million) which relates to breach of Memorandum of Agreement (MOA). SCD claim was submitted against DHS during 2018/19, the matter has been dealt with in the high court and have not yet been settled as at year end. Damages claim against the Department (LT/202/2021-22). Plaintiff's son crushed to death by a half-built wall. Matter is defended.

**ANNEXURE 3**

**CLAIMS RECOVERABLE**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
Department of Military Veterans	-	-	1 637	1 637	1 637	1 637	-	-
WCG: Department of Transport and Public Works	-	-	500	4 485	500	4 485	-	-
<b>Sub-total</b>	-	-	<b>2 137</b>	<b>6 122</b>	<b>2 137</b>	<b>6 122</b>	-	-
<b>OTHER GOVERNMENT ENTITIES</b>								
City of Cape Town	207	-	-	12 952	207	12 952	-	-
Beaufort West Municipality	-	-	1 915	1 915	1 915	1 915	-	-
Sub-total	<b>207</b>	-	<b>1 915</b>	<b>14 867</b>	<b>2 122</b>	<b>14 867</b>	-	-
<b>Total</b>	<b>207</b>	-	<b>4 052</b>	<b>20 989</b>	<b>4 259</b>	<b>20 989</b>	-	-

**ANNEXURE 4  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
WCG: Department of the Premier	-	-	140	-	140	-	-	-
National Department of Justice	-	-	25	-	25	-	-	-
<b>Subtotal</b>	-	-	<b>165</b>	-	<b>165</b>	-	-	-
<b>OTHER GOVERNMENT ENTITIES</b>								
<b>Current</b>								
Municipality: City of Cape Town	-	-	-	79	-	79	-	-
Municipality: Drakenstein	-	-	-	12	-	12	-	-
Municipality: Cederberg	-	-	-	8 986	-	8 986	-	-
Municipality: Overstrand	-	-	4 569	280	4 569	280	-	-
Municipality: Saldanha Bay	-	-	-	104	-	104	-	-
Municipality: Stellenbosch	-	-	-	7 973	-	7 973	-	-
Municipality: Mosselbay	-	-	16 710	-	16 710	-	-	-
Municipality: Matzikama	-	-	-	-	-	-	-	-
Chief Registrar of Deeds	-	-	135	-	135	-	-	-
<b>Subtotal</b>	-	-	<b>21 414</b>	<b>17 434</b>	<b>21 414</b>	<b>17 434</b>	-	-
<b>Total Departments</b>	-	-	<b>21 579</b>	<b>17 434</b>	<b>21 579</b>	<b>17 434</b>	-	-

**ANNEXURE 5  
INVENTORIES**

	2022/23		2021/22	
	Immovable pre-1994	Assets  Total	Immovable Assets pre-1994	Total
	R'000	R'000	R'000	R'000
<b>Inventories for the year ended</b>				
Opening balance	1 513 230	1 513 230	1 650 115	1 650 115
Add/ (Less: Adjustments to prior year balances	(8 055)	(8 055)		
(Less): Disposals	(64 099)	(64 099)	(142 901)	(142 901)
Add/(Less): Adjustments	9 836	9 836	6 015	6 015
<b>Closing balance</b>	<b>1 450 912</b>	<b>1 450 912</b>	<b>1 513 230</b>	<b>1 513 230</b>

The restatement of prior year balance represents an amount where custodianship was transferred to the Department of Transport and Public works in 2018. There was no name change upon transfer in the deed's office, hence the restatement during this financial year. The inventory disclosed above is the immovable assets that was part of the Western Cape Housing Development Fund (WCHDF). These properties represent pre-1994 properties that are destined for transfer to beneficiaries and Municipalities in terms of the Housing Act 107. The intention is not to keep the immovable property hence it is classified as inventory. It is a question of time before transfer takes place.

**ANNEXURE 6**

**INTER-ENTITY ADVANCES RECEIVED (Note 14 AND 15)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
<b>OTHER INSTITUTIONS</b>						
<b>Current</b>						
City of Cape Town (USDG funds for bulk services)	-	-	143 603	190 806	143 603	190 806
<b>Subtotal</b>	-	-	<b>143 603</b>	<b>190 806</b>	<b>143 603</b>	<b>190 806</b>
<b>Non-Current</b>						
City of Cape Town (USDG funds for bulk services)	-	-	-	6 494	-	6 494
<b>Subtotal</b>	-	-	-	<b>6 494</b>	-	<b>6 494</b>
<b>TOTAL</b>	-	-	<b>143 603</b>	<b>197 300</b>	<b>143 603</b>	<b>197 300</b>
<b>Current</b>	-	-	143 603	190 806	143 603	190 806
<b>Non-current</b>	-	-	-	6 494	-	6 494

## ANNEXURE 7

### TRANSPORT ASSETS AS PER FINANCE LEASE REGISTER PERIOD ENDED 31 MARCH 2023

	2022/23 R'000	2021/22 R'000
<b>Movable Tangible Capital Assets</b>		
<b>Government Motor Transport (GMT)</b>		
Opening balance	13 580	13 601
Additions	4 017	241
Disposals	(2 552)	(262)
<b>Closing balance</b>	<b>15 045</b>	<b>13 580</b>

The Department of Human Settlements utilised 61 Government motor vehicles during the period ended 31 March 2023 and 61 Government motor vehicles during the previous financial year ended 31 March 2022. The motor vehicles are leased under a finance agreement unique to the Western Cape Government and the annexure aims to improve the minimum reporting requirements as per the Modified Cash Standard.

## ANNEXURE 8

### DEPARTMENT OF HUMAN SETTLEMENTS - HOUSING RELATED EXPENDITURE CLASSIFICATION

	31/03/2023 R'000	31/03/2022 R'000
<b>Inventories</b>		
Assets for distribution	1 294 730	1 472 774
<b>Subtotal</b>	<b>1 294 730</b>	<b>1 472 774</b>
<b>Transfers and subsidies</b>		
Municipal Bank Accounts	478 967	410 682
H/H:Oth/T:Nat Housing Programme Households	165 205	113 205
<b>Subtotal</b>	<b>644 172</b>	<b>523 887</b>
<b>TOTAL</b>	<b>1 938 902</b>	<b>1 996 661</b>

**ANNEXURE 9**  
**COVID 19 RESPONSE EXPENDITURE**  
Per quarter and in total

	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Expenditure per economic classification</b>						
<b>Goods and services</b>						
Consumable supplies	-	-	-	-	-	92
<b>TOTAL COVID 19 RESPONSE EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92</b>



# PART G

Annexures



## Part G: Annexures

## Annexure A – List of contractors

### City of Cape Town

HSS No	City of Cape Town	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/23	HDI	Women	Youth
W19020007	City of Cape Town Payment Tranche	-	n/a	n/a	109,129,171.28	-	-	-
W20080003/1	Khaye: Harare Infill	Nokhanya Services	Level 2	95.00%	28,344,527.61	26,927,301.23	13,732,923.63	-
W20080004/1	Khaye: Harare Infill	Martin & East	Level 1	100.00%	39,201,086.14	39,201,086.14	3,441,855.36	-
W15090008/2	The Hague & Eindhoven	Power Construction	Level 1	100.00%	-	-	-	-
W19010014/2	Garden Cities 562 units	Garden Cities	n/a	n/a	-	-	-	-
W21040012/3	Garden Cities 1050 units	Garden Cities	n/a	n/a	-	-	-	-
W15050002/1	Belhar Pentech	Calgro M3	Level 1	100.00%	1,919,101.67	1,919,101.67	228,181.19	134,337.12
W17080058/1	Atlantis: Pook se Bos	Cornfield Construction	Level 1	100.00%	10,566,591.00	10,566,591.00	3,254,510.03	3,254,510.03
W13090012/1	Atlantis: Masakhe	New Epoch	Level 1	100.00%	-	-	-	-
W16060009/2	Bardale Silakhe	Vondo Holdings	Level 1	100.00%	1,522,214.00	1,522,214.00	-	-
W15060002/3	Bardale 1	Nokhanya Services	Level 2	95.00%	1,758,744.00	1,670,806.80	852,111.47	-
W10020005/1	Khaye: ISIQALO	Eriska 19 Construction	Level 1	100.00%	-	-	-	-
W18050002/1	Khaye: Sikhululekile	Xesibe Construction	Level 1	100.00%	2,354,880.00	2,354,880.00	-	-
W18040022/1	Khaye: Senzeni	Abaphantsi Construction	Level 1	100.00%	1,475,453.00	1,475,453.00	-	-
W14020003/1	Khaye: Mzomhle	Eriska 19 Construction	Level 1	100.00%	655,008.00	655,008.00	-	-
W15050003/2	Khaye: Vukuzenzele	Eriska 19 Construction	Level 1	100.00%	1,630,057.00	1,630,057.00	-	-
W17120005/1	Khaye: Zakhele	Mellon Housing	Level 2	95.00%	125,802.00	119,511.90	-	-
W16060003/4	Manenberg: The Downs	Nokhanya Services	Level 2	95.00%	3,806,978.64	3,616,629.71	1,844,481.15	-
W17110001/1	Phillippi: Cingicebo	African Compass	Level 1	100.00%	-	-	-	-
W19100002/1	Simonstown: Dido Valley	Nokhanya Services	Level 2	95.00%	6,454,545.42	6,131,818.15	3,127,227.26	-
W17090011/1	Wallacedene 4	Mellon Housing	Level 2	95.00%	377,046.00	358,193.70	-	-
W16060007/2	Wallacedene Masiphatisane	Eriska 19 Construction	Level 1	100.00%	505,586.50	505,586.50	-	-
W95050002/1	NHBRC	NHBRC	n/a	n/a	18,046,901.74	-	-	-
<b>Sub-Total Expenditure</b>					<b>262,425,060.25</b>	<b>-</b>	<b>-</b>	<b>-</b>

HSS No	City of Cape Town	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/23	HDI	Women	Youth
W15020002	Delft The Hague	Power Construction	Level 1	100.00%	5,724,539.43	5,724,539.43	798,000.80	744,190.13
W15050002	Belhar Pentech	Calgro M3	Level 1	100.00%	-	-	-	-
W20110002/1	Delft Eindhoven	African Compass	Level 1	100.00%	-	-	-	-
W16080001	Gugulethu: MauMau	Siqo Group	Level 2	95.00%	7,350,352.71	6,982,835.07	-	-
W16080001	Gugulethu: MauMau	Simply Do Construction	Level 3	90.00%	7,801,822.75	7,021,640.48	-	3,581,036.64
W16080001	Gugulethu: MauMau	Masikhule Projects	Level 1	100.00%	4,929,664.21	4,929,664.21	-	1,971,865.68
W13060005	Valhalla Park	JR Sekwele	Level 1	100.00%	8,791,327.31	8,791,327.31	-	-
W13060005	Valhalla Park	Glomix	Level 1	100.00%	12,651,786.67	12,651,786.67	12,651,786.67	12,651,786.67
W12030015	Kanonkop	New Epoch	Level 1	100.00%	-	-	-	-
W12030015	Kanonkop	Matamela Construction	Level 1	100.00%	101,058.00	101,058.00	-	-
W13010002	Vrygrond Sophumelela	African Compass	Level 1	100.00%	-	-	-	-
W07120006/5	Vukani Browns Farm	African Compass	Level 1	100.00%	-	-	-	-
W20110002	Vukani Monwood Delft	African Compass	Level 1	100.00%	-	-	-	-
W02110002	Mandela Park	Eyamabamba	Level 1	100.00%	-	-	-	-
W03080002	Khaye: Kuyasa	Greystone t/a Mzi Developments	Level 1	100.00%	-	-	-	-
W03080002	Khaye: Kuyasa	Makhare	Level 1	100.00%	-	-	-	-
W13090011	Khaye: Mfelanawonye	FFC General Trading	Level 1	100.00%	40,748.05	40,748.05	-	-
W03080002	Khaye: Kuayasa	Makhare	Level 1	100.00%	338,893.92	338,893.92	-	338,893.92
W04050002	Philippi: Nompumelelo	Batsini (PTY) Ltd	Level 1	100.00%	3,511,765.00	3,511,765.00	3,511,765.00	-
W04050002	Philippi: Nompumelelo	FJD Builders	Level 2	95.00%	3,347,881.00	3,180,486.95	1,622,048.34	-
Sub-Total Expenditure					54,589,839.05	-	-	-
<b>Total Expenditure</b>					<b>317,014,899.30</b>	<b>151,928,983.89</b>	<b>45,064,890.89</b>	<b>22,676,620.19</b>

## Departmental Projects

HSS No	Municipality and Project Description	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/2023	HDI	Women	Youth
W18010001	Belhar: Military Veterans	Calgro M3	Level 1	100.00%	706,136.09	706,136.09	-	49,429.53
W15030004	Blue Downs: Military Veterans	C2C Consulting Engineers	Level 1	100.00%	1,980,116.00	1,980,116.00	83,959.58	-
W15030004	Blue Downs: Military Veterans	Greystone t/a Mzi Devepments	Level 1	100.00%	16,827.50	16,827.50	-	-
W10070005	Boystown: Triangle	Vula Joint Venture	Level 1	100.00%	7,993,072.44	7,993,072.44	-	1,838,406.66
W16090001	Delft Symphony	Lukhozi	Level 1	100.00%	296,700.57	296,700.57	3,620,861.82	-
W12110012	Delft Symphony	Lukhozi	Level 1	100.00%	238,189.98	238,189.98	13,381.20	-
-	Delft (Soft & Hard Landscaping)	Absolute Infrastructure	Level 3	90.00%	1,988,501.90	1,789,651.71	10,742.37	-
-	Du Noon	JG Afrika	Level 1	100.00%	9,722.00	9,722.00	736,978.57	343.19
-		L & R Architects	Level 1	100.00%	-	-	1,680.93	-
-		HSHS	n/a	n/a	42,500.00	-	-	-
-		ZSM Developers	Level 1	100.00%	0.02	0.02	-	-
-		Kantey &Templer	Level 1	100.00%	36,638.05	36,638.05	-	-
-		Mega Ndira Resources	Level 1	100.00%	-	-	2,791.82	-
-		Amandla GCF Construction	Level 1	100.00%	1,013,147.44	1,013,147.44	-	101,314.74
-		Ibabatane Quantity Surveyors	Level 1	100.00%	-	-	-	-
-		Planning Partners	Level 3	90.00%	84,723.75	76,251.38	-	1,052.27
-		ASLA Construction	Level 1	100.00%	28,998,896.39	28,998,896.39	9,119.66	4,399,132.58
W15110010	Forest Village: Blue Downs	Power Construction	Level 1	100.00%	57,498,871.55	57,498,871.55	2,656,298.91	7,474,853.30
-		Lawula Projects	Level 1	100.00%	12,751,154.68	12,751,154.68	8,015,342.69	-
-		Lukhozi	Level 1	100.00%	6,225,724.66	6,225,724.66	-	-
-		Eskom/COCT/NHBRC	n/a	n/a	91,374.88	-	280,780.18	-
-	Gatesville	Journal	n/a	n/a	200,140.00	-	-	-
-		Vanacore Subsidy Management	Level 1	100.00%	158,016.00	158,016.00	-	-
W18040020	Greater Retreat Development	Delta Built Environment	Level 1	100.00%	210,000.00	210,000.00	-	-
-		Greystone t/a Mzi Devepments	Level 1	100.00%	114,835.88	114,835.88	-	-
W18040020	Greater Retreat Development Prof Fees	JG Afrika	Level 1	100.00%	4,656.24	4,656.24	-	164.37
W17020001	Highbury	Power Construction	Level 1	100.00%	7,324,036.39	7,324,036.39	805.06	952,124.73
W21080009	Highbury	Power Construction	Level 1	100.00%	1,294,557.85	1,294,557.85	1,020,970.67	168,292.52
W17020003	Highbury Phase 3: Kuilsriver: Military Veterans	C2C Consulting Engineers	Level 1	100.00%	90,880.00	90,880.00	180,461.36	-

HSS No	Municipality and Project Description	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/2023	HDI	Women	Youth
W10050005	Housing Development Agency	HDA	n/a	n/a	22,058,832.13	-	-	-
W16040004	Ithemba	Bergstan	Level 1	100.00%	193,096.37	193,096.37	-	4,518.46
		GJA Electrical Engineers	Level 1	100.00%	86,034.12	86,034.12	19,695.83	-
		MV Abayili	Level 5	80.00%	138,463.88	110,771.10	-	-
		Zutari Engineering	Level 1	100.00%	380,970.86	380,970.86	-	2,095.34
-	Khayelitsha	HSHS	n/a	n/a	425,676.65	-	18,134.21	-
-	Khayelitsha: Silvertown	HSHS	n/a	n/a	88,882.91	-	-	-
-		Smart Civils	Level 1	100.00%	1,882,785.73	1,882,785.73	-	48,199.31
-		Nadeson Engineering	Level 1	100.00%	54,675.00	54,675.00	-	-
-		Thabile Engineering	Level 2	95.00%	87,228.00	82,866.60	-	-
-		WSP Group Africa	Level 1	100.00%	491,436.43	491,436.43	-	43,344.69
W17030025		Kosovo Farm	Power Smart Construction	Level 1	100.00%	76,772,496.19	76,772,496.19	250,976.58
W16110006	Malibu Village The Conifers	GAUFLORA/Tefla	Level 1	100.00%	895,961.41	895,961.41	9,289,472.04	-
		Bosch Projects	Level 1	100.00%	1,373,504.73	1,373,504.73	-	93,673.02
		Eskom NHBRC	n/a	n/a	175.44	-	88,453.70	-
W09060001	Blue Downs: Nuwe Begin	IX Engineers	Level 1	100.00%	369,774.53	369,774.53	-	9,392.27
W16030007	Our Pride: Eerste River	Marnol Projects	Level 3	90.00%	9,225,440.61	8,302,896.55	156,414.63	-
		Eskom NHBRC	n/a	n/a	850,996.92	-	-	-
		C2C Consulting Engineers	Level 1	100.00%	1,610,773.17	-	-	-
		ESI Attorneys	Level 1	100.00%	28,085.96	28,085.96	-	-
W04020002	Pelican Park: Mamas	CoCT	n/a	n/a	26,548.79	-	28,085.96	-
W14070006	Thembelihle	Lukhozi	Level 1	100.00%	824,277.65	-	-	-
Not on HSS	Security: Vacant land & rental	TYTE Security	Level 1	100.00%	103,471,358.34	103,471,358.34	-	-
		SS Solutions	Level 3	90.00%	65,049,737.51	58,544,763.76	10,347,135.83	3,097,018.00
Not on HSS	ISSP Implementation	Aivia (PTY) Ltd	Level 2	95.00%	718,897.36	682,952.49	1,416,783.28	-
Not on HSS	Housing Property Maintenance	n/a	n/a	n/a	100,025.00	-	348,305.77	-
<b>Total Expenditure</b>					<b>416,575,555.95</b>	<b>384,987,563.81</b>	<b>38,861,707.31</b>	<b>18,372,951.13</b>

## Non-Metro Projects

HSS No	Municipality and Project Description	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/2023	HDI	Women	Youth
<b>CAPE WINELANDS</b>								
<b>Breede Valley Municipality</b>								
W17120009	Transhex	TSSN Carriers	Level 1	100.00%	10,162,497.35	10,162,497.35	-	1,016,249.74
		Martin & East	Level 1	100.00%	5,326,357.32	5,326,357.32	467,654.17	-
W16020002	Transhex	BSP Consulting Engineers	Level 2	95.00%	138,000.00	131,100.00	-	-
		Jubilee Projects	Level 1	100.00%	2,466,893.78	2,466,893.78	1,233,446.89	-
		MPAMOT Africa	Level 1	100.00%	674,665.39	674,665.39	674,665.39	-
		OLE Bogeng	Level 1	100.00%	362,152.00	362,152.00	-	-
		Neil Lyners & Associates	Level 1	100.00%	441,645.81	441,645.81	159,124.99	127,282.32
W17120009	Transhex	Joubert & Brink Surveyors	Level 3	90.00%	500,000.00	450,000.00	232,515.00	-
		SVA International	Level 1	100.00%	312,000.00	312,000.00	33,633.60	65,644.80
W16020002	Transhex	AMPS QS	Level 1	100.00%	207,255.31	207,255.31	-	-
		GNEC	Level 2	95.00%	3,780.00	70,091.00	-	-
W17120009	Transhex	Posh Ideas (Matlapa)	Level 1	100.00%	273,000.00	273,000.00	-	-
Not on HSS	Zwelethemba	PEP	n/a	n/a	415,000.00	-	-	-
<b>Sub-total</b>					<b>21,353,246.96</b>			
<b>Drakenstein Municipality</b>								
W17110007	Vlakkeland	Kalesego Maintenance Services	Level 1	100.00%	568,000.00	568,000.00	-	-
		Lawula Projects	Level 1	100.00%	30,811,970.46	30,811,970.46	-	-
		JVZ Construction	Level 1	100.00%	186,626.91	186,626.91	33,574.18	22,488.54
		BSP Consulting Engineers	Level 2	95.00%	251,422.09	238,850.99	-	-
		Neil Lyners & Associates	Level 1	100.00%	401,335.07	401,335.07	144,601.03	115,664.77
		Jubilee Projects	Level 1	100.00%	1,467,585.51	1,467,585.51	733,792.76	-
		GNEC	Level 2	95.00%	73,528.00	69,851.60	-	-
		AQS Consulting	Level 1	100.00%	577,508.14	577,508.14	-	-
		Lakhanya QS	Level 2	95.00%	157,769.34	149,880.87	44,964.26	-
W06020005	Nompumelelo	Greystone t/a Mzi Developments	Level 1	100.00%	49,568.83	49,568.83	-	-
W16010010	Mbekweni	Municipality	n/a	n/a	689,646.00	-	-	-
W15020006	Fairylands tops	Municipality	n/a	n/a	1,567,605.00	-	-	-

HSS No	Municipality and Project Description	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/2023	HDI	Women	Youth
<b>Sub-total</b>					<b>36,802,565.35</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Langeberg Municipality</b>								
W18110004	Robertson: Nkqubela	ASLA Construction	Level 1	100.00%	21,036,951.24	21,036,951.24	1,926,984.73	3,191,305.50
<b>Sub-total</b>					<b>21,036,951.24</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Stellenbosch Municipality</b>								
W17120008	Idas Valley	ASLA Construction	Level 1	100.00%	5,000,000.00	5,000,000.00	458,000.00	758,500.00
W12030010	Longlands	ASLA Construction	Level 1	100.00%	16,954,372.63	16,954,372.63	1,553,020.53	2,571,978.33
<b>Sub-total</b>					<b>21,954,372.63</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OVERBERG</b>								
<b>Cape Agulhas Municipality</b>								
W170200013	Napier	Municipality	n/a	n/a	541,182.00	-	-	-
<b>Sub-total</b>					<b>541,182.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overstrand Municipality</b>								
W21070003	Mount Pleasant	Lucon (Pty)Ltd	Level 1	100.00%	9,217,000.00	9,217,000.00	-	-
W14040004	Swartdam	Cornfield Construction	Level 1	100.00%	2,234,404.00	2,234,404.00	688,196.43	688,196.43
W21050001	Gansbaai: Blompark	Cornfield Construction	Level 1	100.00%	37,220,561.00	37,220,561.00	11,463,932.79	11,463,932.79
W21090001	Masakhane	Cornfield Construction	Level 1	100.00%	25,627,200.00	25,627,200.00	7,893,177.60	7,893,177.60
W21020004	Overstrand: Schulphoek:	Van Zyl & Associates	Level 2	95.00%	-	-	-	-
W18060014	Hawston	Mellon Housing	Level 2	95.00%	127,770.00	121,381.50	-	-
<b>Sub-total</b>					<b>74,426,935.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Swellendam Municipality</b>								
W19030001	IRD:PH1: Swellendam: Railton - 950 sites	ASLA Construction	Level 1	100.00%	37,419,808.00	37,419,808.00	3,427,654.41	5,676,584.87
<b>Sub-total</b>					<b>37,419,808.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Theewaterskloof Municipality</b>								
W13060013/4	Grabouw: Rooidakke	Rainbow Civils	Level 1	100.00%	3,238,338.08	3,238,338.08	-	-
<b>Sub-total</b>					<b>3,238,338.08</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Garden Route</b>								
<b>Bitou Municipality</b>								
W19100004	Sonqua: Qolweni/Bossiesgif	Sonqua Consulting	Level 1	100.00%	873,589.01	873,589.01	-	-
		Ruwacon	Level 1	100.00%	24,863,617.83	24,863,617.83	8,751,993.48	6,877,276.69
W16010030	Chauke: Kwanokuthula	Chauke	Level 2	95.00%	744,442.81	707,220.67	-	-

HSS No	Municipality and Project Description	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/2023	HDI	Women	Youth
W16010030	Chauke: Kwanokuthula	Ruwacon	Level 1	100.00%	2,226,948.47	2,226,948.47	783,885.86	615,973.95
W21020005	Ebenhaezer	S C Housing Construction	Level 1	100.00%	658,857.24	658,857.24	-	-
<b>Sub-total</b>					<b>29,367,455.36</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>George Municipality</b>								
W15100002	Protea Park	Moreki Distributors	Level 2	95.00%	896,415.64	851,594.86	-	-
W16010080	Thembaletu	Marnol Projects	Level 3	90.00%	104,000.00	93,600.00	-	-
W17020022	Thembaletu	Marnol Projects	Level 3	90.00%	78,000.00	70,200.00	-	-
W18010003/1	Syferfontein	Enigma Built Environment	Level 1	100.00%	-	-	-	-
		Khubeka Construction	Level 1	100.00%	177,550.48	177,550.48	-	-
		Royal Hask	Level 3	90.00%	1,946,906.92	1,752,216.23	3,504.43	-
		General Journal	n/a	n/a	-348,240.60	-	-	-
W15030019	Metro Grounds	Ruwacon	Level 1	100.00%	20,994,170.32	20,994,170.32	7,389,947.95	5,806,987.51
		ACV Civils	Level 1	100.00%	-	-	-	-
		Royal Hask	Level 3	90.00%	594,943.52	535,449.17	1,070.90	-
W18060015	Golden Valley	Marnol Projects	Level 3	90.00%	1,047,402.13	942,661.92	-	-
W16030012	Golden Valley	Marnol Projects	Level 3	90.00%	680,628.64	612,565.78	-	-
Not on HSS	Outeniqua	Alveo Water	Level 2	95.00%	-	-	-	-
W18020014	Europe	Municipality	n/a	n/a	203,248.73	-	-	-
<b>Sub-total</b>					<b>26,375,025.78</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Hessequa Municipality</b>								
W18100003	Melkhoutfontein	ASLA Construction	Level 1	100.00%	22,282,149.01	22,282,149.01	2,041,044.85	3,380,202.00
W22010012	Melkhoutfontein	Municipality	n/a	n/a	3,627,000.00	-	-	-
W21010004	Slangrivier	Municipality	n/a	n/a	3,295,144.45	-	-	-
<b>Sub-total</b>					<b>29,204,293.46</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Knysna Municipality</b>								
W07030007/2	Vision 2002	Sikhulile Engineers (Sintec)	Level 1	100.00%	376,585.00	376,585.00	-	-
		Inyameko Trading	Level 1	100.00%	441,633.66	441,633.66	441,633.66	-
		Ziniya Trading	Level 1	100.00%	140,387.26	140,387.26	-	-
		Ikhakhalethu Trading	Level 1	100.00%	175,875.00	175,875.00	-	-
		NR Hlangula	Level 1	100.00%	376,875.00	376,875.00	-	376,875.00
W16080008	Happy Valley	NR Hlangula	Level 1	100.00%	100,500.00	100,500.00	-	100,500.00

HSS No	Municipality and Project Description	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/2023	HDI	Women	Youth
		Ziniya Trading	Level 1	100.00%	851,256.94	851,256.94	-	-
		Sikhulile Engineers (Sintec)	Level 1	100.00%	266,365.00	266,365.00	-	-
		Ikhakhaletu Trading	Level 1	100.00%	75,375.00	75,375.00	-	-
W16070003	Knysna: Hlalani	Kamashaba Building	Level 1	100.00%	2,974,658.00	2,974,658.00	-	-
		Ziniya Trading	Level 1	100.00%	445,993.30	445,993.30	-	-
		Limise Design	Level 1	100.00%	804,574.00	804,574.00	-	-
		Ikhakhaletu Trading	Level 1	100.00%	298,500.00	298,500.00	-	-
		Inyameko Trading	Level 1	100.00%	367,387.99	367,387.99	367,387.99	-
		Sikhulile Engineers (Sintec)	Level 1	100.00%	394,955.00	394,955.00	-	-
W16020008	Ethembeni	Inyameko Trading	Level 1	100.00%	697,173.17	697,173.17	697,173.17	-
		Limise Design	Level 1	100.00%	566,874.30	566,874.30	-	-
		Ikhakhaletu Trading	Level 1	100.00%	350,000.00	350,000.00	-	-
		NR Hlangula	Level 1	100.00%	181,800.00	181,800.00	-	181,800.00
		Singqomo	Level 1	100.00%	552,750.00	552,750.00	-	-
W18010026	Wittlokasie	Sikhulile Engineers (Sintec)	Level 1	100.00%	-	-	-	-
W03020004	Flenters & Robololo	Sikhulile Engineers (Sintec)	Level 1	100.00%	301,886.00	301,886.00	-	-
<b>Sub-total</b>					<b>10,741,404.62</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Mossel Bay Municipality</b>								
Not on HSS	Louis Fourie	Royal Hask	Level 3	90.00%	2,114,791.74	1,903,312.57	3,806.63	-
W16050003	Louis Fourie	Ruwacon	Level 1	100.00%	50,878,358.74	50,878,358.74	17,909,182.28	14,072,954.03
W04090004	Wolwedans	Entsha Henra	Level 1	100.00%	5,478,678.57	5,478,678.57	977,944.12	977,944.12
W18030008	Yakh'indlu	Mambamba Construction	Level 1	100.00%	1,118,430.34	1,118,430.34	1,118,430.34	-
<b>Sub-total</b>					<b>59,590,259.39</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Oudtshoorn Municipality</b>								
W21010002	Dysselsdorp	ASLA Construction	Level 1	100.00%	49,641,837.62	49,641,837.62	4,547,192.33	7,530,666.77
W95050015	Oudtshoorn	ASLA Construction	Level 1	100.00%	1,288,088.34	1,288,088.34	117,988.89	195,403.00
<b>Sub-total</b>					<b>50,929,925.96</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>WEST COAST</b>								
<b>Bergriver Municipality</b>								
W18080008	Eendekuil	Planning	n/a	n/a	77,554.47	-	-	-
W19030005	Porterville: De Kelders	Planning	n/a	n/a	129,000.00	-	-	-

HSS No	Municipality and Project Description	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/2023	HDI	Women	Youth
W19030006	Piketberg: Trajekte Kamp	Planning	n/a	n/a	214,401.00	-	-	-
W21070002	Piketberg	Municipality	n/a	n/a	105,044.53	-	-	-
<b>Sub-total</b>					<b>526,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cederberg Municipality</b>								
W18060009	Lamberts Bay	ASLA Construction	Level 1	100.00%	1,444,161.40	1,444,161.40	132,285.18	219,079.28
W21060001	Riverview	ASLA Construction	Level 1	100.00%	21,263,427.02	21,263,427.02	1,947,729.92	3,225,661.88
<b>Sub-total</b>					<b>22,707,588.42</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Matzka Municipality</b>								
W21040007	Vredendal North	ASLA Construction	Level 1	100.00%	39,807,993.02	39,807,993.02	3,646,412.16	6,038,872.54
W21040011	Lutzville	ASLA Construction	Level 1	100.00%	25,626,756.54	25,626,756.54	2,347,410.90	3,887,578.97
W19030004	Bitterfontein	ASLA Construction	Level 1	100.00%	149,423.30	149,423.30	13,687.17	22,667.51
W19030003	Lutzville	Municipality	n/a	n/a	2,066,900.15	-	-	-
<b>Sub-total</b>					<b>67,651,073.01</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Saldanha Bay Municipality</b>								
W18060010	Louville	Westland Construction	Level 2	95.00%	3,479,276.00	3,305,312.20	3,305,312.20	-
W22080001	White City	IX Engineers	Level 1	100.00%	352,352.28	352,352.28	149,045.01	8,949.75
W21120002	Middelpos North 900 sites	Municipality	n/a	n/a	-	-	-	-
W21040017	Witteklip/Bypass	Ingerop SA	Level 1	100.00%	7,948,718.00	7,948,718.00	318,743.59	452,282.05
W21030002	Old Southern Pass	Municipality	n/a	n/a	280,866.00	-	-	-
W18020015	Vredenburg Urban Revitalisation	IX Engineers	Level 1	100.00%	-	-	-	-
W21020007	Hopefield	Planning	n/a	n/a	114,000.00	-	-	-
<b>Sub-total</b>					<b>12,175,212.28</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Swartland Municipality</b>								
W19090002	Riebeeck Kasteel	Gordian Fencing	Level 1	100.00%	83,875.00	83,875.00	58,712.50	8,387.50
W19090003	Kalbaskraal	Golden Rewards CC	Level 1	100.00%	56,183.00	56,183.00	56,183.00	-
W22040007	Darling	ASLA Construction	Level 1	100.00%	2,688,269.68	2,688,269.68	246,245.50	407,810.51
21040009	Malmesbury: De Hoop	Simply Do Construction	Level 3	90.00%	31,571,767.07	28,414,590.36	-	14,491,441.09
W19090004	Moorreesburg: Sibanye	ASLA Construction	Level 1	100.00%	814,014.80	814,014.80	74,563.76	123,486.05
<b>Sub-total</b>					<b>35,214,109.55</b>	<b>-</b>	<b>-</b>	<b>-</b>
Municipal Expenditure		-	-	-	561,255,747.09	-	-	-
Individual Non - Credit Linked Subs.		-	-	-	61,026,284.84	-	-	-

HSS No	Municipality and Project Description	Contractor	B-BBEE Level	HDI %	Project Expenditure 2022/2023	HDI	Women	Youth
	Individual Financed Linked (FLISP) Enhanced Extended Discount Benefit	-	-	-	104,261,937.71	-	-	-
	Accreditation Assistance	-	-	-	17,200.00	-	-	-
	NHBRC	-	-	-	17,306,000.00	-	-	-
	OPSCAP/HAM Admin	-	-	-	3,838,108.42	-	-	-
	Housing Dev Admin	-	-	-	28,815,884.51	-	-	-
	Fin-Intervention Expenditure	-	-	-	94,107.50	-	-	-
<b>GRAND TOTALS</b>					<b>776,615,270.07</b>	<b>544,116,431.16</b>	<b>88,617,456.53</b>	<b>102,593,805.90</b>



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