



agriculture & rural development

Department:
agriculture & rural development
PROVINCE OF KWAZULU-NATAL

Annual Report 2018•2019

FINANCIAL YEAR

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ANNUAL REPORT

2018/2019 FINANCIAL YEAR

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PART A: GENERAL INFORMATION

#PHEZU'KOMKHONO





DEPARTMENT GENERAL INFORMATION

PART A: GENERAL INFORMATION

Department's General Information

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LIST OF ABBREVIATIONS / ACRONYMS

PART A: GENERAL INFORMATION

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



FOREWORD BY THE MEC

Mrs Bongi Sithole-Moloi (MPL)

MEC: AGRICULTURE AND RURAL DEVELOPMENT

I am honoured to table the 2018/2019 Annual Report of the KwaZulu-Natal Department of Agriculture and Rural Development in line with the Public Finance Management Act 1 of 1999, as amended. The Annual Report is an important mechanism of transparency that is used by public institutions to enable efficient and effective oversight by the public and accountability structures.

The Department of Agriculture and Rural Development has the important mandate of ensuring food security, agricultural development and ensuring sustainable rural livelihood in the KwaZulu-Natal. Recent government pronouncements by His Excellency, President Ramaphosa and Honourable Premier Zikalala have reinforced the message the importance of agriculture as the driver of economic growth and development.

The Department is augmenting its Food and Nutrition Security programme to align with the President Ramaphosa's assertion that "within the next decade no person in South Africa will go hungry". In this regard, the Department has developed packages to support individual households and communities that are faced with food insecurity and deprivation.

Furthermore, taking cue from Premier Zikalala's pronouncement that "over the next five years will see this province embarking on the agriculture revolution to ensure food security, the growth of the sector and job creation", we have also started the review of the Agricultural Development Support Package for farmers in the province.

This programme will allow the Department to increase investment to smallholder producer development to help them graduate to commercial production and offer training as well as mentorship to equip them with the necessary tools to run viable and profitable agricultural enterprises. In 2018/2019 financial year, the Department had committed to develop the KwaZulu-Natal Agricultural Masterplan to provide a framework to unlock agricultural potential and transform the sector in the province.

We are pleased that the Department was able to host a two-day Provincial Agricultural Summit in this financial year, which was a critical milestone in the life of the Masterplan development process.

This served to fulfil as much needed fulfilment of the Honourable Premier and His Majesty, The King, wherein they made a clarion call for the Department of Agriculture and Rural Development to host an Agricultural Summit at which challenges facing the sector were to be discussed at length with the aim of developing a tangible plan of catalysing development in the most impoverished communities of KwaZulu-Natal.

The 6th administration has further pronounced on the need to finalise and implement that Agricultural masterplan and the Department is currently busy with this process. The Department is also finalising its Strategy for the next five years that aims to improve the policy programmes that are implemented in the province to ensure sustained agricultural growth and rural development.

The mandate of the Rural Development branch is currently being reconfigured in line with the changes that have been occasioned by the establishment of the National Department of Agriculture, Land Reform and Rural Development in the new medium term. In this regard, a Socio-Economic Rural Development Strategy will be finalised in 2019/20 to give effect to sustainable rural development.

The Department embarked on a process to rationalise its public entities, namely; Agribusiness Development Agency (ADA), Mjindi Farming and Ntingwe Tea. The main rationale of having entities is to strengthen institutional capacity to execute Departmental mandate. The amalgamation process should be concluded soon to allow for the establishment of a single agricultural development agency in the province that will improve farmer support and development, whilst reducing duplication of responsibilities.

Overall, there remains some concerns about the performance of the Department, in particular, the consistent under-expenditure of our budget as well as other governance and institutional weakness that have been identified. We have directed management to introduce radical improvements on governance and internal controls. The continuously under-achieving on our targets and unfavourable audit outcomes are receiving immediate attention. We will ensure appropriate appointments are made in critical vacant positions. We have to build sufficient organisational capacity and not just at senior management but across all levels.

I would like to express a word of appreciation to the Honourable Premier, colleagues in the Executive Council, Members of the Legislature, Portfolio Committees, oversight structures, stakeholders, the Head of Department, management and all officials that made the work of the Department possible.

The support given to us is appreciated.

Let's make Agriculture Our Culture



Ms Bongile Sithole-Moloi

MEC: Agriculture And Rural Development, KwaZulu-Natal

30 August 2019



REPORT OF THE ACCOUNTING OFFICER

MRS N. SHEZI

ACTING HOD: AGRICULTURE AND RURAL DEVELOPMENT

I am pleased to table 2018/2019 Annual Report of the KwaZulu-Natal Department of Agriculture and Rural Development in line with the Public Finance Management Act 1 of 1999, as amended. The Annual Report enables the Department to fulfil its public responsibility for transparency and accountability for the execution of its mandate and operations.

STRATEGIC OVERVIEW

The Department of Agriculture and Rural Development (OARD) is charged with the responsibility to provide food security, farmer support and development, veterinary, agricultural training and education, agricultural research and technology development, and rural development services to the people of KwaZulu-Natal.

The Department has entered a new era in the form of the sixth democratic government. The President and Premier, have repeatedly directed government officials to shift gears and engage a business unusual mentality to radically implement programmes that will alleviate poverty, create jobs and usher in a new dawn. Government is committed to reducing unemployment, growing the economy and ensure that NO one goes to bed hungry.

The Department is still guided by the National Development Plan and the Provincial Growth and Development Strategy & Plan. The Medium Term Strategic Framework has changed to usher in the new focus areas of the new government. There continued prevalence and deepening of the triple challenges of poverty, unemployment and inequality, there is even a stronger call to fast-track interventions that will deal with these challenges head-on.

The economy is performing badly and agricultural sector, in particular, has been declining. There are trade wars between major trading partners that have an impact on the South Africa. The exchange rate has been deteriorating meaning that the country's imports are becoming more and more expensive. Due to the poor economic performance, government is not collecting adequate revenue and this had led to the government's fiscal consolidation programmes which have seen severe budget cuts to the fiscus.

In tough times like these, government is called upon to do more with less, which demands more efficiency and ensure value for money in all the programmes being implemented. Government has directed that non- performing programmes must be phased out or stopped completely. The Department is therefore reviewing its delivery model

The State of the Department

The department has been through a lot of changes over the past couple of years, mainly at senior management and political leadership level. Some of these changes have been have resulted in constant changes to the policy direction, which requires quick adjustments of programmes and management approach. In some instances, this has led to uneven performance across the organisation. This requires a mindset shift and the lessons of the past to inform the future.

Over the last while the department's audit outcome has also deteriorated. The year 2018/19 is the third successive year of qualified audits for the department. Irregular expenditure has increased; communities are increasingly becoming dissatisfied with services rendered. Persistent under- expenditure has also contributed and the state of Department offices requires immediate attention. There are critical vacancies that have to be filled and the number of people in acting positions has to be addressed. There is an increase in the percentage of unhappy staff members and this has in some instances led to under-performance against the department's objectives. All of these things must change.

The provincial executive council resolved that the province must rationalise its public entities with the aim of achieving savings but also the main aim was to refocus provincial public entities to the core mandates that they were set up for. Further, government had to take a serious look at whether departments were performing their functions or just outsourcing them to the entities. In our case the decision was to amalgamate the three entities, namely ADA, Mjindi and Ntingwe Tea into one entity. There is progress in the amalgamation process and by the end of the financial year, the process must be concluded.

The amalgamation of the national departments of Rural Development and Land Reform and Department of Agriculture has implications for the Province. The department started some work on the compilation of the Agricultural Masterplan. This has to be finalised to ensure this Framework is approved to guide DARD service delivery model and programmes going forward.

OVERVIEW OF FINANCIAL PERFORMANCE

Collection of Departmental Revenue

The table below provides the summary of the departmental receipts for 2017/18 and 2018/19 financial years by type of receipt. The total actual revenue of R21.387 million for 2018/19 reflects an under collection against the estimated revenue of R24.580 million by R3.193 million or 13 per cent. The under-collection in 2018/19 results in very nominal increase in total revenue from 2017/18.

Departmental Own Receipts by main revenue category

Departmental Receipts	2017/2018			2018/19		
	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	19 718	18 129	1 897	19 967	14 911	5 056
Fines, penalties and forfeits				1	0	1
Interest, dividends and rent on land	11	56	(45)	20	91	(71)
Sale of capital assets	4 187	2 108	1 775	4 000	4 480	(480)
Financial transactions in assets and liabilities	560	1 050	(483)	592	1 905	(1 313)
TOTAL	24 476	21 343	3 144	24 580	21 387	3 193

The reasons for the under/(over) collection for 2018/19 are provided by category as follows:

- *Sale of goods and services other than capital assets* under-collected by R5.056 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 mainly in respect of the outstanding academic fees from the University of KwaZulu-Natal (UKZN) as well as decline in samples submitted to the laboratories for analysis. The outstanding fees from UKZN were received in April 2019.
- *Fines, Penalties and forfeits* has a nominal budget of R1,000 in respect of lost and/or late return of library books at the Colleges library.
- *Interest, dividends and rent on land* collected R91 000 against the budget of R20 000 relating to higher than anticipated interest on outstanding debts.
- *Sale of capital assets* over collected by an amount of R480,000 due to the departmental auction of redundant assets planned for the last quarter of 2017/18 only taking place in 2018/19.
- *Transactions in financial assets and liabilities* exceeded projections by R1.313 million. This relates mainly to the recovery of over payments made in previous financial years, refunds received as well as the financial transaction for the write-off of losses. 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 is done in consultation with all relevant role-players and submitted to the Provincial Treasury for approval. The approved fees for the 2018/19 financial year were circulated for implementation with effect from 1 April 2018. The tariffs are reviewed on an annual basis as part of the budget process and the revised tariffs implemented on 1 April of every year.

Free Services

The Department received Provincial Treasury Approval to grant thirty (30) students exemption from college fees. Twenty students would be from Agricultural schools and ten students would be from financially disadvantaged backgrounds. The selection of these students is based on merit. Apart from this, 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 2017/18 and 2018/19 financial years. As is evident, the department's under-expenditure increases from R164.279 million in 2017/18 to R264.4 million in 2018/19.

R'000	2017/18			2018/19		
Programme	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	517,077	476,647	40,430	536,421	490,025	46,396
2. Agriculture	1,649,815	1,536,918	112,897	1,824,885	1,619,583	205,302
3. Rural Development	30,252	19,300	10,952	29,790	17,088	12,702
TOTAL	2,197,144	2,032,865	164,279	2,391,096	2,126,696	264,400

The under-spending was against all three programmes with reasons for under-expenditure provided under the section detailing programme performance.

Virements/Roll-overs

An amount of R30.329 million was moved to Programme 2: Agriculture from savings under Programme 1: Administration of R27.739 million and Programme 3: Rural Development of R2.590 million post the Adjustments Estimate. The details of the virements is provided in the Appropriation Statement for 2018/19 financial year and all virements are undertaken according to the PFMA and Treasury Regulation prescripts.

The increase under Programme 2 was for production inputs towards food security and farmer support. The department also undertook virements between economic classifications within the Programmes. Such movements 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 R253.620 million made up of:

- R68.304 million of the Comprehensive Agriculture Support Programme Grant
- R26.424 million of the Ilima/Letsema Conditional Grant;
- R2.697 million of the Land Care Grant; and
- R156.195 million against equitable share.

Unauthorized, fruitless and wasteful expenditure

The department did not record any unauthorized expenditure. However, an amount of R55.000 is recorded as fruitless and wasteful expenditure which is made up of interest on overdue accounts of R9.000, R3.000 for no show fees for accommodation, damages to hired vehicle of R34.000 and catering services not utilized of R12.000.

Supply Chain Management

The department utilized the Central Supplier Database to source quotations and verify registration for bids during the 2018/19 financial year. The selection of the suppliers from the CSD is done manually as there is no e-procurement system. Furthermore, the department has followed bid processes to set up contracts for supply and delivery of fertilizer and panel of service providers for mechanization services, delivery of seeds, seedlings and fruit trees as well as supply and delivery of fencing material and the supply, delivery and erect fencing. These contracts and panels were established with the bias towards BBBEE Level 1 companies.

This will enhance the turn-around time for the supply and delivery of above mentioned services. The department has a SCM Policy, Delegations and Procedures in place to, amongst others, prevent irregular expenditure. Nevertheless, irregular expenditure of R125.360 million is recorded for the 2018/19 financial year relating to month-to-month contracts, expired contracts and not following SCM processes.

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. The contracts and panel of service providers mentioned above will alleviate some of the pressure in future years

Gifts, Donations and Sponsorship received from non-related parties

The department received cash donation of R3,000 towards food and R6,000 towards flowers at the departmental women's event from MMela Motor Scheme and Nissan South Africa (Pty) Ltd respectively. Furthermore, in kind donations received from MTN for the IT training room and equipment to value of R1.156 million and additional funding from Agriseta for the Owen Sithole College of Agriculture to contribute towards a Capacity Building Project to be undertaken and covers Qualification upgrades, Leadership Training and Post graduate certificates for a number of personnel.

Exemptions and deviations received from the National/Provincial Treasury

Provincial Treasury approved that the department procure provision of security services for service centres, district and local offices through quotations for a period of six months. This approval is due to bid for the offices in the south being on appeal and no suitable service provider for the north, requiring the department to re-advertise the bid.

Acknowledgement/s or Appreciation

The support and guidance provided by the Honourable MEC, Mrs Sithole Moloi has been invaluable and is appreciated. The Department also expresses gratitude to the Executive Council, led by the Premier, Legislature, including all its portfolio committees where the Department accounts; other government departments, entities, oversight institutions for their contribution in improved operations and success in delivering on the mandates. None of the Department operations will move without the officials and management team.

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 2019.

Yours faithfully



Mrs N. Shezi

ACTING HOD: AGRICULTURE AND RURAL DEVELOPMENT
30 August 2019

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

Batho Pele and Service Orientation	Department officials will conduct themselves in a manner befitting a government that is caring, dedicated and pro-poor, influenced by the spirit of Ubuntu.
Co-Operative Governance and Strategic Partnerships	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.
Self-Sufficiency and Independence	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.
Transformation	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.
Financial Prudence and Resource Limitation	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.
Accountability and Transparency	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.
Development and Recognition	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 Right 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)

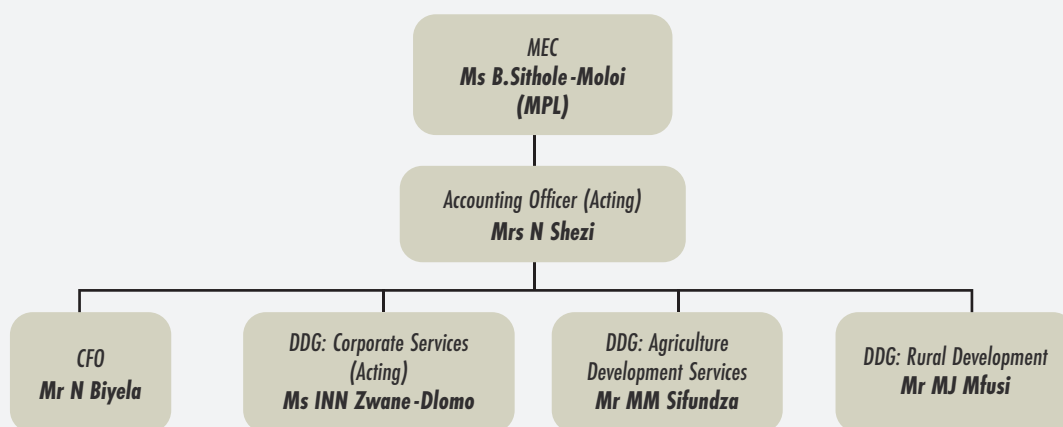
- Agricultural Products Standards Act (Act No. 119 of 1990)
- Agricultural Produce Agents Act (Act No. 12 of 1992)
- Agricultural Development Fund Act (Act No. 175 of 1993)
- Perishable Product Export Control Act (Act No. 9 of 1983)
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies 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 review and alignment of the Department Organizational Structure was approved in 2016/2017. The Department finalized the matching and placing of all employees in terms of the new structure in 2016/2017 financial year. This normalized and ensured synergy between of employee information on the structure and on PERSAL. The Department has maintained a vacancy rate below the stipulated 10% from 2014 to date.

The Department is ranked amongst the most consistent winners in the Premier's Service Excellence Awards as well as the National Batho Pele Service Excellence Awards. Since 2014, the Department has received a total of 16 awards, which includes:

- 5 National Batho Pele Service Excellence Awards (3 Gold) and
- 11 Premier's Service Excellence Awards (7 Gold).

Over the past five years, the Department achieved fully effective scores on the Management Performance Assessment Tool (MPAT). MPAT measures performance in Strategic Management; Governance and Accountability;

Human Resource and Financial Management. Furthermore, the Department has complied with the Batho Pele requirements such as:

- Hosting Service Excellence Awards each year;
- Developing the Service Delivery Improvement Plans;
- Creating and adhering to a Service Commitment Charter;
- Organizing Public Service Weeks and
- Regular reviews and submission compliance reports to DPSA addressing employee health and wellness, employment equity and
- Conducting Client Satisfaction Surveys.

In addition, the Department embarked on various Strategy sessions which helped inform the programmes that the Department should implement and the direction it should take in line with its strategic policy direction (biased towards food security at subsistent and household levels). To mitigate against risks identified the Department created a Directorate responsible for risk and integrity management. And in order to ensure continuous improvement and bring about standardization in the Department activities, the Department developed Standard Operating Procedures (SOPAs) in various areas of the Department's business. Recently, the Department finalized its Turn-Around Strategy – which identifies areas of shortcomings and propose solutions thereof.

1.6 Entities reporting to the MEC

In line with government's call for financial consolidation the Department embarked on the entity amalgamation and/or rationalization processes of all its agricultural entities in the province. The Department commenced with the due diligence to amalgamate all agricultural entities, including Mjindi, ADA and Ntingwe Tea Estate as well as the dormant entities such as Natal Trust Farms. The table below indicates the entities that report to the Minister/MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Mjindi Farming (Pty) LTD	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.
Agribusiness Development Agency (ADA)	ADA was established in terms of Cabinet Resolution No.79 of 29 July 2009. The agency draws its operational mandate from: I) The national policy for Comprehensive Agricultural Support Programme (CASP). ii) Land Reform policy guidelines. iii) Amended Trust Deed for agribusiness Development Agency.	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



Overview Of Departmental Performance

The overall performance of the Department against planned target as per the 2018/2019 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	13	7	6	54%
2. Agricultural Development Services	37	17	20	46%
3. Rural Development	6	3	3	50%
OVERALL PERFORMANCE	56	27	29	48%

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 and is reported on quarterly basis to the Office of the Premier and Department of Public Service and Administration. At the end of the year, the Department provides an Annual Citizen's Report outlining its achievement under the year in question.

2.5 Organisational Environment

The Department has been unfortunate to be in a position of instability due to the high turnover of executive authorities and heads of Department, some of whom don't even get to finish their term. Since 2009, this Department has had no less than 6 MECs. Naturally, they all come with their vision for the Department but they never get an opportunity to see it through. The rate of HOD turnover is also concerning. As a result, the Department has been deprived of stability and policy certainty. There's constant changes in policy and strategic programmes of the Department. In an environment of constant change, there's difficulty to entrench strong administration systems that enables the Department to operate with strategic clarity and coherence.

It is thus not surprising that the performance of the Department over the past decade has been indifferent. Major policy and programme initiatives are started but only to be changed or reversed in a year or two years' time thus stunting progress not only within the Department but also in the sector as well. The downside of quick policy turnover is that interventions are not given sufficient time to make impact before being abruptly replaced by new initiatives thereby creating a culture of policy instability.

One of the main indicators used by oversight structures and the general public about the performance or the state of affairs of the Department is the audit report of the Auditor General. Within this term, from 2013/2015 financial years, the Department received unqualified audit outcomes. However, from 2016/2017 to 2018/2019, the Department has received qualified outcomes. This means there's been a systematic decline of the internal systems of the organisation that have resulted in this decline and since then the organisation has been unable to reverse.

The latest audit report highlighted financial statements; quality of submitted performance information and supply chain as risks areas. These functions are transversal in nature and require the entire organisation to follow established processes because weakness in planning can be seen when financial statements are prepared, performance reports compiled and through the procurement processes.

Managers have a responsibility to provide decisive leadership and drive internal control improvement. The Department is focused on ensuring that AG Action Plan and the Risk Management Plans, give due consideration to the drivers of poor performance across the organisation so these blockages can be resolved.

The Department has critical vacancies that need to be filled with permanent incumbents. At executive management level, for instance, the following positions require to be filled: Head of Department; Chief Financial Officer (on contract); DDG: Corporate Services (acting incumbent); Chief Director: Business Support Services (acting incumbent) and Chief Director: Veterinary Services. These positions have been advertised and will be filled as soon as selection processes are finalized.

2.6 Key Policy Developments And Legislative Changes

DARD strategy had to undergo evolution owing to change of Principals. When the 2014 Strategy was developed, it was done with Agrarian Transformation Strategy (ATS) as the overall flagship framework for agricultural development in the province. However, subsequent to the 2016 November Strategic Plan in Didima, the strategic orientation of the Department shifted away from the (ATS), as the main policy programme of the Department.

ATS was premised on the philosophy that “agriculture is a science and a business” and attached to the 50/50 policy provision. 50/50 was changed and more emphasis was put on food security as primary mandate of the Department, which included the call for the Directorate for Food Security to be re-established, as well as the one for Youth, Women and People with Disabilities.

Last year, the Department started with the development of the Agricultural Masterplan as the new main policy framework for the Department. However, it was not finalized and was deferred to the new administration to deliberate upon. It is thus critical that the Masterplan be finalized to guide DARD policy programmes and interventions. There are significant developments that have happened in the policy space and ongoing current public discourse on the direction of agriculture, developments around land expropriation without compensation and the imperative of rural development.

It is apparent from SONA and SOPA that agriculture remains an apex priority for this administration. President Ramaphosa's asserted in his State of the nation Address on 20 June 2019, that “within the next decade no person in South Africa will go hungry”. Premier of KwaZulu-Natal, Honourable Sihle Zikalala echoed the President's message, boldly declaring, “Over the next five years will see this province embarking on the agriculture revolution to ensure food security, the growth of the sector and job creation.” These pronouncements have to find resonance in DARD programmes as the Department.

2.3 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

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.

In the previous years, 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 2017/2018	Planned Target	Actual Achievement 2018/2019	Deviation	Comment on deviations
Number of decisions that are compliant with the Promotion of Administrative Justice Act.	9	10	13	3	Department received more PAJA requests than planned from clients.
Number of business processes automated	-	2	1	-1	The Department could not proceed with the other planned automation because National Treasury advised that they are part of the IFMS and the Department must wait until that process was finalised before proceeding to implement.
% of vacant posts filled	7.40%	10%	7.1%	-2.9%	The Department advertised all the approved but the recruitment process took longer because of the number of applications received, especially for lower levels posts, thus requiring more time and additional capacity to execute timeously.

% of employment equity targets achieved (Women)	36%	50%	34.8%	-12.2%	Majority of SMS posts tend to be filled by men and there's been a series of departure of female SMS members in the Department.
% of employment equity targets achieved (disability)	1.4%	2%	0.53%	-1.47%	Poor response from target group when positions are advertised.
Number of skills development interventions	-	8	14	6	Due to greater demand for training than initially planned.
% of labour relation cases finalized within the prescribed time frame	-	100%	6%	-94%	Due to postponements and witness unavailability.

PURPOSE OF THE PROGRAMME: FINANCIAL MANAGEMENT

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, Infrastructure Management and Supply Chain Management. The responsibilities are as follows.

- **The Office of the Chief Financial Officer:** responsible for ensuring compliance with all finance related matters and to provide leadership on all matters related to finance in the Department.
- The Directorate Management Accounting Services: management of budget and revenue planning, control and reporting.
- **The Directorate 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.
- **The Directorate Asset Management:** responsible for fleet management, inventory management and moveable asset management services.
- **The Directorate Infrastructure Management:** Was established during the 2018/19 financial year to manage the infrastructure developments in the department that was previously under the Directorate: Asset Management
- **The Directorate Supply Chain Management:** provides contract development, bids administration, demand, supply and logistics services to the department.

Programme 1: Administration (Financial Management)					
Strategic Objective	To provide effective and efficient corporate and strategic support to MEC, HOD and Department				
Performance Indicator	Actual Achievement 2017/2018	Planned Target	Actual Achievement 2018/19	Deviation	Comment on deviations
Approved procurement plan	1	1	1	0	Target achieved
Approved Infrastructure Project Management Plan	1	1	1	0	Target achieved
Percentage of invoices paid within 30 days	93%	100%	97%	-3%	End-users not submitting invoices timeously to finance in order to process payment expeditiously.
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	4	0	Target achieved

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

Programme 1: Administration expenditure by sub-programme

Table 1 Administration Expenditure

	2017/18			2018/19		
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
Office of MEC	13,342	11,812	1,530	14,786	14,729	57
Senior Management	45,277	43,393	1,884	59,344	54,738	4,606
Corporate Services	282,353	272,772	9,581	270,429	262,469	7,960
Financial Management	142,450	117,230	25,220	166,400	133,806	32,594
Communications	33,655	31,440	2,215	25,462	24,283	1,179
TOTAL	517,077	476,647	40,430	536,421	490,025	46,396

Programme 1: Administration under-spent by R46,396 million, spending 91.3 per cent of the *Final Appropriation. This under-spending was mainly due to the following:*

- Goods and services reflects under-expenditure of R10.963 million mainly in respect of the amalgamation of public entities that was budgeted for in the current year but late appointment of suitable service providers has resulted in the project to be carried over into the next financial year. Also contributing, is that not all the maintenance and minor repairs projects at departmental offices were completed and some outstanding invoices from SITA. Projects.
- Under-expenditure of R184,000 under Transfers and subsidies to: Provinces and municipalities in respect of motor vehicle licence fees that were slightly lower than anticipated.

- Transfers and subsidies to: Departmental agencies and accounts is underspent by R191,000 in respect of the skills development levy paid to AGRISETA due to the final wage bill being lower than originally budgeted resulting from vacant posts.
- *Transfers and subsidies to: Households* was under-spent by R1.855 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 R33.282 million as a result of slow progress by DOPW on capital infrastructure projects in respect of office accommodation and maintenance at district and local offices.
- Under-spending of R0.921 million against Machinery and equipment, mainly relating to office furniture and equipment ordered but not yet delivered and paid for by 31 March 2019.

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, Agribusiness 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.

Sub-programme 2.1: Natural Resource Management					
Strategic Objective	To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources				
Performance Indicator	Actual Achievement 2017/2018	Planned Target	Actual Achievement 2018/2019	Deviation	Comment on deviations
Number of agricultural infrastructure established.	11	85	59	-26	Delays in the completion of some planned projects.
Number of agricultural infrastructure rehabilitated	-	84	46	-38	Delays in the completion of some planned projects
Number of KM fenced	221.12	300	2226	1926	Department reprioritised and additional funding was availed to fencing projects.
Number of agro-ecosystem management plans developed	-	10	0	-10	Insufficient capacity and Lack of clarity from DAFF led Department to believe that the bio-resource reports it produced could be used as agro-ecosystem plans.
*Number of hectares protected to improve agricultural production.	9152.24	6500	5178.366	-1321.634	Indicator dependent on the requests received from clients.
Number of farm management plans developed	-	10	14	4	Department received and was able to process more request than planned.
Number of disaster relief schemes managed.	0	1	0	-1	No agricultural disaster declared this year, thus no relief scheme managed.
Number of disaster risk reduction services managed.	0	1	4	3	Conducted more awareness campaigns to alert farmers about disaster risk incidents.
Number of green jobs created through Land Care.	1061	1000	1478	478	17 additional projects were added due to availability of supplementary funding.
Number of hectares of agricultural land rehabilitated	9152.24	8800	13778.52	4978.52	17 additional projects were added due to availability of supplementary funding.

*Same as strategic objective indicator

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.

Sub-programme 2.2: Farmer Support and Development					
Strategic Objective	Provide support to all farmers through agricultural development				
Performance Indicator	Actual Achievement 2017/2018	Planned Target	Actual Achievement 2018/2019	Deviation	Comment on deviations
*Number of farmers supported	7271	8000	4799	-3201	Department supported less commercial farmers than planned due to production inputs challenges.
*Number of smallholder producers supported.	7254	3200	4780	1 580	The target was exceeded due to service being demand driven.
*Number of commercial farmers supported	17	90	19	-71	Due to production inputs challenges
Number of smallholder producers supported with agricultural advice.	24 655	22500	18204	-4 296	The change in the definition of a smallholder as per the new approved policy saw most districts having much lesser farmers falling under this category of farmers.
Annual Progress on Black commercialisation programme developed	-	2	0	-2	Department could not develop commercialisation of programme due to delays in the finalisation of the DAFF Producer Support
Number of hectares under irrigation used by smallholder farmers	132.5	1429	899.76	-529.24	Dependent on irrigation infrastructure development that was not fully established
Number of jobs created	1179	710	1001	291	Fencing projects yielded more jobs than had been anticipated.
Number of hectares planted for food production	8682.86	11 310	11 781	471	The target was slightly exceeded because of its nature of being demand driven
Number of households supported with agricultural food production initiatives	42 171	21 096	33 497	12 401	The target was exceeded due to higher demand as the service is provided based on the needs or request from households
Approved Agriculture Master Plan	-	1	0	-1	Masterplan Draft was prepared but not approved to ensure its alignment with the 6th administration policy priorities.

*Strategic objective indicator

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.

Sub-programme 2.3: Veterinary Services					
Strategic Objective	To provide veterinary services to clients in order to ensure healthy animals, safe animal products and welfare of the people of South Africa				
Performance Indicator	Actual Achievement 2017/2018	Planned Target	Actual Achievement 2018/2019	Deviation	Comment on deviations
*Number of animals subjected to animal health measures	7733	149 000	13075	-135 959	The change of the indicator definition from the preceding year and constrained veterinary capacity rendered the target unattainable.
Number of visits to epidemiological units visited for veterinary interventions.	7733	40000	13075	-26925	Vet had constrained capacity to achieve the target
Number of export control certificates issued	635	1848	1597	-251	Some districts did not have state vets to approve export certificates due to vacant posts.
Average percentage of compliance of all operating abattoirs in the Province to the meat safety legislation	100%	100%	68.7	-31.4%	Failure of rural throughput to implement and maintenance hygiene management systems
Number of laboratory tests performed according to prescribed the standards	75 070	65000	186211	121 211	SANAS accreditation status of the Allerton lab is attracting more clients.

*Strategic objective indicator

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 2017/2018	Planned Target	Actual Achievement 2018/2019	Deviation	Comment on deviations
Number of scientific papers published	80	5	5	0	Target Achieved
Number of research presentations made at peer review events	-	11	2	-9	Some scientist could not make their presentations due to outstanding payments from the Department.
Number of research presentations made at technology transfer events	198	228	260	32	Target exceeded due to service demand from clients
Number of research infrastructure managed	5	6	6	0	Target Achieved
*Number of research projects implemented to improve agricultural production	198	80	80	0	Target Achieved

*Strategic objective indicator

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 2017/2018	Planned Target	Actual Achievement 2018/2019	Deviation	Comment on deviations
*Number of agri- businesses supported with marketing services.	28	30	35	5	Due to greater client demand and requests received.
Number of agri-businesses supported with productionv economic services economic services	935	2000	1916	-84	Less applications and requests for service received by the Department.
Number of economic reports compiled.	4	4	3	-1	One economic report was invalidated during audit due to its content not meeting full standard requiments.
Number of agro- processing initiatives supported.	25	10	49	39	More requests for support received and finalised.

*Strategic objective indicator

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 2017/2018	Planned Target	Actual Achievement 2018/2019	Deviation	Comment on deviations
Number of agricultural Higher Education and Training graduates.	111	90	81	-9	The shortfall of 9 graduates is due to the students who did not meet the minimum credits and modules for qualification completion. This is due to the change of curriculum at OSCA and lower intake due to hostel renovations.
*Number of participants trained in agricultural skills development programme.	1949	1200	2746	1546	The target was over achieved due to the appointment of 12 ATOs at the Colleges, thus increasing capacity and fulfilling high community for training.
Number of interventions in school programs	4	4	2	-2	Target achieved

Changes to planned targets

There were no changes to the planned targets.

Programme 2 Expenditure by sub-programme

Table 2 Programme 2 Expenditure

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
Sustainable Resource Management	83,291	75,340	7,951	82,306	74,186	8,120
Farmer Support and Development	1,029,026	958,766	70,260	1,248,775	1,077,006	171,769
Veterinary Services	215,995	200,850	15,145	215,535	208,050	7,485
Research & Technology						
Development	200,595	187,457	13,138	173,938	159,520	14,418
Agricultural Economic Services	9,658	9,289	369	8,363	8,363	-
Structured Agricultural Education and Training	111,250	105,216	6,034	95,968	92,458	3,510
TOTAL	1,649,815	1,536,918	112,897	1,824,885	1,619,583	205,302

Programme 2: Agriculture under-spent significantly by R205.302 million or 11.3 per cent of the Final Appropriation. This under-spending can largely be attributed to the following:

- Goods and services underspent by R147.428 million relating mainly to farming supplies (fertilizer, seeds, and animal feed), mechanisation services and uniform and protective clothing that was ordered but not delivered and or project finalised by 31 March 2019.

This includes the supply and deliver of fertilizer for small scale sugar farmers and animal feed for piggery farmers affected by the listeriosis outbreak. This is an intervention that was identified and implemented as part of the department's reprioritisation exercise towards end of third quarter.

- Transfers and subsidies recorded under-expenditure of R2.290 million mainly due to the application from farmers for subsidy in terms of the soil conservation act not being finalised.
- Under-expenditure of R37.073 million under Buildings and other fixed structures due to slow procurement process of agricultural infrastructure such as animal handling facilities, irrigation schemes, etc as well as slow progress by Public Works in the rehabilitation/renovation of the official houses on the department's research farms.
- The under-spending of R18.180 million against Machinery and equipment was mainly as a result of orders issued for office furniture and equipment, including computers as well as farming machinery and implements for the research farms not being delivered and paid for by end of 2018/19 financial year.

Sub-programme 3.1: Integrated Rural Coordination					
Strategic Objective	Integrated co-ordination of implementation for rural development				
Performance Indicator	Actual Achievement 2017/2018	Planned Target	Actual Achievement 2018/2019	Deviation	Comment on deviations
*Develop KZN programme of action aligned to Outcome 7.	0	1	1	0	Target met
*Number of structures coordinated in line with the CRDP's	1	4	1	-3	Limited capacity and coordination challenges within the programme meant the programme could only participate in some programmes coordinate by other stakeholders.
*Outcome 7 performance reports submitted for the Province	4	4	4	-	Target met.

*Strategic objective indicator

Sub-programme 3.2: Rural Enterprise and Industry Facilitation and Development					
Strategic Object	Rural enterprise and industry facilitation and development				
Performance Indicator	Actual Achievement 2017/2018	Planned Target	Actual Achievement 2018/2019	Deviation	Comment on deviations
*Sustainable enterprises and industries promoted in areas with economic potential.	-	180	13	-167	The appointment of mentors to support projects could not be finalised due to procurement process challenges.
Number of projects mentored	29	50	13	-37	The appointment of mentors to support projects could not be finalised due to procurement process challenges.
Approved Investment and Partnership Policy for the Department	-	1	1	0	Target met

*Strategic objective indicator

Programme 3: Expenditure by sub-programme

Table 3 Programme 3 Expenditure

Sub-programme	2017/18			2018/19		
	Final Appropriation Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	
Rural Development Co-ordination	6,002	5,875	127	7,462	6,207	1,255
Social Facilitation	24,250	13,425	10,825	22,328	10,881	11,447
TOTAL	30,252	19,300	10,952	29,790	17,088	12,702

Programme 3: Rural Development under-spent by R12.702 million, at only 57.4 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 did not materialise as planned, partly due to the guideline issued for transfer payments restricting the engagement and forming partnerships with commodity association for this programme. The department reverted to advertising the intention to place graduates on farms and value chain, resulting in placement of 120 graduates in the last quarter of the financial year.

TRANSFER PAYMENTS

1.1. Transfer payments to public entities

The Department had one public entity and one government business entity reporting to the Department during the 2018/19 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 4 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	120,014	99,233	20,781
Mjindi Farming (Pty) Ltd	Agricultural development and of management irrigation scheme	58,801	58,801	-
TOTAL		178,815	158,034	20,781

The under expenditure by ADA is mainly in respect of outstanding commitments where the goods/services had not been rendered and paid for by 31 March 2019. A request for the roll-over of the unspent funds has been submitted to the department.

3.2 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 2018 to 31 March 2019, excluding transfers for motor vehicle licenses, radio license, payments to SETA and transfers to households.

Table 5 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	23,557	0	The funds were only transferred in March 2019 after consultation as well as approval from the Provincial Treasury.
SA Sugar Research Institute	Private	Agricultural Research	2,541	2,541	
Mbangweni Beef Project	Private	Agricultural development	2,754	2,754	
Nozinkanyiso	Private	Agricultural development	2,741	2,741	
AMD Farming	Private	Agricultural development	1,700	-	
Bangwati Catering & services	Private	Agricultural development	1,023	472	
Cebolakhe Piggery and Projects	Private	Agricultural development	2,000	1,350	
Copper Sunset Trading	Private	Agricultural development	360	605	
Coastal Cashew	Private	Agricultural development	1,850	-	
EmihleAgric Primary	Private	Agricultural development	2,250	125	
Enhlahleni Primary Co-op	Private	Agricultural development	2,500	1,148	
Esayidi Tea Tree	Non-profit	Agricultural development	2,000	2,000	
Isinganga Piggery	Private	Agricultural development	2,500	-	
Khukhza Farming 01	Private	Agricultural development	3,525	2,542	
Kwazi-Gugu Investments	Private	Agricultural development	1,420	-	
Lulu-T & S-B Trading & Projects	Private	Agricultural development	1,023	472	
M and T Generations	Private	Agricultural development	2,100	-	
Mampontshi Farming & fencing Cc	Private	Agricultural development	2,614	-	
Mandalay Farm Agric Primary Co-op	Private	Agricultural development	1,200	-	
Masanda Youth Piggery	Private	Agricultural development	2,000	2,000	
Masinga Investments Pty (Ltd)	Private	Agricultural development	900	-	
MGIG Investments Pty (Ltd)	Private	Agricultural development	1,521	-	
Minzosize Pty (Ltd)	Private	Agricultural development	1,023	472	
Mkhize Farm	Private	Agricultural development	700	-	
Mthabela Estates Pty (Ltd)	Private	Agricultural development	3,000	1,778	
Mthethuyavuma Trading & Projects	Private	Agricultural development	1,023	472	
Ndisi Nduna Multipurpose Co-op	Private	Agricultural development	1,500	830	
Njojo Construction	Private	Agricultural development	2,000	2,000	
Nkosi Moses Development Trust	Private	Agricultural development	6,659	-	

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
Nomaphenduka Investments	Private	Agricultural development	1,023	-	
Ntembe Development	Private	Agricultural development	6,659	-	
Omangena Ngophahla Pty (Ltd)	Private	Agricultural development	2,600	-	
Ozone Projects Pty (Ltd)	Private	Agricultural development	1,870	1,334	
Pure Water Plus Pty (Ltd)	Private	Agricultural development	1,024	472	
Taste & See Foods Enterprise	Private	Agricultural development	1,024	532	
Thabela Kavezi Trading Cc	Private	Agricultural development	1,024	472	
The Mabaso Community Trust	Private	Agricultural development	6,659	-	
Ukukhanya Kwasemvunzini Primary	Private	Agricultural development	2,000	-	
Wonder Dream Civil & Plant Hire	Private	Agricultural development	2,500	1,789	
Xhamela Construction & Gen Serv	Private	Agricultural development	1,023	472	
Yamandosi Trading			2,340	2,021	

The table below provides details of transfers that budgeted for in the period 1 April 2018 to 31 March 2019 but the transfer payments not made in full.

Table 6 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
Soil conservation subsidy	Infrastructure	1,817	-	The finalisation of the application for subsidy received from farmers only finalised in April 2019.
SA Sugar Research Institute	Agricultural Research	2,645	2,541	Actual cost incurred by SASRI is less than estimated.
Mbangweni Beef Project	Agricultural Development	2,765	2,754	Actual expenditure by recipient lower than estimated.
Nozinkanyiso	Agricultural Development	2,765	2,741	Actual expenditure by recipient lower than estimated.

6. DONOR FUNDS

6.1 Donor Funds Received

The Department did not receive any foreign aid during the 2018/19 financial year.

7. CAPITAL INVESTMENTS

7.1 Capital investment, maintenance and asset management plan

The table below provides an analysis on infrastructure spending for the 2017/18 and 2018/19 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.

Sub-programme	2017/18			2018/19		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	64,975	46,406	18,569	76,911	49,072	27,839
Existing infrastructure assets						
- Upgrade and additions	2,538	2,538	-	13,462	693	12,769
- Rehabilitation, renovations and refurbishments	34,557	27,419	7,138	42,147	13,400	28,747
- Maintenance and repairs	8,769	4,001	4,768	11,345	10,190	1,155
Infrastructure transfer						
- Current						
- Capital	10,621	10,621	-	33,395	33,395	-
TOTAL	121,460	90,985	30,475	177,260	106,750	70,510

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

#PHEZU'KOMKHONO



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 2018/2019, the Department had a series of scheduled meetings and special engagements with the portfolio committee. The Department honoured all its portfolio committee commitments and appeared in all the meetings where it was invited.

3.7 SCOPA Resolutions

The Public Accounts Standing Committee met with the Department to deliberate on the Auditor-General's report for the 2017/18 financial year. The table below are resolutions that emanated from the hearings that pertain specifically to the Department.

Resolution No.	Subject
36/2017	Audit Improvement Strategy
56/2018	Qualification and other findings
57/2018	Material Underspending on Conditional Grants
58/2018	Irregular expenditure
59/2018	Investigations
60/2018	Fruitless and wasteful expenditure
61/2018	Mjindi Farming (Pty) Ltd -Material Impairments
62/2018	Mjindi Farming (Pty) Ltd - Investigation
111/2018	Transversal resolution: Irregular expenditure
112/2018	Transversal resolution: Fruitless and wasteful expenditure
113/2018	Transversal resolution: Procurement and Contract Management
114/2018	Transversal resolution: Payments made within 30 days
115/2018	Consequence Management
117/2018	Transversal resolution: Payments made within 30 days
118/2018	Transversal resolution: Payments made within 30 days

3.8 Prior Modifications to Audit Reports

The Department received a qualified audit opinion for 2018/19 financial year, same as was the case in 2017/18. The report of the Auditor General is attached for further information on the areas the Department was qualified on.

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 2018/2019.

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 2019.

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.

1. 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)	8 of 8	4 of 4
2	Mr V Ramphal	8 of 8	3 of 4**
3.	Mr M Tarr	8 of 8	4 of 4
4.	Mr P Christianson	8 of 8	N/A*
5.	Ms T Njozela	8 of 8	N/A*
6.	Mr D O'Connor	8 of 8	N/A*
7.	Ms N Sithole	8 of 8	N/A*

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

** Mr Ramphal was absent on day 2 of the Q4 Eco Cluster meeting

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:

- Procurement and Contract Management
- Transfer Payments and Subsidies
- Performance Information
- Infrastructure Management
- Fleet Management
- General Accounting Controls
- Network Vulnerability Assessment
- AGTrack System project assurance & Application Controls

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- Fleet Management
- General Accounting Controls
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- AGTrack System project assurance & Application Controls

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.

2. 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 twenty six (26) audit assignments for the period under review, of which nineteen (19) were finalised, one (1) was cancelled, two (2) was rolled over and four (4) was carried over to the 2019/20 financial year with the approval of the Audit Committee.

The Committee noted with extreme concern that only 73% of the operational audit plan for the year had been completed, due to the financial and human resource limitations imposed upon PIAS. The Committee urged the management of Provincial Treasury and PIAS to urgently address the factors which had negatively impacted the performance of PIAS during the year under review in order to ensure that it continues to fulfil its mandate and add value to the department.

3. 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 2018/19 financial year-end, the Department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	0	5	8	14	0	27
Number of Identified Action Plans	0	35	43	55	0	133
Number of Completed Action Plans	n/a	18	31	50	0	99
No. of Completed Action Plans as a Percentage (%)	n/a	51%	72%	91%	n/a	74%

Although the Department is commended on the high completion rate of its risk mitigation plans, the Committee is concerned about the slow progress made on addressing risks classified as major. The Committee is also concerned about the impact that risk management is making on the control environment and achievement of set performance targets, taking into account the weak control environment around supply chain management and poor achievement of set performance targets by the Department.

With regard to other risk management initiatives, the Department is commended for recording positive progress on compliance with prescribed risk management standards; high percentage of completion of on-line risk management training prescribed for risk committee members; and the implementation of recommended improvement plans for risk management maturity, fraud prevention management, business continuity management, and occupational health and safety management.

In light of the above, the Department is urged to reconfigure its risk management efforts to align it with the improvement of the control environment and achievement of set performance targets through, among other things, performing regular risk assessment and control self-assessment at a process level and ensuring linkage of risks with performance indicators (to enable the Department to timely identify and resolve risk factors that might disturb the achievement of set performance targets).

4. 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 report by 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.

Furthermore, the Committee noted with concern the material underspending of the budget by R264, 400 million on the programmes for administration, agriculture and rural development.

5. 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 and the failure to prevent irregular expenditure as a result of non-compliance with supply chain management prescripts; and
- 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.

6. Forensics Investigations

During the period under review, the Committee noted that there were seven (7) forensic investigations from 1 April 2018 to 31 March 2019, 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 relating to Phase 1 were completed and two (2) are still in progress.

From the five (5) completed matters one (1) was closed and for the other four (4) disciplinary proceedings, three (3) matters were finalised and 1 matter remains in progress.

The Committee further noted that one (1) of the matter is currently under criminal investigation by the South African Police Service (SAPS), whilst two (2) matters are still in the process of registration.

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

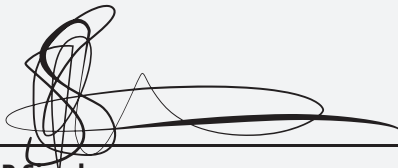
7. Auditor-General's Report

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.

8. 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.



Mr SP Simelane

Acting Chairman: Provincial Audit and Risk Committee

06 August 2019



PART D: HUMAN RESOURCE MANAGEMENT

#PHEZU'KOMKHONO



2.6. Part D: Human Resource Management

2.6.1 Introduction

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.

The Status of Human Resource in the Department

The department has a total of 3717 posts on its approved structure. From a post of 3717, only 2466 posts were filled during the year under review. Even though the department had a total of 1251 vacant posts, only 264 posts were funded. A total of 987 was unfunded and thus could not be filled. The vacancy rate has increased from 1.10% recorded in 2017/2018 to 7.1% in 2018/2019 due to the activation of approved vacant posts on PERSAL.

The department has aging workforce with a total of 1661 of its workforce falling within the 40-59 age category. Youth only constitute 16,50%. Due to this workforce profile, the department experiences a high turnover rate mainly due to retirement. A turnover rate for year under review was recorded at 10.34%. A total of 242 employees exited during 2018/2019.

The department still experiences challenges in meeting equity targets in both women at SMS as well as people living with disabilities. Women at SMS was at 34,8% which was a further decline from 36,54 that was achieved in 2017/2018. This was in the main due to resignation and inability to retain due to stringent Public Service Regulations that prohibits awarding of a salary beyond employee's current salary level. People living with disabilities were at 0.61, indicating no change from the previous reporting cycle of 2017/2018.

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

- Recruitment and filling of vacant funded posts to ensure that the department has capacity to deliver on its mandate.
- Skills development and implementation of training interventions to ensure that existing staff members are competent to perform their jobs and that a pool of prospective employees is created to ensure that hard to fill and scarce skills are available.
- Management of discipline to ensure that consequence management is implemented.
- Diversity management to ensure that the workforce of the department is representative of the demographics of the country.
- Development of plans to ensure that institutional knowledge that aging workforce has is translated to remaining employees with potential to take up those positions.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce. The department has an approved three- year Human Resources Plan where strategies have been developed to ensure that the department has an adequate number of employees that are skilled and capable to deliver on its mandate. The year under review saw the first year of the implementation of the 2018/2021 HR Plan for the Department.

Employee performance management

The department has an approved employees' performance management and development system for all staff members. A 93% compliance rate for staff members at SMS who entered into performance agreements within stipulated timeframe was achieved and 98% for staff at levels 1-12. The department ensures strict adherence to the provisions of employee performance and development policy that stipulates that officials who did not enter into performance agreements will not be eligible for any award including pay progression. 2017/2018 performance assessment were finalised and paid during the third quarter of 2018/19. Performance improvements plans are a continuous feeder to the training needs which are monitored for implementation.

Employee wellness programmes

The Employee Health and Wellness programme is fully operational in the department even though the participation of staff into the programme is a concern. The wellness management programme which is aimed at promoting the physical wellness of employees.

The program provided health screening services which covers general screening for diabetes, hypertension, cholesterol, mental health and BMI measurement. The results of these screening show a pick on hypertension, mental health and obesity. 40 health screenings were held, reaching 1989 employees including health promotion information.

Health promotion programs were held in response to medical ailments such as renal failure which is treated with dialysis that requires weekly time off (12 hours per week) to attend treatment.

Mental health was also in the rise that was reported to be occupational related and 4 articles were issued as means of raising awareness on effects of mental health.

The Department promotes physical fitness through Work and Play policy. Response is poor due to lack of infrastructure.

Individual financial fitness is a problem where mostly employees don't use financial regulated service providers and results in them experiencing serious financial hardship.

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

Skills Development - Workplace skills plan was developed for prioritising skills shortages i.e. hard to fill skills (scarce skills), continued professional development and critical competencies. In addition, job opportunities were created for unemployed youth through developmental programmes such as learner ships where training was offered on both animal and plant production with a total of 199 learners (both internal and external) trained. Internships and intake of graduates i.e. 82 graduate interns with 10 of which were trained on Agricultural Extension course.

Internal and external bursaries were also awarded in line with hard to fill positions in order to meet the future demand and for improved performance of the Department i.e. 84 (31 internal and 18 external) bursaryholders. 1064 skills programmes were conducted to ensure that all needed competencies including critical competencies was provided. To ensure growth, development and a competent workforce within the Department 31 employees attended Agricultural training for non-agriculturalists.

Both mentorship and succession planning policy has been developed with mentorship policy approved for implementation. Succession planning policy is at an advanced stage of consultation.

Recruitment and selection – The department has facilitated the filling of its vacant posts, however, from a total of 264 vacant funded posts 78 employees have been appointed. 64 employees were appointed permanently and 14 on contract. A higher than normal response on advertised posts mainly lower level posts that attracted a total of 56 000 applications contributed to a slow pace in filling of vacant posts.

A requirement of requesting Treasury and OTP's approval on natural attrition posts results in slow replacement rate of exited employees.

Management of discipline - 33 cases were handled during this reporting period. A total of 15 (45%) cases were finalized during this reporting period. The reason the targets could not be met are as follows:

- delays in finalizing cases due to postponements,
- requests for recusals from appointed representatives, which means that the newly appointed needs time to familiarize him/herself with the case.

Future human resource plans/goals

- Implementation of mentorship programme to ensure that a pool of suitable competent staff is available to fill posts as aged employees exit.
- 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.
- To intensify employee health and wellness programmes to ensure a healthy and productive workforce,
- Implementation of the succession plan for scarce and critical skills.

2.6.2 Human Resources Oversight Statistics

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 2018 and 31 March 2019

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	490 025,00	213 402,00	0,00	0,00	43,60	387,00
Agriculture	1 619 582,00	798 491,00	0,00	0,00	49,30	371,00
Assets & Liabilities	0,00	0,00	0,00	0,00	0,00	0,00
Rural Development	17 088,00	11 340,00	0,00	0,00	66,40	493,00
Total	2 126 696,00	1 023 233,00	0,00	0,00	48,10	375,00

Table 3.1.2 Personnel costs by salary band for the period 1 April 2018 and 31 March 2019

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)	15 552,00	1,40	96,00	162 000,00
Skilled (level 3-5)	229 437,00	20,90	951,00	241 259,00
Highly skilled production (levels 6-8)	343 023,00	31,30	807,00	425 059,00
Highly skilled supervision (levels 9-12)	372 544,00	34,00	548,00	679 825,00
Senior and Top management (levels 13-16)	58 665,00	5,40	43,00	1 364 302,00
Contract (Levels 1-2)	308,00	0,00	0,00	0,00
Contract (Levels 3-5)	3 045,00	0,30	7,00	435 000,00
Contract (Levels 6-8)	4 996,00	0,50	11,00	454 182,00
Contract (Levels 9-12)	13 077,00	1,20	14,00	934 071,00
Contract (Levels 13-16)	2 305,00	0,20	3,00	768 333,00
Contract Other	9 617,00	0,90	231,00	41 632,00
Periodical Remuneration	249,00	0,00	17,00	14 647,00
Total	1 052 817,00	96,10	2 728,00	385 930,00

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 and 31 March 2019

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	176 036,00	78,90	1 245,00	0,60	5 815,00	2,60	10 370,00	4,60
Agriculture Development Services	648 948,00	75,40	5 005,00	0,60	28 658,00	3,30	44 424,00	5,20
Rural Development	10 091,00	81,50	0,00	0,00	140,00	1,10	115,00	0,90
Total	835 075,00	76,20	6 250,00	0,60	34 612,00	3,20	54 909,00	5,00

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 and 31 March 2019

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	Salaries 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)	10 494,00	67,30	423,00	2,70	1 269,00	8,10	1 381,00	8,90
Skilled (level 3-5)	164 183,00	71,40	3 426,00	1,50	15 124,00	6,60	21 395,00	9,30
Highly skilled production (levels 6-8)	272 828,00	77,90	1 103,00	0,30	11 633,00	3,30	19 479,00	5,60
Highly skilled supervision (levels 9-12)	305 421,00	76,20	1 246,00	0,30	6 339,00	1,60	12 156,00	3,00
Senior management (level 13-16)	50 202,00	78,40	0,00	0,00	247,00	0,40	499,00	0,80
Contract (Levels 1-2)	307,00	99,70	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 3-5)	2 815,00	92,40	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	4 626,00	92,20	26,00	0,50	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	12 324,00	86,30	27,00	0,20	0,00	0,00	0,00	0,00
Contract (Levels 13-16)	2 176,00	89,80	0,00	0,00	0,00	0,00	0,00	0,00
Contract Other	9 450,00	97,50	0,00	0,00	0,00	0,00	0,00	0,00
Periodical Remuneration	249,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	835 075,00	76,20	6 250,00	0,60	34 612,00	3,20	54 909,00	5,00

3.1. 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 2019

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION, Permanent	607	552	9,10	1,00
AGRICULTURE DEVELOP SERVICES, Permanent	2 268	2 135	5,9	110
AGRICULTURE DEVELOP SERVICES, Temporary	1	1	0	0
PROG 1: ADMINISTRATION, Permanent	1	0	100	
RURAL DEVELOPMENT, Permanent	60	23	61,7	9
Total	2 937	2 711	7,70	120

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2019

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)	100,00	96,00	4,00	0,00
Skilled(3-5)	1 058,00	951,00	10,10	0,00
Highly skilled production (6-8)	849,00	807,00	4,90	0,00
Highly skilled supervision (9-12)	607,00	547,00	9,90	1,00
Highly Skilled Supervision (Levels 9-12), Temporary	1,00	1,00	0,00	0,00
Senior management (13-16)	56,00	43,00	23,20	0,00
Other, Permanent	231,00	231,00	0,00	119,00

Contract (Levels 1-2), Permanent	0,00	0,00	0,00	0,00
Contract (Levels 3-5), Permanent	7,00	7,00	0,00	0,00
Contract (Levels 6-8), Permanent	11,00	11,00	0,00	0,00
Contract (Levels 9-12), Permanent	14,00	14,00	0,00	0,00
Contract (Levels 13-16), Permanent	3,00	3,00	0,00	0,00
Total	2 937,00	2 711,00	7,70	120,00

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2019

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	57,00	40,00	29,80	1,00
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN, Permanent	11,00	11,00	0,00	0,00
AGRICULTURE RELATED, Permanent	688,00	656,00	4,70	0,00
AGRICULTURE RELATED, Temporary	1,00	1,00	0,00	0,00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC., Permanent	7,00	5,00	28,60	0,00
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS, Permanent	0,00	0,00	0,00	0,00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS, Permanent	1,00	1,00	0,00	0,00
AUXILIARY AND RELATED WORKERS, Permanent	28,00	27,00	3,60	0,00
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE.TECHNI, Permanent	210,00	206,00	1,90	0,00
BOOKBINDING AND RELATED MACHINE OPERATORS, Permanent	5,00	5,00	0,00	0,00
BUILDING AND OTHER PROPERTY CARETAKERS, Permanent	18,00	18,00	0,00	0,00
BUS AND HEAVY VEHICLE DRIVERS, Permanent	1,00	1,00	0,00	0,00
CIVIL ENGINEERING TECHNICIANS, Permanent	114,00	111,00	2,60	0,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	8,00	6,00	25,00	0,00
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS), Permanent	1,00	1,00	0,00	0,00

COMMUNICATION AND INFORMATION RELATED, Permanent	1,00	1,00	0,00	0,00
COMMUNITY DEVELOPMENT WORKERS, Permanent	2,00	2,00	0,00	0,00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS, Permanent	17,00	17,00	0,00	0,00
ECONOMISTS, Permanent	1,00	1,00	0,00	0,00
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS, Permanent	15,00	10,00	33,30	0,00
ENGINEERING SCIENCES RELATED, Permanent	17,00	12,00	29,40	0,00
ENGINEERS AND RELATED PROFESSIONALS, Permanent	521,00	505,00	3,10	0,00
FARM HANDS AND LABOURERS, Permanent	4,00	4,00	0,00	0,00
FARMING FORESTRY ADVISORS AND FARM MANAGERS, Permanent	4,00	4,00	0,00	0,00
FINANCE AND ECONOMICS RELATED, Permanent	12,00	11,00	8,30	0,00
FINANCIAL AND RELATED PROFESSIONALS, Permanent	43,00	37,00	14,00	0,00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	2,00	2,00	0,00	0,00
FOOD SERVICES AIDERS AND WAITERS, Permanent	3,00	3,00	0,00	0,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent	50,00	50,00	0,00	0,00
HORTICULTURISTS FORESTERS AGRICUL. & FORESTRY TECHN, Permanent	12,00	12,00	0,00	0,00
HOUSEHOLD AND LAUNDRY WORKERS, Permanent	12,00	10,00	16,70	0,00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS, Permanent	28,00	25,00	10,70	0,00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	167,00	156,00	6,60	0,00
HUMAN RESOURCES CLERKS, Permanent	60,00	53,00	11,70	0,00
HUMAN RESOURCES RELATED, Permanent	1,00	1,00	0,00	0,00
INFORMATION TECHNOLOGY RELATED, Permanent	11,00	9,00	18,20	0,00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN, Permanent	5,00	5,00	0,00	0,00
LIBRARIANS AND RELATED PROFESSIONALS, Permanent	2,00	2,00	0,00	0,00

LIBRARY MAIL AND RELATED CLERKS, Permanent	6,00	6,00	0,00	0,00
LIGHT VEHICLE DRIVERS, Permanent	61,00	61,00	0,00	0,00
LOGISTICAL SUPPORT PERSONNEL, Permanent	4,00	4,00	0,00	0,00
MECHANICAL ENGINEERING THECHNICIANS, Permanent	11,00	11,00	0,00	0,00
MESSENGERS PORTERS AND DELIVERERS, Permanent	17,00	15,00	11,80	0,00
MOTOR VEHICLE DRIVERS, Permanent	38,00	21,00	44,70	0,00
MOTORISED FARM AND FORESTRY PLANT OPERATORS, Permanent	3,00	3,00	0,00	0,00
NATURAL SCIENCES RELATED, Permanent	1,00	1,00	0,00	0,00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL.TECHNI, Permanent	200,00	186,00	7,00	0,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	26,00	18,00	30,80	0,00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	1,00	1,00	0,00	0,00
OTHER INFORMATION TECHNOLOGY PERSONNEL., Permanent	33,00	33,00	0,00	0,00
OTHER MACHINE OPERATORS, Permanent	193,00	149,00	22,80	119,00
OTHER OCCUPATIONS, Permanent	1,00	1,00	0,00	0,00
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	6,00	6,00	0,00	0,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	31,00	28,00	9,70	0,00
SECURITY GUARDS, Permanent	75,00	73,00	2,70	0,00
SECURITY OFFICERS, Permanent	1,00	1,00	0,00	0,00
SENIOR MANAGERS, Permanent	60,00	48,00	20,00	0,00
TRADE LABOURERS, Permanent	1,00	1,00	0,00	0,00
VETERINARIANS, Permanent	22,00	17,00	22,70	0,00
VETERINARY ASSISTANTS, Permanent	6,00	6,00	0,00	0,00
Total	2 937,00	2 711,00	7,70	120,00

3.2. 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 2019

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	100%	0	100%
Salary Level 15	6	3	50%	3	50%
Salary Level 14	8	4	50%	4	50%
Salary Level 13	42	36	85,71%	6	14,29%
Total	57	43	75,43%	13	24,57%

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	4	100%	0	0
Salary Level 14	6	5	83.33%	1	16,67%
Salary Level 13	40	34	85%	6	15%
Total	51	44	86.27%	7	13,73%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

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
Total	22	6	16

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

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.3. 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 2018 and 31 March 2019 :

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)	100,00	0,00	0,00	0,00	0,00	0,00	0,00
Skilled (Levels 3-5)	1058,00	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled production (Levels 6-8)	849,00	0,00	0,00	0,00	0,00	0,00	0,00
Highly skilled supervision (Levels 9-12)	608,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band A	40,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band B	8,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management Service Band C	7,00	0,00	0,00	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	231,00	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 1-2)	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 3-5)	7,00	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	11,00	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	14,00	0,00	0,00	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	0,00	0,00	0,00	0,00	0,00	0,00
Total	2937,00	0,00	0,00	0,00	0,00	0,00	0,00

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
Female	0,00	0,00	0,00	0,00	0,00
Male	0,00	0,00	0,00	0,00	0,00
TOTAL	0,00	0,00	0,00	0,00	0,00

Employees with a disability	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 2018 and 31 March 2019

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Xxx	0,00	Xxx	xxx	Xxx
Xxx	0,00	Xxx	xxx	Xxx
Total number of employees whose salaries exceeded the level determined by job evaluation				0,00
Percentage of total employed				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 2018 and 31 March 2019

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
Total	0,00	0,00	0,00	0,00	0,00

Employees with a disability	0,00	0,00	0,00	0,00	0,00
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3.4. 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 2018 and 31 March 2019

Salary band	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	83,00	15,00	2,00	2,40
Skilled (Levels 3-5)	1 013,00	23,00	58,00	5,70
Highly skilled production (Levels 6-8)	798,00	15,00	26,00	3,30
Highly skilled supervision (Levels 9-12)	572,00	11,00	38,00	6,60
Highly Skilled Supervision (Levels 9-12) Temporary	1,00	0,00	0,00	0,00
Senior Management Service Bands A	37,00	0,00	5,00	13,50
Senior Management Service Bands B	5,00	1,00	2,00	40,00
Senior Management Service Bands C	5,00	0,00	2,00	40,00
Senior Management Service Bands D	1,00	0,00	0,00	0,00
Contracts	0,00	0,00	0,00	0,00
Other Permanent	79,00	239,00	87,00	110,10
Contract (Levels 1-2) Permanent	14,00	0,00	14,00	100,00
Contract (Levels 3-5) Permanent	28,00	25,00	43,00	153,60
Contract (Levels 6-8) Permanent	14,00	17,00	21,00	150,00
Contract (Levels 9-12) Permanent	23,00	12,00	14,00	60,90
Contract Band A Permanent	2,00	2,00	2,00	100,00
Contract Band B Permanent	0,00	0,00	0,00	0,00
Contract Band D Permanent	0,00	0,00	0,00	0,00
Total	2 675,00	361,00	314,00	11,70

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 and 31 March 2019

Critical occupation	Number of employees at beginning of period-April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	45,00	0,00	3,00	6,70
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN Permanent	13,00	0,00	1,00	7,70
AGRICULTURE RELATED Permanent	614,00	25,00	35,00	5,70
AGRICULTURE RELATED Temporary	1,00	0,00	0,00	0,00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC. Permanent	5,00	0,00	0,00	0,00
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS Permanent	1,00	0,00	0,00	0,00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS Permanent	1,00	0,00	0,00	0,00
AUXILIARY AND RELATED WORKERS Permanent	35,00	5,00	1,00	2,90
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE.TECHNI Permanent	207,00	2,00	5,00	2,40
BIOLOGISTS BOTANISTS ZOOLOGISTS & REL PROFESSIONAL Permanent				
BOOKBINDING AND RELATED MACHINE OPERATORS Permanent	2,00	0,00	0,00	0,00
BUILDING AND OTHER PROPERTY CARETAKERS Permanent	13,00	0,00	0,00	0,00
BUS AND HEAVY VEHICLE DRIVERS Permanent	24,00	0,00	2,00	8,30
CIVIL ENGINEERING TECHNICIANS Permanent	5,00	0,00	2,00	40,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	124,00	0,00	8,00	6,50
CLIENT INFORM CLERKS (SWITCHB RECEIPTINFORM CLERKS) Permanent	4,00	0,00	0,00	0,00
COMMUNICATION AND INFORMATION RELATED Permanent	5,00	0,00	1,00	20,00
COMMUNITY DEVELOPMENT WORKERS Permanent	2,00	0,00	0,00	0,00
COMPUTER PROGRAMMERS Permanent				
COMPUTER SYSTEM DESIGNERS AND ANALYSTS Permanent	1,00	0,00	0,00	0,00
CONSERVATION LABOURERS Permanent				
ECONOMISTS Permanent	13,00	0,00	1,00	7,70
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS Permanent	1,00	0,00	0,00	0,00

ENGINEERING SCIENCES RELATED Permanent	12,00	2,00	2,00	16,70
ENGINEERS AND RELATED PROFESSIONALS Permanent	12,00	0,00	0,00	0,00
FARM HANDS AND LABOURERS Permanent	509,00	66,00	88,00	17,30
FARMING FORESTRY ADVISORS AND FARM MANAGERS Permanent	4,00	0,00	0,00	0,00
FINANCE AND ECONOMICS RELATED Permanent	9,00	0,00	0,00	0,00
FINANCIAL AND RELATED PROFESSIONALS Permanent	21,00	0,00	0,00	0,00
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	41,00	3,00	4,00	9,80
FOOD SERVICES AIDERS AND WAITERS Permanent	3,00	0,00	1,00	33,30
FORESTRY LABOURERS Permanent	0,00	0,00	0,00	0,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent	3,00	0,00	0,00	0,00
HEALTH SCIENCES RELATED Permanent				
HORTICULTURISTS FORESTERS AGRICUL. & FORESTRY TECHN Permanent	117,00	0,00	7,00	6,00
HOUSEHOLD AND LAUNDRY WORKERS Permanent	12,00	0,00	0,00	0,00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED Permanent				
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS Permanent	10,00	0,00	0,00	0,00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	30,00	0,00	2,00	6,70
HUMAN RESOURCES CLERKS Permanent	140,00	97,00	78,00	55,70
HUMAN RESOURCES RELATED Permanent	25,00	2,00	3,00	12,00
INFORMATION TECHNOLOGY RELATED Permanent	1,00	0,00	0,00	0,00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN Permanent	9,00	2,00	2,00	22,20
LEGAL RELATED Permanent	0,00	0,00	0,00	0,00
LIBRARIANS AND RELATED PROFESSIONALS Permanent	5,00	0,00	0,00	0,00
LIBRARY MAIL AND RELATED CLERKS Permanent	2,00	0,00	0,00	0,00
LIGHT VEHICLE DRIVERS Permanent	13,00	0,00	2,00	15,40
LOGISTICAL SUPPORT PERSONNEL Permanent	42,00	3,00	3,00	7,10

MECHANICAL ENGINEERING THECNICIANS Permanent	4,00	0,00	0,00	0,00
MESSENGERS PORTERS AND DELIVERERS Permanent	11,00	0,00	3,00	27,30
MOTOR VEHICLE DRIVERS Permanent	44,00	0,00	1,00	2,30
MOTORISED FARM AND FORESTRY PLANT OPERATORS Permanent	10,00	0,00	1,00	10,00
NATURAL SCIENCES RELATED Permanent	3,00	2,00	0,00	0,00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL.TECHNI Permanent	1,00	0,00	0,00	0,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	183,00	18,00	20,00	10,90
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	20,00	0,00	5,00	25,00
OTHER INFORMATION TECHNOLOGY PERSONNEL Permanent	2,00	0,00	0,00	0,00
OTHER MACHINE OPERATORS Permanent	7,00	2,00	4,00	57,10
OTHER OCCUPATIONS Permanent	38,00	122,00	5,00	13,20
RISK MANAGEMENT AND SECURITY SERVICES Permanent	7,00	0,00	1,00	14,30
SAFETY HEALTH AND QUALITY INSPECTORS Permanent	0,00	0,00	0,00	0,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	31,00	4,00	6,00	19,40
SECURITY GUARDS Permanent	101,00	0,00	6,00	5,90
SECURITY OFFICERS Permanent	1,00	0,00	0,00	0,00
SENIOR MANAGERS Permanent	48,00	2,00	8,00	16,70
STATISTICIANS AND RELATED PROFESSIONALS Permanent				
TRADE LABOURERS Permanent	1,00	0,00	0,00	0,00
VETERINARIANS Permanent	18,00	3,00	1,00	5,60
VETERINARY ASSISTANTS Permanent	9,00	0,00	0,00	0,00
TOTAL	2 675,00	361,00	314,00	11,70

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 2018 and 31 March 2019

Termination Type	Number	% of Total Resignations
Death	19,00	6,10
Resignation	67,00	21,30
Expiry of contract	151,00	48,10
Dismissal – operational changes	0,00	0,00
Dismissal – misconduct	1,00	0,30
Dismissal – inefficiency	0,00	
Discharged due to ill-health	1,00	0,30
Retirement	74,00	23,60
Transfer to other Public Service Departments	1,00	0,30
Other	0,00	0,00
Total	314,00	100,00
Total number of employees who left as a % of total employment	314/2711	11.58%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 and 31 March 2019
(Includes annual notch progression)

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	45,00	0,00	0,00	22,00	48.90
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN	13,00	0,00	0,00	10,00	76.90
AGRICULTURE RELATED	615,00	2,00	0,30	416,00	67.60
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	5,00	0,00	0,00	5,00	100,00
ARCHIVISTS CURATORS AND RELATED PROFESSIONALS	1,00	0,00	0,00	1,00	0,00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS	1,00	0,00	0,00	1,00	100,00
AUXILIARY AND RELATED WORKERS	35,00	0,00	0,00	26,00	74,30
BIOCHEMISTRY PHARMACOL ZOOLOGY & LIFE SCIE.TECHNI	207,00	0,00	0,00	117,00	56,50
BIOLOGISTS BOTANISTS ZOOLOGISTS & REL PROFESSIONAL					
BOOKBINDING AND RELATED MACHINE OPERATORS	2,00	0,00	0,00	0,00	0,00
BUILDING AND OTHER PROPERTY CARETAKERS	13,00	0,00	0,00	3,00	23,10
BUS AND HEAVY VEHICLE DRIVERS	24,00	0,00	0,00	14,00	58,30
CIVIL ENGINEERING TECHNICIANS	5,00	0,00	0,00	1,00	20,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	124,00	0,00	0,00	22,00	17,70

CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS)	4,00	0,00	0,00	6,00	150,00
COMMUNICATION AND INFORMATION RELATED	5,00	0,00	0,00	1,00	20,00
COMMUNITY DEVELOPMENT WORKERS	2,00	0,00	0,00	2,00	100,00
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					
ECONOMISTS	13,00	0,00	0,00	15,00	115,40
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS	1,00	0,00	0,00	0,00	0,00
ENGINEERING SCIENCES RELATED	12,00	0,00	0,00	6,00	50,00
ENGINEERS AND RELATED PROFESSIONALS	12,00	0,00	0,00	6,00	50,00
FARM HANDS AND LABOURERS	509,00	0,00	0,00	279,00	54,80
FARMING FORESTRY ADVISORS AND FARM MANAGERS	4,00	0,00	0,00	4,00	100,00
FINANCE AND ECONOMICS RELATED	9,00	0,00	0,00	6,00	66,70
FINANCIAL AND RELATED PROFESSIONALS	21,00	0,00	0,00	8,00	38,10
FINANCIAL CLERKS AND CREDIT CONTROLLERS	41,00	0,00	0,00	33,00	80,50
FOOD SERVICES AIDS AND WAITERS	3,00	0,00	0,00	0,00	0,00
FORESTRY LABOURERS					
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	3,00	0,00	0,00	2,00	66,70
HEALTH SCIENCES RELATED					
HORTICULTURISTS FORESTERS AGRICUL.& FORESTRY TECHN	117,00	0,00	0,00	32,00	27,40
HOUSEHOLD AND LAUNDRY WORKERS	12,00	0,00	0,00	0,00	0,00
HOUSEHOLD FOOD AND LAUNDRY SERVICES RELATED	10,00	0,00	0,00	8,00	80,00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	9,00	0,00	0,00	6,00	66,70
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	30,00	0,00	0,00	18,00	60,00
HUMAN RESOURCES CLERKS	140,00	0,00	0,00	51,00	36,40
HUMAN RESOURCES RELATED	25,00	2,00	8,00	43,00	172,00
INFORMATION TECHNOLOGY RELATED	1,00	0,00	0,00	1,00	100,00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	9,00	0,00	0,00	9,00	100,00
LEGAL RELATED					
LIBRARIANS AND RELATED PROFESSIONALS	5,00	0,00	0,00	2,00	40,00
LIBRARY MAIL AND RELATED CLERKS	2,00	0,00	0,00	1,00	50,00
LIGHT VEHICLE DRIVERS	13,00	0,00	0,00	5,00	38,50
LOGISTICAL SUPPORT PERSONNEL	42,00	0,00	0,00	0,00	0,00
MECHANICAL ENGINEERING THECNICIANS	4,00	0,00	0,00	3,00	75,00
MESSENGERS PORTERS AND DELIVERERS	11,00	0,00	0,00	2,00	18.20
MOTOR VEHICLE DRIVERS	44,00	0,00	0,00	11,00	25,00

MOTORISED FARM AND FORESTRY PLANT OPERATORS	10,00	0,00	0,00	18,00	180,00
NATURAL SCIENCES RELATED	3,00	0,00	0,00	2,00	66,70
NATURE CONSERVATION AND OCEANOGRAPHICAL REL. TECHNI	1,00	0,00	0,00	1,00	100,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	183,00	1,00	0,50	152,00	83,10
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	20,00	0,00	0,00	11,00	55,00
OTHER INFORMATION TECHNOLOGY PERSONNEL	2,00	0,00	0,00	1,00	50,00
OTHER MACHINE OPERATORS	7,00	0,00	0,00	32,00	457,10
OTHER OCCUPATIONS	38,00	0,00	0,00	3,00	7,90
RISK MANAGEMENT AND SECURITY SERVICES	7,00	0,00	0,00	4,00	57,10
SAFETY HEALTH AND QUALITY INSPECTORS					
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	31,00	1,00	3,20	23,00	74,20
SECURITY GUARDS	101,00	0,00	0,00	4,00	4,00
SECURITY OFFICERS	1,00	0,00	0,00	0,00	0,00
SENIOR MANAGERS	48,00	1,00	2,10	4,00	8,30
TRADE LABOURERS	1,00	0,00	0,00	0,00	0,00
STATISTICIANS AND RELATED PROFESSIONALS					
VETERINARIANS	18,00	1,00	5,60	10,00	55,60
VETERINARY ASSISTANTS	9,00	0,00	0,00	4,00	44,40
TOTAL	2675,00	8,00	0,30	1 461,00	54,60

Table 3.5.5 Promotions by salary band for the period 1 April 2018 and 31 March 2019
(Includes notch progression and upgrade after 15 years in the rank)

Salary Band	Employees 1 April 2018	Promotions to another salary level	Salary bands promotions as a % of employees by vtsalary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	83,00	0,00	0,00	41,00	49,40
Skilled (Levels 3-5)	1 013,00	0,00	0,00	514,00	50,70
Highly skilled production (Levels 6-8)	798,00	2,00	0,30	545,00	68,30
Highly skilled supervision (Levels 9-12)	572,00	3,00	0,50	347,00	60,70
Highly Skilled Supervision (Levels 9-12), Temporary	1,00	0,00	0,00	1,00	100,00
Senior Management (Level 13-16)	48,00	2,00	4,20	0,00	0,00
Other, Permanent	79,00	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	2,00	7,10

Contract (Levels 6-8), Permanent	14,00	1,00	7,10	2,00	14,30
Contract (Levels 9-12), Permanent	23,00	0,00	0,00	9,00	39,10
Contract (Levels 13-16), Permanent	2,00	0,00	0,00	0,00	0,00
Total	2 675,00	8,00	0,30	1 461,00	54,60

3.6 Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	373,00	3,00	15,00	32,00	373,00	0,00	23,00	21,00	840,00
Technicians and associate professionals	214,00	1,00	5,00	16,00	157,00	2,00	17,00	10,00	422,00
Labourers and Related Workers	425,00	1,00	1,00	1,00	365,00	0,00	2,00	0,00	795,00
Plant and machine operators and assemblers	91,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	93,00
Service Shop and Market Sales Workers	76,00	0,00	0,00	0,00	14,00	0,00	0,00	0,00	90,00
Clerks	128,00	1,00	1,00		253,00	6,00	18,00	8,00	415,00
Senior management	25,00	0,00	1,00	6,00	13,00	1,00	1,00	2,00	49,00
Craft and related trades workers	6,00	0,00	1,00	0,00	0,00	0,00	0,00	0,00	7,00
Total	1 338,00	6,00	24,00	55,00	1 177,00	9,00	61,00	41,00	2 711,00
Employees with disabilities	9,00	0,00	0,00	1,00	5,00	0,00	0,00	0,00	15,00

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3,00	0,00	0,00	1,00	0,00	0,00	0,00	0,00	4,00
Senior Management	19,00	0,00	1,00	4,00	11,00	1,00	1,00	2,00	39,00
Professionally qualified and experienced specialists and mid-management	252,00	4,00	17,00	46,00	188,00	1,00	21,00	18,00	547,00
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	307,00	0,00	4,00	3,00	436,00	5,00	34,00	18,00	807,00
Semi-skilled and discretionary decision making	585,00	1,00	2,00	1,00	354,00	2,00	5,00	1,00	951,00
Unskilled and defined decision making	58,00	0,00	0,00	0,00	38,00	0,00	0,00	0,00	96,00
Not Available, Permanent	94,00	1,00	0,00	0,00	136,00	0,00	0,00	0,00	231,00

Contract (Top Management), Permanent	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Senior Management), Permanent	2,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	3,00
Contract (Professionally Qualified), Permanent	9,00	0,00	0,00	0,00	4,00	0,00	0,00	1,00	14,00
Contract (Skilled Technical), Permanent	6,00	0,00	0,00	0,00	5,00	0,00	0,00	0,00	11,00
Contract (Semi- Skilled), Permanent		3,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00
Contract (Unskilled), Permanent	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	1338	6	24	55	1177	9	61	41	2711

Table 3.6.3 Recruitment for the period 1 April 2018 to 31 March 2019 (inclusive of Contract renewals)

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior Management	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
Professionally qualified and experienced specialists and mid- management	3,00	0,00	1,00	0,00	6,00	0,00	0,00	1,00	11,00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9,00	0,00	0,00	0,00	6,00	0,00	0,00	0,00	15,00
Semi-skilled and discretionary decision making	9,00	0,00	0,00	0,00	14,00	0,00	0,00	0,00	23,00
Unskilled and defined decision making	11,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	15,00
Not Available, Permanent	96,00	1,00	0,00	0,00	142,00	0,00	0,00	0,00	239,00
Contract (Senior Management), Permanent	2,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	3,00
Contract (Professionally qualified), Permanent	3,00	0,00	0,00	0,00	8,00	0,00	0,00	1,00	12,00
Contract (Skilled technical), Permanent	8,00	0,00	0,00	0,00	9,00	0,00	0,00	0,00	17,00
Contract (Semi-skilled), Permanent	8,00	0,00	0,00	0,00	17,00	0,00	0,00	0,00	25,00
Contract (Unskilled), Permanent	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	149,00	1,00	1,00	0,00	208,00	0,00	0,00	2,00	361
Employees with disabilities	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00

Table 3.6.4 Promotions for the period 1 April 2018 to 31 March 2019(Inclusive of officials upgraded after 15 years in a rank incl OSD ie. Grade progression)

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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	147,00	3,00	11,00	31,00	129,00	1,00	15,00	13,00	350,00
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	212,00	0,00	1,00	2,00	297,00	4,00	21,00	10,00	547,00
Semi-skilled and discretionary decision making	245,00	0,00	2,00	1,00	256,00	3,00	5,00	2,00	514,00
Unskilled and defined decision making	15,00	0,00	0,00	0,00	26,00	0,00	0,00	0,00	41,00
Contract (Senior Management),Permanent	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Contract (Professionally qualified),Permanent	5,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	9,00
Contract (Skilled technical),Permanent	1,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	3,00
Contract (Semi- skilled),Permanent	1,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	2,00
Contract (Unskilled), Permanent	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	628,00	3,00	14,00	34,00	715,00	8,00	41,00	26,00	1469,00
Employees with disabilities	2,00	0,00	0,00	0,00	2,00	0,00	0,00	2,00	4,00

Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	2,00
Senior Management	3,00	0,00	0,00	2,00	2,00	0,00	0,00	0,00	7,00
Professionally qualified and experienced specialists and mid-management	22,00	0,00	1,00	2,00	11,00	0,00	0,00	2,00	38,00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	15,00	0,00	0,00	0,00	10,00	0,00	0,00	1,00	26,00
Semi-skilled and discretionary decision making	36,00	0,00	0,00	0,00	22,00	0,00	0,00	0,00	58,00
Unskilled and defined decision making	1,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	2,00
Not Available, Permanent	28,00	0,00	0,00	0,00	59,00	0,00	0,00	0,00	87,00
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	3,00	0,00	0,00	0,00	10,00	0,00	0,00	1,00	14,00
Contract (Skilled technical), Permanent	10,00	0,00	0,00	0,00	11,00	0,00	0,00	0,00	21,00

Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2019

Contract (Semi-skilled), Permanent	15,00	0,00	0,00	0,00	28,00	0,00	0,00	0,00	43,00
Contract (Unskilled), Permanent	10,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	14,00
Total	145,00	0,00	1,00	4,00	160,00	0,00	0,00	4,00	314,00
Employees with Disabilities	3,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,00

Table 3.6.6 Disciplinary action for the period 1 April 2017 to 31 March 2019

Disciplinary action	Male	Female	Total						
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Outcome	2,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	3,00
Total	2,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	3,00

Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Professionals	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Technicians and associate professionals	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Clerks	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Service and sales workers	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
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	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Plant and machine operators and assemblers	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Elementary occupations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Employees with disabilities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

3.5 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2019

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS
members Director-General/ Head of Department	0,00	0,00	0,00	0,00
Salary Level 16	0,00	0,00	0,00	0,00
Salary Level 15	0,00	5	5	100%
Salary Level 14	0,00	6	5	83%
Salary Level 13	0,00	38	35	92%
Total	0,00	49	45	92%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2018.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2019

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

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2019

Reasons
The three SMS members at salary level 13 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. One SMS member at salary level 14 did not comply and no reasons were provided. The non-compliance report was prepared but no disciplinary action was taken.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.6. 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).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2018 to 31 March 2019

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male					
Female					
Asian					
Male					
Female					
Coloured					
Male					
Female					
White					
Male					
Female					
Employees with a disability					
Total					

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 to 31 March 2019

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	12,00	96,00	12,50	85,81	7 151,00	12,00
Skilled (level 3-5)	120,00	951,00	12,60	1 012,63	8 439,00	120,00
Highly skilled production (level 6-8)	111,00	807,00	13,80	1 821,53	16 410,00	111,00
Highly skilled supervision (level 9-12)	91,00	548,00	16,60	2 755,99	30 286,00	91,00
Other	0,00	231,00	0,00	0,00	0,00	0,00
Contract (Levels 3-5)	0,00	7,00	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	0,00	11,00	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	0,00	14,00	0,00	0,00	0,00	0,00
Total	334,00	2 665,00	12,50	5 675,95	16 994,00	334,00

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 to 31 March 2019

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	occupation Number of employees	% of total within	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	7,00	37,00	18,90	76,14	10 877,00
HUMAN RESOURCES CLERKS	5,00	156,00	3,20	63,29	12 658,00
MOTORISED FARM AND FORESTRY PLANT OPERATORS	2,00	21,00	9,50	16,15	8 075,00
SECURITY OFFICERS	0,00	1,00	0,00	0,00	0,00
HOUSEHOLD AND LAUNDRY WORKERS	2,00	12,00	16,70	20,33	10 167,00
VETERINARIANS	3,00	17,00	17,60	142,05	47 350,00
MESSENGERS PORTERS AND DELIVERERS	2,00	11,00	18,20	12,84	6 421,00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	1,00	5,00	20,00	9,17	9 173,00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	4,00	25,00	16,00	135,61	33 902,00
RISK MANAGEMENT AND SECURITY SERVICES	0,00	6,00	0,00	0,00	0,00
PHOTOGRAPHIC LITHOGRAPHIC AND RELATED WORKERS	0,00	1,00	0,00	0,00	0,00
BIOCHEMISTRY PHARMACOL. ZOOLOGY & LIFE SCIE.TECHNI	38,00	206,00	18,40	828,68	21 807,00
LOGISTICAL SUPPORT PERSONNEL	3,00	61,00	4,90	25,42	8 472,00
FINANCE AND ECONOMICS RELATED	1,00	4,00	25,00	57,90	57 898,00
NATURAL SCIENCES RELATED	0,00	3,00	0,00	0,00	0,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	21,00	186,00	11,30	266,41	12 686,00
HOUSEKEEPERS LAUNDRY AND RELATED WORKERS	3,00	10,00	30,00	30,97	10 324,00
AUXILIARY AND RELATED WORKERS	3,00	27,00	11,10	28,74	9 579,00
OTHER OCCUPATIONS	3,00	149,00	2,00	30,50	10 167,00
NATURE CONSERVATION AND OCEANOGRAPHICAL REL.TECHNI	0,00	1,00	0,00	0,00	0,00
AGRICUL ANIMAL OCEANOGRAPHY FORESTRY & OTHER SCIEN	1,00	11,00	9,10	47,37	47 369,00
FINANCIAL AND RELATED PROFESSIONALS	5,00	11,00	45,50	173,36	34 673,00

BUILDING AND OTHER PROPERTY CARETAKERS	0,00	5,00	0,00	0,00	0,00
ADMINISTRATIVE RELATED	10,00	40,00	25,00	218,86	21 886,00
COMMUNICATION AND INFORMATION RELATED	0,00	1,00	0,00	0,00	0,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	8,00	28,00	28,60	101,35	12 669,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	25,00	111,00	22,50	184,81	7 392,00
LIBRARY MAIL AND RELATED CLERKS	1,00	2,00	50,00	12,76	12 764,00
HUMAN RESOURCES RELATED	10,00	53,00	18,90	290,94	29 094,00
VETERINARY ASSISTANTS	3,00	6,00	50,00	35,65	11 883,00
TRADE LABOURERS	1,00	1,00	100,00	8,90	8 896,00
LANGUAGE PRACTITIONERS INTERPRETERS & OTHER COMMUN	0,00	9,00	0,00	0,00	0,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	1,00	3,00	33,30	17,87	17 866,00
CIVIL ENGINEERING TECHNICIANS	0,00	1,00	0,00	0,00	0,00
FARM HANDS AND LABOURERS	50,00	505,00	9,90	391,58	7 832,00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	6,00	18,00	33,30	119,97	19 994,00
ARTISAN PROJECT AND RELATED SUPERINTENDENTS	1,00	1,00	100,00	12,65	12 653,00
BUS AND HEAVY	7,00	18,00	38,90	58,46	8 351,00
VEHICLE DRIVERS SENIOR MANAGERS	1,00	48,00	2,10	34,60	34 596,00
FARMING FORESTRY ADVISORS AND FARM MANAGERS	2,00	4,00	50,00	32,42	16 209,00
CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS)	1,00	6,00	16,70	8,61	8 610,00
COMPUTER SYSTEM DESIGNERS AND ANALYSTS.	2,00	2,00	100,00	50,97	25 486,00
ECONOMISTS	7,00	17,00	41,20	154,40	22 058,00
ENGINEERS AND RELATED PROFESSIONALS	4,00	12,00	33,30	111,85	27 962,00
OTHER INFORMATION TECHNOLOGY PERSONNEL.	0,00	1,00	0,00	0,00	0,00
LIGHT VEHICLE DRIVERS	3,00	6,00	50,00	34,09	11 365,00
ELECTRICAL AND ELECTRONICS ENGINEERING TECHNICIANS	0,00	1,00	0,00	0,00	0,00
ENGINEERING SCIENCES RELATED	0,00	10,00	0,00	0,00	0,00
MOTOR VEHICLE DRIVERS	2,00	15,00	13,30	15,81	7 904,00
SECURITY GUARDS	3,00	73,00	4,10	23,46	7 820,00
FOOD SERVICES AIDERS AND WAITERS	0,00	2,00	0,00	0,00	0,00
OTHER MACHINE OPERATORS	8,00	33,00	24,20	59,61	7 451,00
HORTICULTURISTS FORESTERS AGRICUL. & FORESTRY TECHN	2,00	50,00	4,00	42,41	21 204,00
MECHANICAL ENGINEERING TECHNICIANS	0,00	4,00	0,00	0,00	0,00
COMMUNITY DEVELOPMENT WORKERS	0,00	1,00	0,00	0,00	0,00
LIBRARIANS AND RELATED PROFESSIONALS	2,00	5,00	40,00	39,59	19 797,00
INFORMATION TECHNOLOGY RELATED	0,00	1,00	0,00	0,00	0,00
AGRICULTURE RELATED	71,00	657,00	10,80	1 683,99	23 718,00
TOTAL	335,00	2 711,00	12,40	5 710,55	17 046,00

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 to 31 March 2019

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	1,00	37,00	2,70	34,60	34 596,10	49 213,25
Band B	0,00	5,00	0,00	0,00	0,00	7 843,61
Band C	0,00	3,00	0,00	0,00	0,00	7 336,77
Band D	0,00	1,00	0,00	0,00	0,00	2 042,20
Total	1,00	46,00	2,20	34,60	34 596,10	66 435,84

3.6. 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 2018 and 31 March 2019

Salary band	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
skilled	1,00	10,00	0,00	0,00	-1,00	-100,00
Highly skilled production (Lev. 6-8)	0,00	0,00	1,00	9,10	1,00	100,00
Highly skilled supervision (Lev. 9-12)	9,00	90,00	10,00	90,90	1,00	100,00
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
Total	10,00	100,00	11,00	100,00	1,00	100,00

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2018 and 31 March 2019

Major occupation	01 April 2018		31 March 2019		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	8,00	80,00	9,50	86,40	1,50	150,00
Technicians and associated professionals	1,00	10,00	0,50	4,50	- 0,50	- 50,00
TOTAL	10,00	100,00	11,00	100,00	1,00	100,00

3.7. 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 2018 to 31 December 2019

Salary band	Total days	% Days with Medical Certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	266,00	94,40	51,00	3,70	5,00	144,00
Skilled (Levels 3-5)	3 625,00	90,70	499,00	35,80	7,00	2 822,00
Highly skilled production (levels 6-8)	3 318,00	86,00	481,00	34,50	7,00	5 070,00
Highly skilled supervision (levels 9 -12)	1 634,00	84,80	280,00	20,10	6,00	3 840,00
Top and Senior management (levels 13-16)	283,00	92,90	29,00	2,10	10,00	1 187,00
Contract (Levels 3-5)	38,00	71,10	12,00	0,90	3,00	30,00
Contract (Levels 6-8)	53,00	94,30	8,00	0,60	7,00	79,00
Contract (Levels 9-12)	13,00	76,90	5,00	0,40	3,00	28,00
Contract Other	88,00	68,20	29,00	2,10	3,00	34,00
Total	9 318,00	87,90	1 394,00	100,00	7,00	13 234,00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2019

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	16,00	100,00	2,00	3,20	8,00	9,00
Skilled (Levels 3-5)	760,00	100,00	30,00	47,60	25,00	609,00
Highly skilled production (Levels 6-8)	439,00	100,00	19,00	30,20	23,00	653,00
Highly skilled supervision (Levels 9-12)	185,00	100,00	10,00	15,90	19,00	392,00
Senior management (Levels 13-16)	31,00	100,00	2,00	3,20	16,00	128,00
TOTAL	1 431,00	100,00	63,00	100,00	23,00	1 791,00

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

Table 3.10.3 Annual Leave for the period 1 January 2018 to 31 December 2019

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	1 788,00	19,00	94,00
Skilled Levels 3-5)	22 954,27	24,00	976,00
Highly skilled production (Levels 6- 8)	18 920,00	23,00	815,00
Highly skilled supervision (Levels 9- 12)	13 872,00	24,00	573,00
Senior management (Levels 13-16)	1 111,00	21,00	53,00
Contract (Levels 13-16)	2,00	2,00	1,00
Contract (Levels 3-5)	76,00	7,00	11,00
Contract (Levels 1-2)	10,00	2,00	6,00
Contract (Levels 6-8)	46,00	8,00	6,00
Contract (Levels 9-12)	180,00	9,00	19,00
Contract Other	713,00	7,00	107,00
Total	59 672,27	22,00	2 661,00

Table 3.10.4 Capped leave for the period 1 January 2018 to 31 December 2019

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2019
Lower skilled (Levels 1-2)	0,00	0,00	0,00	0,00
Skilled Levels 3-5)	98,00	11,00	9,00	99,00
Highly skilled production (Levels 6-8)	83,00	13,00	6,00	75,00
Highly skilled supervision(Levels 9-12)	97,00	11,00	9,00	128,00
Senior management (Levels 13-16)	4,00	1,00	4,00	84,00
Contract (Levels 13-16)	0,00	0,00	0,00	0,00
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
Total	282,00	36,00	8,00	100,00

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 2018 and 31 March 2019

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2018/19 due to non-utilisation of leave for the previous cycle	2 432,00	124,00	19 613,00
Capped leave payouts on termination of service for 2018/19	15 860,00	98,00	161 837,00
Current leave payout on termination of service for 2018/19	3 135,00	103,00	30 437,00
Total	21 426,00	325,00	211887,00

3.8. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk

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		Ms. INN Zwane
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		4 employees are responsible for the programme. R3, 749,401.59
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.		No	The EH&W Committee is in re- appointment stage following end of term of office for the previous EH&W Committee.
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.			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

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		582 employees know their HIV status. 6 females 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	There is a process to establish partnership with M&E Directorate to conduct the internal M & E process.

3.9. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2018 and 31 March 2019

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	I 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 2018 and 31 March 2019

Correctional counselling	Nil	
Verbal warning	Nil	
Written Warning	Nil	
Final written warning	01	3.0%
Suspended without pay	02	6.0%
Fine	Nil	
Demotion	Nil	
Dismissal	01	3.0%
Not guilty	Nil	
Case withdrawn	10	30.3%
Total	15	

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearing finalised	I None
--	--------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019

Fraud/Theft	06	18%

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearing finalised		I None
Fraud/ theft	06	18%
Other	18	55.5%
Assault	Nil	
Misuse of state property	06	18%
Insubordination	Nil	
Absenteeism	Nil	
Total	33	
Number of grievances resolved	21	63.6%
Number of grievances not resolved	12	36.3%
Total number of grievances lodged	33	

Table 3.12.4 Grievances logged for the period 1 April 2017 and 31 March 2018**Table 3.12.5** Disputes logged with Councils for the period 1 April 2018 and 31 March 2019

Number of disputes upheld	02	33%
Number of disputes dismissed	00	
Total number of dispute lodged	06	

Table 3.12.6 Strike actions for the period 1 April 2018 and 31 March 2019

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2018 and 31 March 2019

Number of people suspended	02
Number of people whose suspension exceeded 30 days	02
Average number of days suspended	240
Cost of suspension (R'000)	R 686 019,47

AG REPORT

The following section presents the report of the Auditor General of South Africa, which highlights the outcome of the audit process for the financial year 2018/2019.

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON VOTE NO. 3: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Qualified opinion

1. I have audited the financial statements of the Department of Agriculture and Rural development set out on pages 88 to 177, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, 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 effects of the matter 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 2019 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standards (MCS) as 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, 2018 (Act No. 1 of 2018) (Dora).

Basis for qualified opinion

Irregular expenditure

3. 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 was due to expenditure incurred in contravention of the supply chain management legislation not being detected, recorded and appropriately disclosed in the financial statements. Consequently, I was unable to determine the full extent of the irregular expenditure stated at R715,76 million (2017-18: R590,40 million) in note 25 to the financial statements as it was impracticable to do so.

Context for the opinion

4. 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.

5. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA code), and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

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

Material underspending of the budget

8. As disclosed in the notes to the appropriation statement, the department materially underspent the budget by R264,40 million on the programmes for administration, agriculture and rural development.

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 165 to 177 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 on them.

Responsibilities of accounting officer for the financial statements

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

12. In preparing the financial statements, the accounting officer is responsible for assessing the Department 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 the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report 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.

16. 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.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2 – agriculture	27 – 33
Programme 3 – rural development	33 – 38

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2 – agriculture

Various objectives

20. The strategic objectives below were approved in the annual performance plan but were not included in the annual performance report.

Strategic objective descriptions
To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources
To provide support to all farmers through agricultural development programmes
To provide veterinary services to clients in order to ensure healthy animal products and welfare of the people of South Africa
To provide the agricultural production through conducting, facilitating and coordinating medium to long term research and technology development
To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth
To facilitate and provide structured and vocational agriculture, forestry and fisheries education and training in line with the national education and training strategy for agriculture, forestry and fisheries (NETSAFF), in order to establish a knowledgeable, prosperous and competitive sector

Number of farmers supported

21. The planned target approved in the annual performance plan was 11 245. However, the planned target reported in the annual performance report was 8 000.

Various indicators

22. 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:

- Number of export control certificates issued.
- Number of economic reports compiled.

Various indicators

23. I was unable to obtain sufficient and appropriate evidence to support the reason for variances for the indicators listed below. I was unable to confirm the reasons for the variances by alternative means. Consequently, I was unable to determine whether any adjustments were required for the variances in the annual performance report.

Indicator descriptions	Reported achievements
Number of agricultural infrastructure established	59
Number of agricultural infrastructure rehabilitated	46
Number of KM fenced	2 226
Number of agro-ecosystem management plans developed	0
Number of hectares protected to improve agricultural production	5 178.366
Number of farm management plans developed	14
Number of disaster relief schemes managed	0
Number of disaster risk reduction services managed	4
Number of green jobs created through Land Care	1 478
Number of hectares of agricultural land rehabilitated	13 778.52
Number of farmers supported	4 799
Number of smallholder producers supported	4 780
Number of commercial farmers supported	19
Number of smallholder producers supported with agricultural advice	18 204
Annual progress on black commercialisation programme developed	0
Number of hectares under irrigation used by smallholder farmers	899.76
Number of jobs created	1 001
Number of hectares planted for food production	11 781
Number of households supported with agricultural food production initiatives	33 497
Approved agriculture master plan	0
Number of animals subjected to animal health measures	13 075
Number of visits to epidemiological units visited for veterinary interventions	13 075
Average percentage of compliance of all operating abattoirs in the province to the meat safety legislation	68.7
Number of laboratory tests performed according to prescribed standards	186 211
Number of research presentations made at peer review events	2
Number of research presentations made at technology transfer events	260
Number of agri-businesses supported with marketing services	35
Number of agri-businesses supported with production economic services	1 916
Number of agro-processing initiatives supported	49
Number of students graduated from Agricultural Training Institutes	81
Number of participants trained in skills development programmes in the sector	2 746

Annual progress on black commercialisation programme developed

24. I was unable to obtain sufficient appropriate audit evidence to support the reported achievement. This was due to a lack of technical indicator descriptions, proper performance management systems and processes and formal standard operating procedures or documented systems descriptions 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.

Various indicators

25. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of 14 of the 41 indicators relating to this programme. This was due to limitations placed on the scope of my work. 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 descriptions	Reported achievements
Number of hectares protected to improve agricultural production.	5 178.36
Number of agricultural infrastructure rehabilitated.	46
Number of animals subjected to animal health care measures.	13 075
Number of visits to epidemiological units for veterinary interventions.	13 075
Number of export control certificates issued.	1 597
Average percentage of compliance of all operating abattoirs in the province to the meat safety legislation.	68.7
Number of laboratory tests performed according to prescribed standards.	186 211
Number of participants trained in skills development programmes in the sector.	2 746
Number of Kilometre (KM) fenced	2 226
Number of agri-businesses supported with production economic services	1 916
Number of agricultural infrastructure established	59
Number of green jobs created through land care	1 478
Number of jobs created	1 001
Number of economic reports compiled	3

Various indicators

26. The department did not have an adequate record keeping system to enable reliable reporting on achievement of the indicators listed below. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence that was provided, the achievement of these indicators was different to the reported achievement in the annual performance report. I was also unable to further confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators listed below:

Indicator descriptions		
Number of hectares under irrigation used by smallholder farmers	899	Limitation
Number of hectares planted for food production	11 781	Limitation

Programme 3 –Rural Development

Various objectives

27. The strategic objectives below were approved in the annual performance plan but were not included in the annual performance report.

Strategic objective descriptions
Integrated coordination of implementation for rural development
Rural enterprise and Industry facilitation and development

Various indicators

28. I was unable to obtain sufficient appropriate audit evidence to validate the existence of systems and processes that enable reliable reporting of actual service delivery against the indicator. This was due to a lack of technical indicator descriptions and formal standard operating procedures or documented system descriptions for these strategic indicators. I was unable to validate the existence of systems and processes by alternative means.

Indicators	Planned targets
Sustainable enterprise and industries promoted in areas with economic potential	180
Effective rural development co-ordination monitoring evaluation structures established	16

Effective rural development co-ordination monitoring evaluation structures established

29. The strategic indicator and target approved in the annual performance plan was effective rural development co-ordination, monitoring evaluation structures established with a target of 16. However, the indicator and target were not reported in the annual performance report.

Sustainable enterprise and industries promoted in areas with economic potential

30. I was unable to obtain sufficient appropriate audit evidence for the reported achievement. This was due to limitations placed on the scope of my work. 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 13 as reported in the annual performance report.

Other matter

31. I draw attention to the matter below.

Achievement of planned targets

32. The annual performance report on pages 24 to 34 includes information on the achievement of planned targets for the year and explanations are also provided for the under and 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 20 to 30 of this report.

Report on the audit of compliance with legislation

Introduction and scope

33. 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.

34. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

35. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework or supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatement resulted in the financial statements receiving a qualified opinion.

Expenditure management

36. 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, irregular expenditure as disclosed in note 31 of the financial statements did not reflect the full extent of thereof.

Strategic planning and performance management

37. Specific information systems were not implemented 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).

Procurement and contract management

38. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(2).

39. Some of the invitations for competitive bidding were not advertised for a required minimum period, as required by treasury regulations 16A6.3(c).

Other information

40. 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.

41. 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.

42. 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.

43. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

45. 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.

46. 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 reported performance information.

47. 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.

Investigations

48. The shared internal audit unit for departments in the province conducted five investigations covering the period 1 April 2013 to 31 March 2018. These investigations related to allegations of fraud and corruption within the department's supply chain management function, irregular expenditure and procurement irregularities. Three of these investigations were completed and the implementation of recommendations are in progress, while two cases were in progress.

49. In terms of Proclamation No. R. 9 of 2017 (GG 40594 dated 3 February 2017), the President-in-Cabinet referred matters contained in the schedule which took place between 1 February 2011 and the date of publication of the Proclamation, or which took place prior to 1 February 2011 or after the date of publication of the Proclamation to be investigated by the Special Investigating Unit (SIU). The matters relate to the procurement of, and contracting for fertiliser, seeds or seed potatoes or goods, works or services relating to events or event management, and any undisclosed or unauthorised interests by the board members, directors, officials or employees of the department or its entity or any of their family members may have had with contractors, suppliers or service providers. The investigations were still in progress at the date of signing this report.

50. In terms of Proclamation No. R. 36 of 2019 (GG 42577 dated 12 July 2019), the President-in Cabinet has referred matters contained in the schedule which took place between 1 March 2017 or which took place prior to 1 March 2017 or after the date of publication of the Proclamation to be investigated by the SIU. The matters relate to maladministration and the mismanagement of the Comprehensive Agriculture Support Programme grant, unauthorised, irregular and fruitless and wasteful expenditure incurred and irregularities in supply chain management processes. The investigations were still in progress at the date of signing this report.

Pietermaritzburg
31 July 2019



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.



PART E: FINANCIAL STATEMENTS

For the year ended 31 March 2019

#PHEZU'KOMKHONO

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DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT VOTE 3

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

APPROPRIATION PER PROGRAMME									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
Administration	564 160	-	(27 739)	536 421	490 025	46 396	91,4%	517 077	476 647
Agriculture	1 794 556	-	30 329	1 824 885	1 619 583	205 302	88,7%	1 649 815	1 536 918
Rural Development	32 380	-	(2 590)	29 790	17 088	12 702	57,4%	30 252	19 300
Subtotal	2 391 096	-	-	2 391 096	2 126 696	264 400	88,9%	2 197 144	2 032 865
TOTAL	2 391 096	-	-	2 391 096	2 126 696	264 400	88,9%	2 197 144	2 032 865

2018/19					2017/18	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	21 387				21 343	
NRF Receipts	-				-	
Aid assistance	-				-	
Actual amounts per statement of financial performance (total revenue)	2 412 483				2,218,487	
ADD						
Aid assistance						
Prior year unauthorised expenditure approved without funding						
Actual amounts per statement of financial performance (total expenditure)		2 126 696			2 032 865	

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

Appropriation per economic classification									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 946 481	-	(82 395)	1 864 086	1 694 113	169 973	90,9%	1 739 509	1 650 518
Compensation of employees	1 074 337	-	(49 883)	1 024 454	1 023 233	1 221	99,9%	999 061	996 587
Salaries and wages	917 748	-	(40 241)	877 507	876 360	1 147	99,9%	857 592	855 639
Social contributions	156 589	-	(9 642)	146 947	146 873	74	99,9%	141 469	140 948
Goods and services	872 054	-	(32 431)	839 623	670 871	168 752	79,9%	739 417	652 975
Administrative fees	2 250	-	1 039	3 289	3 289	-	100,0%	2 813	2 624
Advertising	4 976	-	(2 344)	2 632	2 456	176	93,3%	2 344	1 784
Minor assets	10 284	-	(4 647)	5 637	5 332	305	94,6%	6 123	3 945
Audit costs: External	14 654	-	(386)	14 268	13 750	518	96,4%	11 542	11 542
Bursaries: Employees	1 070	-	1 089	2 159	2 039	120	94,4%	1 453	443
Catering: Departmental activities	4 600	-	(1 837)	2 763	2 287	476	82,8%	4 197	3 787
Communication	34 285	-	(7 885)	26 400	26 346	54	99,8%	40 627	37 720
Computer services	61 291	-	(10 081)	51 210	49 418	1 792	96,5%	73 410	70 014
Consultants: Business and advisory services	9 388	-	2 481	11 869	4 469	7 400	37,7%	1 922	945
Infrastructure and planning services	120 888	-	(32 110)	88 778	64 011	24 767	72,1%	77 040	52 306
Laboratory services	242	-	(216)	26	26	-	100,0%	110	110
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	3 054	-	(1 593)	1 461	1 461	-	100,0%	735	735
Contractors	39 680	-	(2 882)	36 798	34 057	2 741	92,6%	37 694	34 702

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

Agency and support / outsourced services	18 951	-	(6 174)	12 777	10 265	2 512	80,3%	11 445	12 883
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	41 884	-	482	42 366	42 366	-	100,0%	39 981	38 453
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	8	-	(1)	7	7	-	100,0%	358	358
Inventory: Farming supplies	130 059	-	91 970	222 029	117 727	104 302	53,0%	126 115	116 553
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	5 771	-	(3 298)	2 473	2 297	176	92,9%	2 910	2 212
Inventory: Learner and teacher support material	1 465	-	(471)	994	994	-	100,0%	1 129	1 129
Inventory: Materials and supplies	51 482	-	(33 602)	17 880	14 772	3 108	82,6%	19 962	7 646
Inventory: Medical supplies	2 965	-	(116)	2 849	1 536	1 313	53,9%	1 086	797
Inventory: Medicine	12 253	-	22 324	34 577	29 114	5 463	84,2%	36 256	27 924
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	35 051	-	(15 428)	19 623	14 901	4 722	75,9%	26 114	22 443
Consumable: Stationery, printing and office supplies	8 107	-	(3 647)	4 460	4 111	349	92,2%	5 790	4 771
Operating leases	46 033	-	(12 193)	33 840	33 757	83	99,8%	32 213	29 237
Property payments	108 881	-	1 823	110 704	107 241	3 463	96,9%	94 538	86 658
Transport provided: Departmental activity	-	-	352	352	-	-	100,0%	-	-
Travel and subsistence	77 299	-	(10 608)	66 691	66 273	418	99,4%	68 896	66 131
Training and development	16 611	-	(7 251)	9 360	5 128	4 232	54,8%	2 801	6 276
Operating payments	8 016	-	3 033	11 049	10 997	52	99,5%	8 328	7 535
Venues and facilities	480	-	(218)	262	92	170	35,1%	1 290	1 207

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

Rental and hiring	76	-	(36)	40	-	40	-	195	105
Interest and rent on land	90	-	(81)	9	9	-	100,0%	1 031	956
Interest	-	-	9	9	9	-	100,0%	956	956
Rent on land	90	-	(90)	-	-	-	-	75	-
Transfers and subsidies	212 300	-	113 967	326 267	320 815	5 452	98,3%	298 301	267 668
Provinces and municipalities	2 083	-	-	2 083	1 626	457	78,1%	1 598	1 380
Provinces	2 058	-	-	2 058	1 601	457	77,8%	1 546	1 328
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	2 058	-	-	2 058	1 601	457	77,8%	1 546	1 328
Municipalities	25	-	-	25	25	-	100,0%	52	52
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	25	-	-	25	25	-	100,0%	52	52
Departmental agencies and accounts	122 840	-	-	122 840	122 649	191	99,8%	124 207	123 184
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	122 840	-	-	122 840	122 649	191	99,8%	124 207	123 184
Higher education institutions	-	-	92	92	92	-	100,0%	44	44
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	69 586	-	104 589	174 175	171 426	2 749	98,4%	141 498	124 262
Public corporations	58 801	-	23 557	82 358	82 358	-	100,0%	67 324	67 324
Subsidies on products and production	-	-	-	-	-	-	-	-	-

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

Other transfers to public corporations	58 801	-	23 557	82 358	-	82 358	100,0%	67 324	67 324
Private enterprises	10 785	-	81 032	91 817	2 749	89 068	97,0%	74 174	56 938
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	10 785	-	81 032	91 817	2 749	89 068	97,0%	74 174	56 938
Non-profit institutions	-	-	-	-	-	-	-	11 023	-
Households	17 791	-	9 286	27 077	2 055	25 022	92,4%	19 931	18 798
Social benefits	12 891	-	9 186	22 077	-	22 077	100,0%	15 630	15 630
Other transfers to households	4 900	-	100	5 000	2 055	2 945	58,9%	4 301	3 168
Payments for capital assets	232 315	-	(33 261)	199 054	110 079	88 975	55,3%	158 846	114 191
Buildings and other fixed structures	169 512	-	(36 992)	132 520	63 165	69 355	47,7%	107 070	80 630
Buildings	89 907	-	(17 646)	72 261	26 159	46 102	36,2%	52 341	39 066
Other fixed structures	79 605	-	(19 346)	60 259	37 006	23 253	61,4%	54 729	41 564
Machinery and equipment	62 253	-	3 731	65 984	46 695	19 289	70,8%	50 268	32 866
Transport equipment	24 288	-	6 886	31 174	31 174	-	100,0%	27 938	21 260
Other machinery and equipment	37 965	-	(3 155)	34 810	15 521	19 289	44,6%	22 330	11 606
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	550	-	-	550	219	331	39,8%	872	695
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	636	-
Payments for financial assets	-	-	1 689	1 689	1 689	-	100,0%	488	488
TOTAL	2 391 096	-	-	2 391 096	2 126 696	264 400	88,9%	2 197 144	2 032 865

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 1: Administration										
2018/19								2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Sub programme										
1. Office of the MEC	15 965	-	(1 179)	14 786	14 729	57	99,6%	13 342	11 812	
2. Senior Management	47 925	-	11 419	59 344	54 738	4 606	92,2%	45 277	43 393	
3. Corporate Services	286 893	-	(16 464)	270 429	262 469	7 960	97,1%	282 353	272 772	
4. Financial Management	177 440	-	(11 040)	166 400	133 806	32 594	80,4%	142 450	117 230	
5. Communication Services	35 937	-	(10 475)	25 462	24 283	1 179	95,4%	33 655	31 440	
Total for sub programmes	564 160	-	(27 739)	536 421	490 025	46 396	91,4%	517 077	476 647	
Economic classification										
Current payments	490 216	-	(32 607)	457 609	446 646	10 963	97,6%	458,428	443,038	
Compensation of employees	217 923	-	(4 521)	213 402	213 402	-	100,0%	206,374	205,016	
Salaries and wages	188 595	-	(3 368)	185 227	185 227	-	100,0%	178,984	178,040	
Social contributions	29 328	-	(1 153)	28 175	28 175	-	100,0%	27,390	26,976	
Goods and services	272 293	-	(28 089)	244 204	233 241	10 963	95,5%	252,054	238,022	
Administrative fees	775	-	348	1123	1123	-	100,0%	1,031	1,000	
Advertising	3 634	-	(1 055)	2 579	2 423	156	94,0%	1,809	1,767	
Minor assets	2 656	-	(2 533)	123	123	-	100,0%	949	218	
Audit costs: External	14 594	-	(326)	14 268	13 750	518	96,4%	11,542	11,542	
Bursaries: Employees	850	-	1 189	2 039	2 039	-	100,0%	874	443	
Catering: Departmental activities	1 444	-	(1 054)	390	390	-	100,0%	1,217	976	
Communication	25 749	-	(8 343)	17 406	17 406	-	100,0%	27,008	24,840	
Computer services	51 454	-	(2 116)	49 338	47 546	1 792	96,4%	67,616	64,736	

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

Consultants: Business and advisory services	5 988	-	2 531	8 519	4 469	4 050	52,5%	1,402	945
Infrastructure and planning services	446	-	(170)	276	276	-	100,0%	1,525	1,525
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	3 054	-	(1 593)	1 461	1 461	-	100,0%	735	735
Contractors	14 398	-	1 859	16 257	16 257	-	100,0%	16,556	16,424
Agency and support / out-sourced services	700	-	(655)	45	45	-	100,0%	795	795
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	8 675	-	760	9 435	9 435	-	100,0%	7,571	7,403
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	355	355
Inventory: Farming supplies	-	-	135	135	135	-	100,0%	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	2	2
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	8 876	-	(4 685)	4 191	3 168	1 023	75,6%	13,801	13,151
Consumable: Stationery, printing and office supplies	3 731	-	(1 808)	1 923	1 923	-	100,0%	2,974	2,596

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

Operating leases	41 852	-	(12 180)	29 672	29 672	-	-	100,0%	28 137	25 642
Property payments	51 698	-	9 572	61 270	57 846	3 424	-	94,4%	42 635	41 255
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	22 096	-	(5 904)	16 192	16 192	-	-	100,0%	18 061	16 840
Training and development	5 183	-	(4 057)	1 126	1 126	-	-	100,0%	1 964	1 964
Operating payments	4 254	-	2 090	6 344	6 344	-	-	100,0%	3 092	2 638
Venues and facilities	150	-	(58)	92	92	-	-	100,0%	253	170
Rental and hiring	36	-	(36)	-	-	-	-	-	150	60
Interest and rent on land	-	-	3	3	3	-	-	100,0%	-	-
Interest	-	-	3	3	3	-	-	100,0%	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10 313	-	1 988	12 301	10 071	2 230	-	81,9%	10 056	7 569
Provinces and municipalities	1 180	-	-	1 180	996	184	-	84,4%	850	718
Provinces	1 180	-	-	1 180	996	184	-	84,4%	850	718
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	1 180	-	-	1 180	996	184	-	84,4%	850	718
Municipalities	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	2 823	-	-	2 823	2 632	191	-	93,2%	2 871	1 849
Social security funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies	2 823	-	-	2 823	2 632	191	-	93,2%	2 871	1 849
Higher education institutions	-	-	-	-	-	-	-	-	-	-

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
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APPROPRIATION STATEMENT for the year ended 31 March 2019

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	6 310	1 988	8 298	6 443	1 855	77,6%	6 335	2 034	5 002			
Social benefits	1 610	1 888	3 498	3 498	-	100,0%	2 034	2 034	2 034			
Other transfers to households	4 700	100	4 800	2 945	1 855	61,4%	4 301	4 301	2 968			
Payments for capital assets	63 631	2 146	65 777	32 574	33 203	49,5%	48 238		25 685			
Buildings and other fixed structures	42 364	(3 597)	38 767	6 485	32 282	16,7%	17 759		3 184			
Buildings	42 364	(3 597)	38 767	6 485	32 282	16,7%	17 759		3 184			
Other fixed structures	-	-	-	-	-	-	-		-			
Machinery and equipment	21 267	5 743	27 010	26 089	921	96,6%	30 479		22 501			
Transport equipment	17 351	7 117	24 468	24 468	-	100,0%	25 400		18 832			
Other machinery and equipment	3 916	(1 374)	2 542	1 621	921	63,8%	5 079		3 669			
Heritage assets	-	-	-	-	-	-	-		-			

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Specialised military assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
	63 631		2 146	65 777	32 574	33 203	49,5%				
Payments for financial assets	-		734	734	734	-	100,0%		355		355
TOTAL	564 160		(27 739)	536 421	490 025	46 396	91,4%		517 077		476 647

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APPROPRIATION STATEMENT for the year ended 31 March 2019

1.1: Office of the MEC										
2018/19							2017/18			
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	
Current payments	15 639	-	(1 304)	14 335	14 335	-	100,0%	13,161	11,685	
Compensation of employees	8 219	-	909	9 128	9 128	-	100,0%	6,734	6,606	
Goods and services	7 420	-	(2 213)	5 207	5 207	-	100,0%	6,427	5,079	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	-	-	18	18	18	-	100,0%	81	81	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts								-	-	
Higher education institutions								-	-	
Foreign governments and international organisations								-	-	
Public corporations and private enterprises								-	-	
Non-profit institutions								-	-	
Households	-	-	18	18	18	-	100,0%	81	81	
Payments for capital assets	326	-	102	428	371	57	86,7%	100	46	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	326	-	102	428	371	57	86,7%	100	46	
Heritage assets								-	-	
Specialised military assets								-	-	
Biological assets								-	-	
Land and subsoil assets								-	-	
Intangible assets								-	-	
Payment for financial assets			5	5	5	-	100,0%	-	-	
TOTAL	15 965	-	(1 179)	14 786	14 729	57	99,6%	13 342	11 812	

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

1.2: Senior Management									
2018/19							2017/18		
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
Current payments	47 370	-	10 020	57 390	52 822	4 568	92,0%	44 036	42 470
Compensation of employees	19 731	-	10 836	30 567	30 567	-	100,0%	26 271	25 777
Goods and services	27 639	-	(816)	26 823	22 255	4 568	83,0%	17 765	16 693
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	435	-	1 036	1 471	1 471	-	100,0%	594	594
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts								-	-
Higher education institutions								-	-
Foreign governments and international organisations								-	-
Public corporations and private enterprises								-	-
Non-profit institutions								-	-
Households	435	-	1 036	1 471	1 471	-	100,0%	594	594
Payments for capital assets	120	-	363	483	445	38	92,1%	343	25
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	120	-	363	483	445	38	92,1%	343	25
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets								304	304
TOTAL	47 925	-	11 419	59 344	54 738	4 606	92,2%	45 277	43 393

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APPROPRIATION STATEMENT for the year ended 31 March 2019

1.3: Corporate Services										
2018/19							2017/18			
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	
Current payments	276 199	-	(15 037)	261 162	255 946	5 216	98,0%	270,543	263,701	
Compensation of employees	116 192	-	(12 405)	103 787	103 787	-	100,0%	104,093	104,093	
Goods and services	160 007	-	(2 635)	157 372	152 156	5 216	96,7%	166,450	159,608	
Interest and rent on land	-	-	-	-	2	(2)	-	-	-	
Transfers and subsidies	8 055	-	223	8 278	6 232	2 046	75,3%	7,994	5,639	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	2 823	-	-	2 823	2 632	191	93,2%	2,871	1,849	
Higher education institutions								-	-	
Foreign governments and international organisations								-	-	
Public corporations and private enterprises								-	-	
Non-profit institutions								-	-	
Households	5 232	-	223	5 455	3 600	1 855	66,0%	5,123	3,790	
Payments for capital assets	2 639	-	(1 653)	986	288	698	29,2%	3,766	3,382	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	2 639	-	-	2 639	289	2 350	11,0%	3,766	3,382	
Heritage assets										
Specialised military assets										
Biological assets										
Land and subsoil assets										
Intangible assets										
Payment for financial assets			3	3	3	-	100,0%	50	50	
TOTAL	286 893	-	(16 464)	270 429	262 469	7 960	97,1%	282 353	272 772	

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APPROPRIATION STATEMENT for the year ended 31 March 2019

1.4: Financial Management									
2018/19							2017/18		
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	115 343	-	(15 930)	99 413	99 413	-	100,0%	97,371	93,990
Compensation of employees	63 836	-	(3 058)	60 778	60 778	-	100,0%	60,478	59,919
Goods and services	51 507	-	(12 872)	38 635	38 635	-	100,0%	36,893	34,071
Interest and rent on land								-	-
Transfers and subsidies	1 751	-	710	2 461	2 277	184	92,5%	1,349	1,217
Provinces and municipalities	1 180	-	-	1 180	996	184	84,4%	850	718
Departmental agencies and accounts								-	-
Higher education institutions								-	-
Foreign governments and international organisations								-	-
Public corporations and private enterprises								-	-
Non-profit institutions								-	-
Households	571	-	710	1 281	1 281	-	100,0%	499	499
Payments for capital assets	60 346	-	3 454	63 800	31 390	32 410	49,2%	43,729	22,022
Buildings and other fixed structures	42 364	-	(3 597)	38 767	6 485	32 282	16,7%	17,759	3,184
Machinery and equipment	17 982	-	7 051	25 033	24 905	128	99,5%	25,970	18,838
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets			726	726	726	-	100,0%	1	1
TOTAL	177 440	-	(11 040)	166 400	133 806	32 594	80,4%	142 450	117 230

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APPROPRIATION STATEMENT for the year ended 31 March 2019

1.5: Communication Services										
Economic classification	2018/19						2017/18			
	Adjusted Appropriati	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	35 665	-	(10 356)	25 309	24 130	1 179	95,3%	33 317	31 192	
Compensation of employees	9 945	-	(803)	9 142	9 142	-	100,0%	8 798	8 621	
Goods and services	25 720	-	(9 553)	16 167	14 988	1 179	92,7%	24 519	22 571	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	72	-	1	73	73	-	100,0%	38	38	
Provinces and municipalities	-	-	-	-	-	-	-	-	-	
Departmental agencies and accounts								-	-	
Higher education institutions								-	-	
Foreign governments and international organisations								-	-	
Public corporations and private enterprises								-	-	
Non-profit institutions								-	-	
Households	72	-	1	73	73	-	100,0%	38	38	
Payments for capital assets	200	-	(120)	80	80	-	100,0%	300	210	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment				-		-	-	-	-	
Heritage assets				-		-	-	-	-	
Specialised military assets	200	-	(120)	80	80	-	100,0%	300	210	
Biological assets				-		-	-	-	-	
Land and subsoil assets	200		(120)	80	80	-	100,0%	300	210	
Intangible assets				-		-	-	-	-	
Payments for financial assets	35 937	-	(10 475)	25 462	24 283	1 179	95,4%	33 655	31 440	

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
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APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 2: Agriculture									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Sustainable Resource Management	89 495	-	(7 189)	82 306	74 186	8 120	90,1%	83 291	75 340
2. Farmer Support and Development	1 187 853	-	60 922	1 248 775	1 077 006	171 769	86,2%	1 029 026	958 766
3. Veterinary Services	193 131	-	22 404	215 535	208 050	7 485	96,5%	215 995	200 850
4. Research and Technology Development Services	209 729	-	(35 791)	173 938	159 520	14 418	91,7%	200 595	187 457
5. Agricultural Economic Services	9 281	-	(918)	8 363	8 363	-	100,0%	9 658	9 289
6. Structured Agricultural Education and Training	105 067	-	(9 099)	95 968	92 458	3 510	96,3%		
Total for sub programmes	1 794 556	-	30 329	1 824 885	1 619 583	205 302	88,7%	1 649 815	1 536 918
Economic classification									
Current payments	1 424 150	-	(45 989)	1 378 161	1 231 665	146 496	89,4%	1 253 602	1 188 421
Compensation of employees	843 822	-	(45 331)	798 491	798 491	-	100,0%	780 647	779 552
Salaries and wages	717 653	-	(36 744)	680 909	680 909	-	100,0%	667 649	666 661
Social contributions	126 169	-	(8 587)	117 582	117 582	-	100,0%	112 998	112 891

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	580 238	-	(574)	579 664	433 168	146 496	74,7%	472 876	408 865
Goods and services									
Administrative fees	1 457	-	602	2 059	2 059	-	100,0%	1 751	1 593
Advertising	1 322	-	(1 289)	33	33	-	100,0%	17	17
Minor assets	7 586	-	(2 080)	5 506	5 201	305	94,5%	5 059	3 727
Audit costs: External	60	-	(60)	-	-	-	-	-	-
Bursaries: Employees	100	-	(100)	-	-	-	-	579	-
Catering: Departmental activities	2 478	-	(743)	1 735	1 735	-	100,0%	2 707	2 703
Communication	8 399	-	402	8 801	8 801	-	100,0%	13 138	12 679
Computer services	9 837	-	(7 965)	1 872	1 872	-	100,0%	5 294	5 278
Consultants: Business and advisory services	3 050	-	(50)	3 000	-	3 000	-	-	-
Infrastructure and planning services	112 908	-	(28 782)	84 126	63 735	20 391	75,8%	67 809	50 781
Laboratory services	242	-	(216)	26	26	-	100,0%	110	110
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	25 207	-	(4 977)	20 230	17 489	2 741	86,5%	20 878	18 026
Agency and support / outsourced services	15 927	-	(5 519)	10 408	10 220	188	98,2%	10 650	9 864
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	33 209	-	(310)	32 899	32 899	-	100,0%	32 252	31 048
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	8	-	(1)	7	7	-	100,0%	3	3
Inventory: Farming supplies	130 059	-	91 835	221 894	117 592	104 302	53,0%	126 115	116 553
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	5 771	-	(3 298)	2 473	2 297	176	92,9%	2 908	2 210
Inventory: Learner and teacher support material	1 465	-	(471)	994	994	-	100,0%	1 129	1 129
Inventory: Materials and supplies	51 482	-	(33 602)	17 880	14 772	3 108	82,6%	19 621	7 305
Inventory: Medical supplies	2 965	-	(116)	2 849	1 536	1 313	53,9%	1 086	797
Inventory: Medicine	12 253	-	22 324	34 577	29 114	5 463	84,2%	36 256	27 924
Medas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-

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APPROPRIATION STATEMENT for the year ended 31 March 2019

Consumable supplies	25 631	-	(11 443)	14 188	10 489	3 699	73,9%	11 377	8 376
Consumable: Stationery, printing and office supplies	4 330	-	(1 879)	2 451	2 102	349	85,8%	2 644	2 118
Operating leases	4 025	-	(8)	4 017	3 934	83	97,9%	3 719	3 409
Property payments	57 183	-	(7 749)	49 434	49 395	39	99,9%	51 903	45 403
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	52 846	-	(4 635)	48 211	48 211	-	100,0%	49 092	47 685
Training and development	6 743	-	(1 402)	5 341	4 002	1 339	74,9%	625	4 312
Operating payments	3 695	-	958	4 653	4 653	-	100,0%	5 236	4 897
Venues and facilities	-	-	-	-	-	-	-	873	873
Rental and hiring	-	-	-	-	-	-	-	45	45
Interest and rent on land	90	-	(84)	6	6	-	100,0%	79	4
Interest	-	-	6	6	6	-	100,0%	4	4
Rent on land	90	-	(90)	-	-	-	-	75	-
Transfers and subsidies	201 939	-	111 856	313 795	310 573	3 222	99,0%	285 790	259 868
Provinces and municipalities	903	-	-	903	630	273	69,8%	748	662
Provinces	878	-	-	878	605	273	68,9%	696	610
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	878	-	-	878	605	273	68,9%	696	610
Municipalities	25	-	-	25	25	-	100,0%	52	52
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	25	-	-	25	25	-	100,0%	52	52
Departmental agencies and accounts	120 017	-	-	120 017	120 017	-	100,0%	121 336	121 335
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	120 017	-	-	120 017	120 017	-	100,0%	121 336	121 335
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	69 586	-	104 589	174 175	171 426	2 749	98,4%	139 274	124 262

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APPROPRIATION STATEMENT for the year ended 31 March 2019

Public corporations	58 801	-	23 557	82 358	82 358	-	100,0%	67 324	67 324
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	58 801	-	23 557	82 358	82 358	-	100,0%	67 324	67 324
Private enterprises	10 785	-	81 032	91 817	89 068	2 749	97,0%	71 950	56 938
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	10 785	-	81 032	91 817	89 068	2 749	97,0%	71 950	56 938
Non-profit institutions	-	-	-	-	-	-	-	11 023	-
Households	11 433	-	7 267	18 700	18 500	200	98,9%	13 409	13 609
Social benefits	11 233	-	7 267	18 500	18 500	-	100,0%	13 409	13 409
Other transfers to households	200	-	-	200	-	200	-	-	200
Payments for capital assets	168 467	-	(35 541)	132 926	77 342	55 584	58,2%	110 290	88 496
Buildings and other fixed structures	127 148	-	(33 395)	93 753	56 680	37 073	60,5%	89 311	77 446
Buildings	47 543	-	(14 049)	33 494	19 674	13 820	58,7%	34 582	35 882
Other fixed structures	79 605	-	(19 346)	60 259	37 006	23 253	61,4%	54 729	41 564
Machinery and equipment	40 769	-	(2 146)	38 623	20 443	18 180	52,9%	19 471	10 355
Transport equipment	6 937	-	(231)	6 706	6 706	-	100,0%	2 538	2 428
Other machinery and equipment	33 832	-	(1 915)	31 917	13 737	18 180	43,0%	16 933	7 927
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	550	-	-	550	219	331	39,8%	872	695
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	636	-
	-	-	3	3	3	-	100,0%	133	133
Payments for financial assets	168 467	-	(35 541)	132 926	77 342	55 584	58,2%	110 290	88 496
Total	1 794 556	-	30 329	1 824 885	1 619 583	205 302	88,7%	1 649 815	1 536 918

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APPROPRIATION STATEMENT for the year ended 31 March 2019

2.1: Sustainable Resource Management

Economic classification	2018/19							2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	85 900	-	(7 439)	78 461	72 580	5 881	92,5%	78 645	73 318
Goods and services	23 361	-	2 914	26 275	26 275	-	100,0%	27 152	27 152
Interest and rent on land	62 539	-	(10 353)	52 186	46 305	5 881	88,7%	51 493	46 166
Transfers and subsidies	1 865	-	378	2 243	426	1 817	19,0%	2 299	1 241
Provinces and municipalities								-	-
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises	1 817	-	-	1 817	-	1 817	-	1 717	659
Non-profit institutions	48	-	378	426	426	-	100,0%		
Households								582	582
Payments for capital assets	1 730	-	(128)	1 602	1 180	422	73,7%	2 339	773
Buildings and other fixed structures									
Machinery and equipment	1 730	-	(128)	1 602	1 180	422	73,7%	1 703	773
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets	89 495	-	(7 189)	82 306	74 186	8 120	90,1%	83 291	8
Total		-		82 306	74 186	8 120	90,1%	83 291	75 340

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

2.2: Farmer Support and Development									
2018/19							2017/18		
	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	859 054	-	(14 229)	844 825	711 114	133 711	84,2%	692 973	652 255
Compensation of employees	474 507	-	(11 178)	463 329	463 329	-	100,0%	431 109	431 089
Goods and services	384 547	-	(3 056)	381 491	247 780	133 711	65,0%	261 862	221 164
Interest and rent on land	-	-	5	5	5	-	100,0%	2	2
Transfers and subsidies	197 122	-	110 690	307 812	306 407	1 405	99,5%	267 595	253 754
Provinces and municipalities	878	-	-	878	605	273	68,9%	696	610
Departmental agencies and accounts	120 014	-	-	120 014	120 014	-	100,0%	121 335	121 334
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises	67 769	-	104 589	172 358	171 426	932	99,5%	137 557	123 603
Public corporations	58 801	-	23 557	82 358	82 358	-	100,0%	67 324	67 324
Private enterprises	8 968	-	81 032	90 000	89 068	932	99,0%	70 233	56 279
Non-profit institutions									
Households	8 461	-	6 101	14 562	14 362	200	98,6%	8 007	8 207
Payments for capital assets	131 677	-	(35 541)	96 136	59 483	36 653	61,9%	68 345	52 644
Buildings and other fixed structures	103 739	-	(33 395)	70 344	45 990	24 354	65,4%	59 881	48 272
Machinery and equipment	27 938	-	(2 146)	25 792	13 493	12 299	52,3%	8 114	4 162
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets			2	2	2	-	100,0%	113	113
Total	1 187 853	-	60 922	1 248 775	1 077 006	171 769	86,2%	1 029 026	958 766

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

2.3: Veterinary Services									
2018/19							2017/18		
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
Current payments	190 390	-	22 418	212 808	205 904	6 904	96,8%	210 539	196 081
Compensation of employees	137 679	-	(4 042)	133 637	133 637	-	100,0%	122 268	122 192
Goods and services	52 711	-	26 460	79 171	72 267	6 904	91,3%	88 271	73 889
Interest and rent on land									
Transfers and subsidies	1 226	-	437	1 663	1 663	-	100,0%	3 147	3 147
Provinces and municipalities									
Departmental agencies and accounts	3	-	-	3	3	-	100,0%	1	1
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Private enterprises									
Non-profit institutions									
Households	1 223	-	437	1 660	1 660	-	100,0%	3 146	3 146
Payments for capital assets	1 515	-	(451)	1 064	483	581	45,4%	2 309	1 622
Buildings and other fixed structures	35	-	-	35	35	-	100,0%	1 110	1 110
Machinery and equipment	1 480	-	(451)	1 029	448	581	43,5%	1 199	512
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets									
Total	193 131	-	22 404	215 535	208 050	7 485	96,5%	215 995	200 850

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

2.4: Research and Technology Development Services									
2018/19							2017/18		
	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	187 558	-	(36 035)	151 523	151 523	-	100,0%	186 579	181 020
Compensation of employees	148 198	-	(30 142)	118 056	118 056	-	100,0%	147 684	147 684
Goods and services	39 270	-	(5 804)	33 466	33 466	-	100,0%	38 819	33 335
Interest and rent on land	90	-	(89)	1	1	-	100,0%	76	1
Transfers and subsidies	1 300	-	243	1 543	1 543	-	100,0%	942	942
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Private enterprises									
Non-profit institutions									
Households	1 300	-	243	1 543	1 543	-	100,0%	942	942
Payments for capital assets	20 871	-	-	20 871	6 453	14 418	30,9%	13 069	5 490
Buildings and other fixed structures	11 236	-	-	11 236	1 613	9 623	14,4%	4 803	347
Machinery and equipment	9 085	-	-	9 085	4 621	4 464	50,9%	7 744	4 658
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets			1	1	1	-	100,0%	5	5
Total	209 729	-	(35 791)	173 938	159 520	14 418	91,7%	200 595	187 457

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

2.5: Agricultural Economic Services

2018/19										2017/18	
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		
Current payments	9 131	-	(1 175)	7 956	7 956	-	100,0%	9 508	9 180		
Compensation of employees	7 543	-	(281)	7 262	7 262	-	100,0%	8 150	7 826		
Goods and services	1 588	-	(894)	694	694	-	100,0%	1 358	1 354		
Interest and rent on land	83	-	324	407	407	-	100,0%				
Transfers and subsidies	83	-	324	407	407	-	100,0%	109	109		
Provinces and municipalities											
Departmental agencies and accounts											
Higher education institutions											
Foreign governments and international organisations											
Public corporations and private enterprises											
Public corporations											
Private enterprises											
Non-profit institutions											
Households	83	-	324	407	407	-	100,0%	109	109		
Payments for capital assets	67	-	(67)	-	-	-	-	41	-		
Buildings and other fixed structures											
Machinery and equipment	67	-	(67)	-	-	-	-	41	-		
Heritage assets											
Specialised military assets											
Biological assets											
Land and subsoil assets											
Intangible assets											
Payments for financial assets											
Total	9 281	-	(918)	8 363	8 363	-	100,0%	9 658	9 289		

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
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APPROPRIATION STATEMENT for the year ended 31 March 2019

2.6: Structured Agricultural Education and Training									
Economic classification	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	92 117	-	(9 529)	82 588	82 588	-	100,0%	75 358	76 567
Compensation of employees	52 534	-	(2 602)	49 932	49 932	-	100,0%	44 284	43 609
Goods and services	39 583	-	(6 927)	32 656	32 656	-	100,0%	31 073	32 957
Interest and rent on land								1	1
Transfers and subsidies	343	-	(216)	127	127	-	100,0%	11 698	675
Provinces and municipalities	25	-	-	25	25	-	100,0%	52	52
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Private enterprises									
Non-profit institutions	318	-	(216)	102	102	-	100,0%	623	623
Households									
Payments for capital assets	12 607	-	646	13 253	9 743	3 510	73,5%	24 187	27 967
Buildings and other fixed structures	12 138	-	-	12 138	9 042	3 096	74,5%	23 517	27 717
Machinery and equipment	469	-	646	1 115	701	414	62,9%	670	250
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets								7	7
Total	105 067	-	(9 099)	95 968	92 458	3 510	96,3%	111 250	105 216

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 3: Rural Development									
2018/19							2017/18		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Rural Development Coordination	7 546	-	(84)	7 462	6 207	1 255	83,2%	6 002	5 875
2. Social Facilitation	24 834	-	(2 506)	22 328	10 881	11 447	48,7%	24 250	13 425
Total for sub programmes	32 380	-	(2 590)	29 790	17 088	12 702	57,4%	30 252	19 300
Economic classification									
Current payments	32 115	-	(3 799)	28 316	15 802	12 514	55,8%	27 479	19 059
Compensation of employees	12 592	-	(31)	12 561	11 340	1 221	90,3%	12 040	12 019
Salaries and wages	11 500	-	(129)	11 371	10 224	1 147	89,9%	10 959	10 938
Social contributions	1 092	-	98	1 190	1 116	74	93,8%	1 081	1 081
Goods and services	19 523	-	(3 768)	15 755	4 462	11 293	28,3%	14 487	6 088
Administrative fees	18	-	89	107	107	-	100,0%	31	31
Advertising	20	-	-	20	-	20	-	518	-
Minor assets	42	-	(34)	8	8	-	100,0%	115	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	120	-	-	120	-	120	-	-	-
Catering: Departmental activities	678	-	(40)	638	162	476	25,4%	273	108
Communication	137	-	56	193	139	54	72,0%	481	201
Computer services	-	-	-	-	-	-	-	500	-
Consultants: Business and advisory services	350	-	-	350	-	350	-	520	-
Infrastructure and planning services	7 534	-	(3 158)	4 376	-	4 376	-	7 706	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Legal services	-	-	-	-	-	-	-	-	-	-	-	-
Contractors	75	-	236	311	311	-	-	100,0%	260	252	-	-
Agency and support / outsourced services	2 324	-	-	2 324	-	-	2 324	-	-	2 224	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-	-	-
Fleet services	-	-	32	32	32	-	-	100,0%	158	2	-	-
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	-	-	-	-	-	-	-	-	341	341	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-	-	-
Consumable supplies	544	-	700	1 244	1 244	-	1 244	100,0%	936	916	-	-
Consumable: Stationery, printing and office supplies	46	-	40	86	86	-	86	100,0%	172	57	-	-
Operating leases	156	-	(5)	151	151	-	151	100,0%	357	186	-	-
Property payments	-	-	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	352	352	352	-	352	100,0%	-	-	-	-
Travel and subsistence	2 357	-	(69)	2 288	1 870	418	1 870	81,7%	1 743	1 606	-	-
Training and development	4 685	-	(1 792)	2 893	-	2 893	-	-	212	-	-	-
Operating payments	67	-	(15)	52	-	52	-	-	-	-	-	-
Venues and facilities	330	-	(160)	170	-	170	-	-	164	164	-	-
Rental and hiring	40	-	-	40	-	40	-	-	-	-	-	-

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
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APPROPRIATION STATEMENT for the year ended 31 March 2019

Interest and rent on land	-	-	-	-	-	-	-	-	-	952	952
Interest	-	-	-	-	-	-	-	-	-	952	952
Rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	48	-	123	171	171	171	-	100,0%	2 455	231	231
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	-	-	92	92	92	92	-	100,0%	44	44	44
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	2 224	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	2 224	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	2 224	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	48	-	31	79	79	79	-	100,0%	187	187	187
Social benefits	48	-	31	79	79	79	-	100,0%	187	187	187
Other transfers to households	-	-	-	-	-	-	-	-	-	-	-

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

Payments for capital assets	217	-	134	351	163	188	46,4%	318	10
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	217	-	134	351	163	188	46,4%	318	10
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	217	-	134	351	163	188	46,4%	318	10
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	952	952	952	-	100,0%	-	-
Total	32 380	-	(2 590)	29 790	17 088	12 702	57,4%	30 252	19 300

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

3.1: Rural Development Coordination										
2018/19								2017/18		
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	
Current payments	7 463	-	(68)	7 395	6 174	1 221	83,5%	5 896	5 875	
Compensation of employees	6 498	-	(148)	6 350	5 129	1 221	80,8%	4 993	4 972	
Goods and services	965	-	80	1 045	1 045	-	100,0%	903	903	
Interest and rent on land										
Transfers and subsidies	83	-	16	67	33	34	49,3%	106	-	
Provinces and municipalities	83	-	(16)	67	33	34	49,3%	106	-	
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Public corporations										
Private enterprises										
Non-profit institutions										
Households										
Payments for capital assets	83	-	(16)	67	33	34	49,3%	106	-	
Buildings and other fixed structures										
Machinery and equipment	83	-	(16)	67	33	34	49,3%	106	-	
Heritage assets										
Specialised military assets										
Biological assets										
Land and subsoil assets										
Intangible assets										
Payments for financial assets										
Total	7 546	-	(84)	7 462	6 207	1 255	83,2%	6 002	5 875	

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
APPROPRIATION STATEMENT for the year ended 31 March 2019

3.2: Social Facilitation										
Economic classification	Adjusted Appropriation R'000	2018/19				2017/18				
		Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Current payments	24 652	-	(3 731)	20 921	9 628	11 293	46,0%	21 583	13 184	
Compensation of employees	6 094	-	117	6 211	6 211	-	100,0%	7 047	7 047	
Goods and services	18 558	-	(3 848)	14 710	3 417	11 293	23,2%	13 584	5 185	
Interest and rent on land								952	952	
Transfers and subsidies	48	-	123	171	171	-	100,0%	2 455	231	
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises	-	-	-	-	-	-	-	2 224	-	
Public corporations										
Private enterprises								2 224	-	
Non-profit institutions										
Households	48	-	31	79	79	-	100,0%	187	187	
Payments for capital assets	134	-	150	284	130	154	45,8%	212	10	
Buildings and other fixed structures								-	-	
Machinery and equipment	134	-	150	284	130	154	45,8%	212	10	
Heritage assets										
Specialised military assets										
Biological assets										
Land and subsoil assets										
Intangible assets										
Payments for financial assets			952	952	952	-	100,0%			
Total	24 834	-	(2 506)	22 328	10 881	11 447	48,7%	24 250	13 425	

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2019

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 R'000	Variance	Variance as a % of Final Appropriation
Administration	536 421	490 025	46 396	8,65

The under expenditure is mainly due to slow progress by Public Works and other service providers in implementing the planned rehabilitation/upgrading and maintenance of departmental offices, outstanding commitment for the amalgamation of public entities that will be finalised in 2019/20 and outstanding orders for office furniture and equipment, SITA payments. The external bursaries for 2019 were not all finalised by 31 March 2019, contributing to the under-expenditure.

Agriculture	1 824 885	1 619 583	205 302	11,25
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Under-spending of R205.302 million is primarily due to agricultural inputs (fertilizer, seeds, chemicals, animal feed), fencing and irrigation material that has been ordered but not delivered paid for by 31 March 2019. This includes fertilizer and animal feed to assist the land reform/ small scale sugar cane farmers and piggery farmers affected by listeriosis. These inputs formed part of a reprioritisation process during the final quarter of financial year and some unexpected delays in the logistical arrangement for the high volume of inputs was experienced. Also contributing is the slow procurement process for agricultural infrastructure projects such as fencing, irrigation, animal handling facilities.

Rural Development	29 790	17 088	12 702	42,64
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The low spending is as a result of slower than anticipated implementation of the placement of the unemployed agriculture graduates programme. The department had planned to provide funding to various sector partners to place graduates and provide grant funding in the form of a transfer payment. The National Treasury guideline on classification of expenditure for transfer payment made this option impossible to implement. It also resulted that the existing contract with Future Farmers was cancelled. The department opted to advertise the opportunity for farmer's/farming enterprises to receive graduates but the payment of the stipend is administered and managed by the department. This process was finalised and graduates successfully placed only in the final quarter of financial year.

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2019

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	1 024 454	1 023 233	1 221	0,12
Goods and services	839 623	670 871	168 752	20,10
Interest and rent on land	9	9	-	-
Transfers and subsidies				
Provinces and municipalities	2 083	1 626	457	21,94
Departmental agencies and accounts	122 840	122 649	191	0,16
Higher education institutions	92	92	-	-
Public corporations and private enterprises	174 175	171 426	2 749	1,58
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	-	-	-	-
Households	27 077	25 022	2 055	7,59
Payments for capital assets				
Buildings and other fixed structures	132 520	63 165	69 355	52,34
Machinery and equipment	65 984	46 695	19 289	29,23
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	550	219	331	60,18
Land and subsoil assets	-	-	-	-
Intangible assets	-	-	-	-
	1 689	1 689	-	-
Payments for financial assets	132 520	63 165	69 355	52,34

- Compensation of Employees (CoE) – under expenditure due to savings from vacant budgeted posts.
- Goods and Services – Outstanding agricultural inputs (fertilizer, animal feed, etc) and other services that could not be finalised by 31 March 2019
- Interest and Rent on Land – Savings due to rental agreement for land at Bartlow Research Farm not finalised .
- Provinces and municipalities – Savings is in respect of KZN vehicle and tractor licences
- Departmental Agencies and accounts – Savings of R191,000 is a result of the Skills Development Levy due to 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 R1.817 million due to the applications for subsidy against the soil conservation act not being finalised.
- 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 as well as slow procurement for agricultural infrastructure projects.
- Machinery and equipment – Slow procurement and delivery of office furniture and equipment as well as various agricultural equipment at research farms.
- Biological Assets – Biological assets are acquired on a needs basis for research purposes, the actual requirement less than budgeted.

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2019

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Comp Agricultural Support Programme	239 266	170 962	68 304	28,55
Llima/ Letsema Project	94 079	67 655	26 424	28,09
Land Care	21 866	18 682	3 184	14,56
EPWP Incentive grant for Provinces	7 308	7 308	-	-

The slower than anticipated implementation of agricultural projects and input such as the fertilizer and animal feed resulted in the under expenditure against CASP, Llima/Letsema and Land Care conditional grants. The unspent funds were fully committed (except for small amount for wages under Land Care) by 31 March 2019 and application for roll-over has been made to the Treasury.

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2019

REVENUE	Note	2018/19 R'000	2017/18 R'000
Annual appropriation	1	2 391 096	2 197 144
Departmental revenue	2	21 387	21 343
Total Revenue		2 412 483	2 218 487
EXPENDITURE			
Current expenditure			
Compensation of employees	3	1 023 233	996 587
Goods and services	4	670 871	652 975
Interest and rent on land	5	9	956
Total current expenditure		1 694 113	1 650 518
Transfers and subsidies			
Transfers and subsidies	7	320 815	267 668
Total transfers and subsidies		320 815	267 668
Expenditure for capital assets			
Tangible assets	8	110 079	114 191
Total expenditure for capital assets		110 079	114 191
Payments for financial assets	6	1 689	488
TOTAL EXPENDITURE		2 126 696	2 032 865
SURPLUS/(DEFICIT) FOR THE YEAR		285 787	185 622

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		264 400	164 279
Annual appropriation		166 488	91 800
Conditional grants		97 912	72 479
Departmental revenue and NRF receipts	15	21 387	21 343
SURPLUS/(DEFICIT) FOR THE YEAR		285 787	185 622

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
STATEMENT OF FINANCIAL POSITION as at 31 March 2019

ASSETS	Note	2018/19	2017/18
		R'000	R'000
Current assets		46 067	164 842
Cash and cash equivalents	9	40 558	163 386
Prepayments and advances	10	11	-
Receivables	11	5 498	1 456
Non-current assets		49 974	51 214
Investments	12	36 557	36 557
Receivables	11	1 217	2 457
Loans	13	12 200	12 200
TOTAL ASSETS		96 041	216 056
LIABILITIES			
Current liabilities		46 323	166,227
Voted funds to be surrendered to the Revenue Fund	14	44 400	164 279
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	1 741	933
Payables	16	182	1 015
TOTAL LIABILITIES		46 323	166 227
			-
NET ASSETS		49 718	49 829
	Note	2018/19	2017/18
		R'000	R'000
Represented by:			
Capitalisation reserve		48 757	48 757
Recoverable revenue		961	1 072
TOTAL		49 718	49 829

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
STATEMENT OF CHANGE IN NET ASSETS for the year ended 31 March 2019

	Note	2018/19	2017/18
		R'000	R'000
Capitalisation Reserves			
Opening balance		48 757	48 757
Transfers:			-
Movement in Equity			-
Movement in Operational Funds			-
Other movements			-
Closing balance		48 757	48 757
Recoverable revenue			
Opening balance		1 072	946
Transfers:		(111)	126
Irrecoverable amounts written off		-180	-
Debts revised			-
Debts recovered (included in departmental receipts)		-567	-545
Debts raised		636	671
Closing balance		961	1 072
TOTAL		49 718	49 829

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
CASH FLOW STATEMENT for the year ended 31 March 2019

	Note	2018/19	2017/18
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 188 003	2 216 379
Annual appropriated funds received	1.1	2 171 096	2 197 144
Departmental revenue received	2	16 816	19 179
Interest received	2.2	91	56
Net (increase)/decrease in working capital		(3 646)	(709)
Surrendered to Revenue Fund		(184 858)	(22 658)
Surrendered to RDP Fund/Donor		-	-
Current payments		(1 694 104)	(1 634 311)
Interest paid	5	(9)	(956)
Payments for financial assets		(1 689)	(488)
Transfers and subsidies paid		(320 815)	(287 119)
Net cash flow available from operating activities	17	(17 118)	270 138
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	17	(110 079)	(109 991)
Proceeds from sale of capital assets	2	4 480	2 108
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(105 599)	(107 883)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received			
Increase/(decrease) in net assets		(111)	126
Net cash flows from financing activities		(111)	126
Net increase/(decrease) in cash and cash equivalents		(122 828)	162 381
Cash and cash equivalents at beginning of period		163 386	1 005
Unrealised gains and losses within cash and cash equivalents			-
Cash and cash equivalents at end of period	9	40 558	163 386

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
ACCOUNT POLICIES for the year ended 31 March 2019

Part A: Accounting Policies

Summary of significant accounting policies

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

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

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

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

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
ACCOUNT POLICIES for the year ended 31 March 2019

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • 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. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</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>
8.2	<p>Other expenditure</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>
8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	Leases
8.4.1	<p>Operating leases</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>
8.4.2	<p>Finance leases</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"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
ACCOUNT POLICIES for the year ended 31 March 2019

9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>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.</p> <p>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.</p>
9.2	<p>Aid assistance paid</p> <p>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.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Prepayments are expensed when expenditure has been incurred.</p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>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.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	Capital Assets

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
ACCOUNT POLICIES for the year ended 31 March 2019

16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>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.</p> <p>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.</p> <p>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.</p>
16.3	<p>Intangible assets</p> <p>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.</p> <p>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.</p> <p>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.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
ACCOUNT POLICIES for the year ended 31 March 2019

17	Provisions and Contingents
17.1	<p>Provisions</p> <p>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.</p>
17.2	<p>Contingent liabilities</p> <p>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.</p>
17.3	<p>Contingent assets</p> <p>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.</p>
17.4	<p>Commitments</p> <p>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.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • 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. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>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.</p> <p>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.</p>

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
ACCOUNT POLICIES for the year ended 31 March 2019

20	<p>Irregular expenditure</p> <p>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.</p> <p>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.</p> <p>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.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>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.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p>Events after the reporting date</p> <p>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.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for implementing infrastructure projects. In terms of the arrangement the department is the principal and is responsible for reimbursing the agents. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard.</p>
25	<p>Capitalisation reserve</p> <p>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.</p>

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
ACCOUNT POLICIES for the year ended 31 March 2019

26	<p>Recoverable revenue</p> <p>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.</p>
27	<p>Related party transactions</p> <p>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.</p> <p>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.</p>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2019

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:

	Final Appropriation	2018/19 Actual Funds Received	Funds not requested/ not received	2017/18 Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Programme 1	536 421	507 070	29 351	517 077	517 077
Programme 2	1 824 885	1 636 920	187 965	1 649 815	1 649 815
Programme 3	29 790	27 106	2 684	30 252	30 252
Total	2 391 096	2 171 096	220 000	2 197 144	2 197 144

The Provincial Treasury did not transfer the total equitable share allocation due to the slow spending by the department.

1.2 Conditional Grants

	Note	2018/19 R'000	2017/18 R'000
Total grants received	35	362 519	297,432
Provincial grants included in Total Grants received		-	-

2. Departmental Revenue

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services other than capital assets	2.1	14 911	18 129
Interest, dividends and rent on land	2.2	91	56
Sales of capital assets	2.3	4 480	2 108
Transactions in financial assets and liabilities	2.4	1 905	1 050
Total revenue collected		21 387	21 343
Departmental revenue collected		21 387	21 343

The decrease under Sales of goods and services other than capital assets is due to outstanding amount for student fees from the University of KZN as well as decline in the number of samples submitted for analysis to the department's soil and animal laboratories. The significant increase against Sales of capital assets is due to the planned auction in 2017/18 only materialising during the first quarter of 2018/19.

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2.1 Sales of goods and services other than capital assets

	Note	2018/19	2017/18
	2	R'000	R'000
Sales of goods and services produced by the department		14 910	18 127
Sales by market establishment		2 254	2 461
Administrative fees		404	270
Other sales		12 252	15 396
Sales of scrap, waste and other used current goods		1	2
Total		14 911	18 129

Decrease under Other sales is in respect of the outstanding academic fees from the University of KZN as well as decline in samples submitted to the laboratories for analysis.

2.2 Interest, dividends and rent on land

	Note	2018/19	2017/18
	2	R'000	R'000
Interest		91	56
Total		91	56

Increase in interest is due to higher recovery of debt

2.3 Sale of capital assets

	Note	2018/19	2017/18
	2	R'000	R'000
Tangible assets		4 480	2 108
Machinery and equipment	30.2	2 966	1 877
Biological assets	30.2	1 514	231
Intangible assets			-
Total		4 480	2 108

Increase under Biological assets due to higher number of surplus animals at the department's research farms

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2.4 Transactions in financial assets and liabilities

	Note	2018/19	2017/18
	2	R'000	R'000
Loans and advances	-	-	
Receivables		649	311
Stale cheques written back		1	-
Other Receipts including Recoverable Revenue		1 255	739
Gains on GFECRA	-	-	-
Total	-	1 905	1 050

Increase is due to improved recoveries as well as higher value of losses written off by the department.

3. Compensation of employees

3.1 Salaries and Wages

	Note	2018/19	2017/18
		R'000	R'000
Basic salary		726 261	700 097
Performance award		6 430	7 425
Service Based		1 589	2 321
Compensative/circumstantial		9 864	12 612
Periodic payments		249	-
Other non-pensionable allowances		131 967	133 184
Total		876 360	855 639

The increase is due to the annual cost of living adjustment

3.2 Social contributions

	Note	2018/19	2017/18
		R'000	R'000
Employer contributions			
Pension		91 742	87 991
Medical		54 903	52 739
Bargaining council		228	218
Total		146 873	140 948
Total compensation of employees		1 023 233	996 587
Average number of employees		2 652	2 706

The average number of employees has decreased due to the high number of staff exits compared to new appointments

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4. Goods and services

	Note	2018/19	2017/18
		R'000	R'000
Administrative fees		3 289	2 624
Advertising		2 456	1 784
Minor assets	4.1	5 330	3 945
Bursaries (employees)		2 039	443
Catering		2 287	3 787
Communication		26 347	37 720
Computer services	4.2	49 416	70 014
Consultants: Business and advisory services		4 469	945
Infrastructure and planning services		64 011	52 306
Laboratory services		26	110
Legal services		1 460	735
Contractors		34 056	34 702
Agency and support/outsourced services		10 265	12 883
Audit cost - external	4.3	13 751	11 542
Fleet services		42 367	38 453
Inventory	4.4	166 448	156 619
Consumables	4.5	19 010	27 215
Operating leases		33 757	29 237
Property payments	4.6	107 241	86 658
Rental and hiring		-	105
Transport provided as part of the departmental activities		352	-
Travel and subsistence	4.7	66 276	66 131
Venues and facilities		92	1 207
Training and development		5 129	6 276
Other operating expenditure	4.8	10 997	7 534
Total		670 871	652 975

The relatively low increase in total expenditure of 2.7 per cent is due to the significant under-expenditure recorded in 2018/19. The decrease under Communication is due to participating in the national transversal contract for Vodacom with much better rates than previous contract. The increase against Infrastructure and planning services is mainly due to mechanisation services (ploughing and planting) undertaken by service providers. The decrease against Agency and support / outsourced services is due to the cancellation of contract with Future Farmers for the placement of unemployed graduates programme resulting in decrease of R2.224 million.

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4.1. Minor assets

	Note	2018/19	2017/18
	4	R'000	R'000
Tangible assets		5 330	3 945
Buildings and other fixed structures		190	178
Biological assets		44	8
Heritage assets			
Machinery and equipment		5 096	3 759
Total		5 330	3 945

4.2. Computer services

	Note	2018/19	2017/18
	4	R'000	R'000
SITA computer services		47 060	65 136
External computer service providers		2 356	4 878
Total		49 416	70 014

Expenditure for 2017/18 included once-off costs associated with the migration from GroupWise to Microsoft

4.3 Audit cost - External

	Note	2018/19	2017/18
	4	R'000	R'000
Regularity audits		5 932	5 412
Investigations		7 819	6 130
Total		13 751	11 542

Increase under Investigations is in respect of the SIU investigation in the department.

4.4. Inventory

	Note	2018/19	2017/18
	4	R'000	R'000
Clothing material and accessories		7	357
Farming supplies		117 728	116 554
Fuel, oil and gas		2 297	2 212
Learning, teaching and support material		994	1 129
Materials and supplies		14 772	7 646
Medical supplies		1 536	797
Medicine		29 114	27 924
Total		166 448	156 619

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4.5. Consumables

	Note	2018/19	2017/18
	4	R'000	R'000
Consumable supplies		14 899	22 442
Uniform and clothing		4 721	10 273
Household supplies		2 896	2 319
Building material and supplies		399	4 436
IT consumables		5	275
Other consumables		6 878	5 139
Stationery, printing and office supplies		4 111	4 773
Total		19 010	27 215

The decrease in Uniform and clothing is due to Extension Officers uniforms ordered but not delivered by the service providers.

4.6. Property payments

	Note	2018/19	2017/18
	4	R'000	R'000
Municipal services		44 581	33 122
Property maintenance and repairs		10 188	4 002
Other	-	52 472	49 534
Total	-	107 241	86 658

Increased expenditure in 2018/19 is as result of higher than inflationary increases in the water usage at Cedara Complex as well as increased maintenance of departmental offices and buildings.

4.7. Travel and subsistence

	Note	2018/19	2017/18
	4	R'000	R'000
Local	-	65 637	65 287
Foreign	-	639	844
Total		66 276	66 131

Controlled travelling has maintained expenditure at 2017/18 levels.

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4.8 Other operating expenditure

	Note	2018/19	2017/18
	4	R'000	R'000
Professional bodies, membership and subscription fees		83	55
Resettlement costs		550	647
Other		10 364	6 832
Total		10 997	7 534

Increased expenditure in 2018/19 is a result of printing banners and posters for rabies, value adding, farmer days and batho pele for all offices in the Department.

5. Interest and rent on land

	Note	2018/19	2017/18
		R'000	R'000
Interest paid		9	956
Total		9	956

2017/18 included interest payable on arrear salary as per arbitration award for employee that was re-instated after dismissal.

6. Payments for financial assets

	Note	2018/19	2017/18
		R'000	R'000
Other material losses written off	6.1	965	488
Debts written off	6.2	724	-
Total		1 689	488

The department made concerted efforts to consider and finalise reported fruitless and wasteful cases which has resulted in the increase in the approved write-off. Also, debts considered to be uncollectable were approved for write-off.

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6.1. Other material losses written off

	Note	2018/19	2017/18
	6	R'000	R'000
Nature of losses			-
Irrecoverable Fruitless & Wasteful Expenditure		965	488
Total		965	488

6.2. Debts written off

	Note	2018/19	2017/18
	6	R'000	R'000
Other debt written off	-		
Staff debt written off	-	724	
Total debt written off		724	

Staff debts were written off in accordance with the departmental debt management policy.

7. Transfers and subsidies

	Note	2018/19	2017/18
		R'000	R'000
Provinces and municipalities	35,36	1 626	1 380
Departmental agencies and accounts	Annex 1A	122 649	123 184
Higher education institutions	Annex 1B	92	44
Public corporations and private enterprises	Annex 1C	171 426	124 262
Households	Annex 1E	25 022	18 798
Total		320 815	267 668

The above inflationary increase under Public corporations and private enterprise is in respect of the number of projects funded through direct transfer.

8. Expenditure for capital assets

	Note	2018/19	2017/18
		R'000	R'000
Tangible assets		110 079	114 191
Buildings and other fixed structures	32.3	63 166	80 630
Machinery and equipment	30.1	46 694	32 866
Biological assets	30	219	695
Intangible assets		-	-
Total		110 079	114 191

Decrease in expenditure is as result of slow progress by Public Works as well as finalisation of major projects such as red line and abattoirs during 2017/18.

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

	Voted funds	Total
	R'000	R'000
Tangible assets	110 079	110 079
Buildings and other fixed structures	63 166	63 166
Machinery and equipment	46 694	46 694
Biological assets	219	219
Total	110 191	110 079

8.2. Analysis of funds utilised to acquire capital assets-2017/18

	Voted funds	Total
	R'000	R'000
Tangible assets	114 191	114 191
Buildings and other fixed structures	80 630	80 630
Machinery and equipment	32 866	32 866
Biological assets	695	695
Total	114 191	114 191

9. Cash and cash equivalents

	Note	2018/19	2017/18
		R'000	R'000
Consolidated Paymaster General Account		40 523	163 321
Disbursements		-	30
Cash on hand		35	35
Total		40 558	163 386

The decrease in 2018/19 is due to the department not receiving R220 million of its equitable share due to the under-expenditure recorded.

10. Prepayments and advances

	Note	2018/19	2017/18
		R'000	R'000
Staff advances			
Travel and subsistence		11	-
Total		11	-

Advances for foreign travel still to be settled.

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11. Receivables

	Note	Current	2018/19			2017/18	
			Non-current	Total	Current	Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1		47	47	398	31	429
Staff debt	12.2	4 468	1 107	5 575	1 057	1 420	2 477
Fruitless and wasteful expenditure	12.3	15	1	16	1	-	1
Other receivables	12.4	1 015	62	1 077	-	1 006	1 006
Total		5 498	1 217	6 715	1 456	2 457	3 913

11.1. Claims recoverable

	Note	2018/19	2017/18
	11 and Annex 4	R'000	R'000
National departments		47	123
Provincial departments			306
Total		47	429

11.2. Staff debt

	Note 11	2018/19	2017/18
		R'000	R'000
Staff overpayments and salary tax debts		5 161	1 779
T&S Advance		-	266
Loss/damages		365	361
Bursary debt	-	49	71
Total	-	5 575	2 477

11.3. Other Receivables

	Note 11	2018/19	2017/18
		R'000	R'000
			-
Supplier debts		1 075	1 006
Salary Medical Aid		2	-
Total	-	1 077	1 006

11.4. Fruitless and wasteful expenditure

	Note 11	2018/19	2017/18
		R'000	R'000
Opening balance		1	6
Less amounts recovered		(3)	(5)
Less amounts written off			
Transfers from note 26 Fruitless and Wasteful Expenditure	26	18	-
Total		16	1

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11.5. Impairment of receivables

	Note	2018/19	2017/18
	R'000	R'000	R'000
Estimate of impairment of receivables		4 196	1 706
Total		4 196	1 706

Included are debts older than 3 years as well as tax debts relating to 2015 tax year subsequent to recent SARS audit on employee tax of terminated officials.

12. Investments

	Note	2018/19	2017/18
		R'000	R'000
Non-Current			
Shares and other equity			
1.MJINDI		8 757	8 757
2. NTINGWE TEA		27 800	27 800
Total non-current		36 557	36 557
	Note	2018/19	2017/18
		R'000	R'000
Analysis of non-current investments			
Opening balance		36 557	36 557
Additions in cash		-	
Closing balance		36 557	36 557

In the absence of the payment documentation in the department from 2005, the cost of investment figure was taken from Mjindi financial statements 2014/15 Non- distributable Reserve R8,757m 2.This is the joint venture between the Department of Agriculture and Ithala Development Finance Corporation Ltd, whose main purpose is to provide funding investing and establishing a viable commercial tea business in Northern KwaZulu Natal. The company is the holding company of Ntingwe Farming (Pty) Ltd - the operating company. Department of Agriculture owns 62% of the shares in Ntingwe Tea (Pty)Ltd and Ithala owns 38%. 3. NATAL TRUST FARMS - shares were inherited from DAFF, no cost to the department.

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12.1. Impairment of investments

	Note	2018/19	2017/18
		R'000	R'000
Estimate of impairment of investments	-	36 557	
Total	-	36 557	

No returns on investment are expected from Ntingwe Tea.

13. Loans

	Note	2018/19	2017/18
		R'000	R'000
Private enterprises		12 200	12 200
Total		12 200	12 200
Analysis of Balance			
Opening balance		12 200	12 200
New Issues			
Repayments			
Write-offs			
Closing balance		12 200	12 200

13.1 Impairment of loans

	Note	2018/19	2017/18
		R'000	R'000
Estimate of impairment of loans		12 200	12 200
Total		12 200	12 200

No repayments on loans expected from Ntingwe Tea.

14. Voted funds to be surrendered to the Revenue Fund

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		164 279	376
As restated		164 279	376
Transfer from statement of financial performance			
(as restated)		264 400	164 279
Voted funds not requested/not received	1.1	(220 000)	
Paid during the year		(164 279)	(376)
Closing balance		44 400	164 279

The decrease in the amount to be surrendered is due to the department not receiving the total funding due to the under expenditure.

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15 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		933	1 872
As restated		933	1 872
Transfer from Statement of Financial Performance (as restated)		21 387	21 343
Paid during the year		(20 579)	(22 282)
Closing balance		1 741	933

The closing balance is in respect of revenue generated during the final days of financial year and will be paid over during the 2019/20 financial year

16. Payables – current

	Note	2018/19	2017/18
		R'000	R'000
Clearing accounts	16.1	17	91
Other payables	16.2	165	924
Total		182	1 015

16.1 Clearing accounts

	Note	2018/19	2017/18
	16	R'000	R'000
Description			
Salary ACB Recalls		15	75
Revenue payable to EDTEA		2	-
Unallocated Receipts		-	7
Credit in debt account			(9)
Total		17	91

16.2. Other payables

	Note	2018/19	2017/18
	16	R'000	R'000
Description			
Sal Income Tax		82	341
Sal: Pension Fund		11	52
Sal : GEHS Account		72	531
Total		165	924

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17. Net cash flow available from operating activities

	Note	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance		285 787	185 622
Add back non cash/cash movements not deemed operating activities		(302 905)	84 516
(Increase)/decrease in receivables – current		(2 802)	(1 037)
(Increase)/decrease in prepayments and advances		(11)	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(833)	328
Proceeds from sale of capital assets		(4 480)	(2 108)
Proceeds from sale of investments			-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		110 079	109 991
Surrenders to Revenue Fund		(184 858)	(22 658)
Surrenders to RDP Fund/Donor			-
Voted funds not requested/not received		(220 000)	-
Own revenue included in appropriation			-
Other non-cash items			-
Net cash flow generated by operating activities		(17 118)	270 138

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

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General account		40 523	163 321
Disbursements		-	30
Cash on hand		35	35
Total		40 558	163 386

19. Contingent liabilities and contingent assets

19.1. Contingent liabilities

	Note	2018/19 R'000	2017/18 R'000
Liable to			
Claims against the department	Annex 3A	99 243	93 743
Intergovernmental payables (unconfirmed balances)	Annex 5	4 196	3 010
Total		103 439	96 753

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.

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20. Commitments

	Note	2018/19 R'000	2017/18 R'000
Current expenditure			
Approved and contracted		229 301	63 875
Approved but not yet contracted			4 748
		229 301	68 623
Capital expenditure			
Approved and contracted		83 993	114 653
Approved but not yet contracted			3 864
		83 993	118 517
Total Commitments		313 294	187 140

There are commitments for longer than a year

21. Accruals and payables not recognised

21.1. Accruals

			2018/19 R'000	2017/18 R'000
LISTED BY ECONOMIC CLASSIFICATION				
	30 DAYS	30+ DAYS	TOTAL	TOTAL
GOODS AND SERVICES	22 688	2 724	25 412	15 212
CAPITAL ASSETS	168	895	1 063	424
TOTAL	22 856	3 619	26 475	15 636

	2018/19 R'000	2017/18 R'000
LISTED BY PROGRAMME LEVEL		
ADMINISTRATION	16 760	5 701
AGRICULTURE	9 632	9 920
RURAL DEVELOPMENT	83	15
TOTAL	26 475	15 636

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21.2 Payables not recognised

				2018/19	2017/18
				R'000	R'000
Listed by economic classification					
	30 Days	30+ Days	Total	Total	
Goods and services	16 646	2 240	18 886	4 021	
Transfers and subsidies			-	5	
Capital assets	3 200	5 405	8 605	153	
Other			-	70	
Total	19 846	7 645	27 491	4 249	

		Note	2018/19	2017/18
			R'000	R'000
Listed by programme level				
ADMINISTRATION			1 603	732
AGRICULTURE			25 863	3 478
RURAL DEVELOPMENT			25	39
Total			27 491	4 249

		Note	2018/19	2017/18
			R'000	R'000
Included in the above totals are the following:				
Confirmed balances with other departments		Annex 5	472	335
Total			472	335

22. Employee benefits

		Note	2018/19	2017/18
			R'000	R'000
Leave entitlement			65 006	64 776
Service bonus (Thirteenth cheque)			29 365	28 567
Performance awards			7 007	7 974
Capped leave commitments			125 154	134 207
Other			2 316	1 544
Total			228 848	237 068

Included in Capped Leave is R53k negative leave under investigation.
Other includes long service awards.

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23. Lease commitments

23.1. Operating leases

2018/19	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	17 537	5 065	22 602
Later than 1 year and not later than 5 years	25 850	5 763	31 613
Total lease commitments	43 387	10 828	54 215
2017/18	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	14 917	3 827	18 744
Later than 1 year and not later than 5 years	17 753	6 753	24 506
Total lease commitments	32 670	10 580	43 250

Buildings and other fixed structures relates to Office accommodation leased through Public Works. There are leases operating on a month to month basis which are not included in the above. Machinery and equipment relates to Photocopier leases contracted on a 3 year basis

23.2. Finance leases

2018/19	Machinery and equipment	Total
Not later than 1 year	3 813	3 813
Later than 1 year and not later than 5 years	5	5
Total lease commitments	3 818	3 818
2017/18	Machinery and equipment	Total
Not later than 1 year	3 380	3 380
Later than 1 year and not later than 5 years	1 230	1 230
Total lease commitments	4 610	4 610

Relates to cellphone leases on 2 year contracts. Not included are expired cellphone leases.

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24. Accrued departmental revenue

	Note	2018/19	2017/18
		R'000	R'000
Sales of goods and services other than capital assets		12 563	6 679
Total		12 563	6 679

24.1. Analysis of accrued departmental revenue

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		6 679	7 286
Less: amounts received		8 394	11 433
Add: amounts recognised		14 278	10 826
Closing balance		12 563	6 679

25. Irregular expenditure

25.1. Reconciliation of irregular expenditure

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		590 397	281 001
Prior period error			142 525
As restated		590 397	423 526
Add: Irregular expenditure – relating to prior year			
Irregular expenditure – relating to current year		125 360	168 770
Less: Prior year amounts condoned			(1 899)
Less: Current year amounts condoned			-
Less: Amounts not condoned and recoverable			-
Less: Amounts not condoned and not recoverable			
Closing balance		715 757	590 397
Analysis of awaiting condonation per age classification			
Current year		125 360	168 770
Prior years		590 397	421 627
Total		715 757	590 397

The departmental Irregular Expenditure Committee has reviewed approximately 85% of the prior year's irregular expenditure to will make recommendations to the Accounting Officer. Notification from Dept. Public Works received 31 May 2019, regarding irregular building lease expenditure for this department, condoned by Provincial Treasury in 2018 will be considered in the new financial year.

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25.2. Details of irregular expenditure-added current year (relating to current and prior years) 2018/19

Incident	Disciplinary steps taken/criminal proceedings	R'000
CONTRACT EXPIRED		8 956
MONTH TO MONTH		39 283
NON COMPLIANCE WITH SCM PROCESSES		68 922
DEVIATION FROM SCM PROCESSES		1 245
LOCAL CONTENT		6954
Total		125 360

25.3. Details of irregular expenditures under investigation (not included in the main note)

Incident	2018/19
	R'000
NON COMPLIANCE WITH SCM PROCESSES	4 050
Total	4 050

25.4. Prior period error

Note	2018/19
	R'000
Nature of prior period error 2016 & prior	142 525
Contract Expired	142 028
Non- Compliance with SCM processes	497
Relating to 2017/18	16 597
Contract Expired	16 997
Non- Compliance with SCM processes	(400)
Total prior period errors	159 122

Added irregular expenditure for prior years and removed duplicate entries for prior years

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26. FRUITLESS AND WASTEFUL EXPENDITURE

26.1. Reconciliation of fruitless and wasteful expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance		1 037	216
Prior period error			(2)
As restated		1 037	214
Fruitless and wasteful expenditure – relating to prior year		3	-
Fruitless and wasteful expenditure – relating to current year		55	1 311
Less: Amounts resolved		(965)	(488)
Less: Amounts transferred to receivables for recovery	11.3	(18)	-
Closing balance		112	1 037

26.2. Analysis of awaiting resolution per economic classification

	2018/19 R'000	2017/18 R'000
Current	112	1 039
Total	112	1 039

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

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
Interest paid	Under investigation	9
No show Charge: Accommodation	Presented to LOCO and written off	3
Damages to hired vehicle	One case under recovery; 2 under investigation	34
Catering not utilised	Recovery instated	12
Total		58

26.4. Prior period error

Nature of prior period error	Note	2017/18 R'000
Relating to 2016/17: Recovery was made in 2016/17		(2)
Total prior period errors		(2)

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26.5. Details of fruitless and wasteful expenditures under investigation (not included in the main note)

Incident	2018/19 R'000
No show Charge: Accommodation	13
Total	13

27. Related party transactions

Note	2018/19 R'000	2017/18 R'000

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

28. Key management personnel

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers (provide detail below)	1	1 978	1 978
Officials:			
Level 15 to 16	16	21 866	15 488
Level 14 (incl. CFO if at a lower level)	26	16 410	-
Family members of key management personnel	5	1 800	656
Total		42 054	18 122

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

29. Provisions

	Note	2018/19 R'000	2017/18 R'000
Retention for Infrastructure projects		3549	650
Total		3 549	650

29.1 Reconciliation of movement in provisions – 2018/19

	Provisions 1 R'000	Provisions 2 R'000	Provisions 3 R'000	Total provisions R'000
Opening balance	650			650
Increase in provision	2 899			2 899
Settlement of provision				
Unused amount reversed				
Reimbursement expected from third party				
Change in provision due to change in estimation of inputs				
Closing balance	3 549			3 549

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Reconciliation of movement in provisions – 2017/18

	Provisions 1 R'000	Provisions 2 R'000	Provisions 3 R'000	Total provisions R'000
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				
Closing balance	650			650

30. Movable Tangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	658 136	(1 335)	46 421	13 677	689 545
Transport assets	181 809	91	31 174	11 152	201 922
Computer equipment	105 216	(862)	8 686	630	112 410
Furniture and office equipment	19 685	(24)	2 017	164	21 514
Other machinery and equipment	351 426	(540)	4 544	1 731	353 699
BIOLOGICAL ASSETS	9 577	(739)	219	2 817	6 240
Biological assets	9 577	(739)	219	2 817	6 240
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	667 713	(2 074)	46 640	16 494	695 785

The Ledger Balance and Asset Register balance differences is attributed to Exclusion list Assets. See support documents for a list

Movable Tangible Capital Assets under investigation		
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:	Number	Value R'000
Machinery and equipment	4 899	128 517

The Assets under investigation include assets that were not verified during the Annual Physical Verification. The reason for the non-verification include verification challenges, such as when the team got to site, officials were out of the office and their doors were locked. The asset register will be sent out to all the district/local offices and an opportunity given to office management and individual officials to check the unaudited asset list and provide explanations where the assets are.

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30.1. Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	45 085	1 336	-	-	46 421
Transport assets	31 174				31 174
Computer equipment	7 959	727			8 686
Furniture and office equipment	1 408	609			2 017
Other machinery and equipment	4 544				4 544
BIOLOGICAL ASSETS	219	-	-	-	219
Biological assets	219				219
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	45 304	1 336	-	-	46 640

30.2. Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019				
	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	6 844	6 833	13 677	2 966
Transport assets	6 844	4 308	11 152	2 966
Computer equipment		630	630	
Furniture and office equipment		164	164	
Other machinery and equipment		1 731	1 731	
BIOLOGICAL ASSETS	1 594	1 223	2 817	1 514
Biological assets	1 594	1 223	2 817	1 514
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	8 438	8 056	16 494	4 480

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30.3. Movement for 2017/18

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	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
BIOLOGICAL ASSETS	10 567	-	485	1 475	9 577
Biological assets	10 567		485	1 475	9 577
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	650 947	-	31 209	14 443	667 713

30.4. Minor assets

	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	45	25 410	4 055	29 510
Value adjustments	(2)	(192)	1 981	1 787
Additions		1 245		1 245
Disposals	28	317	1 679	2 024
TOTAL MINOR ASSETS	15	26 146	4 357	30 518

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets		19 161		19 161
Number of minor assets at cost	6	18 438	2 741	21 185
TOTAL NUMBER OF MINOR ASSETS	6	37 599	2 741	40 346

Minor Assets under investigation		
Included in the above total of the minor assets per the asset register are assets that are under investigation:		Number
		Value R'000
Machinery and equipment		10 928
		8 546

The Assets under investigation include assets that were not verified during the Annual Physical Verification. The reason for the non-verification include verification challenges, such as when the team got to site, officials were out of the office and their doors were locked. The asset register will be sent out to all the district/local offices and an opportunity given to office management and individual officials to check the unaudited asset list and provide explanations where the assets are.

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Minor Assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	56	-	23 901	7 016	30 973
Prior period error	-					
Additions				1 931	10	1 941
Disposals	-	11	-	422	2 971	3 404
TOTAL MINOR ASSETS	-	45	-	25 410	4 055	29 510

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

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	2 274		-	495	1 779
TOTAL INTANGIBLE CAPITAL ASSETS	2 274	-	-	495	1 779

31.1. Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019				
	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
		R'000	R'000	R'000
SOFTWARE		495	495	
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	495	495	

31.2 Movement for 2017/18

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	2 373	-	-	99	2 274
TOTAL INTANGIBLE CAPITAL ASSETS	2 373	-	-	99	2 274

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32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	56 897	-	25 646	-	82 543
Dwellings					
Non-residential buildings	56 897		25 646	-	82 543
Other fixed structures					
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	56 897		25 646	-	82 543

32.1. Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	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
BUILDING AND OTHER FIXED STRUCTURES	63 166	25 646	(63 166)		25 646
Non-residential buildings	63 166	25 646	(63 166)		25 646
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	63 166	25 646	(63 166)		25 646

32.2. Movement for 2017/18

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	56 897	-	56 897
Non-residential buildings	-	-	56 897	-	56 897
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	56 897	-	56 897

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32.2.1 Prior period error

Nature of prior period error	Note	2017/18
		R'000
Relating to 2017/18		55 949
Junco Mushrooms project completed not taken to ready for use in 2017/18		10 068
Murula Packerhouse completed not taken to ready for use in 2017/18		35 711
District Projects from 2017/18 not disposed yet		11 118
Total prior period errors		56 897

32.3. Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019					
	Note	Opening balance 1 April 2018	Current Year WIP	Ready for use (Assets to the AR)/ Contracts terminated	Closing balance 31 March 2019
	Annexure 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures		501 942	63 166	41 198	523 910
TOTAL		501 942	63 166	41 198	523 910

Age analysis on ongoing projects	Number of projects		2018/19
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	7	4	1 044
1 to 3 Years	11	6	43 541
3 to 5 Years	4	17	318 240
Longer than 5 Years	7	18	161 085
Total	29	45	523 910

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.

Accruals and payables not recognised relating to Capital WIP	Note	2018/19	2017/18
		R'000	R'000
Infrastructure invoices received not paid		3 737	2 328
Total		3 737	2 328

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CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018						
	Note	Opening balance 1 April 2018 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2018 R'000
	Annexure 7					
Buildings and other fixed structures		516 980	(44 683)	77 065	47 420	501 942
TOTAL		516 980	(44 683)	77 065	47 420	501 942

Age analysis on ongoing projects	Number of projects		2018/19
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	3	5	767
1 to 3 Years	7	13	291 259
3 to 5 Years	6	13	148 680
Longer than 5 Years	6	13	61 236
Total	22	44	501 942

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

33. Principal-agent arrangements

33.1 Department acting as the principal

	2018/19 R'000	2017/18 R'000
Management Fees for implementing agents	890	1 775
Total	890	1 775

The department has a principal-agent arrangement with IDT, KZN Ezemvelo and Department of Public Works who manage infrastructure projects. No management fees are charged by Department of Public Works.

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34. Prior period errors

Correction of Prior Period Errors Expenditure:	Note	Amount bef error correction R'000	Prior period error R'000	2017/18 Restated Amount R'000
Goods & Services	4	637 724	15 251	652 975
Transfers	7	287 119	(19 451)	267 668
Capital Assets	8	109 991	4 200	114 191
Net effect		1 034 834	-	1 034 834

Expenditure reclassified from Transfer payments to Goods & Services, Capital Assets

	Note	Amount bef error correction R'000	Prior period error R'000	Restated R'000
Assets:				
Loans	13	-	12 200	12 200
Investments	12	-	36 557	36 557
Net effect		-	48 757	48 757

Investments include investments in Ntingwe Tea Company and Mjindi Farming that were not disclosed in the prior year was required.

	Note	Amount bef error correction R'000	Prior period error R'000	Restated Amount R'000
Other:				
Fruitless and Wasteful	26	1 039	(2)	1 037
Commitments	20	171 823	15 317	187 140
Work-in-Progress o/b 2017/18	32	511 667	(39 370)	472 297
Irregular Expenditure	25	431 275	159 122	590 397
Immovable tangible capital assets per asset register	32.2	-	56 897	56 897
Work-in-Progress 2017/18	32.3	76 430	635	77 065
Net effect		1 192 234	192 599	1 384 833

Fruitless & Wasteful expenditure recovered in a prior year. Commitments and Irregular Expenditure added for prior year. Prior year work in progress corrected.

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35. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2018/19		
	Division of Revenue Act/Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under/ (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount
Land Care Grant	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
	12 016	-	9 850	-	21 866	21 866	18 682	3 184	85%	12 012	12 012
Comprehensive Agricultural Support Programme	223 975	15 291	-	-	239 266	239 266	170 962	68 304	71%	209 598	159 935
Ilima/Letsema Projects	71 263	22 816	-	-	94 079	94 079	67 655	26 424	72%	67 356	44 540
EPWP Integrated Grant for Provinces	7 308	-	-	-	7 308	7 308	7 308	-	100%	8 466	8 466
Total	314 562	38 107	9 850	-	362 519	362 519	264 607	97 912		297 432	224 953

The slower than anticipated implementation of agricultural projects and input such as the fertilizer and animal feed resulted in the under expenditure against CASP, Ilima/Letsema and Land Care conditional grants. The unspent funds were fully committed (except for small amount for wages under Land Care) by 31 March 2019 and application for roll-over has been made to the Treasury.

36 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DORA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
PD: Vehicles Licences	2 058			2 058	1 601	-	-
Mun B/Acc: Mun Rates & Taxes	34		(9)	25	25	-	-
TOTAL	2 092	-	(9)	2 083	1 626	-	-

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ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Agri Business Development Agency	120 014	-	-	120 014	120 014	100%	121 335
Com: Licences (Radio & TV)	3	-	-	3	3	100%	1
Skills Development Levy	2 823	-	-	2 823	2 632	93%	2 871
TOTAL	122 840	-	-	122 840	122 649		124 207

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	
	R'000	R'000	R'000	R'000	R'000	R'000	Final Appropriation
Donations & Gifts Hig Edu Inst	-	-	92	92	92	-	R'000
TOTAL	-	-	92	92	92	-	44

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2018/19
	Adjusted Appropriation 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	Final Appropriation
Public Corporations									
Transfers									
Mjindi Farming	58 801	-	-	58 801	58 801	100,0%	-	58 801	56 001
Ithala Development Finance	-	-	23 557	23 557	23 557	100,0%	-	23 557	11 323
Subtotal: Public corporations	58 801	-	23 557	82 358	82 358	100,0%	-	82 358	67 324

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Private enterprises Transfers										
SA Sugar Research Institute	2 645	-	-	2 645	2 541	96,1%	-	2 541	2 692	
Soil Conservation Subsidy				-						
Radley, JH	-	-	-	-	-		-	-	658	
Unallocated	1 817	-	-	1 817	-	-	-	-	1 059	
Communal Estates	-	-	-	-	-		-	-	13 995	
SA Sugar Association	-	-	-	-	-		-	-	8 744	
Siyathuthuka Farms	-	-	-	-	-		-	-	670	
Nyezenhle Holdings - Roadside Abattoir	-	-	-	-	-		-	-	3 900	
Ekuphileni Poultry and Agricultural Farming Primary Cooperative	-	-	-	-	-		-	-	6 500	
THB Matebese Trading 114 CC	-	-	-	-	-		-	-	4 121	
Ndisinduna Multipurpose Co-op	-	-	-	-	-		-	-	800	
KZN Goat Agri-business Project	-	-	-	-	-		-	-	2 950	
Mpofana Land Reform Cluster	793	-	-	793	-	-	-	-	21 356	
Mbangweni Beef Project	2 765	-	-	2 765	2 754	99,6%	-	2 754	2 200	
Nozinkanyiso	2 765	-	-	2 765	2 741	99,1%	-	2 741	2 200	
Agricultural Show Societies	-	-	-	-	-		-	-	105	
AMD Farming	-	-	1 700	1 700	1 700	100,0%	1 000	700	-	
Bangwati Catering & Services	-	-	1 023	1 023	1 023	100,0%	-	1 023	-	
Cebolakhe Piggery and Projects	-	-	2 000	2 000	2 000	100,0%	2 000	-	-	
Copper Sunset Trading 360	-	-	605	605	605	100,0%	605	-	-	
Coastal Cashew	-	-	1 850	1 850	1 850	100,0%	-	1 850	-	
Emihle Agric Primary	-	-	2 250	2 250	2 250	100,0%	1 800	450	-	
Enhlahleni Primary Co-Op	-	-	2 500	2 500	2 500	100,0%	1 350	1 150	-	
Esayidi Tea Tree	-	-	2 000	2 000	2 000	100,0%	-	2 000	-	
Isinganga Piggery	-	-	2 500	2 500	2 500	100,0%	2 500	-	-	
Khukhza Farming 01	-	-	3 525	3 525	3 525	100,0%	1 300	2 225	-	
Kwazi-Gugu Investments	-	-	1 420	1 420	1 420	100,0%	700	720	-	

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Liberty Farmers Co-Operative Ltd	-	-	2 650	2 650	2 650	100,0%	1 575	1 075	-
Lulu-T & S-B Trading & Projects	-	-	1 023	1 023	1 023	100,0%	-	1 023	-
M and T Generations (Pty) Ltd	-	-	2 100	2 100	2 100	100,0%	-	2 100	-
Mamontshi Farming & Fencing	-	-	2 614	2 614	2 614	100,0%	-	2 614	-
Mandalay Farm Agric Primary Coop	-	-	1 200	1 200	1 200	100,0%	1 200	-	-
Masande Youth Piggery	-	-	2 000	2 000	2 000	100,0%	1 100	900	-
Masinga Investment Cooperative	-	-	900	900	900	100,0%	150	750	-
MGIG Investments Pty (Ltd)	-	-	1 521	1 521	1 521	100,0%	-	1 521	-
Minzsize Pty (Ltd)	-	-	1 023	1 023	1 023	100,0%	-	1 023	-
Mkhize Farm	-	-	700	700	700	100,0%	-	700	-
Mthabela Estates Pty (Ltd)	-	-	3 000	3 000	3 000	100,0%	1 560	1 440	-
Mthethuyavuma Trading & Projects	-	-	1 023	1 023	1 023	100,0%	-	1 023	-
Ndisi Nduna Multipurpose Co-Op	-	-	1 500	1 500	1 500	100,0%	1 300	200	-
Njojo Construction	-	-	2 000	2 000	2 000	100,0%	100	1 900	-
Nkosi Moses Development Trust	-	-	6 659	6 659	6 659	100,0%	2 720	3 939	-
Nomaphenduka Investments	-	-	1 023	1 023	1 023	100,0%	-	1 023	-
Ntembe Development	-	-	6 659	6 659	6 659	100,0%	2 720	3 939	-
Omangena Nqophahla Pty(Ltd)	-	-	2 600	2 600	2 600	100,0%	2 000	600	-
Ozone Projects Pty (Ltd)	-	-	1 870	1 870	1 870	100,0%	1 870	-	-
Pure Water Plus Pty Ltd	-	-	1 024	1 024	1 024	100,0%	-	1 024	-
Taste & See Foods Enterprise	-	-	1 024	1 024	1 024	100,0%	-	1 024	-
Thabela Kavezi Trading Cc	-	-	1 024	1 024	1 024	100,0%	-	1 024	-
The Mabaso Community Trust	-	-	6 659	6 659	6 659	100,0%	2 720	3 939	-
Ukukhanya Kwasemvunzini Primary	-	-	2 000	2 000	2 000	100,0%	1 600	400	-
Wonder Dream Civil & Plant Hire	-	-	2 500	2 500	2 500	100,0%	1 425	1 075	-
Xhamela Construction & Gen	-	-	1 023	1 023	1 023	100,0%	-	1 023	-
Yamandosi Trading	-	-	2 340	2 340	2 340	100,0%	100	2 240	-
Subtotal: Private Enterprises	10 785	-	81 032	91 817	89 068	97,0%	33 395	55 673	71 950
Total	69 586	-	104 589	174 175	171 426	98,4%	33 395	138 031	139 274

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1D

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation R'000
Transfers							
Agricultural schools	-	-	-	-	-		
Weston College of Agriculture	-	-	-	-	-		564
James Nxumalo Agric School	-	-	-	-	-		2 988
Vryheid Agric School	-	-	-	-	-		1 571
Shakaskraal Secondary School	-	-	-	-	-		3 360
Zakhe Agricultural College	-	-	-	-	-		2 540
Future Famers Foundation	-	-	-	-	-		2 224
TOTAL							13 247

ANNEXURE 1E

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation R'000
Transfers							
Injury on Duty	77	-	96	173	173	100%	105
Leave Gratuity	12 814	-	9 090	21 904	21 904	100%	15 525
Claims Against State	-	-	-	-	-		1
Bursaries (Non Employees)	4 900	-	(100)	4 800	2 845	59%	4 300
Donations & Gifts (Cash)	-	-	100	100	100	100%	
TOTAL	17 791	-	9 186	26 977	25 022		19 931

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/19	2017/18
Received in cash		R'000	R'000
Mmela Motor Scheme	Donation towards food for Women's day event	3	
Nissan South Africa (Pty) Ltd	Donation towards flowers for Women's day event	6	
Subtotal		9	
Received in kind			
MTN	IT Training room and equipment	1 156	
Agriseta	Capacity building Osca College	522	500
Agriseta	Capacity building Cedara College		240
Dept Agriculture, Forestry, Fisheries	Colleges: Software licences, Subscriptions, Textbooks, Upgrade Infrastructure		4 058
Subtotal		1 678	4 798
TOTAL		1 687	4 798

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSION, REFUNDS AND PAYEMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2018/19	2017/18
	R'000	R'000
Made in kind		
5 Goats - Gayede Goat Project	5	
30 Goats - NgamaChunu Goat Project	24	
30 Goats - Esentu Goat Project	31	
30 Goats - Mavika Goat Project	25	
6 Goats - Thandani Mkhize	7	
6 Goats - Mbulelo Makhaye	6	
6 Goats - Nontokozo Majola	3	
6 Sheep - Cedara/OSCA College Rugby week	9	
1 Cow - His Majesty, King Goodwill Zwelithini	6	
1 Cow and 4 Sheep - Cedara/OSCA College Cultural Day event	14	
4 cattle - His Majesty, King Goodwill Zwelithini	21	
30 Goats - Esikhaleni Goat Project	42	
Kitchen appliances for prizes - Traditional Food Awareness Competition	11	
4 Goats - OSCA Goats for tasting/promotion of goat meat	7	
Payment made - Amakhosazane Project	100	
2 sheep - Dlomo Family	1	

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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			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 Ngubane (deceased)			6
TOTAL	312	96	
MADE IN CASH			
Funds towards Post graduate research and innovation day - UKZN College of Agriculture	92		44
SUBTOTAL	92	44	
TOTAL	404	140	

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1H
STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT													
	Apr 2018 R'000	May 2018 R'000	Jun 2018 R'000	Jul 2018 R'000	Aug 2018 R'000	Sept 2018 R'000	Oct 2018 R'000	Nov 2018 R'000	Dec 2018 R'000	Jan 2019 R'000	Feb 2019 R'000	Mar 2019 R'000	Total R'000
Grant Type	3 709	2 084	12 189	3 305	10 822	10 371	12 829	8 599	11 973	19 294	19 707	149 725	264 607
Other													
TOTAL	3 709	2 084	12 189	3 305	10 822	10 371	12 829	8 599	11 973	19 294	19 707	149 725	264 607

Included in above monthly expenditure:

Comp Agricultural Support Programme ; Lima/ Letsema Project ; Land Care ; EPWP Incentive grant for Provinces

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 18/19	% Held 17/18	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				2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2017/18	Yes/No
MJINDI FARMING (PTY)LTD	Schedule 3D	100	100	100	100	8 757	8 757	70 987	72 201	(3 217)	N0
TOTAL		100	100	100	100	8 757	8 757	70 987	72 201	(3 217)	(376)

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 2B

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000	R'000	R'000	R'000	2018/19	2017/18	2018/19	2017/18
Controlled entities									
NTINGWE TEA (PTY)LTD	This is the joint venture between the Department of Agriculture and Ithala Development Finance Corporation Ltd, whose main purpose is to provide funding investing and establishing a viable commercial tea business in Northern KwaZulu Natal. The company is the holding company of Ntingwe Farming (Pty) Ltd - the operating company. Department of Agriculture owns 62% of the shares in Ntingwe Tea (Pty)Ltd and Ithala owns 38%	40 000	40 000	(87 973)	(97 269)				
NATAL TRUST FARMS (PTY)LTD	The main business of the company is to engage in all aspects farming and marketing of farming products. Department of Agriculture is sole share holder and inherited the shares from DAFF.			16 465	17 264				
TOTAL		40 000	40 000	(71 508)	(80 005)				

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
VOTE 3
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 3A
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance
	1 April 2018				31 March 2019
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
ACCIDENT CLAIMS	1 586	82	372		1 296
DAMAGE TO PROPERTY	8 427				8 427
GOODS AND SERVICES	50 193	6 290	222		56 261
LEASE AGREEMENT DISPUTE	66				66
GENERAL CLAIMS	33 471		278		33 193
TOTAL	93 743	6 372	872	-	99 243

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2018/19 *	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Dept Arts & Culture		88		31	-	119		
Department Of Health		11			-	11		
Department Of Labour	19			18	19	18		
Department Of Economic Dev. Tourism & Enviro Aff.		48			-	48		
Department Of Works		129			-	129		
Department Of Agric. Forestry & Fishery				30	-	30		
Northern Cape Agric				39	-	39		
TOTAL	19	276	-	118	19	394		28

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19 *	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS Current								
DEPT OF WORKS			2 431	80	2 431	80	03/04/2019	6 726
DEPT OF TRANSPORT			1 651	2 890	1 651	2 890		
DEPT OF JUSTICE		265		40	-	305		
KZN TREASURY	472		114	-	586	-	03/04/2019	829
Subtotal	472	265	4 196	3 010	4 668	3 275		7 555
Non-current								
SOUTH AFRICAN POLICE SERVICES		70			-	70		
Subtotal	-	70	-	-	-	70		
TOTAL	472	335	4 196	3 010	4 668	3 345		7 555

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 6
INVENTORIES

Inventories	Note	Quantity	2018/19	Quantity	2017/18
Opening balance			R'000		R'000
Add/(Less): Adjustments to prior year balance		-	21 427		19 079
Add: Additions/Purchases - Cash			53 820		21 427
Add: Additions - Non-cash					
(Less): Disposals					
(Less): Issues			(21 427)		(19 079)
Add/(Less): Adjustments					
Closing balance		-	53 820	-	21 427

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019				
	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	501 942	63 166	(41 198)	523 910
Non-residential buildings	501 942	63 166	(41 198)	523 910
TOTAL	501 942	63 166	(41 198)	523 910

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Age analysis on ongoing projects	Number of projects		2018/19
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	7	4	1 044
1 to 3 Years	11	6	43 541
3 to 5 Years	4	17	318 240
Longer than 5 Years	7	18	161 085
Total	29	45	523 910

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 2018

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	516 980	(44 683)	77 065	(47 420)	501 942
Non-residential buildings	516 980	(44 683)	77 065	(47 420)	501 942
TOTAL	516 980	(44 683)	77 065	(47 420)	501 942

Prior year adjustment relates to 5 projects completed in 2016 /17 and omitted from the completed projects amount.



agriculture
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PROVINCE OF KWAZULU-NATAL

Annual Report 2018•2019

FINANCIAL YEAR

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