



## agriculture & rural development

Department:  
Agriculture and Rural Development  
**PROVINCE OF KWAZULU-NATAL**

# ANNUAL REPORT



*TOGETHER WE HAVE MADE KZN A BETTER PROVINCE TO LIVE IN*

**2017/2018**  
**FINANCIAL YEAR**







agriculture  
& rural development

Department:  
Agriculture and Rural Development  
**PROVINCE OF KWAZULU-NATAL**

## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

**PROVINCE OF KWAZULU-NATAL  
VOTE NO. 03**

**ANNUAL REPORT  
2017/2018 FINANCIAL YEAR**

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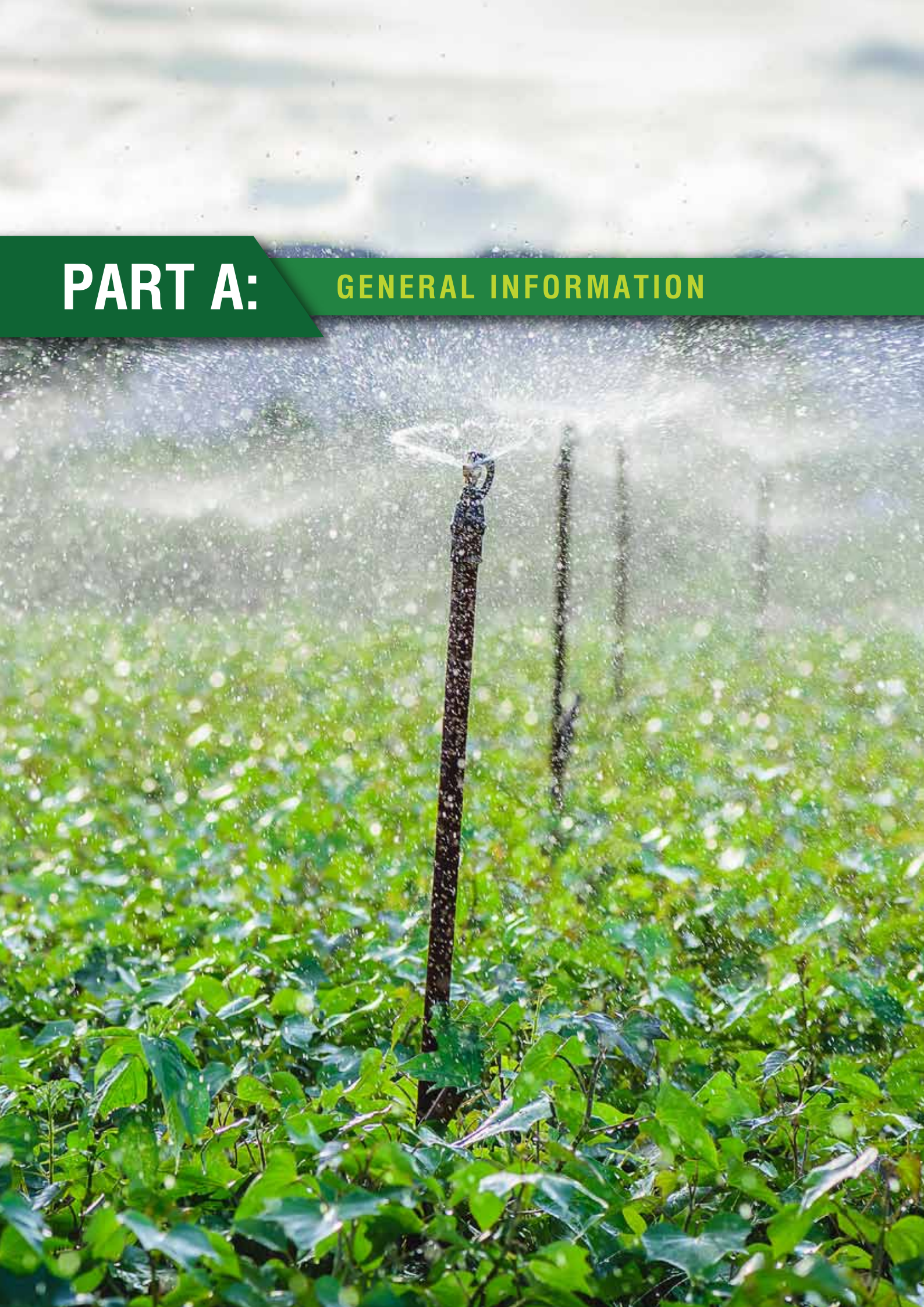
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# PART A:

## GENERAL INFORMATION



## PART A: GENERAL INFORMATION

### DEPARTMENT'S GENERAL INFORMATION

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## LIST OF ABBREVIATIONS / ACRONYMS

<b>AGSA</b>	Auditor General of South Africa
<b>AO</b>	Accounting Officer
<b>BBBEE</b>	Broad Based Black Economic Empowerment
<b>CFO</b>	Chief Financial Officer
<b>EA</b>	Executive Authority
<b>MEC</b>	Member of Executive Council
<b>HOD</b>	Head of Department
<b>PFMA</b>	Public Finance Management Act
<b>TR</b>	Treasury Regulations
<b>MTEF</b>	Medium Term Expenditure Framework
<b>SMME</b>	Small Medium and Micro Enterprises
<b>SCM</b>	Supply Chain Management
<b>EU</b>	European Union
<b>SITA</b>	State Information Technology Agency
<b>SDIP</b>	Service Delivery Improvement Plan





## FOREWORD BY THE MEC

**Mr RT Mthembu (MPL)**

**MEC: AGRICULTURE AND RURAL DEVELOPMENT**

I have the pleasure to present the 2017/2018 Annual Report of the Department of Agriculture and Rural Development in the province of KwaZulu-Natal. The Department is central to the development agenda of government in line with its mandate to support agricultural development, food security, animal health and development of rural communities. In this financial year, the Department introduced critical interventions that were aimed at improving its strategic outlook, policy and service delivery model.

The triple challenge of poverty, unemployment and inequality remain critical areas to tackle in achieving the national vision of rural communities having greater opportunities to participate fully in the economic, social and political life of the country, as spelt out in the National Development Plan 2030. Agriculture was afforded a critical role in the development of the economy broadly and in lives of rural people specifically.

The Department's policy orientation is consistent with the directives of the National Development Plan, in particular, the 1 million agricultural jobs target, and expansion of irrigated agriculture as well increased smallholder and commercial farmer support.

Agriculture development can no longer be simply understood as a science about the production of crops and livestock or the provision of assistance to producers. The hard work ahead is to balance this science with livelihood strategies for rural dwellers to supply their household food needs.

The Agricultural Masterplan Colloquium that the Department hosted this year provided important diagnostic information that is being used to inform the development of the Comprehensive Agricultural Development Masterplan for KZN, which is nearing completion. This Masterplan will outline the strategic path for developing the agricultural sector in line with the National Development Plan, Provincial Growth and Development Plan and Outcome 7. It will in essence address two questions: what is the future of agriculture in KwaZulu-Natal? And what strategies and policies are required to enable this future to be realized? Radical steps must be taken to achieve an equitable and transformed system of agriculture in the province. This requires balancing the need for general redress of land access, with a careful targeting of agricultural lands and its producers to ensure the achievement of agricultural transformation objectives. The Department intensified its

support to food security interventions during the year under review. These measures move KZN closer towards the goal of poverty eradication. The Department intends to build on this by further ensuring a continued focus on household food and nutrition security in its action plans.

The Department also introduced a multi-planting season strategy changing from a single planting season to the year round food production. This approach enables farmers in the province to leverage on favourable weather conditions by planting virtually through the year in different districts for a wide variety of commodities, thus improving soil quality and avoiding soil degrading. KZN farmers have come out of a tough spell and can breathe some relief as weather conditions are expected to improve in the coming seasons. The Department will continue to promote the increasing diversifying of produce, pursuing trending commodities that have recently enjoyed an uptake in demand. An example of this is the rise in popularity in produce such as avocados and macadamia nuts. We have started our plans to support farmers to capitalize on such rising trends.

The benefits of this approach will bear fruits beyond this year and promotes intensive agricultural production. The success of this newly introduced approach calls for more jacked up system that will effectively and efficiently respond to the value chain required in the procurement of the necessary production inputs thus helping farmers to commence ploughing and planting on time. Hard work is being done to stabilise the Department and to enhance capacity to critical functions. One area of focus has been Veterinary services.

In this financial year, the province was hit by Rabies and Avian Influenza outbreak, which led to the loss of human life. The Department reinforced its veterinary capacity with the injection of an additional R6 million to procure more vaccination medicines and 22 vehicles for animal health clinics. These measures emphasise the Department's commitment to protect KZN from disease incidents and help expand vaccination programmes. This year, the Department was also proud to celebrate 120 years of the existence of the Allerton Provincial Veterinary Laboratory, which coincidentally received accreditation from the South African National Accreditation Scheme. This accreditation confirms the laboratory's excellent status in accurate diagnostic and advisory service to the farming and veterinary community of KZN.

The Department is undergoing a period of organisational reconfiguration. Having had its organisational structure approved in the prior year, 2017/2018 was a year of execution. The Department moved to fill senior management roles such as the head of Agricultural Development Services Branch and Rural Development. Furthermore, Department prioritised District Director positions to give effect to the new arrangement where all Districts are led by senior managers. To date, eight out of the 11 Districts have Directors to lead and manage these service delivery sites.

The governance and administration of the Department remains a challenge as evidenced by the qualified audit opinion received from the Auditor General. The Department takes this very seriously and is implementing actions plans that will address findings. The fight against fraud, corruption and other forms of maladministration received much focus during the reporting

year. The finalisation of 38 cases of fraud and corruption, with amounts of R8.9million and investigation of further 42 similar cases is an indication of the persistent resolve of management to build the integrity of the Department. The message sent across the Department has been crystal clear: the management of the Department will ensure there are consequences for those who are guilty of corruptive behaviour.

The Department is aware of its challenges and the journey that has to be taken to turn the corner. There is appreciation of the measures being implemented, but hard work and acceptance of responsibility lies ahead of every official. We have also taken heed of the wise counsel offered by the reports from oversight institutions. To this end, we are putting in place appropriate governance and management systems to align to the imperatives of good governance and accountability. The guidance of the Honourable premier, and support of colleagues in the executive council, legislature, audit agencies, accountability structures and stakeholders merits acknowledgement. The leadership and support of the acting accounting officer and senior management team is appreciated.

I, as Executing Authority, look forward to improved performance in the coming year with renewed focus on:

Increasing agricultural production support towards household food security.

Sector transformation, offering multiple economic opportunities to a range of producers, especially youth;

Enhancing equitable access to a thriving and environmentally sustainable resource that can support a range of livelihoods and agricultural enterprises;

Continued support to agricultural production that will enhance national food self-sufficiency and food supply.

*Let's make agriculture our culture!*



**Mr RT Mthembu (MPL)**

**MEC: AGRICULTURE AND RURAL DEVELOPMENT**

**31 August 2018**



## REPORT OF THE ACCOUNTING OFFICER

**Mr Sibusiso P. Myeza**

*ACTING HOD: AGRICULTURE AND RURAL DEVELOPMENT*

The Department of Agriculture and Rural Development in the province of KwaZulu-Natal welcomes the opportunity to present its 2017/2018 Annual Report to the public and oversight structures of the Republic.

### **Food and Nutrition Security Programme**

This year, the Department successfully launched the Food and Nutrition Multi Planting Season Programme. This programme formed the critical pillar of the KwaZulu-Natal Poverty Alleviation Master Plan, thus reflecting the Department's effective response to food insecurity. This programme speaks directly to Section 27 of the Constitution of the Republic which states, "everyone has the right to have access to sufficient food and water and that the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights".

In light of the prevailing poverty trends in KZN, food security has to be an apex priority. It's imperative that KZN citizens have access to healthy and nutritious food. Furthermore, rural people, in particular women and youth, tend to be disproportionately affected by poverty and find themselves on the margins of society, with limited economic opportunities.

That is why the Department is working hard to prioritise youth and women in all its funded projects and job creation initiatives.

### **Farmer Support and Development**

The development of farmers and the sector is the urgent priority of government. In this regard, the Department is finalising the Agricultural Masterplan. This year, The Department successfully hosted a colloquium, soliciting inputs from various stakeholders and partners. Through various farmer support programmes and funding of both smallholder and commercial projects, the Department is moving towards broadening participation of black people into agricultural industry as well its value chain. The Department is committed to the establishment of sustainable agricultural enterprises that will improve agricultural production and food supply.

In 2017/18, the Department had R209 599 Million from Comprehensive Agricultural Support Programme (CASP) conditional grant, which was used to fund 59 projects benefiting 7 120 participants in communal land, land reform farms and private land across the province. These projects ranged from crop production and agricultural infrastructure; training and mentorship,



extension recovery programme and infrastructure upgrade support to Cedara and Owen Sithole Colleges.

Collectively, interventions implemented under CASP yielded 5 515 job opportunities in 2017/18 financial year. Out of these jobs created, 1 775 were permanent jobs and 3 548 were temporary jobs. Job opportunities created for youth were 448 and 14 for disabled individuals. Regarding training, 1424 beneficiaries attended non-credit bearing courses this year, 896 were African Females, 523 African Males and 612 being youth.

### **Extension Services, Research and Technology Transfer**

The Department provides ongoing extension support to farmers, which includes advisory, training and technical knowledge regarding agricultural production and opportunities in the sector. The Department has 826 agricultural advisors (incl. of Managers, Advisors, Scientists, Subject matter specialists, Animal Health Technicians and Extension Assistants) who travel the length and breadth of 826 wards of KwaZulu Natal providing critical farmer support services.

In 2017/2018, the Department successfully held International AFAAS/SASAE conference and its annual Extension Summit and awards. The Department also entered into partnership agreements with some of the commodity organisations, for example, SASRI & NWGA, where the Department worked with the groups to service the farmers and empower extension staff with the latest technology.

The Department also has 6 research stations which are used to further its scientific knowledge acquisition to help KwaZulu-Natal farmers keep abreast in terms of latest information and technology transfer. Departmental scientists across animal production, crop production, natural

resources and colleges produce research presentations and publish their scientific papers in accredited journals both nationally and internationally. All this contributes to the Department's mission to develop farmers which are equipped to thrive in modern knowledge economy.

### **Rural Development**

This Department plays a critical role in the delivery of public services as laid in National Development Plan, Outcome 7 of the Medium Term Strategic Framework and Provincial Growth and Development Plan. Since the beginning of this term of government, government has sought to elevate the importance of rural development. Outcome 7 enjoins this Department to play a leading the creation of "vibrant, equitable, sustainable rural communities contributing towards food security for all".

It was with this in mind that the provincial executive in KwaZulu-Natal resolved to include rural development function together with agriculture. It culminated to twofold goals: one, to give effect to the food security impetus in rural areas, and secondly, to enable the course for thriving and sustainable livelihoods in rural landscape to assume a central position in the promotion of agricultural sector development. The department is now moving with single focus on ensuring that the development of agricultural value-chain has to benefit rural population through job creation and expanded economic participation.

In the financial year, the Department dedicated great focus on ensuring leadership stability by prioritising filling of critical posts in the Rural Development branch. All senior management positions are now filled, thus allowing for sound strategic leadership and management of rural coordination and rural enterprise development.

## Governance and Administration

I am pleased to report the conclusion of the placing and matching process that followed the approval of the organisational structure. Reorganising a Department is a complex process that requires due care and constant engagement with social partners to ensure that the process the principles of fairness, transparency whilst advancing the objectives of the Department.

The audit process has revealed the extent of some of the challenges that the Department has committed to aggressively address. The executive authority has given stern directives in this regard. Management is working hard to implement the action plans that will revert some of the identified weaknesses. The Department will receive support from KZN Treasury to augment supply chain management and ensure the department has a fully capable procurement system in place to support effective delivery of services to its clients.

## Human Resources Management and Development

During the year under review, the department implemented its reviewed organisational structure that emanated from a restructuring process that was aimed at aligning resources with a new service delivery model. The attrition positions were prioritised to ensure that the department is able to execute on its mandate. During the 2017-2018 reporting

cycle, 1176 employees were trained on various training programmes.

The achievement of women representation at Senior Management level remains a challenge. There has been a decline from 39.59% of 2016-2017 to 36.54% of 2017-2018, more efforts are still required to address this important equity target. The Department will intensify the women empowerment as well as people living with disabilities in order to expand the selection pool thus closing the existing skewed representation patterns on equity targets. Most critically, the Department will expedite the filling of all approved funded vacant positions to ensure that the department has adequate capacity to deliver on its mandate.

## Overview of Financial Performance

### Collection of Departmental Revenue

The table below provides the summary of the departmental receipts for 2016/17 and 2017/18 financial years by type of receipt. The total actual revenue of R21.343 million for 2017/18 reflects an under collection against the estimated revenue of R24.476 million by R3.133 million or 13 per cent. Departmental own revenue nevertheless increased from R20.023 million in 2016/17 to R21.343 million in 2017/18. This increase is mainly due to the sale of capital assets as well as the annual increase in the tariffs of the department.

## Departmental Own Receipts by main revenue category

Departmental receipts	2016/2017			2017/18		
	Estimate	Actual amount collected	(Over)/ Under Collection	Estimate	Actual amount collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	20 207	16 295	3 912	19 718	18 129	1 589
Fines, penalties and forfeits		1	(1)			
Interest, dividends and rent on land	10	79	(69)	11	56	(45)
Sale of capital assets	3 976	426	3 550	4 187	2 108	2 108
Financial transactions in assets and liabilities	527	3 222	(2 692)	560	1 050	(490)
<b>TOTAL</b>	<b>24 720</b>	<b>20 023</b>	<b>4 697</b>	<b>24 476</b>	<b>21 343</b>	<b>3 133</b>

The reasons for the under collection for 2017/18 are provided by category as follows:

- *Sale of goods and services other than capital assets* under-collected by R1.589 million. This category comprises mainly of receipts relating to the laboratory samples, rendering of academic services such as registration, tuition fees and accommodation at the department's agricultural colleges. The under collection is largely attributable to lower demand for samples to be analysed at the department's laboratories, sale of tender documents as these are available at no fee from the department's website and the e-tender portal as well as an under collection on sales of assets under R5 000.
- *Interest, dividends and rent on land* collected R56 000 against the budget of R11 000 relating to interest on debts of the department. The budget was based on previous years' trends.
- *Sale of capital assets* under collected by an amount of R2.108 million due to the anticipated departmental auction of redundant assets not taking place as planned as the department is considering alternative means of disposal which will benefit the community.

- *Transactions in financial assets and liabilities* exceeded projections by R490 000. This relates mainly to the recovery of over payments made in previous financial years as well as refunds received. It is difficult to project for this category due to its uncertain nature.

### Tariff policy

The Department reviewed the fees charged for services rendered and where possible, aligned the fees with national and provincial norms. The review was done in consultation with all relevant role- players and submitted to the Provincial Treasury for approval. The approved fees for the 2017/18 financial year were circulated for implementation with effect from 1 April 2017. The tariffs will be reviewed on an annual basis as part of the budget process and the revised tariffs will be implemented on 1 April of every year.

### Free Services

The Department received Provincial Treasury Approval to grant thirty (30) students at the college fees exemption. Twenty students would be from Agricultural schools and ten students would be from financially disadvantaged backgrounds. However, the selection of these students would be based on merit. Furthermore, the department does not provide free services, except for extension services and controlled diseases.

## Departmental Expenditure

The table below provides analysis of departmental expenditure against final appropriation at programme level for the 2016/17 and 2017/18 financial years. As is evident, the department's under-expenditure increases from R376 000 in 2016/17 to R162.279 million in 2017/18.

R'000	2016/17			2017/18		
Programme	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	457,795	457,419	376	517,077	476,647	40,430
Agriculture	1,744,190	1,744,190	-	1,649,815	1,536,918	112,897
Rural Development	14,757	14,757	-	30,252	19,300	10,952
<b>TOTAL</b>	<b>2,216,742</b>	<b>2,216,366</b>	<b>376</b>	<b>2,197,144</b>	<b>2,032,865</b>	<b>164,279</b>

The under-spending was against all three programmes with reasons for under-expenditure provided under the section detailing programme performance. The prior year under expenditure against Programme 1 is in respect of vacant posts.

### Virements/roll-overs

The department did not undertake any virements between Programmes, but there were some movements between economic classifications within the Programmes. Such movement are undertaken to utilize under expenditure in some areas to augment budgets in other spending areas.

With regards to roll-overs, the department has requested for a roll-over of R129.805 million made up of:

- R32.224 million of the Comprehensive Agriculture Support Programme Grant
- R22.816 million of the Ilima/Letsema Conditional Grant; and
- R74.765 million against equitable share. Unspent conditional grants and equitable share savings relate to compensation of employees which cannot be rolled over to the subsequent financial year.

### Unauthorized, Fruitless and Wasteful Expenditure

The department did not record any unauthorized expenditure. However, an amount of R1.311 million is recorded as fruitless and wasteful expenditure which is made up of interest on overdue accounts of R1.302 million and R9 000 for no show fees for accommodation. The major interest relates to an arbitration award that ruled in favor of an employee to be re-instated with retrospective salary as well as interest on the arrear salary amounting to R952 000.

### Supply Chain Management

The department utilized the Central Supplier Database to source quotations and verify registration for bids during the 2017/18 financial year. The selection of the suppliers from the CSD is done manually as there is no e-procurement system. The department has a SCM Policy and delegations in place to prevent irregular expenditure. However, during the period there were a number of security contracts that have been extended on monthly basis and constitute irregular expenditure. The major challenge is the number of vacancies within the SCM unit which results in slow turnaround times with delays in finalizing bids and issuing orders. This is aggravated by the simultaneous submission



of numerous Request Memos for agriculture related projects at mid-year, resulting in many projects not being implemented during the year.

#### **Gifts and Donations received in kind from non-related parties**

The department has made donations of twenty-one cattle and one sheep on eight instances which are listed on Annexure 1J of the Annual Financial Statements with an estimated value of R95 396.48. On the other hand, the department received a donation of R500 000.00 and R240 000.00 additional funding from Agriseta for the Owen Sithole College of Agriculture and Cedara Agricultural

College respectively. These donations were provided to contribute towards a Capacity Building Project to be undertaken at both colleges and covers Qualification upgrades, Leadership Training and Post graduate certificates for a number of personnel.



.....  
**Mr SP Myeza**  
*Accounting Officer*  
*Department of Agriculture and Rural Development*  
**31 August 2018**

## STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2018.

Yours faithfully



.....  
**Accounting Officer**  
**Mr SP Myeza**  
**31 August 2018**

# 1. STRATEGIC OVERVIEW

## 1.1 Vision

An inclusive, sustainable and radically transformed agricultural sector that builds thriving communities in balance with nature.

## 1.2 Mission

To advance sound agricultural practices that stimulates comprehensive economic growth, food security and advancement of rural communities.

## 1.3 Values

<b>Batho Pele and Service Orientation</b>	Department officials will conduct themselves in a manner befitting a government that is caring, dedicated and pro-poor, influenced by the spirit of Ubuntu.
<b>Co-Operative Governance and Strategic Partnerships</b>	Department commits itself to the principles of cordial inter-governmental relations and strategic partnerships across all spheres of society, with particular focus on business and civil society organisations as delivery partners.
<b>Self-Sufficiency and Independence</b>	The department commits itself to the promotion self-sufficiency in all its interventions and focuses on the empowerment of people to be more independent and entrepreneurial.
<b>Transformation</b>	Department is an agent of state transformation agenda to change the historical uneven development of South Africa and KwaZulu-Natal society and its policies must reflect this character at all times.
<b>Financial Prudence and Resource Limitation</b>	Department is the custodian of public funds and its policies must promote economical use of such limited funds to achieve efficient and effective delivery of public services. Government will always be faced with a challenge of growing public demands and limited resources to fulfil every obligation.
<b>Accountability and Transparency</b>	Department is obligated to promote good governance by accounting and being transparent to the public, legislature and oversight institutions for its performance and use of public resources.
<b>Development and Recognition</b>	The Department employees are recognised as its most valuable asset and therefore it aspires to ensure the on-going development and recognition of an effective, professional team.

## 1.4 Legislative And Other Mandates

The legislative mandate of the Department is derived from various sections of the constitution. The Department executes a concurrent national and provincial legislative mandate in terms of schedule 4 and 5 of the constitution. Section 27 of the Bill of Rights of the South African Constitution, Act of 108 of 1996, gives obligation to the state to uphold health care, food, water and social security rights. **Section 27 1(b)** states, “everyone has the right to have access to sufficient food and water”. **Section 27 1(c)** states, “everyone has the right to social security, including, if they are unable to support themselves and their dependents, appropriate social assistance”. **Section 27 (2)** states, “the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of each of these rights.

There have been no significant changes to the Agriculture and Rural Development legislative and other mandates. Below is a list of all relevant legislation for the Department.

### Transversal legislation

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and Treasury Regulations
- KZN Provincial SCM Policy Framework of 2006
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Companies Act (Act No. 61 of 1973)
- Public Service Act (Act No. 109 of 1994, as amended) and Public Service Regulations of 2001
- Labour Relations Act (Act No. 66 of 1995)
- Basic Conditions of Employment Act (Act No. 75 of 1997)
- Skills Development Act (Act No. 97 of 1998)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Occupational Health and Safety Act (Act No. 85 of 1993)
- Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993)
- Annual Division of Revenue Act
- Employment Equity Act (Act No. 55 of 1998)
- Public Service Commission Act (Act No. 65 of 1984)
- Promotion of Administrative Justice Act (Act No. 3 of 2000)

### Agriculture legislation

- KwaZulu Animal Protection Act (Act No. 4 of 1987)
- Conservation of Agricultural Resources Act (Act No. 43 of 1983)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)



- Control of Market in Rural Areas Ordinance (No. 38 of 1965)
- Subdivision of Agricultural Land Act (Act No. 10 of 1970)
- Plant Improvement Act (Act No. 53 of 1976)
- Agricultural Pests Act (Act No. 36 of 1983)
- Agriculture Law Extension Act (Act No. of 1996)
- KwaZulu General Law Amendment Act (Act No. 3 of 1987)
- KwaZulu General Law Amendment Act (Act No. 21 of 1988)
- National Veld and Forest Fire Act (Act No. 101 of 1998)
- Veterinary and Para-Veterinary Professions Act (Act No. 19 of 1982)
- Livestock Brands Act (Act No. 87 of 1962)
- Livestock Improvement Act (Act No. 25 of 1977)
- Meat Safety Act, 2000 (Act No. 40 of 2000) (Replacing Abattoir and Co-operation Act)
- South African Medicines and Medical Devices Regulatory Authority Act (Act No. 32 of 1998)
- International Animal Health Code of World Organisation for Animal Health (OIE-Office International des Epizooties)
- Animal Diseases Act (Act No. 35 of 1984)
- International Code for Laboratory Diagnostic Procedure for Animal Diseases of World Organisation for Animal Health
- The Sanitary and Phyto-sanitary Agreement of the World Trade Organisation (WTO)
- Water Services Act (Act No. 108 of 1997)
- Marketing of Agricultural Products Act (Act No. 47 of 1996)
- Agricultural Research Act (Act No. 86 1990)
- Agricultural Products Standards Act (Act No. 119 of 1990)
- Agricultural Produce Agents Act (Act No. 12 of 1992)
- Agricultural Development Fund Act (Act No. 175 of 1993)
- Perishable Product Export Control Act (Act No. 9 of 1983)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947)
- Agricultural Credit Act (Act No. 28 of 1966)
- Marketing Act (Act No. 59 of 1958)
- Plant Breeder's Right Act (Act No. 15 of 1976)
- Land Redistribution Policy for Agricultural Development
- Agricultural Debt Management Act (Act No. 45 of 2001)

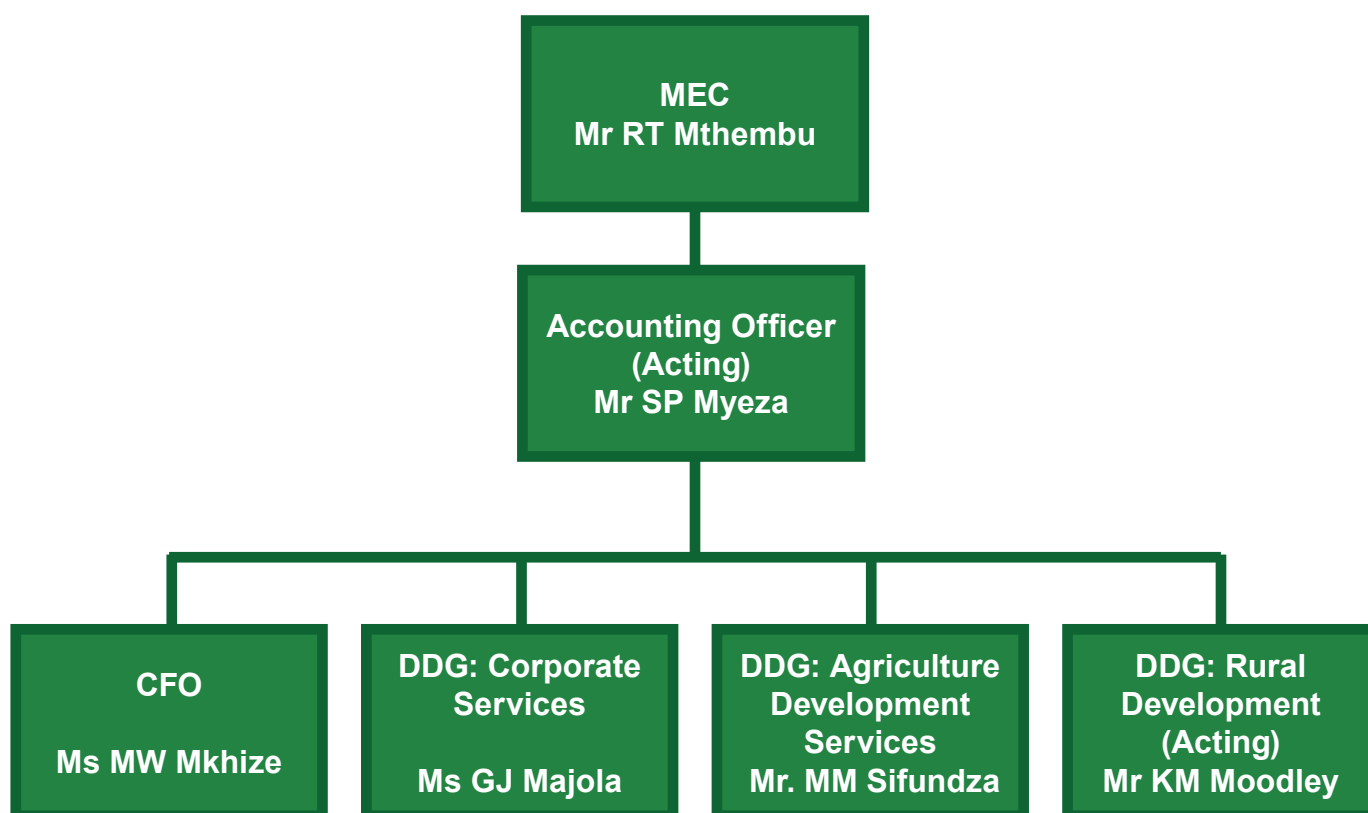
- Soil User Planning Ordinance (Ordinance No. 15 of 1985)
- Generally Modified Organisms Act (Act No. 15 of 1997)
- Hazardous Substances Act (Act No. 63 of 1973)
- Environment Conservation Act (Act No. 73 of 1989)
- Agri-business Development Agency Bill.

### **Rural Development Legislation**

- Deeds Registries Act (Act No. 47 of 1937)
- State Land Disposal Act (Act No. 48 of 1961)
- Physical Planning Act (Act No. 88 of 1967)
- Sectional Titles Act (Act No. 95 of 1986)
- Upgrading of Land Tenure Rights Act (Act No. 112 of 1991)
- Land Reform: Provision of Land and Assistance Act (Act No. 126 of 1993)
- Restitution of Land Rights Act (Act No. 22 of 1994)
- Land Reform (Labour Tenants) Act (Act No. 3 of 1996)
- Communal Property Associations Act (Act No. 28 of 1996)
- Land Survey Act (Act No. 8 of 1997)
- Extension of Security of Tenure Act (Act No. 62 of 1997)
- Planning Profession Act (Act No. 36 of 2002)
- Professional and Technical Surveyors Act (Act No. 40 of 1984)
- Spatial Data Infrastructure Act (Act No. 54 of 2003)
- Spatial Planning and Land Use Management Act (Act No. 16 of 2013)
- Data Infrastructure Act (Act No. 54 of 2003)
- Restitution of Land Rights Amendment Act (Act No. 48 of 2003)
- Removal of Restrictions Act (Act No. 84 of 1967) Estimates of Provincial Revenue and Expenditure 84
- Physical Planning Act (Act No. 125 of 1991)
- Land Titles Adjustment Act (Act No. 111 of 1993)
- Communal Land Rights Act (Act No. 11 of 2004)
- Abolition of Certain Title Conditions Act (Act No. 43 of 1999)
- Transformation of Certain Rural Areas Act (Act No. 94 of 1998)
- Interim Protection of Informal Land Rights Act (Act No. 31 of 1996)

## 1.5 Organisational Structure

The top structure of the Department is reflected below from the level of the Executive Authority, Accounting Officer and Deputy Director Generals who provide strategic leadership to the organisation.



The Department has been trying to implement the new organisational structure approved in the financial year 2015/2016. The matching and placing process that was implemented after the structure approval has been concluded and most of the employees are now in their new positions, with few exceptional cases that are still being reviewed.

The Department has moved collapsed regions in its structure as was previously the case and instead, to give greater attention to service delivery in the locality, introduced District Directors for all eleven provincial District including eThekweni Metro. The majority of District director positions are filled and in the few cases where there are still vacancies, the Department is busy finalising recruitment. The Department aims to improve its operational efficiency with this model, allow for quicker decision-making in local offices and as well as senior representation, including in other intergovernmental structures.

Organisational restructuring is a massive undertaking. If not carefully managed, it could lead to disruptions of operations. The Department is still dealing with some residual issues in this regard to ensure that service delivery machinery is not compromised. In addition, the new structure takes into consideration the recently defined focus of the Departmental Strategy that stresses Food and Nutritious Security.

The Department, as with the rest of public service, is operating in an environment of serious financial constraints that are part of the cost-cutting measures and budget cuts experienced in government. As a result, the Department has to balance its mandate of supporting agricultural production and availability of funds. This has affected the number of projects the Department is able to fund.

## 1.6 Entities Reporting To The Mec

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
<b>Mjindi Farming (Pty) LTD</b>	Mjindi Farming (Pty) Ltd was established under the Companies Act 61 of 1973 (as amended), as a private company with share capital.	In terms of section 38 (1) (j) of the Public Finance Management Act 1 of 1999 (as amended), Mjindi must provide written assurance to the Department that the entity implements good financial management and an internal control system before the Department transfers funds to the Entity.	Mjindi is responsible for agricultural development in the northern estates of the province.
<b>Agribusiness Development Agency (ADA)</b>	<p>ADA was established in terms of Cabinet Resolution No. 79 of 29 July 2009. The agency draws its operational mandate from:</p> <ul style="list-style-type: none"> <li>i. The national policy for Comprehensive Agricultural Support Programme (CASP).</li> <li>ii. Land Reform policy guidelines.</li> <li>iii. Amended Trust Deed for agribusiness Development Agency.</li> </ul>	In terms of section 38 (1) (j) of the Public Finance Management Act 1 of 1999 (as amended), ADA must provide written assurance to the Department that the entity implements good financial management and an internal control system before the Department transfers funds to the Entity.	The agency provides holistic agricultural support services to entrant farmers, focusing mainly on previously disadvantaged farmers.



# PART B:

## PERFORMANCE INFORMATION



## 2.1 Auditor General's Report: Predetermined Objectives

The AGSA performed certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The Department's Programme 2 received a disclaimer and Programme 3 was qualified. Audit conclusion on the performance against predetermined objectives is included in the report to management, with modifications on performance information. Refer to page 4-9 of the Report of the Auditor General, published as Part E: Financial Information.

## 2.2 Overview Of Departmental Performance

The overall performance of the Department against planned target as per the 2017/2018 Annual Performance Plan is reflected in the table below:

Programmes	Total number of targets	Total number of targets achieved	Total number of targets not achieved	Percentage % Achieved
1. Administration	12	9	3	75%
2. Agricultural Development Services	66	26	40	39%
3. Rural Development	17	4	13	24%
<b>Overall Performance</b>	<b>95</b>	<b>39</b>	<b>56</b>	<b>41%</b>

## 2.3 Service Delivery Environment

A summary of departmental services are:

- Advisory Services i.e. Livestock and Crop production (inclusive of veterinary services)
- Registration, de-registration of abattoirs and regulation of slaughtering
- Certification of meat imports/exports
- Primary Animal Healthcare Services e.g. vaccinations,
- Laboratory diagnostics services
- Agricultural Development Services i.e. research, accredited and non-accredited agricultural training, scientific support, engineering design and development services, natural resource management, mechanization support
- Rural Development Monitoring and Co-ordination i.e. Rural Development Spatial Planning and development services
- Social facilitation
- Economics, Marketing and value adding
- Business entity and social facilitation
- Funding, investment and partnership

**The legal mandate of the Department includes the following critical functions and services:**

- Food security
- Farmer Development
- Veterinary Services
- Rural Development
- Governance

## 2.4 Service Delivery Improvement Plan

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

### *Main services and standards*

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Agricultural Development Services	Farmers (emerging and commercial) Organised agriculture Members of the public (vet services)	Monthly Project planning (PPC) meetings with communities	Monthly Project planning meetings with communities	66 x Project planning meetings @ District level
		Twice a year-Provincial Agriculture Education and Training forum	Twice a year-Provincial Agriculture Education and Training forum	The Provincial Education and Training for Agriculture Forestry and Fisheries (PETFAFF) is being launched at Cedara on the 24/05/2018. Going forward this will serve as the twice a year Provincial Agriculture Education and Training forum.
		Establish 10 District land agricultural committees	Establish 10 District land agricultural committees	10 District Committee established and Appointed by National Minister of DRDLR
		2500 farmers to be trained in agricultural techniques	2500 farmers to be trained in agricultural techniques	2800 farmers trained on agricultural techniques

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		Annual agricultural best practise conference	Annual agricultural best practise conference	2017/18 Departmental Extension Awards was held on the 14th and 15th March 2018.
		70% of Agric Advisors to attend Customer care and diversity training	100% of Agric Advisors to attend Customer care and diversity training	503 out of 629 (80%) Agric Advisors trained.

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Monthly Project Planning meetings with communities (PPC)	Monthly Project planning meetings with communities	66 x Project planning meetings @ District level
Quarterly Consultation with IDP, DLC	Quarterly Consultation with IDP, DLC	11 District Directors appointed as IDP champions 4 Consultations meeting done with IDP,DLS,80% at District Municipality have included Rural Development in their IDPs
Quarterly Consultation meeting with DRDLR	Quarterly Consultation meeting with DRDLR	10 x District Agri Park plans drafted and presented to National MINMEC and MINTECH
Annual Research coordination committee's forums	Annual Research coordination committees forums	Meetings held in April, May, June, July, August and September 2017 with Crop, Livestock research, FRS and Farm services
		2 x Chief Directorate meetings held April and July 2017 inclusive of all relevant stakeholders to ensure holistic planning and problem solving
Monthly Livestock / (Annual) wildlife Association Meetings	Livestock / (Annual) wildlife Association Meetings	4 x Quarterly Animal Health Forum meetings hosted (including external stakeholders)
12 KITT- KZN Interdepartmental technical task team meetings	12 KITT- KZN Interdepartmental technical task team meetings	The monthly meetings were changed to quarterly. 4 x KITT / TTT meetings were held
Establish 10 District land agricultural committees	Establish 10 District land agricultural committees	10 District Committee established and Appointed by National Minister of DRDLR
Increase KZN fleet by 40 vehicles & subsidized vehicles by 5% per annum	Increase KZN fleet by 40 vehicles & subsidized vehicles by 5% per annum	53 KZN Vehicles was delivered and distributed in the 2017/2018 financial year.



Current/actual arrangements	Desired arrangements	Actual achievements
		The subsidized vehicle transport committee meeting took place on the 19th of March 2018 a total of 123 applications was approved by the committee. All 123 applications is in the final approval process.
Initiate 50% implementation of integrated technology systems	Initiate 100% implementation of integrated technology systems	User requirement Specification (URS) for ADS 100% completed on 25th March 2017.  User requirement Specification (URS) for Corporate Services and Finance 100% completed
22 Offices be provided with internal & external signage	18 Offices be provided with internal and external signage	65 Departmental offices provided with external signage
		Door Signage (internal) and external signage for Head office Cedara is completed. An Internal signage audit in Districts are in progress and will be finalised by 15 June 2018. Where after the specification will be compiled for tender advertising process via SCM
2500 farmers to be trained in agricultural techniques	2500 farmers to be trained in agricultural techniques	2800 farmers trained on agricultural techniques
Establish 4 MOU's with Red meat Milk Poultry Grain SA	Maintain Standard	4 x MOU'S developed and approved in the 2016/17 financial year. The approved MOU'S was in place for the 2017/18 Financial Year.
Establish 2 training agreements with tertiary institutions – Mangosuthu & DUT	Maintain standard	DUT have recently begun offering a horticulture course and as such the possibility of a training agreement now exists. A meeting will be scheduled by DARD training institutes directorates to discuss areas of shared interest in the second quarter on the 14th of August 2018.
10 Agri Parks Established	10 Agri Parks Established	10 x District Agri Park plans approved.
20 Industries supported in rural development	20 Industries supported in rural development	6 x industries supported in 2017/2018.



*Service delivery information tool*

Current/actual information tools	Desired information tools	Actual achievements
1x Feedback report on Client Survey results to EXCO	Annual Client Satisfaction Surveys	The 2015/2016, Client Satisfaction Survey was presented to EXCO on the 19th of June 2017 and subsequently approved.
32 Radio slots	32 Radio slots	16 talk shows on mainstream radio. The talk shows are dependent on the media bulk buying at the office of the premier and the process has since been halted for review of the contract
Produce 50 pamphlets	Produce 50 pamphlets	50 x pamphlets produced in both English and Zulu
Produce 8 brochures per annum	Produce 8 brochures per annum	8 x brochures Produced
Publish 12 publications	Publish 12 publications	17 e news bulletins
Participate in annual agricultural show (Royal show event)	Participate in annual agricultural show	Participated in the Royal Agricultural Show held on 25 May to 1 June 2018.
Annual career Exhibition	Annual career Exhibition	1 x Career exhibition held as follows: The Royal Agricultural Show 25 May to 1 June 2018
Information on Services on Call hold facilities	Maintain Standard	The call hold facility is available to all calls made through switchboard.

*Complaints mechanism*

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Progress on complaints within 10 working days	Maintain standard	The Complaints Management Policy was reviewed in June 2017.
Departmental Complaint boxes in all Departmental offices (70)	Maintain standard	The remaining 60 complaints boxes were manufactured and delivered. The processes were finalised on the 28th of August 2017.
Provision of a Departmental Ombudsperson	Maintain standard	An Ombudsperson has been appointed

## 2.5 Organisational Environment

The Department is continuously improving its systems of governance and internal controls to provide for an enabling environment that promotes service excellence. There is a dedicated focus to higher performance and service delivery trends. In many respects, adverse auditing findings over the two financial years have shone light on the weakness in the management areas of the Department. Manifestly, there has to be dedicated focus to the implementation for the action plans to reverse the lapses that have been identified. The MPAT 1.7 scores are indicating there's improvement in the management practices in some of the critical areas, but more has to be done to reach the desired level.

## 2.6 Key Policy Developments And Legislative Changes

The National Department of Agriculture, Forestry and Fisheries noted that there's "skewed participation and uncoordinated, ineffective and inefficient support and delivery systems for producers in the agriculture", according to Socio-Economic Impact Assessment System (SEIAS) Report (Phase 1) conducted by the Department of Planning, Monitoring and Evaluation (2016).

The Department has moved to conceptualise the Draft National Policy on Comprehensive Producer Development Support, which the Minister gazetted for public comment on 3 August 2018. This policy initiative proposes a suite of support services and interventions to be provided to various categories of producers by Government, the private sector, Civil Society Organisations (CSOs) and Development Partners (DPs) and other sector stakeholders.

Once the consultation process is concluded, the policy will be entered into the approval route. Closely related to this, is the ongoing discussion between DAFF and provincial Departments of Agriculture on the Black Farmer Commercialisation programme. Each province is expected to have a formally approved programme by the commencement of the financial year and farmers identified to be participants in this endeavour. The critical element of the commercialisation of agriculture is bringing forth economic principles, focusing on getting agricultural products and goods to the market rather than for mere family consumption.

The approach to commercialize black producers is twofold. The first phase is what can be described as developmental phase for potential producers to operate at commercial level includes the following:

- Farm and farmer needs assessments of 50 farmers per province;
- Skills and capacity building including record keeping;
- Farm planning i.e. primary and secondary commodities;
- Assistance with business plan development;
- SA GAP certification; and
- Infrastructural and input support to enable achievement of turnover per annum of R500 000

The second phases, blended commercialization funding approach incorporates a combination of loan and grant funding that is going to be managed through a central grant funding facility in partnership with the Land Bank. The partners in the programme include Banking Association of South Africa (ABSA, FNB, Standard Bank, Nedbank), AgBiz, Jobs Fund, Development Funding Institutions, DTI and IDC. The target is 450 black producers commercialized over 5-year period; and the programme to develop black producers was developed in partnership with the DTI, Land Bank, IDC and NEF and approved.

Another important process for the sector is the ongoing Census of Commercial Agriculture that is being conducted by Stats SA on behalf of DAFF. The purpose of the census is to establish commercial agriculture activity in the country focusing on all areas of the sector, including oceans (marine) and forestry subsectors. It will provide vital data about the state of the agricultural industry, especially information about production, labour, farming expenses, farming debt, food security and the overall market needs of the sector. Farmers, government, farmer associations, funding institutions, academic institutions and lobby groups will use the data to conceptualize appropriate programmes to support this critical industry to the South African economy.

The timing of the Census on Commercial Agriculture is most opportune given the recent decision by the governing party to endorse the land expropriation without compensation policy, which is likely to pass through parliament as legislation reviewing Section 25 of the Constitution. Land ownership debates and the various proposals on the future land regime for the country has gained momentum. It is now a firmly entrenched socio-political issue in the public discourse and will likely to remain so as the election season kick-in.

The calls for land to be returned to rightful owners is not only limited to private commercial land but it also includes, in the case of this province, for the land custodianship of Ingonyama Trust to be reviewed. For agriculture, land ownership uncertainty translate into investment jittery, which may mean there is less capital injection into production, expansion of farms and agricultural enterprises.

The Department is still part of the implementation of the KZN flagship public programmes- Operation Vula and Radical Agrarian Socio-Economic Transformation (RASET).

## 2.7 Strategic Outcome Oriented Goals

Strategic Outcome Oriented Goal	Goal Statement
Corporate governance and integrated service delivery	Provision of sound and transparent corporate financial management system
Unleashing the agricultural potential in the Province	Maximising agricultural development and output in the Province
Sustainable natural environmental management	Promotion of environmentally sustainable agricultural development
Promote sustainable rural livelihoods	Improve access to services in rural areas through coordination

In the current MTSF (2014-19) priority areas were identified with agriculture contributing directly to the outcomes associated with job creation and comprehensive rural development. Furthermore, the KZN Provincial Growth and Development Strategy ranks agriculture high on its economic transformation agenda. On the above strategy, one strategic goal relates to job creation as unemployment is identified as one of the major structural constraints within the Province and contributes to high levels of poverty and income inequality. Therefore, agriculture as a sector is viewed as paramount given the competitive advantage of KZN based on its vast arable land and natural resources. In line with the outcomes approach adopted by Cabinet in 2009, the Department had made strides to align itself towards the achievement of Outcome 7: “Vibrant, Equitable, Sustainable Rural Communities and Food Security for all”.

## 2.8 PERFORMANCE INFORMATION BY PROGRAMME

### 2.8.1 PROGRAMME 1: ADMINISTRATION

Programme 1 is made up of the Corporate Services and Financial Administration branches, which are led by Deputy Director General: Corporate Services and Chief Financial officer.

#### Purpose of the programme: Corporate Services

Programme 1 provides support to the line function components of the Department in achieving their goals. The focus for Programme 1 is the provision of corporate services, strategic management, business support, human resource management and development. The administration function is very crucial in supporting the Department to achieve its objectives. It is an enabler of organisational performance through such functions as Information Communications Technology (ICT), Legal Services, Management Advisory Services, Intergovernmental Relations, Labour Relations; Integrated Planning, Policy, Monitoring & Evaluation, Auxiliary Services as well as Security and Occupational Health and Safety to mention but a few.

The Auditor-General has raised a number of audit queries that led to the qualification of the Department's report on audited financial statements and predetermined objectives. The Department has developed, and continues to improve, various action plans targeting financial management, including SCM and performance information management and reporting. The implementation of these action plans will address these findings and return the Department to a state of sound governance principles and systems of internal control.

#### Performance indicators

Programme 1: Administration (Corporate Services)					
Strategic Objective	To provide effective and efficient corporate and strategic support to MEC, HOD and Department				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of decisions that are compliant with the Promotion of Administrative Justice Act.	9	95	8	-87	This target is demand driven. To be adjusted in the future.
Departmental data Warehouse Developed	1	1	1	0	Target achieved.
% of vacant posts filled	-	10%	7.40%	-2,6%	Achieved below 10% benchmark vacancy rate

Programme 1: Administration (Corporate Services)					
Strategic Objective	To provide effective and efficient corporate and strategic support to MEC, HOD and Department				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of engagements held on employee health and wellness	—	4	87	83	Over-achieved. Due to indicator definition. Target to be reviewed in the future.
Number of reports on SMS Performance Review	4	4	3	-1	Due to policy change (EPMDS) reviews were only required bi-annually instead of quarterly.
Number of reports on business processes mapped and analysed.	4	4	35	31	Over-achievement due to the implementation of the newly approved organisational structure.

### Purpose of the programme: Financial Management

The Finance sub-programme consists of the Office of the Chief Financial Officer, Management Accounting Services, Financial Accounting and Administration Services, Assets Management and Supply Chain Management. The Chief Financial Officer provides overall stewardship of this function and the branch by ensuring ensuring compliance with all finance related matters and to provide leadership on all matters related to finance in the Department. Directorate Management Accounting Services ensures management of budget and revenue planning, control and reporting, whilst Financial Accounting and Administration Services provides expenditure and creditor management, bookkeeping, loss control, banking, financial systems development services as well as salary administration, financial administration and reporting services. Asset management is responsible for fleet management, infrastructure management and moveable asset management services. The procurements of goods and services in the Department is ensured by Supply Chain Management which provides this us achieved by contract development, bids administration, demand, supply and logistics services.



**Programme 1: Administration (Financial Management)**

<b>Strategic Objective</b>	<b>To provide effective and efficient corporate and strategic support to MEC, HOD and Department</b>				
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement 2017/2018</b>	<b>Comment on deviations</b>
Approved procurement plan	1	1	1	0	Target achieved
Approved Infrastructure Project Management Plan (IPMP)	1	1	1	0	Target achieved
Percentage of invoices paid within 30 days	90%	90%	93%	3%	Target over-achieved-. End users complying with the directive to submit and process payment of invoices on time.
Number of In year Monitoring reports submitted	12	12	12	0	Target achieved
Approved Risk Register	1	1	1	0	Target achieved
Number of performance reviews conducted for ADA and Mjindi.	4	4	3	-1	Unavailability of critical stakeholders affected target

**Changes to planned targets**

There were no changes to the planned targets.

## Linking performance with budgets

### Programme 1: Administration expenditure by sub-programme

Sub-programme	2016/17			2017/18		
	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 MEC	16,001	16,001	-	13,342	11,812	1,530
Senior Management	26,144	26,144	-	45,277	43,393	1,884
Corporate Services	244,961	244,961	-	282,353	272,772	9,581
Financial Management	142,493	142,117	376	142,450	117,230	25,220
Communications	28,196	28,196	-	33,650	31,440	2,215
<b>TOTAL</b>	<b>457,795</b>	<b>457,419</b>	<b>376</b>	<b>517,077</b>	<b>476,647</b>	<b>40,430</b>

Programme 1: Administration under-spent by R40.430 million, spending 92.2 per cent of the Final Appropriation. This under-spending was mainly due to the following:

- Under-spending of R1.358 million under *Compensation of employees* as a result of vacant posts, such as Chief Director: Human Resource Management, Chief Director: Agricultural Services, Director: Monitoring and Evaluation, as well as unplanned staff exits at lower levels.
- *Goods and services* reflects under-expenditure of R14.032 million mainly in respect of office leases at the Hilton, Dannhauser and Ixopo offices which were budgeted for, but invoices for all 12 months were not received from Department of Public Works. Also contributing was maintenance of buildings where orders were issued but work was not completed and paid for by 31 March 2018, as well as the migration to Microsoft not being completed as SITA had not finalized the Skype, automated leave and one drive applications. .
- Under-expenditure of R1.022 million under *Transfers and subsidies* to: Departmental agencies and accounts as a result of the skills development levy paid to AGRISSETA due to the final wage bill being lower than originally budgeted for resulting from vacant posts.
- *Transfers and subsidies to: Households* was under-spent by R1.333 million due to bursary costs being lower than budgeted as the department had not finalised all external bursaries by year-end.
- *Buildings and other fixed structures* reflects under-spending of R14.575 million as a result of slow progress by DOPW on capital infrastructure projects in respect of office accommodation at uMzimkhulu, uMhlabuyalingana, Edumbe and Nkandla, as well as minor repairs and maintenance at district and local offices.
- Under-spending of R7.978 million against *Machinery and equipment*, mainly relating to vehicles ordered during 2017/18 but not delivered, as well as challenges experienced in utilising the g-commerce system to order computer equipment. The g-commerce system is a National Treasury procurement tool for acquiring IT equipment and is utilised by the entire department.

## 2.8.2 PROGRAMME 2: AGRICULTURAL DEVELOPMENT SERVICES

### Purpose of the programme

To engage, empower and transform our communities to participate in sustainable agricultural and environmental practices in order to realize economic development and food security in the Province. Programme 2 is the core function of the Department, which includes the support to public entities, Agri-Business Development Agency and Mjindi Farming.

### Programme 2 is made up of the following sub-programmes:

- Sub-programme 2.1: Sustainable Resource Management
- Sub-programme 2.2: Farmer Support and Development
- Sub-programme 2.3: Veterinary Services
- Sub-programme 2.4: Research and Technology Development
- Sub-programme 2.5: Agricultural Economics Services
- Sub-programme 2.6: Structured Agricultural Education and Training

#### 2.8.2.1 Sub-programme 2.1: Sustainable Resource Management

##### Purpose

To provide technical resources for the support of planning, procurement, implementation and commissioning of agricultural infrastructure such as irrigation, agricultural roads, farm buildings, resource conservation services, and to address the problem of degradation of natural/agricultural resources in order to improve the socio-economic status and food security of rural communities. In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to enhancing and protecting the natural resources of Communal Estates and River Valley initiatives.

Sub-programme 2.1: Natural Resource Management (Engineering Services)					
Strategic Objective	To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of agricultural engineering advisory reports prepared.	222	91	228	137	The advisory services are demand-driven.
Number of designs with specification for agricultural engineering solutions provided	445	172	320	148	Development of designs and specifications are demand-driven.

Sub-programme 2.1: Natural Resource Management (Infrastructure Development)					
Strategic Objective	To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of agricultural infrastructure established.	261	85	11	-74	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.
No. of dip tanks established.	28	18	0	-18	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.
No. of dip tanks rehabilitated.	20	34	2	-32	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.
Number of boreholes established	58	93	0	-93	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.
No. of Irrigation schemes rehabilitated	0	13	0	-13	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.

**Sub-programme 2.1: Natural Resource Management (Infrastructure Development)**

Strategic Objective	To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
No. of Irrigation schemes developed	12	29	3	-26	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.
No. km of fencing erected	341.32	260,5	221,12	-39	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.
No. of dams established	37	62	0	-62	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.
No. of projects of animal houses implemented (Piggery, Poultry, etc.).	8	29	5	-24	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.
No. of Agro-Processing facilities established (pack house, dairy parlour, sheep hearing sheds, etc.)	26	10	0	-10	Non-alignment of budgetary and project planning processes resulted in insufficient financial resources allocated for the implementation of the projects.



**Sub-programme 2.1: Natural Resource Management**

<b>Strategic Objective</b>	<b>To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources</b>				
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement 2017/2018</b>	<b>Comment on deviations</b>
Number of green jobs created through Land Care.	1936	1088	1061	-27	Project dynamics had minor effect on target.
Number of hectares protected / rehabilitated to improve agricultural production	5457	8800	9152,24	352	The over achievement is as a result of projects undertaking follow-up control which is quicker and projects can cover more hectares as compared to new clearing
Number of awareness campaigns conducted at schools on Land Care.	8	11	11	0	Target achieved

**Sub-programme 2.1: Natural Resource Management (Land Use Management and Disaster Risk)**

<b>Strategic Objective</b>	<b>To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources</b>				
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement 2017/2018</b>	<b>Comment on deviations</b>
Number of hectares of agricultural land protected through guiding subdivision / rezoning / change of agricultural land use.	11558.63	4000	7923,1368	3923	Target is demand driven.
No of natural resource assessments complete	17	16	9	-7	Resignations by key staff has limited output achievement. Unit vacancy rate is over 60%.

Sub-programme 2.1: Natural Resource Management (Land Use Management and Disaster Risk)					
Strategic Objective	To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
No of soil profiles described (NRS)	758	400	224	-176	Resignations by key staff has limited output achievement
Number of vegetation sites surveyed e.g. veld condition assessment	124	61	131	70	Target is demand driven.
Number of disaster relief schemes managed.	1	1	0	-1	Outputs dependent of the disaster risks incidents.
Number of disaster risk reduction programmes managed.	3	1	0	-1	Outputs dependent of the disaster risks incidents.

### Changes to planned targets

There were no changes to the planned targets during the financial year.

### 2.8.2.2 Sub-programme 2.2: Farmer Support and Development

#### Purpose

This sub-programme represents the core function of the Department. It houses the support function and interventions to farmers in the province. These include extension, input support and training to farmers, with a special emphasis on developing emerging farmers in communal areas and supporting those benefiting from the Land Reform Programme. This sub-programme coordinates and implement various cropping and livestock projects in partnership with sister Departments, municipalities and development agencies. It also facilitates mentorship, institution building and creation of micro-enterprises, prioritizing vulnerable groups, especially youth, women and disabled groups. In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to providing hands on specialized agricultural technical support to the implementation of Land Reform, Agri-Village, Communal Estates and River Valley initiatives.

**Sub-programme 2.2: Farmer Support and Development (Farmer Settlement and Development)**

Strategic Objective	To provide support to all farmers through agricultural development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of smallholder producers receiving support.	14232	7010	7254	244	Over-achieved. Services are demand driven
Number of commercial farmers supported	69	103	17	-86	Under-achieved. Services are demand driven

**Sub-programme 2.2: Farmer Support and Development (Specialist Agricultural Advisory services)**

Strategic Objective	Provide support to all farmers through agricultural development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of scientific evaluation reports on commodity based project.	144	104	93	-11	Scientific evaluation reports services are demand driven
Number of scientific value adding reports on diversified agricultural products.	36	22	34	12	Target exceeded due to the scientific value adding services being demand driven
Number of agricultural assessments conducted	—	132	74	-58	Under-achieved due to the services being demand driven
Number of agricultural business plans developed	181	135	137	2	Target exceeded due to the services being demand driven

**Sub-programme 2.2: Farmer Support and Development (Extension Services)**

Strategic Objective	Provide support to all farmers through agricultural development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of smallholder producers supported with agricultural advice.	23871	30724	24655	-6069	Under-achieved due to the services being demand driven
Number of hectares under irrigation used by smallholder farmers	199	6128,5	132,5	-5996	Under-achieved as a result of insufficient water to irrigate due to dry weather conditions.
Number of jobs created	895	832	1179	347	Target exceeded due to the use of labour intensive harvesting methods.

**Sub-programme 2.2: Farmer Support and Development (Crop Production)**

Strategic Objective	Provide support to all farmers through agricultural development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of hectares of maize established	5974.5	13647	5069,32	-8577,68	Delayed onset rains and production inputs supply resulted in less hectares established.
Number of hectares of beans established	3099	6668	3235,49	-3432,51	Delayed onset rains and production inputs supply resulted in less hectares established.
Number of hectares of vegetables established	92	1137	175,93	-961,07	Under-achieved as a result of insufficient water to irrigate due to dry weather conditions

**Sub-programme 2.2: Farmer Support and Development (Crop Production)**

Strategic Objective	Provide support to all farmers through agricultural development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of hectares of soya beans established	861	1640	79,1	-1560,9	Delayed onset rains and production inputs supply resulted in less hectares established.
Number of cotton established	905	1000	0	-1000	Limited resources available to support cotton due to non-alignment of budgetary and project planning.
Number of hectares of sugarcane established	132	350	50	-300	Limited resources available to support sugarcane due to non-alignment of budgetary and project planning.

**Sub-programme 2.2: Farmer Support and Development (Food Security)**

Strategic Objective	Provide support to all farmers through agricultural development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of households benefiting from agricultural food security initiatives.	11 102	54 180	42171	-12009	Under achievement is due to agricultural food security initiatives linked to planting programme being delayed by the late onset of rains and delays in production inputs supply.
Number of hectares cultivated for food production in communal areas and land reform projects	11376.8	7020	8682,86	1662,86	Demand for cultivation was higher than expected



Sub-programme 2.2: Farmer Support and Development (Food Security)					
Strategic Objective	Provide support to all farmers through agricultural development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
No. of community gardens established	23	1419	62	-1357	Delayed onset of rains resulted in less community gardens established.
No. of household gardens established	60	10000	57	-9943	Delayed onset of rains resulted in less household gardens established.
No. of institutional gardens supported	30	650	233	-417	Delayed onset of rains resulted in less institutional gardens supported.
Number of food security livestock projects established (goats, layers and indigenous chickens)	4	371	3	-368	The target was under achieved due to the outbreak of Avian influenza which affected the implementation of all poultry projects.
Number of households that receive fruit trees.	—	3500	1424	-2076	Target was not achieved due to non-availability of reasonable supply of fruit tree seedlings.

### 2.8.2.3 Sub-Programme 2.3: Veterinary Services

#### Purpose

To support development of animal health, production and welfare to ensure human health by controlling zoonotic diseases in order to provide quality and safe animal products for the local and international markets. In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to providing animal health and meat safety support to the implementation of Agro-processing and Communal Estates initiatives.

**Sub-programme 2.3: veterinary Services**

<b>Strategic Objective</b>	<b>To provide veterinary services to clients in order to ensure healthy animals, safe animal products and welfare of the people of South Africa</b>				
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Planned Target</b>	<b>Actual Achievement 2017/2018</b>	<b>Deviation from planned target to Actual Achievement 2017/2018</b>	<b>Comment on deviations</b>
Number of epidemiological units visited for veterinary interventions.	7729	13680	7733	-5947	The target was not achieved due to capacity constraints
Animals Vaccinated Control / notifiable Diseases	1 490 582	1396018	934655	-461363	Target was not achieved due to resources being reprioritized to address rabies outbreak
Number of animals surveyed for diseases (TB/CA/ Rabies/AI/NCD/ Nagana/BSE...)	84874	89288	171 817	82529	More samples from animals were submitted due to disease outbreaks in the province.
Number of clients serviced for animal and animal products export control.	924	2264	635	-1629	Services for animal and animal product export control are demand driven.
% level of abattoir compliance to meat safety legislation.	100%	100%	100%	-	Target met
Number of inspections to facilities processing animal products and by products	968	705	1465	760	Services for inspection of facilities for processing are demand driven.
Number of inspections to further processing facilities	75	600	105	-495	Services for inspection of facilities for further processing are demand driven.
Number of tests performed the quality of which meets the ISO 17025 standard and OIE requirements	74988	65000	75 070	10070	Laboratory services are demand driven.
No of tests performed.	169 392	85 000	88 651	3651	Laboratory services are demand driven.

## 2.8.2.4 Sub-Programme 2.4: Research and Technology Development

### Purpose

To develop new and adapt existing technologies in order to promote sustainable agricultural practices in the Province, and then to document and communicate research findings to all clients. In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to providing scientific research and technology support to the implementation of all of the four pillars.

Sub-programme 2.4: Research and Technology					
Strategic Objective	To provide expert and needs based research, development and technology transfer services impacting on development objectives				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of research and technology development projects implemented to improve agricultural production.	97	96	80	-6	The target was not achieved due to capacity constraints
Number of samples analysed.	31514	35 000	29 620	-5 380	The target was under achieved due to analyses of samples being demand driven
Number of research infrastructure managed.	5	11	11	0	Target achieved
Number of scientific papers published nationally or internationally.	3	11	5	-6	The target was not achieved due to delays in publishing of completed scientific papers.
Number of research presentations made nationally or internationally.	267	101	198	97	Target was exceeded due to Research Symposium initiatives, unplanned invitations to farmers' days/workshops/ courses which enabled an increased number of research presentations.

### 2.8.2.5 Sub-programme 2.5: Agricultural Economic Services

#### Purpose

To provide market information, facilitate marketing, and to facilitate the implementation of agribusiness and agro-processing initiatives. In terms of the DARD's new agrarian transformation strategy, this sub-programme is critical to providing market intelligence, agribusiness and agro-processing support to the implementation of all of four pillars.

Sub-programme 2.5: Agricultural Economics Services					
Strategic Objective	To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of Agri-Businesses supported with agricultural economics advice towards accessing markets.	28	20	28	8	Higher than expected demand
Number of clients who have benefitted from agricultural economic advice provided.	913	1100	935	-165	Service rendered is dependent on client requests. Few requests were received than anticipated.
Number of agricultural economic information responses provided.	660	800	965	165	Higher than expected demand
Number of economic reports compiled.	4	4	4	0	Target achieved
Number of agro-processing businesses supported towards functionality.	—	10	25	15	The target was exceeded. Higher than anticipated demand.

### 2.8.2.6 Sub-programme 2.6: Structured Agricultural Education and Training

#### Purpose

To provide tertiary and further education and training focusing on agriculture and its commodities. In doing so, under the new Agrarian Reform strategy, the Sub-Programme has committed itself to also supporting Agricultural High Schools in the province, as they are a critical conduit for the youth to enter the farming sector.

Sub-programme 2.6: Structured Agricultural Training					
Strategic Objective	To facilitate and provide structured agricultural education and training in line with the Agriculture Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of agricultural Higher Education and Training graduates.	92	90	111	21	Target exceeded due to repeat students enrolled and graduating
Number of participants trained in agricultural skills development programme.	3350	2400	1949	-451	The target was under achieved due to services being demand driven.
Number of interventions in revitalization of agricultural schools.	0	8	4	-4	Funding for the remaining schools was withheld because they could not account for funds received during the previous financial year.
Number of interventions in school programs (e.g teacher training).	0	4	4	0	Target achieved

#### Changes to planned targets

There were no changes to the planned targets.

## Programme 2 Expenditure by sub-programme

**Table 1 Sub-Programme 2 Expenditure**

	2016/17			2017/18		
Sub-programme	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
Sustainable Resource Management	74,397	74,396	1	83,291	75,340	7,951
Farmer Support and Development	1,211,626	1,233,265	(21,639)	1,029,026	958,766	70,260
Veterinary Services	176,333	176,333	-	215,995	200,850	15,145
Research & Technology Development	170,881	170,881	-	200,595	187,457	13,138
Agricultural Economic Services	5,047	5,047	-	9,658	9,289	369
Structured Agricultural Education and Training	105,906	84,268	21,638	111,250	105,216	6,034
<b>TOTAL</b>	<b>1,744,190</b>	<b>1,744,190</b>	<b>-</b>	<b>1,649,815</b>	<b>1,536,918</b>	<b>112,897</b>

Programme 2: Agriculture under-spent significantly by R112.897 million or 6.8 per cent of the Final Appropriation. This under-spending can largely be attributed to the following:

- The under-spending of R1.095 million against *Compensation of employees* is in respect of vacant posts such as two Directors: District Agricultural Services, as well as unplanned staff exits. *Goods and services* and *Buildings and other fixed structures* under-spent by R77.038 million and R16.065 million, respectively, mainly due to late finalisation of projects by various units, resulting in a high volume of requests being submitted simultaneously to SCM during the second quarter. Despite the appointment of two Bid Evaluations Committees (BECs) by the department, the evaluation process and the awarding by the BAC was slow. The department's decision taken in January, to engage the Independent Development Trust (IDT) as an implementing agent and hand over R32 million worth of projects in the last quarter of the year also did not have the desired effect, as IDT did not manage to implement any of these projects.
- The under-expenditure of R4.906 million under *Transfers and subsidies to: Public corporations and private enterprises* was due to delays in the transfer of the final tranches to the SA Sugar Association (SASA) (R1.588 million), as SASA made a late request to utilise savings from other projects they implemented and offset this against their current allocation. Fewer claims were received for the soil conservation subsidy (R1.059 million), agricultural show societies (R105 000) and communal estates (R1.361 million), and this also contributed to the under-spending.
- Transfers and subsidies to: Non-profit institutions* provides for the transfer to various agricultural schools in respect of the revitalisation of these schools to encourage the youth to choose agriculture as a career. The slow implementation of the various business plans by the schools resulted in the department only transferring R7.321 million in 2017/18 out of a budget of R11.023 million.



- The under-spending of R9.116 million against *Machinery and equipment* was mainly as a result of challenges with the g-commerce system, which is a National Treasury procurement tool for computer equipment. As a result of these challenges, orders could only be generated during the last quarter of the year and hence service providers could not deliver all of the computer equipment by 31 March 2018.

### 2.8.3. PROGRAMME 3: RURAL DEVELOPMENT

To ensure the continuous improvement of sustainable rural livelihoods through the coordination of integrated rural development services and facilitation of rural enterprise and industry development. The Rural Development programme is guided by six main national MTSF (2014-2019) priorities, which respond directly to the intended outcome of the mandate, which seeks to achieve “vibrant, equitable, sustainable rural communities contributing towards food security for all”. Programme 3 is made up of the following sub-programmes:

- Sub-programme 3.1: Integrated Rural Development Coordination
- Sub-programme 3.2: Rural Enterprise and Industry Facilitation and Development

Sub-programme 3.1: Integrated Rural Coordination					
Strategic Objective	Integrated co-ordination of implementation for rural development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Develop Comprehensive Rural development plan linked with the Agricultural Development Strategy of the DARD	0	1	0	-1	Rural Development Strategy was produced but could not be linked with Agricultural Masterplan by the end of the financial year.
Develop a KZN programme of action aligned to Outcome 7.	1	1	0	-1	The Programme of Action document was developed but sector departments did not fully complete their targets.
Establish a rural infrastructure development database.	0	1	0	-1	The database developed is incomplete due to lack of capacity.
District rural development plans integrated into IDP's. (Including Airparks).	0	11	0	-11	District rural development plans were completed, however, the Agri-Parks and is still to be included in the RDPs.

**Sub-programme 3.1: Integrated Rural Coordination**

Strategic Objective	Integrated co-ordination of implementation for rural development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of youth, women and people with disabilities who participate in rural development projects (including Agri-Parks).	0	1550	0	-1550	Lack of human capacity to coordinate reporting.
Develop outcome 7 performance reports for the province.	4	4	4	-	Target met.
Develop quarterly Agri-parks reports	4	4	3	-1	Agri-Parks report were developed but performance information could not certified due to strategic re-direction and the disbandment of the provincial task team.
Number of reported sub-outcomes verified.	0	2	0	-2	Lack of human capacity
Number of impact assessments completed.	1	2	0	-2	Lack of human capacity
Number of statistical review reports produced.	2	2	0	-2	Lack of human capacity

**Sub-programme 3.2: Rural Enterprise and Industry Facilitation and Development**

Strategic Objective	Rural enterprise and industry facilitation and development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Number of irrigation scheme enterprises market strategies developed	—	6	0	-6	Activities rescheduled due to limited capacity and included as part of the Agricultural Masterplan to be finalised in the new financial year.
Number of business entities (incl co-ops) equipped with rural enterprise development skills (Women, Youth and other)	28	175	117	-58	Greater energy was expended on designing appropriate tool for profiling and carrying out the assessments to identify business entities that were functional and compliant.
Number of projects mentored	50	50	29	-21	The agreement that was to be concluded under the NEF/DARD MOU fell through therefore mentorship could not proceed.
Number of social organisations representing rural community enterprise interests supported to develop	22	15	7	-8	Limited human capacity.
Number of agricultural graduates linked to agricultural opportunities.	22	50	143	93	Target overachieved due to increase by intake by partners.

**Sub-programme 3.2: Rural Enterprise and Industry Facilitation and Development**

Strategic Objective	Rural enterprise and industry facilitation and development				
Performance Indicator	Actual Achievement 2016/2017	Planned Target	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
Develop an Integrated SMME Agribusiness Development Finance Model/ Framework	0	1	0	-1	The DARD finance model was partially drafted but had to be halted due to ongoing national framework that emanated from the Operation Phakisa on Agriculture, Land and Rural Development. Will be resumed once national framework is finalised.
Number of partnerships signed in promoting rural enterprise and industry development.	0	4	1	-3	Some partnerships could not be recommended due to value for money, financial implications, effective and efficient human and financial resources by parties.

**Programme 3: Expenditure by sub-programme****Table 2 Programme 3 Expenditure**

	2016/17			2017/18		
Sub-programme	Final Ap- propriation R'000	Actual Ex- penditure R'000	(Over)/ Under Ex- penditure R'000	Final Ap- propriation R'000	Actual Ex- penditure R'000	(Over)/ Under Ex- penditure R'000
Rural Development Co-ordination	7,999	7,999	-	6,002	5,875	127
Social Facilitation	6,758	6,758	-	24,250	13,425	10,825
<b>TOTAL</b>	<b>14,757</b>	<b>14,757</b>	<b>-</b>	<b>30,252</b>	<b>19,300</b>	<b>10,952</b>

Programme 3: Rural Development under-spent by R10.952 million, at only 63.8 per cent of the Final Appropriation. This under-expenditure was largely against Goods and services in respect of the Unemployed Agriculture Graduates Youth Programme (UAGYP). The planning and establishment of partnerships for placing graduates took longer than anticipated. The department entered into one partnership with the Future Farmers Foundation, resulting in the placement of 50 graduates for a two-year period.

**2.9 TRANSFER PAYMENTS****Transfer payments to public entities**

The Department had one public entity and one government business entity reporting to the Department during the 2017/18 financial year. The entities produce their own separate annual reports that provide details of their mandates, outputs and achievements. The purpose of the entities is as follows:

*Agri-business Development Agency (ADA)* is a public entity providing the vehicle to grow the agricultural sector and improving access for black commercial farmers and agribusiness entrepreneurs through partnership and knowledge. During the year, the mandate of the entity was defined as to focus on secondary agricultural interventions whilst the department will focus on primary agriculture, thereby ensuring that there is no duplication of functions between the department and agency.

*Mjindi Farming (Pty) Ltd (Mjindi)*, is a government business entity assisting in the management and implementation of the Makhathini Integrated Master Development Plan which includes:

- Repair and upgrading of the existing 3 500 ha currently under irrigation;
- To sustain the Makhathini Irrigation Scheme as a viable and sustainable Farmer Settlement Project;
- To transform Mjindi Farming (Pty) Ltd into a land user / landowner / farmer driven entity;
- To assist with the planned and approved expansion of the Irrigation Scheme to the settlement of additional farmers;

- To assist and support the Shareholder with the planning and implementation of the Makhathini Integrated Master Development Plan; and
- Explore and facilitate new agri-business opportunities on the irrigation scheme.

The Department monitors the progress and performance of these entities through quarterly reviews of financial and non-financial performance through the Steering Committee established and chaired by the Head of Department. The Department also has representation at board meetings.

## Transfers to Public and Government Business Entities

**Table 3 Transfers**

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	(Over)/Under Expenditure R'000
Agri-Business Development Agency (ADA)	Project implementation	121,334	85,383	35,951
Mjindi Farming (Pty) Ltd	Agricultural development and management of irrigation scheme	56,001	54,838	1,163
<b>TOTAL</b>		<b>177,335</b>	<b>130,769</b>	<b>37,114</b>

The under expenditure by ADA and Mjindi is mainly in respect of outstanding commitments where the goods/services had not been rendered and paid for by 31 March 2018. A request for the retention of the unspent funds is submitted to Provincial Treasury.

## Transfer payments to all organizations other than public entities

The Department made transfers to various organizations and private enterprises as listed in the table below. The Department enters into Service Level Agreements (SLAs) with all entities that receive funds with the exception of farmers that received the soil conservation subsidy. The subsidy is only given if the specific criteria have been met and it is therefore not necessary to enter into any form of agreement.

The requirements of S38 (1) (j) of the Public Finance Management Act is included in these SLAs. The reporting requirements and monitoring mechanism as well as payment schedule is also included in the SLA.

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018, excluding transfers for motor vehicle licenses, radio license, payments to SETA and transfers to households.



**Table 4 Transfers**

Name of transferee	Type of organisation	Purpose for which the funds were used	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Ithala Finance Corporation	Public Corporation	Subsidy for the operational costs of Ntingwe Tea	11,323	2,701	The amount of R7.523 million was only received by entity in April 2018.
SA Sugar Research Institute	Private	Agricultural Research	2,692	2,692	
Radley JH	Private	Soil conservation subsidy	658	658	
Communal Estates	Private	Operational costs for tractors used for crop production	12,634	7,863	Remaining funds to be utilised for harvesting costs
SA Sugar Association	Private	Project implementation	7,156	6,993	
Siyathuthuka Farms	Private	Infrastructure	670	670	
Nyezenhle Holdings – Roadside Abattoir	Private	Acquisition of livestock	3,900	3,900	
Ekhuphileni Poultry and Agricultural Farming Primary Co-operative	Private	Infrastructure	6,500	6,500	
THB Matebese Trading 114 CC	Private	Infrastructure	4,121	2,456	
Ndisinduna Multipurpose Co-op Ltd	Private	Infrastructure	800	798	
KZN Goat Agri-business Project	Private	Goat production	2,950	2,465	Project continuing in 2018/19
Future Farmers Foundation	Non-profit	Placement of Graduates	2,224	37	
Mpofana Land Reform Cluster	Private	Infrastructure	20,563	11,951	
Mbongweni Beef Project	Private	Infrastructure	2,200	2,189	
Nozinkanyiso	Private	Infrastructure	2,200	2,195	
Agricultural Schools	Public schools	Infrastructure	5,543	2,259	
Zakhe Agriculture College	Private school	Infrastructure	1,778	1,778	

The table below provides details of transfers that budgeted for in the period 1 April 2017 to 31 March 2018 but the transfer payments not made in full.

**Table 5 Transfers**

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why the funds were not Transferred
Agricultural schools	Infrastructure	8,483	5,543	Slower than anticipated progress in implementation
Communal Estates	Operational costs for mechanisation	13,995	12,634	The actual requirement in terms of the funding agreements is less than estimated.
SA Sugar Association	Project implementation	8,744	7,156	Department considering request from SASA to utilise unspent funds from previous projects to partly fund current projects which will amend the actual requirements. Project to continue into 2018/19
Soil conservation subsidy	Infrastructure	1,717	658	Lower demand than anticipated
Mpofana Land Reform Cluster	Private	21,356	20,563	Slower progress than anticipated
Agricultural Show Society	Financial assistance	105	-	No request for financial assistance received by the department.

## 2.10 Conditional Grants

The department received four conditional grants in 2017/2018, namely; Land Care Programme Grant (DAFF); Comprehensive Agricultural Support Programme grant (DAFF); Ilima/Letsema Project Grant (DAFF) and EPWP Incentive Grant (Public Works). The table/s below details the conditional grants, funds received and the performance of the respective grants in 2017/ 2018.

### *Land Care Programme Grant:*

Department who transferred the grant	Department of Agriculture, Forestry and Fisheries
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in the initiatives that supports the pillars of sustainability (social, economic and environmental) leading to greater productivity, food security, job creation and better well-being for all

<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• Number of jobs to be created: 270</li> <li>• Number of Junior LandCare participants that will be involved in the programme: 9000</li> <li>• Number of awareness campaigns that will be conducted: 10 events</li> <li>• Hectares of land where weeds and invader plants and encroacher species will be under control: 3422ha</li> <li>• Hectares of catchment rehabilitated: 108ha</li> <li>• Kilometres of fence to be erected: 10km</li> <li>• Ha of land that will be under the system of Conservation Agriculture: 375ha</li> <li>• Number of farmers adopting conservation agriculture systems: 220</li> <li>• conservation agriculture</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>• Number of jobs created: 270</li> <li>• Number of Junior LandCare participants that were involved in the programme: 7070 (under achievement due to underachievement the number of learners that will attend the events)</li> <li>• Number of awareness campaigns conducted: 9 events</li> <li>• (underachievement of 1 due to dates clashing with other departmental event)</li> <li>• Hectares of land where weeds and invader plants and encroacher species were controlled: 3943ha (some areas the density of alien plants were low- allowing for area being covered)</li> <li>• Hectares of catchment rehabilitated: 108ha</li> <li>• Kilometers of fence erected: 14km (over achievement due to the terrain being easier to fence)</li> <li>• Ha of land that are under the system of Conservation Agriculture: 80ha (under achievement due to not procuring CA implements for some sites. If CA implements were procured for all sites, the cost would triggered off a tender process, since it would have been over 500 000, delaying the entire process. Only a portion of the CA implements were procured.</li> <li>• Number of farmers adopted conservation agriculture systems: 456 (overachievement due to the interest shown by community members)</li> </ul>
<b>Amount per amended DORA</b>	12,012
<b>Amount received (R'000)</b>	12,012
<b>Reasons if amount as per DORA was not received</b>	N/A
<b>Amount spent by the department (R'000)</b>	12,012
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Reasons for deviations on performance</b>	None
<b>Measures taken to improve performance</b>	N/A
<b>Monitoring mechanism by the receiving department</b>	Monthly and quarterly monitoring.

*Comprehensive Agriculture Support Programme:*

<b>Department who transferred the grant</b>	Department of Agriculture, Forestry and Fisheries
<b>Purpose of the grant</b>	To provide universal and comprehensive agricultural support (products and services) to individual farmers, land reform beneficiaries and farming communities.
<b>Expected outputs of the grant</b>	<p>The grant is intended to support the following projects:</p> <ul style="list-style-type: none"> <li>• Agricultural infrastructure and crop production projects</li> <li>• Revitalisation of agricultural colleges (OSCA and Cedara)</li> <li>• Training and Mentorship</li> <li>• Extension Recovery Plan</li> </ul>

Actual outputs achieved	<b>Agricultural Infrastructure</b> <ul style="list-style-type: none"><li>- Number irrigation projects installed with centre pivots: 2</li><li>- Goat sheds constructed: 2</li><li>- Number of agro-processing projects supported with infrastructure: 3</li><li>- Number of beef projects/Abattoir supported: 1</li><li>- Number of fencing erected in clusters: 10 (31km)</li></ul> <b>Crop production</b> <ul style="list-style-type: none"><li>- Hectares of Grain planted: 12 069 (11 clusters)</li><li>- Citrus projects maintained: 1 (40ha)</li><li>- Vineyards developed: 1 (30ha)</li><li>- Essential oils project developed: 1 (30ha)</li><li>- Number of Sugarcane clusters: 9 (Ratoon management and re-planting etc.)</li></ul> <b>Revitalisation of Agricultural Colleges infrastructure</b> <b>OSCA:</b> <ul style="list-style-type: none"><li>- Continuation of construction of Sport facilities for students (netball / volley ball, soccer, pavilion, changing rooms) and of campus streets lights. (Sport complex is at 65% to complete).</li><li>- Continuation of Library &amp; Resource Centre, Poultry, Piggery, 50 units' students' hostel, two staff houses. (Phase 2 renovation and rehabilitation at 80% to complete).</li></ul> <b>CEDARA:</b> <ul style="list-style-type: none"><li>- Hostel Building redesign and upgrade (Final Plans completed, ready for DRC).</li><li>- FET Building renovations.</li><li>- Convert Outbuilding at Piggery into Office/Ablution (All Plans complete, ready for DRC).</li><li>- Move Student Computer Room (Plans complete, ready for DRC).</li><li>- Student Hostel Renovation: Plumbing and Electrical (Geyser system fixed).</li></ul> <b>Training and Mentorship</b> <ul style="list-style-type: none"><li>- Number of farmers who attended credit bearing courses: 244</li><li>- Number of farmers who attended non-credit bearing courses: 1090</li></ul> <b>Extension Recovery Plan</b> <ul style="list-style-type: none"><li>- Skills programme: 10 extension personnel attended poultry advisor training and 12 officials attended accredited training in ICT skills.</li><li>- Improve image and professionalism, communication and branding: 378 officials attended KZN extension summit and awards; 40 officials attended the AFAAS/SASAE Conference 2017, branding of vehicles, Departmental newsletter and brochure.</li><li>- Visibility and accountability: New/Replacement of 50 obsolete or out of warranty pens and Digital pen hosting and maintenance; active Digi pens 253 and number of forms received 28 275.</li><li>- Recruitment of personnel: Graduate recruitment programme is on progress and the Staff Profiling system is under development by SITA.</li></ul> Provision of ICT infrastructure: 180 cellular phones were issued to extension personnel.	
	Amount per amended DORA	209,598
	Amount received (R'000)	209,598
	Reasons if amount as per DORA was not received	n/a
	Amount spent by the department (R'000)	159,935

<b>Reasons for the funds unspent by the entity</b>	Shortage of contracted service providers to implement infrastructure projects. The implementation of SAVAC programme was postponed to 2018/19 financial year due to delays in finalizing the agreement between DAFF and STATS SA.
<b>Reasons for deviations on performance</b>	The department experienced some challenges with NEF when it was on the verge of implementing the Mentorship programme. There was some delays in projects designs and specifications resulted in late project implementation and shortage of contracted service providers to implement infrastructure projects.
<b>Measures taken to improve performance</b>	KZN DARD is in the process of appointing a panel of mentorship facilitating agents (MFA's), through the supply chain management process for a period of three (3) years. This will ensure that there is no vacuum and mentors are already in the database to be utilised for the programme
<b>Monitoring mechanism by the receiving department</b>	Monitoring of the grant by both DAFF and DARD through quarterly reports and physical verifications.



*Ilima/Letsema Project grant:*

<b>Department who transferred the grant</b>	Department of Agriculture, Forestry and Fisheries
<b>Purpose of the grant</b>	To contribute towards the implementation of Departmental objectives which are to increase food production, reduce poverty, unemployment and inequalities in rural farming communities.
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• Supply food security packages, infrastructure and inputs.</li> <li>• Irrigation Development: Irrigation repairs, construction of 4km drainage canals and 36km underground drainage pipes for Block 6 at Makhathini irrigation scheme covering 300 ha of waterlogged irrigation Lands.</li> <li>• Cotton production 200ha.</li> </ul>
<b>Actual outputs achieved</b>	<p>Supply food security packages, infrastructure and inputs.</p> <ul style="list-style-type: none"> <li>• Cotton production: 200ha supply and deliver production inputs for Makhathini cotton project.</li> <li>• Irrigation Development: Irrigation repairs, construction of drainage canals and underground drainage pipes for Block 6 at Makhathini irrigation scheme.</li> </ul>
<b>Amount per amended DORA</b>	67,356
<b>Amount received (R'000)</b>	67,356
<b>Reasons if amount as per DORA was not received</b>	n/a
<b>Amount spent by the department (R'000)</b>	44,540
<b>Reasons for the funds unspent by the entity</b>	Shortage of contracted service providers to implement infrastructure projects. The implementation of SAVAC programme was postponed to 2018/19 financial year due to delays in finalizing the agreement between DAFF and STATS SA.
<b>Reasons for deviations on performance</b>	Shortage of contracted service providers to implement infrastructure projects.
<b>Measures taken to improve performance</b>	Department prioritising partnerships with service providers through SCM.
<b>Monitoring mechanism by the receiving department</b>	Quarterly and annual monitoring and physical verification of projects by both DAFF and DARD.

*EPWP incentive grant for Provinces:*

<b>Department who transferred the grant</b>	Public Works
<b>Purpose of the grant</b>	Increase work opportunities for unemployed persons
<b>Expected outputs of the grant</b>	<ul style="list-style-type: none"> <li>• Number of jobs to be created: 258</li> <li>• Hectares of land where weeds and invader plants and encroacher species will be under control: 3068ha</li> <li>• Kilometres of fence to be erected: 25km</li> </ul>
<b>Actual outputs achieved</b>	<ul style="list-style-type: none"> <li>• Number of jobs to be created: 258</li> <li>• Hectares of land where weeds and invader plants and encroacher species controlled: 3068ha</li> <li>• Kilometres of fence erected: 25km</li> </ul>
<b>Amount per amended DORA</b>	8,466
<b>Amount received (R'000)</b>	8,466
<b>Reasons if amount as per DORA was not received</b>	N/A
<b>Amount spent by the department (R'000)</b>	8,466
<b>Reasons for the funds unspent by the entity</b>	N/A
<b>Reasons for deviations on performance</b>	None
<b>Measures taken to improve performance</b>	N/A
<b>Monitoring mechanism by the receiving department</b>	Monthly and quarterly monitoring.

**2.11 DONOR FUNDS**

The Department did not receive any foreign aid during the 2017/18 financial year.

## 2.12 CAPITAL INVESTMENTS

### Capital investment, maintenance and asset management plan

The table below provides an analysis on infrastructure spending for the 2016/17 and 2017/18 financial years. The slow rate at which the Department of Public Works is implementing the planned rehabilitation and renovations of office accommodation is a concern and has resulted in significant under expenditure in this area.

	2016/17			2017/18		
Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	97,607	125,124	(27,517)	62,540	46,475	16,065
Existing infrastructure assets						
• Upgrade and additions	1,089	1,089	-	5,659	5,659	-
• Rehabilitation, renovations and refurbishments	37,069	37,069	-	38,871	24,296	14,575
• Maintenance and repairs	6,085	6,085	-	8,769	4,001	4,768
Infrastructure transfer						
• Current						
• Capital	35,576	30,607	4,969	10,621	10,621	-
<b>TOTAL</b>	<b>177,399</b>	<b>199,947</b>	<b>(22,548)</b>	<b>126,460</b>	<b>91,052</b>	<b>35,408</b>

The expenditure against transfer capital is in respect of projects that are jointly funded by the farmers and the department. The department transfers its contribution in tranches based on progress made in implementation of the business plan. The office accommodation at local office level has deteriorated over time and the department is establishing new procedures and processes to deal with the daily maintenance that will fast track implementation thereof. Also, Public Works is consulted on an ongoing basis to monitor the progress.



# PART C:

## GOVERNANCE



### 3. Introduction

The Department has a risk management policy and conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks. There is a Risk Management Committee that monitors risk management and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The Cluster Audit and Risk Committee (Provincial Treasury) advises the Department on risk management and independently monitors the effectiveness of the system of risk management. There has been significant progress in the management of risk, particularly in the area of Information Technology.

#### 3.1 Risk Management

The Department has a risk management policy and strategy. It conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks. These focus on strategic, operational and project risk assessments. Emerging risks are continuously identified.

The Department has an internal Risk Committee that is chaired by the Accounting Officer. The Cluster Audit and Risk Management Committee also advises the Accounting officer on the management of risks as well as the entire risk management system. The Department has seen progress emanating from risk management processes. However, there are plans for more awareness to increase the risk maturity level of the Department.

#### 3.2 Fraud and Corruption

The Department has the fraud prevention plan. Progress in its implementation is hampered by the fact that the ethics office does not have capacity. The Department has the whistle blowing policy. The National Anti-Corruption Hotline is the mechanism that is used for whistle blowing. When cases are reported, they are investigated and recommendations are implemented.

#### 3.3. Minimising Conflict of Interest

Employees of the Department are obliged to declare their interests and possible cases of conflict of interests. In the instance of conflict of interest arising which was not declared, the Department institutes disciplinary measures in line with the policies and procedures of the public service.

#### 3.4. Code of Conduct

The Department has approved Code of Conduct, which is regularly communicated to all employees to ensure consistent compliance.

#### 3.5 Health Safety and Environmental Issues

The Department accounts to the Agriculture and Rural Development portfolio committee. It attends regular meeting of the committee as and when required.



### 3.6 Portfolio Committees

The portfolio committee has a responsibility to provide parliamentary oversight of the performance of the department and its service delivery record. In the 2017/2018, the Department had a series of scheduled meetings and special engagements with the portfolio committee. The Department met with portfolio committee on Agriculture and Rural Development on the following dates:

- 16 May 2017
- 07 November 2017
- 28 November 2017
- 30 January 2018
- 22 February 2018
- 13 April 2018

The Department meet with the Finance Portfolio Committee on the following dates:

- 15 November 2017
- 10 April 2018

### 3.7 SCOPA Resolutions

The Public Accounts Standing Committee met with the Department to deliberate on the Auditor-General's report for the 2016/17 financial year. The table below are resolutions that emanated from the hearings that pertain specifically to the Department. The responses as submitted to the Committee, are also provided.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
36/2017	Audit Improvement Strategy	The Department regressed from an unqualified audit opinion in 2015/2016 to a qualified audit opinion in 2016/17.	The progress report on the Implementation of the Audit improvement Plan for the quarter ending 31 December 2017 was provided to the Committee.	Ongoing



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
37/2017	Expenditure management: Irregular expenditure	<p>There has been an increase in irregular expenditure from R 34, 17 million in 2015/16 to R94, 33 m in 2016/17.</p> <p>Effective steps were not taken to prevent the irregular expenditure as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1.</p>	<p>The Department has reviewed the root causes of irregular expenditure reported by the department, as well as the issues raised by the Auditor General.</p> <p>The AG Action Improvement Plan detail further information on corrective measures already instituted or envisaged by the Department to address the report findings and root cause.</p> <p>The bulk of the irregular expenditure reported by the department related to the payments made on expired contracts, especially security and the awarding of bids and quotations without following SCM prescripts.</p> <p>In relation to security services, the bid process was re-started in August 2017 and will be concluded by 31 March 2018. In 2017, the department went for quotations for security services in all offices, except for the Head Office in Cedara (where it was not cost-effective to go on quotations).</p> <p>Transfer payment conditions were re-visited. All transfer payments were subjected to the test for compliance with conditions before they were made.</p> <p>All contracts were reviewed and either extended or terminated. Contracts were also scrutinised for validity before any payments were made.</p> <p>Except for a few contracts, where services were crucial, while SCM processes were not concluded, irregular expenditure has been reduced. Other than security services, one such contract was the provision of transportation for staff, where the taxi industry was involved.</p> <p>The Supply Chain Management will conduct the workshop on Procurement Plan in line with Treasury Regulations where the relevant prescripts are disseminated. The presentation and schedule for the workshop training is attached.</p> <p>SCM checklists for compliance have been enhanced and supervision improved.</p>	Partially

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			The committee on irregular expenditure has been established. All irregular expenditure will be subjected to scrutiny by a committee to investigate the reasons and root causes of non-compliance. The first sitting of the committee is in the last quarter of the financial year. Progress will be provided at the end of the 4th quarter.	
38/2017	Movable tangible capital assets	The department could not provide the auditors with appropriate evidence of the existence and location of movable tangible assets to the value of R50 million due to the status of the accounting records and inadequate information in support of these assets.	The physical verification process for all Communal Estate assets was undertaken during the months of August and September 2017.  This exercise was completed and an Asset Register for each Communal Estate was developed. The department is currently in the process of doing the final verification of all assets for the current financial year.	No
39/2017	Financial Misconduct	There are financial misconducts related allegations amounting to R1.03 million in the current financial year.  There has not been any investigation into or action against the 8 officials doing remunerative work without permission (RWOPS).	According to the record there were 5 officials found to be doing business with state and the status of five RWOPS cases contained in the AG report is as follows:  Two officials exited the department before the report was issued. The investigations for the remaining three cases are in progress. The investigations for the remaining three cases are in progress. Once the investigations are completed, a decision will be made in respect to disciplinary action.	
40/2017	Procurement and contract management	The audit report revealed various Supply Chain Management (SCM) irregularities including the lack of competitive bidding, contracts awarded to suppliers who had not declared declarations of past SCM wrong-doing and contracts awarded to suppliers who were not in good standing with SARS, SCM appears to be an area of weakness in the Department.	Reported irregular expenditure as a result of SCM irregularities including lack of competitive bidding, contracts awarded to suppliers who had not declared declarations of past SCM wrong-doing and contracts awarded to suppliers who were not in good standing with SARS, amounted to R5.4m. No action has been taken yet against any staff member. However, the director for SCM has since been appointed (in October 2017) to oversee, among other things, issues of compliance, training and discipline of staff in the unit. Internal controls are being enhanced.	Partially

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Furthermore a committee on irregular expenditure has been established. All irregular expenditure will be subjected to scrutiny by this committee to investigate the reasons and root causes of non-compliance. The first sitting of the committee is in the last quarter of the financial year. Progress will be provided at the end of 4th quarter. Based on the recommendations of the committee action will be taken against officials who will be in contravention of Treasury Regulations.</p> <p>The Department is currently reviewing the SOPS and the SCM Policy to incorporate all the new prescripts. The process is being monitored through Auditor General Improvement Plan where progress on intervention must be provided on quarterly basis.</p> <p>SCM checklist for compliance have been enhanced and supervision improved. The training of SCM practitioners on the reviewed policies and SOPS will be completed by the financial year. The assistance with compliance issues has been sought from Treasury.</p>	
41/2017	Human Resource Management	The department has a very high vacancy rate with some senior management posts having been vacant for a prolonged period and; the high vacancy rate is affecting the Department's capacity to function effectively.	<p>The Department has received approval from the Office of the Premier for the filling of 191 posts as reported in October 2017. The progress as at 31 December 2017 is as follows;</p> <ul style="list-style-type: none"> <li>• Posts filled: 81</li> <li>• Pending interviews: 59</li> <li>• Pending internal advertising: 51</li> </ul> <p>The recruitment for the remaining unfilled post will be finalised by 28 February 2018.</p>	Yes-ongoing but

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
42/2017	Investigations	There are various investigations being conducted within the Department including those into SCM irregularities, misappropriation of the department's assets and the procurement of security services.	<p>SCM and Financial misconduct involving R5 million was reported (internal investigation) four officials were charged with fraud and corruption. Two officials were found guilty and dismissed. One official turned into a State witness and was suspended without pay for three months and transferred out of SCM. One hearing is in progress. The matter was reported and investigated by the Commercial Crimes unit (awaiting NDPP decision), also referred to the State Attorney for civil recoveries.</p> <p>Two KZN Provincial Treasury forensic reports relating to SCM and financial irregularities are being implemented: five disciplinary hearings are in progress and are part heard. One official has been dismissed for misconduct related to SCM.</p> <p>One official was charged for procurement irregularities and for advertising the security without obtaining the required prior approval. He was found guilty of misconduct and demoted one salary level and issued with a final written warning. On appeal the sanction was reduced to a final written warning only.</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
111/2017	Irregular Expenditure	<p>The total amount of irregular expenditure across departments and public entities of provincial government remains unacceptably high in the 2016/2017 financial year.</p> <p>This indicates that serious problems exist in departments and public entities in complying with the provisions of the Public Finance Management Act, adhering to Supply Chain Management processes and detecting and disclosing irregular expenditure.</p> <p>In terms of section 38(1)(h)(iii) and section 51(1)(e) (iii) of the PFMA, it is the responsibility of the Accounting Officer and the Accounting Authority respectively to take effective and appropriate disciplinary steps against any official in the service of the department or public entity who makes or permits irregular expenditure.</p>	<p>No disciplinary action has been taken against any staff member yet. There are currently no forensic or internal audit investigations being conducted for irregular expenditure incurred during the 2016/17 financial year. The committee on irregular expenditure has been established. All irregular expenditure will be subjected to scrutiny by a committee to investigate the reasons and root causes of non-compliance. The first sitting of the committee is in the last quarter of the financial year. Progress will be provided at the end of the 4th quarter. Based on the recommendations of the committee action will be taken against officials who will be in contravention of Treasury Regulations.</p>	
112/2017	Settlement of payments to creditors within 30 days	<p>Financial statements, accruals and payables not recognised exceeded the payment term of 30 days, as required in Treasury Regulations 8.2.3. Most departments do not comply with the 30 days payment policy and the amounts incurred would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.</p>	<p>A Schedule was provided as Annexure G</p>	
113/2017	Officials doing business with government	<p>A portion of the irregular expenditure incurred in the Department's in the 2016/17 financial year was due to employees conducting business with the government without approval. The report of the Auditor General on this matter indicates that there were a number of employees doing business with the government.</p>	<p>The status of 5 RWOPS cases contained in the AG report is as follows; 2 officials exited the department before the report was issued. The investigations for the remaining 3 cases are in progress.</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
114/2017	Investigations	Most departments have investigations that have been completed or are in progress. Investigations are either referred to Provincial Treasury or an independent firm is appointed. Most investigations have been going on for the past years without being finalised.	<p>2016/17 financial year-fraud and financial misconduct involving R5 million was reported-four officials were charged with misconduct for fraud. Two officials have been found guilty and dismissed. One official turned State witness and was suspended without pay for three months and transferred out of SCM. One hearing is in progress. Finalisation date is 31 March 2018. In 2016/17 financial year KZN Provincial Treasury also issued a report on the theft of an S&amp;T file and the procurement of park homes. In respect to the former report, the officials responsible for the loss of the S&amp;T files were disciplined in terms of corrective disciplinary process. The official responsible for the theft of the file could not be identified. In respect to the procurement of park homes it was established that the park homes although procured for student accommodation were subsequently utilised (and are still being utilised) as offices.</p> <p>Three disciplinary cases were instituted. Two official's cases are still in progress and one official was issued with a written warning for negligence. All cases related to KZN Provincial Treasury reports will be finalised by 31 March 2018. 2016/17 financial year-one official was charged with misconduct for theft of ground nuts. She was found guilty of misconduct and dismissed from service. The 5 million rand fraud matter was reported and investigated by the Commercial Crimes unit (awaiting NDPP decision), also referred to the State Attorney for civil recoveries. SIU investigation is underway for the department and its entities. The detailed report for the previous years will be made available on issues highlighted.</p>	



Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
115/2017	Consequence Management	Effective disciplinary steps were not taken against officials who committed transgressions of the PFMA and Treasury regulations.	<p>SCM and Financial misconduct involving R5 million was reported – 4 officials were charged with misconduct. 2 officials have been found guilty and dismissed. 1 official turned State witness and was suspended without pay for three months and transferred out of SCM. 1 hearing is in progress. The matter was reported and investigated by the Commercial Crimes unit (awaiting NDPP decision), also referred to the State Attorney for civil recoveries.</p> <p>Two KZN Provincial Treasury reports relating to SCM and financial irregularities. As a result of these findings 5 disciplinary hearings are in progress and are part heard. 1 official has been dismissed for misconduct related to SCM.</p>	
117/2017	Fruitless and wasteful expenditure	Some provincial departments and public entities incurred fruitless and wasteful expenditure in the 2016/2017 financial year.	<p>The reasons for the fruitless and wasteful expenditure being incurred in the 2016/2017 financial year. Interest paid to GEPP fund-interest on a pension claim from GEPP. Interest paid on utility accounts-invoices not received timeously from Eskom and municipalities. Department is in constant contact with these entities instructing that invoices must be emailed to a designated email address as soon as they are issued.</p> <p>Some of the entities still send via post and invoices are received after payment due date or lost. Provincial treasury Municipal Finance unit has been approached to assist in getting the necessary cooperation from Municipalities. Letters have been formally sent to the entities not complying with payment made within 30 days of receipt of invoice.</p> <p>Penalties paid to Labour Compensation Fund – Department of Labour charges penalties for late/non-payment of UIF and COIDA for projects which had exited in March 2016. Penalties arose from delays in receiving invoices from the Department of Labour and they would not waiver.</p>	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
118/2017	Funded vacant posts not filled within 12 months	The high number of vacancies which exist in Senior Management positions within departments and public entities and the adverse effect this is having on the findings of the Auditor General particularly in the financial and performance management, compliance with laws and regulations, leadership and governance.	<p>As at 31 December 2017, the following approved critical posts were at various stages of recruitment. Chief Director: Agricultural Services Level 14 Approval to advertise received in October 2017 and post subsequently advertised in November with a closing date of 08/12/2017 and is pending shortlisting.</p> <p>CD: Human Resources Management: Approval to advertise received in October 2017 and post subsequently in November with a closing date of 08/12/2017 and is pending shortlisting.</p> <p>Director-Level 13</p> <p>Director: Veterinary Support Services: Post advertised in June 2017. The shortlisting is pending amendment of the panel due to unavailability of panel members</p> <p>Director: Agric Extension and Advisory Services (2 posts) Umkhanyakude and uMzinyathi: 2 Posts re-advertised. Interview to be held on 20 January 2018.</p> <p>Head of Ministry: Post Filled. Assumption of duty on 06/12/2017</p> <p>Director: Engineering: Interviews conducted during November 2017 and no suitable candidate found. Post to be re-advertised in Feb 2017.</p> <p>Director: Integrated, Planning, Monitoring and Evaluation: The interview was held on 27 November 2017, assumption of duty on 1/2/2018.</p> <p>Director: Agricultural Resource Management: Post advertised on 27 November 2017. Recruitment process underway</p>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
119/2017	Assets Register	The Standing Committee on Public Accounts is very concerned at audit findings relating to movable tangible capital assets and minor assets.	<p>The Asset Management policy has recently been reviewed and additional controls introduced specifically around the roles and responsibilities of officials. Signed performance agreements and if not, the reasons for non-compliance. The department currently have 48 SMS members; this include 40 members that were in employ of the department at the beginning of the performance cycle and 8 employed during the cycle as at 31 December 2017. Eight SMS members employed during the performance cycle have entered/will enter into Performance Agreement within prescribed timeframe as and when they were appointed. Out of the 40 that started the cycle, 38 entered into performance agreements and 02 could not enter into performance agreements pending their placement.</p> <p>2. Whether performance agreements clearly set out the consequences for non performance and under-performance on responsibilities set out in the agreements, financial mismanagement, and the sanctions, which will be imposed in the event of non-performance, under-performance or financial mismanagement</p> <p>Chapter 4 of the SMS handbook set out process to be followed to manage signing of Performance Agreements as well as the Public Service Act. Failure to comply with the submission of the Performance Agreement without showing a good cause/valid reasons will lead to disciplinary steps taken against you as stated in Section 16 A (2) (a) of the Public Service Act and not qualifying for performance incentives including pay progression for the cycle in question. · Financial management is one of compulsory Core Management Criteria (CMC). It is included in the SMS performance agreement as one of the skills and knowledge the SMS members must possess in order to perform effectively</p> <p>Page 30 of 30</p> <p>the function of being a Responsibility Manager, but the Performance agreement does not cover any financial mismanagement sanctions.</p>	Ongoing

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>3. Whether performance agreement include as a key performance indicator the general responsibilities of the Accounting Officers and Senior Managers to prevent unauthorised expenditure, irregular expenditure or fruitless and wasteful expenditure, and if not, the reasons for this exclusion.</p> <p>· The SMS member undertakes to focus and to actively work towards the promotion and implementation of the KRAs within the framework of the laws and regulations governing the Public Service. The specific duties/outputs required under each of the KRAs are outlined in the attached work plan. KRAs should include all special projects the SMS member is involved in. The work plan outlines the SMS members specific responsibilities in such projects. · SMS members are duly appointed by the Accounting Officer as Responsibility Managers and signed delegated duties and responsibilities within their areas of responsibilities. Each SMS member has a Key Performance Area making provision for the management of resources, which include human, physical, finances and assets in the Performance Agreement. They also accept in writing and agree to comply with responsibilities as set out in the PFMA, 1999, Treasury Regulations, other relevant regulations and policies as amended from time to time.</p>	

### 3.8 Prior Modifications to Audit Reports

The Department received a qualified audit opinion for 2017/18 financial year, same as was the case in 2016/17. The report of the Auditor General is attached in this report indicating the root cause and details that informed the qualified audit opinion.

### 3.9 Internal Audit and Audit Committees

The Department is part of the shared Cluster Audit that's centralised at Provincial Treasury servicing all the Departments. Below is the copy of the Audit Committee Report for 2017/2018.

## Report of The Provincial Audit And Risk Committee (PARC)

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts, and is pleased to present its report for the financial year ended 31 March 2018.

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Agriculture and Rural Development is served by the Economic Cluster Audit & Risk Committee.

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

### Audit Committee Members and Attendance

The PARC and Economic CARC consists of the members listed hereunder who have met as reflected below, in line with the approved terms of reference.

#	Name of Member	PARC Meetings Attended	Economic CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	7 of 7	4 of 4
2.	Mr V Ramphal	7 of 7	4 of 4
3.	Mr P Christianson	7 of 7	3 of 4
4.	Ms T Njozela	6 of 7	2 of 4
5.	Mr D O'Connor	7 of 7	N/A*
6.	Ms N Sithole (Appointed 01 May 2018)	N/A	N/A*
7.	Mr M Tarr (Appointed 01 May 2018)	N/A	1 of 4

\* refers to PARC members who did not serve on the Economic CARC

### The Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls in the following areas:

- Asset Management (Moveable Assets)
- Supply Chain Management
- Biological Assets & Livestock Security
- Transfer & Subsidies
- Conditional Grants

The Committee noted with concern the number of control deficiencies identified by the auditors, both internal and external. Although management interventions on certain control weaknesses were considered by the Committee, the Accounting Officer is urged to urgently implement strategies that will prevent any further regression on audit outcomes.

### Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the PARC and CARC monitoring processes. The Committee evaluated PIAS reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to conduct thirteen (13) audit assignments for the period under review, of which eleven (11) were finalised, one (1) was rolled over and one (1) was carried over to the 2018/19 financial year with the approval of the Audit Committee.

The PIAS performed effectively during the period under review; notwithstanding concerns raised by the Committee in respect of the financial and human resource limitations imposed upon the unit. The Committee will monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the department.

### Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the department's risk register and monitoring progress against the Risk Management Operational Plan

As at 31 March 2018, the Department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	2	6	23	15	0	46
Number of Identified Action Plans	16	15	90	45	0	166
Number of Completed Action Plans.	0	1	48	41	0	90

The Committee is concerned about the slow progress made by the department in resolving outstanding risk mitigation plans, particularly for critical and major risks. The department is urged to expedite the implementation of the outstanding risk mitigation plans, and to regard the risk register as a dynamic document which should be reviewed and updated regularly on a quarterly basis.

With regard to various risk-related initiatives, the Committee is pleased to note the progress made by the Department in implementing the agreed action plans in respect of Business Continuity, Fraud Prevention, and Occupational Health and Safety. The Committee is, however, still concerned about the slow progress made by the department in addressing recommendations relating to the department's risk management maturity.



## Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review, in terms of the PFMA and the Division of Revenue Act.

Based on the reports of the PIAS and the Auditor General, the Committee notes with concern the deficiencies identified in the usefulness and reliability of reported performance information due to the failure of the Department to implement adequate systems to collect, collate, verify and retain performance related data. The management of the Department has been requested to urgently implement the appropriate improvement strategies in order to address the identified shortcomings.

The Committee also notes the concerns raised by the Auditor General with respect to the utilization of conditional grants.

## Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements including the audit report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, and noted concerns around material misstatements in the annual financial statements, procurement and contract management, failure to recognize and properly account for commitments and the failure to prevent irregular expenditure as a result of non-compliance with supply chain management prescripts.
- Reviewed the conclusions regarding the reliability and usefulness of performance information and determined that record keeping has to be improved to enable accurate performance information to be produced.

## Forensics Investigations

During the 2017/2018 financial year, the Committee noted that there were seven (7) forensic all relating to alleged misuse of assets, supply chain management and procurement irregularities and mismanagement of funds, which the department has referred to the PIAS for investigation. Five (5) of these investigations were completed and two (2) are still in progress. The Committee further noted that:

- One (1) matter is currently under criminal investigation by the South African Police Service (SAPS);
- A further one (1) matter whereby criminal investigation was recommended must be actioned by the Accounting Officer; and
- In four (4) of the completed investigations, disciplinary proceedings had commenced of which three (3) were finalised.

The department and the PIAS are urged to promptly finalize the outstanding investigations, and work together to implement recommendations made in the finalised investigations.

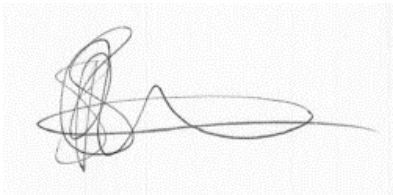
## Auditor-General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the major issues that emanated from the current regulatory audit. The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee agrees with and accepts the Auditor General's qualified opinion on the Annual Financial Statements, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

## Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.



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**Mr SP Simelane**

*Acting Chairman: Provincial Audit and Risk Committee*

*06 August 2018*

# PART D:

## HUMAN RESOURCE MANAGEMENT



## 4. PART D: HUMAN RESOURCE MANAGEMENT

The success of any organization is largely attributable to its deployment of its critical assets. Amongst these, human resources is the most important. The execution of the mandate of the Department is dependent on how well its officials and management, together with the rest of the stakeholders work to deliver on organizational mission and goals that make it possible for its vision to become a reality.

### 4.1 Status of Human Resource in The Department

In the year under review, the department implemented its reviewed organisational structure that emanated from a restructuring process that was aimed at aligning resources with a new service delivery model. The matching and placement exercise was then undertaken. During this process, a moratorium on filling positions was introduced in the department to ensure that all employees are accommodated into the new organisational structure before any further recruitment process could be undertaken.

The vacancy rate was recorded at 1.10% with turnover rate of 9.4%. The attrition positions were prioritised to ensure that the department is able to execute on its mandate. The occupancy rate for the department during the year under review was at 70.43%

The employment Equity statistics at the end of the financial year was as follows:

- 36.54% for women at SMS level.
- 0.61% for people with disabilities.

The year under review has recorded a decline in percentage for women in SMS, the 2017/2018 is 36.54 compared to 39.59% attained in 2016/2017. A higher labour turnover rate coupled with a moratorium on the filling of vacancies pending the finalisation of matching and placement is a contributing factor.

Although the department has approved policies pertaining to the recruitment, selection, retention and implements the job access strategy of reasonable accommodation for people with disabilities, this does not seem to have impact on closing the gap of 1.32%.

#### Human resource priorities for the year under review and the impact of these.

- Business process mapping and the development of standard operating procedures were prioritised to ensure that bottlenecks are eliminated for operational efficiency and that institutional memory is preserved.
- Human Resources Management Systems to ensure that PERSAL information is accurate.
- Employee performance management and development policy and system to ensure that existing employees are productively engaged.
- Employee Health and Wellness to ensure a healthy and productive workforce
- Training and development to ensure that the department has skilled and capable workforce to deliver on its mandate.

## Workforce planning and key strategies to attract and recruit a skilled and capable workforce

The department has a Human Resource Plan which has the following strategies that are aimed at attracting and recruiting skilled and capable workforce:

- Recruitment and selection policy, the department uses a number of interventions recruit its workforce as provided for in the abovementioned policy i.e. head hunting where the normal advertising processes have proven unsuccessful.
- Exit interview analysis to ensure that causes of high labour turnover are dealt with and thus ensure retention of staff.

## Employee performance management

The department has an approved employees' performance management and development system for all staff members. A 91% compliance of SMS entering into performance agreements was attained, the balance of 4 SMS members equating to 9% did not comply with the due date. The department however strictly adheres to the provisions of employee performance and development policy that stipulates that members of SMS who did not enter into performance agreements will not be eligible for any awards. Performance improvements plans are a continuous feeder to the training needs which are monitored for implementation.

## Employee wellness programmes

The Employee Health and Wellness programmes if fully operational in the department even though the participation of Managers is a concern. The wellness management programme which is aimed at promoting the physical wellness of employees included the participation of 594 employees in various physical wellness management programmes.

Highlight achievements and challenges faced by the department, as well future human resource plans/goals

## Achievements:

- Business process mapping – a total of thirty-one (31) processes were mapped to give effect to the implementation of the OD structure
- Employee Health and Wellness – there was an increase on the number of employee engagements on employee health and wellness. During the 2017-2018 reporting cycle there were sixty -six (66) HCT/Wellness screening sessions conducted of which approximately 951 employees were reached. Three Hundred and ninety seven (397) of the 951 employees had accessed HCT screening sessions. A total of 54 health promotion programmes were conducted which amongst others included the awareness of financial literacy, cancer awareness, stress management, management of sick leave and Pillar, psycho social support, nutrition and healthy living.
- Training and development – During the 2017-2018 reporting cycle a total of 1176 employees were trained on various short courses. Other skills programmes included the intake of 78 graduate interns, 81 student interns, 16 AET participants and 18 learners in 2 learnership programmes.



## Challenges

- The achievement of women representation at Senior Management level remains a challenge. There has been a decline from 39.59% of 2016-2017 to 36.54% of 2017-2018, more efforts are still required to address this important equity target,
- Brain drain as a result of high labour turnover,
- Limited usage of EWP programmes by managers in particular,

## Future Human Resource Plans

- Filling of all funded vacant positions to ensure that the department has adequate capacity to deliver on its mandate.
- Continue to implement strategies that will ensure women participation at SMS as well as people living with disabilities.
- Implementation of mentorship programmes in all levels to ensure that the department has a pool to recruit from.
- To intensify employee health and wellness programmes to ensure a healthy and productive workforce,
- Implementation of the succession plan for scarce and critical skills.

## 4.2 Human Resources Oversight Statistics

### 4.2.1 Personnel related expenditure

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

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

*Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 and 31 March 2018*

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	484 539,00	205 474,00	0,00	0,00	42,40	76,00
Agriculture	1 529 663,00	779 541,00	0,00	0,00	51,00	288,00
Assets & Liabilities	0,00	0,00	0,00	0,00	0,00	0,00
Rural Development	18 896,00	12 019,00	0,00	0,00	63,60	4,00
<b>Total</b>	<b>2 033 098,00</b>	<b>997 034,00</b>	<b>0,00</b>	<b>0,00</b>	<b>49,00</b>	<b>369,00</b>



*Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018*

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	14 110,00	1,30	83,00	170 000,00
Skilled (level 3-5)	227 614,00	21,40	1 022,00	222 714,00
Highly skilled production (levels 6-8)	324 012,00	30,50	805,00	402 499,00
Highly skilled supervision (levels 9-12)	357 379,00	33,70	572,00	624 788,00
Senior and Top management (levels 13-16)	54 437,00	5,10	54,00	1 008 093,00
Contract (Levels 1-2)	1 591,00	0,10	14,00	113 643,00
Contract (Levels 3-5)	6 034,00	0,60	29,00	208 069,00
Contract (Levels 6-8)	5 383,00	0,50	14,00	384 500,00
Contract (Levels 9-12)	17 343,00	1,60	22,00	788 318,00
Contract (Levels 13-16)	4 547,00	0,40	3,00	1 515 667,00
Contract Other	5 420,00	0,50	85,00	63 765,00
<b>Total</b>	<b>1 017 870,00</b>	<b>95,90</b>	<b>2 703,00</b>	<b>376 570,00</b>

*Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 and 31 March 2018*

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	171 366,00	79,20	1592,00	0,70	5 856,00	2,70	10 046,00	4,60
Agriculture Development Services	631 902,00	75,90	5 626,00	0,70	28 867,00	3,50	42 611,00	5,10
Rural Development	10 359,00	81,30	0,00	0,00	112,00	0,90	104,00	0,80
<b>Total</b>	<b>813 628,00</b>	<b>76,60</b>	<b>7 219,00</b>	<b>0,70</b>	<b>34 835,00</b>	<b>3,30</b>	<b>52 762,00</b>	<b>5,00</b>

*Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 and 31 March 2018*

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	9 069,00	63,90	330,00	2,30	1 718,00	12,10	1 169,00	8,20
Skilled (level 3-5)	163 786,00	71,80	3 469,00	1,50	15 318,00	6,70	21 075,00	9,20
Highly skilled production (levels 6-8)	258 485,00	78,00	1 315,00	0,40	11 272,00	3,40	18 004,00	5,40
Highly skilled supervision (levels 9-12)	295 500,00	76,60	1 962,00	0,50	6 221,00	1,60	11 952,00	3,10
Senior management (level 13-16)	48 506,00	81,00	0,00	0,00	305,00	0,50	559,00	0,90
Contract (Levels 1-2)	1 590,00	99,90	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 3-5)	5 684,00	94,10	91,00	1,50	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	5 049,00	93,60	11,00	0,20	1,00	0,00	2,00	0,00
Contract (Levels 9-12)	16 375,00	87,10	38,00	0,20	0,00	0,00	0,00	0,00
Contract (Levels 13-16)	4 167,00	86,70	0,00	0,00	0,00	0,00	0,00	0,00
Contract Other	5 417,00	98,50	3,00	0,10	0,00	0,00	0,00	0,00
<b>Total</b>	<b>813 628,00</b>	<b>76,60</b>	<b>7 219,00</b>	<b>0,70</b>	<b>34 835,00</b>	<b>3,30</b>	<b>52 762,00</b>	<b>5,00</b>

#### 4.1.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

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

*Table 3.2.1 Employment and vacancies by programme as on 31 March 2018*

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION, Permanent	566,00	545,00	3,70	0,00
AGRICULTURE DEVELOP SERVICES, Permanent	2 181,00	2 144,00	1,70	1,00
AGRICULTURE DEVELOP SERVICES, Temporary	1,00	1,00	0,00	0,00
PROG 1:ADMINISTRATION., Permanent	1,00	0,00	100,00	0,00
RURAL DEVELOPMENT, Permanent	13,00	13,00	0,00	0,00
<b>Total</b>	<b>2 762,00</b>	<b>2 703,00</b>	<b>2,10</b>	<b>1,00</b>

*Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018*

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled ( 1-2)	85,00	83,00	2,40	0,00
Skilled(3-5)	1 031,00	1 022,00	0,90	1,00
Highly skilled production (6-8)	824,00	805,00	2,30	0,00
Highly skilled supervision (9-12)	596,00	571,00	4,20	0,00
Highly Skilled Supervision (Levels 9-12), Temporary	1,00	1,00	0,00	0,00
Senior management (13-16)	57,00	54,00	5,30	0,00
Other, Permanent	86,00	85,00	1,20	0,00
Contract (Levels 1-2), Permanent	14,00	14,00	0,00	0,00
Contract (Levels 3-5), Permanent	29,00	29,00	0,00	0,00
Contract (Levels 6-8), Permanent	14,00	14,00	0,00	0,00
Contract (Levels 9-12), Permanent	22,00	22,00	0,00	0,00
Contract (Levels 13-16), Permanent	3,00	3,00	0,00	0,00
<b>Total</b>	<b>2 762,00</b>	<b>2 703,00</b>	<b>2,10</b>	<b>1,00</b>

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	49,00	44,00	10,20	0,00
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN, Permanent	13,00	13,00	0,00	0,00
AGRICULTURE RELATED, Permanent	627,00	613,00	2,20	0,00
AGRICULTURE RELATED, Temporary	1,00	1,00	0,00	0,00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC., Permanent	6,00	5,00	16,70	0,00
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS, Permanent	1,00	1,00	0,00	0,00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS, Permanent	1,00	1,00	0,00	0,00
AUXILIARY AND RELATED WORKERS, Permanent	35,00	35,00	0,00	0,00
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE. TECHN, Permanent	212,00	209,00	1,40	0,00
BOOKBINDING AND RELATED MACHINE OPERATORS, Permanent	2,00	2,00	0,00	0,00
BUILDING AND OTHER PROPERTY CARETAKERS, Permanent	13,00	13,00	0,00	0,00
BUS AND HEAVY VEHICLE DRIVERS, Permanent	25,00	24,00	4,00	0,00
CIVIL ENGINEERING TECHNICIANS, Permanent	5,00	5,00	0,00	0,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	125,00	125,00	0,00	0,00
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS), Permanent	4,00	4,00	0,00	0,00
COMMUNICATION AND INFORMATION RELATED, Permanent	6,00	6,00	0,00	0,00
COMMUNITY DEVELOPMENT WORKERS, Permanent	2,00	2,00	0,00	0,00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
COMPUTER SYSTEM DESIGNERS AND ANALYSTS., Permanent	1,00	1,00	0,00	0,00
ECONOMISTS, Permanent	13,00	13,00	0,00	0,00
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS, Permanent	1,00	1,00	0,00	0,00
ENGINEERING SCIENCES RELATED, Permanent	14,00	12,00	14,30	0,00
ENGINEERS AND RELATED PROFESSIONALS, Permanent	12,00	12,00	0,00	0,00
FARM HANDS AND LABOURERS, Permanent	521,00	518,00	0,60	1,00
FARMING FORESTRY ADVISORS AND FARM MANAGERS, Permanent	4,00	4,00	0,00	0,00
FINANCE AND ECONOMICS RELATED, Permanent	9,00	9,00	0,00	0,00
FINANCIAL AND RELATED PROFESSIONALS, Permanent	21,00	21,00	0,00	0,00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	42,00	42,00	0,00	0,00
FOOD SERVICES AIDS AND WAITERS, Permanent	3,00	3,00	0,00	0,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent	3,00	3,00	0,00	0,00
HORTICULTURISTS FORESTERS AGRICUL. & FORESTRY TECHN, Permanent	123,00	119,00	3,30	0,00
HOUSEHOLD AND LAUNDRY WORKERS, Permanent	12,00	12,00	0,00	0,00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS, Permanent	10,00	10,00	0,00	0,00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	31,00	30,00	3,20	0,00
HUMAN RESOURCES CLERKS, Permanent	147,00	141,00	4,10	0,00
HUMAN RESOURCES RELATED, Permanent	29,00	25,00	13,80	0,00
INFORMATION TECHNOLOGY RELATED, Permanent	1,00	1,00	0,00	0,00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN, Permanent	9,00	9,00	0,00	0,00
LIBRARIANS AND RELATED PROFESSIONALS, Permanent	5,00	5,00	0,00	0,00
LIBRARY MAIL AND RELATED CLERKS, Permanent	2,00	2,00	0,00	0,00
LIGHT VEHICLE DRIVERS, Permanent	13,00	13,00	0,00	0,00
LOGISTICAL SUPPORT PERSONNEL, Permanent	43,00	42,00	2,30	0,00
MECHANICAL ENGINEERING THECHNICIANS, Permanent	5,00	5,00	0,00	0,00
MESSENGERS PORTERS AND DELIVERERS, Permanent	12,00	12,00	0,00	0,00
MOTOR VEHICLE DRIVERS, Permanent	44,00	44,00	0,00	0,00
MOTORISED FARM AND FORESTRY PLANT OPERATORS, Permanent	10,00	10,00	0,00	0,00
NATURAL SCIENCES RELATED, Permanent	3,00	3,00	0,00	0,00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL. TECHNI, Permanent	1,00	1,00	0,00	0,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	188,00	186,00	1,10	0,00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	25,00	20,00	20,00	0,00
OTHER INFORMATION TECHNOLOGY PERSONNEL., Permanent	2,00	2,00	0,00	0,00
OTHER MACHINE OPERATORS, Permanent	7,00	7,00	0,00	0,00
OTHER OCCUPATIONS, Permanent	39,00	39,00	0,00	0,00
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	7,00	7,00	0,00	0,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	33,00	31,00	6,10	0,00
SECURITY GUARDS, Permanent	102,00	102,00	0,00	0,00



Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
SECURITY OFFICERS, Permanent	1,00	1,00	0,00	0,00
SENIOR MANAGERS, Permanent	54,00	51,00	5,60	0,00
TRADE LABOURERS, Permanent	1,00	1,00	0,00	0,00
VETERINARIANS, Permanent	23,00	21,00	8,70	0,00
VETERINARY ASSISTANTS, Permanent	9,00	9,00	0,00	0,00
<b>Total</b>	<b>2 762,00</b>	<b>2 703,00</b>	<b>2,10</b>	<b>1,00</b>

#### 4.2.2 Filling of SMS Posts

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

*Table 3.3.1 SMS post information as on 31 March 2018*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16	1	0	0	1	100%
Salary Level 15	4	4	100%	0	0
Salary Level 14	7	5	71.42%	2	28.57%
Salary Level 13	32	29	90.62%	3	9.32%
<b>Total</b>	<b>44</b>	<b>38</b>	<b>86.36%</b>	<b>6</b>	<b>13.64%</b>

Table 3.3.2 SMS post information as on 30 September 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16	1	1	100%	0	0
Salary Level 15	4	3	75%	1	25%
Salary Level 14	7	5	71.4%	2	28.57%
Salary Level 13	32	26	81.25%	6	18.75%
<b>Total</b>	<b>44</b>	<b>35</b>	<b>79.55%</b>	<b>9</b>	<b>20.45%</b>

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department			
Salary Level 16	0	0	0
Salary Level 15	2	0	2
Salary Level 14	4	2	2
Salary Level 13	16	4	12
<b>Total</b>	<b>22</b>	<b>6</b>	<b>16</b>

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018

Reasons for vacancies not advertised within six months
The department was implementing the new structure hence, new posts has been introduced.
The department prioritized the accommodation of existing employees in the structure prior advertising
Reasons for vacancies not filled within twelve months
Matching and placing of employees in the newly implemented structure delayed the filling of posts at all levels

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 and 31 March 2018**

#### Reasons for vacancies not advertised within six months

The filling of posts should be in line with the cost cutting measures where approval to fill posts must be sought from the office of the Premier and MEC for Finance.

#### Reasons for vacancies not filled within six months

Delay in panel approval where the responsibility to nominate panel nominations is within the Executive Authority.

### 4.2.3 Job Evaluation

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

**Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	85,00	78,00	91,80	0,00	0,00	32,00	100,00
Skilled (Levels 3-5)	1 031,00	979,00	95,00	0,00	0,00	1,00	100,00
Highly skilled production (Levels 6-8)	824,00	753,00	91,40	0,00	0,00	0,00	0,00
Highly skilled supervision (Levels 9-12)	597,00	377,00	63,10	0,00	0,00	0,00	0,00
Senior Management Service Band A	44,00	9,00	20,50	0,00	0,00	0,00	0,00
Senior Management Service Band B	7,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band C	5,00	2,00	40,00	0,00	0,00	0,00	0,00
Senior Management Service Band D	1,00	0,00	0,00	0,00	0,00	0,00	0,00
Other	86,00	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 1-2)	14,00	14,00	100,00	0,00	0,00	0,00	0,00

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Contract (Levels 3-5)	29,00	28,00	96,60	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	14,00	6,00	42,90	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	22,00	7,00	31,80	0,00	0,00	0,00	0,00
Contract Band A	2,00	0,00	0,00	0,00	0,00	0,00	0,00
Contract Band D	1,00	1,00	100,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>2 762,00</b>	<b>2 254,00</b>	<b>81,60</b>	<b>0,00</b>	<b>0,00</b>	<b>33,00</b>	<b>100,00</b>

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

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 and 31 March 2018*

Gender	African	Asian	Coloured	White	Total
<b>Female</b>	0,00	0,00	0,00	0,00	0,00
<b>Male</b>	0,00	0,00	0,00	0,00	0,00
<b>TOTAL</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

<b>Employees with a disability</b>	0,00	0,00	0,00	0,00	0,00
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

*Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 and 31 March 2018*

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Xxx	0,00	Xxx	xxx	Xxx
Xxx	0,00	Xxx	xxx	xxx
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				0,00
<b>Percentage of total employed</b>				0,00

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

*Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 and 31 March 2018*

Gender	African	Asian	Coloured	White	Total
Female	0,00	0,00	0,00	0,00	0,00
Male	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

<b>Employees with a disability</b>	0,00	0,00	0,00	0,00	0,00
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#### 4.2.4 Employment Changes

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

*Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2017 and 31 March 2018*

Salary band	Number of employees at beginning of period - 1 April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( Levels 1-2)	89,00	0,00	3,00	3,40
Skilled (Levels3-5)	1 095,00	1,00	68,00	6,20
Highly skilled production (Levels 6-8)	895,00	45,00	27,00	3,00
Highly skilled supervision (Levels 9-12)	483,00	2,00	35,00	7,20
Senior Management Service Bands A	1,00	0,00	0,00	0,00
Senior Management Service Bands B	32,00	1,00	4,00	12,50
Senior Management Service Bands C	5,00	1,00	1,00	20,00
Senior Management Service Bands D	4,00	1,00	0,00	0,00
Contracts	1,00	0,00	0,00	0,00
Other Permanent	65,00	88,00	80,00	123,10
Contract (Levels 1-2) Permanent	14,00	28,00	28,00	200,00
Contract (Levels 3-5) Permanent	28,00	57,00	56,00	200,00
Contract (Levels 6-8) Permanent	16,00	25,00	24,00	150,00
Contract (Levels 9-12) Permanent	23,00	28,00	29,00	126,10
Contract Band A Permanent	1,00	1,00	1,00	100,00
Contract Band B Permanent	1,00	2,00	3,00	300,00
Contract Band D Permanent	1,00	0,00	0,00	0,00
<b>Total</b>	<b>2 754,00</b>	<b>280,00</b>	<b>359,00</b>	<b>13,00</b>

*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018*

Critical occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	42,00	8,00	9,00	21,40
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN Permanent	50,00	0,00	1,00	2,00
AGRICULTURE RELATED Permanent	397,00	21,00	30,00	7,60
AGRICULTURE RELATED Temporary	1,00	0,00	0,00	0,00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC. Permanent	6,00	0,00	2,00	33,30
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS Permanent	1,00	0,00	0,00	0,00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS Permanent	2,00	0,00	0,00	0,00
AUXILIARY AND RELATED WORKERS Permanent	34,00	0,00	3,00	8,80
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE.TECHNI Permanent	139,00	38,00	6,00	4,30
BIOLOGISTS BOTANISTS ZOOLOGISTS & REL PROFESSIONAL Permanent	2,00	0,00	0,00	0,00
BOOKBINDING AND RELATED MACHINE OPERATORS Permanent	2,00	0,00	0,00	0,00
BUILDING AND OTHER PROPERTY CARETAKERS Permanent	33,00	0,00	0,00	0,00
BUS AND HEAVY VEHICLE DRIVERS Permanent	23,00	0,00	1,00	4,30
CIVIL ENGINEERING TECHNICIANS Permanent	10,00	0,00	0,00	0,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	127,00	0,00	8,00	6,30
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS) Permanent	4,00	0,00	0,00	0,00
COMMUNICATION AND INFORMATION RELATED Permanent	8,00	0,00	0,00	0,00
COMMUNITY DEVELOPMENT WORKERS Permanent	2,00	0,00	0,00	0,00



Critical occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
COMPUTER PROGRAMMERS. Permanent	1,00	0,00	0,00	0,00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS. Permanent	1,00	0,00	0,00	0,00
CONSERVATION LABOURERS Permanent	1,00	0,00	0,00	0,00
ECONOMISTS Permanent	14,00	0,00	2,00	14,30
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS Permanent	1,00	0,00	0,00	0,00
ENGINEERING SCIENCES RELATED Permanent	9,00	7,00	7,00	77,80
ENGINEERS AND RELATED PROFESSIONALS Permanent	11,00	0,00	3,00	27,30
FARM HANDS AND LABOURERS Permanent	550,00	70,00	127,00	23,10
FARMING FORESTRY ADVISORS AND FARM MANAGERS Permanent	4,00	0,00	0,00	0,00
FINANCE AND ECONOMICS RELATED Permanent	12,00	0,00	0,00	0,00
FINANCIAL AND RELATED PROFESSIONALS Permanent	20,00	0,00	1,00	5,00
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	54,00	2,00	3,00	5,60
FOOD SERVICES AIDS AND WAITERS Permanent	1,00	0,00	0,00	0,00
FORESTRY LABOURERS Permanent	4,00	0,00	0,00	0,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent	2,00	0,00	0,00	0,00
HEALTH SCIENCES RELATED Permanent	1,00	0,00	0,00	0,00
HORTICULTURISTS FORESTERS AGRICUL. & FORESTRY TECHN Permanent	325,00	0,00	6,00	1,80
HOUSEHOLD AND LAUNDRY WORKERS Permanent	9,00	0,00	1,00	11,10
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED Permanent	4,00	0,00	0,00	0,00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS Permanent	9,00	0,00	1,00	11,10

Critical occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	29,00	0,00	1,00	3,40
HUMAN RESOURCES CLERKS Permanent	103,00	81,00	40,00	38,80
HUMAN RESOURCES RELATED Permanent	28,00	2,00	2,00	7,10
INFORMATION TECHNOLOGY RELATED Permanent	1,00	0,00	0,00	0,00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN Permanent	9,00	3,00	2,00	22,20
LEGAL RELATED Permanent	1,00	0,00	0,00	0,00
LIBRARIANS AND RELATED PROFESSIONALS Permanent	3,00	1,00	0,00	0,00
LIBRARY MAIL AND RELATED CLERKS Permanent	2,00	0,00	0,00	0,00
LIGHT VEHICLE DRIVERS Permanent	20,00	0,00	2,00	10,00
LOGISTICAL SUPPORT PERSONNEL Permanent	20,00	0,00	6,00	30,00
MECHANICAL ENGINEERING THECHNICIANS Permanent	7,00	0,00	1,00	14,30
MESSENGERS PORTERS AND DELIVERERS Permanent	12,00	0,00	0,00	0,00
MOTOR VEHICLE DRIVERS Permanent	46,00	2,00	4,00	8,70
MOTORISED FARM AND FORESTRY PLANT OPERATORS Permanent	7,00	0,00	0,00	0,00
NATURAL SCIENCES RELATED Permanent	5,00	0,00	4,00	80,00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL.TECHNI Permanent	1,00	0,00	0,00	0,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	207,00	26,00	48,00	23,20
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	14,00	0,00	1,00	7,10
OTHER INFORMATION TECHNOLOGY PERSONNEL. Permanent	2,00	0,00	0,00	0,00
OTHER MACHINE OPERATORS Permanent	5,00	2,00	3,00	60,00

Critical occupation	Number of employees at beginning of period-April 2017	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
OTHER OCCUPATIONS Permanent	52,00	0,00	3,00	5,80
RISK MANAGEMENT AND SECURITY SERVICES Permanent	3,00	3,00	0,00	0,00
SAFETY HEALTH AND QUALITY INSPECTORS Permanent	2,00	0,00	0,00	0,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	36,00	5,00	8,00	22,20
SECURITY GUARDS Permanent	132,00	0,00	7,00	5,30
SECURITY OFFICERS Permanent	3,00	0,00	0,00	0,00
SENIOR MANAGERS Permanent	33,00	7,00	8,00	24,20
STATISTICIANS AND RELATED PROFESSIONALS Permanent	1,00	0,00	0,00	0,00
TRADE LABOURERS Permanent	1,00	0,00	0,00	0,00
VETERINARIANS Permanent	35,00	2,00	8,00	22,90
VETERINARY ASSISTANTS Permanent	18,00	0,00	0,00	0,00
<b>TOTAL</b>	<b>2 754,00</b>	<b>280,00</b>	<b>359,00</b>	<b>13,00</b>

The table below identifies the major reasons why staff left the department.

*Table 3.5.3 Reasons why staff left the department for the period 1 April 2017 and 31 March 2018*

Termination Type	Number	% of Total Resignations
Death	18,00	5,00
Resignation	58,00	16,20
Expiry of contract	208,00	57,90
Dismissal – operational changes		
Dismissal – misconduct	9,00	2,50
Dismissal – inefficiency		
Discharged due to ill-health	2,00	0,60
Retirement	64,00	17,80
Transfer to other Public Service Departments		
Other		
Total	359,00	100,00
Total number of employees who left as a % of total employment	13,30	

Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 and 31 March 2018

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progres- sions to an- other notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	42,00	0,00	0,00	31,00	73,80
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN	50,00	1,00	2,00	4,00	8,00
AGRICULTURE RELATED	398,00	8,00	2,00	376,00	94,50
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	6,00	0,00	0,00	5,00	83,30
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS	1,00	0,00	0,00	1,00	100,00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS	2,00	0,00	0,00	1,00	50,00
AUXILIARY AND RELATED WORKERS	34,00	0,00	0,00	27,00	79,40
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE.TECHNI	139,00	2,00	1,40	116,00	83,50
BIOLOGISTS BOTANISTS ZOOLOGISTS & REL PROFESSIONAL	2,00	0,00	0,00	0,00	0,00
BOOKBINDING AND RELATED MACHINE OPERATORS	2,00	0,00	0,00	0,00	0,00
BUILDING AND OTHER PROPERTY CARETAKERS	33,00	0,00	0,00	11,00	33,30
BUS AND HEAVY VEHICLE DRIVERS	23,00	0,00	0,00	15,00	65,20
CIVIL ENGINEERING TECHNICIANS	10,00	0,00	0,00	4,00	40,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	127,00	0,00	0,00	9,00	7,10
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	4,00	0,00	0,00	4,00	100,00
COMMUNICATION AND INFORMATION RELATED	8,00	0,00	0,00	5,00	62,50
COMMUNITY DEVELOPMENT WORKERS	2,00	0,00	0,00	2,00	100,00

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progres- sions to an- other notch within a salary level	Notch progression as a % of employees by occupation
COMPUTER PROGRAMMERS.	1,00	0,00	0,00	0,00	0,00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS.	1,00	0,00	0,00	1,00	100,00
CONSERVATION LABOURERS	1,00	0,00	0,00	0,00	0,00
ECONOMISTS	14,00	0,00	0,00	11,00	78,60
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS	1,00	0,00	0,00	0,00	0,00
ENGINEERING SCIENCES RELATED	9,00	0,00	0,00	8,00	88,90
ENGINEERS AND RELATED PROFESSIONALS	11,00	0,00	0,00	6,00	54,50
FARM HANDS AND LABOURERS	550,00	0,00	0,00	228,00	41,50
FARMING FORESTRY ADVISORS AND FARM MANAGERS	4,00	0,00	0,00	4,00	100,00
FINANCE AND ECONOMICS RELATED	12,00	0,00	0,00	9,00	75,00
FINANCIAL AND RELATED PROFESSIONALS	20,00	0,00	0,00	14,00	70,00
FINANCIAL CLERKS AND CREDIT CONTROLLERS	54,00	0,00	0,00	34,00	63,00
FOOD SERVICES AIDS AND WAITERS	1,00	0,00	0,00	0,00	0,00
FORESTRY LABOURERS	4,00	0,00	0,00	0,00	0,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	2,00	0,00	0,00	1,00	50,00
HEALTH SCIENCES RELATED	1,00	0,00	0,00	0,00	0,00
HORTICULTURISTS FORESTERS AGRICUL.& FORESTRY TECHN	325,00	0,00	0,00	48,00	14,80
HOUSEHOLD AND LAUNDRY WORKERS	9,00	0,00	0,00	0,00	0,00

Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progres- sions to an- other notch within a salary level	Notch progression as a % of employees by occupation
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	4,00	0,00	0,00	0,00	0,00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	9,00	0,00	0,00	6,00	66,70
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	29,00	0,00	0,00	28,00	96,60
HUMAN RESOURCES CLERKS	103,00	0,00	0,00	46,00	44,70
HUMAN RESOURCES RELATED	28,00	1,00	3,60	21,00	75,00
INFORMATION TECHNOLOGY RELATED	1,00	0,00	0,00	0,00	0,00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	9,00	0,00	0,00	8,00	88,90
LEGAL RELATED	1,00	0,00	0,00	0,00	0,00
LIBRARIANS AND RELATED PROFESSIONALS	3,00	0,00	0,00	1,00	33,30
LIBRARY MAIL AND RELATED CLERKS	2,00	0,00	0,00	2,00	100,00
LIGHT VEHICLE DRIVERS	20,00	0,00	0,00	10,00	50,00
LOGISTICAL SUPPORT PERSONNEL	20,00	0,00	0,00	0,00	0,00
MECHANICAL ENGINEERING THECHNICIANS	7,00	0,00	0,00	1,00	14,30
MESSENGERS PORTERS AND DELIVERERS	12,00	0,00	0,00	4,00	33,30
MOTOR VEHICLE DRIVERS	46,00	0,00	0,00	33,00	71,70
MOTORISED FARM AND FORESTRY PLANT OPERATORS	7,00	0,00	0,00	4,00	57,10
NATURAL SCIENCES RELATED	5,00	0,00	0,00	4,00	80,00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL. TECHNI	1,00	0,00	0,00	1,00	100,00



Occupation	Employees 1 April 2017	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progres- sions to an- other notch within a salary level	Notch progression as a % of employees by occupation
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	207,00	0,00	0,00	95,00	45,90
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	14,00	0,00	0,00	10,00	71,40
OTHER INFORMATION TECHNOLOGY PERSONNEL.	2,00	0,00	0,00	2,00	100,00
OTHER MACHINE OPERATORS	5,00	0,00	0,00	6,00	120,00
OTHER OCCUPATIONS	52,00	0,00	0,00	5,00	9,60
RISK MANAGEMENT AND SECURITY SERVICES	3,00	0,00	0,00	4,00	133,30
SAFETY HEALTH AND QUALITY INSPECTORS	2,00	0,00	0,00	0,00	0,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	36,00	1,00	2,80	23,00	63,90
SECURITY GUARDS	132,00	0,00	0,00	2,00	1,50
SECURITY OFFICERS	3,00	0,00	0,00	0,00	0,00
SENIOR MANAGERS	33,00	2,00	6,10	29,00	87,90
STATISTICIANS AND RELATED PROFESSIONALS	1,00	0,00	0,00	0,00	0,00
TRADE LABOURERS	1,00	0,00	0,00	0,00	0,00
VETERINARIANS	35,00	1,00	2,90	13,00	37,10
VETERINARY ASSISTANTS	18,00	0,00	0,00	9,00	50,00
<b>TOTAL</b>	<b>2 754,00</b>	<b>16,00</b>	<b>0,60</b>	<b>1 342,00</b>	<b>48,70</b>

*Table 3.5.5 Promotions by salary band for the period 1 April 2017 and 31 March 2018*

Salary Band	Employees 1 April 2017	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( Levels 1-2)	89,00	0,00	0,00	6,00	6,70
Skilled (Levels3-5)	1 095,00	0,00	0,00	438,00	40,00
Highly skilled production (Levels 6-8)	895,00	2,00	0,20	500,00	55,90
Highly skilled supervision (Levels 9-12)	483,00	9,00	1,90	318,00	65,80
Highly Skilled Supervision (Levels 9-12), Temporary	1,00	0,00	0,00	1,00	100,00
Senior Management (Level 13-16)	42,00	4,00	9,50	28,00	66,70
Other, Permanent	65,00	0,00	0,00	0,00	0,00
Contract (Levels 1-2), Permanent	14,00	0,00	0,00	0,00	0,00
Contract (Levels 3-5), Permanent	28,00	0,00	0,00	26,00	92,90
Contract (Levels 6-8), Permanent	16,00	0,00	0,00	12,00	75,00
Contract (Levels 9-12), Permanent	23,00	1,00	4,30	12,00	52,20
Contract (Levels 13-16), Permanent	3,00	0,00	0,00	1,00	33,30
<b>Total</b>	<b>2 754,00</b>	<b>16,00</b>	<b>0,60</b>	<b>1 342,00</b>	<b>48,70</b>

#### 4.2.5 Employment Equity

*Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	26,00	0,00	1,00	7,00	14,00	1,00	1,00	2,00	52,00
Professionals	359,00	3,00	13,00	37,00	340,00	1,00	22,00	25,00	800,00
Technicians and associate professionals	247,00	1,00	7,00	17,00	196,00	2,00	15,00	12,00	497,00
Clerks	113,00	0,00	1,00	0,00	255,00	6,00	22,00	9,00	406,00
Service and sales workers	104,00	0,00	0,00	0,00	16,00	0,00	0,00	0,00	120,00
Skilled agriculture and fishery workers	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Craft and related trades workers	5,00	0,00	1,00	0,00	0,00	0,00	0,00	0,00	6,00
Plant and machine operators and assemblers	96,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	100,00
Elementary occupations	396,00	1,00	1,00	2,00	320,00	0,00	2,00	0,00	722,00
<b>Total</b>	<b>1 346,00</b>	<b>5,00</b>	<b>24,00</b>	<b>63,00</b>	<b>1 145,00</b>	<b>10,00</b>	<b>62,00</b>	<b>48,00</b>	<b>2 703,00</b>
<b>Employees with disabilities</b>	10,00	0,00	0,00	1,00	5,00	0,00	0,00	0,00	16,00

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3,00	0,00	0,00	1,00	2,00	0,00	0,00	0,00	6,00
Senior Management	20,00	0,00	1,00	8,00	14,00	1,00	1,00	3,00	48,00
Professionally qualified and experienced specialists and mid-management	273,00	4,00	17,00	46,00	189,00	1,00	21,00	20,00	571,00

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Temporary	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00	1,00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	303,00	0,00	4,00	6,00	434,00	4,00	34,00	20,00	805,00
Semi-skilled and discretionary decision making	630,00	1,00	2,00	2,00	375,00	4,00	6,00	2,00	1 022,00
Unskilled and defined decision making	48,00	0,00	0,00	0,00	35,00	0,00	0,00	0,00	83,00
Not Available, Permanent	26,00	0,00	0,00	0,00	59,00	0,00	0,00	0,00	85,00
Contract (Top Management), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Contract (Senior Management), Permanent	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
Contract (Professionally Qualified), Permanent	11,00	0,00	0,00	0,00	9,00	0,00	0,00	2,00	22,00
Contract (Skilled Technical), Permanent	8,00	0,00	0,00	0,00	6,00	0,00	0,00	0,00	14,00
Contract (Semi-Skilled), Permanent	11,00	0,00	0,00	0,00	18,00	0,00	0,00	0,00	29,00
Contract (Unskilled), Permanent	10,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	14,00
<b>Total</b>	<b>1 346,00</b>	<b>5,00</b>	<b>24,00</b>	<b>63,00</b>	<b>1 145,00</b>	<b>10,00</b>	<b>62,00</b>	<b>48,00</b>	<b>2 703,00</b>

*Table 3.6.3 Recruitment for the period 1 April 2017 to 31 March 2018*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Senior Management	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
Professionally qualified and experienced specialists and mid-management	1,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	2,00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	18,00	0,00	0,00	0,00	27,00	0,00	0,00	0,00	45,00
Semi-skilled and discretionary decision making	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Unskilled and defined decision making	30,00	0,00	0,00	0,00	57,00	0,00	1,00	0,00	88,00
Contract (Senior Management), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00	3,00
Contract (Professionally qualified), Permanent	14,00	0,00	0,00	0,00	13,00	0,00	0,00	1,00	28,00
Contract (Skilled technical), Permanent	14,00	0,00	0,00	0,00	11,00	0,00	0,00	0,00	25,00
Contract (Semi-skilled), Permanent	21,00	0,00	0,00	0,00	36,00	0,00	0,00	0,00	57,00
Contract (Unskilled), Permanent	20,00	0,00	0,00	0,00	8,00	0,00	0,00	0,00	28,00
<b>Total</b>	<b>123,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>153,00</b>	<b>0,00</b>	<b>1,00</b>	<b>3,00</b>	<b>280,00</b>
<b>Employees with disabilities</b>	2,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00	0,00

Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Senior Management	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
Professionally qualified and experienced specialists and mid-management	1,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	2,00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	18,00	0,00	0,00	0,00	27,00	0,00	0,00	0,00	45,00
Semi-skilled and discretionary decision making	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
Unskilled and defined decision making	30,00	0,00	0,00	0,00	57,00	0,00	1,00	0,00	88,00
Contract (Senior Management), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00	3,00
Contract (Professionally qualified), Permanent	14,00	0,00	0,00	0,00	13,00	0,00	0,00	1,00	28,00
Contract (Skilled technical), Permanent	14,00	0,00	0,00	0,00	11,00	0,00	0,00	0,00	25,00
Contract (Semi-skilled), Permanent	21,00	0,00	0,00	0,00	36,00	0,00	0,00	0,00	57,00
Contract (Unskilled), Permanent	20,00	0,00	0,00	0,00	8,00	0,00	0,00	0,00	28,00
<b>Total</b>	<b>123,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>153,00</b>	<b>0,00</b>	<b>1,00</b>	<b>3,00</b>	<b>280,00</b>
<b>Employees with disabilities</b>	2,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00	0,00



*Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2018*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2,00	0,00	0,00	1,00	2,00	0,00	0,00	0,00	5,00
Senior Management	11,00	0,00	1,00	7,00	11,00	0,00	0,00	5,00	35,00
Professionally qualified and experienced specialists and mid-management	9,00	0,00	0,00	0,00	13,00	2,00	1,00	2,00	27,00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	49,00	0,00	1,00	0,00	17,00	1,00	0,00	0,00	68,00
Semi-skilled and discretionary decision making	1,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	3,00
Unskilled and defined decision making	26,00	0,00	0,00	0,00	53,00	0,00	1,00	0,00	80,00
Contract (Senior Management), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	3,00	4,00
Contract (Professionally qualified), Permanent	11,00	0,00	0,00	0,00	17,00	0,00	0,00	1,00	29,00
Contract (Skilled technical), Permanent	11,00	0,00	0,00	0,00	13,00	0,00	0,00	0,00	24,00
Contract (Semi-skilled), Permanent	20,00	0,00	0,00	0,00	36,00	0,00	0,00	0,00	56,00
Contract (Unskilled), Permanent	20,00	0,00	0,00	0,00	8,00	0,00	0,00	0,00	28,00
<b>Total</b>	<b>161,00</b>	<b>0,00</b>	<b>2,00</b>	<b>8,00</b>	<b>172,00</b>	<b>3,00</b>	<b>2,00</b>	<b>11,00</b>	<b>359,00</b>
<b>Employees with Disabilities</b>	4,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	5,00

*Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2018*

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	80	9	6	20	50	1	5	10	181
Professionals	16	2	5	9	15	0	0	3	50
Technicians and associate professionals	144	0	26	5	125	0	0	0	299
Clerks	51	6	2	30	109	6	6	16	225
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	25	0	0	0	0	0	0	0	25
Elementary occupations	160	2	3	0	261	0	0	0	426
<b>Total</b>	<b>476</b>	<b>19</b>	<b>42</b>	<b>64</b>	<b>560</b>	<b>7</b>	<b>11</b>	<b>29</b>	<b>1206</b>
<b>Employees with disabilities</b>	5								

#### 4.2.6 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

*Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2018*

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department				
Salary Level 16	1	1	1	100%
Salary Level 15	5	5	4	80%
Salary Level 14	5	5	4	80%
Salary Level 13	34	34	31	91%
Total	45	45	40	89%

*Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2018*

Reasons
Department was engaged in the matching and placement process of SMS Members into the approved organisational structure

*Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2018*

Reasons
The three SMS members who did not comply were not discipline due to the fact that the Department was still engaged on the matching and placement process. It was beyond their control, but not deliberate.

#### 4.2.7 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

#### 4.2.8 Foreign Workers

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

*Table 3.9.1 Foreign workers by salary band for the period 1 April 2017 and 31 March 2018*

Salary band	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
skilled	9,00	90,00	10,00	90,90	1,00	100,00
Highly skilled production (Lev. 6-8)	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled supervision (Lev. 9-12)	1,00	10,00	1,00	9,10	0,00	0,00
Contract (level 9-12)	0,00	0,00	0,00	0,00	0,00	0,00
Contract (level 13-16)	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>10,00</b>	<b>100,00</b>	<b>11,00</b>	<b>100,00</b>	<b>1,00</b>	<b>100,00</b>

*Table 3.9.2 Foreign workers by major occupation for the period 1 April 2017 and 31 March 2018*

Major occupation	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Administrative office workers	1,00	10,00	1,00	9,10	0,00	0,00
Professionals and managers	7,00	70,00	9,00	81,80	2,00	200,00
Technicians and associated professionals	2,00	20,00	1,00	9,10	- 1,00	- 100,00
<b>TOTAL</b>	<b>10,00</b>	<b>100,00</b>	<b>11,00</b>	<b>100,00</b>	<b>1,00</b>	<b>100,00</b>

#### 4.2.9 Leave Utilisation

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

*Table 3.10.1 Sick leave for the period 1 January 2017 to 31 December 2018*

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	248,00	98,00	38,00	2,90	7,00	126,00
Skilled (levels 3-5)	3 617,00	90,40	508,00	38,20	7,00	2 618,00
Highly skilled production (levels 6-8)	3 186,00	87,30	429,00	32,30	7,00	4 567,00
Highly skilled supervision (levels 9 -12)	2 104,00	89,60	282,00	21,20	7,00	4 739,00
Top and Senior management (levels 13-16)	140,00	86,40	23,00	1,70	6,00	571,00
Contract (Levels 3-5)	44,00	70,50	13,00	1,00	3,00	34,00
Contract (Levels 6-8)	59,00	91,50	7,00	0,50	8,00	81,00
Contract (Levels 9-12)	29,00	51,70	8,00	0,60	4,00	63,00
Contract Other	63,00	63,50	21,00	1,60	3,00	24,00
<b>Total</b>	<b>9 490,00</b>	<b>89,00</b>	<b>1 329,00</b>	<b>100,00</b>	<b>7,00</b>	<b>12 822,00</b>

*Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2018*

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	111,00	100,00	2,00	4,50	56,00	55,00
Skilled (Levels 3-5)	755,00	100,00	18,00	40,90	42,00	511,00
Highly skilled production (Levels 6-8)	159,00	100,00	14,00	31,80	11,00	230,00
Highly skilled supervision (Levels 9-12)	274,00	100,00	9,00	20,50	30,00	603,00
Senior management (Levels 13-16)	8,00	100,00	1,00	2,30	8,00	28,00
<b>TOTAL</b>	<b>1 307,00</b>	<b>100,00</b>	<b>44,00</b>	<b>100,00</b>	<b>30,00</b>	<b>1 427,00</b>

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

*Table 3.10.3 Annual Leave for the period 1 January 2017 to 31 December 2018*

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	1 754,00	20,00	87,00
Skilled Levels 3-5)	24 265,92	23,00	1 038,00
Highly skilled production (Levels 6-8)	17 942,00	21,00	858,00
Highly skilled supervision(Levels 9-12)	12 944,92	21,00	608,00
Senior management (Levels 13-16)	848,00	15,00	56,00
Contract (Levels 13-16)	10,00	10,00	1,00
Contract (Levels 3-5)	103,00	4,00	24,00
Contract (Levels 6-8)	124,00	11,00	11,00
Contract (Levels 9-12)	226,00	13,00	17,00
Contract Other	355,00	4,00	79,00
<b>Total</b>	<b>58 575,84</b>	<b>21,00</b>	<b>2 780,00</b>

*Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2018*

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0,00	0,00	0,00	0,00
Skilled Levels 3-5)	81,00	13,00	6,00	99,00
Highly skilled production (Levels 6-8)	116,00	13,00	9,00	74,00
Highly skilled supervision(Levels 9-12)	54,00	10,00	5,00	133,00
Senior management (Levels 13-16)	7,00	2,00	4,00	107,00
Contract (Levels 13-16)	0,00	0,00	0,00	0,00
	0,00	0,00	0,00	48,00
Contract (Levels 3-5)	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	0,00	0,00	0,00	0,00
Contract Other	0,00	0,00	0,00	0,00
<b>Total</b>	<b>258,00</b>	<b>38,00</b>	<b>7,00</b>	<b>101,00</b>



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

*Table 3.10.5 Leave payouts for the period 1 April 2017 and 31 March 2018*

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2017/18 due to non-utilisation of leave for the previous cycle	0,00	0,00	0,00
Capped leave payouts on termination of service for 2017/18	14 129,00	155,00	91 155,00
Current leave payout on termination of service for 2017/18	315,00	14,00	22 500,00
<b>Total</b>	<b>14 444,00</b>	<b>169,00</b>	<b>85 67,00</b>

#### 4.2.10 HIV/AIDS & Health Promotion Programmes

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Mr. LD Madondo
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		5 employees are responsible for the programme.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		Health and Productivity management – communicable and non-communicable diseases, management of mental health, Management of incapacity and ill-health retirement and health education and promotion.  Wellness Management - individual physical wellness, psycho-social, organisational wellness and work-life balance.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		The EH&W Committee is not functional. Appointment of organised labour into the committee is still outstanding.

Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		Policy on official working hours and working arrangements addresses all medical related needs in order to provide holistic support with no exclusion of other related medical conditions.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		HIV/AIDS, STI AND TB Management policy
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		450 employees know their HIV status. 12 tested positive.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		No	

#### 4.2.11 Labour Relations

*Table 3.12.1 Collective agreements for the period 1 April 2017 and 31 March 2018*

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

*Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2017 and 31 March 2018*

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	07	2.66%
Verbal warning	01	0.38%
Written warning	03	1.14%
Final written warning	02	0.76%
Suspended without pay	04	1.52%
Fine	Nil	
Demotion	Nil	
Dismissal	07	2.66%
Not guilty	03	1.14%
Case withdrawn	11	4.18%
<b>Total</b>	<b>38</b>	

Total number of Disciplinary hearings finalised	None
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*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018*

Type of misconduct	Number	% of total
Fraud/ theft	15	11%
Other	42	30.66%
Assault	01	1%
Misuse of state property	06	4.8%
Insubordination	02	2.4%
Absenteeism	06	4.8%
<b>Total</b>	<b>72</b>	

*Table 3.12.4 Grievances logged for the period 1 April 2017 and 31 March 2018*

Grievances	Number	% of Total
Number of grievances resolved	32	21.12%
Number of grievances not resolved	34	22.44%
<b>Total number of grievances lodged</b>	<b>66</b>	

*Table 3.12.5 Disputes logged with Councils for the period 1 April 2017 and 31 March 2018*

Disputes	Number	% of Total
Number of disputes upheld	03	25%
Number of disputes dismissed	03	25%
<b>Total number of disputes lodged</b>	<b>12</b>	<b>50%</b>

*Table 3.12.6 Strike actions for the period 1 April 2017 and 31 March 2018*

Total number of persons working days lost	<b>Nil</b>
Total costs working days lost	<b>Nil</b>
Amount recovered as a result of no work no pay (R'000)	<b>Nil</b>

*Table 3.12.7 Precautionary suspensions for the period 1 April 2017 and 31 March 2018*

Number of people suspended	<b>02</b>
Number of people whose suspension exceeded 30 days	<b>02</b>
Average number of days suspended	<b>135</b>
Cost of suspension(R'000)	<b>R 273 495,00</b>





# PART E:

## FINANCIAL INFORMATION

## PART E: FINANCIAL INFORMATION

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### Department of Agriculture and Rural Development

Audit report or the year ending March 2018	31
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## Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 3: Department of Agriculture and Rural Development

### *Report on the audit of the financial statements*

#### **Qualified opinion**

1. I have audited the financial statements of the Department of Agriculture and Rural Development set out on pages 151 to 260, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture and Rural Development as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

#### **Basis for qualified opinion**

##### **Transfers and subsidies**

3. The department did not correctly classify payments for which it received goods and services and/or capital assets in accordance with chapter 8 of the MCS. Payments for which the department received goods and services and/or capital assets were recorded as transfer payments. I was unable to determine the impact of this misstatement as it was impracticable to do so for the transfers and subsidies stated at R287,12 million, goods and services stated at R637,72 million and expenditure for capital assets stated at R109,99 million in note 7, note 4 and note 8, respectively to the financial statements.

##### **Immovable tangible capital assets**

4. I was unable to obtain sufficient and appropriate audit evidence for opening balances, completed assets and closing balances for immovable assets which includes capital work-in-progress stated at R551,83 million in note 30 to the financial statements. The department did not maintain a schedule of infrastructure projects under construction and completed immovable assets. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to immovable assets stated in the financial statements.

##### **Irregular expenditure**

5. The department did not fully record irregular expenditure in the notes to the financial statements, as required by section 40(3)(i) of the PFMA. This resulted in the department not having adequate systems of internal control for the recording of transactions relating to tenders and quotations that did not comply with supply chain management legislation. I was unable to confirm the extent of irregular expenditure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure stated at R431,28 million (2016-17: R281 million) in note 23 to the financial statements.



### Commitments

6. I was unable to obtain sufficient and appropriate audit evidence for commitments, as the department did not maintain accurate and complete records of the contractual information used to determine commitments. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to commitments stated at R171,82 million (2016-17: R254,53 million) in note 18 to the financial statements.

### Lease commitments

7. The department did not record all lease commitments entered into in accordance with chapter 13 of the MCS. Lease agreements for commitments that were in place at year end were not recorded in the schedule of lease commitments. I was unable to determine the impact of this misstatement as it was impracticable to do so for the lease commitments stated at R37,73 million in note 21 to the financial statements.

### Context for the opinion

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

### Emphasis of matters

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

### Material underspending of the budget

12. As disclosed in the appropriation statement, the department materially underspent the budget on the programmes for administration, agriculture development services and rural development to the amount of R39,97 million, R112,89 million and R10,95 million respectively.

### Material underspending of the conditional grant

13. As disclosed in the appropriation statement, the department materially underspent on conditional grants for the Letsema project and Comprehensive agricultural support programme to the amount of R33,87 million and R23,69 million respectively. This underspending is attributed to the slower than anticipated implementation of agricultural projects.

### Other matter

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

### Unaudited supplementary schedules

15. The supplementary information set out on pages 243 to 260 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

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

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS 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.
17. In preparing the financial statements, the management is responsible for assessing the Department of Agriculture and Rural Development'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 management either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

18. 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.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

***Report on the audit of the annual performance report*****Introduction and scope**

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the annual performance report
Programme 2 – Agriculture	41 – 52
Programme 3 – Rural Development	53 – 55

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

#### *Programme 2 – Agriculture*

#### **Reported performance indicators were not consistent when compared with the planned performance indicators**

##### **Various indicators**

25. The performance indicators listed below as approved in the annual performance plan were not reported in the annual performance report:

■ No. of farmers supported ■ No. of animals subjected to animal healthcare measures ■ No. of research projects undertaken ■ No. of agri-businesses supported ■ No. of farmers trained in agriculture.

#### **No evidence was provided for reasons for variances between planned and actual performance**

##### **Various indicators**

26. I was unable to obtain sufficient appropriate audit evidence to support the reason for the variance between the planned targets and the achievements reported in the annual performance report. This was due to limitations placed on the scope of my work as corroborating evidence to support variances were not submitted for audit. I was unable to confirm the reported reason for the variance by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported reason for the variance for the indicators listed below:

Indicator name	Indicator sub-programme	Number of indicators
No. of agricultural engineering advisory reports prepared/ No. of designs with specification for agricultural engineering solutions provided/ No. of hectares protected/ No. of agricultural infrastructure established/ No. of projects of animal houses implemented (Piggery, Poultry, etc.) / No. of Agro-Processing facilities established (Pack house, dairy parlour, sheep hearing sheds, etc.)/	Sustainable natural resources	11

Indicator name	Indicator sub-programme	Number of indicators
No. of green jobs created through Land Care/ No. of hectares protected / rehabilitated to improve agricultural production/ No. of hectares of agricultural land protected through guiding subdivision/rezoning/change of agricultural land use/ No. of disaster relief schemes managed/ No. of disaster risk reduction programmes managed.		
No. of farmers supported/ No. of smallholder producers receiving support/ No. of commercial farmers supported/ No. of agricultural assessments conducted/ No. of smallholder producers supported with agricultural advice/ No. of hectares under irrigation used by smallholder farmers/ No. of jobs created/ No. of hectares of maize established/ No. of hectares of beans established/ No. of hectares of vegetables established/ No. of hectares of soya bean established/ No. of hectares of cotton established/ No. of hectares of sugarcane established/ No. of households benefiting from agricultural food security initiatives/ No. of hectares cultivated for food production in communal areas and land reform projects/ No. of community gardens established/ No. of household gardens established/ No. of institutional gardens supported/ No. of food security livestock projects established (goats, layers and indigenous chickens)/ No. of households that receive fruit trees. No. of scientific evaluation reports on commodity based project/ No. of scientific value adding reports on diversified agricultural products/ No. of agricultural business plans	Farmer support and development	23

Indicator name	Indicator sub-programme	Number of indicators
developed.		
No. of animals subjected to animal health care measures/ No. of epidemiological units visited for veterinary interventions/ Animals Vaccinated for Control / notifiable Diseases/ No. of animals surveyed for diseases (TB/CA/Rabies/AI/NCD/Nagana/BSE)/ No. of clients serviced for animal and animal products export control/ % level of abattoir compliance to meat safety legislation/ No. of inspections to facilities processing animal products and by products/ No. of inspections to further processing facilities/ No. of tests performed the quality of which meets the ISO17025 standard and OIE requirements/ No. of tests performed.	Veterinary services	10
No. of research projects undertaken/ No. of research and technology development projects implemented to improve agricultural production/ No. of scientific papers published nationally or internationally/ No. of samples analysed.	Research and technology development	4
No. of agri-businesses supported	Agricultural economic services	1
No. of farmers trained in agriculture/ No. of agricultural Higher Education and Training graduates No. of participants trained in agricultural skills development programmes/ No. of intervention in revitalization of agricultural schools.	Structured agricultural education and training	4

#### Presentation and disclosure: Reasons for variances not disclosed

##### Various indicators

27. The reasons for the variance between the planned targets and the reported achievements were not explained in the annual performance report for the indicators listed below:

- No. of farmers supported ■ No. of animals subjected to animal healthcare measures ■ No. research projects undertaken ■ No. of agri-businesses supported ■ No. of farmers trained in agriculture.

### Reported achievements not supported by detailed data listings

#### Various indicators

28. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 41 of the 66 indicators relating to this programme. This was due to limitations placed on the scope of my work as detailed data listings were not made available. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator name	Indicator sub-programme	Number of indicators
No. of hectares protected/ No. of Agro-Processing facilities established (Pack house, dairy parlour, sheep hearing sheds, etc.)/ No. of hectares protected / rehabilitated to improve agricultural production/ No. of hectares of agricultural land protected through guiding subdivision/rezoning/change of agricultural land use/ No. of disaster relief schemes managed/ No. of disaster risk reduction programmes managed.	Sustainable natural resources	6
No. of farmers supported/ No. of smallholder producers receiving support/ No. of commercial farmers supported/ No. of agricultural assessments conducted/ No. of smallholder producers supported with agricultural advice/ No. of hectares under irrigation used by smallholder farmers/ No. of jobs created/ No. of hectares of maize established/ No. of hectares of beans established/ No. of hectares of vegetables established/ No. of hectares of soya bean established/ No. of hectares of cotton established/ No. of hectares of sugarcane established/ No. of households benefiting from agricultural food security initiatives/ No. of hectares cultivated for food production in communal areas and land reform projects/ No. of community gardens established/ No. of household gardens established/	Farmer support and development	20



Indicator name	Indicator sub-programme	Number of indicators
No. of institutional gardens supported/ No. of food security livestock projects established (goats, layers and indigenous chickens)/ No. of households that receive fruit trees.		
No. of animals subjected to animal health care measures/ No. of epidemiological units visited for veterinary interventions/ Animals Vaccinated for Control / notifiable Diseases/ No. of animals surveyed for diseases (TB/CA/Rabies/AI/NCD/Nagana/BSE)/ No. of clients serviced for animal and animal products export control/ % level of abattoir compliance to meat safety legislation/ No. of inspections to facilities processing animal products and by products/ No. of inspections to further processing facilities/ No. of tests performed the quality of which meets the ISO17025 standard and OIE requirements/ No. of tests performed.	Veterinary services	10
No. of research projects undertaken	Research and technology development	1
No. of agri-businesses supported	Agricultural economic services	1
No. of farmers trained in agriculture/ No. of participants trained in agricultural skills development programmes/ No. of interventions in schools programmes.	Structured agricultural education and training	3

#### Reported achievements not supported by sufficient appropriate audit evidence

##### Number of kilometres of fencing erected

29. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 221,12 kilometres of fencing erected. This was due to limitations placed on the scope of my work as site inspection reports were not provided and completion certificates did not contain sufficient detail of the actual number of kilometres of fencing erected. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 221,12 kilometres of fencing erected as reported in the annual performance report.

##### Number of projects of animal houses implemented (Piggery, poultry, etc.)

30. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of five projects of animal houses. This was due to limitations placed on the scope of my work as valid completion certificates were not provided for all projects and projects that were completed in the prior year were included as part

of the current year achievements. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of five projects of animal houses implemented as reported in the annual performance report.

### **Programme 3 – Rural development**

#### **Performance indicators were not well defined**

##### **Number of irrigation scheme enterprises market strategies developed**

31. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement of the number of irrigation scheme enterprise market strategies developed. This was due to a lack of technical indicator descriptions and a proper performance management system and processes that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicator by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of zero as reported in the annual performance report.

#### **No evidence was provided for reasons for variances between planned and actual performance**

##### **Various indicators**

32. I was unable to obtain sufficient appropriate audit evidence to support the reasons for the variances between the planned targets and the achievements for the following indicators reported in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported reason for the variance by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported reasons for the variances.

<b>Indicator</b>	<b>Planned target</b>	<b>Reported achievement</b>	<b>Variance</b>
No. of youth, women and people with disabilities who participate in rural development projects, including Agriparks	1 550	0	1 550
Develop outcome 7 performance reports for the province	4	3	1
No. of irrigation scheme enterprises market strategies developed	6	0	6
No. of business entities (incl. co-ops) equipped with rural enterprise development skills (Youth, women & other)	175	113	62
No. of projects mentored	50	29	21

#### **Other matters**

33. I draw attention to the matters below.

##### **Achievement of planned targets**

34. The annual performance report on pages 37 to 55 contains information on the achievement of planned targets for the year and explanations are also provided for the under/over achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 25 to 32 of this report.

##### **Adjustment of material misstatements**

35. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of agriculture development and rural development. I raised material findings on the usefulness and reliability of the reported performance

information and management subsequently corrected only some of the misstatements. Those that were not corrected are reported above.

### *Report on the audit of compliance with legislation*

#### **Introduction and scope**

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

#### **Annual financial statements**

38. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified opinion.

#### **Expenditure management**

39. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. As reported in the basis for qualified opinion the value, as disclosed in note 31 of the financial statements does not reflect the full extent of the irregular expenditure incurred. The majority of the irregular expenditure disclosed in the financial statements was caused by proper procurement processes not being followed.
40. Effective steps were not taken to prevent fruitless and wasteful expenditure as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by interest charged on arbitration awards.
41. Certain payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

#### **Strategic planning**

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

#### **Consequence management**

43. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.
44. Allegations of fraud which exceeded R100 000 were not reported to the South African Police Services, as required by section 34(1) of the Prevention and Combating of Corrupt Activities Act of South Africa, 2004 (Act No. 12 of 2004).

**Conditional grants**

45. I was unable to obtain sufficient appropriate audit evidence that the comprehensive agricultural support programme grant was spent for its intended purposes in accordance with the applicable grant framework, as required section 17(1) of the Dora.

**Procurement and contract management**

46. Some goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by treasury regulation 16A6.1. Some deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of treasury regulation 16A6.4.
47. Some construction contracts were awarded to contractors that were not registered with the Construction Industry Development Board (CIDB) and did not qualify for the contract in accordance with section 18(1) of the CIDB Act of South Africa, 2000 (Act No. 38 of 2000) and CIDB regulations 17 and 25(7A).

**Other information**

48. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
49. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
50. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
51. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

**Internal control deficiencies**

52. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
53. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

**Leadership**

54. Leadership did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance with legislation. In this regard, the accounting officer did not effectively monitor action plans to address internal controls within procurement and contract management to ensure compliance with legislative requirements and the audit action plan to address control deficiencies relating to performance reporting.

**Financial and performance management**

55. Management did not prepare regular, accurate and complete financial and performance reports that were supported by reliable information as evidenced by the material misstatements identified in the annual financial statements and material findings on the annual performance report. In addition, there was inadequate controls over procurement and contract management as well as inadequate processes for the co-ordination of information from the regions to support reported achievements for performance information reported.

**Other reports**

56. I draw attention to the following engagements conducted by various parties that had, or could have an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

57. The KwaZulu-Natal Provincial Treasury conducted seven investigations covering the period 1 April 2010 to 31 March 2017. These investigations related to allegations of fraud and corruption within the department's supply chain management function, irregular expenditure and procurement irregularities. Five cases have been finalised and implementation of recommendations are in progress while two cases are still in progress.

Pietermaritzburg

31 July 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general’s responsibility for the audit

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

### Financial statements

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

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



# ANNUAL FINANCIAL STATEMENTS

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For the year ended  
31 March 2018

**ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2018*

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**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2018**

Appropriation per programme									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
<b>1. ADMINISTRATION</b>	517 077	-	-	517 077	476 647	40 430	92.2%	457 795	457 419
<b>2. AGRICULTURE</b>	1 649 815	-	-	1 649 815	1 536 918	112 897	93.2%	1 744 190	1 744 190
<b>3. RURAL DEVELOPMENT</b>	30 252	-	-	30 252	19 300	10 952	63.8%	14 757	14 757
<b>Subtotal</b>	<b>2 197 144</b>	<b>-</b>	<b>-</b>	<b>2 197 144</b>	<b>2 032 865</b>	<b>164 279</b>	<b>92.5%</b>	<b>2 216 742</b>	<b>2 216 366</b>
<b>Statutory Appropriation</b>									
President and Deputy									
President salary									
Members' remuneration									
Debt service costs									
Provincial equitable share									
General fuel levy sharing									
with metropolitan municipalities									
National Revenue Fund payments									
Skills levy and sector education and training authorities									
Judges' and magistrates' salaries									
<b>TOTAL</b>	<b>2 197 144</b>	<b>-</b>	<b>-</b>	<b>2 197 144</b>	<b>2 032 865</b>	<b>164 279</b>	<b>92.5%</b>	<b>2 216 742</b>	<b>2 216 366</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

	2017/18		2016/17	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>				
Reconciliation with statement of financial performance				
<b>ADD</b>				
Departmental receipts	21 343		20 023	
NRF Receipts	-		-	
Aid assistance	-		-	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>2 218 487</b>		<b>2 236 765</b>	
<b>ADD</b>				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>2 032 865</b>		<b>2 216 366</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Appropriation per economic classification									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>1 750 425</b>	-	(10 916)	<b>1 739 509</b>	<b>1 635 267</b>	<b>104 242</b>	<b>94.0%</b>	<b>1 573 157</b>	<b>1 644 912</b>
Compensation of employees	<b>1 014 970</b>	-	(15 909)	<b>999 061</b>	<b>996 587</b>	<b>2 474</b>	<b>99.8%</b>	<b>950 864</b>	<b>950 488</b>
Salaries and wages	849 056	-	8 536	857 592	855 639	1 953	99.8%	815 014	815 014
Social contributions	165 914	-	(24 445)	141 469	140 948	521	99.6%	135 850	135 474
Goods and services	<b>735 078</b>	-	<b>4 339</b>	<b>739 417</b>	<b>637 724</b>	<b>101 693</b>	<b>86.2%</b>	<b>622 191</b>	<b>694 322</b>
Administrative fees	2 012	-	801	2 813	2 624	189	93.3%	2 654	2 654
Advertising	4 030	-	(1 686)	2 344	1 784	560	76.1%	4 381	4 381
Minor assets	9 724	-	(3 601)	6 123	3 945	2 178	64.4%	4 860	4 860
Audit costs: External	5 248	-	6 294	11 542	11 542	-	100.0%	4 151	4 151
Bursaries: Employees	1 453	-	-	1 453	443	1 010	30.5%	1 165	1 165
Catering: Departmental activities	4 613	-	(416)	4 197	3 787	410	90.2%	3 507	3 507
Communication	34 144	-	6 483	40 627	37 720	2 907	92.8%	33 670	33 670
Computer services	63 043	-	10 367	73 410	70 014	3 396	95.4%	46 014	46 014
Consultants: Business and advisory services	3 586	-	(1 664)	1 922	945	977	49.2%	738	7 247
Infrastructure and planning services	87 449	-	(10 409)	77 040	44 180	32 860	57.3%	51 467	51 467
Laboratory services	62	-	48	110	110	-	100.0%	32	32
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 902	-	(2 167)	735	735	-	100.0%	1 282	1 282
Contractors	32 108	-	5 586	37 694	33 502	4 192	88.9%	29 763	29 763
Agency and support / outsourced services	17 997	-	(6 552)	11 445	10 659	786	93.1%	10 721	10 721

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2018**

Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	40 349	-	(368)	39 981	38 453	1 528	96.2%	35 414	35 414
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	2 183	-	(1 825)	358	358	-	100.0%	6 059	6 059
Inventory: Farming supplies	127 542	-	(1 427)	126 115	116 553	9 562	92.4%	127 795	193 417
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3 610	-	(700)	2 910	2 212	698	76.0%	1 976	1 976
Inventory: Learner and teacher support material	1 200	-	(71)	1 129	1 129	-	100.0%	1 650	1 650
Inventory: Materials and supplies	37 014	-	(17 052)	19 962	7 646	12 316	38.3%	6 496	6 496
Inventory: Medical supplies	1 098	-	(12)	1 086	797	289	73.4%	254	254
Inventory: Medicine	12 225	-	24 031	36 256	27 924	8 332	77.0%	32 577	32 577
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	4 295	-	(4 295)	-	-	-	-	3 469	3 469
Consumable supplies	27 128	-	(1 014)	26 114	22 443	3 671	85.9%	23 947	23 947
Consumable: Stationery, printing and office supplies	8 021	-	(2 231)	5 790	4 771	1 019	82.4%	3 977	3 977
Operating leases	32 736	-	(523)	32 213	29 237	2 976	90.8%	30 603	30 603
Property payments	90 103	-	4 435	94 538	86 658	7 880	91.7%	71 046	71 046
Transport provided: Departmental activity	-	-	-	-	-	-	-	340	340
Travel and subsistence	61 368	-	7 528	68 896	66 131	2 765	96.0%	65 499	65 499
Training and development	8 822	-	(6 021)	2 801	2 575	226	91.9%	5 725	5 725
Operating payments	6 011	-	2 317	8 328	7 535	793	90.5%	8 754	8 754
Venues and facilities	2 957	-	(1 667)	1 290	1 207	(83)	93.6%	2 195	2 195
Rental and hiring	45	-	150	195	105	90	53.8%	10	10
Interest and rent on land	377	-	654	1 031	956	75	92.7%	102	102
Interest	302	-	654	956	956	-	100.0%	102	102
Rent on land	75	-	-	75	-	75	-	-	-
<b>Transfers and subsidies</b>	<b>292 873</b>	-	<b>5 428</b>	<b>298 301</b>	<b>287 119</b>	<b>11 182</b>	<b>96.3%</b>	<b>467 353</b>	<b>275 994</b>
Provinces and municipalities	1 598	-	-	1 598	1 380	218	86.4%	1 278	1 278
Provinces	1 546	-	-	1 546	1 328	218	85.9%	1 278	1 278



[illegible]

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2018**

Machinery and equipment	41 268	-	9 000	50 268	32 866	17 402	65.4%	38 252	130 120
Transport equipment	18 938	-	9 000	27 938	21 260	6 678	76.1%	18 030	18 030
Other machinery and equipment	22 330	-	-	22 330	11 606	10 724	52.0%	20 222	112 090
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	872	-	-	872	695	177	79.7%	169	169
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and Intangible assets	636	-	-	636	-	636	-	51	51
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>488</b>	<b>488</b>	<b>488</b>	<b>-</b>	<b>100.0%</b>	<b>1 838</b>	<b>1 838</b>
	<b>2 197 144</b>	<b>-</b>	<b>-</b>	<b>2 197 144</b>	<b>2 032 865</b>	<b>164 279</b>	<b>92.5%</b>	<b>2 216 742</b>	<b>2 216 366</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Statutory Appropriation per economic classification									
2017/18							2016/17		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>									
Compensation of employees									
Goods and services									
Interest and rent on land									
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
<b>Payments for financial assets</b>									

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>Programme 1: ADMINISTRATION</b>									
	<b>2017/18</b>					<b>2016/17</b>			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. OFFICE OF THE MEC	15 342	-	(2 000)	13 342	11 812	1 530	88.5%	16 001	16 001
2. SENIOR MANAGEMENT	35 262	-	10 015	45 277	43 393	1 884	95.8%	26 144	26 144
3. CORPORATE SERVICES	274 693	-	7 660	282 353	272 772	9 581	96.6%	244 961	244 961
4. FINANCIAL MANAGEMENT	165 481	-	(23 031)	142 450	117 230	25 220	82.3%	142 493	142 117
5. COMMUNICATION SERVICES	26 299	-	7 356	33 655	31 440	2 215	93.4%	28 196	28 196
<b>Total for sub programmes</b>	<b>517 077</b>	<b>-</b>	<b>-</b>	<b>517 077</b>	<b>476 647</b>	<b>40 430</b>	<b>92.2%</b>	<b>457 795</b>	<b>457 419</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>459 316</b>	<b>-</b>	<b>(888)</b>	<b>458 428</b>	<b>443 038</b>	<b>15 390</b>	<b>96.6%</b>	<b>412 557</b>	<b>412 181</b>
Compensation of employees	<b>210 860</b>	<b>-</b>	<b>(4 486)</b>	<b>206 374</b>	<b>205 016</b>	<b>1 358</b>	<b>99.3%</b>	<b>192 621</b>	<b>192 245</b>
Salaries and wages	178 220	-	764	178 984	178 040	944	99.5%	165 772	165 772
Social contributions	32 640	-	(5 250)	27 390	26 976	414	98.5%	26 849	26 473
Goods and services	<b>248 154</b>	<b>-</b>	<b>3 900</b>	<b>252 054</b>	<b>238 022</b>	<b>14 032</b>	<b>94.4%</b>	<b>219 850</b>	<b>219 850</b>
Administrative fees	893	-	138	1 031	1 000	31	97.0%	1 031	1 031
Advertising	2 942	-	(1 133)	1 809	1 767	42	97.7%	4 309	4 309
Minor assets	2 182	-	(1 233)	949	218	731	23.0%	1 922	1 922
Audit costs: External	5 248	-	6 294	11 542	11 542	-	100.0%	4 019	4 019
Bursaries: Employees	874	-	-	874	443	431	50.7%	1 144	1 144
Catering: Departmental activities	842	-	375	1 217	976	241	80.2%	986	986
Communication	26 964	-	44	27 008	24 840	2 168	92.0%	22 503	22 503
Computer services	58 274	-	9 342	67 616	64 736	2 880	95.7%	42 252	42 252

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2018**

Consultants: Business and advisory services	1 586	-	(184)	1 402	945	457	67.4%	224	224
Infrastructure and planning services	2 252	-	(727)	1 525	1 525	-	100.0%	160	160
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 902	-	(2 167)	735	735	-	100.0%	1 282	1 282
Contractors	11 644	-	4 912	16 556	16 424	132	99.2%	11 257	11 257
Agency and support / outsourced services	764	-	31	795	795	-	100.0%	270	270
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	8 640	-	(1 069)	7 571	7 403	168	97.8%	32 342	32 342
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	355	355	355	-	100.0%	2 641	2 641
Inventory: Farming supplies	150	-	(150)	-	-	-	-	25	25
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	26	-	(24)	2	2	-	100.0%	1	1
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	628	-	(628)	-	-	-	-	3 056	3 056
Inventory: Medical supplies	2	-	(2)	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	13 238	-	563	13 801	13 151	650	95.3%	1 712	1 712
Consumable: Stationery, printing and office supplies	4 650	-	(1 676)	2 974	2 596	378	87.3%	2 150	2 150
Operating leases	28 921	-	(784)	28 137	25 642	2 495	91.1%	27 710	27 710
Property payments	50 917	-	(8 282)	42 635	41 255	1 380	96.8%	37 584	37 584

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2018**

Transport provided:	-	-	-	-	-	-	-	-	-	-
Departmental activity	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	17 660	18 061	16 840	1 221	93.2%	15 670	15 670	93.2%	15 670	15 670
Training and development	4 173	1 964	1 964	-	100.0%	3 724	3 724	100.0%	3 724	3 724
Operating payments	1 327	3 092	2 638	454	85.3%	980	980	85.3%	980	980
Venues and facilities	455	253	170	83	67.2%	886	886	67.2%	886	886
Rental and hiring	-	150	60	90	40.0%	10	10	40.0%	10	10
Interest and rent on land	302	-	-	-	-	86	86	-	86	86
Interest	302	-	-	-	-	86	86	-	86	86
Rent on land	-	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>9 523</b>	<b>10 056</b>	<b>7 569</b>	<b>2 487</b>	<b>75.3%</b>	<b>8 971</b>	<b>8 971</b>	<b>75.3%</b>	<b>8 971</b>	<b>8 971</b>
Provinces and municipalities	850	850	718	132	84.5%	1 278	1 278	84.5%	1 278	1 278
Provinces	850	850	718	132	84.5%	1 278	1 278	84.5%	1 278	1 278
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	850	850	718	132	84.5%	1 278	1 278	84.5%	1 278	1 278
Municipalities	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2 871	2 871	1 849	1 022	64.4%	2 694	2 694	64.4%	2 694	2 694
Social security funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies	2 871	2 871	1 849	1 022	64.4%	2 694	2 694	64.4%	2 694	2 694
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-

Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 802	533	6 335	5 002	1 333	79.0%	4 999	4 999	4 999
Social benefits	1 502	532	2 034	2 034	-	100.0%	983	983	983
Other transfers to households	4 300	1	4 301	2 968	1 333	69.0%	4 016	4 016	4 016
<b>Payments for capital assets</b>	<b>48 238</b>	-	<b>48 238</b>	<b>25 685</b>	<b>22 553</b>	<b>53.2%</b>	<b>34 448</b>	<b>34 448</b>	<b>34 448</b>
Buildings and other fixed structures	26 759	(9 000)	17 759	3 184	14 575	17.9%	6 650	6 650	6 650
Buildings	26 759	(9 000)	17 759	3 184	14 575	17.9%	6 650	6 650	6 650
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	21 479	9 000	30 479	22 501	7 978	73.8%	27 747	27 747	27 747
Transport equipment	16 400	9 000	25 400	18 832	6 568	74.1%	16 050	16 050	16 050
Other machinery and equipment	5 079	-	5 079	3 669	1 410	72.2%	11 697	11 697	11 697
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>517 077</b>	<b>355</b>	<b>355</b>	<b>355</b>	<b>40 430</b>	<b>100.0%</b>	<b>1 819</b>	<b>1 819</b>	<b>1 819</b>
	<b>457 419</b>		<b>517 077</b>	<b>476 647</b>	<b>40 430</b>	<b>92.2%</b>	<b>457 795</b>	<b>457 795</b>	<b>457 419</b>



**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2018*

<b>1.1: OFFICE OF THE MEC</b>									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>15 209</b>	-	(2 048)	<b>13 161</b>	<b>11 685</b>	<b>1 476</b>	<b>88.8%</b>	<b>15 866</b>	<b>15 866</b>
Compensation of employees	8 384	-	(1 650)	6 734	6 606	128	98.1%	10 381	10 381
Goods and services	5 959	-	218	6 177	6 177	-	100.0%	9 258	9 258
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>33</b>	-	<b>48</b>	<b>81</b>	<b>81</b>	-	<b>100.0%</b>	<b>22</b>	<b>22</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	33	-	48	81	81	-	100.0%	22	22
<b>Payments for capital assets</b>	<b>100</b>	-	-	<b>100</b>	<b>46</b>	<b>54</b>	<b>46.0%</b>	<b>113</b>	<b>113</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	100	-	-	100	46	54	46.0%	113	113
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>15 342</b>	-	(2 000)	<b>13 342</b>	<b>11 812</b>	<b>1 530</b>	<b>88.5%</b>	<b>16 001</b>	<b>16 001</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

1.2: SENIOR MANAGEMENT									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>34 380</b>	-	<b>9 656</b>	<b>44 036</b>	<b>42 470</b>	<b>1 566</b>	<b>96.4%</b>	<b>25 571</b>	<b>25 571</b>
Compensation of employees	22 865	-	3 406	26 271	25 777	494	98.1%	16 156	16 156
Goods and services	11 213	-	6 552	17 765	16 693	1 072	94.0%	9 415	9 415
Interest and rent on land	302	-	(302)	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>539</b>	-	<b>55</b>	<b>594</b>	<b>594</b>	-	<b>100.0%</b>	<b>276</b>	<b>276</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	276	276
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	539	-	55	594	594	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>343</b>	-	-	<b>343</b>	<b>25</b>	<b>318</b>	<b>7.3%</b>	<b>297</b>	<b>297</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	343	-	-	343	25	318	7.3%	297	297
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>35 262</b>	-	<b>304</b>	<b>304</b>	<b>304</b>	<b>-</b>	<b>100.0%</b>	<b>-</b>	<b>26 144</b>
			<b>10 015</b>	<b>45 277</b>	<b>43 393</b>	<b>1 884</b>	<b>95.8%</b>	<b>26 144</b>	<b>26 144</b>

**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2018*

<b>1.3: CORPORATE SERVICES</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>263 016</b>	-	<b>7 527</b>	<b>270 543</b>	<b>263 701</b>	<b>6 842</b>	<b>97.5%</b>	<b>225 567</b>	<b>225 567</b>
Compensation of employees	106 341	-	(2 248)	104 093	104 093	-	100.0%	98 923	98 923
Goods and services	156 675	-	9 775	166 450	159 608	6 842	95.9%	126 622	126 622
Interest and rent on land	-	-	-	-	-	-	-	22	22
<b>Transfers and subsidies</b>	<b>7 911</b>	-	<b>83</b>	<b>7 994</b>	<b>5 639</b>	<b>2 355</b>	<b>70.5%</b>	<b>6 818</b>	<b>6 818</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and	2 871	-	-	2 871	1 849	1 022	64.4%	2 418	2 418
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and	-	-	-	-	-	-	-	-	-
Public corporations and private	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 040	-	83	5 123	3 790	1 333	74.0%	4 400	4 400
<b>Payments for capital assets</b>	<b>3 766</b>	-	-	<b>3 766</b>	<b>3 382</b>	<b>384</b>	<b>89.8%</b>	<b>11 247</b>	<b>11 247</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 766	-	-	3 766	3 382	384	89.8%	11 196	11 196
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and Intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>274 693</b>	-	<b>50</b>	<b>282 353</b>	<b>50</b>	<b>-</b>	<b>100.0%</b>	<b>1 329</b>	<b>1 329</b>
<b>TOTAL</b>	<b>274 693</b>	<b>-</b>	<b>7 660</b>	<b>282 353</b>	<b>272 772</b>	<b>9 581</b>	<b>96.6%</b>	<b>244 961</b>	<b>244 961</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>1.4: FINANCIAL MANAGEMENT</b>									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>120 739</b>	-	(23 368)	<b>97 371</b>	<b>93 990</b>	<b>3 381</b>	<b>96.5%</b>	<b>117 387</b>	<b>117 011</b>
Compensation of employees	64 461	-	(3 983)	60 478	59 919	559	99.1%	57 550	57 174
Goods and services	56 278	-	(19 385)	36 893	34 071	2 822	92.4%	59 773	59 773
Interest and rent on land	-	-	-	-	-	-	-	64	64
<b>Transfers and subsidies</b>	<b>1 013</b>	-	<b>336</b>	<b>1 349</b>	<b>1 217</b>	<b>132</b>	<b>90.2%</b>	<b>1 825</b>	<b>1 825</b>
Provinces and municipalities	850	-	-	850	718	132	84.5%	1 278	1 278
Departmental agencies and								-	-
Higher education institutions								-	-
Foreign governments and								-	-
Public corporations and private								-	-
Non-profit institutions								-	-
Households	163	-	336	499	499	-	100.0%	547	547
<b>Payments for capital assets</b>	<b>43 729</b>	-	-	<b>43 729</b>	<b>22 022</b>	<b>21 707</b>	<b>50.4%</b>	<b>22 791</b>	<b>22 791</b>
Buildings and other fixed structures	26 759	-	(9 000)	17 759	3 184	14 575	17.9%	6 650	6 650
Machinery and equipment	16 970	-	9 000	25 970	18 838	7 132	72.5%	16 141	16 141
Heritage assets								-	-
Specialised military assets								-	-
Biological assets								-	-
Land and subsoil assets								-	-
Intangible assets								-	-
<b>Payments for financial assets</b>			<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>100.0%</b>	<b>490</b>	<b>490</b>
<b>TOTAL</b>	<b>165 481</b>	<b>-</b>	<b>(23 031)</b>	<b>142 450</b>	<b>117 230</b>	<b>25 220</b>	<b>82.3%</b>	<b>142 493</b>	<b>142 117</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>1.5: COMMUNICATION SERVICES</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	25 972	-	7 345	33 317	31 192	2 125	93.6%	28 166	28 166
Compensation of employees	8 809	-	(11)	8 798	8 621	177	98.0%	9 611	9 611
Goods and services	17 163	-	7 356	24 519	22 571	1 948	92.1%	18 555	18 555
Interest and rent on land									
<b>Transfers and subsidies</b>	27	-	11	38	38	-	100.0%	30	30
Provinces and municipalities									
Departmental agencies and									
Higher education institutions									
Foreign governments and									
Public corporations and private									
Non-profit institutions									
Households	27	-	11	38	38	-	100.0%	30	30
<b>Payments for capital assets</b>	300	-	-	300	210	90	70.0%		
Buildings and other fixed structures									
Machinery and equipment	300	-	-	300	210	90	70.0%		
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
<b>Payments for financial assets</b>									
<b>TOTAL</b>	26 299	-	7 356	33 655	31 440	2 215	93.4%	28 196	28 196

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>Programme 2: AGRICULTURE</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
SUSTAINABLE RESOURCE MANAGEMENT	80 418	-	2 873	83 291	75 340	7 951	90.5%	74 397	74 396
FARMER SUPPORT AND DEVELOPMENT	1 049 539	-	(20 513)	1 029 026	958 766	70 260	93.2%	1 211 626	1 233 265
VETERINARY SERVICES	185 240	-	30 755	215 995	200 850	15 145	93.0%	176 333	176 333
RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES	213 382	-	(12 787)	200 595	187 457	13 138	93.5%	170 881	170 881
AGRICULTURAL ECONOMIC SERVICES	8 742	-	916	9 658	9 289	369	96.2%	5 047	5 047
STRUCTURED AGRICULTURAL EDUCATION AND TRAINING	112 494	-	(1 244)	111 250	105 216	6 034	94.6%	105 906	84 268
<b>Total for sub programmes</b>	<b>1 649 815</b>	<b>-</b>	<b>-</b>	<b>1 649 815</b>	<b>1 536 918</b>	<b>112 897</b>	<b>93.2%</b>	<b>1 744 190</b>	<b>1 744 190</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>1 263 580</b>	<b>-</b>	<b>(9 978)</b>	<b>1 253 602</b>	<b>1 175 394</b>	<b>78 208</b>	<b>93.8%</b>	<b>1 149 159</b>	<b>1 221 290</b>
Compensation of employees	793 432	-	(12 785)	780 647	779 552	1 095	99.9%	750 131	750 131
Salaries and wages	660 969	-	6 680	667 649	666 661	988	99.9%	641 834	641 834
Social contributions	132 463	-	(19 465)	112 998	112 891	107	99.9%	108 297	108 297
Goods and services	470 073	-	2 803	472 876	395 838	77 038	83.7%	399 012	471 143
Administrative fees	1 099	-	652	1 751	1 593	158	91.0%	1 601	1 601
Advertising	88	-	(71)	17	17	-	100.0%	72	72
Minor assets	7 433	-	(2 374)	5 059	3 727	1 332	73.7%	2 899	2 899
Audit costs: External	-	-	-	-	-	-	-	132	132
Bursaries: Employees	579	-	-	579	-	579	-	21	21
Catering: Departmental activities	3 522	-	(815)	2 707	2 703	4	99.9%	2 397	2 397
Communication	6 733	-	6 405	13 138	12 679	459	96.5%	10 926	10 926
Computer services	4 269	-	1 025	5 294	5 278	16	99.7%	3 762	3 762

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2018**

Consultants: Business and advisory services	-	-	-	-	-	-	-	-	513	7 022
Infrastructure and planning services	76 564	(8 755)	67 809	42 655	25 154	62.9%	51 307	62.9%	51 307	51 307
Laboratory services	62	48	110	110	-	100.0%	32	100.0%	32	32
Scientific and technological services	-	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-	-
Contractors	20 204	674	20 878	16 826	4 052	80.6%	18 345	80.6%	18 345	18 345
Agency and support / outsourced services	17 233	(6 583)	10 650	9 864	786	92.6%	10 451	92.6%	10 451	10 451
Entertainment	-	-	-	-	-	-	-	-	-	-
Fleet services	31 487	765	32 252	31 048	1 204	96.3%	3 064	96.3%	3 064	3 064
Housing	-	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	2 183	(2 180)	3	3	-	100.0%	3 418	100.0%	3 418	3 418
Inventory: Farming supplies	127 392	(1 277)	126 115	116 553	9 562	92.4%	127 770	92.4%	127 770	193 392
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	3 584	(676)	2 908	2 210	698	76.0%	1 975	76.0%	1 975	1 975
Inventory: Learner and teacher support material	1 200	(71)	1 129	1 129	-	100.0%	1 650	100.0%	1 650	1 650
Inventory: Materials and supplies	36 368	(16 747)	19 621	7 305	12 316	37.2%	3 439	37.2%	3 439	3 439
Inventory: Medical supplies	1 096	(10)	1 086	797	289	73.4%	254	73.4%	254	254
Inventory: Medicine	12 225	24 031	36 256	27 924	8 332	77.0%	32 577	77.0%	32 577	32 577
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	4 295	(4 295)	-	-	-	-	3 469	-	3 469	3 469
Consumable supplies	12 984	(1 607)	11 377	8 376	3 001	73.6%	21 608	73.6%	21 608	21 608
Consumable: Stationery, printing and office supplies	3 247	(603)	2 644	2 118	526	80.1%	1 796	80.1%	1 796	1 796
Operating leases	3 583	136	3 719	3 409	310	91.7%	2 826	91.7%	2 826	2 826
Property payments	39 186	12 717	51 903	45 403	6 500	87.5%	33 462	87.5%	33 462	33 462
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	42 107	6 985	49 092	47 685	1 407	97.1%	48 918	97.1%	48 918	48 918
Training and development	4 219	(3 594)	625	611	14	97.8%	2 001	97.8%	2 001	2 001



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Operating payments	4 674	-	562	5 236	4 897	339	93.5%	7 418	7 418
Venues and facilities	2 412	-	(1 539)	873	873	-	100.0%	909	909
Rental and hiring	45	-	-	45	45	-	100.0%	-	-
Interest and rent on land	75	-	4	79	4	75	5.1%	16	16
Interest	-	-	4	4	4	-	100.0%	16	16
Rent on land	75	-	-	75	-	75	-	-	-
<b>Transfers and subsidies</b>	<b>280 945</b>	<b>-</b>	<b>4 845</b>	<b>285 790</b>	<b>277 095</b>	<b>8 695</b>	<b>97.0%</b>	<b>455 354</b>	<b>263 995</b>
Provinces and municipalities	748	-	-	748	662	86	88.5%	-	-
Provinces	696	-	-	696	610	86	87.6%	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	696	-	-	696	610	86	87.6%	-	-
Municipalities	52	-	-	52	52	-	100.0%	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	52	-	-	52	52	-	100.0%	-	-
Departmental agencies and accounts	121 336	-	-	121 336	121 335	1	100.0%	128 398	94 582
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	121 336	-	-	121 336	121 335	1	100.0%	128 398	94 582
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	139 274	-	-	139 274	134 368	4 906	96.5%	291 431	155 526
Public corporations	67 324	-	-	67 324	67 324	-	100.0%	73 509	73 505
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	67 324	-	-	67 324	67 324	-	100.0%	73 509	73 505
Private enterprises	71 950	-	-	71 950	67 044	4 906	93.2%	217 922	82 021
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	71 950	-	-	71 950	67 044	4 906	93.2%	217 922	82 021

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2018**

Non-profit institutions	11 023	-	-	11 023	7 321	3 702	66.4%	25 207	3 569
Households	8 564	-	4 845	13 409	13 409	-	100.0%	10 318	10 318
Social benefits	8 564	-	4 845	13 409	13 409	-	100.0%	10 318	10 318
Other transfers to households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>105 290</b>	<b>-</b>	<b>5 000</b>	<b>110 290</b>	<b>84 296</b>	<b>25 994</b>	<b>76.4%</b>	<b>139 658</b>	<b>258 886</b>
Buildings and other fixed structures	84 311	-	5 000	89 311	73 246	16 065	82.0%	129 272	156 632
Buildings	-	-	34 582	34 582	34 582	-	100.0%	-	-
Other fixed structures	84 311	-	(29 582)	54 729	38 664	16 065	70.6%	129 272	156 632
Machinery and equipment	19 471	-	-	19 471	10 355	9 116	53.2%	10 217	102 085
Transport equipment	2 538	-	-	2 538	2 428	110	95.7%	1 980	1 980
Other machinery and equipment	16 933	-	-	16 933	7 927	9 006	46.8%	8 237	100 105
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	872	-	-	872	695	177	79.7%	169	169
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	636	-	-	636	-	636	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>133</b>	<b>133</b>	<b>133</b>	<b>-</b>	<b>100.0%</b>	<b>19</b>	<b>19</b>
<b>Total</b>	<b>1 649 815</b>	<b>-</b>	<b>-</b>	<b>1 649 815</b>	<b>1 536 918</b>	<b>112 897</b>	<b>93.2%</b>	<b>1 744 190</b>	<b>1 744 190</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>2.1: SUSTAINABLE RESOURCE MANAGEMENT</b>									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>75 906</b>	-	<b>2 739</b>	<b>78 645</b>	<b>73 318</b>	<b>5 327</b>	<b>93.2%</b>	<b>72 580</b>	<b>72 580</b>
Compensation of employees	23 790	-	3 362	27 152	27 152	-	100.0%	27 947	27 947
Goods and services	52 116	-	(623)	51 493	46 166	5 327	89.7%	44 633	44 633
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 173</b>	-	<b>126</b>	<b>2 299</b>	<b>1 241</b>	<b>1 058</b>	<b>54.0%</b>	<b>1 632</b>	<b>1 631</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and	-	-	-	-	-	-	-	-	-
Public corporations and private	1 717	-	-	1 717	659	1 058	38.4%	1 605	1 604
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	456	-	126	582	582	-	100.0%	27	27
<b>Payments for capital assets</b>	<b>2 339</b>	-	-	<b>2 339</b>	<b>773</b>	<b>1 566</b>	<b>33.0%</b>	<b>185</b>	<b>185</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 703	-	-	1 703	773	930	45.4%	185	185
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and Intangible assets	636	-	-	636	-	636	-	-	-
<b>Payments for financial assets</b>	<b>80 418</b>	-	<b>8</b>	<b>83 291</b>	<b>75 340</b>	<b>7 951</b>	<b>100.0%</b>	<b>74 397</b>	<b>74 396</b>
			<b>2 873</b>				<b>90.5%</b>		

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>2.2: FARMER SUPPORT AND DEVELOPMENT</b>									
	<b>2017/18</b>					<b>2016/17</b>			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>710 111</b>	<b>-</b>	<b>(17 138)</b>	<b>692 973</b>	<b>642 349</b>	<b>50 624</b>	<b>92.7%</b>	<b>668 993</b>	<b>741 124</b>
Compensation of employees	432 159	-	(1 050)	431 109	431 089	20	100.0%	426 763	426 763
Goods and services	277 952	-	(16 090)	261 862	211 258	50 604	80.7%	242 218	314 349
Interest and rent on land	-	-	2	2	2	-	100.0%	12	12
<b>Transfers and subsidies</b>	<b>265 179</b>	<b>-</b>	<b>2 416</b>	<b>267 595</b>	<b>263 660</b>	<b>3 935</b>	<b>98.5%</b>	<b>424 968</b>	<b>255 248</b>
Provinces and municipalities	696	-	-	696	610	86	87.6%	-	-
Departmental agencies and	121 335	-	-	121 335	121 334	1	100.0%	128 397	94 581
Higher education institutions									
Foreign governments and									
Public corporations and private	137 557	-	-	137 557	133 709	3 848	97.2%	289 826	153 922
Non-profit institutions									
Households	5 591	-	2 416	8 007	8 007	-	100.0%	6 745	6 745
<b>Payments for capital assets</b>	<b>74 249</b>	<b>-</b>	<b>(5 904)</b>	<b>68 345</b>	<b>52 644</b>	<b>15 701</b>	<b>77.0%</b>	<b>117 656</b>	<b>236 884</b>
Buildings and other fixed	65 785	-	(5 904)	59 881	48 272	11 609	80.6%	110 781	138 141
Machinery and equipment	8 114	-	-	8 114	4 162	3 952	51.3%	6 824	98 692
Heritage assets									
Specialised military assets									
Biological assets	350			350	210	140	60.0%	51	51
Land and subsoil assets									
Intangible assets									
<b>Payments for financial assets</b>	<b>1 049 539</b>	<b>-</b>	<b>113</b>	<b>1 029 026</b>	<b>958 766</b>	<b>70 260</b>	<b>100.0%</b>	<b>9</b>	<b>9</b>
			<b>(20 513)</b>	<b>1 029 026</b>	<b>958 766</b>	<b>70 260</b>	<b>93.2%</b>	<b>1 211 626</b>	<b>1 233 265</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>2.3: VETERINARY SERVICES</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>181 700</b>	-	<b>28 839</b>	<b>210 539</b>	<b>196 081</b>	<b>14 458</b>	<b>93.1%</b>	<b>164 274</b>	<b>164 274</b>
Compensation of employees	131 182	-	(8 914)	122 268	122 192	76	99.9%	115 526	115 526
Goods and services	50 518	-	37 753	88 271	73 889	14 382	83.7%	48 748	48 748
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>1 231</b>	-	<b>1 916</b>	<b>3 147</b>	<b>3 147</b>	-	<b>100.0%</b>	<b>1 415</b>	<b>1 415</b>
Provinces and municipalities									
Departmental agencies and	1	-	-	1	1	-	100.0%	1	1
Higher education institutions									
Foreign governments and									
Public corporations and private									
Non-profit institutions									
Households	1 230	-	1 916	3 146	3 146	-	100.0%	1 414	1 414
<b>Payments for capital assets</b>	<b>2 309</b>	-	-	<b>2 309</b>	<b>1 622</b>	<b>687</b>	<b>70.2%</b>	<b>10 644</b>	<b>10 644</b>
Buildings and other fixed	1 110	-	-	1 110	1 110	-	100.0%	9 912	9 912
Machinery and equipment	1 199	-	-	1 199	512	687	42.7%	732	732
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
<b>Payments for financial assets</b>	<b>185 240</b>	-	<b>30 755</b>	<b>215 995</b>	<b>200 850</b>	<b>15 145</b>	<b>93.0%</b>	<b>176 333</b>	<b>176 333</b>

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2018**

2.4: RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES									
	2017/18						2016/17		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	199 691	-	(13 112)	186 579	181 020	5 559	97.0%	166 664	166 664
Compensation of employees	149 691	-	(2 007)	147 684	147 684	-	100.0%	133 196	133 196
Goods and services	49 925	-	(11 106)	38 819	33 335	5 484	85.9%	33 465	33 465
Interest and rent on land	75	-	1	76	1	75	1.3%	3	3
Transfers and subsidies	622	-	320	942	942	-	100.0%	1 661	1 661
Provinces and municipalities								-	-
Departmental agencies and								-	-
Higher education institutions								-	-
Foreign governments and									
Public corporations and private									
Non-profit institutions									
Households	622	-	320	942	942	-	100.0%	1 661	1 661
Payments for capital assets	13 069	-	-	13 069	5 490	7 579	42.0%	2 550	2 550
Buildings and other fixed structures	4 803	-	-	4 803	347	4 456	7.2%	182	182
Machinery and equipment	7 744	-	-	7 744	4 658	3 086	60.1%	2 250	2 250
Heritage assets								-	-
Specialised military assets								-	-
Biological assets	522			522	485	37	92.9%	118	118
Land and subsoil assets								-	-
Intangible assets								-	-
Payments for financial assets	213 382	-	(12 787)	200 595	187 457	13 138	100.0%	170 881	170 881

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>2.5: AGRICULTURAL ECONOMIC SERVICES</b>									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	8 592	-	916	9 508	9 180	328	96.6%	4 978	4 978
Compensation of employees	7 561	-	589	8 150	7 826	324	96.0%	4 147	4 147
Goods and services	1 031	-	327	1 358	1 354	4	99.7%	831	831
Interest and rent on land									
<b>Transfers and subsidies</b>	109	-	-	109	109	-	100.0%	69	69
Provinces and municipalities								-	-
Departmental agencies and								-	-
Higher education institutions								-	-
Foreign governments and									
Public corporations and private									
Non-profit institutions									
Households	109	-	-	109	109	-	100.0%	69	69
<b>Payments for capital assets</b>	41	-	-	41	-	41	-		
Buildings and other fixed structures									
Machinery and equipment	41	-	-	41	-	41			
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
<b>Payments for financial assets</b>	8 742	-	916	9 658	9 289	369	96.2%	5 047	5 047



**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

2.6: STRUCTURED AGRICULTURAL EDUCATION AND TRAINING									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>87 580</b>	-	<b>(12 222)</b>	<b>75 358</b>	<b>73 446</b>	<b>1 912</b>	<b>97.5%</b>	<b>71 670</b>	<b>71 670</b>
Compensation of employees	49 049	-	(4 765)	44 284	43 609	675	98.5%	42 552	42 552
Goods and services	38 531	-	(7 458)	31 073	29 836	1 237	96.0%	29 117	29 117
Interest and rent on land	-	-	1	1	1	-	100.0%	1	1
<b>Transfers and subsidies</b>	<b>11 631</b>	-	<b>67</b>	<b>11 698</b>	<b>7 996</b>	<b>3 702</b>	<b>68.4%</b>	<b>25 609</b>	<b>3 971</b>
Provinces and municipalities	52	-	-	52	52	-	100.0%	-	-
Departmental agencies and									
Higher education institutions									
Foreign governments and									
Public corporations and private									
Non-profit institutions	11 023			11 023	7 321	3 702	66.4%	25 207	3 569
Households	556	-	67	623	623	-	100.0%	402	402
<b>Payments for capital assets</b>	<b>13 283</b>	-	<b>10 904</b>	<b>24 187</b>	<b>23 767</b>	<b>420</b>	<b>98.3%</b>	<b>8 623</b>	<b>8 623</b>
Buildings and other fixed structures	12 613	-	10 904	23 517	23 517	-	100.0%	8 397	8 397
Machinery and equipment	670	-	-	670	250	420	37.3%	226	226
Heritage assets								-	-
Specialised military assets								-	-
Biological assets								-	-
Land and subsoil assets								-	-
Intangible assets								-	-
<b>Payments for financial assets</b>	<b>112 494</b>	-	<b>7</b>	<b>111 250</b>	<b>105 216</b>	<b>-</b>	<b>100.0%</b>	<b>105 906</b>	<b>84 268</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Programme 3: RURAL DEVELOPMENT									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
RURAL DEVELOPMENT	5 978	-	24	6 002	5 875	127	97.9%	7 999	7 999
COORDINATION	24 274	-	(24)	24 250	13 425	10 825	55.4%	6 758	6 758
SOCIAL FACILITATION									
<b>Total for sub programmes</b>	<b>30 252</b>	<b>-</b>	<b>-</b>	<b>30 252</b>	<b>19 300</b>	<b>10 952</b>	<b>63.8%</b>	<b>14 757</b>	<b>14 757</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>27 529</b>	<b>-</b>	<b>(50)</b>	<b>27 479</b>	<b>16 835</b>	<b>10 644</b>	<b>61.3%</b>	<b>11 441</b>	<b>11 441</b>
Compensation of employees	10 678	-	1 362	12 040	12 019	21	99.8%	8 112	8 112
Salaries and wages	9 867	-	694	10 561	10 938	21	103.6%	7 408	7 408
Social contributions	811	-	270	1 081	1 081	-	123.3%	704	704
Goods and services	16 851	-	(2 364)	14 487	3 864	10 623	26.7%	3 329	3 329
Administrative fees	20	-	11	31	31	-	100.0%	22	22
Advertising	1 000	-	(482)	518	-	518	-	-	-
Minor assets	109	-	6	115	-	115	-	39	39
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	249	-	24	273	108	165	39.6%	124	124
Communication	447	-	34	481	201	280	41.8%	241	241
Computer services	500	-	-	500	-	500	-	-	-

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Consultants: Business and advisory services	2 000	-	(1 480)	520	-	520	-	1	1	-
Infrastructure and planning services	8 633	-	(927)	7 706	-	7 706	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-	-
Contractors	260	-	-	260	-	8	96.9%	161	161	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-
Fleet services	222	-	(64)	158	2	156	1.3%	8	8	-
Housing	-	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	18	-	323	341	341	-	100.0%	1	1	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-
Meddas Inventory Interface	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-
Consumable supplies	906	-	30	936	916	20	97.9%	627	627	-
Consumable: Stationery, printing and office supplies	124	-	48	172	57	115	33.1%	31	31	-
Operating leases	232	-	125	357	186	171	52.1%	67	67	-
Property payments	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	340	340	-
Travel and subsistence	1 601	-	142	1 743	1 606	137	68.1%	911	911	-
Training and development	430	-	(218)	212	-	212	-	-	-	-

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

Operating payments	10	-	(10)	-	-	-	-	356
Venues and facilities	90	164	74	164	-	-	100.0%	400
Rental and hiring	-	-	-	-	-	-	-	-
Interest and rent on land	-	952	952	952	-	-	100.0%	-
Interest	-	952	952	952	-	-	100.0%	-
Rent on land	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 405</b>	<b>2 455</b>	<b>50</b>	<b>2 455</b>	<b>2 455</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3 028</b>
Provinces and municipalities	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-
Higher education institutions	44	44	-	44	-	-	100.0%	3 000
Foreign governments and international organisations	-	-	-	-	-	-	-	-
Public corporations and private enterprises	2 224	2 224	-	2 224	2 224	-	100.0%	-
Public corporations	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-
Private enterprises	2 224	2 224	-	2 224	2 224	-	100.0%	-
Subsidies on products and production	-	-	-	-	-	-	-	-
Other transfers to private enterprises	2 224	2 224	-	2 224	2 224	-	100.0%	-

**APPROPRIATION STATEMENT**  
*for the year ended 31 March 2018*

Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Households	137	-	187	187	-	187	-	-	-	28	28	-
Social benefits	137	-	187	187	-	187	-	-	100.0%	28	28	-
Other transfers to households	-	-	-	-	-	-	-	-	100.0%	-	-	-
<b>Payments for capital assets</b>	<b>318</b>	<b>-</b>	<b>318</b>	<b>10</b>	<b>308</b>	<b>318</b>	<b>10</b>	<b>308</b>	<b>3.1%</b>	<b>288</b>	<b>288</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	318	-	318	10	308	318	10	308	3.1%	288	288	-
Transport equipment	-	-	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	318	-	318	10	308	318	10	308	3.1%	288	288	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>30 252</b>	<b>-</b>	<b>30 252</b>	<b>19 300</b>	<b>10 952</b>	<b>30 252</b>	<b>19 300</b>	<b>10 952</b>	<b>63.8%</b>	<b>14 757</b>	<b>14 757</b>	<b>-</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

3.1: RURAL DEVELOPMENT COORDINATION									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5 872</b>	-	<b>24</b>	<b>5 896</b>	<b>5 875</b>	<b>21</b>	<b>99.6%</b>	<b>4 958</b>	<b>4 958</b>
Compensation of employees	4 993	-	-	4 993	4 972	21	99.6%	3 296	3 296
Goods and services	879	-	24	903	903	-	100.0%	1 662	1 662
Interest and rent on land									
<b>Transfers and subsidies</b>								<b>3 000</b>	<b>3 000</b>
Provinces and municipalities								-	-
Departmental agencies and								-	-
Higher education institutions								-	-
Foreign governments and									
Public corporations and private								3 000	3 000
Non-profit institutions								-	-
Households								-	-
<b>Payments for capital assets</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>106</b>	<b>-</b>	<b>106</b>	<b>-</b>	<b>41</b>	<b>41</b>
Buildings and other fixed structures								-	-
Machinery and equipment	106	-	-	106	-	106	-	41	41
Heritage assets								-	-
Specialised military assets								-	-
Biological assets								-	-
Land and subsoil assets								-	-
Intangible assets								-	-
<b>Payments for financial assets</b>	<b>5 978</b>	<b>-</b>	<b>24</b>	<b>6 002</b>	<b>5 875</b>	<b>127</b>	<b>97.9%</b>	<b>7 999</b>	<b>7 999</b>

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

<b>3.2: SOCIAL FACILITATION</b>									
	2017/18					2016/17			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>21 657</b>	-	(74)	<b>21 583</b>	<b>10 960</b>	<b>10 623</b>	<b>50.8%</b>	<b>6 483</b>	<b>6 483</b>
Compensation of employees	5 685	-	1 362	7 047	7 047	-	100.0%	4 816	4 816
Goods and services	15 972	-	(2 388)	13 584	2 961	10 623	21.8%	1 667	1 667
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>2 405</b>	-	<b>50</b>	<b>2 455</b>	<b>2 455</b>	-	<b>100.0%</b>	<b>28</b>	<b>28</b>
Provinces and municipalities									
Departmental agencies and				44	44	-	100%	-	-
Higher education institutions	44								
Foreign governments and									
Public corporations and private	2 224	-	-	2 224	2 224	-	100.0%	-	-
Non-profit institutions									
Households	137	-	50	187	187	-	100.0%	28	28
<b>Payments for capital assets</b>	<b>212</b>	-	-	<b>212</b>	<b>10</b>	<b>202</b>	<b>4.7%</b>	<b>247</b>	<b>247</b>
Buildings and other fixed structures									
Machinery and equipment	212	-	-	212	10	202	4.7%	-	-
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
<b>Payments for financial assets</b>	<b>24 274</b>	-	(24)	<b>24 250</b>	<b>13 425</b>	<b>10 825</b>	<b>55.4%</b>	<b>6 758</b>	<b>6 758</b>



**NOTES TO THE APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

- 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**  
Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.
- 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**  
  
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.
- 3. Detail on payments for financial assets**  
Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.
- 4. Explanations of material variances from Amounts Voted (after Virement):**

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1	517 077	476 647	40 430	7.82
Slow progress by Department of Public Works regarding infrastructure projects at various departmental offices as well as vehicles ordered but not delivered.				
Programme 2	1 649 815	1 536 918	112 897	6.84
Slower than anticipated implementation of agricultural projects as well as vacant posts.				
Programme 3	30 252	19 300	10 952	36.20
The planning and establishment of partnerships for placing graduates under Unemployed Agricultural Graduate Youth Programme is taking longer than anticipated.				

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	999 061	996 587	2 474	0.25
Goods and services	739 417	637 724	101 693	13.75
Interest and rent on land	1 031	956	75	7.27
<b>Transfers and subsidies</b>				
Provinces and municipalities	1 598	1 380	218	13.64
Departmental agencies and accounts	124 207	123 184	1 023	0.82
Higher education institutions	44	44	-	-
Public corporations and private enterprises	141 498	136 592	4 906	3.47
Non-profit institutions	11 023	7 321	3 702	33.58
Households	19 931	18 598	1 333	6.69

**NOTES TO THE APPROPRIATION STATEMENT**  
for the year ended 31 March 2018

**Payments for capital assets**

Buildings and other fixed structures	107 070	76 430	30 640	28.62
Machinery and equipment	50 268	32 866	17 402	34.62
Biological assets	872	695	177	20.30
Software & Intangible assets	636	-	636	100.00

<b>Payments for financial assets</b>	<b>488</b>	<b>488</b>	<b>-</b>	<b>-</b>
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- *Compensation of Employees (CoE) – under expenditure due to savings from vacant budgeted posts.*
- *Goods and Services – Slow implementation of agricultural projects.*
- *Interest and Rent on Land – Savings due to rental for land not paid for Bartlow Research Farm.*
- *Provinces and municipalities – Savings is in respect of KZN vehicle and tractor licences*
- *Departmental Agencies and accounts – Savings of R1.023 million is a result of one quarter of the Skills Development Levy not being processed and the actual cost of CoE is lower than budgeted due to the vacancies which affects the amount to be paid.*
- *Public corporations and Private Enterprises – Savings of R4.906 million is in respect of final tranches not being transferred to SA Sugar Association and Mpofana Land Reform cluster amounting to R1.5 million and R793,000 respectively, applications for subsidy against the soil conservation act being lower than planned amounting to R1.1 million and requirements by Communal Estates being less than budgeted resulting in savings of R904,000.*
- *Non Profit Institutions – The under expenditure is due to slow progress in implementing the revitalisation of agricultural schools programme by the five agricultural schools.*
- *Households – The under expenditure is due to unforeseen challenges in finalising all External Bursaries.*
- *Buildings and Other Fixed Structures – Slow progress by Public Works on rehabilitation/upgrading of departmental offices.*
- *Machinery and equipment – The department had challenges in implementation of g-commerce system to procure computers.*
- *Biological Assets – Biological assets are acquired on a needs basis for research purposes, the actual requirement less than budgeted. Also, animals acquired for food security projects have been classified as current whereas the budget was against capital.*
- *Software and Other Intangible Assets – The actual payments for the software for engineering services is correctly classified under goods and services whereas the budget was allocated against capital.*

**NOTES TO THE APPROPRIATION STATEMENT**  
**for the year ended 31 March 2018**

<b>4.3 Per conditional grant</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation R'000</b>
Comp Agricultural Support Programme	209 598	159 935	49 663	23.69
Llima/ Letsema Project	67 356	44 540	22 816	33.87
Land Care	12 012	12 012	-	-
EPWP Incentive grant for Provinces	8 466	8 466	-	-

The slower than anticipated implementation of agricultural projects resulted in the under expenditure against CASP and Llima/Letsema conditional grants

**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	2 197 144	2 216 742
Departmental revenue	<u>2</u>	21 343	20 023
<b>TOTAL REVENUE</b>		<b>2 218 487</b>	<b>2 236 765</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	<u>3</u>	996 587	950 488
Goods and services	<u>4</u>	637 724	694 322
Interest and rent on land	<u>5</u>	956	102
<b>Total current expenditure</b>		<b>1 635 267</b>	<b>1 644 912</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	<u>7</u>	287 119	275 994
<b>Total transfers and subsidies</b>		<b>287 119</b>	<b>275 994</b>
<b>Expenditure for capital assets</b>			
Tangible assets	<u>8</u>	109 991	293 571
Intangible assets	<u>8</u>	-	51
<b>Total expenditure for capital assets</b>		<b>109 991</b>	<b>293 622</b>
<b>Payments for financial assets</b>	<u>6</u>	488	1 838
<b>TOTAL EXPENDITURE</b>		<b>2 032 865</b>	<b>2 216 366</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>185 622</b>	<b>20 399</b>

**Reconciliation of Net Surplus/(Deficit) for the year**

Voted Funds		164 279	376
Annual appropriation		91 800	376
Conditional grants		72 479	-
Departmental revenue and NRF Receipts	<u>13</u>	21 343	20 023
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>185 622</b>	<b>20 399</b>

**STATEMENT OF FINANCIAL POSITION**  
**for the year ended 31 March 2018**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	163 386	1 005
Receivables	11	1 456	915
<b>Non-Current Assets</b>			
Receivables	11	2 457	1 961
<b>TOTAL ASSETS</b>		<b>167 299</b>	<b>3 881</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	12	164 279	376
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	933	1 872
Payables	14	1 015	687
<b>TOTAL LIABILITIES</b>		<b>166 227</b>	<b>2 935</b>
<b>NET ASSETS</b>		<b><u>1 072</u></b>	<b><u>946</u></b>
<b>Represented by:</b>			
Recoverable revenue		1 072	946
<b>TOTAL</b>		<b><u>1 072</u></b>	<b><u>946</u></b>

**STATEMENT OF CHANGES IN NET ASSETS**  
*for the year ended 31 March 2018*

	<i>Note</i>	2017/18 R'000	2016/17 R'000
<b>Recoverable revenue</b>			
<b>Opening balance</b>		<b>946</b>	<b>1 046</b>
Transfers:		126	(100)
Debts revised			-61
Debts recovered (included in departmental receipts)		-545	-958
Debts raised		671	919
<b>Closing balance</b>		<b>1 072</b>	<b>946</b>
<b>TOTAL</b>		<b>1 072</b>	<b>946</b>

**CASH FLOW STATEMENT**  
**for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>2 216 379</b>	2 236 339
Annual appropriated funds received	<u>1.1</u>	2 197 144	2 216 742
Departmental revenue received	<u>2</u>	19 179	19 518
Interest received	<u>2.3</u>	56	79
Net (increase)/decrease in working capital		(709)	4 681
Surrendered to Revenue Fund		(22 658)	(151 435)
Current payments		(1 634 311)	(1 644 810)
Interest paid	5	(956)	(102)
Payments for financial assets		(488)	(1 838)
Transfers and subsidies paid		(287 119)	(275 994)
<b>Net cash flow available from operating activities</b>	<u>15</u>	<b>270 138</b>	<b>166 841</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(109 991)	(293 622)
Proceeds from sale of capital assets	<u>2.4</u>	2 108	426
<b>Net cash flows from investing activities</b>		<b>(107 883)</b>	<b>(293 196)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		126	(100)
<b>Net cash flows from financing activities</b>		<b>126</b>	<b>(100)</b>
Net increase/(decrease) in cash and cash equivalents		162 381	(126 455)
Cash and cash equivalents at beginning of period		1 005	127 460
<b>Cash and cash equivalents at end of period</b>	16	<b>163 386</b>	<b>1 005</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**Basis of preparation**

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

**Going concern**

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

**Presentation currency**

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

**Rounding**

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

**Foreign currency translation**

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

**Comparative information**

**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.

**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.

**Revenue**

**Appropriated funds**

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

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

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

**Departmental revenue**

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

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**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.

**Expenditure**

<b>Compensation of employees</b>
<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
<p><b>Other expenditure</b></p> <p>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.</p>
<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</p> <p>Accruals and payables not recognised are measured at cost.</p>
<b>Leases</b>
<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> </ul>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

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

#### **Aid Assistance**

##### **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.

##### **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.

##### **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.

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.

##### **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.

Prepayments are expensed when expenditure has been incurred.

##### **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.

##### **Investments**

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

##### **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.

##### **Payables**

Loans and payables are recognised in the statement of financial position at cost.

##### **Capital Assets**

##### **Immovable capital asset**

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2004 (or a later date as approved by the OAG) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

**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 2004 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

**Intangible assets**

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

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

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

All assets acquired prior to 1 April 2004 (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 that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

**Provisions and Contingents**

**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.

**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.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**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.

**Commitments**

Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

**Unauthorised expenditure**

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

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

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

**Fruitless and wasteful expenditure**

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

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

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

**Irregular expenditure**

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

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

**Changes in accounting policies, accounting estimates and errors**

Changes in accounting policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**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.

**Departures from the MCS requirements**

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

**Capitalisation reserve**

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

**Recoverable revenue**

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

**Related party transactions**

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. 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.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

**Inventories (*Effective from date determined in a Treasury Instruction*)**

At the date of acquisition, inventories are recorded at cost price in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.

Subsequent measurement of the cost of inventory is determined on the weighted average basis.

**Employee benefits**

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**1. Annual Appropriation**

**1.1 Annual Appropriation**

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

	<b>Final Appropriation</b>	<b>2017/18 Actual Funds Received</b>	<b>Funds not requested/ not received</b>	<b>2016/17 Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Programme 1	517 077	517 077	-	457 795
Programme 2	1 649 815	1 649 815	-	1 744 190
Programme 3	30 252	30 252	-	14 757
<b>Total</b>	<b>2 197 144</b>	<b>2 197 144</b>	<b>-</b>	<b>2 216 742</b>

**1.2 Conditional grants**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Total grants received	32	<u>297 432</u>	<u>300 503</u>

**2. Departmental revenue**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Tax revenue			
Sales of goods and services other than capital assets	2.1	18 129	16 295
Fines, penalties and forfeits	2.2	-	1
Interest, dividends and rent on land	2.3	56	79
Sales of capital assets	2.4	2 108	426
Transactions in financial assets and liabilities	2.5	<u>1 050</u>	<u>3 222</u>
Total revenue collected		<b>21 343</b>	<b>20 023</b>
Less: Own revenue included in appropriation	13	<u>-</u>	<u>-</u>
<b>Departmental revenue collected</b>		<b><u>21 343</u></b>	<b><u>20 023</u></b>

*Increase in 2017/18 is due to arrear student fees from UKZN, introduction of new revenue under veterinary export control and 2016/17 sales of capital assets was low as auction of redundant assets did not materialise.*



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

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

	Note 2	2017/18 R'000	2016/17 R'000
Sales of goods and services produced by the department		18 127	16 291
Sales by market establishment		2 461	3 130
Administrative fees		270	7
Other sales		15 396	13 154
Sales of scrap, waste and other used current goods		2	4
<b>Total</b>		<b>18 129</b>	<b>16 295</b>

*Increase in 2017/18 is due to arrear student fees from UKZN, introduction of new revenue under veterinary export control.*

**2.2 Fines, penalties and forfeits**

	Note 2	2017/18 R'000	2016/17 R'000
Fines		-	-
Penalties		-	1
Forfeits		-	-
<b>Total</b>		<b>-</b>	<b>1</b>

**2.3 Interest, dividends and rent on land**

	Note 2	2017/18 R'000	2016/17 R'000
Interest		56	79
Dividends		-	-
Rent on land		-	-
<b>Total</b>		<b>56</b>	<b>79</b>

**2.4 Sale of capital assets**

	Note 2	2017/18 R'000	2016/17 R'000
<b>Tangible assets</b>		2 108	426
Machinery and equipment	28	1 877	-
Biological assets	28	231	426
<b>Total</b>		<b>2 108</b>	<b>426</b>

*2016/17 sales of capital assets was low as auction of redundant assets did not materialise*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**2.5 Transactions in financial assets and liabilities**

	<i>Note</i> 2	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
Receivables		311	894
Other Receipts including Recoverable Revenue		739	2 328
<b>Total</b>		<b>1 050</b>	<b>3 222</b>

*2016/17 was abnormally high due to a high refund received from subsidised vehicle insurance overpayments.*

**3. Compensation of employees**

**3.1 Salaries and Wages**

	<i>Note</i>	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
Basic salary		700 097	665 945
Performance award		7 425	7 164
Service Based		2 321	2 236
Compensative/circumstantial		12 612	10 596
Periodic payments		-	-
Other non-pensionable allowances		133 184	129 074
<b>Total</b>		<b>855 639</b>	<b>815 015</b>

*The increase in 2017/18 is due to the annual cost of living salary adjustment.*

**3.2 Social contributions**

	<i>Note</i>	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
<b>Employer contributions</b>			
Pension		87 991	84 556
Medical		52 739	50 712
Bargaining council		-	-
Official unions and associations		218	205
<b>Total</b>		<b>140 948</b>	<b>135 473</b>
 <b>Total compensation of employees</b>		 <b>996 587</b>	 <b>950 488</b>
 Average number of employees		 2 706	 2 793

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

*The decrease in the number of employees is due to natural attrition.*

**4. Goods and services**

	Note	2017/18 R'000	2016/17 R'000
Administrative fees		2 624	2 654
Advertising		1 784	4 381
Minor assets	4.1	3 945	4 859
Bursaries (employees)		443	1 165
Catering		3 787	3 507
Communication		37 720	33 671
Computer services	4.2	70 014	46 014
Consultants: Business and advisory services		945	7 247
Infrastructure and planning services		44 180	51 468
Laboratory services		110	32
Legal services		735	1 282
Contractors		33 502	29 762
Agency and support / outsourced services		10 659	10 722
Audit cost – external	4.3	11 542	4 151
Fleet services		38 453	35 414
Inventory	4.4	156 619	245 898
Consumables	4.5	27 215	27 923
Operating leases		29 237	30 603
Property payments	4.6	86 658	71 047
Rental and hiring		105	10
Transport provided as part of the departmental activities		-	340
Travel and subsistence	4.7	66 131	65 499
Venues and facilities		1 207	2 195
Training and development		2 575	5 725
Other operating expenditure	4.8	7 534	8 753
<b>Total</b>		<b>637 724</b>	<b>694 322</b>

*The decrease in total expenditure is due to the delays in implementing agricultural projects affecting the items: infrastructure and planning services, contractors, and inventory. This was offset with increases against Computer services in respect of migration to Microsoft costs as well as increased resources provided by SITA and Property Payments due to increased cost of security services at departmental offices.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**4.1 Minor assets**

	Note 4	2017/18 R'000	2016/17 R'000
<b>Tangible assets</b>		3 945	4 859
Biological assets		178	1 642
Heritage assets		8	-
Machinery and equipment		3 759	3 217
<b>Total</b>		<b>3 945</b>	<b>4 859</b>

*Biological assets are only acquired on a needs basis which results in year on year variations.*

**4.2 Computer services**

	Note 4	2017/18 R'000	2016/17 R'000
SITA computer services		65 136	41 927
External computer service providers		4 878	4 087
<b>Total</b>		<b>70 014</b>	<b>46 014</b>

*Increase in 2017/18 is due to the migration to Microsoft costs as well as increases resources provided by SITA.*

**4.3 Audit cost – External**

	Note 4	2017/18 R'000	2016/17 R'000
Regularity audits		5 412	4 151
Investigations		6 130	
<b>Total</b>		<b>11 542</b>	<b>4 151</b>

*The expenditure against Investigations is in respect of the payments to the SIU.*

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**4.4 Inventory**

	<i>Note</i> 4	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
Clothing material and accessories		357	6 059
Farming supplies		116 554	193 417
Fuel, oil and gas		2 212	1 976
Learning, teaching and support material		1 129	1 650
Materials and supplies		7 646	9 966
Medical supplies		797	254
Medicine		27 924	32 576
<b>Total</b>		<b>156 619</b>	<b>245 898</b>

*Decrease under farming supplies is due to the delay in implementing agricultural projects as well as 2016/17 including drought relief in the form of animal feed.*

**4.5 Consumables**

	<i>Note</i> 4	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
Consumable supplies		22 442	23 946
Uniform and clothing		10 273	25
Household supplies		2 319	2 185
Building material and supplies		4 436	19 813
IT consumables		275	79
Other consumables		5 139	1 844
Stationery, printing and office supplies		4 773	<b>3 977</b>
<b>Total</b>		<b>27 215</b>	<b>27 923</b>

*The decrease under building material and supplies is due to the red line fence constructed in 2016/17.*

**4.6 Property payments**

	<i>Note</i> 4	<b>2017/18</b> <b>R'000</b>	<b>2016/17</b> <b>R'000</b>
Municipal services		33 122	30 160
Property maintenance and repairs		52 334	40 032
Other		1 202	855
<b>Total</b>		<b>86 658</b>	<b>71 047</b>

*Increase in 2017/18 is due to increased cost of security services at departmental offices*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**4.7 Travel and subsistence**

	Note	2017/18	2016/17
	4	R'000	R'000
Local		65 287	65 289
Foreign		844	210
<b>Total</b>		<b>66 131</b>	<b>65 499</b>

**4.8 Other operating expenditure**

	Note	2017/18	2016/17
	4	R'000	R'000
Professional bodies, membership and subscription fees		55	-
Resettlement costs		647	-
Other		6 832	8 753
<b>Total</b>		<b>7 534</b>	<b>8 753</b>

**5. Interest and rent on land**

	Note	2017/18	2016/17
		R'000	R'000
Interest paid		956	102
<b>Total</b>		<b>956</b>	<b>102</b>

*The increase in 2017/18 is due to payment in terms of arbitration award.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**6. Payments for financial assets**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Other material losses written off	6.1	488	1 360
Debts written off	6.2	-	478
<b>Total</b>		<b>488</b>	<b>1 838</b>

**6.1 Other material losses written off**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Nature of losses</b>	6		
Irrecoverable Fruitless & Wasteful Expenditure		488	1 360
<b>Total</b>		<b>488</b>	<b>1 360</b>

**6.2 Debts written off**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Nature of debts written off</b>	6		
Other debt written off			478
<b>Total debt written off</b>			<b>478</b>

**7. Transfers and subsidies**

		<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Provinces and municipalities	<i>Note</i> 33	1 380	1 278
Departmental agencies and accounts	<i>Annex 1A</i>	123 184	97 000
Higher education institutions	<i>Annex 1B</i>	44	3 000
Public corporations and private enterprises	<i>Annex 1C</i>	134 368	155 526
Non-profit institutions	<i>Annex 1D</i>	9 545	3 569
Households	<i>Annex 1E</i>	18 598	15 621
<b>Total</b>		<b>287 119</b>	<b>275 994</b>

*Increase against Departmental agencies and accounts is due to the transfer in 2016/17 to ADA being reduced as the entity was projecting low expenditure.*



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**8. Expenditure for capital assets**

	Note	2017/18 R'000	2016/17 R'000
<b>Tangible assets</b>		109 991	293 571
Buildings and other fixed structures	30	76 430	163 282
Machinery and equipment	28	32 866	130 120
Biological assets	28	695	169
<b>Intangible assets</b>			51
Software	29		51
<b>Total</b>		<b>109 991</b>	<b>293 622</b>

*The reduction in buildings and other fixed structures in 2017/18 is due to the slow implementation of agriculture projects. Machinery and equipment was unusually high in 2016/17 due to the department acquiring a large number of additional tractors and implements.*

**8.1 Analysis of funds utilised to acquire capital assets – 2017/18**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>109 991</b>		<b>109 991</b>
Buildings and other fixed structures	76 430		76 430
Machinery and equipment	32 866		32 866
Biological assets	695		695
<b>Total</b>	<b>109 991</b>		<b>109 991</b>

**8.2 Analysis of funds utilised to acquire capital assets – 2016/17**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>293 571</b>		<b>293 571</b>
Buildings and other fixed structures	163 282		163 282
Machinery and equipment	130 120		130 120
Biological assets	169		169
<b>Intangible assets</b>	<b>51</b>		<b>51</b>
Software	51		51
<b>Total</b>	<b>293 622</b>		<b>293 622</b>
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division			
<b>Total</b>			

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**9. Cash and cash equivalents**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Consolidated Paymaster General Account		163 321	1 079
Cash receipts		-	-
Disbursements		30	(109)
Cash on hand		35	35
Investments (Domestic)		-	-
Investments (Foreign)		-	-
<b>Total</b>		<b>163 386</b>	<b>1 005</b>

**10. Prepayments and advances**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Staff advances			
Travel and subsistence			
Prepayments (Not expensed)			
Advances paid (Not expensed)			
SOCPEN advances			
<b>Total</b>			

**10.1 Prepayments (Expensed)**

<i>Note</i>	<b>Amount as at 1 April 2017 R'000</b>	<b>Less: Received in the current year R'000</b>	<b>Add: Current Year prepayments R'000</b>	<b>Amount as at 31 March 2018 R'000</b>
Goods and services	3 888	3 888	-	-
Interest and rent on land				
Transfers and subsidies				
Capital assets				
Other				
<b>Total</b>	<b>3 888</b>	<b>3 888</b>	<b>-</b>	<b>-</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**11. Receivables**

		Current	2017/18 Non-current	Total	Current	2016/17 Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	<i>Note 11.1</i>	398	31	429	189	118	307
Trade receivables	<i>11.2</i>			-			
Recoverable expenditure	<i>11.3</i>			-			
Staff debt	<i>11.2</i>	1 057	1 420	2 477	720	909	1 635
Fruitless and wasteful expenditure	<i>11.6</i>	1		1			
Other debtors	<i>11.3</i>		1 006	1 006		934	934
<b>Total</b>		<b>1 456</b>	<b>2 457</b>	<b>3 913</b>	<b>915</b>	<b>1 961</b>	<b>2 876</b>

**11.1 Claims recoverable**

	<i>Note 11 and Annex 4</i>	2017/18 R'000	2016/17 R'000
National departments		123	-
Provincial departments		306	307
Foreign governments			
Public entities			
Private enterprises			
Higher education institutions			
Households and non-profit institutions			
Local governments			
<b>Total</b>		<b>429</b>	<b>307</b>

**11.2 Staff debt**

	<i>Note 11</i>	2017/18 R'000	2016/17 R'000
Staff overpayments and salary tax debts		1 779	983
T&S Advance		266	266
Loss/damages to state vehicle		361	271
Bursary debt		71	109
<b>Total</b>		<b>2 477</b>	<b>1 629</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**11.3 Other debtors**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Supplier debts	11	1 006	934
<b>Total</b>		<b>1 006</b>	<b>934</b>

**11.4 Fruitless and wasteful expenditure**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance	11	6	
Less amounts recovered		(5)	
Less amounts written off			
Transfers from note 32 Fruitless and Wasteful Expenditure			6
Interest			
<b>Total</b>		<b>1</b>	<b>6</b>

**11.5 Impairment of receivables**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Estimate of impairment of receivables		1 706	1 245
<b>Total</b>		<b>1 706</b>	<b>1 245</b>

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

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		376	132 192
Prior period error	12		
As restated		376	132 192
Transfer from statement of financial performance (as restated)		164 279	376
Paid during the year		(376)	(132 192)
<b>Closing balance</b>		<b>164 279</b>	<b>376</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Opening balance		1 872	1 092
Prior period error	13		
As restated		1 872	1 092
Transfer from Statement of Financial Performance (as restated)		21 343	20 023
Paid during the year		(22 282)	(19 243)
<b>Closing balance</b>		<b>933</b>	<b>1 872</b>

**14. Payables – current**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Clearing accounts	14.1	91	670
Other payables	14.2	924	17
<b>Total</b>		<b>1 015</b>	<b>687</b>

**14.1 Clearing accounts**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Description	14		
Salary ACB Recalls		75	102
Revenue payable to EDTEA			18
Pension Recoverable			10
Unallocated Receipts		7	539
Credit on debt account		9	1
<b>Total</b>		<b>91</b>	<b>670</b>

**14.2 Other payables**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Description	14		
Sal Income Tax		341	16
Sal: Pension Fund		52	1
Sal : GEHS Account		531	
<b>Total</b>		<b>924</b>	<b>17</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**15. Net cash flow available from operating activities**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		185 622	20 399
Add back non cash/cash movements not deemed operating activities		84 516	146 442
(Increase)/decrease in receivables		(1 037)	4 219
Increase/(decrease) in payables – current		328	462
Proceeds from sale of capital assets		(2 108)	(426)
Expenditure on capital assets		109 991	293 622
Surrenders to Revenue Fund		(22 658)	(151 435)
<b>Net cash flow generated by operating activities</b>		<b>270 138</b>	<b>166 841</b>

**16. Reconciliation of cash and cash equivalents for cash flow purposes**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Consolidated Paymaster General account		163 321	1 079
Disbursements		30	(109)
Cash on hand		35	35
<b>Total</b>		<b>163 386</b>	<b>1 005</b>

**17. Contingent liabilities and contingent assets**

**17.1 Contingent liabilities**

<b>Liable to</b>	<b>Nature</b>	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Housing loan guarantees	Employees	<i>Annex 3A</i>	-	34
Claims against the department		<i>Annex 3B</i>	93 743	75 883
Intergovernmental payables (unconfirmed balances)		<i>Annex 5</i>	3 010	3 958
<b>Total</b>			<b>96 753</b>	<b>79 875</b>

*Housing loan guarantees are being phased out and no new guarantees are being issued.*

*Contingent Liabilities cases are open until pending issues such as awaiting further instruction/and or pleadings/or supporting documentation and/or trial dates are finalised.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**18. Commitments**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Current expenditure</b>			
Approved and contracted		63 875	49 730
Approved but not yet contracted		4 748	
		<b>68 623</b>	<b>49 730</b>
<b>Capital expenditure</b>			
Approved and contracted		99 336	204 797
Approved but not yet contracted		3 864	
		<b>103 200</b>	<b>204 797</b>
<b>Total Commitments</b>		<b>171 823</b>	<b>254 527</b>

**19. Accruals and payables not recognised**

**19.1 Accruals**

			<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	13 666	1 546	15 212	67 939
Capital assets	424		424	6 908
<b>Total</b>	<b>14 090</b>	<b>1 546</b>	<b>15 636</b>	<b>74 847</b>

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
<b>Listed by programme level</b>			
ADMINISTRATION		5 701	37 731
AGRICULTURE		9 920	36 975
RURAL DEVELOPMENT		15	141
<b>Total</b>		<b>15 636</b>	<b>74 847</b>



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**19.2 Payables not recognised**

	<b>2017/18</b>		<b>2016/17</b>	
	<b>R'000</b>		<b>R'000</b>	
<b>Listed by economic classification</b>				
	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	2 680	1 341	4 021	34
Transfers and subsidies		5	5	-
Capital assets	153		153	10 745
Other	70		70	139
<b>Total</b>	<b>2 903</b>	<b>1 346</b>	<b>4 249</b>	<b>10 918</b>

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
<b>Listed by programme level</b>			
ADMINISTRATION		732	<b>10 918</b>
AGRICULTURE		3 478	
RURAL DEVELOPMENT		39	
<b>Total</b>		<b>4 249</b>	<b>10 918</b>

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
<b>Included in the above totals are the following:</b>			
Confirmed balances with other departments	<i>Annex 5</i>	335	10 918
<b>Total</b>		<b>335</b>	<b>10 918</b>

**20. Employee benefits**

	<i>Note</i>	<b>2017/18</b>	<b>2016/17</b>
		<b>R'000</b>	<b>R'000</b>
Leave entitlement		64 776	69 494
Service bonus (Thirteenth cheque)		28 567	27 369
Performance awards		7 974	16 889
Capped leave commitments		134 207	135 369
Other		1 544	102
<b>Total</b>		<b>237 068</b>	<b>249 223</b>

*Other includes provision for long service awards and acting HOD allowance to be paid. Included in Leave entitlement is negative current leave of R343k. Negative capped leave of R49k under investigation.*

*Provision for Performance awards calculated on average actual paid over the last 3 years.*

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**21. Lease commitments**

**21.1 Operating leases**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2017/18</b>					
Not later than 1 year			14 917	3 200	18 117
Later than 1 year and not later than 5 years			17 753	1 858	19 611
Later than five years					
<b>Total lease commitments</b>			<b>32 670</b>	<b>5 058</b>	<b>37 728</b>

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2016/17</b>					
Not later than 1 year			14 773	3 555	18 328
Later than 1 year and not later than 5 years			22 536	3 456	25 992
Later than five years			-	-	-
<b>Total lease commitments</b>			<b>37 309</b>	<b>7 011</b>	<b>44 320</b>

*Buildings and other fixed structures relates to Office accommodation leased through Public Works.*

*Machinery and equipment relates to Photocopier leases contracted on a 3 year basis*

Note

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**21.2 Finance leases**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2017/18</b>					
Not later than 1 year				3 380	3 380
Later than 1 year and not later than 5 years				1 230	1 230
Later than five years					
<b>Total lease commitments</b>				<b>4 610</b>	<b>4 610</b>
<b>2016/17</b>					
Not later than 1 year				3 142	3 142
Later than 1 year and not later than 5 years				358	358
Later than five years				-	-
<b>Total lease commitments</b>				<b>3 500</b>	<b>3 500</b>

*Machinery and equipment relates to Cellphone contracts entered into for 2 year periods*

**22. Accrued departmental revenue**

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services other than capital assets		6 679	7 286
<b>Total</b>		<b>6 679</b>	<b>7 286</b>

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**22.1 Analysis of accrued departmental revenue**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Opening balance		7 286	8 180
Less: amounts received		11 433	8 819
Add: Amounts recognised		10 826	7 925
Less: amounts written-off/reversed as irrecoverable			-
<b>Closing balance</b>		<b>6 679</b>	<b>7 286</b>

**23. Irregular expenditure**

**23.1 Reconciliation of irregular expenditure**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Opening balance		281 001	66 352
Prior period error			3 340
As restated		281 001	69 692
Add: Irregular expenditure – relating to prior year			-
Add: Irregular expenditure – relating to current year		152 173	211 309
Less: Prior year amounts condoned		(1 899)	-
Less: Current year amounts condoned			-
Less: Amounts not condoned and recoverable	11		-
Less: Amounts not condoned and not recoverable			-
<b>Irregular Expenditure awaiting condonation</b>		<b>431 275</b>	<b>281 001</b>

**Analysis of awaiting condonation per age classification**

Current year	152 173	211 309
Prior years	279 102	69 692
<b>Total</b>	<b>431 275</b>	<b>281 001</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**23.2 Details of irregular expenditure – added current year (relating to current and prior years)**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2017/18 R'000</b>
Single source		8 678
Month to month contracts		48 659
Contract expired		5 300
Non compliance with SCM processes		4 452
No Contract		1 371
Deviation from SCM processes		15 562
Conditional Grant funding not utilised for intended purpose Implementing Agent: Non-compliance with SCM processes		58 123
		10 028
<b>Total</b>		<b>152 173</b>

**23.3 Details of irregular expenditure condoned**

<b>Incident</b>	<b>Condoned by (condoning authority)</b>	<b>2017/18 R'000</b>
3 quotes not requested	Accounting Officer	1 031
Competitive bidding process not followed	Accounting Officer	195
Month to month contract	Accounting Officer	327
3 quotes not received, more than 3 requested	Accounting Officer	346
<b>Total</b>		<b>1 899</b>

*Subsequent to the Provincial Treasury review exercise of irregular expenditure up to 2013/14, these payments were identified to be condoned by Accounting Officer.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**23.4 Prior period error**

	<i>Note</i>	<b>2016/17 R'000</b>
<b>Nature of prior period error</b>		
<b>Relating to 2015/16 (affecting the opening balance)</b>		<b>3 340</b>
Fraudulent orders		3 340
<b>Relating to 2016/17</b>		<b>27 750</b>
Month to month		13 178
Non Compliance with SCM processes		13 476
Fraudulent orders		1 096
<b>Total</b>		<b>31 090</b>

Irregular expenditure incurred in 2016/17, identified in 2017/18

**24. Fruitless and wasteful expenditure**

**24.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Opening balance		216	1 421
Prior period error		-	-
As restated		216	1 421
Fruitless and wasteful expenditure – relating to current year		1 311	162
Less: Amounts resolved		(488)	(1 360)
Less: Amounts transferred to receivables for recovery	11.6	-	(7)
<b>Closing balance</b>		<b>1 039</b>	<b>216</b>

**24.2 Analysis of awaiting resolution per economic classification**

	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Current	1 039	216
Capital	-	-
Transfers and subsidies	-	-
<b>Total</b>	<b>1 039</b>	<b>216</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**24.3 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2017/18 R'000</b>
Interest on overdue accounts		350
No show :Accommodation		9
Interest - Arbitration award		952
<b>Total</b>		<b>1 311</b>

**25. Related party transactions**

*The following are related parties to the Department: Mjindi Farming (Pty) Ltd; Agric Development Agency; Ntingwe Tea (Pty) Ltd.  
Refer to Annexure 1B,1D,2A and 2B for details of transactions with the above entities*

**26. Key management personnel**

	<b>No. of Individuals</b>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Political office bearers (provide detail below)	1	1 978	1 936
Officials:			-
Level 15 to 16	6	8 228	8 079
Level 14 (incl. CFO if at a lower level)	9	7 260	7 635
Family members of key management personnel	3	656	-
<b>Total</b>		<b>18 122</b>	<b>17 650</b>

*Act HOD SP Myeza was seconded from EDTEA to DARD March 2018, salary cost not included in this note, reflected in EDTEA.*



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**27. Provisions**

	<i>Note</i>	<b>2017/18 R'000</b>	<b>2016/17 R'000</b>
Retention for Capital Infrastructure projects through Public Works		650	
<b>Total</b>		<u>650</u>	

**27.1 Reconciliation of movement in provisions – 2017/18**

	<b>Retention R'000</b>	<b>Provision 2 R'000</b>	<b>Provision 3 R'000</b>	<b>Total provisions R'000</b>
Opening balance	-			
Increase in provision	650			650
Settlement of provision				
Unused amount reversed				
Reimbursement expected from third party				
Change in provision due to change in estimation of inputs				
<b>Closing balance</b>	<u>650</u>			<u>650</u>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**28. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>HERITAGE ASSETS</b>	-	-	-	-	
Heritage assets	-		-	-	
<b>MACHINERY AND EQUIPMENT</b>	640 380	-	30 724	12 968	658 136
Transport assets	166 958		21 260	6 409	181 809
Computer equipment	105 377		3 149	3 310	105 216
Furniture and office equipment	18 910		1 251	476	19 685
Other machinery and equipment	349 135		5 064	2 773	351 426
<b>SPECIALISED MILITARY ASSETS</b>					
Specialised military assets					
<b>BIOLOGICAL ASSETS</b>	3 805	6 762	485	1 475	9 577
Biological assets	3 805	6 762	485	1 475	9 577
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>644 185</b>	<b>6 762</b>	<b>31 209</b>	<b>14 443</b>	<b>667 713</b>

**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>		
Heritage assets		
Machinery and equipment	5 039	133 635
Specialised military assets		
Biological assets		

*During the 2017/18 financial year asset audit the assets were not seen by the team members. This could be due to a variety of reasons, the barcode label may have fallen off, the office may have been locked, and movable assets such as laptops, GPS's were not in the office on the day of the audit.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**28.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>					
Heritage assets					
<b>MACHINERY AND EQUIPMENT</b>	30 724				30 724
Transport assets	21 260				21 260
Computer equipment	3 149				3 149
Furniture and office equipment	1 251				1 251
Other machinery and equipment	5 064				5 064
<b>BIOLOGICAL ASSETS</b>	485				485
Biological assets	485				485
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>31 209</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31 209</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**28.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	5 202	7 766	12 968	1 877
Transport assets	5 007	1 402	6 409	1 848
Computer equipment		3 310	3 310	
Furniture and office equipment		476	476	
Other machinery and equipment	195	2 578	2 773	29
<b>BIOLOGICAL ASSETS</b>	152	1 323	1 475	231
Biological assets	152	1 323	1 475	231
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5 354</b>	<b>9 089</b>	<b>14 443</b>	<b>2 108</b>

**28.3 Movement for 2016/17**

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	545 371	(467)	124 793	29 317	640 380
Transport assets	150 478	222	18 030	1 772	166 958
Computer equipment	109 874	(571)	11 506	15 432	105 377
Furniture and office equipment	19 585		786	1 461	18 910
Other machinery and equipment	265 434	(118)	94 471	10 652	349 135
<b>BIOLOGICAL ASSETS</b>					
Biological assets	4 136		118	449	3 805
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>549 507</b>	<b>(467)</b>	<b>124 911</b>	<b>29 766</b>	<b>644 185</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**28.3.1 Prior period error**

	<i>Note</i>	<b>2016/17 R'000</b>
<b>Nature of prior period error</b>		<b>(467)</b>
Relating to 2016/17		
Assets lost/recovered prior year, reported in 2017/18		(467)
Relating to 2016/17		
Loss of assets reported 17/18 for 2016/17		(172)
Total prior period errors		<b>(639)</b>

**28.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Opening balance	-	56	-	23 971	6 168	30 195
Value adjustments				(70)	848	778
Additions				1 931	10	1 941
Disposals		11		422	2 971	3 404
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>25 410</b>	<b>4 055</b>	<b>29 510</b>

	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets				21 897		21 897
Number of minor assets at cost		22		17 960	2 656	20 638
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>39 857</b>	<b>2 656</b>	<b>42 535</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**Minor Capital Assets under investigation**

	<b>Number</b>	<b>Value R'000</b>
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	13 846	8 526

*During the 2017/18 financial year asset audit the assets were not seen by the team members. This could be due to a variety of reasons, the barcode label may have fallen off, the office may have been locked, and movable assets such as laptops, GPS's were not in the office on the day of the audit.*

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
		56	-	26 246	7 548	33 850
Opening balance	-	-	-	-	-	-
Prior period error	-	-	-	833	-	833
Additions						
Disposals	-	-	-	3 108	1 380	4 488
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>23 971</b>	<b>6 168</b>	<b>30 195</b>

	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets	-	-	-	22 618	-	22 618
Number of minor assets at cost	-	-	-	17 334	-	17 334
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39 952</b>	<b>-</b>	<b>39 952</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2018*

**28.5 S42 Movable capital assets**

**MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
No. of Assets				169		169
Value of the assets (R'000)				6 438		6 438

**MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
No. of Assets				679		679
Value of the assets(R'000)				555		555



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**29. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	2 373		-	99	2 274
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>2 373</b>		<b>-</b>	<b>99</b>	<b>2 274</b>

**29.1 Disposals**

**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE		99	99	
<b>TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS</b>		<b>99</b>	<b>99</b>	

**29.2 Movement for 2016/17**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	2 802		51	480	2 373
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>2 802</b>		<b>51</b>	<b>480</b>	<b>2 373</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**30. IMMOVABLE TANGIBLE CAPITAL ASSETS**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>					
Non-residential buildings	-	-	-	--	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	-	-	-

**30.1 Additions**

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	76 430	-	(76 430)	-	-
Dwellings					-
Non-residential buildings	76 430	-	(76 430)		-
Other fixed structures					-
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>76 430</b>	<b>-</b>	<b>(76 430)</b>	<b>-</b>	

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**30.2 Capital Work-in-progress**

**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018**

	Opening balance 1 April 2017	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2018
<i>Note</i> <i>Annexure 7</i>	R'000	R'000	R'000	R'000
Heritage assets				
Buildings and other fixed structures	511 667	76 430	36 266	551 831
Machinery and equipment				
Intangible assets				
<b>TOTAL</b>	<b>511 667</b>	<b>76 430</b>	<b>36 266</b>	<b>551 831</b>

*Community assets completed were never brought into register, transferred directly to beneficiary.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017**

	Opening balance 1 April 2017 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2018 R'000
<i>Note</i>					
<i>Annexure 7</i>					
Heritage assets					
Buildings and other fixed structures	487 838		163 282	(139 453)	511 667
Machinery and equipment					
Intangible assets					
<b>TOTAL</b>	<b>487 838</b>		<b>163 282</b>	<b>(139 453)</b>	<b>511 667</b>

Age analysis on ongoing projects	Number of projects		2016/17
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	3		38 000
1 to 3 Years	10	3	31 940
3 to 5 Years	11	4	407 999
Longer than 5 Years	13		161 553
<b>Total</b>	<b>37</b>	<b>7</b>	<b>639 492</b>

A large number of the projects have remained in the Departments infrastructure plan for more than 5 years awaiting implementation through Department of Public Works. In some instances budget constraints has held up projects as the cost of projects escalates.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**31. Prior period errors**

**31.1 Correction of prior period errors**

	<i>Note</i>	<b>Amount before error correction 2016/17 R'000</b>	<b>Prior period error 2016/17 R'000</b>	<b>Restated Amount 2016/17 R'000</b>
<b>Assets: Movable tangible capital assets</b>	<u>28</u>	644 824	(639)	<b>644 185</b>
<b>Net effect</b>		<b>644 824</b>	<b>(639)</b>	<b>644 185</b>

*Loss of assets reported in 2017/18 for 2016/17 and prior.*

	<i>Note</i>	<b>Amount before error correction 2016/17 R'000</b>	<b>Prior period error 2016/17 R'000</b>	<b>Restated Amount 2016/17 R'000</b>
Irregular Expenditure	23	194 377	86 624	281 001
Commitments	18	148 060	106 467	254 527
<b>Net effect</b>		<b>342 437</b>	<b>193 091</b>	<b>535 528</b>

*Irregular expenditure incurred in 2016/17, identified during review exercise in 2017/18.*

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**32. STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2016/17	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department	Amount spent by depart-ment	Under / (Overspendi ng)	% of available funds spent by depart-ment	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Land Care Grant	12 012				12 012	12 012	12 012	-	100%	222 155	222 155
Comprehensive Agricultural Support Programme	209 598				209 598	209 598	159 935	-	76%	63 876	63 876
Ilima/Letsema Projects	67 356				67 356	67 356	44 540	49 663	66%	10 632	10 632
EPWP Integrated Grant for Provinces	8 466				8 466	8 466	8 466	22 816	100%	3 840	3 840
								-			
	297 432				297 432	297 432	224 953	72 479		300 503	300 503

Note: CASP Expenditure includes COE of R21.000 million for Extension Recovery Plan which is allocated to equitable share due to Pearsal links.

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %
PD: Vehicles Licences	1 546	-	-	1 546	1 328	-	-
Mun B/Acc: Mun Rates & Taxes	40	-	12	52	52	-	-
<b>TOTAL</b>	<b>1 586</b>	<b>-</b>	<b>12</b>	<b>1 598</b>	<b>1 380</b>	<b>-</b>	<b>-</b>

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

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



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

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

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Agri Business Development Agency	121 335	-	-	121 335	121 334	100%	94 581
Com: Licences (Radio & TV)	1	-	-	1	1	100%	1
Skills Development Levy	2 871	-	-	2 871	1 849	64%	2 418
<b>TOTAL</b>	<b>124 207</b>	<b>-</b>	<b>-</b>	<b>124 207</b>	<b>123 184</b>		<b>97 000</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 1B**  
**STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2016/17
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available funds Transferred %	
University of Zululand	-	-	-	-	-	-		3 000
Donations & Gifts Higher Educ Institutions	44	-	-	44	44	-	0%	
<b>TOTAL</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>44</b>	<b>-</b>		<b>3 000</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1C**  
**STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2016/17
	Adjusted Appropiation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Public Corporations									
Mjindi Farming	56 001	-	-	56 001	56 001	100.0%	-	56 001	53 183
Independent Development Trust (IDT)	-	-	-	-	-	-	-	-	20 322
Ithala Development Finance	11 323	-	-	11 323	11 323	100.0%	-	11 323	-
Transfers									
	67 324	-	-	67 324	67 324	100.0%	-	67 324	73 505
Subsidies	-	-	-	-	-	-	-	-	-
Sub total:Public Corporations	67 324	-	-	67 324	67 324	100.0%	-	67 324	73 505
Private Enterprises									
Transfers	74 174	-	(2 224)	71 950	67 044	93.2%	10 621	56 423	82 021
SA Sugar Research Institute	2 692	-	-	2 692	2 692	100.0%	-	2 692	2 242
Soil Conservation Subsidy	-	-	-	-	-	-	-	-	644
Aquason Construction	-	-	-	-	-	-	-	-	378
Mvuthshini Estate (Pty) Ltd	658	-	-	658	658	100.0%	-	658	582
Radley,JH	1 059	-	-	1 059	-	-	-	-	-
Unallocated									

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

Communal Estates	13 995	-	-	13 995	12 634	90.3%	-	13 091	12 426
SA Sugar Association	8 744	-	-	8 744	7 156	81.8%	-	7 156	15 117
Inqanawe Tunnel Project	-	-	-	-	-	-	-	-	3 054
Rapid Dawn 1064 CC	-	-	-	-	-	-	-	-	1 474
River Valley Project	-	-	-	-	-	-	-	-	1 200
Siyathuthuka Farms	670	-	-	670	670	100.0%	-	670	3 429
Nyezenhle Holdings - Roadside	3 900	-	-	3 900	3 900	100.0%	-	3 900	7 000
Abattoir	-	-	-	-	-	-	-	-	-
UThukela Local House of Traditional Leaders Development Trust	-	-	-	-	-	-	-	-	13 026
Sizisizwe Trading Enterprise Primary Co-Operative	-	-	-	-	-	-	-	-	4 728
Copperfield Dairy	-	-	-	-	-	-	-	-	6 500
Izobuya Nini Trading Enterprise CC	-	-	-	-	-	-	-	-	1 500
Indlovu Family CC	-	-	-	-	-	-	-	-	3 221
Ekuphileni Poultry and Agricultural Farming Primary Cooperative	6 500	-	-	6 500	6 500	100.0%	6 500	-	5 500
Agricultural Show Societies	105	-	-	105	-	-	-	-	-
THB Matebese Trading 114 CC	4 121	-	-	4 121	4 121	100.0%	4 121	-	-
Ndisinduna Multipurpose Co-op Ltd	800	-	-	800	800	100.0%	-	800	-
KZN Goat Agri-business Project	2 950	-	-	2 950	2 950	100.0%	-	2 950	-
Future Farmers Foundation	2 224	-	(2 224)	-	-	-	-	-	-
Mpofana Land Reform Cluster	21 356	-	-	21 356	20 563	96.3%	-	20 106	-
Mbangweni Beef Project	2 200	-	-	2 200	2 200	100.0%	-	2 200	-
Nozinkanyiso	2 200	-	-	2 200	2 200	100.0%	-	2 200	-
Subsidies	-	-	-	-	-	-	-	-	-
<b>Sub total: Private enterprises</b>	<b>74 174</b>	<b>-</b>	<b>(2 224)</b>	<b>71 950</b>	<b>67 044</b>	<b>93.2%</b>	<b>10 621</b>	<b>56 423</b>	<b>82 021</b>
<b>TOTAL</b>	<b>141 498</b>	<b>-</b>	<b>(2 224)</b>	<b>139 274</b>	<b>134 368</b>	<b>96.5%</b>	<b>10 621</b>	<b>123 747</b>	<b>155 526</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

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

	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>NON-PROFIT INSTITUTIONS</b>							<b>R'000</b>
<b>Transfers</b>				-			
Agricultural schools							
Weston College of Agriculture	564	-	-	564	-	0%	3 569
James Nxumalo Agric School	2 988	-	-	2 988	2 091	70%	-
Vryheid Agric School	1 571	-	-	1 571	1 100	70%	-
Shakaskraal Secondary School	3 360	-	-	3 360	2 352	70%	-
Zakhe Agricultural College	2 540	-	-	2 540	1 778	70%	-
Future Famers Foundation	-	-	2 224	2 224	2 224	100%	-
<b>TOTAL</b>	<b>11 023</b>	<b>-</b>	<b>2 224</b>	<b>13 247</b>	<b>9 545</b>		<b>3 569</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 1E**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
<b>Transfers</b>							
Injury on duty	88	-	17	105	105	100%	20
Leave Gratuity	10 115	-	5 410	15 525	15 525	100%	11 585
Claims against the State	-	-	1	1	1	100%	196
Bursaries (Non Employees)	4 300	-	-	4 300	2 967	69%	3 820
<b>TOTAL</b>	<b>14 503</b>	<b>-</b>	<b>5 428</b>	<b>19 931</b>	<b>18 598</b>		<b>15 621</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 1F**  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
<b>Received in kind</b>			
Agriseta	Capacity building OSCA	500	
Agriseta	Capacity building Cedara College	240	
Department of Agriculture, Forestry, Fisheries	Colleges: Software licences, Subscriptions, Textbooks, Upgrade Infrastructure	4 058	
Department of Agriculture, Forestry, Fisheries	30 JOJO Tanks		348
Department of Agriculture, Forestry, Fisheries	Erection of fence and poles		459
<b>Subtotal</b>		<b>4 798</b>	<b>807</b>
<b>TOTAL</b>		<b>4 798</b>	<b>807</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 1G**

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

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2017/18	2016/17
	R'000	R'000
<b>Made in kind</b>		
1 cow & 1 sheep - Israel Spiritual Church	7	
5 cattle - Isimahla	26	
4 cattle - His Majesty the King	14	
5 cattle - Cattle for the Royal funeral ( Prince Mthokozisi & Prince Siphosethu)	21	
1 cow - Mahaye Family (uitvaal	4	
1 bull - University of KZN	6	
3 cattle - Cattle for Nkosi Mthethwa	12	
1 cow - Cattle for family of Mr Naubane (Deceased)	6	
3 cows and 6 goats - Emadungeni Traditional Court		13
31 computers and 1 Data projector - Washbank JS School		245
2 cattle and 4 sheep - Methodist Church of SA		12
2 cattle - CF St. John Bosco		11
29 cattle - Emthekwini Hluhluwe families		78
10 cattle - Presidential Event Impendle		46
3 cattle - Bambangalo Maphumulo Traditional Council		12
1 cattle - Phakathi family(Mt Moriar)		5
1 cattle- College Cultural Day		7
2 cattle - Departmental Event		8
<b>TOTAL</b>	<b>96</b>	<b>437</b>

**MADE IN CASH**

Post Graduate Research & Innovation Day –UKZN College of Agric & Science

**44**

**GRAND TOTAL**

**140**

**437**



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 1H**  
**STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT**

Grant Type	Apr 2017 R'000	May 2017 R'000	Jun 2017 R'000	Jul 2017 R'000	Aug 2017 R'000	Sept 2017 R'000	Oct 2017 R'000	Nov 2017 R'000	Dec 2017 R'000	Jan 2018 R'000	Feb 2018 R'000	Mar 2018 R'000	Total R'000
Old age													
War Veterans													
Disability													
Grant in Aid													
Foster Care													
Care Dependency													
Child Support Grant													
Other	4 532	4 565	11 864	9 314	11 061	12 288	13 684	13 682	38 451	35 252	19 703	50 557	224 953
<b>TOTAL</b>	<b>4 532</b>	<b>4 565</b>	<b>11 864</b>	<b>9 314</b>	<b>11 061</b>	<b>12 288</b>	<b>13 684</b>	<b>13 682</b>	<b>38 451</b>	<b>35 252</b>	<b>19 703</b>	<b>50 557</b>	<b>224 953</b>

Included in above monthly expenditure:

Comp Agricultural Support Programme; Lima/ Letsema Project; Land Care; EPWP Incentive grant for Provinces

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 2A**  
**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES**

Name of Public Entity	State Entity's PFMA Schedule type (state year end if not 31 March)	% Held 2017/18	% Held 2016/17	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed
National/Provincial Public Entity												
MJINDI FARMING (PTY)LTD	Schedule 3D	100	100	100	100	8 757	8 757	72 201	66 009	(376)	11 145	NO
<b>TOTAL</b>		-	100	100	100	8 757	8 757	72 201	66 009	(376)	11 145	

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 2B**  
**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)**

Name of Public Entity	Nature of business	Cost of investment R'000		Net Asset value of Investment R'000		Amounts owing to Entities R'000		Amounts owing by Entities R'000	
		2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Controlled entities									
NTINGWE TEA (PTY)LTD		1	1	(97 269)	(92 613)				
TOTAL		1	1	(97 269)	(92 613)				

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 3A**  
**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2018 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2018	Realised losses not recoverable i.e. claims paid out
ABSA	Housing	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
		34	34	34	34	-	-	-	-
<b>TOTAL</b>		34	34	34	34				

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 3B**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018**

Nature of Liability	Opening Balance 1 April 2017 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancell ed/reduced during the year R'000	Liabilities recoverabl e(Provide details hereunder) R'000	Closing Balance 31 March 2018 R'000
<b>Claims against the department</b>					
ACCIDENT CLAIMS	1 868	195	477		1 586
DAMAGE TO PROPERTY	8 427	-	-		8 427
GOODS AND SERVICES	33 424	17 205	436		50 193
LEASE AGREEMENT DISPUTE	66	-	-		66
GENERAL CLAIMS	32 098	1 373	-		33 471
<b>Total</b>	<b>75 883</b>	<b>18 773</b>	<b>913</b>	<b>-</b>	<b>93 743</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 4**  
**CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18*	
							Receipt date up to six (6) working days after year end	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	Amount	R'000
<b>Department</b>								
DEPT ARTS & CULTURE	88		31	307	119	307		
DEPARTMENT OF HEALTH	11				11			
DEPARTMENT OF LABOUR			18		18			
DEPARTMENT OF ECONOMIC DEV. TOURISM & ENVIRO AFF.	48				48			
DEPARTMENT OF WORKS	129				129			
DEPARTMENT OF AGRIC. FORESTRY & FISHERY			30		30		03/04/2018	35
NORTHERN CAPE AGRIC			39		39			
	<b>276</b>	<b>-</b>	<b>118</b>	<b>307</b>	<b>394</b>	<b>307</b>		<b>35</b>

**Other Government Entities**  
**TOTAL**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 5**  
**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18*	
	31/03/2018		31/03/2017		31/03/2018		31/03/2017	
	R'000	R'000	R'000	R'000	R'000	R'000	Payment date up to six (6) working days before year end	Amount R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
DEPT OF WORKS		2 334	80	1 347	80	3 681	05/04/2018	6 999
DEPT OF TRANSPORT		8 411	2 890	2 418	2 890	10 829		
DEPT OF PLANNING, MONITORING & EVALUATION		39			-	39		
DEPT OF JUSTICE	265	34	40	19	305	53		
<b>Subtotal</b>	<b>265</b>	<b>10 818</b>	<b>3 010</b>	<b>3 784</b>	<b>3 275</b>	<b>14 602</b>		<b>6 999</b>
<b>Non-current</b>								
DEPT OF ARTS & CULTURE				75	-	75		
SOUTH AFRICAN POLICE SERVICES	70	100			70	100		
DEPT OF EDUCATION				99	-	99		
<b>Subtotal</b>	<b>70</b>	<b>100</b>	<b>-</b>	<b>174</b>	<b>70</b>	<b>274</b>		
<b>TOTAL</b>	<b>335</b>	<b>10 918</b>	<b>3 010</b>	<b>3 958</b>	<b>3 345</b>	<b>14 876</b>		<b>6 999</b>

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 6**  
**INVENTORIES**

Inventories [Per major category]	Note	Quantity	2017/18 R'000	Quantity	2016/17 R'000
Opening balance		-	19 079		1 679
Add/(Less): Adjustments to prior year balance					
Add: Additions/Purchases - Cash			21 427		19 079
Add: Additions - Non-cash					
(Less): Disposals					
(Less): Issues			(19 079)		(1 679)
Add/(Less): Adjustments					
<b>Closing balance</b>		<b>-</b>	<b>21 427</b>		<b>19 079</b>



**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2018

**ANNEXURE 7**  
**MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018**

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>511 667</b>	<b>76 430</b>	<b>(36 266)</b>	<b>551 831</b>
Non-residential buildings	511 667	76 430	(36 266)	551 831
<b>TOTAL</b>	<b>511 667</b>	<b>76 430</b>	<b>(36 266)</b>	<b>551 831</b>

Age analysis on ongoing projects	Number of projects		2016/17
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	3		38 000
1 to 3 Years	10	3	31 940
3 to 5 Years	11	4	407 999
Longer than 5 Years	13		161 553
<b>Total</b>	<b>37</b>	<b>7</b>	<b>639 492</b>

*A large number of the projects have remained in the Departments infrastructure plan for more than 5 years awaiting implementation through*

*Department of Public Works. In some instances budget constraints has held up projects as the cost of projects escalates.*

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017**

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>487 838</b>		<b>163 282</b>	<b>(139 453)</b>	<b>511 667</b>
Non-residential buildings	487 838		163 282	(139 453)	511 667
<b>TOTAL</b>	<b>487 838</b>		<b>163 282</b>	<b>(139 453)</b>	<b>511 667</b>





## agriculture & rural development

Department:  
Agriculture and Rural Development  
**PROVINCE OF KWAZULU-NATAL**

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