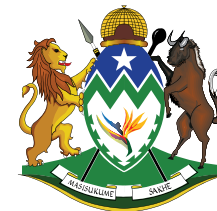




agriculture
& rural development

Department:
agriculture
& rural development
PROVINCE OF KWAZULU-NATAL



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PROVINCE OF KWAZULU-NATAL

ANNUAL REPORT 2013/14

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

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agriculture & rural development

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& Rural Development

PROVINCE OF KWAZULU-NATAL

2013/14 ANNUAL REPORT



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Department: Agriculture
& Rural Development

PROVINCE OF KWAZULU-NATAL

2013/14 ANNUAL REPORT

Published in the Republic of South Africa

KZN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

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2014

ISBN : 978-0-621-42974-9

PR 246/2014

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PART A:

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
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

3. FOREWORD BY THE MEC



It is with honour and appreciation that I table the Annual Report for the KwaZulu-Natal Department of Agriculture and Rural Development for the 2013/14 financial year, as required by the Public Finance Management Act 1 of 1999, as amended.

The agenda of the Department for the financial year 2013/14 remained that of ensuring vibrant, equitable, sustainable rural communities contributing towards food security for all who live in KwaZulu-Natal, as many people of this highly rural province are still trapped in a vicious cycle of poverty resulting from apartheid's spatial designs or patterns.

The Department made significant strides in its efforts of redressing past legacy of marginalisation and poverty in rural areas. The Department comes a long way with its effort of integrating the diverse food security programmes at rural household level.

The economic growth of the agricultural sector has been constrained by declining numbers of commercial producers, and the Department in 2013/14 strengthened its efforts towards reducing this and continued to focus its attention on ensuring transition of many smallholder farmers to commercial agriculture. The inclusion and recognition of smallholder farmers and small commercial enterprises across the whole agriculture value chain was tackled through various programmes advocating for market availability particularly to these categories of farmers. Transformation in the sector will continue to be at the heart of Department's strategies for the coming years.

The continued pressure on agriculture to increase output per unit of land poses additional challenges of ensuring that the natural resource base is protected. The Department has made significant strides in protecting natural resources and the environmental wellbeing of the province through the Landcare and environmental management programmes.

There was a campaign launched in the province to contain and control the outbreak of animal diseases in the province some of which were claiming lives. Following an outbreak of the rabies earlier into the financial year, a number of fatalities were noted in various parts. The Department resumed an intense vaccination campaign to arrest the spread of the disease and prevent further incidents. The interventions were successful and resulted in KZN being declared free of human cases later on in the year. Similarly, the spread of the Foot and Mouth Disease was restricted, which increased trade prospects for the province.

In 2013/14 the Department intensified its job creation initiative through its Natural Resource Management Programme (NRMP), which created over 16 000 job opportunities in the current year.

Through the Management Performance Assessment Tool (MPAT) the Department still strives to improve its management processes to ensure that there are effective management controls in pursuit of good governance. Despite initial challenges with reaching consensus on the proposed Departmental structure and filling of critical posts, the Department eventually received green light to proceed with activities in this regard. All critical posts, particularly at senior management level will continue to be filled.

I declare my gratitude to the staff of the Department, for their commitment in ensuring optimum and full operation by the institution. As a new member of the executive council, I extend my gratitude to members of all oversight committees for their support to the Department.

.....
Mr C. Xaba (MPL)
MEC: Agriculture and Rural Development

Date: 31 May 2014

4. REPORT OF THE ACCOUNTING OFFICER



It gives me great pleasure to present the 2013/14 Annual Performance Report for the Department of Agriculture and Environmental Affairs. This report outlines Department's achievements towards the set goals as detailed in the strategic plan. A lot has been achieved through the implementation of two key programmes, Livestock and Crop production, and are presented hereon.

In 2013/14 the Department honoured and harnessed government's call for strengthened support to small scale farmers and entrant commercial farmers. The development of these categories of farmers is believed to be one of the significant means to improving the value of agricultural contribution to provincial economy and improving the quality of livelihoods of the people of Kwazulu-natal. Thus the implementation of Outcome 7 and its outputs remained the core of all activities of the Department and for which allocations were centred around and accounted for in this report.

The Department has a mandate of assisting land reform beneficiaries and ensuring that the land acquired by these farmers does not lie fallow due to lack of financial strength, agriculture skill and infrastructure. The primary aim of the crop production programme is to ensure that the province's arable land is transformed to prime productive sites and there is an increase in the number of productive farms in the province. Significant strides have been

made in that regard through the mechanisation programme, the extension advisory programme and the development and rehabilitation of infrastructure.

Environmental planning, coordination, compliance and enforcement were also focused on greatly to ensure continuation of sound, safe and stable environmental governance in the province and implementation and compliance to frameworks. The Department continued to monitor air quality at hot spots to ensure again a safe living environment for the people of KwaZulu-Natal.

Appreciation is extended to Department's agencies for continued concerted efforts to bring to reality the vision and mission of the Department of Agriculture and Environmental Affairs. ADA continues with the business of turning farming into business, while Mjindi transforms arable land to productive land for food security and economic development. With the support of the oversight structures the Department anticipates improved performance in the next financial year.

A handwritten signature in black ink, consisting of a stylized 'Y' and 'B' followed by a horizontal line.

Ms Y Bacus
Acting Head of Department

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

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

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

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

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

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

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

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable

assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2013

Yours faithfully



.....
Accounting Officer
Ms Y Bacus

31 May 2014

6. STRATEGIC OVERVIEW

VISION

Optimal agricultural land use, sustainable food security, sound environmental management and comprehensive, integrated rural development.

MISSION

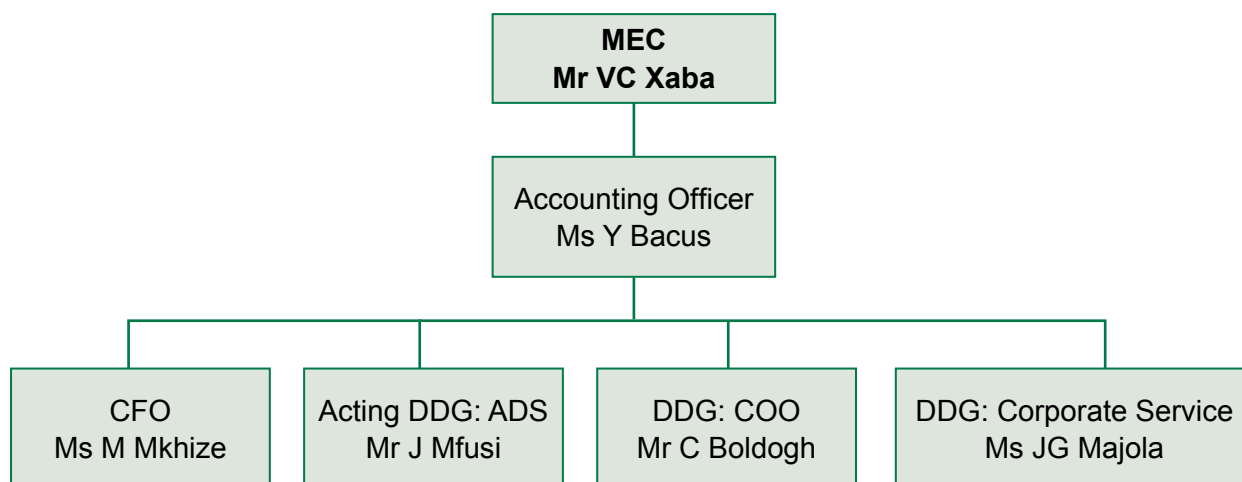
The Department together with its partners and communities, champions quality agricultural, environmental and conservation services and drives integrated comprehensive rural development for all the people of KwaZulu-Natal.

VALUES

In order to fulfill its mission, the endeavors of the Department are underpinned by the following values:

- **Strategic orientation** – without losing focus on the short-term priorities, the Department's long term strategy and objectives should guide the overall activities of the Department. The Department is a strategy driven organization.
- **Professionalism** – all employees of the Department must, without exception, perform their duties with integrity in a professional, ethical (open and honest) and value adding manner.
- **Development and recognition** – the Department's employees are recognized as its most valuable asset and therefore the ongoing development, life orientation and support of employees is a key priority.
- **Excellence** – the Department is committed to a culture of excellence and a performance driven management approach, and therefore specific emphasis will be placed on recognizing performance and excellence.
- **Service and service orientation** – all employees should strive to deliver excellent service to all of our customers and stakeholders (internally and externally).
- **Energising leadership** – leadership should be guiding, constructive and motivational, and leaders must lead by example.
- **Bambanani (joining hands, act collectively)** – the Department is committed to promoting a culture of teamwork, co-operation and support among employees.
- **Respect** – the ethos of all of the Department's activities is embedded in respect of the diversity of cultures, human rights and authority of the laws that govern the country and its people.
- **Responsive** – the Department is committed to finding solutions to the needs of our clients and stakeholders, and will always respond to enquiries and requests for service in order to empower, redress and advance our people, within and outside the Department.

7. ORGANISATIONAL STRUCTURE



8. ENTITIES REPORTING TO THE MEC

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Ezemvelo KZN Wildlife (EKZNW)	<p>Ezemvelo KZN Wildlife is a public entity in terms of section 3(c) of the Public Finance Management Act 1 of 1999 (as amended) that falls under the control of the Department.</p> <p>Ezemvelo KZN Wildlife is established in terms of KwaZulu-Natal Nature Conservation management Act 9 of 1997.</p>	Accountability arrangements between the Department and the entity are regulated by the Public Finance Management Act 1 of 1999 (as amended), where inter alia, the Department insists on obtaining written assurance from Ezemvelo KZN Wildlife that it implements effective, efficient and transparent financial management	The function of EKZNW is the conservation of biodiversity resources within KwaZulu-Natal in partnership with people and it is also responsible for the development of eco-tourism within the protected areas under its control.
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.	As with Ezemvelo KZN Wildlife and 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 internal control system before the Department will transfer funds to the Entity.	Mjindi is responsible for agricultural development in the northern estates of the province.

PART A: GENERAL INFORMATION

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Agribusiness Development Agency.	<p>ADA was established in terms of Cabinet Resolution No. 79 of 29 July 2009.</p> <p>The National Policy Governing the Comprehensive Agricultural Support Programmed (CASP).</p> <p>Land Reform Policy Guidelines and the Department of Rural Development and Land Reform's, Land Reform Recapitalization Programme.</p> <p>Amended Trust Deed for the Agribusiness Development Agency</p>	<p>Section 38(1)(j) of the Public Finance Management Act 1 of 1999(as ammende), Mjindi must provide written assurance to the Department that the entity implements good financial management and internal control system before the Department Transfer funds to the Entity.</p>	<p>The Agency provides holistic agricultural support services to entrant commercial farmers, focusing mainly on previously disadvantaged farmers. ADA also aims to develop strategies to address inequities, create opportunities for the farmers to participate in the value chain, provide access to markets and foster sustainability in the agricultural sector</p>

PART B:

PERFORMANCE INFORMATION



AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

1. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2014:
 - Programme 2: Agricultural development services (on pages 20–27)
 - Programme 3: Environmental management (on pages 31 to 32).
2. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
3. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
4. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
5. The material findings in respect of the selected programmes are as follows:

Agricultural development services

Reliability of reported performance information

6. **Validity / accuracy / completeness**

The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of standard operating procedures, a lack of data trails/registers/lists and a lack of documented system descriptions for the accurate and complete recording of valid achievements.

Additional matter

7. I draw attention to the following matters:

Achievement of planned targets

8. Refer to the annual performance report on pages 18-25 and pages 29 to 30 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programmes reported in paragraph 17 of this report.

Adjustment of material misstatements

9. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for agricultural development services and environmental management. As management subsequently corrected the misstatements, I did not raise any material misstatements on the usefulness of the reported performance information.

Auditor-General

PIETERMARITZBURG

31 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

1.1 Service Delivery Environment

During the year under review, the Department pursued mandates over two critical sectors in the province, namely, Agriculture and the Environment. Although the announcement for the transfer of the Rural Development portfolio back to the Department was made in the third quarter of the year under review, the Department had continued with the coordination of activities within the agricultural context. Through various priority projects, the Department provided critical services communities across the province.

Table: Core Services and Products of the Department

SERVICES	PRODUCTS
Agriculture	Crop production, livestock farming, aquaculture, natural resources use and management and land reform (a national competency but supported by the Department at provincial level), extension, and care, and agricultural research.
Environment	Environmental planning, education and empowerment, compliance monitoring and enforcement, environmental impacts assessment, waste management and pollution control, air quality management, coastal management, eradication of alien plants and land use management.
Veterinary Services	Animal disease control, prevention of zoonotic diseases, inspection services and primary health care services.
Conservation	Conservation of natural resources (performed through public entities such as Ezemvelo KZN Wildlife).

Agriculture remains one of the most important sectors through which government has committed to change the social and economic outlook of South Africa. In KwaZulu-Natal, farming is one of the major contributors to the provincial economy.

Various forms of farming are undertaken and range from cotton farming, predominant in the Makhathini area north of the province, to sugarcane, crop and livestock farming. While the province fares competitively in the commercial/large scale agriculture, a considerable amount of the province's population is still food insecure. A number of emerging and subsistence farmers actively involved in agriculture are not considered for statistical purposes, largely due to their limited contribution to farming income.

The Environmental Management component continues to improve in terms of planning, compliance and enforcement, environmental quality management, biodiversity management and environmental empowerment. To enhance decision making, Environmental Planning Frameworks such as either the Environmental Strategic Assessments or the Environmental Management Frameworks are in the process of being developed for the Umuziwabantu, Umhlathuze, Msunduzi and Newcastle Local Municipalities. In addition, all of the Integrated Development Plans (IDPs) were reviewed against the Credible IDP Framework for environmental compliance. In order to improve environmental governance, the Provincial Committee for Environmental Coordination, consisting of all Government Departments, has been established. An Environmental Public Portal (website) has been completed and posted onto the Departmental website.

1.2 Organisational environment

In an effort to improve service delivery and effective coordination of functions, the Department reviewed its organizational structure. Although the process was delayed by disputes by organized labour which included legal processes, the Department finally had green light to finalize the structure and fill critical posts.

In terms of the environment, major challenge has been the finalization of Environmental Impact Assessment (EIA) applications within the legislated timeframes. To address this, the Department revised procedures to prioritize and fast-track EIA applications and improved the lines of communication between district, regional and head offices.

1.3 Key policy developments and legislative changes

The Environmental Management Framework (EMF) was adopted by National Minister of Environmental Affairs making it enforceable with the respective jurisdiction. Ministerial concurrence was obtained for the initiation of 5 EMFs. The Provincial Development Act, which requires that all municipalities compile and adopt Spatial Development Frameworks (SDF) within 5 years of its endorsement, was promulgated.

There is a greater awareness by the general public of their rights in terms of the relevant laws, particularly the Promotion of Access to Information Act and the Promotion of Administrative Justice Act. Such awareness has led to an increase in the request for information as well as an increase in litigation. The manual prescribed in terms of the Promotion of Access to Information Act was reviewed, forwarded to the Human Rights Commission and published in the Government Gazette.

2. PERFORMANCE INFORMATION BY PROGRAMME

2.1 PROGRAMME 1: ADMINISTRATION

The main role of the service renders by Programme 1 is to provide support to the line function components of the Department in achieving their goals. The focus for Programme 1 is the provision of Finance, Corporate and Strategic Support Services to the Department.

MEASURABLE OBJECTIVES

- To provide efficient and effective advisory and support services to the MEC.
- To establish and implement policy development and strategic management system within the Department.
- To establish a fully integrated corporate service function that delivers effective and efficient services.
- To ensure that the Department complies with its legal mandate and is effectively protected from legal risk exposure.
- To provide quality human resources management and development services to the Department.
- To ensure effective financial resources management that complies with the PFMA.
- Development and maintenance of effective, efficient and transparent financial management systems.
- To ensure effective management of Departmental assets.
- To provide effective management and advisory services.
- To provide an effective monitoring and evaluation system for the Department.
- To ensure that the Department is effectively integrated and positioned through corporate communications.

OVERVIEW OF PROGRAMME PERFORMANCE

OFFICE OF THE MEC

The Office of the MEC provides ministerial support functions to the MEC for Agriculture and Environmental Affairs. In doing this, we harness the support of all directorates within the Ministry to deliver outcome-based and timely solutions to issues raised.

The Department continued to forge links with the community of KwaZulu-Natal, including organized agriculture, Amakhosi, food insecure households and various other institutions. Through the Departmental call-centre, a number of farmer and community queries were resolved.

OFFICE OF THE HEAD OF DEPARTMENT

The purpose of the Office of the Head of Department, in collaboration with all Head Office components, is to provide strategic and supportive leadership, ensure compliance to legislative imperatives and good governance, guide the policy direction of the Department and oversee the use of state resources. There was an introduction of the Internal Task Team in October 2013, led by the new Acting Head of Department to assist with the turnaround of the Department. The team made significant strides towards stabilizing the Department.

CORPORATE SERVICES

Information Technology

The multi-year project of cable installation and network connectivity was undertaken in most local offices of the Department during 2012/13. With close to 90 percent of offices having connectivity; the Department was set for improved service delivery, through enhanced communication. The Departmental website was also revamped during the 2012/13 financial year.

Legal Services

In addition to drafting a total 114 contracts and opinions, the directorate also initiated a number of civil claims against various service providers in consequence of irregularities identified in the forensic reports.

Integrated Human Resource Management

The Department managed to submit the WSP on time. A total of 281 employees were trained in line with training needs identified and contained in the WSP. A total of 91 bursaries were awarded to external applicants and 88 awarded to internal applicants.

Management Advisory Services

The directorate coordinated consultations towards finalizing the organizational structure.

Occupational Health and Safety

Occupational Health and Safety campaigns were facilitated throughout the province. These ensured that officials were conversant with work safety requirements and that safety equipment in all offices was installed. Personal protective equipment, protective clothing was procured for relevant employees throughout the Department. The Occupational Health and Safety Committee had regular meetings during the review period.

STRATEGIC SUPPORT SERVICES

Monitoring and Evaluation

Compliance was maintained for all planning and reporting activities as required in terms of Treasury Regulations and the PFMA. Quarterly reviews were held with the Portfolio Committees, sector Departments and Treasury (including the Audit and risk Committee).

With nil audit queries for performance information for 2012/13, the unit maintained its systems to ensure accurate planning, implementation and reporting is achieved by the Department in 2013/14.

Extension Recovery Programme

Digital Pen: This cutting edge technology was introduced to render an effective and improved monitoring and evaluation of agricultural projects. The project is in its second phase of implementation and has proved vitally successful in tracking live project information across all district offices in KwaZulu-Natal.

Professionalization of Extension: The Department employed 934 permanent extension officers. Eighty percent of these officers have now met the minimum national requirements of attaining their agricultural

degrees through the qualification upgrading programme. These officers have now fully met the requirements of the National norms and standards in terms of professionalization.

IT and other Resourcing: Extension Officers have been equipped with digital technology (computer connectivity, gps, cellular phones and digital pens) devices to ensure effective reporting and control of projects. Officers have access to the latest online web based systems to provide up to date agricultural information to KZN farmers utilizing web based



Extension officers at their graduation

systems. Extension Officers are visible through branded vehicles and can be identified by uniform thereby upholding and maintaining the image of extension support.

FINANCIAL MANAGEMENT

The Finance Branch has a mission to support the Department to improve and ensure compliance with PFMA, Treasury Regulations, SCM policies and any other relevant prescripts which will results in clean administration and give public confidence that the public funds are utilized in an appropriate and transparent manner that will improve service delivery.

The Finance Branch comprises of the office of the Chief Financial Officer, two Chief Directorates and five Directorates as follows:

- a) The Office of the Chief Financial Officer: responsible for providing financial, technical, strategic and leadership support to the entire Department.
- b) Chief Directorate Management and Financial Accounting Services: This Chief Directorate houses two directorates i.e. Management Accounting and Financial Accounting Services.
- c) Chief Directorate Supply Chain Management: This Chief Directorate houses two directorates i.e. Supply Chain Management and Asset Management.
- d) Internal Control and Risk Management: This directorate is responsible for improving and strengthening internal controls as well as monitoring and managing risk management processes.

Highlights for 2013/14 Financial Year:

Compliance was maintained for all planning and reporting activities as required in terms of Treasury Regulations and the PFMA. Quarterly reviews were held with the Portfolio Committees, sector Departments and Treasury (including the Audit and risk Committee). The finance branch implemented an audit action plan to address the findings of the Auditor-General and Internal Audit in its commitment towards a clean audit. Special focus was placed on payments within 30 days and the success rate has improved tremendously over the last year. The Assets and Fleet Management unit ensured that the Department's fleet is well maintained and that the asset register accurately reflects the Department's movable assets. The monitoring of expenditure and revenue collection and regular reporting to management and other stakeholders, resulted in the Department achieving expenditure level of 98.6 percent for the year. Despite numerous challenges the Supply Chain Management unit was committed in providing the support and services to create an enabling environment for service delivery.

Programme expenditure

Sub-programme	Final Ap- propriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Ap- propriation R'000	Actual Ex- penditure R'000	(Over)/Under Expenditure R'000
Office of MEC	26,938	26,938	–	27,738	27,738	–
Senior Management	28,806	28,806	–	35,745	35,745	–
Corporate Services	167,180	167,180	–	161,076	161,076	–
Financial Management	79,817	79,817	–	66,856	61,091	5,765
Communications	32,146	32,146	–	36,268	36,268	–
TOTAL	334,887	334,887	–	327,683	321,918	5,765

*MEC delivering the Budget Speech*

2.2 PROGRAMME 2: AGRICULTURAL DEVELOPMENT SERVICES

PURPOSE

To engage, empower and transform our communities to participate in sustainable agricultural practices in order to realize economic development and food security in the province.

OVERVIEW OF PROGRAMME PERFORMANCE

Mechanization

The Mechanization Programme is a strategic intervention that finds resonance in Government's Comprehensive Rural Development Programme (CRDP), and One-Home-One-Garden Campaign, which advocates for an effective response against poverty and food insecurity by maximizing the use and management of natural land resources.

Through the Mechanization programme, about 12 000 hectares were planted. Of these 6 500 were planted with maize, 4 000 with beans and 1 500 with other crops. The CASP funds towards grain production were reprioritized as part of the National Food Security Strategy. This happened in July 2013, when performance targets were already finalized. The adjustments affected the overall output for crop production for the year under review.



Tractors provided by the Department to assist farmers

Irrigation

On Irrigation, a total of 11 irrigation schemes were established and 6 revitalized by the Department during the reporting period.

Livestock Production

In 2013/2014, a total of 3 cold rooms were procured for Ixopo, Dundee and Jozini offices at an amount of R1.2m for storage of chemicals. Vaccines, medicines and various other chemicals for treatment of diseases, dipping and minor wounds were procured to an amount of R14 100 000.00. A total of 1 357 633 animals were vaccinated against Anthrax, Rabies, Brucellosis, Newcastle disease, Lumpy skin disease and African horse sickness, while 305 354 animals were dewormed.



Livestock auction

Also, in 2013/2014, the Cabinet approved the Integrated Animal Identification Programme comprising of tattooing on the left ear and under the tail, ear tag on the right ear, microchip under the neck skin, and dip tank brand mark. Campaigns to introduce and demonstrate the programme to the farmers were conducted in all 11 Districts.

Infrastructure

A total of 139 agricultural structures were established during the year under review. These included 39 diptanks, 48 boreholes, 35 earth dams and 17 irrigation schemes.

The Department started with the process of reinstating the Red Line (fencing) in an effort to comply with control movement of animals from FMD zone to none FMD zone. The project will be completed in 2014/15. By the end of the 2013/2014 year, the Department had reached the advanced stage with plans to establish an abattoir at uMkhanyakude to provide market for communal farmers in an area that is affected by Food and Mouth Disease (FMD).



Tunnels established for improved production

Food Security

The Department supports households through a range of Food Security interventions including seed distribution, tunnels, training communities and establishing gardens at institutions, community and household levels. Through the Food Security programme, an estimated 478 826 households (300 000 targeted) were supported with seed, 35 897 gardens established, (100 community, 35 625 household gardens and 172 institutional), 355 tunnels established and of 40 000 beneficiaries trained.



Food security

Catalytic Projects

The Department supported various catalytic projects through partnerships. For the year under review, partnerships were maintained for projects including the the SAB Yellow Maize, Besters Beef project, Chicory project, Tugela Estates Irrigation and others.

Operation Sukuma Sakhe

The Department participated in the Operation Sukuma Sakhe flagship programme, an integrated service delivery approach of the provincial government. All extension officers and extension assistants were deployed to various war rooms. The District Managers represent the Department on the District Task teams and Local Managers represent the Department at Local Task Teams.

The MEC was the champion for Umzinyathi district and the Acting Head, the champion for Umgungundlovu. Against this background, the Department donated 13 laptops and 30 desktop computers to the OSS program for use in war rooms. This service delivery approach has yielded positive results due to the close working relationship with other sector Departments in addressing socio economic challenges in rural, urban and peri -urban communities. Interventions have been supported in terms of provision of food security tunnels, seed scoops and starter pack 2 to communities.

This coordinated approach has assisted to reduce duplication of services and services now complement one another. Additional staff needs to be appointed in order to be visible at all war rooms.

Research and Technology Development

Agricultural constraints have been addressed, and new information and technology presented to the Province through research projects. A total of 6 research projects were finalized during 2013-2014 financial year. These projects were conducted both "on and off research stations" and in rural communities.

The Cedara Juncao Mushroom Centre was established (Approximate cost-R 50 million) with a view to creating a sustainable Mushroom industry within the Province. The mushroom centre also supports initiatives to establish food security and job creation.



Sample testing

To this effect, approximately 108 423 mushroom packs were produced in 2013/14. One mushroom pack contributes some 500g of fresh mushrooms within a 3 month period.

Technology Transfer activities were undertaken through lecturing at Short Courses sessions, specialized advice, Farmers days and publications.

A total of 17 popular articles, 30 scientific / semi-scientific articles, 29 information packs, 6 handbook chapters and 3 production manuals were published within the reporting period. An annual Research Symposium was conducted where relevant highlights of the research were presented to extension and advisors.

Cooperatives

A total of 126 agricultural Cooperatives were linked to markets in 2013/14. Of these, 89 were established during the review period.

Fencing

About 244 km of fence was erected under the Land care program. This is against a target of 430km. Challenges with sourcing the required material for certain projects resulted in delayed completion of activities. Work not completed in this regard would be completed in the first quarter of 2014/15.



Women co-operatives supported

SERVICE DELIVERY ACHIEVEMENTS: AGRICULTURAL DEVELOPMENT SERVICES

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
SUSTAINABLE RESOURCE MANAGEMENT				
Objective: Provide technical support, extension, specialist advisory and mentorship to households and farmers				
Engineering Services	Number of agricultural engineering advisory reports prepared	12	12	
	Number of designs with specification for agricultural engineering solutions provided	75	74	All requests from core functions were processed. This is demand driven
	Number of clients provided engineering advices during official visits	200	161	This depends on requests received from clients.
	Number of final certificates issued for infrastructure constructed	20	8	Establishment of structures started late and is still in progress. A total of 9 structures are still under construction. Certificates are only issued once a structure is evaluated as complete.
	No. of diptanks rehabilitated	40	33	Work will be carried over into new financial year
	No. of new dip tanks established	16	6	Construction of 9 new diptanks is currently active and was not complete at the time of reporting.
	No. of agricultural structures established	220	133	In addition to challenges with CIDB grading for service providers, the Department deferred the establishment of structures as costs of setting up these structures would have resulted in over-expenditure for the year under review.
	No. of boreholes established	80	48	Fewer requests were received from ADS branch for support on boreholes by engineers.
	Number of earth dams constructed	60	35	The remainder of dams were still being completed at the time of reporting for fourth quarter.
	No. of irrigation schemes established	48	11	The target projected for the year was higher than the capacity (financial resources) for the regions, where the budget is allocated.
Land use	No. of irrigation schemes revitalised	23	6	The target projected for the year was higher than the capacity (financial resources) for the regions, where the budget is allocated.
	Number of recommendations made on subdivision/rezoning/change of agricultural land use.	200	139	The output is depended on the number of applications received.
Objective: Ensure environmentally sustainable development				

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
Disaster Risk Management	No. of early warning advisory reports issued	12	3	The actual output is based on the early warnings received by the Department from the Weather Services.
	No. of disaster relief schemes managed	3	3	
Land Care	Number of awareness campaigns conducted on Land Care	10	10	
	*Number of capacity building exercises conducted with approved L/C Projects.	6	6	
	*Number of beneficiaries trained within capacity building skills transfer	650	827	Training of beneficiaries is dependent on number of people who turn up for such.
	Number of farm land hectares improved through conservation measures	30	0	The main project on which the target was based did not require conservation measures.
	No of beneficiaries adopting/practicing sustainable production technologies and practices	100	40	Demonstrations were delayed by climatic conditions where there was excessive rainfall during the targeted quarters.
	Number of degraded hectares rehabilitated	2500	8604	The increase was as a result of additional projects approved by the Department which were not part of the initial plan.
FARMER SETTLEMENT	*Number of green jobs created through Land Care	2000	3269	Department approved more projects under Jikijela which was never part of the initial plan.
	*No. of km of fencing erected under Land Care	430	244	Fencing material was only received in November 2013 from suppliers. Implementation resumed in the 4 th quarter and less progress was achieved.
	Objective: Provide technical support, extension, specialist advisory and mentorship to households and farmers			
	Number of farm plans completed	20	18	Demand driven indicator
	Number of smallholder farmers supported	8500	6096	Farmers (per project) supported were those whose projects were approved for support by the Department.
	Number of commercial farmers supported	500	0	The Department is reviewing its policies on the support of commercial farmers. The indicator was established in response to the need to align with government reporting frameworks. Implementation will be effected in 2014/15.

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
Specialist Agri-cultural Advisory Services	Number of farm assessments completed	20	40	The Department received more requests for assessments from the Department of Rural Development and Land Reform.
	Number of scientific evaluation reports on commodity based projects	88	81	Some evaluation reports are still work in progress.
	Number of cultivar trials conducted	22	17	Slightly below target. There was less demand than planned for trials
	Number of scientific value adding reports in diversified crops	60	51	Fewer requests were received for crop diversification from clients.
Mentorship	No. of projects mentored	75	55	This is a demand driven output. This financial year there has been a decrease in the number of projects mentored due to termination of contracts. The Districts are mobilised to submit new mentorship applications to transfer skills to farmers for 2014/15.
Objective: Creating and facilitating improved access to a stable and diversified food supply for improved nutritional well-being and improvement in household income				
Value adding	No. of agri-processing courses presented	28	34	The excess is due to additional requests from the Districts.
	No. of clients trained in agri-processing	420	452	The indicator is demand driven.
Extension and Advisory Services	No of agricultural demonstrations facilitated	8420	6931	Demonstrations were delayed by climatic conditions where there was excessive rainfall during the most targeted period. .
	No of farmers days held	172	227	Increase was due to demand from clients and stakeholders.
	No. of functional commodity groups supported	10	10	
	Number of consultations to farmers	55692	60747	Increase was due to demand from clients.
Crop production	Number of farmers reached through consultations.	18175	24643	Increase was due to demand from farmers on Departmental services e.g. mechanization, general advice.
	Number of hectares of maize established under mechanization programme	14375	6580	The CASP funds towards grain production were reprioritized as part of the National Food Security Strategy. This happened in July 2013, when the APP targets were already finalized. The adjustments affected the overall planting of maize.
	Number of hectares of beans established under mechanization programme	5850	3990	In addition to the effect of CASP fund re-adjustment by DAFF, the planting of beans in some areas was affected.
	Number of hectares of sugarcane rehabilitated	705	1061	More requests were received for support.
	Number of hectares of other crops established	1365	1 427	Delivery of seeds in Q4 led to more hectares being planted for communities.
	Number of hectares limed	4272	0	Liming did not happen prior to planting season as targeted due to soil suitability.

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
Food Security	No. of verified food insecure households supported	300000	478 826	The output increased in Q4 when training was provided which is scheduled as part of the support.
	No. of food security status reports compiled	4	4	
	*No. of community gardens established	100	100	
Food Security (Continued)	No. Of household gardens established	27500	35625	Delivery of seeds in Q4 led to more hectares being planted for households
	No. of tunnels established	350	355	Almost on target
	No. Of institutional gardens established	212	172	Focus was diverted to establishing household gardens.
Cooperatives	No of people trained within the Food Security Programme	40000	40000	
	No. of agricultural cooperatives established.	100	89	This indicator is demand driven, depends on request from clients who seek to register as cooperatives.
	No. of established agricultural cooperatives linked to the market.	55	126	There was more demand for the markets hence more were/had to be linked
VETERINARY SERVICES				
Objective: Prevention, control and/or eradication of animal diseases				
Animal Health	No. of animal vaccinations against controlled animal disease	1200000	997 348	This is due to a decline in disease outbreaks for the current year.
	*No. of animals vaccinated against anthrax	380000	376 579	The under-performance was due to fewer animals being presented at vaccination points.
	No. of animals vaccinated against rabies	530000	351 579	This is due to the general decline in rabies outbreaks for the current year.
	*Number of cattle vaccinated against Brucellosis	15700	38946	More cattle had to be vaccinated for CA
	*Number of poultry vaccinated against New Castle Disease	237000	72551	There was also less activity with poultry vaccinations. The focus was shifted to the survey on Avian influenza in line with the directive from DAFF.
	Number of primary animal health care (PAHC) interactions held.	2000	1 544	There was less demand for interactions following extensive awareness campaigns during periods of outbreak.
	Number of animals attended to during PAHC sessions	110000	44143	Department has no control on the number of animals that gets presented to organised sessions.

PART B: PERFORMANCE INFORMATION

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
	Number of official veterinary movement documents issued	16000	235	Exports are restricted as a result of FMD.
	Number of animals sampled/ tested for disease surveillance purpose	20 000	4 147	Fewer animals were sampled for screening due to a reduction in disease outbreaks. At some stage, the lab ran out of reagents, which were later procured.
	Number of animal health information days held (knowledge transfer/ extension)	148	132	Fewer information days were held due to a reduction in incidences of disease outbreak.
	*Number of animals tested with skin TB test	40000	6 595	The supply of tuberculin in the country was limited and subsequently affected the related tests.
	Number of CA samples collected	66000	26733	There was reduced need for CA sampling.
	Number of dipping sessions	18000	23961	Establishment of dipping facilities led to increased activity in dipping areas.
	Number of inspections for regulatory purposes	200000	426 438	The high inspection rate is a result of fortnightly inspections in compliance with the FMD protocol.
	No of cattle dewormed	210000	671525	The high output is attributed to increase in the treatment of internal parasites in cattle.
	No of sheep/goat dewormed	122300	104297	There wasn't much demand for de-worming the species
	*Number of veterinary export certificates issued	1500	704	All applications received were processed. Fewer were received.
Export Control	*Number of export establishment registered	50	341	There was a high need for animal commodity export.
	Number of farmers supported in veterinary matters	20000	10 419	This depends on the number of clients requesting veterinary information from the Department.
Veterinary Empowerment	Number of veterinary facilities supported	40	10	This depends on the number of facilities requesting veterinary support from the Department.
	Number of animals subjected to identification measures	20000	10 949	The Department continues to brand cattle as part of the animal identification campaign. The output will increase as more identification items are procured.
Animal Identification	Number of abattoirs inspections conducted	448	1004	Given the high rise of informal abattoirs, VPH received complaints from various stakeholders to do more inspections to detect illegal outlets.
	Number of facilities processing animal product and by-products inspected	448	522	Some posts that were vacant had been filled, a move which increased capacity and subsequent delivery.
VPH	Number of public awareness sessions held.	8	59	With the increase in the disease outbreaks in 2012/13, DAFF recommended additional sessions and the subsequent stringent regulatory controls.

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
Veterinary Laboratory Services	Number of illegal slaughtering investigations held	24	28	The Department received more calls from stakeholders to do investigations than planned
	Number of contact sessions held	20	57	The Department received more calls from stakeholders to host contact sessions
	*Number of control audit reports	18	36	Lab decided to do more since the preparation of SANAS accreditation requires more of these reports
	Number of external quality control reports	24	52	Lab decided to do more since the preparation of SANAS accreditation requires more of these reports
	*Number of specimens tested	155 000	115 775	The lab has no control on the number of specimen tested since this depends on what clients submit for testing.
	Number of food safety specimens tested	560	1188	Clients brought more specimen in the lab than planned
	Number of abattoir hygiene monitoring specimens tested	100	54	Problems of equipment breakdown affected performance.
	Number of specimens tested for Controlled/Notifiable diseases	72500	76328	The output was based on demand.
	Number of specimens tested for Non-Controlled/Notifiable diseases	70000	37554	As a result of the mentioned equipment challenges, some specimen had to be taken to external labs for testing as such the Departmental lab had no influence on timeframes
	No of tests performed	203000	157928	Equipment challenges have hampered performance.
RESEARCH AND TECHNOLOGY DEVELOPMENT	Number of epidemiological studies conducted	6	4	Since focus is on accreditation, less studies have been conducted
	Number of necropsy specimens processed	600	491	This depends on requests from clients
	Objective: Undertake appropriate adaptive agricultural research, technology development and transfer to advance agriculture			
	*Number of research project plans approved which address specific commodity's production constraints	17	14	Demand driven. All plans received were processed.
	Number of research projects implemented which address specific commodity's production constraints	68	68	
	*Number of research projects completed which address specific commodity's production constraints	6	10	Some research projects took longer than expected to be completed and will be reported once completed.

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
	Number of scientific papers published	9	8	All scientific papers generated were published. The shortfall is as a result of some ongoing research studies.
	Number of presentations made at scientific events	4	4	
	Number of samples analysed.	34200	37545	Slightly more samples have been received than initially anticipated
	No of mushroom packs produced	220 000	108 423	Unanticipated equipment breakdown has hampered the production of mushroom packs.
	Number of research infrastructure provided	11	11	
	Number of research infrastructure maintained	11	11	
	No. of presentations made at technology transfer events	4	3	There were only 3 technology transfer events conducted and only 3 presentations could be made and reported this financial year
	Number of demonstration trials conducted	11	10	This is demand driven.
	Number of popular articles in media	8	6	Some articles are still work in progress and will be reported once completed
	*No of information packs disseminated (developed)	5	8	There was more demand than planned
AGRICUTURAL ECONOMICS	Number of technology transfer events conducted.	25	24	One event had to be cancelled due to challenges from the side of the stakeholders.
	Objective: Provide accurate agricultural economic information to support farmers			
	Number of Agri-Business supported with Agricultural economics advice towards accessing markets	36	12	The Department has no control on this indicator since it depends on requests received from clients
	*Number of Agricultural economics studies conducted	40	21	This depends on requests for economic studies received
	*Number of clients supported with agricultural economic advice	1200	1338	This depends on requests received from clients
	Number of Smallholder farmers/producers accessing marketing information	200	419	Clients demanded more marketing information than initially planned
	Number of new enterprise budgets developed	5	3	Clients were not always co-operative in providing price information and this resulted in delays in developing some budgets.

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
	Number of enterprise budgets updated	36	18	Clients are not always co-operative in providing price information on time. This resulted in delays for the update of some budgets.
	Number of marketing /statistical reports developed	1200	589	Development of these reports depend largely on the availability and cooperation of clients served, unfortunately this exercise was not properly done based on the unavailability of clients, especially during the month of December.
	Number of macroeconomic information requests responded to on macroeconomic information	1000	479	Fewer macroeconomic information requests received than planned
	Number of macroeconomic reports developed	5	4	There were less demands from clients.
STRUCTURED AGRICULTURAL TRAINING				
Objective: To facilitate and provide structured agricultural education and training in line with the Agricultural and Education Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector				
Further Education and Training	Number of trained farmers receiving Certificates	2500	2484	Some farmers do not complete the whole course duration. As such, they do not get certificated.
	Number of learners completing accredited skills programme	360	1054	The Department received a special request from the Department of Correctional Services to train inmates on agricultural skills programme.
	Number of learners completing non accredited short course	300	225	There was less demand for the course from various structures of the Province
	Number of students registered into accredited Higher Education and Training (HET) qualifications	310	352	This is demand driven
Higher Education and Training	Number of students completing Higher Education and Training (HET) qualifications	90	99	This indicator cannot be controlled, the number of students completing depends on the pass/failure rate. The pass rate slightly increased from the set target.

Expenditure: Agricultural Development Services

Sub-programme	2012/2013			2013/14		
	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	95,802	90,794	5,008	112,361	112,361	–
Farmer Support and Development	1,179,346	1,179,346	–	1,158,775	1,126,825	31,950
Veterinary Services	154,386	154,386	–	135,812	135,812	–
Research & Technology Development	155,249	155,249	–	163,704	163,704	–
Agricultural Economic Services	2,231	2,231	–	5,641	5,641	–
Structured Agricultural Education and Training	119,342	119,342	–	122,971	122,221	750
TOTAL	1,706,356	1,701,348	5,008	1,699,264	1666,564	32,700

Agricultural Development Services was under-spent by R32.7 million of which R23 million is in respect of lime that was ordered for the liming programme under the Ilima/Letsema conditional grant. Unfortunately the lime was not delivered by 31 March 2014. Also, R8.847 million relates to the provision of sheds for mechanisation equipment in all districts. This project took longer than anticipated and will only be implemented in the 2014/15 financial year. Furthermore, the Department provided for a transfer payment of R1 million to Zakhe Agricultural College but the progress made by the College meant that only R250,000 was transferred. This assistance will continue in the 2014/15 financial year. This under-spending is directly linked to the under-achievement of targets in major indicators including infrastructure development and crop production.

2.3 PROGRAMME 3: ENVIRONMENTAL SERVICES

PURPOSE

To advance environmental sustainability for socio-economic development through the promotion of sustainable use of the environment and ensuring safe and healthy environment.

OVERVIEW OF PROGRAMME PERFORMANCE

The Environmental Management component provides services in terms of environmental planning and coordination, compliance and enforcement, waste management, air quality management, environmental impact management, biodiversity management and environmental empowerment. In order to improve environmental planning and coordination, the Department concentrates on the development of instruments, mechanisms and institutions to ensure sound cooperative environmental governance in the implementation of sustainable development frameworks.

SERVICE DELIVERY ACHIEVEMENTS

Impact Management

The achievement of 99% of the APP target for the number of EIA applications finalized within legislated timeframes during 2013/14 is an indication of improved compliance to Environmental legislation.

Waste Management

During the 2012/13 financial year a landfill site status quo assessment was conducted of all operational landfill sites within KwaZulu-Natal. A summary report was produced, which gave a visual interpretation of the compliance status of landfill sites with the use of “traffic light” tables. This summary report was presented to the Portfolio Committee for Conservation and Environment, as well as other Provinces and the Deputy Minister for Environmental Affairs at the 2013 Waste Khoro.

Climate Change

The Department has been participating in the disaster management forums of different district municipalities. This is done in order to ensure that many of the approaches being developed for adaptation, such as vulnerability assessments, sector plans, capacity-building and response strategies, are directly supportive of disaster risk reduction. It is also based on the fact that due to climate change, hydro-meteorological hazards have become more prevalent than non-hydro meteorological hazards, this has been observed in different parts of the Province through flash flooding, severe thunderstorms accompanied by damaging lightning, severe hail etc.

Programmes aimed at creating awareness on climate change issues in the communities were implemented through workshops held in partnership with KZN Department of Cooperative Governance and Traditional Affairs for AmaKhoshi and Izinduna as well as events aimed at reaching to the public. The Department coordinated the training in partnership with the national Department of Environmental Affairs on the methods and guidelines for the compilation of a Greenhouse gas emission inventory. Five district municipalities were invited to form part of the training, which were uGu, eThekweni, uMgungundlovu, iLembe and uThungulu. This was done as the first step towards compiling a complete inventory for the Province.

Coastal Management

The Coastal Management unit provided emergency support, coordination and response to the grounding of the MT Phoenix off Sheffield Beach on the North Coast and MV Smart at Richards Bay harbour. Reacting to the possibility of dealing with an oil spill and coal, EKZN Wildlife and the Unit prepared an environmental risk mitigation plan for marine and estuarine systems which outlined the preventative and rehabilitation options available to SAMSA and the salvagers.

Four Amakhosi workshops (Ugu, eThekweni, iLembe and Umkhanyakude) were coordinated by our unit in response to the MEC's instructions on illegal development along the coast. These workshops aimed to raise awareness and educate on the environment and climate change.

Biodiversity Management

Over 16 000 jobs were created through the Department's Sustainable Natural Resource Management (SNMR) programme in 2013/14.

Environmental Empowerment Services

The Department maintained its advocacy initiatives to raise awareness about the environment. A number of campaigns, workshops and training sessions were convened with stakeholders, including communities throughout the province.



The EPWP Summit

In 2013/14, the Schools Environmental Education Programme (SEEP) was awarded Gold at National Batho Pele Awards, as the best implemented Programme of the year 2013.

KZN Integrated Greening Programme (IGP)

In 2011, the Province of KwaZulu Natal, under the leadership of former Premier launched the Integrated Greening Programme (IGP) as a flagship programme to integrate greening initiatives in the Province. The Dept. of Public Works (KZN) was nominated as the driver of the programme with DAEA as the Department to provide the Technical expertise. In 2013/14, the programme was awarded the Best Implemented Project: National Batho Pele Awards, where a silver award was received.

SERVICE DELIVERY ACHIEVEMENTS: ENVIRONMENTAL MANAGEMENT

Outputs	Performance measures	Actual Performance Against Target		Reasons for Variance
		Target for 2013 / 2014	Actual outputs for 2013 / 2014	
Policy Coordination and Environmental Planning				
Objective: Environmentally sustainable development				
Policy Coordination And Environmental Planning	Number of intergovernmental sector tools reviewed	80	77	Two local municipalities at Uthungulu District could not finalise SDF processes within the reporting period. Precinct plans at Harry Gwala District Municipality were not adopted.
	Number of legislative tools developed	10	07	Two EMFs, Ilembe CMP, KwaDukuza estuary management plan and Ilembe AQMP could not be finalized within the reporting period.
	Number of environmental research projects undertaken	11	08	Some districts could not report on KPA due to capacity constraints.
	Number of functional environmental information management systems	12	11	One district could not report on the KPA due to infrastructural challenges
	Number of climate change response tools developed	1	01	Ilembe CCRS was finalised
Compliance and Enforcement				
Objectives: To mitigate impact and promote a safe and healthy environment.				
Compliance, Management and Enforcement	Number of criminal enforcement actions finalised for non-compliance with environmental management legislation	4	0	Dependent on transgressions received. Demand driven
	Number of administrative enforcement actions taken for non-compliance with environmental management legislation	370	379	This indicator is demand driven and varies per quarter.
	Number of compliance inspections conducted	700	724	Officials put in greater effort in order to conduct additional inspections.
	Number of received S24G applications finalized	24	7	This indicator is demand driven.
Environmental Quality Management				
Objectives: To mitigate impact and a safe and healthy environment				
Air Quality Management	Number of designated state organs with approved AQMPs	1	1	Ugu District Municipality

Outputs	Performance measures	Actual Performance Against Target		Reasons for Variance
		Target for 2013 / 2014	Actual outputs for 2013 / 2014	
Impact Management	Number of EIA finalized within legislated timeframes	320	299	93% of target achieved. Performance dependent on the number of EIA applications received and the demand for listed activities (economic conditions).
Pollution and Waste Management	Number of air emissions license applications finalised within legislated timeframes	10	10	AEL's were finalized in Umgungundlovu, Ilembe and Amajuba districts.
	Number of waste license applications finalised within legislated timeframes	14	21	Amendments to the list of waste management activities were gazetted on 29 November 2013, which resulted in 10 applications being withdrawn. However, more decisions were issued and applications finalized.
Biodiversity Management				
Objectives: To manage invasive alien species				
Biodiversity Management	Number of coastal management programmes adopted			1) KZN COASTAL PROFILE & CMP: There were some delays from writers of various specialist chapters in drafting the Coast Profile which is part of the KZN Coastal Management Program. The Coastal Profile has since been finalized and is currently being printed. The CMP will then be drafted in the new financial year. 2) NKONGWENI ESTUARINE MANAGEMENT PLAN: This was to have been a co-founded venture with DEA, KZN DAEA and Cape Nature being an implementing agent. Given funding challenges at the National level the co-funded option was not possible. The development of the plan will now be prioritized for funding by the Department in the 2014/15 financial year.
		2	0	
Environmental Empowerment Services				
Objectives: Mitigate impact and promote a safe and healthy environment				
Capacity Building and Support	Number of job opportunities created through environmental programmes	16 000	12 985	Target not met due to budget constraints
	Number of environmental capacity building activities conducted	33	39	Sponsorship from Landcare and other partners enabled more workshops to be conducted.
	Number of environmental awareness activities conducted	950	969	Partnership with other stakeholders enabled more awareness activities to be conducted

Expenditure: Environmental Management

Sub-programme	2012/2013			2013/14		
	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
Environmental Policy Planning and Coordination	2,717	2,717	–	3,666	3,666	–
Compliance and Enforcement	28,659	28,659	–	32,428	32,373	55
Environmental Quality Management	48,219	48,219	–	28,539	27,989	550
Biodiversity Management	147,535	147,535	–	133,967	133,967	–
Environmental Empowerment Services	31,354	31,354	–	32,727	32,150	577
TOTAL	258,484	258,484	–	231,327	230,145	1,182

Environmental Management underspent by R1.182 million, of which R800,000 relates to transfer payments and R382,000 under machinery and equipment. The transfer to WESSA of R400,000 could not be processed due to technical challenges on the financial system and the transfer to municipalities of R400,000 is in respect of the winners of the greenest municipality competition that did not submit the required business plan and hence did not receive funding. The under expenditure against *machinery and equipment* relates to various office furniture and equipment due to slow filling of posts and therefore no need to provide computers, furniture, etc.

3. TRANSFER PAYMENTS

3.1 Transfer payments to public entities

The Department had two public entities and one government business entity reporting to the Department during 2013/14 financial year. The entities produce their own separate annual reports that provides details of their mandates, outputs and achievements. The purpose of the entities is as follows

Ezemvelo KZN Wildlife (EKZNW) is the public entity responsible for performing the nature conservation function in the province.

Agri-business Development Agency (ADA) is the public entity providing the vehicle to grow the agricultural sector and improving access for black commercial farmers and agribusiness entrepreneurs through partnership and knowledge. This entity was previously under Department of Economic Development and Tourism and the Department only utilised the entity as an implementing agent for agricultural projects providing assistance to farmers. The oversight responsibility was transferred to the Department during the 2013/14 Adjustments Estimate.

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

- Repair and upgrading of the existing 3 500ha 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 for 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 has improved the monitoring of the above entities during 2013/14 and quarterly reviews of financial and non-financial performance was conducted. The Department also has representation at board meetings.

Transfers to Public and Government Business Entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	(Over)/Under Expenditure
EKZNW	Conservation services	568,522	568,522	–
ADA	Project implementation	82,394	74,059	8,335
Mjindi	Agricultural development	46,607	40,807	5,800
TOTAL		697,523	683,388	14,135

The under-expenditure by ADA and Mjindi is partly due to vacant posts and outstanding commitments where the goods/services and invoices were not received and paid by 31 March 2013/14. The entities have requested that these committed funds be rolled over to the 2014/15 financial year.

3.2 Transfer payments to all organisations other than public entities

The Department made transfers to various organisations and private enterprises as listed in the table below. The Department enters into Service Level Agreements (SLA) with all entities that receive funds with the exception of farmers that received 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 SLA's. 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 2013 to 31 March 2014, excluding transfers for motor vehicle license and radio license.

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
Newcastle Municipality	Local Government	Greenest municipality award	400		
Maphumulo Municipality	Local Government	Greenest municipality award	100		
Greater Kokstad	Local Government	Greenest municipality award	100		
Mvushini Estate Pty Ltd	Private	Soil conservation subsidy	331	331	
Radley JH	Private	Soil conservation subsidy	561	561	
Du Plessis MJ	Private	Soil conservation subsidy	539	539	
Peoples Bio Oil (Pty) Ltd	Private	Infrastructure and equipment for bio oil factory	6,000		
SA Sugar Research Institute	Private Private	Agricultural Research	1,197	1,197	
SA Association for Marine Biological Research	Non-profit	Research and operational costs	5,227		
Zakhe Agricultural College	School	Improvement of facilities	250	250	
Households	Private	Various employee benefits	4,597	n/a	
Donations	Private	Cash donations	43	43	

The table below provides details of transfers that were budgeted for in the period 1 April 2013 to 31 March 2014 but not transfer payments were not made.

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
Endumeni Municipality	Greenest Municipality awards	400	–	Municipality did not submit the required business plan
WESSA	Environmental education	400	–	Technical problem with processing payment at end of financial year.
Zakhe Agricultural College	Improvement of facilities at school	1,000	250	The project runs over two financial years but Department provided full funding in 2013/14.

4. CONDITIONAL GRANTS

4.1 Conditional grants and earmarked funds received

Conditional grants and earmarked funds received

The tables below details the four conditional grants received for the period 1 April 2013 to 31 March 2014.

4.1.1 Land Care Programme Grant

Department who transferred the grant	Department of Agriculture, Forestry and Fisheries
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in the initiatives that supports the pillars of sustainability (social, economic and environmental) leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	<ul style="list-style-type: none"> Community benefiting from the programme through job creation – 816 people Projects beneficiaries benefiting from skills transfer – 473 people Making productive land available for agricultural production (grazing) – 4127ha Number of awareness events hosted – 10 Number of youths successfully attending organized Junior LandCare initiatives – 120 Km of fence constructed – 131km's
Actual outputs achieved	<ul style="list-style-type: none"> Improved social economic status – 895 Beneficiaries with improved skills – 615 Increased grazing areas – 3054ha Number of events were to increase awareness amongst communities and stakeholders – 11 Number of youths successfully attending organized Junior LandCare initiatives – 120 Km of fence erected – 47.92km's
Amount per amended DORA (R'000)	18,746
Amount received (R'000)	18,746
Reasons if amount as per DORA was not received	–
Amount spent by the Department (R'000)	18,746
Reasons for the funds unspent by the Department	–
Reasons for deviation on performance	Late delivery of fencing material has resulted in projects not being completed by 31 March 2014 which affected the number of kilometers fenced and hectares of grazing land established. However, this has been offset by the over achievement of improved economic status, improved skills and awareness events.
Measures taken to improve performance	Earlier procurement.
Monitoring mechanism by the receiving Department	Monthly and quarterly monitoring.

4.1.2 Ilima/Letsema Project grant

Department who transferred the grant	Department of Agriculture, Forestry and Fisheries
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production.
Expected outputs of the grant	To provide effective agricultural support services services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export.
Actual outputs achieved	
Amount per amended DORA (R'000)	65,768
Amount received (R'000)	65,768
Reasons if amount as per DORA was not received	–
Amount spent by the Department (R'000)	42,768
Reasons for the funds unspent by the Department	The lime for the liming programme was ordered but not delivered by the service providers
Reasons for deviation on performance	The lime was not delivered for the liming programme
Measures taken to improve performance	Early procurement of goods and services
Monitoring mechanism by the receiving Department	Monthly and quarterly monitoring

4.1.3 EPWP incentive grant for Provinces

Department who transferred the grant	Public Works
Purpose of the grant	Increase number of EPWP jobs
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA (R'000)	550
Amount received (R'000)	550
Reasons if amount as per DORA was not received	–
Amount spent by the Department (R'000)	550
Reasons for the funds unspent by the Department	–
Reasons for deviation on performance	
Measures taken to improve performance	None
Monitoring mechanism by the receiving Department	Monthly and quarterly monitoring

5 DONOR FUNDS

5.1 Donor Funds Received

The Department received foreign aid for the Rabies Programmes during the 2013/14 financial year.

5.2 Rabies Programme

The Department signed an agreement with the Bill Gates Foundation for funding of the rabies programme to the value of \$2,179,371 over five year period. This funding will be received through the World Health Organisation.

5.1.1 Donor Fund: World Health Organisation

Name of donor	Bill Gates Foundation through World Health Organisation
Full amount of the funding	Bill Gates Foundation through World Health Organisation
Purpose of the funding	\$2,179,371
Expected outputs	Prevention of human rabies through the control of dog rabies
Actual outputs achieved	<ul style="list-style-type: none"> • Sustaining and supplementing the Department's control measure against rabies through the acquisition of additional supplies such as vaccinations; • Promoting public awareness which filters into all aspects of rabies control; • Promoting primary health care of companion animals through clinics in key areas; and
Amount received in current period (R'000)	
Amount spent by the Department (R'000)	2,291
Reasons for the funds unspent	1,058
Monitoring mechanism by the donor	Funds are received in January 2014 to be utilised by December 2014.

PART C:

GOVERNANCE



1. INTRODUCTION

The Department has an obligation to maintain the highest standards of governance in the management of public finances and resources. The Department applies a number of measures to ensure that the taxpayers and communities at large receive efficient services, with reduced incidence of fraud and corruption, at best value for money.

2. RISK MANAGEMENT

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 advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The Audit 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 risks, particularly in the area of Information Technology.

3. FRAUD AND CORRUPTION

The Department's has a fraud prevention plan which is closely monitored by the Internal control and Risk Management unit. The Department has a Hotline managed through the Office of the MEC, where activities of fraud and corruption may be reported.

4. MINIMISING CONFLICT OF INTEREST

All employees are made aware to declare any activities that may be in conflict with the work for which they are officially remunerated. Senior Managers declare their financial interests on an annual basis. Furthermore, members in all committees of the Department declare their interest prior to participating in official meetings.

5. CODE OF CONDUCT

The code of conduct / ethics document is distributed to all staff on an annual basis. Posters are also displayed on all entrance halls of Departmental offices. This ensures that all employees are aware of the expected conduct while on duty, as well as the channels of recourse that may be followed in the event of violation of these.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department prioritizes issues of Health Safety and Environmental and has a fully functional committee which convenes on a quarterly basis.

7. PORTFOLIO COMMITTEES

The Department has quarterly engagements with the Agriculture and Environment and Conservation portfolio committees. Most matters raised by the Portfolio Committee have been addressed by the Department. The ongoing concerns such as the filling of critical posts and finalizing the organizational structure will be completed in 2014/15.

A number of resolutions were issued following engagement with the Standing Committee on Public Accounts (SCOPA). Progress to the resolutions is presented in the table below.

SCOPA Resolutions

The Public Accounts Standing Committee met with the Department on 18 October 2013 to deliberate on the Auditor-General report for the 2012/13 financial year. The committee did not have any resolutions specific to the Department. However, the table below are transversal resolutions that required Departmental responses. The Department had not met with the committee since the responses and therefore it cannot be ascertained whether the responses are accepted and that the matters are resolved.

Resolution No.	Subject	Details	Response by the Department
25/2013	Transversal Resolution on Information Technology	The findings of the Auditor-General across all Departments and public entities in IT governance, security management, user access management and IT service continuity and that limited progress has been made in recent financial years to address these findings. Accounting Officer to report on what action is being taken to address these finding and to ensure implementation of A-G recommendations.	The Department has addressed the Auditor General findings. These include password control, SITA Administrator activity auditing control as well as Human Resource interaction in terms of staff termination. The Department have the approved IT Governance Framework. Awareness workshops on the Framework have been conducted for staff at Head Office and in all three regions (South, North and Central).
26/2013	Transversal on Irregular Expenditure	Irregular expenditure across Departments remains high which indicates that serious problems exist in complying with PFMA and SCM processes and to detect and disclose irregular expenditure and that it is the Accounting Officers responsibility to take effective and appropriate disciplinary steps against any official who makes or permits irregular expenditure. Accounting Officer to report to Provincial Treasury on details of the irregular expenditure and steps taken to address such and disciplinary action taken.	The Department is co-operating with the Provincial Treasury with regard to the clearing of the Irregular expenditure for prior years. An amount of R44.141 million relating to prior year irregular expenditure was condoned during 2013/14 financial year.

Resolution No.	Subject	Details	Response by the Department
27/2013	Transversal resolution – Reports on forensic investigation	Committee concerned that forensic reports are not provided to the Legislature to exercise the oversight role. Reference is made to the joint resolution of SCOPA and Finance Portfolio and subsequently adopted by the full Legislature, Resolution 1/2011. Resolved that Accounting Officers must report all completed investigations to the committee together with action taken against officials and service providers to implement recommendation contained in the report. Where it is not possible to provide the report, reasons must be provided. Accounting Officers to also report to Internal Audit detailed list of all investigations being conducted internally or by other relevant authorities.	<p>There was one investigation completed during 2012/13 regarding a transfer payment to SA Sugar Association (SASA). The investigation was conducted by Provincial Treasury and their key findings are as follows:</p> <ul style="list-style-type: none"> • The Department had concluded an agreement during November 2008 with SASA for a total amount of R60 million. • During December 2008, SASA had delivered fertilizers to the value of R4 million to the sugar cane farmers. SASA then claimed this amount from the Department. • The payment to SASA was for services rendered to the Department. <p><i>Recommendation by Provincial Treasury:</i> No irregularities could be established with regard to transfer of funds. As a result the matter is closed.</p> <p>The Internal Audit unit at Provincial Treasury is provided with a list all forensic investigations conducted by the Department.</p>
28/2013	Transversal – Material misstatements and omissions in submitted Annual Financial Statements	Material misstatements and omissions in AFS submitted has been reoccurring in majority Departments and that this would have led to qualifications if the adjustments had not been made. Accounting Officer to report on action taken to ensure that material misstatements and omissions is adequately addressed	The Department submits the Interim Financial Statements at the end of Quarter One to Three. These three interim financial statements are assisting in providing accurate final Annual Financial Statements. To this end, the audit for 2013/14 reflect that there are no material misstatements found by the Auditor-General.
30/2013	Transversal – Findings on achievement of planned targets	Of the total number of 129 targets planned for the year, 43 targets (33%) were not achieved during the year under review. This was as a result of the Department not considering relevant systems and evidential requirements during the annual strategic planning process. Accounting Officer to report on what action is being taken in their Departments to address the 2012/2013 findings of the Auditor-General on achievement of planned targets.	<p>The Department does consider prior year performance and outputs to determine its targets for future years during the planning process. However, it must be mentioned that many of the targets are demand driven and therefore depend on farmers requesting/ requiring certain services. Furthermore, climatic conditions vary to certain degree from year to year as well as the outbreak of diseases which will have an impact on the incidents reported on. For example, the outbreak of Brucellosis (northern parts of the province) and higher incidents of rabies during 2012/13 resulted in these targets being exceeded but had a negative impact on other targets as the Department had deploy its resources towards the control of brucellosis and rabies.</p> <p>The Department will nevertheless endeavour to improve on setting accurate targets during future target settings in the Annual Performance Plan and Strategic Plan.</p>

Resolution No.	Subject	Details	Response by the Department
31/2013	Human Resource matters – Filling of key vacancies.	High number of vacancies which exist in Senior Management positions which have adverse effect on findings of the A-G, particularly in the financial management and performance management, compliance with laws and regulations, leadership and governance.	Two key vacancies have been filled as follows: <ul style="list-style-type: none"> • Chief Financial Officer on 01 July 2013 • Senior Manager: Monitoring and Evaluation on 01 October 2013. The filling of critical vacant SMS posts have been prioritised. In this regard, the HOD, 3 General Managers, and 8 Senior Manager posts have been advertised.

8. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department received an unqualified audit opinion for 2012/13 financial year.

9. INTERNAL CONTROL UNIT

This Directorate conducted a number of operational risks assessments and review of internal controls based on the identified high risk areas.

Monitoring of the implementation of the risk mitigation strategies and audit recommendations including Auditor General's report was conducted and a noticeable improvement in the control environment has been achieved.

The internal audit performed amongst others the following:

Head count for departmental employees, Audit or grant in aid to SAMBRR, Audit of livestock production, Review of SCM processes (checking adherence with transversal contracts), and Surprise head count by internal control and risk committee, Animal Health care and veterinary public health.

10. AUDIT COMMITTEE REPORT

(Overleaf.)

REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 3 – AGRICULTURE & RURAL DEVELOPMENT

1. Objective and responsibility of the Audit and Risk Committee

The Provincial Audit and Risk Committee (PARC) has been established to assist the KZN Provincial Government in fulfilling its oversight responsibilities for the integrity of financial reporting processes, system of internal control over financial reporting, audit process for monitoring compliance with laws and regulations and KZN Provincial Government Code of conduct, fraud prevention, the risk management process and any other good governance processes.

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

The Committee is therefore, pleased to present its report for the financial year ended 31 March 2014.

2. Audit Committee Members and Attendance

The KwaZulu Natal Provincial Government has established the PARC as the shared audit committee for its provincial departments. The PARC is further sub-divided into three Cluster Audit and Risk Committees (CARCs) to provide oversight to provincial departments – i.e. with the Department of Agriculture and Environmental Affairs being served by the Governance and Administration CARC. The PARC and the Economic CARC consists of the members listed below. As per its approved terms of reference, the Economic CARC and PARC should meet at least 4 times per annum respectively. During the financial year under review, four (4) PARC and four (4) Economic CARC meetings were held as outlined below.

#	Name of Member	PARC Meetings Attended	Economic CARC Meetings Attended
1.	Ms T Tsautse (Chairperson)	4	4
2.	Ms M Mothipe	4	N/A
3.	Mr V Naicker	2	N/A
4.	Ms N Jaxa	4	4
5.	Mr L Mangquku	4	4
6.	Mr F Docrat	4	N/A
7.	Mr T Boltman	4	N/A

- N/A = Not a member of the Economic CARC
- PARC meetings, include 2 special meetings.

3. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Internal Auditors, 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 around the following areas:

- Transfer Payments
- Supply Chain Management
- Human Resources Management
- Performance Information
- Expenditure Management (Irregular Expenditure)

Risk Management

With regard to risk management, the Committee has noted that the Department has not taken full responsibility and ownership for compliance with section 38(1)(a)(i) of the PFMA, which requires the Accounting Officer to ensure the maintenance of an effective system of internal control and risk management. During the period under review, the Department was assisted by the Provincial Internal Audit Services in updating its risk register, and tracking progress in the implementation of risk mitigation plans. We, are however, pleased that the Department has a capable Risk Manager who assists the Department to comply fully with section 38(1)(a)(i) of the PFMA.

In order to improve the general control environment in relation to risk management, the Department have been advised to:

- Ensure that completed risk mitigation plans are validated, measured and the risk register regularly updated;
- Report on emerging risks, if any, on a quarterly basis;
- The Provincial Internal Audit Service capacitates the Department and its Risk Management Officer to enable them to execute the risk management activities on their own.
- Establish additional capacity in the Department to ensure that each Programme has the risk champion that will be responsible for undertaking the daily risk management responsibilities and report to the Risk Management Officer.

Forensics Investigations

During the period under review, the Committee noted that there were eleven (11) forensic investigations relating to alleged SCM irregularities that the Department has referred to the Provincial Internal Audit Services for investigation. Eight (8) of these investigations were completed, and the other three (3) were still in progress. The Department and the Provincial Internal Audit Service are urged to promptly finalize the outstanding investigations, and work together to implement recommendations on the finalized investigation.

The Committee is unable to comment on the completeness of the investigations conducted during the year under review as the Department has partially responded to the request to furnish the Provincial Internal Audit Services (PIAS) with a list of all in-house or outsourced investigations to other service providers by the Department. As a result, the committee is unable to further comment on the completeness of the Department's fraud risk profile.

Quality of in year management and monthly/quarterly reports

Based on the audit reviews conducted by Internal Audit, the Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department during the year under view.

Reviewed material adjustments resulting from the audit of the Department and has noted that the material misstatements on annual performance plan were adequately corrected which resulted in no material findings performance information. The Department has been urged to implement corrective actions to address the weaknesses identified around the reliability of performance information as well as lack of records to support achieved performance as reported by the Auditor General.

4. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report and Management's response thereto;

- Reviewed the Department's processes for compliance with legal and regulatory provisions and a concern is noted around the weaknesses regarding the verification of employee information during the appointment process, failure to adhere to limits with regard to overtime payments and failure to prevent irregular expenditure as a result of non-compliance to supply chain management prescripts. All the aforementioned weaknesses require immediate attention and we urge the Department to devise improvement strategies to address the shortcomings and the corrective actions plans will be monitored for implementation.
- The Committee is however concerned that financial statements information with material errors was presented for audit. This area requires immediate attention and the Department was urged to devise improvement strategies to address the weakness and thereby avoid recurrence of this error.

The Committee concurs and accepts the Auditor General's opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

5. Internal Audit

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit Function provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved through the implementation of a risk based Internal Audit plan. The Committee has, through the CARC monitoring processes, considered internal audit reports issued after assessing the adequacy and effectiveness of controls designed to mitigate the risks associated with operational and strategic activities of the Department, as well as the appropriateness of the of corrective actions provided by management to improve the control environment.

The Internal Audit function was effective during the period under review and there were no unjustified restrictions or limitations. The Committee will in the forthcoming year, monitor progress to ensure that the Internal Audit Function continues to add value to the Department and achieves its optimal performance. The Committee also monitored the implementation of Internal Audit recommendations to the Department.

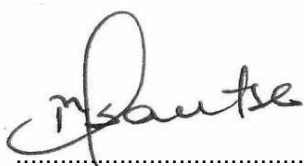
6. Auditor-General's Report

The Committee has throughout the financial year, constantly monitored the implementation of corrective action plans to address the audit issues raised in the prior year by the Auditor General. The Committee has met with the Auditor General of South Africa to ensure that there were no unresolved issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions on the detailed findings emanating from the current regulatory audit are monitored on a quarterly basis through the CARC processes.

7. 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 information they have provided to enable us to compile this report.



Ms T Tsautse

Chairman: KZN Provincial Audit and Risk Committee

Date: 11 August 2014

PART D:

HUMAN RESOURCE MANAGEMENT



1. OVERVIEW OF HUMAN RESOURCES

The Department had challenges in filling critical, vacant posts during 2013/14. This was related to the finalization of the organizational structure.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Provision of extended Agricultural Support Services	Farmers (emerging and commercial) Organised Agriculture (Livestock and Farmer Associations)	Learning institutions NGOs	100 dip tanks rehabilitated 25 new dip tanks established 220 new agricultural structures established 80 new boreholes established 100 livestock watering dams 50 new irrigation schemes established 30 irrigations schemes revitalized 450 km of fencing erected 2966 hectares of liming and fertilizing 5500 farmers receiving training certification 30 agricultural processing courses presented	
Provision of environmental quality and protection services	Public Parastatals Government Organs of state Business and industries NGOs and CBOs Environmental Assessment Practitioners Traditional leaders State owned enterprises Developers		90% Environmental Implementation plan applications finalised within the time frame 750 authorisations audited for compliance 70% landfill sites licensed 140 000 people attending awareness programs 45% of land covered by Environmental Management Framework 80% of air quality hot spots covered by monitoring stations	91% 800 80% 150,000 60% 90%

TABLE 1.2 - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Farmers day Livestock meetings	Farmers (emerging and commercial) Organised Agriculture (Livestock and Farmer Associations)	Learning institutions NGOs	Stakeholder forums KZN waste management officers'forums Compliance monitoring and enforcement authority meetings Ethekwini and KwaDukuza technical committee capital project meetings Provincial coastal committee Provincial air quality officers' meeting for environmental co-ordination
Stakeholder forums KZN waste management officers'forums Compliance monitoring and enforcement authority meetings Ethekwini and KwaDukuza technical committee capital project meetings Provincial coastal committee Provincial air quality officers' meeting for environmental co-ordination	Public Parastatals Government Organs of state Business and industries NGOs and CBOs Environmental Assessment Practitioners Traditional leaders State owned enterprises Developers		Stakeholder forums KZN waste management officers'forums Compliance monitoring and enforcement authority meetings Ethekwini and KwaDukuza technical committee capital project meetings Provincial coastal committee Provincial air quality officers' meeting for environmental co-ordination

TABLE 1.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
Improvement of signage Increase Environmental Impact Officers for the Districts Internet based environment application process Helpdesk for provincial toll free number Functional lift for disability access Increase availability of parking	Not achieved Recruitment and selection conducted for all posts in the North Region NEA public portal has been developed and implemented Not achieved Not achieved Not achieved

TABLE 1.4 - Service Information Tool

Type of Information Tool	Actual Achievements
Workshops on environmental Acts and legislation Awareness campaigns (Eco schools competition, Cleaner Industries competition) Distribution of newsletters Presentation of services/amendments to legislation Farmers day Livestock meetings Departmental documents to be made available in isiZulu Publishing of results of clients satisfactions surveys Demonstrations Training of Farmer Associations Visual aid for illiterate clients	247 trainees

TABLE 1.5 - Complaint Mechanism

Complaint Mechanism	Actual Achievements
Establishment of Departmental Agricultural forums to address verbal complaints and to ensure standardisation of services Implementation of approved complaints policy Compliance auditing of backlog cases	Policy undergoing a review process to address gaps 60%

EXPENDITURE**2.1 Personnel costs by programme**

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	320,171	122,063	0	0	38.1	37	3341
Agricultural develop serv	1,638,050	721,862	0	0	44.1	216	3341
Conservation	591,749	0	0	0	0	0	3341
Environmental management	230,079	84,467	0	0	36.7	25	3341
Z=Total as on Financial Systems (BAS)	2,790,545	928,391	0	0	33.3	278	3341

2.2 Personnel cost by salary bands

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	3,159	0.3	63,180	992,675	50
Skilled (Levels 3-5)	215,024	21.7	158,572	992,675	1356
Highly skilled production (Levels 6-8)	283,098	28.5	288,581	992,675	981
Highly skilled supervision (Levels 9-12)	323,348	32.6	479,034	992,675	675
Senior management (Levels 13-16)	42,021	4.2	955,023	992,675	44
Contract (Levels 1-2)	24,343	2.5	153,101	992,675	159
Contract (Levels 3-5)	8,089	0.8	245,121	992,675	33
Contract (Levels 6-8)	16,572	1.7	690,500	992,675	24
Contract (Levels 9-12)	9,046	0.9	532,118	992,675	17
Contract (Levels 13-16)	1,625	0.2	812,500	992,675	2
Periodical Remuneration	6,618	0.7	24,880	992,675	266
TOTAL	932943	94	258648	992675	3607

2.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. As % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration	96007	67.2	1497	1	2958	2.1	5248	3.9	141450
Agriculture develop services	514950	67.9	3752	0.5	23163	3.1	35860	4.9	702907
Environmental management	62868	70.1	0	0	1812	2	3416	4.1	78325
Prog 1:administration.	670	57.3	0	0	107	9.2	51	4.8	1046
TOTAL	674495	67.9	5249	0.5	28040	2.8	44575	4.7	923728

2.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. As % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Lower skilled (Levels 1-2)	2425	76.5	72	2.3	118	3.7	86	0	198
Skilled (Levels 3-5)	142786	66.2	2956	1.4	13290	6.2	17975	8.9	191062
Highly skilled production (Levels 6-8)	201325	68.5	823	0.3	8847	3	15316	5.8	259916
Highly skilled supervision (Levels 9-12)	237113	65.7	1388	0.4	5282	1.5	10254	3	339588
Senior management (Levels 13-16)	33726	67.7	0	0	324	0.7	682	1.5	45208
Contract (Levels 1-2)	24298	98.6	5	0	0	0	0	0	20286
Contract (Levels 3-5)	7721	95.3	3	0	22	0.3	43	0.5	9905
Contract (Levels 6-8)	15917	93.8	4	0	61	0.4	94	0.2	40727
Contract (Levels 9-12)	7748	74.5	0	0	96	0.9	95	0.9	7957
Contract (Levels 13-16)	1435	66.8	0	0	0	0	31	1.1	3903
Periodical Remuneration	0	0	0	0	0	0	0	0	4978
TOTAL	674494	67.9	5251	0.5	28040	2.8	44576	4.7	923728

3. EMPLOYMENT AND VACANCIES

3.1 Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration, Permanent	424	336	20.8	0
Agriculture develop services, Permanent	3454	2767	19.9	0
Agriculture develop services, Temporary	1	1	0	0
Environmental management, Permanent	254	235	7.5	0
Prog 1:administration., Permanent	3	2	33.3	0
TOTAL	4136	3341	19.2	0

3.2 Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	68	50	26.5	0
Skilled (Levels 3-5), Permanent	1827	1356	25.8	0
Highly skilled production (Levels 6-8), Permanent	1117	981	12.2	0
Highly skilled supervision (Levels 9-12), Permanent	832	674	19	0
Highly skilled supervision (Levels 9-12), Temporary	1	1	0	0
Senior management (Levels 13-16), Permanent	56	44	21.4	0
Contract (Levels 1-2), Permanent	159	159	0	0
Contract (Levels 3-5), Permanent	33	33	0	0
Contract (Levels 6-8), Permanent	24	24	0	0
Contract (Levels 9-12), Permanent	17	17	0	0
Contract (Levels 13-16), Permanent	2	2	0	0
TOTAL	4136	3341	19.2	0

3.3 Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	No. of Posts	No. of Posts Filled	Vacancy Rate	No. of posts filled additional to the establishment
Administrative related, Permanent	82	63	23.2	0
Agricul animal oceanography forestry & other scien, Permanent	68	63	7.4	0
Agriculture related, Permanent	341	254	25.5	0
Agriculture related, Temporary	1	1	0	0
All artisans in the building metal machinery etc., Permanent	15	5	66.7	0
Archivists curators and related professionals, Permanent	1	1	0	0
Artisan project and related superintendents, Permanent	4	4	0	0
Auxiliary and related workers, Permanent	55	53	3.6	0
Biochemistry pharmacol. zoology & life scie.techni, Permanent	162	144	11.1	0
Biologists botanists zoologists & rel professional, Permanent	4	3	25	0
Bookbinding and related machine operators, Permanent	2	2	0	0
Building and other property caretakers, Permanent	55	55	0	0
Bus and heavy vehicle drivers, Permanent	21	20	4.8	0
Civil engineering technicians, Permanent	10	9	10	0
Cleaners in offices workshops hospitals etc., Permanent	112	107	4.5	0
Client inform clerks(switchb receipt inform clerks), Permanent	5	5	0	0
Communication and information related, Permanent	9	9	0	0
Community development workers, Permanent	1	1	0	0
Computer programmers., Permanent	2	1	50	0
Computer system designers and analysts., Permanent	3	3	0	0
Conservation labourers, Permanent	1	1	0	0
Economists, Permanent	16	13	18.8	0
Electrical and electronics engineering technicians, Permanent	2	2	0	0
Engineering sciences related, Permanent	1	1	0	0
Engineers and related professionals, Permanent	18	14	22.2	0
Farm hands and labourers, Permanent	1169	766	34.5	0
Farming forestry advisors and farm managers, Permanent	5	5	0	0
Finance and economics related, Permanent	19	13	31.6	0
Financial and related professionals, Permanent	32	27	15.6	0

Critical Occupations	No. of Posts	No. of Posts Filled	Vacancy Rate	No. of posts filled additional to the establishment
Financial clerks and credit controllers, Permanent	68	62	8.8	0
Food services aids and waiters, Permanent	2	2	0	0
Forestry labourers, Permanent	6	6	0	0
General legal administration & rel. professionals, Permanent	5	2	60	0
Health sciences related, Permanent	1	1	0	0
Horticulturists foresters agricul.& forestry techn, Permanent	547	502	8.2	0
Household and laundry workers, Permanent	10	10	0	0
Household food and laundry services related, Permanent	3	3	0	0
Housekeepers laundry and related workers, Permanent	9	9	0	0
Human resources & organisat developm & relate prof, Permanent	35	26	25.7	0
Human resources clerks, Permanent	96	81	15.6	0
Human resources related, Permanent	29	28	3.4	0
Information technology related, Permanent	1	1	0	0
Language practitioners interpreters & other commun, Permanent	17	10	41.2	0
Legal related, Permanent	3	1	66.7	0
Librarians and related professionals, Permanent	4	3	25	0
Library mail and related clerks, Permanent	2	2	0	0
Light vehicle drivers, Permanent	41	36	12.2	0
Logistical support personnel, Permanent	1	1	0	0
Material-recording and transport clerks, Permanent	1	1	0	0
Mechanical engineering technicians, Permanent	9	9	0	0
Messengers porters and deliverers, Permanent	29	28	3.4	0
Motor vehicle drivers, Permanent	61	60	1.6	0
Motorised farm and forestry plant operators, Permanent	15	13	13.3	0
Natural sciences related, Permanent	133	105	21.1	0
Nature conservation and oceanographical rel.techni, Permanent	86	86	0	0
Other administrat & related clerks and organisers, Permanent	207	189	8.7	0
Other administrative policy and related officers, Permanent	31	24	22.6	0
Other information technology personnel., Permanent	5	3	40	0

Critical Occupations	No. of Posts	No. of Posts Filled	Vacancy Rate	No. of posts filled additional to the establishment
Other machine operators, Permanent	5	4	20	0
Other occupations, Permanent	67	60	10.4	0
Production advisers : factories, Permanent	2	2	0	0
Risk management and security services, Permanent	15	5	66.7	0
Safety health and quality inspectors, Permanent	7	6	14.3	0
Saps, Permanent	1	1	0	0
Secretaries & other keyboard operating clerks, Permanent	66	48	27.3	0
Security guards, Permanent	174	167	4	0
Security officers, Permanent	8	3	62.5	0
Senior managers, Permanent	39	28	28.2	0
Social work and related professionals, Permanent	1	1	0	0
Statisticians and related professionals, Permanent	2	1	50	0
Trade labourers, Permanent	4	2	50	0
Veterinarians, Permanent	46	41	10.9	0
Veterinary assistants, Permanent	22	19	13.6	0
Water plant and related operators, Permanent	4	4	0	0
TOTAL	4136	3341	19.2	0

4. JOB EVALUATION

4.1 Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	68	0	0	2	0	4	0
Contract (Levels 1-2)	159	0	0	0	0	6	0
Contract (Levels 3-5)	33	0	0	0	0	0	0
Contract (Levels 6-8)	24	0	0	0	0	1	0
Contract (Levels 9-12)	17	0	0	0	0	1	0
Contract (Band A)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	1827	0	0	1	0	11	0
Highly skilled production (Levels 6-8)	1117	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	833	0	0	0	0	0	0
Senior Management Service Band A	43	0	0	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
TOTAL	4136	0	0	3	0	23	0

4.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

5. EMPLOYMENT CHANGES

5.1 Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2012)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	3	39	0	0
Skilled (Levels 3-5), Permanent	1402	54	95	6.8
Highly skilled production (Levels 6-8), Permanent	929	38	25	2.7
Highly skilled supervision (Levels 9-12), Permanent	671	13	21	3.1
Highly skilled supervision (Levels 9-12), Temporary	2	0	1	50
Senior Management Service Band A, Permanent	36	0	1	2.8
Senior Management Service Band B, Permanent	5	0	1	20
Senior Management Service Band C, Permanent	3	1	0	0
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	257	30	478	186
Contract (Levels 3-5), Permanent	53	14	32	60.4
Contract (Levels 6-8), Permanent	148	2	31	20.9
Contract (Levels 9-12), Permanent	17	1	3	17.6
Contract (Band A), Permanent	2	0	0	0
TOTAL	3529	192	688	19.5

5.2 Annual Turnover Rates by Critical Occupation

Occupation	Employment at beginning of period (April 2010)	Appointments	Terminations	Turnover rate
Administrative related, Permanent	61	8	11	18
Agricul animal oceanography forestry & other scien, Permanent	58	4	13	22.4
Agriculture related, Permanent	256	11	12	4.7
Agriculture related, Temporary	1	0	0	0
All artisans in the building metal machinery etc., Permanent	5	0	1	20
Archivists curators and related professionals, Permanent	1	0	0	0
Artisan project and related superintendents, Permanent	2	2	0	0
Auxiliary and related workers, Permanent	55	0	3	5.5
Biochemistry pharmacol. zoology & life scie. techni, Permanent	147	2	10	6.8
Biologists botanists zoologists & rel professional, Permanent	3	0	0	0
Bookbinding and related machine operators, Permanent	2	0	0	0
Building and other property caretakers, Permanent	69	1	3	4.3
Bus and heavy vehicle drivers, Permanent	21	2	3	14.3
Civil engineering technicians, Permanent	10	0	1	10
Cleaners in offices workshops hospitals etc., Permanent	100	21	8	8
Client inform clerks (switchb receipt inform clerks), Permanent	5	0	0	0
Communication and information related, Permanent	11	0	2	18.2
Community development workers, Permanent	6	0	4	66.7
Computer programmers., Permanent	1	0	0	0
Computer system designers and analysts., Permanent	3	0	0	0
Conservation labourers, Permanent	1	0	0	0
Economists, Permanent	12	1	0	0
Electrical and electronics engineering technicians, Permanent	2	0	0	0
Engineering sciences related, Permanent	1	0	0	0
Engineers and related professionals, Permanent	15	0	1	6.7
Farm hands and labourers, Permanent	978	32	504	51.5
Farming forestry advisors and farm managers, Permanent	3	1	0	0
Finance and economics related, Permanent	12	1	1	8.3
Financial and related professionals, Permanent	27	1	0	0
Financial clerks and credit controllers, Permanent	60	9	11	18.3
Food services aids and waiters, Permanent	3	0	1	33.3

Occupation	Employment at beginning of period (April 2010)	Appointments	Terminations	Turnover rate
Forestry labourers, Permanent	8	0	2	25
General legal administration & rel. professionals, Permanent	2	0	0	0
Health sciences related, Permanent	1	0	0	0
Horticulturists foresters agricul. & forestry techn, Permanent	461	36	11	2.4
Horticulturists foresters agricul. & forestry techn, Temporary	1	0	1	100
Household and laundry workers, Permanent	11	0	1	9.1
Household food and laundry services related, Permanent	4	0	0	0
Housekeepers laundry and related workers, Permanent	4	5	0	0
Human resources & organisat developm & relate prof, Permanent	24	0	0	0
Human resources clerks, Permanent	83	7	14	16.9
Human resources related, Permanent	35	0	3	8.6
Information technology related, Permanent	1	0	0	0
Language practitioners interpreters & other commun, Permanent	10	0	0	0
Legal related, Permanent	2	0	1	50
Librarians and related professionals, Permanent	3	0	0	0
Library mail and related clerks, Permanent	2	0	0	0
Light vehicle drivers, Permanent	37	1	3	8.1
Logistical support personnel, Permanent	1	0	0	0
Material-recording and transport clerks, Permanent	1	0	0	0
Mechanical engineering technicians, Permanent	9	0	0	0
Messengers porters and deliverers, Permanent	28	1	4	14.3
Motor vehicle drivers, Permanent	65	0	5	7.7
Motorised farm and forestry plant operators, Permanent	16	1	3	18.8
Natural sciences related, Permanent	79	10	6	7.6
Nature conservation and oceanographical rel.techni, Permanent	94	0	5	5.3
Other administrat & related clerks and organisers, Permanent	188	10	10	5.3
Other administrative policy and related officers, Permanent	23	1	0	0
Other information technology personnel., Permanent	3	0	0	0
Other machine operators, Permanent	4	0	0	0
Other occupations, Permanent	50	13	2	4
Production advisers : factories, Permanent	2	0	0	0

Occupation	Employment at beginning of period (April 2010)	Appointments	Terminations	Turnover rate
Risk management and security services, Permanent	5	0	0	0
Safety health and quality inspectors, Permanent	5	1	0	0
Saps, Permanent	1	0	0	0
Secretaries & other keyboard operating clerks, Permanent	51	5	5	9.8
Security guards, Permanent	184	3	20	10.9
Security officers, Permanent	3	0	0	0
Senior managers, Permanent	29	0	1	3.4
Social work and related professionals, Permanent	1	0	0	0
Statisticians and related professionals, Permanent	1	0	0	0
Trade labourers, Permanent	3	0	1	33.3
Veterinarians, Permanent	41	1	1	2.4
Veterinary assistants, Permanent	18	1	0	0
Water plant and related operators, Permanent	4	0	0	0
TOTAL	3529	192	688	19.5

5.3 Reasons why staff are leaving the Department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	32	4.7	0.9	688	3529
Resignation, Permanent	91	13.2	2.6	688	3529
Expiry of contract, Permanent	477	69.3	13.5	688	3529
Dismissal-misconduct, Permanent	5	0.7	0.1	688	3529
Retirement, Permanent	82	11.9	2.3	688	3529
Retirement, Temporary	1	0.1	0	688	3529
TOTAL	688	100	19.5	688	3529
Resignations as % of Employment					
19.5					

5.4 Granting of Employee Initiated Severance Packages

Occupation	No of applications received	No of applications referred to the	No of applications supported by	No of Packages approved by Department
Lower Skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13 and higher)	0	0	0	0
Total	0	0	0	0

5.5 Promotions by Critical Occupation

Occupation	Employment at beginning of period April 2012	Promotions to another salary level	Salary level promotions as % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Administrative related	61	3	4.9	32	52.5
Agricul animal oceanography forestry & other scien	58	2	3.4	39	67.2
Agriculture related	257	4	1.6	177	68.9
All artisans in the building metal machinery etc.	5	0	0	3	60
Archivists curators and related professionals	1	0	0	0	0
Artisan project and related superintendents	2	0	0	0	0
Auxiliary and related workers	55	0	0	42	76.4
Biochemistry pharmacol. zoology & life scie.techni	147	1	0.7	118	80.3
Biologists botanists zoologists & rel professional	3	0	0	2	66.7
Bookbinding and related machine operators	2	0	0	0	0
Building and other property caretakers	69	0	0	19	27.5
Bus and heavy vehicle drivers	21	1	4.8	9	42.9
Civil engineering technicians	10	0	0	6	60
Cleaners in offices workshops hospitals etc.	100	0	0	9	9
Client inform clerks(switchb receipt inform clerks)	5	0	0	4	80
Communication and information related	11	0	0	6	54.5
Community development workers	6	0	0	1	16.7
Computer programmers.	1	0	0	0	0

Occupation	Employment at beginning of period April 2012	Promotions to another salary level	Salary level promotions as % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Computer system designers and analysts.	3	0	0	2	66.7
Conservation labourers	1	0	0	0	0
Economists	12	0	0	2	16.7
Electrical and electronics engineering technicians	2	0	0	1	50
Engineering sciences related	1	0	0	1	100
Engineers and related professionals	15	0	0	14	93.3
Farm hands and labourers	978	3	0.3	267	27.3
Farming forestry advisors and farm managers	3	0	0	3	100
Finance and economics related	12	2	16.7	9	75
Financial and related professionals	27	0	0	25	92.6
Financial clerks and credit controllers	60	4	6.7	25	41.7
Food services aids and waiters	3	0	0	0	0
Forestry labourers	8	0	0	3	37.5
General legal administration & rel. professionals	2	0	0	4	200
Health sciences related	1	0	0	0	0
Horticulturists foresters agricul.& forestry techn	462	3	0.6	382	82.7
Household and laundry workers	11	0	0	3	27.3
Household food and laundry services related	4	0	0	1	25
Housekeepers laundry and related workers	4	0	0	1	25
Human resources & organisat developm & relate prof	24	2	8.3	21	87.5
Human resources clerks	83	2	2.4	62	74.7
Human resources related	35	2	5.7	27	77.1
Information technology related	1	0	0	0	0
Language practitioners interpreters & other commun	10	0	0	1	10
Legal related	2	0	0	0	0
Librarians and related professionals	3	0	0	2	66.7
Library mail and related clerks	2	0	0	2	100
Light vehicle drivers	37	0	0	21	56.8
Logistical support personnel	1	0	0	2	200
Material-recording and transport clerks	1	0	0	1	100

Occupation	Employment at beginning of period April 2012	Promotions to another salary level	Salary level promotions as % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Mechanical engineering technicians	9	0	0	6	66.7
Messengers porters and deliverers	28	0	0	1	3.6
Motor vehicle drivers	65	0	0	51	78.5
Motorised farm and forestry plant operators	16	0	0	2	12.5
Natural sciences related	79	1	1.3	46	58.2
Nature conservation and oceanographical rel.techni	94	2	2.1	69	73.4
Other administrat & related clerks and organisers	188	4	2.1	162	86.2
Other administrative policy and related officers	23	0	0	20	87
Other information technology personnel.	3	0	0	2	66.7
Other machine operators	4	0	0	0	0
Other occupations	50	0	0	18	36
Production advisers : factories	2	0	0	2	100
Risk management and security services	5	0	0	3	60
Safety health and quality inspectors	5	0	0	4	80
Saps	1	0	0	2	200
Secretaries & other keyboard operating clerks	51	2	3.9	33	64.7
Security guards	184	0	0	13	7.1
Security officers	3	0	0	2	66.7
Senior managers	29	0	0	30	103.4
Social work and related professionals	1	0	0	1	100
Statisticians and related professionals	1	0	0	1	100
Trade labourers	3	0	0	1	33.3
Veterinarians	41	0	0	31	75.6
Veterinary assistants	18	0	0	16	88.9
Water plant and related operators	4	0	0	0	0
TOTAL	3529	38	1.1	1865	52.8

5.6 Promotions by Salary Band

Occupation	Employment at Beginning of Period (April 2012)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	3	0	0	17	566.7
Skilled (Levels 3-5), Permanent	1402	7	0.5	482	34.4
Highly skilled production (Levels 6-8), Permanent	929	10	1.1	727	78.3
Highly skilled supervision (Levels 9-12), Permanent	671	18	2.7	546	81.4
Highly skilled supervision (Levels 9-12), Temporary	2	0	0	1	50
Senior management (Levels 13-16), Permanent	45	2	4.4	51	113.3
Contract (Levels 1-2), Permanent	257	0	0	1	0.4
Contract (Levels 3-5), Permanent	53	0	0	12	22.6
Contract (Levels 6-8), Permanent	148	1	0.7	18	12.2
Contract (Levels 9-12), Permanent	17	0	0	6	35.3
Contract (Levels 13-16), Permanent	2	0	0	4	200
TOTAL	3529	38	1.1	1865	52.8

6. EMPLOYMENT EQUITY

6.1 Total number of employees (including employees with disabilities) per occupational category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	13	0	2	15	3	8	0	1	9	2	29
Professionals, Permanent	210	4	13	227	46	190	2	28	220	28	521
Professionals, Temporary	0	0	0	0	0	0	0	0	0	1	1
Technicians and associate professionals, Permanent	494	3	17	514	33	429	4	34	467	14	1028
Clerks, Permanent	107	0	3	110	0	229	8	24	261	17	388
Service and sales workers, Permanent	169	0	0	169	1	18	0	0	18	0	188
Craft and related trades workers, Permanent	10	0	1	11	0	0	0	0	0	0	11
Plant and machine operators and assemblers, Permanent	136	0	0	136	0	3	0	0	3	0	139
Elementary occupations, Permanent	571	1	1	573	3	455	0	5	460	0	1036
TOTAL	1710	8	37	1755	86	1332	14	92	1438	62	3341
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	16	0	1	17	1	7	0	0	7	1	26

6.2 Total number of employees (incl. persons with disabilities), per occupational bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	2	2	0	0	2	0	5
Senior Management, Permanent	19	0	2	21	6	8	1	1	10	2	39
Professionally qualified and experienced specialists and mid-management, Permanent	329	4	22	355	68	188	1	32	221	30	674
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	350	3	9	362	7	527	8	50	585	27	981
Semi-skilled and discretionary decision making, Permanent	880	1	4	885	3	456	4	6	466	2	1356
Unskilled and defined decision making, Permanent	35	0	0	35	0	15	0	0	15	0	50
Contract (Senior Management), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	11	0	0	11	0	6	0	0	6	0	17
Contract (Skilled technical), Permanent	10	0	0	10	0	14	0	0	14	0	24
Contract (Semi-skilled), Permanent	14	0	0	14	0	18	0	1	19	0	33
Contract (Unskilled), Permanent	59	0	0	59	0	98	0	2	100	0	159
TOTAL	1710	8	37	1755	86	1332	14	92	1438	62	3341

6.3 Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	6	0	1	7	2	2	0	0	2	2	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	17	0	0	17	0	21	0	0	21	0	38
Semi-skilled and discretionary decision making, Permanent	31	0	1	32	0	20	0	1	21	1	54
Unskilled and defined decision making, Permanent	27	0	0	27	0	12	0	0	12	0	39
Contract (Professionally qualified), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Skilled technical), Permanent	0	0	0	0	0	2	0	0	2	0	2
Contract (Semi-skilled), Permanent	6	0	0	6	0	7	0	1	8	0	14
Contract (Unskilled), Permanent	18	0	0	18	0	12	0	0	12	0	30
TOTAL	105	0	2	107	2	78	0	2	80	3	192
No data	0	0	0	0	0	2	0	0	2	0	2

6.4 Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	25	0	3	28	8	12	2	1	15	2	53
Professionally qualified and experienced specialists and mid-management, Permanent	270	4	22	296	55	165	1	26	192	21	564
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	245	2	7	254	5	399	8	43	450	28	737
Semi-skilled and discretionary decision making, Permanent	277	0	1	278	1	203	4	3	210	0	489
Unskilled and defined decision making, Permanent	10	0	0	10	0	7	0	0	7	0	17
Contract (Senior Management), Permanent	4	0	0	4	0	0	0	0	0	0	4
Contract (Professionally qualified), Permanent	5	0	0	5	0	1	0	0	1	0	6
Contract (Skilled technical), Permanent	7	0	0	7	0	12	0	0	12	0	19
Contract (Semi-skilled), Permanent	3	0	0	3	0	9	0	0	9	0	12
Contract (Unskilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	846	6	33	885	69	809	15	73	897	52	1903
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	8	0	1	9	0	3	0	0	3	1	13

6.5 Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	0	0	0	0	0	2	0	0	2	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	17	0	0	17	1	1	0	0	1	2	21
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13	0	0	13	0	6	1	0	7	5	25
Semi-skilled and discretionary decision making, Permanent	77	0	0	77	0	18	0	0	18	0	95
Contract (Professionally qualified), Permanent	1	0	0	1	1	1	0	0	1	0	3
Contract (Skilled technical), Permanent	12	0	0	12	1	18	0	0	18	0	31
Contract (Semi-skilled), Permanent	12	0	0	12	1	19	0	0	19	0	32
Contract (Unskilled), Permanent	188	0	2	190	0	288	0	0	288	0	478
TOTAL	320	0	2	322	4	353	1	0	354	8	688
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	3	0	0	3	1	0	0	0	0	1	5

6.6 Disciplinary Action

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Occupational Bands											
TOTAL	0	0	0	0	0	0	0	0	0	0	0

6.7 Skills development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	0	0	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

7. PERFORMANCE REWARDS

7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	275	1325	20.8	3,159	11,489
African, Male	323	1694	19.1	4,078	12,624
Asian, Female	49	92	53.3	882	18,010
Asian, Male	21	36	58.3	481	22,887
Coloured, Female	7	14	50	83	11,889
Coloured, Male	3	8	37.5	55	18,474
Total Blacks, Female	331	1431	23.1	4,125	12,462
Total Blacks, Male	347	1738	20	4,614	13,296
White, Female	36	61	59	678	18,820
White, Male	34	85	40	949	27,912
Employees with a disability	8	26	30.8	96	11,951
TOTAL	756	3341	22.6	10,461	13,837

7.2 Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	1	50	2	5	5,000
Skilled (Levels 3-5)	238	1356	17.6	1,424	5,983
Highly skilled production (Levels 6-8)	277	981	28.2	3,383	12,213
Highly skilled supervision (Levels 9-12)	227	675	33.6	5,198	22,899
Contract (Levels 1-2)	0	159	0	0	0
Contract (Levels 3-5)	0	33	0	0	0
Contract (Levels 6-8)	2	24	8.3	23	11,500
Contract (Levels 9-12)	3	17	17.6	80	26,667
Periodical Remuneration	0	266	0	0	0
TOTAL	748	3561	21	10113	13520

7.3 Performance Rewards by Critical Occupation

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary
Administrative related	19	63	30.2	323	17,000
Agricul animal oceanography forestry & other scien	19	63	30.2	369	19,421
Agriculture related	62	255	24.3	1,296	20,903
All artisans in the building metal machinery etc.	1	5	20	10	10,000
Archivists curators and related professionals	0	1	0	0	0
Artisan project and related superintendents	1	4	25	5	5,000
Auxiliary and related workers	25	53	47.2	227	9,080
Biochemistry pharmacol. zoology & life scie.techni	48	144	33.3	761	15,854
Biologists botanists zoologists & rel professional	0	3	0	0	0
Bookbinding and related machine operators	1	2	50	5	5,000
Building and other property caretakers	3	55	5.5	17	5,667
Bus and heavy vehicle drivers	5	20	25	30	6,000
Civil engineering technicians	3	9	33.3	62	20,667
Cleaners in offices workshops hospitals etc.	11	107	10.3	57	5,182
Client inform clerks(switchb receipt inform clerks)	1	5	20	6	6,000
Communication and information related	0	9	0	0	0
Community development workers	0	1	0	0	0
Computer programmers.	0	1	0	0	0
Computer system designers and analysts.	3	3	100	65	21,667
Conservation labourers	1	1	100	4	4,000
Economists	0	13	0	0	0
Electrical and electronics engineering technicians	1	2	50	32	32,000
Engineering sciences related	1	1	100	30	30,000
Engineers and related professionals	7	14	50	191	27,286
Farm hands and labourers	118	766	15.4	712	6,034
Farming forestry advisors and farm managers	1	5	20	15	15,000
Finance and economics related	7	13	53.8	138	19,714
Financial and related professionals	12	27	44.4	202	16,833
Financial clerks and credit controllers	10	62	16.1	106	10,600
Food services aids and waiters	0	2	0	0	0

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary
Forestry labourers	1	6	16.7	6	6,000
General legal administration & rel. professionals	2	2	100	49	24,500
Health sciences related	1	1	100	5	5,000
Horticulturists foresters agricul.& forestry techn	98	502	19.5	1,551	15,827
Household and laundry workers	4	10	40	27	6,750
Household food and laundry services related	1	3	33.3	6	6,000
Housekeepers laundry and related workers	4	9	44.4	25	6,250
Human resources & organisat developm & relate prof	8	26	30.8	106	13,250
Human resources clerks	25	81	30.9	267	10,680
Human resources related	14	28	50	356	25,429
Information technology related	1	1	100	22	22,000
Language practitioners interpreters & other commun	0	10	0	0	0
Legal related	1	1	100	40	40,000
Librarians and related professionals	2	3	66.7	25	12,500
Library mail and related clerks	1	2	50	8	8,000
Light vehicle drivers	6	36	16.7	37	6,167
Logistical support personnel	1	1	100	34	34,000
Material-recording and transport clerks	0	1	0	0	0
Mechanical engineering technicians	1	9	11.1	10	10,000
Messengers porters and deliverers	6	28	21.4	28	4,667
Motor vehicle drivers	10	60	16.7	55	5,500
Motorised farm and forestry plant operators	1	13	7.7	4	4,000
Natural sciences related	34	105	32.4	688	20,235
Nature conservation and oceanographical rel.techni	45	86	52.3	851	18,911
Other administrat & related clerks and organisers	64	189	33.9	606	9,469
Other administrative policy and related officers	5	24	20.8	81	16,200
Other information technology personnel.	0	3	0	0	0
Other machine operators	0	4	0	0	0
Other occupations	10	60	16.7	93	9,300
Production advisers : factories	1	2	50	8	8,000

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary
Risk management and security services	0	5	0	0	0
Safety health and quality inspectors	2	6	33.3	34	17,000
Saps	0	1	0	0	0
Secretaries & other keyboard operating clerks	17	48	35.4	150	8,824
Security guards	6	167	3.6	28	4,667
Security officers	1	3	33.3	12	12,000
Senior managers	6	28	21.4	280	46,667
Social work and related professionals	0	1	0	0	0
Statisticians and related professionals	0	1	0	0	0
Trade labourers	0	2	0	0	0
Veterinarians	14	41	34.1	251	17,929
Veterinary assistants	3	19	15.8	53	17,667
Water plant and related operators	0	4	0	0	0
TOTAL	756	3341	22.6	10459	13835

7.4 Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	6	37	16.2	255	42,500	0.7	38,355
Band B	2	4	50	93	46,500	1.8	5,122
Band C	0	4	0	0	0	0	0
Band D	0	1	0	0	0	0	0
TOTAL	8	46	17.4	348	43500	0.8	43477

8. FOREIGN WORKERS

8.1 Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Skilled (Levels 3-5)	1	8.3	1	8.3	0	0	12	12	1
Highly skilled supervision (Levels 9-12)	6	50	6	50	0	0	12	12	1
Contract (Levels 9-12)	5	41.7	5	41.7	0	0	12	12	1
TOTAL	12	100	12	100	0	0	12	12	1

8.2 Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Administrative office workers	1	8.3	1	8.3	0	0	12	12	1
Professionals and managers	10	83.3	10	83.3	0	0	12	12	1
Technicians and associated professionals	1	8.3	1	8.3	0	0	12	12	1
TOTAL	12	100	12	100	0	0	12	12	1

9. LEAVE

9.1 Sick Leave for January 2013 to December 2013

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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	25	96	9	0.5	3	6	1694	24
Skilled (Levels 3-5)	5052	93.8	626	37	8	1,814	1694	4741
Highly skilled production (Levels 6-8)	4573	87.6	565	33.4	8	3,426	1694	4005
Highly skilled supervision (Levels 9-12)	2314	85.7	344	20.3	7	3,300	1694	1982
Senior management (Levels 13-16)	194	89.7	26	1.5	7	593	1694	174
Contract (Levels 1-2)	197	78.7	57	3.4	3	60	1694	155
Contract (Levels 3-5)	141	78.7	32	1.9	4	54	1694	111
Contract (Levels 6-8)	191	87.4	27	1.6	7	119	1694	167
Contract (Levels 9-12)	33	78.8	7	0.4	5	64	1694	26
Contract (Levels 13-16)	2	0	1	0.1	2	6	1694	0
TOTAL	12722	89.5	1694	100	8	9442	1694	11385

9.2 Disability Leave (Temporary and Permanent) for January 2013 to December 2013

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)	Total number of days with medical certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	316	100	9	36	35	109	316	25
Highly skilled production (Levels 6-8)	83	100	7	28	12	57	83	25
Highly skilled supervision (Levels 9-12)	490	100	7	28	70	739	490	25
Contract (Levels 3-5)	6	100	1	4	6	2	6	25
Contract (Levels 6-8)	13	100	1	4	13	9	13	25
TOTAL	908	100	25	100	36	916	908	25

9.3 Annual Leave for January 2013 to December 2013

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	121	6	21
Skilled (Levels 3-5)	29832.84	23	1287
Highly skilled production (Levels 6-8)	21345.84	22	984
Highly skilled supervision (Levels 9-12)	14750	22	659
Senior management (Levels 13-16)	908	20	45
Contract (Levels 1-2)	3332	9	372
Contract (Levels 3-5)	537	8	64
Contract (Levels 6-8)	718	11	65
Contract (Levels 9-12)	255	15	17
Contract (Levels 13-16)	8	4	2
TOTAL	71807.68	20	3516

9.4 Capped Leave for January 2013 to December 2013

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2008	Number of Employees as at 31 December 2008
Skilled (Levels 3-5)	190	7	104	26	103412	990
Highly skilled production (Levels 6-8)	83	6	79	14	30913	391
Highly skilled supervision (Levels 9-12)	38	4	147	9	59450	405
Senior management (Levels 13-16)	13	7	115	2	2755	24
TOTAL	324	6	109	51	196530	1810

9.5 Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2013/14	7,913	178	44455
Current leave payout on termination of service for 2013/14	878	77	11403
TOTAL	8791	255	34475

10. HIV and AIDS & HEALTH PROMOTION PROGRAMME

Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide 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.	✓		
2. Does the Department have a dedicated unit or have you designated specific staff members to promote 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.	✓		However, there is no dedicated budget.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	✓		
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.		✗	
5. Has the Department reviewed the employment policies and practices of your Department 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.	✓		
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.	✓		Awareness is raised on human rights and access to justice.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		The health screening sessions are conducted quarterly.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		✗	

11. LABOUR RELATIONS

11.1 Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	24	77%	31

11.2 Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
Absenteeism	1	100%	1
Misuse of State Vehicle	7	100%	7
Mismanagement of Funds	1	100%	1
Bribe	1	100%	1
Assault	2	100%	2
TOTAL	12	100	12

11.3 Grievances lodged

Number of grievances addressed	Number	Percentage of Total	Total
Resolved	14	47%	30
TOTAL	14	46.7	30

11.4 Disputes lodged

Number of disputes addressed	Number	Percentage of Total
Upheld	1	8%
Dismissed	5	38%
Total	6	

11.5 Strike action

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

11.6 Precautionary Suspensions

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

12. SKILLS DEVELOPMENT

12.1 Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		0	0	0	0	0

12.2 Training provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		0	0	0	0	0

13. INJURIES

13.1 Injury on Duty

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

PART E:

FINANCIAL INFORMATION



1. REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR GENERAL for the year ended 31 March 2014

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Agriculture, Environmental Affairs and Rural Development set out on pages 90–159, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standard as prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture, Environmental Affairs and Rural Development as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard as prescribed by National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 35 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of an error discovered during 2014 in the financial statements of the Department of Agriculture, Environmental Affairs and Rural Development at, and for the year ended, 31 March 2013.

Additional 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 142–159 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2014:
- Programme 2: Agricultural development services (on pages 20-27)
 - Programme 3: Environmental management (on pages 31 to 32).
13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. The material findings in respect of the selected programmes are as follows:

Agricultural development services

Reliability of reported performance information

17. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of standard operating procedures, a lack of data trails/registers/lists and a lack of documented system descriptions for the accurate and complete recording of valid achievements.

Additional matter

18. I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 20–27 and pages 31 to 32 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programmes reported in paragraph 17 of this report.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for agricultural development services and environmental management. As management subsequently corrected the misstatements, I did not raise any material misstatements on the usefulness of the reported performance information.

Compliance with laws and regulations

21. I performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Expenditure management

22. Effective steps were not taken to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

Procurement and contract management

23. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.
24. Measures for combating the abuse of the supply chain management system were not implemented as required by treasury regulation 16A9.1 in that awards were made to providers who had committed a corrupt or fraudulent act in competing for the contract.

Human resource management and compensation

25. Sufficient appropriate audit evidence could not be obtained that a proper process was followed to verify the claims made in the candidate's applications before appointment, as required by public service regulation (PSR) 1/VII/D.8.
26. Employees received overtime compensation in excess of 30% of their monthly salaries, in contravention of PSR I/V/D.2(d).

INTERNAL CONTROL

27. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies included in this report.

Leadership

28. Instability in leadership positions and in key management resulting from vacancies, the use of acting positions and rotations within critical posts have compromised leadership's ability to implement effective appointments, action plans, internal control policies and procedures and performance management processes and created an effective internal control environment in respect of compliance with laws and regulations and monitoring thereof.

Financial and performance management

29. Policies and procedures and related controls are not adequately implemented and monitored by the appropriate level of management to facilitate regular, accurate and complete performance reports and effective monitoring of compliance with laws and regulations to prevent and detect non-compliance. Vacancies in key positions in finance, human resources and supply chain management have contributed to the ineffective implementation of the system of internal control.

OTHER REPORTS

Investigations

30. Independent consulting firms performed investigations at the request of the executing authority for Agriculture, Environmental Affairs and Rural Development, which covered the financial years ended 31 March 2012 and 31 March 2013. The investigation was initiated based on an allegation of the possible misappropriation of the assets and supply chain irregularities of the Department and Mjindi Farming (Proprietary) Ltd, an entity under the Department's control. The investigation was still ongoing at the reporting date and the expected date for the outcome of the investigation was not known.

Auditor-General

PIETERMARITZBURG

31 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

2. ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
APPROPRIATION STATEMENT	2013/14					2012/13			
	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
1. ADMINISTRATION									
Current payment	272 106		22 174	294 280	294 280	–	100.0%	277 769	277 769
Transfers and subsidies	893		251	1 144	1 144	–	100.0%	2 227	2 227
Payment for capital assets	42 090		(10 904)	31 186	25 421	5 765	81.5%	54 891	54 891
Payment for financial assets	–		1 073	1 073	1 073	–	100.0%	–	–
	315 089	–	12 594	327 683	321 918	5 765		334 887	334 887
2. AGRICULTURAL DEVELOPMENT SERVICES									
Current payment	1 406 347		(18 220)	1 388 127	1 365 127	23 000	98.3%	1 365 401	1 360 438
Transfers and subsidies	145 363		3 535	148 898	148 045	853	99.4%	157 184	157 184
Payment for capital assets	149 902		12 337	162 239	153 392	8 847	94.5%	183 771	183 726
Payment for financial assets	–		–	–	–	–	–	–	–
	1 701 612	–	(2 348)	1 699 264	1 666 564	32 700		1 706 356	1 701 348
3. ENVIRONMENTAL MANAGEMENT									
Current payment	238 212		(10 275)	227 937	227 937	–	100.0%	245 093	245 093
Transfers and subsidies	1 431		29	1 460	660	800	45.2%	1 937	937
Payment for capital assets	1 930		–	1 930	1 548	382	80.2%	11 454	12 454
Payment for financial assets	–		–	–	–	–	–	–	–
	241 573	–	(10 246)	231 327	230 145	1 182		258 484	258 484
4. CONSERVATION									
Current payment	–		–	–	–	–	–	–	–
Transfers and subsidies	591 749		–	591 749	591 749	–	100.0%	554 493	554 493
Payment for capital assets	–		–	–	–	–	–	–	–
Payment for financial assets	–		–	–	–	–	–	–	–
	591 749	–	–	591 749	591 749	–		554 493	554 493
Subtotal	2 850 023	–	–	2 850 023	2 810 376	39 647	98.6%	2 854 220	2 849 212

Appropriation per programme									
2013/14								2012/13	
	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
Statutory Appropriation									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	2 850 023	-	-	2 850 023	2 810 376	39 647	98.6%	2 854 220	2 849 212
Reconciliation with Statement of Financial Performance									
Add									
Departmental receipts				21 212				22 103	
NRF Receipts				-				-	
Aid assistance				2 291				1 850	
Actual amounts per Statement of Financial Performance (Total Revenue)				2 873 526				2 878 173	
Add									2 758
Aid assistance					1 058				-
Direct Exchequer payments					-				-
Prior year unauthorised expenditure approved without funding					-				-
Actual amounts per Statement of Financial Performance Expenditure					2 811 434				2 851 970

Appropriation per economic classification									
2013/14							2012/13		
	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									
Compensation of employees	919 191	–	(565)	918 626	918 626	–	100.0%	846 583	846 583
Goods and services	997 474	–	(5 868)	991 606	968 606	23 000	97.7%	1 041 655	1 036 692
Interest and rent on land	–	–	112	112	112	–	100.0%	27	27
Transfers and subsidies									
Provinces and municipalities	1 972	–	–	1 972	1 469	503	74.5%	2 224	1 224
Departmental agencies and accounts	668 916	–	2	668 918	668 918	–	100.0%	615 653	615 653
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	54 792	–	443	55 235	55 235	–	100.0%	71 008	71 008
Non-profit institutions	6 627	–	–	6 627	5 477	1 150	82.6%	15 291	15 291
Households	7 129	–	3 327	10 456	10 456	–	100.0%	11 637	11 637
Gifts and donations	–	–	43	43	43	–	100.0%	26	26
Payments for capital assets									
Buildings & other fixed structures	140 868	–	1 443	142 311	133 464	8 847	93.8%	155 083	155 083
Machinery & equipment	52 017	–	510	52 527	46 380	6 147	88.3%	84 813	85 768
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	553	–	(79)	474	474	–	100.0%	9 542	9 542
Land & subsoil assets	–	–	–	–	–	–	–	–	–
Intangible assets	484	–	(441)	43	43	–	100.0%	678	678
Payment for financial assets									
	–	–	1 073	1 073	1 073	–	100.0%	–	–
Total	2 850 023	–	–	2 850 023	2 810 376	39 647	98.6%	2 854 220	2 849 212

Statutory Appropriation										
2013/14								2012/13		
Direct charge against the National/Provincial Revenue Fund	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	
List all direct charges against the Revenue Fund										
President and Deputy President salaries				-		-				
Member of executive committee/parliamentary officers				-		-				
Judges and magistrates salaries				-		-				
Sector education and training authorities SETA				-		-				
National skills fund				-		-				
Total	-	-	-	-	-	-		-	-	-

DETAIL PER PROGRAMME 1: ADMINISTRATION **FOR THE YEAR ENDED 31 MARCH 2014**

Detail per Sub-programme	2013/14							2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	23 175		4 530	27 705	27 705	-	100.0%	26 194	26 194
Transfers and subsidies	-		1	1	1	-	100.0%	190	190
Payment for capital assets	17		15	32	32	-	100.0%	554	554
Payment for financial assets				-		-		-	-
1.2 Senior Management									
Current payment	50 120		(14 579)	35 541	35 541	-	100.0%	27 830	27 830
Transfers and subsidies	-		63	63	63	-	100.0%	736	736
Payment for capital assets	15		126	141	141	-	100.0%	240	240
Payment for financial assets				-		-		-	-
1.3 Corporate Services									
Current payment	135 497		18 358	153 855	153 855	-	100.0%	154 431	154 431
Transfers and subsidies	455		(274)	181	181	-	100.0%	165	165
Payment for capital assets	1 642		5 398	7 040	7 040	-	100.0%	12 584	12 584
Payment for financial assets				-		-		-	-
1.4 Financial Management									
Current payment	38 675		2 657	41 332	41 332	-	100.0%	37 560	37 560
Transfers and subsidies	438		457	895	895	-	100.0%	1 126	1 126
Payment for capital assets	40 000		(16 444)	23 556	17 791	5 765	75.5%	41 131	41 131
Payment for financial assets			1 073	1 073	1 073	-	100.0%	-	-
1.5 Communication Services									
Current payment	24 639		11 208	35 847	35 847	-	100.0%	31 754	31 754
Transfers and subsidies	-		4	4	4	-	100.0%	10	10
Payment for capital assets	416		1	417	417	-	100.0%	382	382
Payment for financial assets				-		-		-	-
Total	315 089	-	12 594	327 683	321 918	5 765	98.2%	334 887	334 887

2013/14										2012/13	
Programme 1 Per 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											
Compensation of employees	135 875		(14 442)	121 433	121 433	–	100.0%	129 938	129 938		
Goods and services	136 231		36 536	172 767	172 767	–	100.0%	147 804	147 804		
Interest and rent on land	–		80	80	80	–	100.0%	27	27		
Transfers and subsidies											
Provinces & municipalities	438		33	471	471	–	100.0%	701	701		
Departmental agencies & accounts				–		–		–	–		
Universities & technikons				–		–		–	–		
Foreign governments & international organisations				–		–		–	–		
Public corporations & private enterprises	–		–	–	–	–		30	30		
Non-profit institutions				–		–		–	–		
Households	455		205	660	660	–	100.0%	1 470	1 470		
Gifts and donations			13	13	13	–	100.0%	26	26		
Payments for capital assets											
Buildings & other fixed structures	17 980		(7 302)	10 678	10 678	–	100.0%	21 466	21 466		
Machinery & equipment	24 037		(3 529)	20 508	14 743	5 765	71.9%	32 950	32 950		
Heritage assets				–		–		–	–		
Specialised military assets				–		–		–	–		
Biological assets				–		–		–	–		
Land & subsoil assets				–		–		–	–		
Software & other intangible assets	73		(73)	–		–		475	475		
Payment for financial assets			1 073	1 073	1 073	–	100.0%	–	–		
Total	315 089	–	12 594	327 683	321 918	5 765	98.2%	334 887	334 887		

DETAIL PER PROGRAMME 2: AGRICULTURAL DEVELOPMENT SERVICES

FOR THE YEAR ENDED 31 MARCH 2014

2013/14										2012/13	
Detail per Sub-programme	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		
2.1 Sustainable Resource Management											
Current payment	112 158		(6 020)	106 138	106 138	–	100.0%	93 853	88 890		
Transfers and subsidies	2 060		(575)	1 485	1 485	–	100.0%	1 510	1 510		
Payment for capital assets	2 286		2 452	4 738	4 738	–	100.0%	439	394		
Payment for financial assets				–		–		–	–		
2.2 Farmer Support And Development											
Current payment	901 915		(13 175)	888 740	865 740	23 000	97.4%	890 814	890 814		
Transfers and subsidies	141 860		1 064	142 924	142 821	103	99.9%	142 914	142 914		
Payment for capital assets	113 187		13 924	127 111	118 264	8 847	93.0%	145 618	145 618		
Payment for financial assets				–		–		–	–		
2.3 Veterinary Services											
Current payment	130 539		899	131 438	131 438	–	100.0%	142 312	142 312		
Transfers and subsidies	276		1 662	1 938	1 938	–	100.0%	11 475	11 475		
Payment for capital assets	2 655		(219)	2 436	2 436	–	100.0%	599	599		
Payment for financial assets				–		–		–	–		
2.4 Research and Technology Development Services											
Current payment	130 668		19 132	149 800	149 800	–	100.0%	131 802	131 802		
Transfers and subsidies	–		1 404	1 404	1 404	–	100.0%	604	604		
Payment for capital assets	25 434		(12 934)	12 500	12 500	–	100.0%	22 843	22 843		
Payment for financial assets				–		–		–	–		

Detail per Sub-programme	2013/14							2012/13	
	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
2.5 Agricultural Economics Services									
Current payment	3 231		2 410	5 641	5 641	-	100.0%	2 182	2 182
Transfers and subsidies	-		-	-	-	-		-	-
Payment for capital assets	52		(52)	-	-	-		49	49
Payment for financial assets				-	-	-		-	-
2.6 Structured Agricultural Education and Training									
Current payment	127 836		(21 466)	106 370	106 370	-	100.0%	104 438	104 438
Transfers and subsidies	1 167		(20)	1 147	397	750	34.6%	681	681
Payment for capital assets	6 288		9 166	15 454	15 454	-	100.0%	14 223	14 223
Payment for financial assets				-	-	-		-	-
Total	1 701 612	-	(2 348)	1 699 264	1 666 564	32 700	98.1%	1 706 356	1 701 348

2013/14										2012/13	
Programme 2 Per 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											
Compensation of employees	695 269		17 523	712 792	712 792	–	100.0%	633 135	633 135		
Goods and services	711 078		(35 768)	675 310	652 310	23 000	96.6%	732 268	727 305		
Interest and rent on land	–		25	25	25	–	100.0%	–	–		
Transfers and subsidies						–		–			
Provinces & municipalities	534		(33)	501	398	103	79.4%	506	506		
Departmental agencies & accounts	82 394		2	82 396	82 396	–	100.0%	65 760	65 760		
Universities & technikons				–		–		–	–		
Foreign governments & international organisations				–		–		–	–		
Public corporations & private enterprises	54 792		443	55 235	55 235	–	100.0%	70 978	70 978		
Non-profit institutions	1 000		–	1 000	250	750	25.0%	10 291	10 291		
Households	6 643		3 093	9 736	9 736	–	100.0%	9 647	9 647		
Gifts and donations	–		30	30	30	–	100.0%	–	–		
Payments for capital assets											
Buildings & other fixed structures	122 888		8 745	131 633	122 786	8 847	93.3%	133 617	133 617		
Machinery & equipment	26 050		4 039	30 089	30 089	–	100.0%	40 432	40 387		
Heritage assets				–		–		–	–		
Specialised military assets				–		–		–	–		
Biological assets	553		(79)	474	474	–	100.0%	9 542	9 542		
Land & subsoil assets				–		–		–	–		
Software & other intangible assets	411		(368)	43	43	–	100.0%	180	180		
Payment for financial assets				–		–		–	–		
Total	1 701 612	–	(2 348)	1 699 264	1 666 564	32 700	98.1%	1 706 356	1 701 348		

DETAIL PER PROGRAMME 3: ENVIRONMENTAL MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2014

Detail per Sub-programme	2013/14							2012/13	
	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
3.1 Environmental Policy Planning And Coordination									
Current payment	6 151		(2 543)	3 608	3 608	–	100.0%	2 717	2 717
Transfers and subsidies				–	–	–		–	–
Payment for capital assets	–		58	58	58	–	100.0%	–	–
Payment for financial assets				–	–	–		–	–
3.2 Compliance and Enforcement									
Current payment	26 801		5 407	32 208	32 208	–	100.0%	27 953	27 953
Transfers and subsidies	–		22	22	22	–	100.0%	446	446
Payment for capital assets	198		–	198	143	55	72.2%	260	260
Payment for financial assets				–	–	–		–	–
3.3 Environmental Quality Management									
Current payment	41 599		(14 996)	26 603	26 603	–	100.0%	36 221	36 221
Transfers and subsidies	1 031		7	1 038	638	400	61.5%	1 067	67
Payment for capital assets	1 434		(536)	898	748	150	83.3%	10 931	11 931
Payment for financial assets				–	–	–		–	–
3.4 Biodiversity Management									
Current payment	133 597		(208)	133 389	133 389	–	100.0%	147 285	147 285
Transfers and subsidies				–	–	–		21	21
Payment for capital assets	100		478	578	578	–	100.0%	229	229
Payment for financial assets				–	–	–		–	–

Detail per Sub-programme	2013/14							2012/13	
	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
3.5 Environmental Empowerment									
Current payment	30 064		2 065	32 129	32 129	–	100.0%	30 917	30 917
Transfers and subsidies	400		–	400	–	400	0%	403	403
Payment for capital assets	198		–	198	21	177	10.6%	34	34
Payment for financial assets				–	–	–		–	–
Total	241 573	–	(10 246)	231 327	230 145	1 182	99.5%	258 484	258 484

2013/14										2012/13	
Programme 3 Per 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											
Compensation of employees	88 047		(3 646)	84 401	84 401	-	100.0%	83 510	83 510		
Goods and services	150 165		(6 636)	143 529	143 529	-	100.0%	161 583	161 583		
Interest and rent on land	-		7	7	7	-	100.0%	-	-		
Transfers and subsidies											
Provinces & municipalities	1 000		-	1 000	600	400	60.0%	1 017	17		
Departmental agencies & accounts				-		-		-	-		
Universities & technikons				-		-		-	-		
Foreign governments & international organisations				-		-		-	-		
Public corporations & private enterprises											
Non-profit institutions	400		-	400	-	400	0.0%	400	400		
Households	31		29	60	60	-	100.0%	520	520		
Gifts and donations				-		-		-	-		
Payments for capital assets											
Buildings & other fixed structures				-		-		-	-		
Machinery & equipment	1 930		-	1 930	1 548	382	80.2%	11 431	12 431		
Heritage assets				-		-		-	-		
Specialised military assets				-		-		-	-		
Biological assets				-		-		-	-		
Land & subsoil assets				-		-		-	-		
Software & other intangible assets				-		-		23	23		
Payment for financial assets				-		-		-			
Total	241 573	-	(10 246)	231 327	230 145	1 182	99.5%	258 484	258 484		

DETAIL PER PROGRAMME 4: CONSERVATION **FOR THE YEAR ENDED 31 MARCH 2014**

2013/14										2012/13	
Detail per Sub-programme	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		
4.1 Grant-In-Aid											
Current payment											
Transfers and subsidies	5 227			5 227	5 227	-	100.0%	4 600	4 600		
Payment for capital assets				-		-		-	-		
Payment for financial assets	-	-	-	-	-	-	-	-	-		
4.2 Subsidy											
Current payment											
Transfers and subsidies	586 522			586 522	586 522	-	100.0%	549 893	549 893		
Payment for capital assets				-		-		-	-		
Payment for financial assets				-		-		-	-		
Total	591 749	-	-	591 749	591 749	-	100.0%	554 493	554 493		

2013/14										2012/13	
Programme 4 Per 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											
Compensation of employees	-	-	-	-	-	-	-	-	-		
Goods and services	-	-	-	-	-	-	-	-	-		
Interest and rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies											
Provinces & municipalities				-		-		-	-		
Departmental agencies & accounts	586 522			586 522	586 522	-	100.0%	549 893	549 893		
Universities & technikons				-	-	-		-	-		
Non-profit institutions	5 227			5 227	5 227	-	100.0%	4 600	4 600		
Households				-		-		-	-		
Gifts and donations				-		-		-	-		
Payments for capital assets											
Buildings & other fixed structures				-		-		-	-		
Machinery & equipment				-		-		-	-		
Heritage assets				-		-		-	-		
Specialised military assets				-		-		-	-		
Biological assets				-		-		-	-		
Land & subsoil assets				-		-		-	-		
Software & other intangible assets				-		-		-	-		
Payment for financial assets	-	-	-	-	-	-	-	-	-		
Total	591 749	-	-	591 749	591 749	-	100.0%	554 493	554 493		

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

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 to Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
1. Administration	327 683	321 918	5 765	1.8%
Under expenditure due to departmental vehicles ordered that were not delivered by 31 March 2014.				
2. Agricultural Development Services	1 699 264	1 666 564	32 700	2.0%
The under expenditure is mainly in respect of lime that was ordered but not delivered amounting to R23 million as well as the construction of sheds in Districts for the mechanisation equipment of R8.8 million that did not commence as planned due to slow procurement process. Furthermore, the progress of the partnership with Zakhe Agricultural College resulted in only R250,000 of the R1 million being transferred by 31 March 2013.				
3. Environmental Management	231 327	230 145	1 182	0.5%
The under expenditure is due to Municipality not submitting the required business plan for the Greenest Municipality (R400,000); the payment for WESSA for environmental education programme could not be processed due to technical problems with the banking details(R400,000) and office furniture not acquired due to posts not being filled (R388,000).				

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure:				
Compensation of employees	918 591	918 591		
Goods and services	991 632	968 632	23 000	2.3%
Interest and rent on land	112	112	–	
Unauthorised expenditure approved		–	–	
Transfers and subsidies:				
Provinces and municipalities	1 972	1 469	503	25.5%
Departmental agencies and accounts	668 918	668 918	–	–
Universities and technikons				
Public corporations and private enterprises	55 235	55 235	–	–
Foreign governments and international organisations				–
Non-profit institutions	6 627	5 477	1 150	17.4%
Households	10 456	10 456	–	
Gifts and donations	43	43	–	
Payments for capital assets:				
Buildings and other fixed structures	142 311	133 464	8 847	6.2%
Machinery and equipment	52 527	46 380	6 147	11.7%
Heritage assets				
Specialised military assets				
Biological assets	474	474	–	
Land and subsoil assets				
Intangible assets	43	43	–	
Payments for financial assets	1 073	1 073	–	
Under expenditure under goods and services relates to the lime that was ordered but not delivered. The transfers to provinces and municipalities is in respect of the greenest municipality awards where municipality did not submit the required business plan as well as an over provision for vehicle licence fees. Non-profit institutions relates to the payment to WESSA of R400,000 and Zakhe Agricultural College of R750,000. Buildings and other fixed structures relates to the construction of sheds at district offices for mechanisation equipment that was slower than planned. Machinery and equipment is mainly in respect of departmental vehicles that were ordered but not delivered on time amounting to R4.436 million as well as office furniture and equipment not acquired due to vacant posts not filled.				

4.3 Per conditional grant:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Ilima/Letsema Projects	65 768	42 768	23 000	35%
Land Care P Grt:Pov Re&Inf	18 746	18 746	–	
Compr Agric Supp Pr Grnt	202 522	202 522	–	
Epwp Inter Grnt Prov	550	550	–	
Under expenditure against the Ilima / Letsema grant is in respect of lime that was ordered but not delivered and paid for by 31 March 2014. The lime is for the departments liming programme.				

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	1	2 850 023	2 854 220
Departmental revenue	2	21 212	22 103
Aid assistance	3	2 291	1 850
TOTAL REVENUE		2 873 526	2 878 173
EXPENDITURE			
Current expenditure			
Compensation of employees	4	918 626	846 583
Goods and services	5	968 606	1 036 692
Interest and rent on land	6	112	27
Aid assistance	3	1 058	2 719
Total current expenditure		1 888 402	1 886 021
Transfers and subsidies			
Transfers and subsidies	8	741 598	714 839
Aid assistance	3	–	–
Total transfers and subsidies		741 598	714 839
Expenditure for capital assets			
Tangible capital assets	9	180 318	250 432
Intangible assets	9	43	678
Total expenditure for capital assets		180 361	251 110
Payment for financial assets	7	1 073	–
TOTAL EXPENDITURE		2 811 434	2 851 970
SURPLUS/(DEFICIT) FOR THE YEAR		62 092	26 203
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		39 647	5 008
Annual appropriation		16 647	45
Conditional grants		23 000	4 963
Unconditional grants		–	–
Departmental revenue and NRF Receipts	14	21 212	22 103
Aid assistance	3	1 233	(908)
SURPLUS/(DEFICIT) FOR THE YEAR		62 092	26 203

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
ASSETS			
Current assets		45 869	28 559
Cash and cash equivalents	10	39 645	56
Prepayments and advances	11	37	87
Receivables	12	6 187	10 389
Aid assistance receivable	3	–	18 027
TOTAL ASSETS		45 869	28 559
LIABILITIES			
Current liabilities		44 580	28 050
Voted funds to be surrendered to the Revenue Fund	13	39 647	946
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	151	488
Bank overdraft	15	–	23 946
Payables	16	2 960	2 080
Aid assistance repayable	3	1 822	590
TOTAL LIABILITIES		44 580	28 050
NET ASSETS		1 289	509
Represented by:			
Capitalisation reserve		–	–
Recoverable revenue		1 289	509
Retained funds		–	–
Revaluation reserves		–	–
TOTAL		1 289	509

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Recoverable revenue			
Opening balance		509	385
Transfers		780	124
Debts revised		994	(3)
Debts recovered (included in Departmental receipts)		(539)	(175)
Debts raised		325	302
Closing balance		1 289	509
 TOTAL		 1 289	 509

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 873 388	2 871 381
Annual appropriated funds received	1	2 850 023	2 850 158
Departmental revenue received	2	20 850	19 354
Interest Received	2.3	224	19
Aid assistance received	3	2 291	1 850
Net (increase)/ decrease in working capital		5 132	(9 081)
Surrendered to Revenue Fund		(22 495)	14 796
Expenditure charged to the vote		18 026	–
Current payments		(1 888 290)	(1 885 994)
Interest Paid		(112)	(27)
Payments for financial assets		(1 073)	–
Transfers and subsidies paid		(741 598)	(714 839)
Net cash flow available from operating activities	17	242 978	276 236
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(180 361)	(251 110)
Proceeds from sale of capital assets	2	138	2 730
Net cash flows from investing activities		(180 223)	(248 380)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		780	124
Net cash flows from financing activities		780	124
Net increase/ (decrease) in cash and cash equivalents		63 535	27 980
Cash and cash equivalents at beginning of period		(23 890)	(51 870)
Cash and cash equivalents at end of period	18	39 645	(23 890)

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

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.

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 exchange rates prevailing at the date of payment / receipt.

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

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

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

7.2 Departmental revenue

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

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

7.3 Accrued departmental revenue

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

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

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

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

8. Expenditure

8.1 Compensation of employees

8.1.1 *Salaries and wages*

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

8.1.2 *Social contributions*

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

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

8.2 Other expenditure

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

8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department.

Accrued expenditure payable is measured at cost.

8.4 Leases

8.4.1 *Operating leases*

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

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

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

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

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

- cost, being the fair value of the asset; 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.

9. Aid Assistance

9.1 Aid assistance received

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

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

9.2 Aid assistance paid

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

10. Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

11. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

Prepayments are expensed when expenditure has been incurred.

12. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

13. Investments

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

14. Impairment of financial assets

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

15. Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

16. Payables

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

17. Capital Assets**17.1 Immovable capital assets**

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

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

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

17.2 Movable capital assets

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

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

Subsequent expenditure that is of a capital nature 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.

17.3 Intangible assets

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

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are 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.

18. Provisions and Contingents

18.1 Provisions

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

18.2 Contingent liabilities

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

18.3 Contingent assets

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

18.4 Commitments

Commitments 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

19. Unauthorised expenditure

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

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

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

20. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

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

21. Irregular expenditure

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

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

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

22. Prior period errors

In 2011/12 financial year the Department had incorrectly disclosed an amount of R6,265m as irregular expenditure. This error has been adjusted for retrospectively by adjusting the opening balance for the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. Annual Appropriation

1.1 Annual Appropriation

		2013/14		2012/13
	Final	Actual Funds	Funds not	Appropriation
	Appropriation	Received	requested/ not received	Received
Programmes	R'000	R'000	R'000	2011/12 R'000
Administration	327 683	327 683	-	334 887
Agricultural Development Service	1 699 264	1 699 264	-	1 702 294
Environmental Management	231 327	231 327	-	258 484
Conservation	591 749	591 749	-	554 493
Total	2 850 023	2 850 023	-	2 850 158

1.2 Conditional grants**

	Note	2013/14 R'000	2012/13 R'000
Total grants received	36	287 586	273 381

2. Departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Sales of goods and services other than capital assets	2.1	17 751	16 806
Fines, penalties and forfeits	2.2	1 279	705
Interest, dividends and rent on land	2.3	224	27
Sales of capital assets	2.4	138	2 730
Transactions in financial assets and liabilities	2.5	1 820	1 835
Departmental revenue collected		21 212	22 103

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

2.1 Sales of goods and services other than capital assets

	Note	2013/14	2012/13
	2	R'000	R'000
Sales of goods and services produced by the Department		17 748	16 780
Sales by market establishment		4 024	4 843
Administrative fees		1 529	1 530
Other sales		12 195	10 407
Sales of scrap, waste and other used current goods		3	26
Total		17 751	16 806

2.2 Fines, penalties and forfeits

	Note	2013/14	2012/13
	2	R'000	R'000
Fines		1 279	703
Penalties		-	2
Total		1 279	705

2.3 Interest, dividends and rent on land

	Note	2013/14	2012/13
	2	R'000	R'000
Interest		224	19
Rent on land		-	8
Total		224	27

2.4 Sale of capital assets

	Note	2013/14	2012/13
		R'000	R'000
Tangible capital assets	2		
Machinery and equipment	30	-	2 431
Biological assets	30	138	299
Total		138	2 730

2.5 Transactions in financial assets and liabilities

	Note	2013/14	2012/13
	2	R'000	R'000
Receivables		479	868
Stale cheques written back		-	59
Other Receipts including Recoverable Revenue		1 341	908
		1 820	1 835

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3. Aid assistance**3.1 Aid assistance received in cash from other sources**

	2013/14 R'000	2012/13 R'000
Foreign		
Opening Balance	(17 437)	(16 529)
Revenue	2 291	1 850
Expenditure	(1 058)	(2 758)
Current	(1 058)	(2 719)
Capital	-	(39)
Transfers	-	-
Surrendered to the donor	18 026	-
Closing Balance	1 822	(17 437)

3.2 Analysis of balance

	<i>Note</i> 3.1	2013/14 R'000	2012/13 R'000
Aid assistance receivable		-	(18,027)
Other sources		-	(18,027)
Aid assistance repayable		1 822	590
Other sources		1 822	590
Closing Balance		1 822	(17,437)

R18 026 million was transferred from donor funding to expenditure voted funds.

The integrated Food security Programme was prefinanced in 2011/12 however the donor has formally indicated that they are making any further contributions to this programme. Therefore this expenditure is charged to the vote.

4. Compensation of employees**4.1 Salaries and Wages**

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Basic salary		644 299	581,939
Performance award		10 493	9,198
Service Based		3 754	2,372
Compensative/circumstantial		12 635	15,799
Periodic payments		7 026	5,409
Other non-pensionable allowances		117 813	119,355
		796 020	734,072

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

4.2 Social contributions

	2013/14 R'000	2012/13 R'000
Employer contributions		
Pension	77 642	69,077
Medical	44 737	43,231
Bargaining council	227	203
Total	122 606	112,511
Total compensation of employees	918 626	846,583
Average number of employees	3 817	3,788

5. Goods and services

	Note	2013/14 R'000	2012/13 R'000
Administrative fees		303	104
Advertising		21 136	22,280
Minor Assets	5.1	10 067	6,286
Bursaries (employees)		6 086	12,369
Catering		8 046	8,961
Communication		44 116	31,816
Computer services	5.2	32 145	18,738
Consultants, contractors and agency/outsourced services	5.3	367 618	344,152
Entertainment		-	-
Audit cost – external	5.4	3 776	3,789
Fleet services		36 486	29,782
Inventory	5.5	188 291	358,240
Consumables	5.6	38 488	
Operating leases		25 586	25,544
Property payments	5.7	58 369	48,692
Rental and hiring		97	1,710
Transport provided as part of the Departmental activities		1 092	1,170
Travel and subsistence	5.8	101 612	93,800
Venues and facilities		4 902	8,324
Training and staff development		12 676	12,866
Other operating expenditure	5.9	7 714	8,069
Total		968 606	1,036,692

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5.1 Minor Assets

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Tangible assets	5	10 067	6,275
Biological assets		2 682	628
Machinery and equipment		7 385	5,647
Intangible assets		-	11
Total		10 067	6,286

5.2 Computer services

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
SITA computer services	5	27 450	16,827
External computer service providers		4 695	1,911
Total		32 145	18,738

The increase in expenditure for computer services is due to a recovery of under charged fees by SITA being for LAN and hardware support in line with SITA SLA, paid retrospectively.

5.3 Consultants, contractors and agency/outsourced services

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Business and advisory services	5	10 780	1,718
Infrastructure and planning		148 623	125,176
Laboratory services		-	5
Legal costs		4 184	4,409
Contractors		76 408	62,165
Agency and support/outsourced services		127 623	150,679
Total		367 618	344,152

5.4 Audit cost – External

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Regularity audits	5	3 776	3,789
Total		3 776	3,789

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5.5 Inventory

	<i>Note</i> 5	2013/14 R'000	2012/13 R'000
Clothing material and accessories		6 063	7 196
Farming supplies		147 505	212 338
Food and food supplies		8	260
Fuel, oil and gas		10 338	12 188
Learning and teaching support material		919	1 150
Materials and supplies		5 551	21 997
Medical Supplies		592	326
Medicine		17 315	42 122
Total		188 291	297 577

5.6 Consumables

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Consumable supplies		26 328	50 180
Uniform and Clothing		88	-
Household Supplies		2 496	1 979
Building Material and Supplies		18 530	45 569
Communication Accessories		1	-
IT Consumables		125	-
Other Consumables		5 088	2 632
Stationery, printing and office supplies		12 160	10 483
Total		38 488	60 663

5.7 Property payments

	<i>Note</i> 5	2013/14 R'000	2012/13 R'000
Municipal services		25 120	20,378
Property maintenance and repairs		32 317	26,014
Other		932	2,300
Total		58 369	48,692

5.8 Travel and subsistence

	<i>Note</i> 5	2013/14 R'000	2012/13 R'000
Local		99 930	91,061
Foreign		1 682	2,739
Total		101 612	93,800

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5.9 Other operating expenditure

	<i>Note</i> 5	2013/14 R'000	2012/13 R'000
Professional bodies, membership and subscription fees		34	30
Resettlement costs		822	500
Other		6 858	7,539
Total		7 714	8,069

R6,858m disclosed as "Other" Operating Expenditure mostly comprises insurance payments for subsidised vehicles for departmental officials.

6. Interest and rent on land

	2013/14 R'000	2012/13 R'000
Interest paid	112	27
	112	27

7. Payments for financial assets

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Debts written off	7.1	1 071	-
Other material losses written off	7.2	2	-
Total		1 073	-

7.1 Debts written off

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Other debt written off			
Irrecoverable debts written off	7	979	-
Pension Recoverable	7	92	-
Total debt written off		1 071	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

7.2 Other Material Losses Written off

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Salary Insurance Deductions written off		2	-
Total		2	-

8. Transfers and subsidies

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Provinces and municipalities	<i>Annex 1B</i>	1 469	1,225
Departmental agencies and accounts	<i>Annex 1C</i>	668 918	615,653
Public corporations and private enterprises	<i>Annex 1E</i>	55 235	71,008
Non-profit institutions	<i>Annex 1G</i>	5 477	15,290
Households	<i>Annex 1H</i>	10 455	11,637
Gifts, donations and sponsorships made	<i>Annex 1K</i>	44	26
		741 598	714,839

9. Expenditure for capital assets

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Tangible assets		180 318	250,432
Buildings and other fixed structures	30	133 464	155,083
Machinery and equipment	30	46 380	85,807
Biological assets	30	474	9,542
Intangible assets		43	678
Software	31	43	678
Total		180 361	251,110

9.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	180 318	-	180 318
Buildings and other fixed structures	133 464	-	133 464
Machinery and equipment	46 380	-	46 380
Biological assets	474	-	474
Intangible assets	43	-	43
Software	43	-	43
Total	180 361	-	180 361

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

9.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	250 393	39	250 393
Buildings and other fixed structures	155 083	–	155 083
Machinery and equipment	85 768	39	85 807
Biological assets	9 542	–	9 542
Intangible assets	678	–	678
Software	678	–	678
Total	251 071	39	251 110

10. Cash and cash equivalents

	Note	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General Account		40 506	–
Cash on Hand		(918)	–
Disbursements		57	56
Total		39 645	56

11. Prepayments and advances

	2013/14 R'000	2012/13 R'000
Travel and subsistence	37	87
Total	37	87

12. Receivables

Detail	Note	2013/14			Total R'000	2012/13
		Less than one year R'000	One to three years R'000	Older than three years R'000		Total R'000
Claims recoverable	12.1 Annex 3	951	175	16	1 142	5 511
Recoverable expenditure	12.2	7	–	–	7	77
Staff debt	12.3	710	470	2 544	3 724	3 599
Other debtors	12.4	–	718	596	1 314	1 202
Total		1 668	1 363	3 156	6 187	10 389

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

12.1 Claims recoverable

	Note 12	2012/13 R'000	2011/12 R'000
National Departments		16	483
Provincial Departments		1 126	698
Public entities		—	4.330
Total		1 142	5,511

12.2 Recoverable expenditure (disallowance accounts)

	Note 12	2013/14 R'000	2012/13 R'000
(Group major categories, but list material items)			
Disallowance Miscellaneous		2	49
Salary Tax Debt:CA		5	28
Total		7	77

12.3 Staff debt

	Note 12	2013/14 R'000	2012/13 R'000
(Group major categories, but list material items)			
Staff Overpayments and Salary Tax Debts		3 340	3 012
T&S Debt		311	464
Misuse of State property		1	—
Other		—	16
Bursary Debt		72	87
Strike Debts		—	20
Total		3 724	3 599

12.4 Other debtors

	Note 12	2013/14 R'000	2012/13 R'000
(Group major categories, but list material items)			
Salary Pension Fund:CL		—	2
Salary Insurance Deductions		1	4
Supplier Debt		1 313	1 196
Total		1 314	1 202

12.5 Impairment of Receivables

	Note	2013/14 R'000	2012/13 R'000
Estimate of impairment of Receivables		3 103	2 725
Total		3 103	2 725

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

13. Voted funds to be surrendered to the Revenue Fund

	Note	2013/14 R'000	2012/13 R'000
Opening balance		946	(36,553)
Transfer from statement of financial performance		39 647	5,008
Voted funds not requested/not received	1.1	-	(4,062)
Paid during the year		(946)	36,553
Closing balance		39 647	946

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2013/14 R'000	2012/13 R'000
Opening balance		488	142
Transfer from Statement of Financial Performance		21 212	22,103
Paid during the year		(21 549)	(21,757)
Closing balance		151	488

15. Bank Overdraft

	Note	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General Account		-	23,946
		-	23,946

16. Payables – current

	Note	2013/14 R'000	2012/13 R'000
Advances received	16.1	547	638
Clearing accounts	16.2	227	764
Other payables	16.3	2 186	678
Total		2 960	2,080

16.1 Advances Received

	Note	2013/14 R'000	2012/13 R'000
(Identify major categories, but list material amounts)	16		
Provincial Departments		547	-
National Departments Annex 7B		-	638
		547	638

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

16.2 Clearing accounts

	Note	2013/14	2012/13
(Identify major categories, but list material amounts)	16	R'000	R'000
Salary ACB Recalls		140	739
Salary Deduction		1	1
Disallowance Dishonoured Cheque		12	12
Salary Reversal Control		74	12
Total		227	764

16.3 Other payables

	Note	2013/14	2012/13
(Identify major categories, but list material amounts)	16	R'000	R'000
Pension Recoverable Account		92	3
Unallocated credits		-	4
Credit balances in staff debtors		55	56
Credit balances in T&S Dom		5	10
Salary Income Tax		1 394	394
Salary Insurance		272	201
Salary Pension		365	-
Sal: Medical Aid		3	10
Total		2 186	678

17. Net cash flow available from operating activities

	Note	2013/14	2012/13
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		62 092	26,203
Add back non cash/cash movements not deemed operating activities		180 886	250,033
(Increase)/decrease in receivables – current		4 202	(5,525)
(Increase)/decrease in prepayments and advances		50	1,006
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		880	(4,562)
Proceeds from sale of capital assets		(138)	(2,730)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		180 361	251,110
Surrenders to Revenue Fund		(22 495)	14,796
Surrenders to RDP Fund/Donor		18 026	-
Voted funds not requested/not received		-	(4,062)
Net cash flow generated by operating activities		242 978	276,236

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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

	Note	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General account		40 506	(23 946)
Disbursements		(918)	-
Cash on hand		57	56
Total		39 645	(23 890)

19. Contingent liabilities and contingent assets

19.1 Contingent Liabilities

		Note	2013/14 R'000	2012/13 R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 2A	666	610
Claims against the Department		Annex 2B	25 287	69,058
Intergovernmental payables (unconfirmed balances)		Annex 4	1 922	2,838
Total			27 875	72,506

20. Commitments

	2013/14 R'000	2012/13 R'000
Current expenditure	101 046	123,003
Approved and contracted	101 046	123,003
Approved but not yet contracted	-	-
Capital expenditure	124 474	175,776
Approved and contracted	124 474	175,776
Approved but not yet contracted	-	-
Total Commitments	225 520	298,779

21. Accruals

	2013/14 R'000			2012/13 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	18 887	5 954	24 841	16 565
Transfers and subsidies	-	-	-	-
Capital assets	104	-	104	392
Total	18 991	5 954	24 945	16 957

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	2013/14 R'000	2012/13 R'000
Listed by programme level		
Administration	7 742	6,099
Agricultural Development Service	15 086	10,184
Environmental Management	2 117	674
	24,945	16,957
	<i>Note</i>	
	2013/14 R'000	2012/13 R'000
Confirmed balances with other Departments	<i>Annex 5</i> 3 184	1,379
Total	3 184	1,379

22. Employee benefits

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Leave entitlement		61 898	49,662
Service bonus (Thirteenth cheque)		25 387	22,758
Performance awards		14 772	13,848
Capped leave commitments		140 838	138,228
Other		-	125
Total		242 895	224,621

Leave entitlement includes negative of R219k.

23. Lease commitments

23.1 Operating leases expenditure

2013/14	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	8 582	2 349	10 931
Later than 1 year and not later than 5 years	-	-	8 930	1 988	10 918
Total lease commitments	-	-	17 512	4 337	21 849

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
2012/13					
Not later than 1 year	-	-	7 534	1 677	9 211
Later than 1 year and not later than 5 years	-	-	6 837	1 409	8 246
Later than five years	-	-	-	-	-
Total lease commitments	-	-	14 371	3 086	17 457

23.2 Finance leases expenditure**

	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
2013/14					
Not later than 1 year	-	-	-	8 583	8 583
Later than 1 year and not later than 5 years	-	-	-	2 903	2 903
Total present value of lease liabilities	-	-	-	11 486	11 486

	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
2012/13					
Not later than 1 year	-	-	-	2 607	2 607
Later than 1 year and not later than 5 years	-	-	-	2 019	2 019
Total present value of lease liabilities	-	-	-	4 626	4 626

** This note excludes leases relating to public private partnerships as they are separately disclosed to [note no. 39](#).

24. Accrued Departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Sales of goods and services other than capital assets		8 208	8,201
		8 208	8,201

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

24.1 Analysis of Accrued departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Opening balance		8 201	6,916
Less: amounts received		8 690	7,314
Add: amounts recognised		8 697	8,599
Closing balance		8 208	8,201

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	Note	2013/14 R'000	2012/13 R'000
Opening balance		176 694	68 142
Add: Irregular expenditure - relating to prior year		-	-
Add: Irregular expenditure - relating to current year		22 335	117 829
Less: Prior year amounts condoned		44 141	9 277
Less: Current year amounts condoned		-	-
Irregular expenditure awaiting condonation		154 888	176 694

	2013/14 R'000	2012/13 R'000
Analysis of awaiting condonation per age classification		
Current year	22 335	117,829
Prior years	132 553	58 865
Total	154 888	176 694

Provincial Treasury embarked on an exercise to reconcile the disclosures with the departmental registers and to investigate each case with the responsible departments. Provincial Treasury consulted and assisted departments in verifying the amounts involved and the circumstances prevailing at the time of the transgression. The payments were individually evaluated and recommended for condonement by a committee consisting of the Acting Accountant General and representatives of Supply Chain Management Unit and Internal Control unit at Provincial Treasury. Where information was insufficient to make recommendation the case was referred back to departments for further investigation. Cases that are under forensic or other investigations were not considered at this stage pending outcome of investigation. In evaluating each case the following was considered: circumstances of transgression; extent of expenditure; nature/seriousness of transgression; outstanding investigations; effect on service delivery; was service provided and value for money; potential cost of further investigating; steps taken by Department to rectify matters; possible misinterpretation to prescripts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

25.2 Details of irregular expenditure – current year

	2013/14
Incident	R'000
Quote - Sole Supplier	1 337
3 Quotes not received(3 or more requested)	2 635
3 Quotes not obtained(less than 3 requested)	700
Month to Month	2 358
No Contract	1 661
Contract Expired	4 768
No Order	96
Variation Order	457
Single Source	164
Non Compliance with SCM Processes	899
Utilised services of supplier outside of contract	5 605
Use of Prohibited Supplier	1 655
	22 335

25.3 Details of irregular expenditure condoned

	2013/14
Incident	R'000
3 quotes not obtained	105
3 quotes not requested	2 060
Actual invoice greater than order	1 346
Competitive bidding process not followed	18 006
Conflict of interest	358
Delegations not adhered to	15 822
Month to month contract	4 169
National contract	537
No Contract	13
No order issued	15
No service level agreement signed	43
No supporting documentation	139
Potential irregular expenditure	68
Preferred supplier unable to deliver	8
Single source	1 444
Supplier not on database	8
	44 141

In evaluating each case the Provincial Treasury considered the ff:

- the circumstances of the transgression
- the extent of the expenditure involved
- the nature and seriousness of the transgression;
- outstanding investigations or court proceedings
- the effect of compliance on service delivery
- whether the service was provided and a check on value for money
- the potential cost involved in further investigations into old cases
- steps taken by Departments to rectify matters.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

25.4 Details of irregular expenditure under investigation

	2013/14
Incident	R'000
3 quotes not obtained	14 411
3 quotes not requested	4 595
Actual invoice greater than order	15
Competitive Bidding process not followed	31 963
Conflict of Interest	13
Month to month contract	19 703
No order	2
No order issued	30
No supporting documentation	447
Potential irregular expenditure	6
Splitting of orders	643
Transversal contract not used	60 725
Total	132 553

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	Note	2013/14 R'000	2012/13 R'000
Opening Balance		322	226
Fruitless and wasteful expenditure – relating to prior year		-	17
Fruitless and wasteful expenditure – relating to current year		799	79
Fruitless and wasteful expenditure awaiting condonation		1 121	322

26.2 Analysis of awaiting condonement per economic classification

Current	1 121	322
Total	1 121	322

26.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
Interest on Overdue Accounts		116
Service Fees for no shows		3
Late Cancellation of Service		652
Accommodation Fees for no Show		28
Total		799

No disciplinary steps have been taken as yet. The cases are yet to be reviewed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

27. Related Parties

The following are related parties to the Department:

- KZN Nature Conservation Board
- Mjindi Farming (Pty) Ltd
- Agric Development Agency
- Ntingwe Tea (Pty) Ltd

Refer to annexures 1B, 1C, 2A and 2B for details of transactions with the above entities.

28. Key management personnel

	No. of individuals	2013/14 R'000	2012/13 R'000
Political office bearers (provide detail below)	1	1 680	1,609
Officials:			
Level 15 to 16	6	5 727	5,259
Level 14 (incl. CFO if at a lower level)	8	6 716	8,106
Family members of key management personnel		-	285
		14 123	15,259

29. Impairment

	Note	2013/14 R'000	2012/13 R'000
Provision for Bad debts		3 103	2,725
Total		3 103	2,725

30. Provisions

	Note	2013/14 R'000	2012/13 R'000
Donor funding claim disputed			
Flemish Govt: Food Security Prog		-	18,027

30.1 Reconciliation of movement in provisions - 2013/14

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	18 027	-	-	-	18 027
Increase in provision		-	-	-	-
Settlement of provision	(18 027)	-	-	-	(18 027)
Closing balance	-	-	-	-	-

R18 027 million was transferred from Donor Funding to Expenditure voted funds.

The integrated food security programme was prefinanced in 2011/12. However the Donor has formally indicated that they are not making any further contributions to this programme. Therefore this expenditure is charged to the vote.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

31. Movable Tangible Capital Assets

Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	454 209	(2 699)	50 144	227	501 427
Transport assets	124 939	134	19 889	-	144 962
Computer equipment	81 567	(2 754)	15 273	217	93 869
Furniture and office equipment	15 650	89	1 868	10	17 597
Other machinery and equipment	232 053	(168)	13 114	-	244 999
Biological Assets	2 714	(199)	390	258	2 647
Biological assets	2 714	(199)	390	258	2 647
Total Movable Tangible Capital Assets	456 923	(2 898)	50 534	485	504 074

31.1 Additions

Additions to Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	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	41 837	8 307	-	-	50 144
Transport assets	16 254	3 635			19 889
Computer equipment	11 020	4 253			15 273
Furniture and office equipment	1 687	181			1 868
Other machinery and equipment	12 876	238			13 114
Biological Assets	390	-	-	-	390
Biological assets	390	-	-	-	390
Total Additions to Movable Tangible Capital Assets	42 227	8 307	-	-	50 534

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

31.2 Disposals

Disposals of Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	Sold for Cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
Machinery and Equipment	-	227	227	-
Transport assets	-	-	-	-
Computer equipment	-	217	217	-
Furniture and office equipment	-	10	10	-
Biological Assets	258	-	258	258
Biological assets	258	-	258	258
Total Disposal of Movable Tangible Capital Assets	258	227	485	138

31.3 Movement for 2012/13

Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2013

	Opening balance R'000	Curr year adjustments to prior year balances	Additions R'000	Disposals R'000	Closing Balance R'000
Machinery and Equipment	389 201	(1 889)	74 572	7 675	454 209
Transport assets	82 875	115	49 546	7 597	124 939
Computer equipment	67 974	141)	13 812	78	81 567
Furniture and office equipment	14 017	(15)	1 648	-	15 650
Other machinery and equipment	224 335	(1 848)	9 566	-	232 053
Biological Assets	3 115	(172)	9 455	9 684	3,115
Biological assets	3 115	(172)	9 455	9 684	2 714
Total Movable Tangible Capital Assets	392 316	(2 061)	84 027	17 359	456 923

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

31.4 Minor assets

Movement in Minor Assets per the Asset Register for the year ended 31 March 2014

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	56	22 365	9 732	32 153
Curr Year Adjustments to Prior Yr Balance	-	(9)	2 320	2 311
Additions	-	2 209	-	2 209
Disposals	-	2	1 332	1 334
Total Minor Assets	56	24 563	10 720	35 339

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	27 239	-	27 239
Number of minor assets at cost	27	18 007	5 701	23 735
Total Number of Minor Assets	27	45 246	5 701	50 974

Minor assets

Movement in Minor Assets per the Asset Register for the year ended 31 March 2012

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	50	20 438	8 855	29 343
Curr Year Adjustments to Prior Yr Balance	(5)	(7)	2 332	2 320
Additions	11	1 934	14	1 959
Disposals	-	-	1 469	1 469
Total Minor Assets	56	22 365	9 732	32 153

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	30 008	-	30 008
Number of minor assets at cost	27	14 078	4 928	19 033
Total Number of Minor Assets	27	44 086	4 928	49 041

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

32. Intangible Capital Assets

Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2014

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer software	2 721	-	43	-	2 764
Total Intangible Capital Assets	2 721	-	43	-	2 764

32.1 Additions

Additions to Intangible Capital Assets per Asset Register for the year ended 31 March 2014

	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid	Total
	R'000	R'000	R'000	R'000	R'000
Computer software	43				43
Total Additions to Intangible Capital Assets	43				43

32.2 Movement for 2012/13

Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer software	2 043	-	678	-	2 721
Total Intangible Capital Assets	2 043	-	678	-	2 721

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

33. Immovable Tangible Capital Assets

33.1 Additions

Additions to Immovable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	Cash	Non-Cash	(Capital work in progress – current costs)	Received current year, not paid	Total
	R'000	R'000	R'000	R'000	R'000
Building And Other Fixed Structures	129 737	-	(129 737)	-	-
Dwellings	129 737	-	(129 737)	-	-
	129 737	-	(129 737)	-	-

34. S42 Immovable assets

	No of Assets	Value of Assets
Assets subjected to transfer in terms of S42 of the PFMA - 2013/14		
Building And Other Fixed Structures	3	10 085
Dwellings		
Non-residential buildings	3	10 085
Other fixed structures		
Heritage Assets	3	10 085
Heritage assets		
Land and Subsoil Assets		
Land		
Mineral and similar non-regenerative resources		
Total	3	10 085

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

35. Prior period errors**35.1 Correction of prior period error for secondary information**

2012/13
R'000

The comparative amounts in Note 31: Irreg Exp were restated as follows

Opening Balance	68 142
-----------------	--------

Net effect on the note

68 142

In the prior years an amount of R6 265 m was erroneously disclosed as irregular due to incorrect classification.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

NOTE 36 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT				2012/13		
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	Under/ (over-spending)	% of available funds spent by Department	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000
Land Care	18 746				18 746	18 746	18 746	-	100%	21 009	16 046
Comp Agricultural Support Programme	202 522	-	-	-	202 522	202 522	202 522	-	100%	183 726	183 726
Lilima/Letsema Project	65 768	-	-	-	65 768	65 768	42 768	23 000	65%	63 000	63 000
EPWP											
incentive grant for Provinces	550	-	-	-	550	550	550	-	100%	9 708	9 708
	287 586	-	-	-	287 586	287 586	264 586	23 000		277 443	272 480

Departments are reminded of the DORA requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of a province.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTE 37

STATEMENT OF UNCONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION			TRANSFER		SPENT			2012/13	
	Amount	Roll Overs	Other Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Department	Amount spent by Department	% of available funds spent by Department	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
PD Vehicle Licence	972			972	869	89%				1 225
	972			972	869	89%				1 225

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT		2012/13	
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	% of available funds spent by municipality %	Total Available R'000
Umzinyathi Municipality				-					400
Amajuba Municipality				-					400
Ilembe Municipality				-					100
Sisonke Municipality				-					100
Newcastle Municipality	400			400	400	100%			
Maphumulo Municipality	100			100	100	100%			
Greater Kokstad Municipality	100			100	100	100%			
Endumeni Municipality	400			400	-	0%			
1 000	-	-	-	1 000	600		-		1 000

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2012/13 Appropriation Act R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %
Ezemvelo KZN Wildlife	606 034		(19 512)	586 522	586 522	100%
Agri Business Development Agency	63 000		19 394	82 394	82 394	100%
Com: Licences (Radio & tv)			2	2	2	100%
	669 034	-	(116)	668 918	668 918	615 653

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2012/13 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Public Corporations							
Transfers							
Mjindi Farming	46 607			46 607	46 607	100%	68 399
Soil conservation subsidy	1 657		(226)	1 431	1 431	100%	1 120
Sub:Fin Public Corp Product - Agric show societies	1 133		(1 133)	-	-		960
Sub Total	49 397	-	(1 359)	48 038	48 038	-	70 479
Private Enterprises							
Transfers							
Peoples Bio Oil (pty) ltd	-		6 000	6 000	6 000	100%	
SA Sugar Research Institute	1 395		-	1 395	1 197	86%	1 439
SA Nat Comm Irrigation & Drainage	-		-	-	-		30
Sub Total	1 395	-	6 000	7 395	7 197	-	1 469
Total	50 792	-	4 641	55 433	55 235	-	71 948

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2012/13 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Transfers							
WESSA	400			400	-	0%	400
SPCA	-			-			10 290
SA Association for Marine Bio Res	5 227		-	5 227	5 227	100%	4 600
Zakhe Agricultural College	-		1 000	1 000	250	25%	
Total	5 627	-	1 000	6 627	5 477		15 290

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2012/13 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Injury on duty	585		(557)	28	27	96%	7
Severance Package	30		326	356	356	100%	902
Leave Gratuity	5 224		4 834	10 058	10 058	100%	9 890
Claims against state	-		6	6	-		648
Ex-Gratia payments	-		-	-	-		190
Bursaries non-employees	26		(12)	14	14	100%	
				-		-	
Total	5 865	-	4 597	10 462	10 455		11 637

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Received in cash			
DPSA - National Batho Pele Awards	Cash Voucher (R 5 000.00)	5	
DPSA - National Batho Pele Awards	Cash Voucher (R 10 000.00)	10	
Subtotal		15	-
Made in kind			
Department of Agriculture , Forestry & Fisheries	Mobile Truck for Primary Animal Health Care	2 980	
DPSA - National Batho Pele Awards	I-Pad (R6 999.00)	7	
DPSA - National Batho Pele Awards	I-Pad (R6 999.00)	7	
Department of Agriculture , Forestry & Fisheries	Computer equipment	1 407	
Department of Agriculture , Forestry & Fisheries	Computer equipment for Veterinary Services	2 647	
Department of Agriculture , Forestry & Fisheries	Computer and Office equipment	793	-
Subtotal		7 841	-
Total		7 856	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1G
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Flemish Government	Empowerment for food security programme	(18 027)		(18 027)	-
World Health Organisation	Project implementation	589	2 291	1 059	1 821
Total		(17 438)	2 291	(16 968)	1 821

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	(Group major categories but list material items including name of organisation)		2013/14	2012/13
			R'000	R'000
Received in cash				
Donations made to destitute families for funerals			36	26
Sponsorship to attend World Soya Bean Research Conference			8	–
Subtotal			44	26
Made in kind				
Cattle donation			82	172
Gifts purchased for Chinese delegation visiting the Dept			–	6
Obsolete Laptops			-	-
Gifts for speakers who presented at departmental events			3	-
Seed, Cattle x 10 Ploughing			86	-
Subtotal			171	178
Total			215	204

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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)	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		
		% Held 13/14	% Held 12/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13			
National/Provincial Public Entity												
Mjindi Farming (Proprietary) Limited	Schedule 3D	100	100	100	100	8 757	8 757	32 556	33 392	(836)	7 071	No
Total				100	100	8 757	8 757	32 556	33 392	(836)	7 071	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (continued)

NAME OF PUBLIC ENTITY	Nature of business	Cost of investment R'000		Net Asset value of Investment R'000		Amounts owing to Entities R'000		Amounts owing by Entities R'000	
		2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
Controlled entities									
Ntingwe Tea (Pty)Ltd	This is the joint venture between the Department of Agriculture and Ithala Development Finance Corporate Ltd, whose main purpose is to provide funding, investing and establishing a viable commercial tea business in Northern KwaZulu Natal. The company of Ntingwe (Pty) Ltd- the operating company. Department of Agriculture owns 62% of the shares in Ntingwe Tea (Pty) and Ithala owns 38%	1	1	(66 889)	(61 585)	-	-	23 033	23 033
Total		1	1	(66 889)	(61 585)	-	-	23 033	23 033

Ntingwe Tea (Pty) Ltd is currently running at losses and the Department is engaging with Ithala (Pty)Ltd and other stakeholders in developing a turnaround strategy for the entity.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Firstrand Bank		-	65	-			65		
ABSA		-	343	34	61		316		
Nedbank Limited		-	29	-			29		
Old Mutual		-	48	-			48		
SA Home Loan pty ltd		-	32	-			32		
Standard Bank		-	93	83			176		
		-	610	117	61		666		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liability	Opening balance 1 April 2013	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2014
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Accidental Claims	1 162	341	547	-	956
Damage to Property	18 552	1	105	-	18 448
Goods and Services	13 884	1 704	12 219	-	3 369
Lease Agreement Dispute	102	-	99	-	3
Medical & Injury Claims	1 194	-	1 194	-	-
General Claims	34 164	2	31 655	-	2 511
Totals	69 058	2 048	45 819	-	25 287

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2013/14*	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		
Department								
NAT: Department of Justice		-	16	16	16	16		
KZN Social Welfare and Development	950	-	-	496	950	496	03 April 2014	950
Dept of Arts and Culture		27		-	-	27		
NAT: Department of Agriculture		401	-	66	-	467		
Department of Transport		-	175	175	175	175		
Sub-Total	950	428	191	753	1 141	1 181		950
Other Government Entities								
Ezemvelo KZN Wildlife		2 979	-	1 351	-	4 330		
Sub-Total		2 979	-	1 351	-	4 330		
Total	950	3 407	191	2 104	1 141	5 511		

ANNEXURE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014
INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2013/14*	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		
Departments								
Current								
Office of the Premier		18		-	-	18		
KZN Works		-		161	-	161		
Dept of Transport	3 138	1 090	1 679	2 051	4 817	3 141		
National Environmental Affairs	34	3		-	34	3		
Dept of Arts and Culture		1		-	-	1		
The Presidency		-		1	-	1		
Department of Justice		267		625	-	892		
Social Development			243		243	-		
KZN Health	12				12	-		
Total	3 184	1 379	1 922	2 838	5 106	4 217		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

**ANNEXURE 6
INVENTORY**

Note	2013/14		2012/13	
	Quantity	R'000	Quantity	R'000
Inventory				
Opening balance		2 841		11 244
Add/(Less): Adjustments to prior year balance				104
Add: Additions/Purchases - Cash		7 343		271 183
Add: Additions - Non-cash		-		-
(Less): Disposals		-		-
(Less): Issues				279 690
Add/(Less): Adjustments		-		-
Closing balance	-	10 184	-	2 841

ANNEXURE 7**Movement in Capital Work-in-Progress
MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2014**

	Opening balance R'000	Current year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Dwellings	-	-	-	-
Non-residential buildings	28 025	129 737	25 426	132 336
Other fixed structures	-	-	-	-
Total	28 025	129 737	25 426	132 336

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 8
INTER-ENTITY ADVANCES RECEIVED (note 16)

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
National Department of Science and Technology	–	638	–	–	–	638
Sub Total	–	638	–	–	–	638
PROVINCIAL DEPARTMENTS						
Office of the Premier	547	–	–	–	547	–
Total	547	–	–	–	547	–

NOTES

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PART A:

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS:	1 Cedara Road Cedara Pietermaritzburg
POSTAL ADDRESS:	Private Bag X9059 Pietermaritzburg 3200
TELEPHONE NUMBER/S:	(+27) 33 355-9100
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EMAIL ADDRESS:	info@kzndae.gov.za
WEBSITE ADDRESS:	www.kzndae.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
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

3. FOREWORD BY THE MEC



It is with honour and appreciation that I table the Annual Report for the KwaZulu-Natal Department of Agriculture and Rural Development for the 2013/14 financial year, as required by the Public Finance Management Act 1 of 1999, as amended.

The agenda of the Department for the financial year 2013/14 remained that of ensuring vibrant, equitable, sustainable rural communities contributing towards food security for all who live in KwaZulu-Natal, as many people of this highly rural province are still trapped in a vicious cycle of poverty resulting from apartheid's spatial designs or patterns.

The Department made significant strides in its efforts of redressing past legacy of marginalisation and poverty in rural areas. The Department comes a long way with its effort of integrating the diverse food security programmes at rural household level.

The economic growth of the agricultural sector has been constrained by declining numbers of commercial producers, and the Department in 2013/14 strengthened its efforts towards reducing this and continued to focus its attention on ensuring transition of many smallholder farmers to commercial agriculture. The inclusion and recognition of smallholder farmers and small commercial enterprises across the whole agriculture value chain was tackled through various programmes advocating for market availability particularly to these categories of farmers. Transformation in the sector will continue to be at the heart of Department's strategies for the coming years.

The continued pressure on agriculture to increase output per unit of land poses additional challenges of ensuring that the natural resource base is protected. The Department has made significant strides in protecting natural resources and the environmental wellbeing of the province through the Landcare and environmental management programmes.

There was a campaign launched in the province to contain and control the outbreak of animal diseases in the province some of which were claiming lives. Following an outbreak of the rabies earlier into the financial year, a number of fatalities were noted in various parts. The Department resumed an intense vaccination campaign to arrest the spread of the disease and prevent further incidents. The interventions were successful and resulted in KZN being declared free of human cases later on in the year. Similarly, the spread of the Foot and Mouth Disease was restricted, which increased trade prospects for the province.

In 2013/14 the Department intensified its job creation initiative through its Natural Resource Management Programme (NRMP), which created over 16 000 job opportunities in the current year.

Through the Management Performance Assessment Tool (MPAT) the Department still strives to improve its management processes to ensure that there are effective management controls in pursuit of good governance. Despite initial challenges with reaching consensus on the proposed Departmental structure and filling of critical posts, the Department eventually received green light to proceed with activities in this regard. All critical posts, particularly at senior management level will continue to be filled.

I declare my gratitude to the staff of the Department, for their commitment in ensuring optimum and full operation by the institution. As a new member of the executive council, I extend my gratitude to members of all oversight committees for their support to the Department.

.....
Mr C. Xaba (MPL)
MEC: Agriculture and Rural Development

Date: 31 May 2014

4. REPORT OF THE ACCOUNTING OFFICER



It gives me great pleasure to present the 2013/14 Annual Performance Report for the Department of Agriculture and Environmental Affairs. This report outlines Department's achievements towards the set goals as detailed in the strategic plan. A lot has been achieved through the implementation of two key programmes, Livestock and Crop production, and are presented hereon.

In 2013/14 the Department honoured and harnessed government's call for strengthened support to small scale farmers and entrant commercial farmers. The development of these categories of farmers is believed to be one of the significant means to improving the value of agricultural contribution to provincial economy and improving the quality of livelihoods of the people of Kwazulu-natal. Thus the implementation of Outcome 7 and its outputs remained the core of all activities of the Department and for which allocations were centred around and accounted for in this report.

The Department has a mandate of assisting land reform beneficiaries and ensuring that the land acquired by these farmers does not lie fallow due to lack of financial strength, agriculture skill and infrastructure. The primary aim of the crop production programme is to ensure that the province's arable land is transformed to prime productive sites and there is an increase in the number of productive farms in the province. Significant strides have been

made in that regard through the mechanisation programme, the extension advisory programme and the development and rehabilitation of infrastructure.

Environmental planning, coordination, compliance and enforcement were also focused on greatly to ensure continuation of sound, safe and stable environmental governance in the province and implementation and compliance to frameworks. The Department continued to monitor air quality at hot spots to ensure again a safe living environment for the people of KwaZulu-Natal.

Appreciation is extended to Department's agencies for continued concerted efforts to bring to reality the vision and mission of the Department of Agriculture and Environmental Affairs. ADA continues with the business of turning farming into business, while Mjindi transforms arable land to productive land for food security and economic development. With the support of the oversight structures the Department anticipates improved performance in the next financial year.

A handwritten signature in black ink, consisting of a stylized 'Y' and 'B' followed by a horizontal line.

Ms Y Bacus
Acting Head of Department

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

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

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

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

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

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

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

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable

assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2013

Yours faithfully



.....
Accounting Officer
Ms Y Bacus

31 May 2014

6. STRATEGIC OVERVIEW

VISION

Optimal agricultural land use, sustainable food security, sound environmental management and comprehensive, integrated rural development.

MISSION

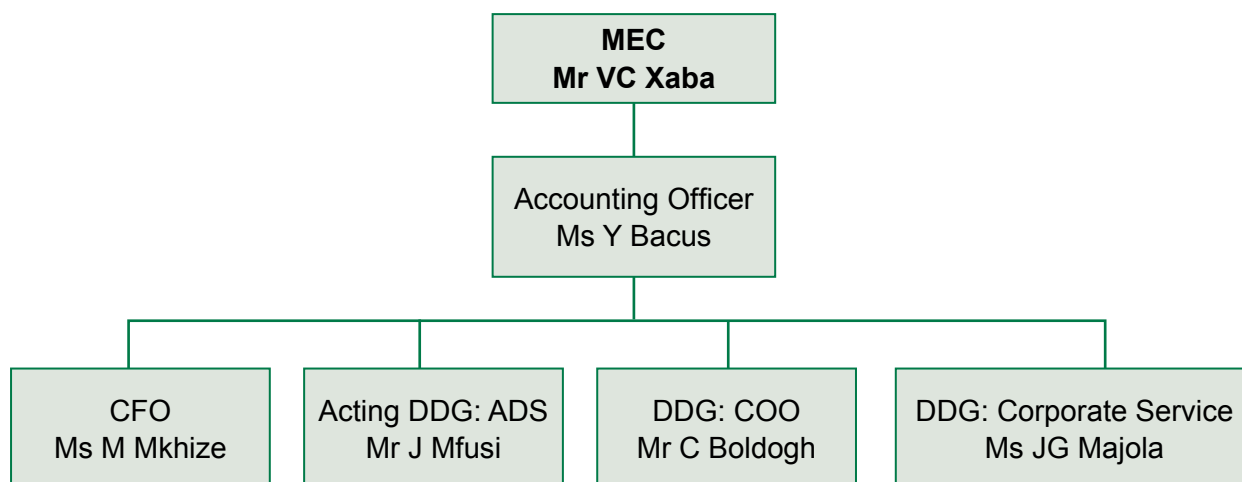
The Department together with its partners and communities, champions quality agricultural, environmental and conservation services and drives integrated comprehensive rural development for all the people of KwaZulu-Natal.

VALUES

In order to fulfill its mission, the endeavors of the Department are underpinned by the following values:

- **Strategic orientation** – without losing focus on the short-term priorities, the Department's long term strategy and objectives should guide the overall activities of the Department. The Department is a strategy driven organization.
- **Professionalism** – all employees of the Department must, without exception, perform their duties with integrity in a professional, ethical (open and honest) and value adding manner.
- **Development and recognition** – the Department's employees are recognized as its most valuable asset and therefore the ongoing development, life orientation and support of employees is a key priority.
- **Excellence** – the Department is committed to a culture of excellence and a performance driven management approach, and therefore specific emphasis will be placed on recognizing performance and excellence.
- **Service and service orientation** – all employees should strive to deliver excellent service to all of our customers and stakeholders (internally and externally).
- **Energising leadership** – leadership should be guiding, constructive and motivational, and leaders must lead by example.
- **Bambanani (joining hands, act collectively)** – the Department is committed to promoting a culture of teamwork, co-operation and support among employees.
- **Respect** – the ethos of all of the Department's activities is embedded in respect of the diversity of cultures, human rights and authority of the laws that govern the country and its people.
- **Responsive** – the Department is committed to finding solutions to the needs of our clients and stakeholders, and will always respond to enquiries and requests for service in order to empower, redress and advance our people, within and outside the Department.

7. ORGANISATIONAL STRUCTURE



8. ENTITIES REPORTING TO THE MEC

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Ezemvelo KZN Wildlife (EKZNW)	<p>Ezemvelo KZN Wildlife is a public entity in terms of section 3(c) of the Public Finance Management Act 1 of 1999 (as amended) that falls under the control of the Department.</p> <p>Ezemvelo KZN Wildlife is established in terms of KwaZulu-Natal Nature Conservation management Act 9 of 1997.</p>	Accountability arrangements between the Department and the entity are regulated by the Public Finance Management Act 1 of 1999 (as amended), where inter alia, the Department insists on obtaining written assurance from Ezemvelo KZN Wildlife that it implements effective, efficient and transparent financial management	The function of EKZNW is the conservation of biodiversity resources within KwaZulu-Natal in partnership with people and it is also responsible for the development of eco-tourism within the protected areas under its control.
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.	As with Ezemvelo KZN Wildlife and 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 internal control system before the Department will transfer funds to the Entity.	Mjindi is responsible for agricultural development in the northern estates of the province.

PART A: GENERAL INFORMATION

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Agribusiness Development Agency.	<p>ADA was established in terms of Cabinet Resolution No. 79 of 29 July 2009.</p> <p>The National Policy Governing the Comprehensive Agricultural Support Programmed (CASP).</p> <p>Land Reform Policy Guidelines and the Department of Rural Development and Land Reform's, Land Reform Recapitalization Programme.</p> <p>Amended Trust Deed for the Agribusiness Development Agency</p>	<p>Section 38(1)(j) of the Public Finance Management Act 1 of 1999(as ammende), Mjindi must provide written assurance to the Department that the entity implements good financial management and internal control system before the Department Transfer funds to the Entity.</p>	<p>The Agency provides holistic agricultural support services to entrant commercial farmers, focusing mainly on previously disadvantaged farmers. ADA also aims to develop strategies to address inequities, create opportunities for the farmers to participate in the value chain, provide access to markets and foster sustainability in the agricultural sector</p>

PERFORMANCE INFORMATION



AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

1. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2014:
 - Programme 2: Agricultural development services (on pages 20–27)
 - Programme 3: Environmental management (on pages 31 to 32).
2. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
3. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
4. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
5. The material findings in respect of the selected programmes are as follows:

Agricultural development services

Reliability of reported performance information

6. **Validity / accuracy / completeness**

The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of standard operating procedures, a lack of data trails/registers/lists and a lack of documented system descriptions for the accurate and complete recording of valid achievements.

Additional matter

7. I draw attention to the following matters:

Achievement of planned targets

8. Refer to the annual performance report on pages 18-25 and pages 29 to 30 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programmes reported in paragraph 17 of this report.

Adjustment of material misstatements

9. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for agricultural development services and environmental management. As management subsequently corrected the misstatements, I did not raise any material misstatements on the usefulness of the reported performance information.

Auditor-General

PIETERMARITZBURG

31 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

1.1 Service Delivery Environment

During the year under review, the Department pursued mandates over two critical sectors in the province, namely, Agriculture and the Environment. Although the announcement for the transfer of the Rural Development portfolio back to the Department was made in the third quarter of the year under review, the Department had continued with the coordination of activities within the agricultural context. Through various priority projects, the Department provided critical services communities across the province.

Table: Core Services and Products of the Department

SERVICES	PRODUCTS
Agriculture	Crop production, livestock farming, aquaculture, natural resources use and management and land reform (a national competency but supported by the Department at provincial level), extension, and care, and agricultural research.
Environment	Environmental planning, education and empowerment, compliance monitoring and enforcement, environmental impacts assessment, waste management and pollution control, air quality management, coastal management, eradication of alien plants and land use management.
Veterinary Services	Animal disease control, prevention of zoonotic diseases, inspection services and primary health care services.
Conservation	Conservation of natural resources (performed through public entities such as Ezemvelo KZN Wildlife).

Agriculture remains one of the most important sectors through which government has committed to change the social and economic outlook of South Africa. In KwaZulu-Natal, farming is one of the major contributors to the provincial economy.

Various forms of farming are undertaken and range from cotton farming, predominant in the Makhathini area north of the province, to sugarcane, crop and livestock farming. While the province fares competitively in the commercial/large scale agriculture, a considerable amount of the province's population is still food insecure. A number of emerging and subsistence farmers actively involved in agriculture are not considered for statistical purposes, largely due to their limited contribution to farming income.

The Environmental Management component continues to improve in terms of planning, compliance and enforcement, environmental quality management, biodiversity management and environmental empowerment. To enhance decision making, Environmental Planning Frameworks such as either the Environmental Strategic Assessments or the Environmental Management Frameworks are in the process of being developed for the Umuziwabantu, Umhlathuze, Msunduzi and Newcastle Local Municipalities. In addition, all of the Integrated Development Plans (IDPs) were reviewed against the Credible IDP Framework for environmental compliance. In order to improve environmental governance, the Provincial Committee for Environmental Coordination, consisting of all Government Departments, has been established. An Environmental Public Portal (website) has been completed and posted onto the Departmental website.

1.2 Organisational environment

In an effort to improve service delivery and effective coordination of functions, the Department reviewed its organizational structure. Although the process was delayed by disputes by organized labour which included legal processes, the Department finally had green light to finalize the structure and fill critical posts.

In terms of the environment, major challenge has been the finalization of Environmental Impact Assessment (EIA) applications within the legislated timeframes. To address this, the Department revised procedures to prioritize and fast-track EIA applications and improved the lines of communication between district, regional and head offices.

1.3 Key policy developments and legislative changes

The Environmental Management Framework (EMF) was adopted by National Minister of Environmental Affairs making it enforceable with the respective jurisdiction. Ministerial concurrence was obtained for the initiation of 5 EMFs. The Provincial Development Act, which requires that all municipalities compile and adopt Spatial Development Frameworks (SDF) within 5 years of its endorsement, was promulgated.

There is a greater awareness by the general public of their rights in terms of the relevant laws, particularly the Promotion of Access to Information Act and the Promotion of Administrative Justice Act. Such awareness has led to an increase in the request for information as well as an increase in litigation. The manual prescribed in terms of the Promotion of Access to Information Act was reviewed, forwarded to the Human Rights Commission and published in the Government Gazette.

2. PERFORMANCE INFORMATION BY PROGRAMME

2.1 PROGRAMME 1: ADMINISTRATION

The main role of the service renders by Programme 1 is to provide support to the line function components of the Department in achieving their goals. The focus for Programme 1 is the provision of Finance, Corporate and Strategic Support Services to the Department.

MEASURABLE OBJECTIVES

- To provide efficient and effective advisory and support services to the MEC.
- To establish and implement policy development and strategic management system within the Department.
- To establish a fully integrated corporate service function that delivers effective and efficient services.
- To ensure that the Department complies with its legal mandate and is effectively protected from legal risk exposure.
- To provide quality human resources management and development services to the Department.
- To ensure effective financial resources management that complies with the PFMA.
- Development and maintenance of effective, efficient and transparent financial management systems.
- To ensure effective management of Departmental assets.
- To provide effective management and advisory services.
- To provide an effective monitoring and evaluation system for the Department.
- To ensure that the Department is effectively integrated and positioned through corporate communications.

OVERVIEW OF PROGRAMME PERFORMANCE

OFFICE OF THE MEC

The Office of the MEC provides ministerial support functions to the MEC for Agriculture and Environmental Affairs. In doing this, we harness the support of all directorates within the Ministry to deliver outcome-based and timely solutions to issues raised.

The Department continued to forge links with the community of KwaZulu-Natal, including organized agriculture, Amakhosi, food insecure households and various other institutions. Through the Departmental call-centre, a number of farmer and community queries were resolved.

OFFICE OF THE HEAD OF DEPARTMENT

The purpose of the Office of the Head of Department, in collaboration with all Head Office components, is to provide strategic and supportive leadership, ensure compliance to legislative imperatives and good governance, guide the policy direction of the Department and oversee the use of state resources. There was an introduction of the Internal Task Team in October 2013, led by the new Acting Head of Department to assist with the turnaround of the Department. The team made significant strides towards stabilizing the Department.

CORPORATE SERVICES

Information Technology

The multi-year project of cable installation and network connectivity was undertaken in most local offices of the Department during 2012/13. With close to 90 percent of offices having connectivity; the Department was set for improved service delivery, through enhanced communication. The Departmental website was also revamped during the 2012/13 financial year.

Legal Services

In addition to drafting a total 114 contracts and opinions, the directorate also initiated a number of civil claims against various service providers in consequence of irregularities identified in the forensic reports.

Integrated Human Resource Management

The Department managed to submit the WSP on time. A total of 281 employees were trained in line with training needs identified and contained in the WSP. A total of 91 bursaries were awarded to external applicants and 88 awarded to internal applicants.

Management Advisory Services

The directorate coordinated consultations towards finalizing the organizational structure.

Occupational Health and Safety

Occupational Health and Safety campaigns were facilitated throughout the province. These ensured that officials were conversant with work safety requirements and that safety equipment in all offices was installed. Personal protective equipment, protective clothing was procured for relevant employees throughout the Department. The Occupational Health and Safety Committee had regular meetings during the review period.

STRATEGIC SUPPORT SERVICES

Monitoring and Evaluation

Compliance was maintained for all planning and reporting activities as required in terms of Treasury Regulations and the PFMA. Quarterly reviews were held with the Portfolio Committees, sector Departments and Treasury (including the Audit and risk Committee).

With nil audit queries for performance information for 2012/13, the unit maintained its systems to ensure accurate planning, implementation and reporting is achieved by the Department in 2013/14.

Extension Recovery Programme

Digital Pen: This cutting edge technology was introduced to render an effective and improved monitoring and evaluation of agricultural projects. The project is in its second phase of implementation and has proved vitally successful in tracking live project information across all district offices in KwaZulu-Natal.

Professionalization of Extension: The Department employed 934 permanent extension officers. Eighty percent of these officers have now met the minimum national requirements of attaining their agricultural

degrees through the qualification upgrading programme. These officers have now fully met the requirements of the National norms and standards in terms of professionalization.

IT and other Resourcing: Extension Officers have been equipped with digital technology (computer connectivity, gps, cellular phones and digital pens) devices to ensure effective reporting and control of projects. Officers have access to the latest online web based systems to provide up to date agricultural information to KZN farmers utilizing web based



Extension officers at their graduation

systems. Extension Officers are visible through branded vehicles and can be identified by uniform thereby upholding and maintaining the image of extension support.

FINANCIAL MANAGEMENT

The Finance Branch has a mission to support the Department to improve and ensure compliance with PFMA, Treasury Regulations, SCM policies and any other relevant prescripts which will results in clean administration and give public confidence that the public funds are utilized in an appropriate and transparent manner that will improve service delivery.

The Finance Branch comprises of the office of the Chief Financial Officer, two Chief Directorates and five Directorates as follows:

- a) The Office of the Chief Financial Officer: responsible for providing financial, technical, strategic and leadership support to the entire Department.
- b) Chief Directorate Management and Financial Accounting Services: This Chief Directorate houses two directorates i.e. Management Accounting and Financial Accounting Services.
- c) Chief Directorate Supply Chain Management: This Chief Directorate houses two directorates i.e. Supply Chain Management and Asset Management.
- d) Internal Control and Risk Management: This directorate is responsible for improving and strengthening internal controls as well as monitoring and managing risk management processes.

Highlights for 2013/14 Financial Year:

Compliance was maintained for all planning and reporting activities as required in terms of Treasury Regulations and the PFMA. Quarterly reviews were held with the Portfolio Committees, sector Departments and Treasury (including the Audit and risk Committee). The finance branch implemented an audit action plan to address the findings of the Auditor-General and Internal Audit in its commitment towards a clean audit. Special focus was placed on payments within 30 days and the success rate has improved tremendously over the last year. The Assets and Fleet Management unit ensured that the Department's fleet is well maintained and that the asset register accurately reflects the Department's movable assets. The monitoring of expenditure and revenue collection and regular reporting to management and other stakeholders, resulted in the Department achieving expenditure level of 98.6 percent for the year. Despite numerous challenges the Supply Chain Management unit was committed in providing the support and services to create an enabling environment for service delivery.

Programme expenditure

Sub-programme	Final Ap- propriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Ap- propriation R'000	Actual Ex- penditure R'000	(Over)/Under Expenditure R'000
Office of MEC	26,938	26,938	–	27,738	27,738	–
Senior Management	28,806	28,806	–	35,745	35,745	–
Corporate Services	167,180	167,180	–	161,076	161,076	–
Financial Management	79,817	79,817	–	66,856	61,091	5,765
Communications	32,146	32,146	–	36,268	36,268	–
TOTAL	334,887	334,887	–	327,683	321,918	5,765

*MEC delivering the Budget Speech*

2.2 PROGRAMME 2: AGRICULTURAL DEVELOPMENT SERVICES

PURPOSE

To engage, empower and transform our communities to participate in sustainable agricultural practices in order to realize economic development and food security in the province.

OVERVIEW OF PROGRAMME PERFORMANCE

Mechanization

The Mechanization Programme is a strategic intervention that finds resonance in Government's Comprehensive Rural Development Programme (CRDP), and One-Home-One-Garden Campaign, which advocates for an effective response against poverty and food insecurity by maximizing the use and management of natural land resources.

Through the Mechanization programme, about 12 000 hectares were planted. Of these 6 500 were planted with maize, 4 000 with beans and 1 500 with other crops. The CASP funds towards grain production were reprioritized as part of the National Food Security Strategy. This happened in July 2013, when performance targets were already finalized. The adjustments affected the overall output for crop production for the year under review.



Tractors provided by the Department to assist farmers

Irrigation

On Irrigation, a total of 11 irrigation schemes were established and 6 revitalized by the Department during the reporting period.

Livestock Production

In 2013/2014, a total of 3 cold rooms were procured for Ixopo, Dundee and Jozini offices at an amount of R1.2m for storage of chemicals. Vaccines, medicines and various other chemicals for treatment of diseases, dipping and minor wounds were procured to an amount of R14 100 000.00. A total of 1 357 633 animals were vaccinated against Anthrax, Rabies, Brucellosis, Newcastle disease, Lumpy skin disease and African horse sickness, while 305 354 animals were dewormed.



Livestock auction

Also, in 2013/2014, the Cabinet approved the Integrated Animal Identification Programme comprising of tattooing on the left ear and under the tail, ear tag on the right ear, microchip under the neck skin, and dip tank brand mark. Campaigns to introduce and demonstrate the programme to the farmers were conducted in all 11 Districts.

Infrastructure

A total of 139 agricultural structures were established during the year under review. These included 39 diptanks, 48 boreholes, 35 earth dams and 17 irrigation schemes.

The Department started with the process of reinstating the Red Line (fencing) in an effort to comply with control movement of animals from FMD zone to none FMD zone. The project will be completed in 2014/15. By the end of the 2013/2014 year, the Department had reached the advanced stage with plans to establish an abattoir at uMkhanyakude to provide market for communal farmers in an area that is affected by Food and Mouth Disease (FMD).



Tunnels established for improved production

Food Security

The Department supports households through a range of Food Security interventions including seed distribution, tunnels, training communities and establishing gardens at institutions, community and household levels. Through the Food Security programme, an estimated 478 826 households (300 000 targeted) were supported with seed, 35 897 gardens established, (100 community, 35 625 household gardens and 172 institutional), 355 tunnels established and of 40 000 beneficiaries trained.



Food security

Catalytic Projects

The Department supported various catalytic projects through partnerships. For the year under review, partnerships were maintained for projects including the the SAB Yellow Maize, Besters Beef project, Chicory project, Tugela Estates Irrigation and others.

Operation Sukuma Sakhe

The Department participated in the Operation Sukuma Sakhe flagship programme, an integrated service delivery approach of the provincial government. All extension officers and extension assistants were deployed to various war rooms. The District Managers represent the Department on the District Task teams and Local Managers represent the Department at Local Task Teams.

The MEC was the champion for Umzinyathi district and the Acting Head, the champion for Umgungundlovu. Against this background, the Department donated 13 laptops and 30 desktop computers to the OSS program for use in war rooms. This service delivery approach has yielded positive results due to the close working relationship with other sector Departments in addressing socio economic challenges in rural, urban and peri -urban communities. Interventions have been supported in terms of provision of food security tunnels, seed scoops and starter pack 2 to communities.

This coordinated approach has assisted to reduce duplication of services and services now complement one another. Additional staff needs to be appointed in order to be visible at all war rooms.

Research and Technology Development

Agricultural constraints have been addressed, and new information and technology presented to the Province through research projects. A total of 6 research projects were finalized during 2013-2014 financial year. These projects were conducted both "on and off research stations" and in rural communities.

The Cedara Juncao Mushroom Centre was established (Approximate cost-R 50 million) with a view to creating a sustainable Mushroom industry within the Province. The mushroom centre also supports initiatives to establish food security and job creation.



Sample testing

To this effect, approximately 108 423 mushroom packs were produced in 2013/14. One mushroom pack contributes some 500g of fresh mushrooms within a 3 month period.

Technology Transfer activities were undertaken through lecturing at Short Courses sessions, specialized advice, Farmers days and publications.

A total of 17 popular articles, 30 scientific / semi-scientific articles, 29 information packs, 6 handbook chapters and 3 production manuals were published within the reporting period. An annual Research Symposium was conducted where relevant highlights of the research were presented to extension and advisors.

Cooperatives

A total of 126 agricultural Cooperatives were linked to markets in 2013/14. Of these, 89 were established during the review period.

Fencing

About 244 km of fence was erected under the Land care program. This is against a target of 430km. Challenges with sourcing the required material for certain projects resulted in delayed completion of activities. Work not completed in this regard would be completed in the first quarter of 2014/15.



Women co-operatives supported

SERVICE DELIVERY ACHIEVEMENTS: AGRICULTURAL DEVELOPMENT SERVICES

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
SUSTAINABLE RESOURCE MANAGEMENT				
Objective: Provide technical support, extension, specialist advisory and mentorship to households and farmers				
Engineering Services	Number of agricultural engineering advisory reports prepared	12	12	
	Number of designs with specification for agricultural engineering solutions provided	75	74	All requests from core functions were processed. This is demand driven
	Number of clients provided engineering advices during official visits	200	161	This depends on requests received from clients.
	Number of final certificates issued for infrastructure constructed	20	8	Establishment of structures started late and is still in progress. A total of 9 structures are still under construction. Certificates are only issued once a structure is evaluated as complete.
	No. of diptanks rehabilitated	40	33	Work will be carried over into new financial year
	No. of new dip tanks established	16	6	Construction of 9 new diptanks is currently active and was not complete at the time of reporting.
	No. of agricultural structures established	220	133	In addition to challenges with CIDB grading for service providers, the Department deferred the establishment of structures as costs of setting up these structures would have resulted in over-expenditure for the year under review.
	No. of boreholes established	80	48	Fewer requests were received from ADS branch for support on boreholes by engineers.
	Number of earth dams constructed	60	35	The remainder of dams were still being completed at the time of reporting for fourth quarter.
	No. of irrigation schemes established	48	11	The target projected for the year was higher than the capacity (financial resources) for the regions, where the budget is allocated.
Land use	No. of irrigation schemes revitalised	23	6	The target projected for the year was higher than the capacity (financial resources) for the regions, where the budget is allocated.
	Number of recommendations made on subdivision/rezoning/change of agricultural land use.	200	139	The output is depended on the number of applications received.
Objective: Ensure environmentally sustainable development				

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
Disaster Risk Management	No. of early warning advisory reports issued	12	3	The actual output is based on the early warnings received by the Department from the Weather Services.
	No. of disaster relief schemes managed	3	3	
Land Care	Number of awareness campaigns conducted on Land Care	10	10	
	*Number of capacity building exercises conducted with approved L/C Projects.	6	6	
	*Number of beneficiaries trained within capacity building skills transfer	650	827	Training of beneficiaries is dependent on number of people who turn up for such.
	Number of farm land hectares improved through conservation measures	30	0	The main project on which the target was based did not require conservation measures.
	No of beneficiaries adopting/practicing sustainable production technologies and practices	100	40	Demonstrations were delayed by climatic conditions where there was excessive rainfall during the targeted quarters.
	Number of degraded hectares rehabilitated	2500	8604	The increase was as a result of additional projects approved by the Department which were not part of the initial plan.
FARMER SETTLEMENT	*Number of green jobs created through Land Care	2000	3269	Department approved more projects under Jikijela which was never part of the initial plan.
	*No. of km of fencing erected under Land Care	430	244	Fencing material was only received in November 2013 from suppliers. Implementation resumed in the 4 th quarter and less progress was achieved.
	Objective: Provide technical support, extension, specialist advisory and mentorship to households and farmers			
	Number of farm plans completed	20	18	Demand driven indicator
	Number of smallholder farmers supported	8500	6096	Farmers (per project) supported were those whose projects were approved for support by the Department.
	Number of commercial farmers supported	500	0	The Department is reviewing its policies on the support of commercial farmers. The indicator was established in response to the need to align with government reporting frameworks. Implementation will be effected in 2014/15.

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
Specialist Agri-cultural Advisory Services	Number of farm assessments completed	20	40	The Department received more requests for assessments from the Department of Rural Development and Land Reform.
	Number of scientific evaluation reports on commodity based projects	88	81	Some evaluation reports are still work in progress.
	Number of cultivar trials conducted	22	17	Slightly below target. There was less demand than planned for trials
	Number of scientific value adding reports in diversified crops	60	51	Fewer requests were received for crop diversification from clients.
Mentorship	No. of projects mentored	75	55	This is a demand driven output. This financial year there has been a decrease in the number of projects mentored due to termination of contracts. The Districts are mobilised to submit new mentorship applications to transfer skills to farmers for 2014/15.
Objective: Creating and facilitating improved access to a stable and diversified food supply for improved nutritional well-being and improvement in household income				
Value adding	No. of agri-processing courses presented	28	34	The excess is due to additional requests from the Districts.
	No. of clients trained in agri-processing	420	452	The indicator is demand driven.
Extension and Advisory Services	No of agricultural demonstrations facilitated	8420	6931	Demonstrations were delayed by climatic conditions where there was excessive rainfall during the most targeted period.
	No of farmers days held	172	227	Increase was due to demand from clients and stakeholders.
	No. of functional commodity groups supported	10	10	
	Number of consultations to farmers	55692	60747	Increase was due to demand from clients.
Crop production	Number of farmers reached through consultations.	18175	24643	Increase was due to demand from farmers on Departmental services e.g. mechanization, general advice.
	Number of hectares of maize established under mechanization programme	14375	6580	The CASP funds towards grain production were reprioritized as part of the National Food Security Strategy. This happened in July 2013, when the APP targets were already finalized. The adjustments affected the overall planting of maize.
	Number of hectares of beans established under mechanization programme	5850	3990	In addition to the effect of CASP fund re-adjustment by DAFF, the planting of beans in some areas was affected.
	Number of hectares of sugarcane rehabilitated	705	1061	More requests were received for support.
	Number of hectares of other crops established	1365	1 427	Delivery of seeds in Q4 led to more hectares being planted for communities.
	Number of hectares limed	4272	0	Liming did not happen prior to planting season as targeted due to soil suitability.

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
Food Security	No. of verified food insecure households supported	300000	478 826	The output increased in Q4 when training was provided which is scheduled as part of the support.
	No. of food security status reports compiled	4	4	
	*No. of community gardens established	100	100	
Food Security (Continued)	No. Of household gardens established	27500	35625	Delivery of seeds in Q4 led to more hectares being planted for households
	No. of tunnels established	350	355	Almost on target
	No. Of institutional gardens established	212	172	Focus was diverted to establishing household gardens.
Cooperatives	No of people trained within the Food Security Programme	40000	40000	
	No. of agricultural cooperatives established.	100	89	This indicator is demand driven, depends on request from clients who seek to register as cooperatives.
	No. of established agricultural cooperatives linked to the market.	55	126	There was more demand for the markets hence more were/had to be linked
VETERINARY SERVICES				
Objective: Prevention, control and/or eradication of animal diseases				
Animal Health	No. of animal vaccinations against controlled animal disease	1200000	997 348	This is due to a decline in disease outbreaks for the current year.
	*No. of animals vaccinated against anthrax	380000	376 579	The under-performance was due to fewer animals being presented at vaccination points.
	No. of animals vaccinated against rabies	530000	351 579	This is due to the general decline in rabies outbreaks for the current year.
	*Number of cattle vaccinated against Brucellosis	15700	38946	More cattle had to be vaccinated for CA
	*Number of poultry vaccinated against New Castle Disease	237000	72551	There was also less activity with poultry vaccinations. The focus was shifted to the survey on Avian influenza in line with the directive from DAFF.
	Number of primary animal health care (PAHC) interactions held.	2000	1 544	There was less demand for interactions following extensive awareness campaigns during periods of outbreak.
	Number of animals attended to during PAHC sessions	110000	44143	Department has no control on the number of animals that gets presented to organised sessions.

PART B: PERFORMANCE INFORMATION

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
	Number of official veterinary movement documents issued	16000	235	Exports are restricted as a result of FMD.
	Number of animals sampled/ tested for disease surveillance purpose	20 000	4 147	Fewer animals were sampled for screening due to a reduction in disease outbreaks. At some stage, the lab ran out of reagents, which were later procured.
	Number of animal health information days held (knowledge transfer/ extension)	148	132	Fewer information days were held due to a reduction in incidences of disease outbreak.
	*Number of animals tested with skin TB test	40000	6 595	The supply of tuberculin in the country was limited and subsequently affected the related tests.
	Number of CA samples collected	66000	26733	There was reduced need for CA sampling.
	Number of dipping sessions	18000	23961	Establishment of dipping facilities led to increased activity in dipping areas.
	Number of inspections for regulatory purposes	200000	426 438	The high inspection rate is a result of fortnightly inspections in compliance with the FMD protocol.
	No of cattle dewormed	210000	671525	The high output is attributed to increase in the treatment of internal parasites in cattle.
	No of sheep/goat dewormed	122300	104297	There wasn't much demand for de-worming the species
	*Number of veterinary export certificates issued	1500	704	All applications received were processed. Fewer were received.
Export Control	*Number of export establishment registered	50	341	There was a high need for animal commodity export.
	Number of farmers supported in veterinary matters	20000	10 419	This depends on the number of clients requesting veterinary information from the Department.
Veterinary Empowerment	Number of veterinary facilities supported	40	10	This depends on the number of facilities requesting veterinary support from the Department.
	Number of animals subjected to identification measures	20000	10 949	The Department continues to brand cattle as part of the animal identification campaign. The output will increase as more identification items are procured.
Animal Identification	Number of abattoirs inspections conducted	448	1004	Given the high rise of informal abattoirs, VPH received complaints from various stakeholders to do more inspections to detect illegal outlets.
	Number of facilities processing animal product and by-products inspected	448	522	Some posts that were vacant had been filled, a move which increased capacity and subsequent delivery.
	Number of public awareness sessions held.	8	59	With the increase in the disease outbreaks in 2012/13, DAFF recommended additional sessions and the subsequent stringent regulatory controls.
VPH				

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
Veterinary Laboratory Services	Number of illegal slaughtering investigations held	24	28	The Department received more calls from stakeholders to do investigations than planned
	Number of contact sessions held	20	57	The Department received more calls from stakeholders to host contact sessions
	*Number of control audit reports	18	36	Lab decided to do more since the preparation of SANAS accreditation requires more of these reports
	Number of external quality control reports	24	52	Lab decided to do more since the preparation of SANAS accreditation requires more of these reports
	*Number of specimens tested	155 000	115 775	The lab has no control on the number of specimen tested since this depends on what clients submit for testing.
	Number of food safety specimens tested	560	1188	Clients brought more specimen in the lab than planned
	Number of abattoir hygiene monitoring specimens tested	100	54	Problems of equipment breakdown affected performance.
	Number of specimens tested for Controlled/Notifiable diseases	72500	76328	The output was based on demand.
	Number of specimens tested for Non-Controlled/Notifiable diseases	70000	37554	As a result of the mentioned equipment challenges, some specimen had to be taken to external labs for testing as such the Departmental lab had no influence on timeframes
	No of tests performed	203000	157928	Equipment challenges have hampered performance.
	Number of epidemiological studies conducted	6	4	Since focus is on accreditation, less studies have been conducted
	Number of necropsy specimens processed	600	491	This depends on requests from clients
RESEARCH AND TECHNOLOGY DEVELOPMENT				
Objective: Undertake appropriate adaptive agricultural research, technology development and transfer to advance agriculture				
	*Number of research project plans approved which address specific commodity's production constraints	17	14	Demand driven. All plans received were processed.
	Number of research projects implemented which address specific commodity's production constraints	68	68	
	*Number of research projects completed which address specific commodity's production constraints	6	10	Some research projects took longer than expected to be completed and will be reported once completed.

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
	Number of scientific papers published	9	8	All scientific papers generated were published. The shortfall is as a result of some ongoing research studies.
	Number of presentations made at scientific events	4	4	
	Number of samples analysed.	34200	37545	Slightly more samples have been received than initially anticipated
	No of mushroom packs produced	220 000	108 423	Unanticipated equipment breakdown has hampered the production of mushroom packs.
	Number of research infrastructure provided	11	11	
	Number of research infrastructure maintained	11	11	
	No. of presentations made at technology transfer events	4	3	There were only 3 technology transfer events conducted and only 3 presentations could be made and reported this financial year
	Number of demonstration trials conducted	11	10	This is demand driven.
	Number of popular articles in media	8	6	Some articles are still work in progress and will be reported once completed
	*No of information packs disseminated (developed)	5	8	There was more demand than planned
AGRICUTURAL ECONOMICS	Number of technology transfer events conducted.	25	24	One event had to be cancelled due to challenges from the side of the stakeholders.
	Objective: Provide accurate agricultural economic information to support farmers			
	Number of Agri-Business supported with Agricultural economics advice towards accessing markets	36	12	The Department has no control on this indicator since it depends on requests received from clients
	*Number of Agricultural economics studies conducted	40	21	This depends on requests for economic studies received
	*Number of clients supported with agricultural economic advice	1200	1338	This depends on requests received from clients
	Number of Smallholder farmers/producers accessing marketing information	200	419	Clients demanded more marketing information than initially planned
	Number of new enterprise budgets developed	5	3	Clients were not always co-operative in providing price information and this resulted in delays in developing some budgets.

Programme/ Sub programme	Performance Measure	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
	Number of enterprise budgets updated	36	18	Clients are not always co-operative in providing price information on time. This resulted in delays for the update of some budgets.
	Number of marketing /statistical reports developed	1200	589	Development of these reports depend largely on the availability and cooperation of clients served, unfortunately this exercise was not properly done based on the unavailability of clients, especially during the month of December.
	Number of macroeconomic information requests responded to on macroeconomic information	1000	479	Fewer macroeconomic information requests received than planned
	Number of macroeconomic reports developed	5	4	There were less demands from clients.
STRUCTURED AGRICULTURAL TRAINING				
Objective: To facilitate and provide structured agricultural education and training in line with the Agricultural and Education Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector				
Further Education and Training	Number of trained farmers receiving Certificates	2500	2484	Some farmers do not complete the whole course duration. As such, they do not get certificated.
	Number of learners completing accredited skills programme	360	1054	The Department received a special request from the Department of Correctional Services to train inmates on agricultural skills programme.
	Number of learners completing non accredited short course	300	225	There was less demand for the course from various structures of the Province
	Number of students registered into accredited Higher Education and Training (HET) qualifications	310	352	This is demand driven
Higher Education and Training	Number of students completing Higher Education and Training (HET) qualifications	90	99	This indicator cannot be controlled, the number of students completing depends on the pass/failure rate. The pass rate slightly increased from the set target.

Expenditure: Agricultural Development Services

Sub-programme	2012/2013			2013/14		
	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	95,802	90,794	5,008	112,361	112,361	–
Farmer Support and Development	1,179,346	1,179,346	–	1,158,775	1,126,825	31,950
Veterinary Services	154,386	154,386	–	135,812	135,812	–
Research & Technology Development	155,249	155,249	–	163,704	163,704	–
Agricultural Economic Services	2,231	2,231	–	5,641	5,641	–
Structured Agricultural Education and Training	119,342	119,342	–	122,971	122,221	750
TOTAL	1,706,356	1,701,348	5,008	1,699,264	1666,564	32,700

Agricultural Development Services was under-spent by R32.7 million of which R23 million is in respect of lime that was ordered for the liming programme under the Ilima/Letsema conditional grant. Unfortunately the lime was not delivered by 31 March 2014. Also, R8.847 million relates to the provision of sheds for mechanisation equipment in all districts. This project took longer than anticipated and will only be implemented in the 2014/15 financial year. Furthermore, the Department provided for a transfer payment of R1 million to Zakhe Agricultural College but the progress made by the College meant that only R250,000 was transferred. This assistance will continue in the 2014/15 financial year. This under-spending is directly linked to the under-achievement of targets in major indicators including infrastructure development and crop production.

2.3 PROGRAMME 3: ENVIRONMENTAL SERVICES

PURPOSE

To advance environmental sustainability for socio-economic development through the promotion of sustainable use of the environment and ensuring safe and healthy environment.

OVERVIEW OF PROGRAMME PERFORMANCE

The Environmental Management component provides services in terms of environmental planning and coordination, compliance and enforcement, waste management, air quality management, environmental impact management, biodiversity management and environmental empowerment. In order to improve environmental planning and coordination, the Department concentrates on the development of instruments, mechanisms and institutions to ensure sound cooperative environmental governance in the implementation of sustainable development frameworks.

SERVICE DELIVERY ACHIEVEMENTS

Impact Management

The achievement of 99% of the APP target for the number of EIA applications finalized within legislated timeframes during 2013/14 is an indication of improved compliance to Environmental legislation.

Waste Management

During the 2012/13 financial year a landfill site status quo assessment was conducted of all operational landfill sites within KwaZulu-Natal. A summary report was produced, which gave a visual interpretation of the compliance status of landfill sites with the use of “traffic light” tables. This summary report was presented to the Portfolio Committee for Conservation and Environment, as well as other Provinces and the Deputy Minister for Environmental Affairs at the 2013 Waste Khoro.

Climate Change

The Department has been participating in the disaster management forums of different district municipalities. This is done in order to ensure that many of the approaches being developed for adaptation, such as vulnerability assessments, sector plans, capacity-building and response strategies, are directly supportive of disaster risk reduction. It is also based on the fact that due to climate change, hydro-meteorological hazards have become more prevalent than non-hydro meteorological hazards, this has been observed in different parts of the Province through flash flooding, severe thunderstorms accompanied by damaging lightning, severe hail etc.

Programmes aimed at creating awareness on climate change issues in the communities were implemented through workshops held in partnership with KZN Department of Cooperative Governance and Traditional Affairs for AmaKhoshi and Izinduna as well as events aimed at reaching to the public. The Department coordinated the training in partnership with the national Department of Environmental Affairs on the methods and guidelines for the compilation of a Greenhouse gas emission inventory. Five district municipalities were invited to form part of the training, which were uGu, eThekweni, uMgungundlovu, iLembe and uThungulu. This was done as the first step towards compiling a complete inventory for the Province.

Coastal Management

The Coastal Management unit provided emergency support, coordination and response to the grounding of the MT Phoenix off Sheffield Beach on the North Coast and MV Smart at Richards Bay harbour. Reacting to the possibility of dealing with an oil spill and coal, EKZN Wildlife and the Unit prepared an environmental risk mitigation plan for marine and estuarine systems which outlined the preventative and rehabilitation options available to SAMSA and the salvagers.

Four Amakhosi workshops (Ugu, eThekweni, iLembe and Umkhanyakude) were coordinated by our unit in response to the MEC's instructions on illegal development along the coast. These workshops aimed to raise awareness and educate on the environment and climate change.

Biodiversity Management

Over 16 000 jobs were created through the Department's Sustainable Natural Resource Management (SNMR) programme in 2013/14.

Environmental Empowerment Services

The Department maintained its advocacy initiatives to raise awareness about the environment. A number of campaigns, workshops and training sessions were convened with stakeholders, including communities throughout the province.



The EPWP Summit

In 2013/14, the Schools Environmental Education Programme (SEEP) was awarded Gold at National Batho Pele Awards, as the best implemented Programme of the year 2013.

KZN Integrated Greening Programme (IGP)

In 2011, the Province of KwaZulu Natal, under the leadership of former Premier launched the Integrated Greening Programme (IGP) as a flagship programme to integrate greening initiatives in the Province. The Dept. of Public Works (KZN) was nominated as the driver of the programme with DAEA as the Department to provide the Technical expertise. In 2013/14, the programme was awarded the Best Implemented Project: National Batho Pele Awards, where a silver award was received.

SERVICE DELIVERY ACHIEVEMENTS: ENVIRONMENTAL MANAGEMENT

Outputs	Performance measures	Actual Performance Against Target		Reasons for Variance
		Target for 2013 / 2014	Actual outputs for 2013 / 2014	
Policy Coordination and Environmental Planning				
Objective: Environmentally sustainable development				
Policy Coordination And Environmental Planning	Number of intergovernmental sector tools reviewed	80	77	Two local municipalities at Uthungulu District could not finalise SDF processes within the reporting period. Precinct plans at Harry Gwala District Municipality were not adopted.
	Number of legislative tools developed	10	07	Two EMFs, Ilembe CMP, KwaDukuza estuary management plan and Ilembe AQMP could not be finalized within the reporting period.
	Number of environmental research projects undertaken	11	08	Some districts could not report on KPA due to capacity constraints.
	Number of functional environmental information management systems	12	11	One district could not report on the KPA due to infrastructural challenges
	Number of climate change response tools developed	1	01	Ilembe CCRS was finalised
Compliance and Enforcement				
Objectives: To mitigate impact and promote a safe and healthy environment.				
Compliance, Management and Enforcement	Number of criminal enforcement actions finalised for non-compliance with environmental management legislation	4	0	Dependent on transgressions received. Demand driven
	Number of administrative enforcement actions taken for non-compliance with environmental management legislation	370	379	This indicator is demand driven and varies per quarter.
	Number of compliance inspections conducted	700	724	Officials put in greater effort in order to conduct additional inspections.
	Number of received S24G applications finalized	24	7	This indicator is demand driven.
Environmental Quality Management				
Objectives: To mitigate impact and a safe and healthy environment				
Air Quality Management	Number of designated state organs with approved AQMPs	1	1	Ugu District Municipality

Outputs	Performance measures	Actual Performance Against Target		Reasons for Variance
		Target for 2013 / 2014	Actual outputs for 2013 / 2014	
Impact Management	Number of EIA finalized within legislated timeframes	320	299	93% of target achieved. Performance dependent on the number of EIA applications received and the demand for listed activities (economic conditions).
Pollution and Waste Management	Number of air emissions license applications finalised within legislated timeframes	10	10	AEL's were finalized in Umgungundlovu, Ilembe and Amajuba districts.
	Number of waste license applications finalised within legislated timeframes	14	21	Amendments to the list of waste management activities were gazetted on 29 November 2013, which resulted in 10 applications being withdrawn. However, more decisions were issued and applications finalized.
Biodiversity Management				
Objectives: To manage invasive alien species				
Biodiversity Management	Number of coastal management programmes adopted			1) KZN COASTAL PROFILE & CMP: There were some delays from writers of various specialist chapters in drafting the Coast Profile which is part of the KZN Coastal Management Program. The Coastal Profile has since been finalized and is currently being printed. The CMP will then be drafted in the new financial year. 2) NKONGWENI ESTUARINE MANAGEMENT PLAN: This was to have been a co-founded venture with DEA, KZN DAEA and Cape Nature being an implementing agent. Given funding challenges at the National level the co-funded option was not possible. The development of the plan will now be prioritized for funding by the Department in the 2014/15 financial year.
		2	0	
Environmental Empowerment Services				
Objectives: Mitigate impact and promote a safe and healthy environment				
Capacity Building and Support	Number of job opportunities created through environmental programmes	16 000	12 985	Target not met due to budget constraints
	Number of environmental capacity building activities conducted	33	39	Sponsorship from Landcare and other partners enabled more workshops to be conducted.
	Number of environmental awareness activities conducted	950	969	Partnership with other stakeholders enabled more awareness activities to be conducted

Expenditure: Environmental Management

	2012/2013			2013/14		
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
Environmental Policy Planning and Coordination	2,717	2,717	–	3,666	3,666	–
Compliance and Enforcement	28,659	28,659	–	32,428	32,373	55
Environmental Quality Management	48,219	48,219	–	28,539	27,989	550
Biodiversity Management	147,535	147,535	–	133,967	133,967	–
Environmental Empowerment Services	31,354	31,354	–	32,727	32,150	577
TOTAL	258,484	258,484	–	231,327	230,145	1,182

Environmental Management underspent by R1.182 million, of which R800,000 relates to transfer payments and R382,000 under machinery and equipment. The transfer to WESSA of R400,000 could not be processed due to technical challenges on the financial system and the transfer to municipalities of R400,000 is in respect of the winners of the greenest municipality competition that did not submit the required business plan and hence did not receive funding. The under expenditure against *machinery and equipment* relates to various office furniture and equipment due to slow filling of posts and therefore no need to provide computers, furniture, etc.

3. TRANSFER PAYMENTS

3.1 Transfer payments to public entities

The Department had two public entities and one government business entity reporting to the Department during 2013/14 financial year. The entities produce their own separate annual reports that provides details of their mandates, outputs and achievements. The purpose of the entities is as follows

Ezemvelo KZN Wildlife (EKZNW) is the public entity responsible for performing the nature conservation function in the province.

Agri-business Development Agency (ADA) is the public entity providing the vehicle to grow the agricultural sector and improving access for black commercial farmers and agribusiness entrepreneurs through partnership and knowledge. This entity was previously under Department of Economic Development and Tourism and the Department only utilised the entity as an implementing agent for agricultural projects providing assistance to farmers. The oversight responsibility was transferred to the Department during the 2013/14 Adjustments Estimate.

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

- Repair and upgrading of the existing 3 500ha 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 for 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 has improved the monitoring of the above entities during 2013/14 and quarterly reviews of financial and non-financial performance was conducted. The Department also has representation at board meetings.

Transfers to Public and Government Business Entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	(Over)/Under Expenditure
EKZNW	Conservation services	568,522	568,522	–
ADA	Project implementation	82,394	74,059	8,335
Mjindi	Agricultural development	46,607	40,807	5,800
TOTAL		697,523	683,388	14,135

The under-expenditure by ADA and Mjindi is partly due to vacant posts and outstanding commitments where the goods/services and invoices were not received and paid by 31 March 2013/14. The entities have requested that these committed funds be rolled over to the 2014/15 financial year.

3.2 Transfer payments to all organisations other than public entities

The Department made transfers to various organisations and private enterprises as listed in the table below. The Department enters into Service Level Agreements (SLA) with all entities that receive funds with the exception of farmers that received 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 SLA's. 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 2013 to 31 March 2014, excluding transfers for motor vehicle license and radio license.

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
Newcastle Municipality	Local Government	Greenest municipality award	400		
Maphumulo Municipality	Local Government	Greenest municipality award	100		
Greater Kokstad	Local Government	Greenest municipality award	100		
Mvushini Estate Pty Ltd	Private	Soil conservation subsidy	331	331	
Radley JH	Private	Soil conservation subsidy	561	561	
Du Plessis MJ	Private	Soil conservation subsidy	539	539	
Peoples Bio Oil (Pty) Ltd	Private	Infrastructure and equipment for bio oil factory	6,000		
SA Sugar Research Institute	Private Private	Agricultural Research	1,197	1,197	
SA Association for Marine Biological Research	Non-profit	Research and operational costs	5,227		
Zakhe Agricultural College	School	Improvement of facilities	250	250	
Households	Private	Various employee benefits	4,597	n/a	
Donations	Private	Cash donations	43	43	

The table below provides details of transfers that were budgeted for in the period 1 April 2013 to 31 March 2014 but not transfer payments were not made.

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
Endumeni Municipality	Greenest Municipality awards	400	–	Municipality did not submit the required business plan
WESSA	Environmental education	400	–	Technical problem with processing payment at end of financial year.
Zakhe Agricultural College	Improvement of facilities at school	1,000	250	The project runs over two financial years but Department provided full funding in 2013/14.

4. CONDITIONAL GRANTS

4.1 Conditional grants and earmarked funds received

Conditional grants and earmarked funds received

The tables below details the four conditional grants received for the period 1 April 2013 to 31 March 2014.

4.1.1 Land Care Programme Grant

Department who transferred the grant	Department of Agriculture, Forestry and Fisheries
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in the initiatives that supports the pillars of sustainability (social, economic and environmental) leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	<ul style="list-style-type: none"> Community benefiting from the programme through job creation – 816 people Projects beneficiaries benefiting from skills transfer – 473 people Making productive land available for agricultural production (grazing) – 4127ha Number of awareness events hosted – 10 Number of youths successfully attending organized Junior LandCare initiatives – 120 Km of fence constructed – 131km's
Actual outputs achieved	<ul style="list-style-type: none"> Improved social economic status – 895 Beneficiaries with improved skills – 615 Increased grazing areas – 3054ha Number of events were to increase awareness amongst communities and stakeholders – 11 Number of youths successfully attending organized Junior LandCare initiatives – 120 Km of fence erected – 47.92km's
Amount per amended DORA (R'000)	18,746
Amount received (R'000)	18,746
Reasons if amount as per DORA was not received	–
Amount spent by the Department (R'000)	18,746
Reasons for the funds unspent by the Department	–
Reasons for deviation on performance	Late delivery of fencing material has resulted in projects not being completed by 31 March 2014 which affected the number of kilometers fenced and hectares of grazing land established. However, this has been offset by the over achievement of improved economic status, improved skills and awareness events.
Measures taken to improve performance	Earlier procurement.
Monitoring mechanism by the receiving Department	Monthly and quarterly monitoring.

4.1.2 Ilima/Letsema Project grant

Department who transferred the grant	Department of Agriculture, Forestry and Fisheries
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production.
Expected outputs of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export.
Actual outputs achieved	
Amount per amended DORA (R'000)	65,768
Amount received (R'000)	65,768
Reasons if amount as per DORA was not received	–
Amount spent by the Department (R'000)	42,768
Reasons for the funds unspent by the Department	The lime for the liming programme was ordered but not delivered by the service providers
Reasons for deviation on performance	The lime was not delivered for the liming programme
Measures taken to improve performance	Early procurement of goods and services
Monitoring mechanism by the receiving Department	Monthly and quarterly monitoring

4.1.3 EPWP incentive grant for Provinces

Department who transferred the grant	Public Works
Purpose of the grant	Increase number of EPWP jobs
Expected outputs of the grant	
Actual outputs achieved	
Amount per amended DORA (R'000)	550
Amount received (R'000)	550
Reasons if amount as per DORA was not received	–
Amount spent by the Department (R'000)	550
Reasons for the funds unspent by the Department	–
Reasons for deviation on performance	
Measures taken to improve performance	None
Monitoring mechanism by the receiving Department	Monthly and quarterly monitoring

5 DONOR FUNDS

5.1 Donor Funds Received

The Department received foreign aid for the Rabies Programmes during the 2013/14 financial year.

5.2 Rabies Programme

The Department signed an agreement with the Bill Gates Foundation for funding of the rabies programme to the value of \$2,179,371 over five year period. This funding will be received through the World Health Organisation.

5.1.1 Donor Fund: World Health Organisation

Name of donor	Bill Gates Foundation through World Health Organisation
Full amount of the funding	Bill Gates Foundation through World Health Organisation
Purpose of the funding	\$2,179,371
Expected outputs	Prevention of human rabies through the control of dog rabies
Actual outputs achieved	<ul style="list-style-type: none"> • Sustaining and supplementing the Department's control measure against rabies through the acquisition of additional supplies such as vaccinations; • Promoting public awareness which filters into all aspects of rabies control; • Promoting primary health care of companion animals through clinics in key areas; and
Amount received in current period (R'000)	
Amount spent by the Department (R'000)	2,291
Reasons for the funds unspent	1,058
Monitoring mechanism by the donor	Funds are received in January 2014 to be utilised by December 2014.

PART C:

GOVERNANCE



1. INTRODUCTION

The Department has an obligation to maintain the highest standards of governance in the management of public finances and resources. The Department applies a number of measures to ensure that the taxpayers and communities at large receive efficient services, with reduced incidence of fraud and corruption, at best value for money.

2. RISK MANAGEMENT

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 advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The Audit 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 risks, particularly in the area of Information Technology.

3. FRAUD AND CORRUPTION

The Department's has a fraud prevention plan which is closely monitored by the Internal control and Risk Management unit. The Department has a Hotline managed through the Office of the MEC, where activities of fraud and corruption may be reported.

4. MINIMISING CONFLICT OF INTEREST

All employees are made aware to declare any activities that may be in conflict with the work for which they are officially remunerated. Senior Managers declare their financial interests on an annual basis. Furthermore, members in all committees of the Department declare their interest prior to participating in official meetings.

5. CODE OF CONDUCT

The code of conduct / ethics document is distributed to all staff on an annual basis. Posters are also displayed on all entrance halls of Departmental offices. This ensures that all employees are aware of the expected conduct while on duty, as well as the channels of recourse that may be followed in the event of violation of these.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department prioritizes issues of Health Safety and Environmental and has a fully functional committee which convenes on a quarterly basis.

7. PORTFOLIO COMMITTEES

The Department has quarterly engagements with the Agriculture and Environment and Conservation portfolio committees. Most matters raised by the Portfolio Committee have been addressed by the Department. The ongoing concerns such as the filling of critical posts and finalizing the organizational structure will be completed in 2014/15.

A number of resolutions were issued following engagement with the Standing Committee on Public Accounts (SCOPA). Progress to the resolutions is presented in the table below.

SCOPA Resolutions

The Public Accounts Standing Committee met with the Department on 18 October 2013 to deliberate on the Auditor-General report for the 2012/13 financial year. The committee did not have any resolutions specific to the Department. However, the table below are transversal resolutions that required Departmental responses. The Department had not met with the committee since the responses and therefore it cannot be ascertained whether the responses are accepted and that the matters are resolved.

Resolution No.	Subject	Details	Response by the Department
25/2013	Transversal Resolution on Information Technology	The findings of the Auditor-General across all Departments and public entities in IT governance, security management, user access management and IT service continuity and that limited progress has been made in recent financial years to address these findings. Accounting Officer to report on what action is being taken to address these finding and to ensure implementation of A-G recommendations.	The Department has addressed the Auditor General findings. These include password control, SITA Administrator activity auditing control as well as Human Resource interaction in terms of staff termination. The Department have the approved IT Governance Framework. Awareness workshops on the Framework have been conducted for staff at Head Office and in all three regions (South, North and Central).
26/2013	Transversal on Irregular Expenditure	Irregular expenditure across Departments remains high which indicates that serious problems exist in complying with PFMA and SCM processes and to detect and disclose irregular expenditure and that it is the Accounting Officers responsibility to take effective and appropriate disciplinary steps against any official who makes or permits irregular expenditure. Accounting Officer to report to Provincial Treasury on details of the irregular expenditure and steps taken to address such and disciplinary action taken.	The Department is co-operating with the Provincial Treasury with regard to the clearing of the Irregular expenditure for prior years. An amount of R44.141 million relating to prior year irregular expenditure was condoned during 2013/14 financial year.

Resolution No.	Subject	Details	Response by the Department
27/2013	Transversal resolution – Reports on forensic investigation	Committee concerned that forensic reports are not provided to the Legislature to exercise the oversight role. Reference is made to the joint resolution of SCOPA and Finance Portfolio and subsequently adopted by the full Legislature, Resolution 1/2011. Resolved that Accounting Officers must report all completed investigations to the committee together with action taken against officials and service providers to implement recommendation contained in the report. Where it is not possible to provide the report, reasons must be provided. Accounting Officers to also report to Internal Audit detailed list of all investigations being conducted internally or by other relevant authorities.	<p>There was one investigation completed during 2012/13 regarding a transfer payment to SA Sugar Association (SASA). The investigation was conducted by Provincial Treasury and their key findings are as follows:</p> <ul style="list-style-type: none"> • The Department had concluded an agreement during November 2008 with SASA for a total amount of R60 million. • During December 2008, SASA had delivered fertilizers to the value of R4 million to the sugar cane farmers. SASA then claimed this amount from the Department. • The payment to SASA was for services rendered to the Department. <p><i>Recommendation by Provincial Treasury:</i> No irregularities could be established with regard to transfer of funds. As a result the matter is closed.</p> <p>The Internal Audit unit at Provincial Treasury is provided with a list all forensic investigations conducted by the Department.</p>
28/2013	Transversal – Material misstatements and omissions in submitted Annual Financial Statements	Material misstatements and omissions in AFS submitted has been reoccurring in majority Departments and that this would have led to qualifications if the adjustments had not been made. Accounting Officer to report on action taken to ensure that material misstatements and omissions is adequately addressed	The Department submits the Interim Financial Statements at the end of Quarter One to Three. These three interim financial statements are assisting in providing accurate final Annual Financial Statements. To this end, the audit for 2013/14 reflect that there are no material misstatements found by the Auditor-General.
30/2013	Transversal – Findings on achievement of planned targets	Of the total number of 129 targets planned for the year, 43 targets (33%) were not achieved during the year under review. This was as a result of the Department not considering relevant systems and evidential requirements during the annual strategic planning process. Accounting Officer to report on what action is being taken in their Departments to address the 2012/2013 findings of the Auditor-General on achievement of planned targets.	<p>The Department does consider prior year performance and outputs to determine its targets for future years during the planning process. However, it must be mentioned that many of the targets are demand driven and therefore depend on farmers requesting/ requiring certain services. Furthermore, climatic conditions vary to certain degree from year to year as well as the outbreak of diseases which will have an impact on the incidents reported on. For example, the outbreak of Brucellosis (northern parts of the province) and higher incidents of rabies during 2012/13 resulted in these targets being exceeded but had a negative impact on other targets as the Department had deploy its resources towards the control of brucellosis and rabies.</p> <p>The Department will nevertheless endeavour to improve on setting accurate targets during future target settings in the Annual Performance Plan and Strategic Plan.</p>

Resolution No.	Subject	Details	Response by the Department
31/2013	Human Resource matters – Filling of key vacancies.	High number of vacancies which exist in Senior Management positions which have adverse effect on findings of the A-G, particularly in the financial management and performance management, compliance with laws and regulations, leadership and governance.	Two key vacancies have been filled as follows: <ul style="list-style-type: none"> • Chief Financial Officer on 01 July 2013 • Senior Manager: Monitoring and Evaluation on 01 October 2013. The filling of critical vacant SMS posts have been prioritised. In this regard, the HOD, 3 General Managers, and 8 Senior Manager posts have been advertised.

8. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department received an unqualified audit opinion for 2012/13 financial year.

9. INTERNAL CONTROL UNIT

This Directorate conducted a number of operational risks assessments and review of internal controls based on the identified high risk areas.

Monitoring of the implementation of the risk mitigation strategies and audit recommendations including Auditor General's report was conducted and a noticeable improvement in the control environment has been achieved.

The internal audit performed amongst others the following:

Head count for departmental employees, Audit or grant in aid to SAMBRR, Audit of livestock production, Review of SCM processes (checking adherence with transversal contracts), and Surprise head count by internal control and risk committee, Animal Health care and veterinary public health.

10. AUDIT COMMITTEE REPORT

(Overleaf.)

REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 3 – AGRICULTURE & RURAL DEVELOPMENT

1. Objective and responsibility of the Audit and Risk Committee

The Provincial Audit and Risk Committee (PARC) has been established to assist the KZN Provincial Government in fulfilling its oversight responsibilities for the integrity of financial reporting processes, system of internal control over financial reporting, audit process for monitoring compliance with laws and regulations and KZN Provincial Government Code of conduct, fraud prevention, the risk management process and any other good governance processes.

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

The Committee is therefore, pleased to present its report for the financial year ended 31 March 2014.

2. Audit Committee Members and Attendance

The KwaZulu Natal Provincial Government has established the PARC as the shared audit committee for its provincial departments. The PARC is further sub-divided into three Cluster Audit and Risk Committees (CARCs) to provide oversight to provincial departments – i.e. with the Department of Agriculture and Environmental Affairs being served by the Governance and Administration CARC. The PARC and the Economic CARC consists of the members listed below. As per its approved terms of reference, the Economic CARC and PARC should meet at least 4 times per annum respectively. During the financial year under review, four (4) PARC and four (4) Economic CARC meetings were held as outlined below.

#	Name of Member	PARC Meetings Attended	Economic CARC Meetings Attended
1.	Ms T Tsautse (Chairperson)	4	4
2.	Ms M Mothipe	4	N/A
3.	Mr V Naicker	2	N/A
4.	Ms N Jaxa	4	4
5.	Mr L Mangquku	4	4
6.	Mr F Docrat	4	N/A
7.	Mr T Boltman	4	N/A

- N/A = Not a member of the Economic CARC
- PARC meetings, include 2 special meetings.

3. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Internal Auditors, 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 around the following areas:

- Transfer Payments
- Supply Chain Management
- Human Resources Management
- Performance Information
- Expenditure Management (Irregular Expenditure)

Risk Management

With regard to risk management, the Committee has noted that the Department has not taken full responsibility and ownership for compliance with section 38(1)(a)(i) of the PFMA, which requires the Accounting Officer to ensure the maintenance of an effective system of internal control and risk management. During the period under review, the Department was assisted by the Provincial Internal Audit Services in updating its risk register, and tracking progress in the implementation of risk mitigation plans. We, are however, pleased that the Department has a capable Risk Manager who assists the Department to comply fully with section 38(1)(a)(i) of the PFMA.

In order to improve the general control environment in relation to risk management, the Department have been advised to:

- Ensure that completed risk mitigation plans are validated, measured and the risk register regularly updated;
- Report on emerging risks, if any, on a quarterly basis;
- The Provincial Internal Audit Service capacitates the Department and its Risk Management Officer to enable them to execute the risk management activities on their own.
- Establish additional capacity in the Department to ensure that each Programme has the risk champion that will be responsible for undertaking the daily risk management responsibilities and report to the Risk Management Officer.

Forensics Investigations

During the period under review, the Committee noted that there were eleven (11) forensic investigations relating to alleged SCM irregularities that the Department has referred to the Provincial Internal Audit Services for investigation. Eight (8) of these investigations were completed, and the other three (3) were still in progress. The Department and the Provincial Internal Audit Service are urged to promptly finalize the outstanding investigations, and work together to implement recommendations on the finalized investigation.

The Committee is unable to comment on the completeness of the investigations conducted during the year under review as the Department has partially responded to the request to furnish the Provincial Internal Audit Services (PIAS) with a list of all in-house or outsourced investigations to other service providers by the Department. As a result, the committee is unable to further comment on the completeness of the Department's fraud risk profile.

Quality of in year management and monthly/quarterly reports

Based on the audit reviews conducted by Internal Audit, the Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department during the year under view.

Reviewed material adjustments resulting from the audit of the Department and has noted that the material misstatements on annual performance plan were adequately corrected which resulted in no material findings performance information. The Department has been urged to implement corrective actions to address the weaknesses identified around the reliability of performance information as well as lack of records to support achieved performance as reported by the Auditor General.

4. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report and Management's response thereto;

- Reviewed the Department's processes for compliance with legal and regulatory provisions and a concern is noted around the weaknesses regarding the verification of employee information during the appointment process, failure to adhere to limits with regard to overtime payments and failure to prevent irregular expenditure as a result of non-compliance to supply chain management prescripts. All the aforementioned weaknesses require immediate attention and we urge the Department to devise improvement strategies to address the shortcomings and the corrective actions plans will be monitored for implementation.
- The Committee is however concerned that financial statements information with material errors was presented for audit. This area requires immediate attention and the Department was urged to devise improvement strategies to address the weakness and thereby avoid recurrence of this error.

The Committee concurs and accepts the Auditor General's opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

5. Internal Audit

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit Function provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved through the implementation of a risk based Internal Audit plan. The Committee has, through the CARC monitoring processes, considered internal audit reports issued after assessing the adequacy and effectiveness of controls designed to mitigate the risks associated with operational and strategic activities of the Department, as well as the appropriateness of the of corrective actions provided by management to improve the control environment.

The Internal Audit function was effective during the period under review and there were no unjustified restrictions or limitations. The Committee will in the forthcoming year, monitor progress to ensure that the Internal Audit Function continues to add value to the Department and achieves its optimal performance. The Committee also monitored the implementation of Internal Audit recommendations to the Department.

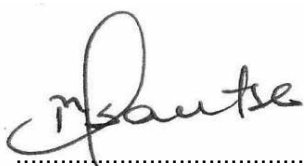
6. Auditor-General's Report

The Committee has throughout the financial year, constantly monitored the implementation of corrective action plans to address the audit issues raised in the prior year by the Auditor General. The Committee has met with the Auditor General of South Africa to ensure that there were no unresolved issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions on the detailed findings emanating from the current regulatory audit are monitored on a quarterly basis through the CARC processes.

7. 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 information they have provided to enable us to compile this report.



Ms T Tsautse

Chairman: KZN Provincial Audit and Risk Committee

Date: 11 August 2014

PART D:

HUMAN RESOURCE MANAGEMENT



1. OVERVIEW OF HUMAN RESOURCES

The Department had challenges in filling critical, vacant posts during 2013/14. This was related to the finalization of the organizational structure.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Provision of extended Agricultural Support Services	Farmers (emerging and commercial) Organised Agriculture (Livestock and Farmer Associations)	Learning institutions NGOs	100 dip tanks rehabilitated 25 new dip tanks established 220 new agricultural structures established 80 new boreholes established 100 livestock watering dams 50 new irrigation schemes established 30 irrigations schemes revitalized 450 km of fencing erected 2966 hectares of liming and fertilizing 5500 farmers receiving training certification 30 agricultural processing courses presented	
Provision of environmental quality and protection services	Public Parastatals Government Organs of state Business and industries NGOs and CBOs Environmental Assessment Practitioners Traditional leaders State owned enterprises Developers		90% Environmental Implementation plan applications finalised within the time frame 750 authorisations audited for compliance 70% landfill sites licensed 140 000 people attending awareness programs 45% of land covered by Environmental Management Framework 80% of air quality hot spots covered by monitoring stations	91% 800 80% 150,000 60% 90%

TABLE 1.2 - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Farmers day Livestock meetings	Farmers (emerging and commercial) Organised Agriculture (Livestock and Farmer Associations)	Learning institutions NGOs	Stakeholder forums KZN waste management officers'forums Compliance monitoring and enforcement authority meetings Ethekwini and KwaDukuza technical committee capital project meetings Provincial coastal committee Provincial air quality officers' meeting for environmental co-ordination
Stakeholder forums KZN waste management officers'forums Compliance monitoring and enforcement authority meetings Ethekwini and KwaDukuza technical committee capital project meetings Provincial coastal committee Provincial air quality officers' meeting for environmental co-ordination	Public Parastatals Government Organs of state Business and industries NGOs and CBOs Environmental Assessment Practitioners Traditional leaders State owned enterprises Developers		Stakeholder forums KZN waste management officers'forums Compliance monitoring and enforcement authority meetings Ethekwini and KwaDukuza technical committee capital project meetings Provincial coastal committee Provincial air quality officers' meeting for environmental co-ordination

TABLE 1.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
Improvement of signage Increase Environmental Impact Officers for the Districts Internet based environment application process Helpdesk for provincial toll free number Functional lift for disability access Increase availability of parking	Not achieved Recruitment and selection conducted for all posts in the North Region NEA public portal has been developed and implemented Not achieved Not achieved Not achieved

TABLE 1.4 - Service Information Tool

Type of Information Tool	Actual Achievements
Workshops on environmental Acts and legislation Awareness campaigns (Eco schools competition, Cleaner Industries competition) Distribution of newsletters Presentation of services/amendments to legislation Farmers day Livestock meetings Departmental documents to be made available in isiZulu Publishing of results of clients satisfactions surveys Demonstrations Training of Farmer Associations Visual aid for illiterate clients	247 trainees

TABLE 1.5 - Complaint Mechanism

Complaint Mechanism	Actual Achievements
Establishment of Departmental Agricultural forums to address verbal complaints and to ensure standardisation of services Implementation of approved complaints policy Compliance auditing of backlog cases	Policy undergoing a review process to address gaps 60%

EXPENDITURE**2.1 Personnel costs by programme**

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Administration	320,171	122,063	0	0	38.1	37	3341
Agricultural develop serv	1,638,050	721,862	0	0	44.1	216	3341
Conservation	591,749	0	0	0	0	0	3341
Environmental management	230,079	84,467	0	0	36.7	25	3341
Z=Total as on Financial Systems (BAS)	2,790,545	928,391	0	0	33.3	278	3341

2.2 Personnel cost by salary bands

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	3,159	0.3	63,180	992,675	50
Skilled (Levels 3-5)	215,024	21.7	158,572	992,675	1356
Highly skilled production (Levels 6-8)	283,098	28.5	288,581	992,675	981
Highly skilled supervision (Levels 9-12)	323,348	32.6	479,034	992,675	675
Senior management (Levels 13-16)	42,021	4.2	955,023	992,675	44
Contract (Levels 1-2)	24,343	2.5	153,101	992,675	159
Contract (Levels 3-5)	8,089	0.8	245,121	992,675	33
Contract (Levels 6-8)	16,572	1.7	690,500	992,675	24
Contract (Levels 9-12)	9,046	0.9	532,118	992,675	17
Contract (Levels 13-16)	1,625	0.2	812,500	992,675	2
Periodical Remuneration	6,618	0.7	24,880	992,675	266
TOTAL	932943	94	258648	992675	3607

2.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. As % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Administration	96007	67.2	1497	1	2958	2.1	5248	3.9	141450
Agriculture develop services	514950	67.9	3752	0.5	23163	3.1	35860	4.9	702907
Environmental management	62868	70.1	0	0	1812	2	3416	4.1	78325
Prog 1:administration.	670	57.3	0	0	107	9.2	51	4.8	1046
TOTAL	674495	67.9	5249	0.5	28040	2.8	44575	4.7	923728

2.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. As % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Lower skilled (Levels 1-2)	2425	76.5	72	2.3	118	3.7	86	0	198
Skilled (Levels 3-5)	142786	66.2	2956	1.4	13290	6.2	17975	8.9	191062
Highly skilled production (Levels 6-8)	201325	68.5	823	0.3	8847	3	15316	5.8	259916
Highly skilled supervision (Levels 9-12)	237113	65.7	1388	0.4	5282	1.5	10254	3	339588
Senior management (Levels 13-16)	33726	67.7	0	0	324	0.7	682	1.5	45208
Contract (Levels 1-2)	24298	98.6	5	0	0	0	0	0	20286
Contract (Levels 3-5)	7721	95.3	3	0	22	0.3	43	0.5	9905
Contract (Levels 6-8)	15917	93.8	4	0	61	0.4	94	0.2	40727
Contract (Levels 9-12)	7748	74.5	0	0	96	0.9	95	0.9	7957
Contract (Levels 13-16)	1435	66.8	0	0	0	0	31	1.1	3903
Periodical Remuneration	0	0	0	0	0	0	0	0	4978
TOTAL	674494	67.9	5251	0.5	28040	2.8	44576	4.7	923728

3. EMPLOYMENT AND VACANCIES

3.1 Employment and Vacancies by Programme at end of period

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administration, Permanent	424	336	20.8	0
Agriculture develop services, Permanent	3454	2767	19.9	0
Agriculture develop services, Temporary	1	1	0	0
Environmental management, Permanent	254	235	7.5	0
Prog 1:administration., Permanent	3	2	33.3	0
TOTAL	4136	3341	19.2	0

3.2 Employment and Vacancies by Salary Band at end of period

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	68	50	26.5	0
Skilled (Levels 3-5), Permanent	1827	1356	25.8	0
Highly skilled production (Levels 6-8), Permanent	1117	981	12.2	0
Highly skilled supervision (Levels 9-12), Permanent	832	674	19	0
Highly skilled supervision (Levels 9-12), Temporary	1	1	0	0
Senior management (Levels 13-16), Permanent	56	44	21.4	0
Contract (Levels 1-2), Permanent	159	159	0	0
Contract (Levels 3-5), Permanent	33	33	0	0
Contract (Levels 6-8), Permanent	24	24	0	0
Contract (Levels 9-12), Permanent	17	17	0	0
Contract (Levels 13-16), Permanent	2	2	0	0
TOTAL	4136	3341	19.2	0

3.3 Employment and Vacancies by Critical Occupation at end of period

Critical Occupations	No. of Posts	No. of Posts Filled	Vacancy Rate	No. of posts filled additional to the establishment
Administrative related, Permanent	82	63	23.2	0
Agricul animal oceanography forestry & other scien, Permanent	68	63	7.4	0
Agriculture related, Permanent	341	254	25.5	0
Agriculture related, Temporary	1	1	0	0
All artisans in the building metal machinery etc., Permanent	15	5	66.7	0
Archivists curators and related professionals, Permanent	1	1	0	0
Artisan project and related superintendents, Permanent	4	4	0	0
Auxiliary and related workers, Permanent	55	53	3.6	0
Biochemistry pharmacol. zoology & life scie.techni, Permanent	162	144	11.1	0
Biologists botanists zoologists & rel professional, Permanent	4	3	25	0
Bookbinding and related machine operators, Permanent	2	2	0	0
Building and other property caretakers, Permanent	55	55	0	0
Bus and heavy vehicle drivers, Permanent	21	20	4.8	0
Civil engineering technicians, Permanent	10	9	10	0
Cleaners in offices workshops hospitals etc., Permanent	112	107	4.5	0
Client inform clerks(switchb recept inform clerks), Permanent	5	5	0	0
Communication and information related, Permanent	9	9	0	0
Community development workers, Permanent	1	1	0	0
Computer programmers., Permanent	2	1	50	0
Computer system designers and analysts., Permanent	3	3	0	0
Conservation labourers, Permanent	1	1	0	0
Economists, Permanent	16	13	18.8	0
Electrical and electronics engineering technicians, Permanent	2	2	0	0
Engineering sciences related, Permanent	1	1	0	0
Engineers and related professionals, Permanent	18	14	22.2	0
Farm hands and labourers, Permanent	1169	766	34.5	0
Farming forestry advisors and farm managers, Permanent	5	5	0	0
Finance and economics related, Permanent	19	13	31.6	0
Financial and related professionals, Permanent	32	27	15.6	0

Critical Occupations	No. of Posts	No. of Posts Filled	Vacancy Rate	No. of posts filled additional to the establishment
Financial clerks and credit controllers, Permanent	68	62	8.8	0
Food services aids and waiters, Permanent	2	2	0	0
Forestry labourers, Permanent	6	6	0	0
General legal administration & rel. professionals, Permanent	5	2	60	0
Health sciences related, Permanent	1	1	0	0
Horticulturists foresters agricul.& forestry techn, Permanent	547	502	8.2	0
Household and laundry workers, Permanent	10	10	0	0
Household food and laundry services related, Permanent	3	3	0	0
Housekeepers laundry and related workers, Permanent	9	9	0	0
Human resources & organisat developm & relate prof, Permanent	35	26	25.7	0
Human resources clerks, Permanent	96	81	15.6	0
Human resources related, Permanent	29	28	3.4	0
Information technology related, Permanent	1	1	0	0
Language practitioners interpreters & other commun, Permanent	17	10	41.2	0
Legal related, Permanent	3	1	66.7	0
Librarians and related professionals, Permanent	4	3	25	0
Library mail and related clerks, Permanent	2	2	0	0
Light vehicle drivers, Permanent	41	36	12.2	0
Logistical support personnel, Permanent	1	1	0	0
Material-recording and transport clerks, Permanent	1	1	0	0
Mechanical engineering technicians, Permanent	9	9	0	0
Messengers porters and deliverers, Permanent	29	28	3.4	0
Motor vehicle drivers, Permanent	61	60	1.6	0
Motorised farm and forestry plant operators, Permanent	15	13	13.3	0
Natural sciences related, Permanent	133	105	21.1	0
Nature conservation and oceanographical rel.techni, Permanent	86	86	0	0
Other administrat & related clerks and organisers, Permanent	207	189	8.7	0
Other administrative policy and related officers, Permanent	31	24	22.6	0
Other information technology personnel., Permanent	5	3	40	0

Critical Occupations	No. of Posts	No. of Posts Filled	Vacancy Rate	No. of posts filled additional to the establishment
Other machine operators, Permanent	5	4	20	0
Other occupations, Permanent	67	60	10.4	0
Production advisers : factories, Permanent	2	2	0	0
Risk management and security services, Permanent	15	5	66.7	0
Safety health and quality inspectors, Permanent	7	6	14.3	0
Saps, Permanent	1	1	0	0
Secretaries & other keyboard operating clerks, Permanent	66	48	27.3	0
Security guards, Permanent	174	167	4	0
Security officers, Permanent	8	3	62.5	0
Senior managers, Permanent	39	28	28.2	0
Social work and related professionals, Permanent	1	1	0	0
Statisticians and related professionals, Permanent	2	1	50	0
Trade labourers, Permanent	4	2	50	0
Veterinarians, Permanent	46	41	10.9	0
Veterinary assistants, Permanent	22	19	13.6	0
Water plant and related operators, Permanent	4	4	0	0
TOTAL	4136	3341	19.2	0

4. JOB EVALUATION

4.1 Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	68	0	0	2	0	4	0
Contract (Levels 1-2)	159	0	0	0	0	6	0
Contract (Levels 3-5)	33	0	0	0	0	0	0
Contract (Levels 6-8)	24	0	0	0	0	1	0
Contract (Levels 9-12)	17	0	0	0	0	1	0
Contract (Band A)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	1827	0	0	1	0	11	0
Highly skilled production (Levels 6-8)	1117	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	833	0	0	0	0	0	0
Senior Management Service Band A	43	0	0	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
TOTAL	4136	0	0	3	0	23	0

4.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

5. EMPLOYMENT CHANGES

5.1 Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2012)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	3	39	0	0
Skilled (Levels 3-5), Permanent	1402	54	95	6.8
Highly skilled production (Levels 6-8), Permanent	929	38	25	2.7
Highly skilled supervision (Levels 9-12), Permanent	671	13	21	3.1
Highly skilled supervision (Levels 9-12), Temporary	2	0	1	50
Senior Management Service Band A, Permanent	36	0	1	2.8
Senior Management Service Band B, Permanent	5	0	1	20
Senior Management Service Band C, Permanent	3	1	0	0
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	257	30	478	186
Contract (Levels 3-5), Permanent	53	14	32	60.4
Contract (Levels 6-8), Permanent	148	2	31	20.9
Contract (Levels 9-12), Permanent	17	1	3	17.6
Contract (Band A), Permanent	2	0	0	0
TOTAL	3529	192	688	19.5

5.2 Annual Turnover Rates by Critical Occupation

Occupation	Employment at beginning of period (April 2010)	Appointments	Terminations	Turnover rate
Administrative related, Permanent	61	8	11	18
Agricul animal oceanography forestry & other scien, Permanent	58	4	13	22.4
Agriculture related, Permanent	256	11	12	4.7
Agriculture related, Temporary	1	0	0	0
All artisans in the building metal machinery etc., Permanent	5	0	1	20
Archivists curators and related professionals, Permanent	1	0	0	0
Artisan project and related superintendents, Permanent	2	2	0	0
Auxiliary and related workers, Permanent	55	0	3	5.5
Biochemistry pharmacol. zoology & life scie. techni, Permanent	147	2	10	6.8
Biologists botanists zoologists & rel professional, Permanent	3	0	0	0
Bookbinding and related machine operators, Permanent	2	0	0	0
Building and other property caretakers, Permanent	69	1	3	4.3
Bus and heavy vehicle drivers, Permanent	21	2	3	14.3
Civil engineering technicians, Permanent	10	0	1	10
Cleaners in offices workshops hospitals etc., Permanent	100	21	8	8
Client inform clerks (switchb receipt inform clerks), Permanent	5	0	0	0
Communication and information related, Permanent	11	0	2	18.2
Community development workers, Permanent	6	0	4	66.7
Computer programmers., Permanent	1	0	0	0
Computer system designers and analysts., Permanent	3	0	0	0
Conservation labourers, Permanent	1	0	0	0
Economists, Permanent	12	1	0	0
Electrical and electronics engineering technicians, Permanent	2	0	0	0
Engineering sciences related, Permanent	1	0	0	0
Engineers and related professionals, Permanent	15	0	1	6.7
Farm hands and labourers, Permanent	978	32	504	51.5
Farming forestry advisors and farm managers, Permanent	3	1	0	0
Finance and economics related, Permanent	12	1	1	8.3
Financial and related professionals, Permanent	27	1	0	0
Financial clerks and credit controllers, Permanent	60	9	11	18.3
Food services aids and waiters, Permanent	3	0	1	33.3

Occupation	Employment at beginning of period (April 2010)	Appointments	Terminations	Turnover rate
Forestry labourers, Permanent	8	0	2	25
General legal administration & rel. professionals, Permanent	2	0	0	0
Health sciences related, Permanent	1	0	0	0
Horticulturists foresters agricul. & forestry techn, Permanent	461	36	11	2.4
Horticulturists foresters agricul. & forestry techn, Temporary	1	0	1	100
Household and laundry workers, Permanent	11	0	1	9.1
Household food and laundry services related, Permanent	4	0	0	0
Housekeepers laundry and related workers, Permanent	4	5	0	0
Human resources & organisat developm & relate prof, Permanent	24	0	0	0
Human resources clerks, Permanent	83	7	14	16.9
Human resources related, Permanent	35	0	3	8.6
Information technology related, Permanent	1	0	0	0
Language practitioners interpreters & other commun, Permanent	10	0	0	0
Legal related, Permanent	2	0	1	50
Librarians and related professionals, Permanent	3	0	0	0
Library mail and related clerks, Permanent	2	0	0	0
Light vehicle drivers, Permanent	37	1	3	8.1
Logistical support personnel, Permanent	1	0	0	0
Material-recording and transport clerks, Permanent	1	0	0	0
Mechanical engineering technicians, Permanent	9	0	0	0
Messengers porters and deliverers, Permanent	28	1	4	14.3
Motor vehicle drivers, Permanent	65	0	5	7.7
Motorised farm and forestry plant operators, Permanent	16	1	3	18.8
Natural sciences related, Permanent	79	10	6	7.6
Nature conservation and oceanographical rel.techni, Permanent	94	0	5	5.3
Other administrat & related clerks and organisers, Permanent	188	10	10	5.3
Other administrative policy and related officers, Permanent	23	1	0	0
Other information technology personnel., Permanent	3	0	0	0
Other machine operators, Permanent	4	0	0	0
Other occupations, Permanent	50	13	2	4
Production advisers : factories, Permanent	2	0	0	0

Occupation	Employment at beginning of period (April 2010)	Appointments	Terminations	Turnover rate
Risk management and security services, Permanent	5	0	0	0
Safety health and quality inspectors, Permanent	5	1	0	0
Saps, Permanent	1	0	0	0
Secretaries & other keyboard operating clerks, Permanent	51	5	5	9.8
Security guards, Permanent	184	3	20	10.9
Security officers, Permanent	3	0	0	0
Senior managers, Permanent	29	0	1	3.4
Social work and related professionals, Permanent	1	0	0	0
Statisticians and related professionals, Permanent	1	0	0	0
Trade labourers, Permanent	3	0	1	33.3
Veterinarians, Permanent	41	1	1	2.4
Veterinary assistants, Permanent	18	1	0	0
Water plant and related operators, Permanent	4	0	0	0
TOTAL	3529	192	688	19.5

5.3 Reasons why staff are leaving the Department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	32	4.7	0.9	688	3529
Resignation, Permanent	91	13.2	2.6	688	3529
Expiry of contract, Permanent	477	69.3	13.5	688	3529
Dismissal-misconduct, Permanent	5	0.7	0.1	688	3529
Retirement, Permanent	82	11.9	2.3	688	3529
Retirement, Temporary	1	0.1	0	688	3529
TOTAL	688	100	19.5	688	3529
Resignations as % of Employment					
19.5					

5.4 Granting of Employee Initiated Severance Packages

Occupation	No of applications received	No of applications referred to the	No of applications supported by	No of Packages approved by Department
Lower Skilled (Salary Level 1-2)	0	0	0	0
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13 and higher)	0	0	0	0
Total	0	0	0	0

5.5 Promotions by Critical Occupation

Occupation	Employment at beginning of period April 2012	Promotions to another salary level	Salary level promotions as % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Administrative related	61	3	4.9	32	52.5
Agricul animal oceanography forestry & other scien	58	2	3.4	39	67.2
Agriculture related	257	4	1.6	177	68.9
All artisans in the building metal machinery etc.	5	0	0	3	60
Archivists curators and related professionals	1	0	0	0	0
Artisan project and related superintendents	2	0	0	0	0
Auxiliary and related workers	55	0	0	42	76.4
Biochemistry pharmacol. zoology & life scie.techni	147	1	0.7	118	80.3
Biologists botanists zoologists & rel professional	3	0	0	2	66.7
Bookbinding and related machine operators	2	0	0	0	0
Building and other property caretakers	69	0	0	19	27.5
Bus and heavy vehicle drivers	21	1	4.8	9	42.9
Civil engineering technicians	10	0	0	6	60
Cleaners in offices workshops hospitals etc.	100	0	0	9	9
Client inform clerks(switchb receipt inform clerks)	5	0	0	4	80
Communication and information related	11	0	0	6	54.5
Community development workers	6	0	0	1	16.7
Computer programmers.	1	0	0	0	0

Occupation	Employment at beginning of period April 2012	Promotions to another salary level	Salary level promotions as % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Computer system designers and analysts.	3	0	0	2	66.7
Conservation labourers	1	0	0	0	0
Economists	12	0	0	2	16.7
Electrical and electronics engineering technicians	2	0	0	1	50
Engineering sciences related	1	0	0	1	100
Engineers and related professionals	15	0	0	14	93.3
Farm hands and labourers	978	3	0.3	267	27.3
Farming forestry advisors and farm managers	3	0	0	3	100
Finance and economics related	12	2	16.7	9	75
Financial and related professionals	27	0	0	25	92.6
Financial clerks and credit controllers	60	4	6.7	25	41.7
Food services aids and waiters	3	0	0	0	0
Forestry labourers	8	0	0	3	37.5
General legal administration & rel. professionals	2	0	0	4	200
Health sciences related	1	0	0	0	0
Horticulturists foresters agricul.& forestry techn	462	3	0.6	382	82.7
Household and laundry workers	11	0	0	3	27.3
Household food and laundry services related	4	0	0	1	25
Housekeepers laundry and related workers	4	0	0	1	25
Human resources & organisat developm & relate prof	24	2	8.3	21	87.5
Human resources clerks	83	2	2.4	62	74.7
Human resources related	35	2	5.7	27	77.1
Information technology related	1	0	0	0	0
Language practitioners interpreters & other commun	10	0	0	1	10
Legal related	2	0	0	0	0
Librarians and related professionals	3	0	0	2	66.7
Library mail and related clerks	2	0	0	2	100
Light vehicle drivers	37	0	0	21	56.8
Logistical support personnel	1	0	0	2	200
Material-recording and transport clerks	1	0	0	1	100

Occupation	Employment at beginning of period April 2012	Promotions to another salary level	Salary level promotions as % of employment	Progressions to another notch within salary level	Notch progressions as a % of employment
Mechanical engineering technicians	9	0	0	6	66.7
Messengers porters and deliverers	28	0	0	1	3.6
Motor vehicle drivers	65	0	0	51	78.5
Motorised farm and forestry plant operators	16	0	0	2	12.5
Natural sciences related	79	1	1.3	46	58.2
Nature conservation and oceanographical rel.techni	94	2	2.1	69	73.4
Other administrat & related clerks and organisers	188	4	2.1	162	86.2
Other administrative policy and related officers	23	0	0	20	87
Other information technology personnel.	3	0	0	2	66.7
Other machine operators	4	0	0	0	0
Other occupations	50	0	0	18	36
Production advisers : factories	2	0	0	2	100
Risk management and security services	5	0	0	3	60
Safety health and quality inspectors	5	0	0	4	80
Saps	1	0	0	2	200
Secretaries & other keyboard operating clerks	51	2	3.9	33	64.7
Security guards	184	0	0	13	7.1
Security officers	3	0	0	2	66.7
Senior managers	29	0	0	30	103.4
Social work and related professionals	1	0	0	1	100
Statisticians and related professionals	1	0	0	1	100
Trade labourers	3	0	0	1	33.3
Veterinarians	41	0	0	31	75.6
Veterinary assistants	18	0	0	16	88.9
Water plant and related operators	4	0	0	0	0
TOTAL	3529	38	1.1	1865	52.8

5.6 Promotions by Salary Band

Occupation	Employment at Beginning of Period (April 2012)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	3	0	0	17	566.7
Skilled (Levels 3-5), Permanent	1402	7	0.5	482	34.4
Highly skilled production (Levels 6-8), Permanent	929	10	1.1	727	78.3
Highly skilled supervision (Levels 9-12), Permanent	671	18	2.7	546	81.4
Highly skilled supervision (Levels 9-12), Temporary	2	0	0	1	50
Senior management (Levels 13-16), Permanent	45	2	4.4	51	113.3
Contract (Levels 1-2), Permanent	257	0	0	1	0.4
Contract (Levels 3-5), Permanent	53	0	0	12	22.6
Contract (Levels 6-8), Permanent	148	1	0.7	18	12.2
Contract (Levels 9-12), Permanent	17	0	0	6	35.3
Contract (Levels 13-16), Permanent	2	0	0	4	200
TOTAL	3529	38	1.1	1865	52.8

6. EMPLOYMENT EQUITY

6.1 Total number of employees (including employees with disabilities) per occupational category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	13	0	2	15	3	8	0	1	9	2	29
Professionals, Permanent	210	4	13	227	46	190	2	28	220	28	521
Professionals, Temporary	0	0	0	0	0	0	0	0	0	1	1
Technicians and associate professionals, Permanent	494	3	17	514	33	429	4	34	467	14	1028
Clerks, Permanent	107	0	3	110	0	229	8	24	261	17	388
Service and sales workers, Permanent	169	0	0	169	1	18	0	0	18	0	188
Craft and related trades workers, Permanent	10	0	1	11	0	0	0	0	0	0	11
Plant and machine operators and assemblers, Permanent	136	0	0	136	0	3	0	0	3	0	139
Elementary occupations, Permanent	571	1	1	573	3	455	0	5	460	0	1036
TOTAL	1710	8	37	1755	86	1332	14	92	1438	62	3341
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	16	0	1	17	1	7	0	0	7	1	26

6.2 Total number of employees (incl. persons with disabilities), per occupational bands

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	2	2	0	0	2	0	5
Senior Management, Permanent	19	0	2	21	6	8	1	1	10	2	39
Professionally qualified and experienced specialists and mid-management, Permanent	329	4	22	355	68	188	1	32	221	30	674
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	350	3	9	362	7	527	8	50	585	27	981
Semi-skilled and discretionary decision making, Permanent	880	1	4	885	3	456	4	6	466	2	1356
Unskilled and defined decision making, Permanent	35	0	0	35	0	15	0	0	15	0	50
Contract (Senior Management), Permanent	2	0	0	2	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	11	0	0	11	0	6	0	0	6	0	17
Contract (Skilled technical), Permanent	10	0	0	10	0	14	0	0	14	0	24
Contract (Semi-skilled), Permanent	14	0	0	14	0	18	0	1	19	0	33
Contract (Unskilled), Permanent	59	0	0	59	0	98	0	2	100	0	159
TOTAL	1710	8	37	1755	86	1332	14	92	1438	62	3341

6.3 Recruitment

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	6	0	1	7	2	2	0	0	2	2	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	17	0	0	17	0	21	0	0	21	0	38
Semi-skilled and discretionary decision making, Permanent	31	0	1	32	0	20	0	1	21	1	54
Unskilled and defined decision making, Permanent	27	0	0	27	0	12	0	0	12	0	39
Contract (Professionally qualified), Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Skilled technical), Permanent	0	0	0	0	0	2	0	0	2	0	2
Contract (Semi-skilled), Permanent	6	0	0	6	0	7	0	1	8	0	14
Contract (Unskilled), Permanent	18	0	0	18	0	12	0	0	12	0	30
TOTAL	105	0	2	107	2	78	0	2	80	3	192
No data	0	0	0	0	0	2	0	0	2	0	2

6.4 Promotions

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	25	0	3	28	8	12	2	1	15	2	53
Professionally qualified and experienced specialists and mid-management, Permanent	270	4	22	296	55	165	1	26	192	21	564
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	245	2	7	254	5	399	8	43	450	28	737
Semi-skilled and discretionary decision making, Permanent	277	0	1	278	1	203	4	3	210	0	489
Unskilled and defined decision making, Permanent	10	0	0	10	0	7	0	0	7	0	17
Contract (Senior Management), Permanent	4	0	0	4	0	0	0	0	0	0	4
Contract (Professionally qualified), Permanent	5	0	0	5	0	1	0	0	1	0	6
Contract (Skilled technical), Permanent	7	0	0	7	0	12	0	0	12	0	19
Contract (Semi-skilled), Permanent	3	0	0	3	0	9	0	0	9	0	12
Contract (Unskilled), Permanent	0	0	0	0	0	1	0	0	1	0	1
TOTAL	846	6	33	885	69	809	15	73	897	52	1903
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	8	0	1	9	0	3	0	0	3	1	13

6.5 Terminations

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	0	0	0	0	0	2	0	0	2	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	17	0	0	17	1	1	0	0	1	2	21
Professionally qualified and experienced specialists and mid-management, Temporary	0	0	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13	0	0	13	0	6	1	0	7	5	25
Semi-skilled and discretionary decision making, Permanent	77	0	0	77	0	18	0	0	18	0	95
Contract (Professionally qualified), Permanent	1	0	0	1	1	1	0	0	1	0	3
Contract (Skilled technical), Permanent	12	0	0	12	1	18	0	0	18	0	31
Contract (Semi-skilled), Permanent	12	0	0	12	1	19	0	0	19	0	32
Contract (Unskilled), Permanent	188	0	2	190	0	288	0	0	288	0	478
TOTAL	320	0	2	322	4	353	1	0	354	8	688
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	3	0	0	3	1	0	0	0	0	1	5

6.6 Disciplinary Action

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Occupational Bands											
TOTAL	0	0	0	0	0	0	0	0	0	0	0

6.7 Skills development

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	0	0	0	0	0	0	0	0	0	0	0
Professionals	0	0	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	0	0	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0
	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	0	0	0	0	0	0	0	0	0	0	0

7. PERFORMANCE REWARDS

7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	275	1325	20.8	3,159	11,489
African, Male	323	1694	19.1	4,078	12,624
Asian, Female	49	92	53.3	882	18,010
Asian, Male	21	36	58.3	481	22,887
Coloured, Female	7	14	50	83	11,889
Coloured, Male	3	8	37.5	55	18,474
Total Blacks, Female	331	1431	23.1	4,125	12,462
Total Blacks, Male	347	1738	20	4,614	13,296
White, Female	36	61	59	678	18,820
White, Male	34	85	40	949	27,912
Employees with a disability	8	26	30.8	96	11,951
TOTAL	756	3341	22.6	10,461	13,837

7.2 Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	1	50	2	5	5,000
Skilled (Levels 3-5)	238	1356	17.6	1,424	5,983
Highly skilled production (Levels 6-8)	277	981	28.2	3,383	12,213
Highly skilled supervision (Levels 9-12)	227	675	33.6	5,198	22,899
Contract (Levels 1-2)	0	159	0	0	0
Contract (Levels 3-5)	0	33	0	0	0
Contract (Levels 6-8)	2	24	8.3	23	11,500
Contract (Levels 9-12)	3	17	17.6	80	26,667
Periodical Remuneration	0	266	0	0	0
TOTAL	748	3561	21	10113	13520

7.3 Performance Rewards by Critical Occupation

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary
Administrative related	19	63	30.2	323	17,000
Agricul animal oceanography forestry & other scien	19	63	30.2	369	19,421
Agriculture related	62	255	24.3	1,296	20,903
All artisans in the building metal machinery etc.	1	5	20	10	10,000
Archivists curators and related professionals	0	1	0	0	0
Artisan project and related superintendents	1	4	25	5	5,000
Auxiliary and related workers	25	53	47.2	227	9,080
Biochemistry pharmacol. zoology & life scie.techni	48	144	33.3	761	15,854
Biologists botanists zoologists & rel professional	0	3	0	0	0
Bookbinding and related machine operators	1	2	50	5	5,000
Building and other property caretakers	3	55	5.5	17	5,667
Bus and heavy vehicle drivers	5	20	25	30	6,000
Civil engineering technicians	3	9	33.3	62	20,667
Cleaners in offices workshops hospitals etc.	11	107	10.3	57	5,182
Client inform clerks(switchb receipt inform clerks)	1	5	20	6	6,000
Communication and information related	0	9	0	0	0
Community development workers	0	1	0	0	0
Computer programmers.	0	1	0	0	0
Computer system designers and analysts.	3	3	100	65	21,667
Conservation labourers	1	1	100	4	4,000
Economists	0	13	0	0	0
Electrical and electronics engineering technicians	1	2	50	32	32,000
Engineering sciences related	1	1	100	30	30,000
Engineers and related professionals	7	14	50	191	27,286
Farm hands and labourers	118	766	15.4	712	6,034
Farming forestry advisors and farm managers	1	5	20	15	15,000
Finance and economics related	7	13	53.8	138	19,714
Financial and related professionals	12	27	44.4	202	16,833
Financial clerks and credit controllers	10	62	16.1	106	10,600
Food services aids and waiters	0	2	0	0	0

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary
Forestry labourers	1	6	16.7	6	6,000
General legal administration & rel. professionals	2	2	100	49	24,500
Health sciences related	1	1	100	5	5,000
Horticulturists foresters agricul.& forestry techn	98	502	19.5	1,551	15,827
Household and laundry workers	4	10	40	27	6,750
Household food and laundry services related	1	3	33.3	6	6,000
Housekeepers laundry and related workers	4	9	44.4	25	6,250
Human resources & organisat developm & relate prof	8	26	30.8	106	13,250
Human resources clerks	25	81	30.9	267	10,680
Human resources related	14	28	50	356	25,429
Information technology related	1	1	100	22	22,000
Language practitioners interpreters & other commun	0	10	0	0	0
Legal related	1	1	100	40	40,000
Librarians and related professionals	2	3	66.7	25	12,500
Library mail and related clerks	1	2	50	8	8,000
Light vehicle drivers	6	36	16.7	37	6,167
Logistical support personnel	1	1	100	34	34,000
Material-recording and transport clerks	0	1	0	0	0
Mechanical engineering technicians	1	9	11.1	10	10,000
Messengers porters and deliverers	6	28	21.4	28	4,667
Motor vehicle drivers	10	60	16.7	55	5,500
Motorised farm and forestry plant operators	1	13	7.7	4	4,000
Natural sciences related	34	105	32.4	688	20,235
Nature conservation and oceanographical rel.techni	45	86	52.3	851	18,911
Other administrat & related clerks and organisers	64	189	33.9	606	9,469
Other administrative policy and related officers	5	24	20.8	81	16,200
Other information technology personnel.	0	3	0	0	0
Other machine operators	0	4	0	0	0
Other occupations	10	60	16.7	93	9,300
Production advisers : factories	1	2	50	8	8,000

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary
Risk management and security services	0	5	0	0	0
Safety health and quality inspectors	2	6	33.3	34	17,000
Saps	0	1	0	0	0
Secretaries & other keyboard operating clerks	17	48	35.4	150	8,824
Security guards	6	167	3.6	28	4,667
Security officers	1	3	33.3	12	12,000
Senior managers	6	28	21.4	280	46,667
Social work and related professionals	0	1	0	0	0
Statisticians and related professionals	0	1	0	0	0
Trade labourers	0	2	0	0	0
Veterinarians	14	41	34.1	251	17,929
Veterinary assistants	3	19	15.8	53	17,667
Water plant and related operators	0	4	0	0	0
TOTAL	756	3341	22.6	10459	13835

7.4 Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	6	37	16.2	255	42,500	0.7	38,355
Band B	2	4	50	93	46,500	1.8	5,122
Band C	0	4	0	0	0	0	0
Band D	0	1	0	0	0	0	0
TOTAL	8	46	17.4	348	43500	0.8	43477

8. FOREIGN WORKERS

8.1 Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Skilled (Levels 3-5)	1	8.3	1	8.3	0	0	12	12	1
Highly skilled supervision (Levels 9-12)	6	50	6	50	0	0	12	12	1
Contract (Levels 9-12)	5	41.7	5	41.7	0	0	12	12	1
TOTAL	12	100	12	100	0	0	12	12	1

8.2 Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Administrative office workers	1	8.3	1	8.3	0	0	12	12	1
Professionals and managers	10	83.3	10	83.3	0	0	12	12	1
Technicians and associated professionals	1	8.3	1	8.3	0	0	12	12	1
TOTAL	12	100	12	100	0	0	12	12	1

9. LEAVE

9.1 Sick Leave for January 2013 to December 2013

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)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	25	96	9	0.5	3	6	1694	24
Skilled (Levels 3-5)	5052	93.8	626	37	8	1,814	1694	4741
Highly skilled production (Levels 6-8)	4573	87.6	565	33.4	8	3,426	1694	4005
Highly skilled supervision (Levels 9-12)	2314	85.7	344	20.3	7	3,300	1694	1982
Senior management (Levels 13-16)	194	89.7	26	1.5	7	593	1694	174
Contract (Levels 1-2)	197	78.7	57	3.4	3	60	1694	155
Contract (Levels 3-5)	141	78.7	32	1.9	4	54	1694	111
Contract (Levels 6-8)	191	87.4	27	1.6	7	119	1694	167
Contract (Levels 9-12)	33	78.8	7	0.4	5	64	1694	26
Contract (Levels 13-16)	2	0	1	0.1	2	6	1694	0
TOTAL	12722	89.5	1694	100	8	9442	1694	11385

9.2 Disability Leave (Temporary and Permanent) for January 2013 to December 2013

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)	Total number of days with medical certification	Total number of Employees using Disability Leave
Skilled (Levels 3-5)	316	100	9	36	35	109	316	25
Highly skilled production (Levels 6-8)	83	100	7	28	12	57	83	25
Highly skilled supervision (Levels 9-12)	490	100	7	28	70	739	490	25
Contract (Levels 3-5)	6	100	1	4	6	2	6	25
Contract (Levels 6-8)	13	100	1	4	13	9	13	25
TOTAL	908	100	25	100	36	916	908	25

9.3 Annual Leave for January 2013 to December 2013

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	121	6	21
Skilled (Levels 3-5)	29832.84	23	1287
Highly skilled production (Levels 6-8)	21345.84	22	984
Highly skilled supervision (Levels 9-12)	14750	22	659
Senior management (Levels 13-16)	908	20	45
Contract (Levels 1-2)	3332	9	372
Contract (Levels 3-5)	537	8	64
Contract (Levels 6-8)	718	11	65
Contract (Levels 9-12)	255	15	17
Contract (Levels 13-16)	8	4	2
TOTAL	71807.68	20	3516

9.4 Capped Leave for January 2013 to December 2013

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2008	Number of Employees as at 31 December 2008
Skilled (Levels 3-5)	190	7	104	26	103412	990
Highly skilled production (Levels 6-8)	83	6	79	14	30913	391
Highly skilled supervision (Levels 9-12)	38	4	147	9	59450	405
Senior management (Levels 13-16)	13	7	115	2	2755	24
TOTAL	324	6	109	51	196530	1810

9.5 Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2013/14	7,913	178	44455
Current leave payout on termination of service for 2013/14	878	77	11403
TOTAL	8791	255	34475

10. HIV and AIDS & HEALTH PROMOTION PROGRAMME

Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide 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.	✓		
2. Does the Department have a dedicated unit or have you designated specific staff members to promote 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.	✓		However, there is no dedicated budget.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	✓		
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.		✗	
5. Has the Department reviewed the employment policies and practices of your Department 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.	✓		
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.	✓		Awareness is raised on human rights and access to justice.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		The health screening sessions are conducted quarterly.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		✗	

11. LABOUR RELATIONS

11.1 Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	24	77%	31

11.2 Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
Absenteeism	1	100%	1
Misuse of State Vehicle	7	100%	7
Mismanagement of Funds	1	100%	1
Bribe	1	100%	1
Assault	2	100%	2
TOTAL	12	100	12

11.3 Grievances lodged

Number of grievances addressed	Number	Percentage of Total	Total
Resolved	14	47%	30
TOTAL	14	46.7	30

11.4 Disputes lodged

Number of disputes addressed	Number	Percentage of Total
Upheld	1	8%
Dismissed	5	38%
Total	6	

11.5 Strike action

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

11.6 Precautionary Suspensions

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

12. SKILLS DEVELOPMENT

12.1 Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		0	0	0	0	0

12.2 Training provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub totals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		0	0	0	0	0

13. INJURIES

13.1 Injury on Duty

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

PART E:

FINANCIAL INFORMATION



1. REPORT OF THE AUDITOR GENERAL

REPORT OF THE AUDITOR GENERAL for the year ended 31 March 2014

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Agriculture, Environmental Affairs and Rural Development set out on pages 90–159, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standard as prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture, Environmental Affairs and Rural Development as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard as prescribed by National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 35 to the financial statements, the corresponding figures for 31 March 2013 have been restated as a result of an error discovered during 2014 in the financial statements of the Department of Agriculture, Environmental Affairs and Rural Development at, and for the year ended, 31 March 2013.

Additional 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 142–159 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the Department for the year ended 31 March 2014:
- Programme 2: Agricultural development services (on pages 20-27)
 - Programme 3: Environmental management (on pages 31 to 32).
13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. The material findings in respect of the selected programmes are as follows:

Agricultural development services

Reliability of reported performance information

17. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of standard operating procedures, a lack of data trails/registers/lists and a lack of documented system descriptions for the accurate and complete recording of valid achievements.

Additional matter

18. I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 20–27 and pages 31 to 32 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programmes reported in paragraph 17 of this report.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for agricultural development services and environmental management. As management subsequently corrected the misstatements, I did not raise any material misstatements on the usefulness of the reported performance information.

Compliance with laws and regulations

21. I performed procedures to obtain evidence that the Department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Expenditure management

22. Effective steps were not taken to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

Procurement and contract management

23. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1.
24. Measures for combating the abuse of the supply chain management system were not implemented as required by treasury regulation 16A9.1 in that awards were made to providers who had committed a corrupt or fraudulent act in competing for the contract.

Human resource management and compensation

25. Sufficient appropriate audit evidence could not be obtained that a proper process was followed to verify the claims made in the candidate's applications before appointment, as required by public service regulation (PSR) 1/VII/D.8.
26. Employees received overtime compensation in excess of 30% of their monthly salaries, in contravention of PSR I/V/D.2(d).

INTERNAL CONTROL

27. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies included in this report.

Leadership

28. Instability in leadership positions and in key management resulting from vacancies, the use of acting positions and rotations within critical posts have compromised leadership's ability to implement effective appointments, action plans, internal control policies and procedures and performance management processes and created an effective internal control environment in respect of compliance with laws and regulations and monitoring thereof.

Financial and performance management

29. Policies and procedures and related controls are not adequately implemented and monitored by the appropriate level of management to facilitate regular, accurate and complete performance reports and effective monitoring of compliance with laws and regulations to prevent and detect non-compliance. Vacancies in key positions in finance, human resources and supply chain management have contributed to the ineffective implementation of the system of internal control.

OTHER REPORTS

Investigations

30. Independent consulting firms performed investigations at the request of the executing authority for Agriculture, Environmental Affairs and Rural Development, which covered the financial years ended 31 March 2012 and 31 March 2013. The investigation was initiated based on an allegation of the possible misappropriation of the assets and supply chain irregularities of the Department and Mjindi Farming (Proprietary) Ltd, an entity under the Department's control. The investigation was still ongoing at the reporting date and the expected date for the outcome of the investigation was not known.

Auditor-General

PIETERMARITZBURG

31 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

2. ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

Appropriation per programme									
APPROPRIATION STATEMENT	2013/14					2012/13			
	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
1. ADMINISTRATION									
Current payment	272 106		22 174	294 280	294 280	-	100.0%	277 769	277 769
Transfers and subsidies	893		251	1 144	1 144	-	100.0%	2 227	2 227
Payment for capital assets	42 090		(10 904)	31 186	25 421	5 765	81.5%	54 891	54 891
Payment for financial assets	-		1 073	1 073	1 073	-	100.0%	-	-
	315 089		12 594	327 683	321 918	5 765		334 887	334 887
2. AGRICULTURAL DEVELOPMENT SERVICES									
Current payment	1 406 347		(18 220)	1 388 127	1 365 127	23 000	98.3%	1 365 401	1 360 438
Transfers and subsidies	145 363		3 535	148 898	148 045	853	99.4%	157 184	157 184
Payment for capital assets	149 902		12 337	162 239	153 392	8 847	94.5%	183 771	183 726
Payment for financial assets	-		-	-	-	-	-	-	-
	1 701 612		(2 348)	1 699 264	1 666 564	32 700		1 706 356	1 701 348
3. ENVIRONMENTAL MANAGEMENT									
Current payment	238 212		(10 275)	227 937	227 937	-	100.0%	245 093	245 093
Transfers and subsidies	1 431		29	1 460	660	800	45.2%	1 937	937
Payment for capital assets	1 930		-	1 930	1 548	382	80.2%	11 454	12 454
Payment for financial assets	-		-	-	-	-	-	-	-
	241 573		(10 246)	231 327	230 145	1 182		258 484	258 484
4. CONSERVATION									
Current payment	-		-	-	-	-	-	-	-
Transfers and subsidies	591 749		-	591 749	591 749	-	100.0%	554 493	554 493
Payment for capital assets	-		-	-	-	-	-	-	-
Payment for financial assets	-		-	-	-	-	-	-	-
	591 749		-	591 749	591 749	-		554 493	554 493
Subtotal	2 850 023		-	2 850 023	2 810 376	39 647	98.6%	2 854 220	2 849 212

Appropriation per programme									
2013/14								2012/13	
	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
Statutory Appropriation									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	2 850 023	-	-	2 850 023	2 810 376	39 647	98.6%	2 854 220	2 849 212
Reconciliation with Statement of Financial Performance									
Add									
Departmental receipts				21 212				22 103	
NRF Receipts				-				-	
Aid assistance				2 291				1 850	
Actual amounts per Statement of Financial Performance (Total Revenue)				2 873 526				2 878 173	
Add									2 758
Aid assistance					1 058				-
Direct Exchequer payments					-				-
Prior year unauthorised expenditure approved without funding					-				-
Actual amounts per Statement of Financial Performance Expenditure									-
					2 811 434				2 851 970

Appropriation per economic classification									
2013/14							2012/13		
	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									
Compensation of employees	919 191	–	(565)	918 626	918 626	–	100.0%	846 583	846 583
Goods and services	997 474	–	(5 868)	991 606	968 606	23 000	97.7%	1 041 655	1 036 692
Interest and rent on land	–	–	112	112	112	–	100.0%	27	27
Transfers and subsidies									
Provinces and municipalities	1 972	–	–	1 972	1 469	503	74.5%	2 224	1 224
Departmental agencies and accounts	668 916	–	2	668 918	668 918	–	100.0%	615 653	615 653
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments & international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	54 792	–	443	55 235	55 235	–	100.0%	71 008	71 008
Non-profit institutions	6 627	–	–	6 627	5 477	1 150	82.6%	15 291	15 291
Households	7 129	–	3 327	10 456	10 456	–	100.0%	11 637	11 637
Gifts and donations	–	–	43	43	43	–	100.0%	26	26
Payments for capital assets									
Buildings & other fixed structures	140 868	–	1 443	142 311	133 464	8 847	93.8%	155 083	155 083
Machinery & equipment	52 017	–	510	52 527	46 380	6 147	88.3%	84 813	85 768
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	553	–	(79)	474	474	–	100.0%	9 542	9 542
Land & subsoil assets	–	–	–	–	–	–	–	–	–
Intangible assets	484	–	(441)	43	43	–	100.0%	678	678
Payment for financial assets									
	–	–	1 073	1 073	1 073	–	100.0%	–	–
Total	2 850 023	–	–	2 850 023	2 810 376	39 647	98.6%	2 854 220	2 849 212

Statutory Appropriation										
2013/14								2012/13		
Direct charge against the National/Provincial Revenue Fund	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	
List all direct charges against the Revenue Fund										
President and Deputy President salaries				-		-				
Member of executive committee/parliamentary officers				-		-				
Judges and magistrates salaries				-		-				
Sector education and training authorities SETA				-		-				
National skills fund				-		-				
Total	-	-	-	-	-	-		-	-	-

DETAIL PER PROGRAMME 1: ADMINISTRATION **FOR THE YEAR ENDED 31 MARCH 2014**

2013/14										2012/13	
Detail per Sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
1.1 Office of the MEC											
Current payment	23 175		4 530	27 705	27 705	-	100.0%	26 194	26 194		
Transfers and subsidies	-		1	1	1	-	100.0%	190	190		
Payment for capital assets	17		15	32	32	-	100.0%	554	554		
Payment for financial assets				-		-		-	-		
1.2 Senior Management											
Current payment	50 120		(14 579)	35 541	35 541	-	100.0%	27 830	27 830		
Transfers and subsidies	-		63	63	63	-	100.0%	736	736		
Payment for capital assets	15		126	141	141	-	100.0%	240	240		
Payment for financial assets				-		-		-	-		
1.3 Corporate Services											
Current payment	135 497		18 358	153 855	153 855	-	100.0%	154 431	154 431		
Transfers and subsidies	455		(274)	181	181	-	100.0%	165	165		
Payment for capital assets	1 642		5 398	7 040	7 040	-	100.0%	12 584	12 584		
Payment for financial assets				-		-		-	-		
1.4 Financial Management											
Current payment	38 675		2 657	41 332	41 332	-	100.0%	37 560	37 560		
Transfers and subsidies	438		457	895	895	-	100.0%	1 126	1 126		
Payment for capital assets	40 000		(16 444)	23 556	17 791	5 765	75.5%	41 131	41 131		
Payment for financial assets			1 073	1 073	1 073	-	100.0%	-	-		
1.5 Communication Services											
Current payment	24 639		11 208	35 847	35 847	-	100.0%	31 754	31 754		
Transfers and subsidies	-		4	4	4	-	100.0%	10	10		
Payment for capital assets	416		1	417	417	-	100.0%	382	382		
Payment for financial assets				-		-		-	-		
Total	315 089	-	12 594	327 683	321 918	5 765	98.2%	334 887	334 887		

2013/14										2012/13	
Programme 1 Per 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											
Compensation of employees	135 875		(14 442)	121 433	121 433	–	100.0%	129 938	129 938		
Goods and services	136 231		36 536	172 767	172 767	–	100.0%	147 804	147 804		
Interest and rent on land	–		80	80	80	–	100.0%	27	27		
Transfers and subsidies											
Provinces & municipalities	438		33	471	471	–	100.0%	701	701		
Departmental agencies & accounts				–		–		–	–		
Universities & technikons				–		–		–	–		
Foreign governments & international organisations				–		–		–	–		
Public corporations & private enterprises	–		–	–	–	–		30	30		
Non-profit institutions				–		–		–	–		
Households	455		205	660	660	–	100.0%	1 470	1 470		
Gifts and donations			13	13	13	–	100.0%	26	26		
Payments for capital assets											
Buildings & other fixed structures	17 980		(7 302)	10 678	10 678	–	100.0%	21 466	21 466		
Machinery & equipment	24 037		(3 529)	20 508	14 743	5 765	71.9%	32 950	32 950		
Heritage assets				–		–		–	–		
Specialised military assets				–		–		–	–		
Biological assets				–		–		–	–		
Land & subsoil assets				–		–		–	–		
Software & other intangible assets	73		(73)	–		–		475	475		
Payment for financial assets			1 073	1 073	1 073	–	100.0%	–	–		
Total	315 089	–	12 594	327 683	321 918	5 765	98.2%	334 887	334 887		

DETAIL PER PROGRAMME 2: AGRICULTURAL DEVELOPMENT SERVICES

FOR THE YEAR ENDED 31 MARCH 2014

2013/14										2012/13	
Detail per Sub-programme	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		
2.1 Sustainable Resource Management											
Current payment	112 158		(6 020)	106 138	106 138	–	100.0%	93 853	88 890		
Transfers and subsidies	2 060		(575)	1 485	1 485	–	100.0%	1 510	1 510		
Payment for capital assets	2 286		2 452	4 738	4 738	–	100.0%	439	394		
Payment for financial assets				–		–		–	–		
2.2 Farmer Support And Development											
Current payment	901 915		(13 175)	888 740	865 740	23 000	97.4%	890 814	890 814		
Transfers and subsidies	141 860		1 064	142 924	142 821	103	99.9%	142 914	142 914		
Payment for capital assets	113 187		13 924	127 111	118 264	8 847	93.0%	145 618	145 618		
Payment for financial assets				–		–		–	–		
2.3 Veterinary Services											
Current payment	130 539		899	131 438	131 438	–	100.0%	142 312	142 312		
Transfers and subsidies	276		1 662	1 938	1 938	–	100.0%	11 475	11 475		
Payment for capital assets	2 655		(219)	2 436	2 436	–	100.0%	599	599		
Payment for financial assets				–		–		–	–		
2.4 Research and Technology Development Services											
Current payment	130 668		19 132	149 800	149 800	–	100.0%	131 802	131 802		
Transfers and subsidies	–		1 404	1 404	1 404	–	100.0%	604	604		
Payment for capital assets	25 434		(12 934)	12 500	12 500	–	100.0%	22 843	22 843		
Payment for financial assets				–		–		–	–		

Detail per Sub-programme	2013/14							2012/13	
	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
2.5 Agricultural Economics Services									
Current payment	3 231		2 410	5 641	5 641	-	100.0%	2 182	2 182
Transfers and subsidies	-		-	-	-	-		-	-
Payment for capital assets	52		(52)	-	-	-		49	49
Payment for financial assets				-	-	-		-	-
2.6 Structured Agricultural Education and Training									
Current payment	127 836		(21 466)	106 370	106 370	-	100.0%	104 438	104 438
Transfers and subsidies	1 167		(20)	1 147	397	750	34.6%	681	681
Payment for capital assets	6 288		9 166	15 454	15 454	-	100.0%	14 223	14 223
Payment for financial assets				-	-	-		-	-
Total	1 701 612	-	(2 348)	1 699 264	1 666 564	32 700	98.1%	1 706 356	1 701 348

2013/14										2012/13	
Programme 2 Per 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											
Compensation of employees	695 269		17 523	712 792	712 792	—	100.0%	633 135	633 135		
Goods and services	711 078		(35 768)	675 310	652 310	23 000	96.6%	732 268	727 305		
Interest and rent on land	—		25	25	25	—	100.0%	—	—		
Transfers and subsidies						—		—			
Provinces & municipalities	534		(33)	501	398	103	79.4%	506	506		
Departmental agencies & accounts	82 394		2	82 396	82 396	—	100.0%	65 760	65 760		
Universities & technikons				—		—		—	—		
Foreign governments & international organisations				—		—		—	—		
Public corporations & private enterprises	54 792		443	55 235	55 235	—	100.0%	70 978	70 978		
Non-profit institutions	1 000		—	1 000	250	750	25.0%	10 291	10 291		
Households	6 643		3 093	9 736	9 736	—	100.0%	9 647	9 647		
Gifts and donations	—		30	30	30	—	100.0%	—	—		
Payments for capital assets											
Buildings & other fixed structures	122 888		8 745	131 633	122 786	8 847	93.3%	133 617	133 617		
Machinery & equipment	26 050		4 039	30 089	30 089	—	100.0%	40 432	40 387		
Heritage assets				—		—		—	—		
Specialised military assets				—		—		—	—		
Biological assets	553		(79)	474	474	—	100.0%	9 542	9 542		
Land & subsoil assets				—		—		—	—		
Software & other intangible assets	411		(368)	43	43	—	100.0%	180	180		
Payment for financial assets				—		—		—	—		
Total	1 701 612	—	(2 348)	1 699 264	1 666 564	32 700	98.1%	1 706 356	1 701 348		

DETAIL PER PROGRAMME 3: ENVIRONMENTAL MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2014

Detail per Sub-programme	2013/14							2012/13	
	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
3.1 Environmental Policy Planning And Coordination									
Current payment	6 151		(2 543)	3 608	3 608	–	100.0%	2 717	2 717
Transfers and subsidies				–	–	–		–	–
Payment for capital assets	–		58	58	58	–	100.0%	–	–
Payment for financial assets				–	–	–		–	–
3.2 Compliance and Enforcement									
Current payment	26 801		5 407	32 208	32 208	–	100.0%	27 953	27 953
Transfers and subsidies	–		22	22	22	–	100.0%	446	446
Payment for capital assets	198		–	198	143	55	72.2%	260	260
Payment for financial assets				–	–	–		–	–
3.3 Environmental Quality Management									
Current payment	41 599		(14 996)	26 603	26 603	–	100.0%	36 221	36 221
Transfers and subsidies	1 031		7	1 038	638	400	61.5%	1 067	67
Payment for capital assets	1 434		(536)	898	748	150	83.3%	10 931	11 931
Payment for financial assets				–	–	–		–	–
3.4 Biodiversity Management									
Current payment	133 597		(208)	133 389	133 389	–	100.0%	147 285	147 285
Transfers and subsidies				–	–	–		21	21
Payment for capital assets	100		478	578	578	–	100.0%	229	229
Payment for financial assets				–	–	–		–	–

Detail per Sub-programme	2013/14							2012/13	
	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
3.5 Environmental Empowerment									
Current payment	30 064		2 065	32 129	32 129	–	100.0%	30 917	30 917
Transfers and subsidies	400		–	400	–	400	0%	403	403
Payment for capital assets	198		–	198	21	177	10.6%	34	34
Payment for financial assets				–	–	–		–	–
Total	241 573	–	(10 246)	231 327	230 145	1 182	99.5%	258 484	258 484

2013/14										2012/13	
Programme 3 Per 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											
Compensation of employees	88 047		(3 646)	84 401	84 401	-	100.0%	83 510	83 510		
Goods and services	150 165		(6 636)	143 529	143 529	-	100.0%	161 583	161 583		
Interest and rent on land	-		7	7	7	-	100.0%	-	-		
Transfers and subsidies											
Provinces & municipalities	1 000		-	1 000	600	400	60.0%	1 017	17		
Departmental agencies & accounts				-		-		-	-		
Universities & technikons				-		-		-	-		
Foreign governments & international organisations				-		-		-	-		
Public corporations & private enterprises											
Non-profit institutions	400		-	400	-	400	0.0%	400	400		
Households	31		29	60	60	-	100.0%	520	520		
Gifts and donations				-		-		-	-		
Payments for capital assets											
Buildings & other fixed structures				-		-		-	-		
Machinery & equipment	1 930		-	1 930	1 548	382	80.2%	11 431	12 431		
Heritage assets				-		-		-	-		
Specialised military assets				-		-		-	-		
Biological assets				-		-		-	-		
Land & subsoil assets				-		-		-	-		
Software & other intangible assets				-		-		23	23		
Payment for financial assets				-		-		-			
Total	241 573	-	(10 246)	231 327	230 145	1 182	99.5%	258 484	258 484		

DETAIL PER PROGRAMME 4: CONSERVATION **FOR THE YEAR ENDED 31 MARCH 2014**

2013/14										2012/13	
Detail per Sub-programme	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		
4.1 Grant-In-Aid											
Current payment											
Transfers and subsidies	5 227			5 227	5 227	-	100.0%	4 600	4 600		
Payment for capital assets				-		-		-	-		
Payment for financial assets	-	-	-	-	-	-	-	-	-		
4.2 Subsidy											
Current payment											
Transfers and subsidies	586 522			586 522	586 522	-	100.0%	549 893	549 893		
Payment for capital assets				-		-		-	-		
Payment for financial assets				-		-		-	-		
Total	591 749	-	-	591 749	591 749	-	100.0%	554 493	554 493		

2013/14								2012/13	
Programme 4 Per 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									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces & municipalities				-		-		-	-
Departmental agencies & accounts	586 522			586 522	586 522	-	100.0%	549 893	549 893
Universities & technikons				-	-	-		-	-
Non-profit institutions	5 227			5 227	5 227	-	100.0%	4 600	4 600
Households				-		-		-	-
Gifts and donations				-		-		-	-
Payments for capital assets									
Buildings & other fixed structures				-		-		-	-
Machinery & equipment				-		-		-	-
Heritage assets				-		-		-	-
Specialised military assets				-		-		-	-
Biological assets				-		-		-	-
Land & subsoil assets				-		-		-	-
Software & other intangible assets				-		-		-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
Total	591 749	-	-	591 749	591 749	-	100.0%	554 493	554 493

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

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 to Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
1. Administration	327 683	321 918	5 765	1.8%
Under expenditure due to departmental vehicles ordered that were not delivered by 31 March 2014.				
2. Agricultural Development Services	1 699 264	1 666 564	32 700	2.0%
The under expenditure is mainly in respect of lime that was ordered but not delivered amounting to R23 million as well as the construction of sheds in Districts for the mechanisation equipment of R8.8 million that did not commence as planned due to slow procurement process. Furthermore, the progress of the partnership with Zakhe Agricultural College resulted in only R250,000 of the R1 million being transferred by 31 March 2013.				
3. Environmental Management	231 327	230 145	1 182	0.5%
The under expenditure is due to Municipality not submitting the required business plan for the Greenest Municipality (R400,000); the payment for WESSA for environmental education programme could not be processed due to technical problems with the banking details(R400,000) and office furniture not acquired due to posts not being filled (R388,000).				

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure:				
Compensation of employees	918 591	918 591		
Goods and services	991 632	968 632	23 000	2.3%
Interest and rent on land	112	112	–	
Unauthorised expenditure approved		–	–	
Transfers and subsidies:				
Provinces and municipalities	1 972	1 469	503	25.5%
Departmental agencies and accounts	668 918	668 918	–	–
Universities and technikons				
Public corporations and private enterprises	55 235	55 235	–	–
Foreign governments and international organisations				–
Non-profit institutions	6 627	5 477	1 150	17.4%
Households	10 456	10 456	–	
Gifts and donations	43	43	–	
Payments for capital assets:				
Buildings and other fixed structures	142 311	133 464	8 847	6.2%
Machinery and equipment	52 527	46 380	6 147	11.7%
Heritage assets				
Specialised military assets				
Biological assets	474	474	–	
Land and subsoil assets				
Intangible assets	43	43	–	
Payments for financial assets	1 073	1 073	–	
Under expenditure under goods and services relates to the lime that was ordered but not delivered. The transfers to provinces and municipalities is in respect of the greenest municipality awards where municipality did not submit the required business plan as well as an over provision for vehicle licence fees. Non-profit institutions relates to the payment to WESSA of R400,000 and Zakhe Agricultural College of R750,000. Buildings and other fixed structures relates to the construction of sheds at district offices for mechanisation equipment that was slower than planned. Machinery and equipment is mainly in respect of departmental vehicles that were ordered but not delivered on time amounting to R4.436 million as well as office furniture and equipment not acquired due to vacant posts not filled.				

4.3 Per conditional grant:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Ilima/Letsema Projects	65 768	42 768	23 000	35%
Land Care P Grt:Pov Re&Inf	18 746	18 746	–	
Compr Agric Supp Pr Grnt	202 522	202 522	–	
Epwp Inter Grnt Prov	550	550	–	
Under expenditure against the Ilima / Letsema grant is in respect of lime that was ordered but not delivered and paid for by 31 March 2014. The lime is for the departments liming programme.				

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	1	2 850 023	2 854 220
Departmental revenue	2	21 212	22 103
Aid assistance	3	2 291	1 850
TOTAL REVENUE		2 873 526	2 878 173
EXPENDITURE			
Current expenditure			
Compensation of employees	4	918 626	846 583
Goods and services	5	968 606	1 036 692
Interest and rent on land	6	112	27
Aid assistance	3	1 058	2 719
Total current expenditure		1 888 402	1 886 021
Transfers and subsidies			
Transfers and subsidies	8	741 598	714 839
Aid assistance	3	–	–
Total transfers and subsidies		741 598	714 839
Expenditure for capital assets			
Tangible capital assets	9	180 318	250 432
Intangible assets	9	43	678
Total expenditure for capital assets		180 361	251 110
Payment for financial assets	7	1 073	–
TOTAL EXPENDITURE		2 811 434	2 851 970
SURPLUS/(DEFICIT) FOR THE YEAR		62 092	26 203
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		39 647	5 008
Annual appropriation		16 647	45
Conditional grants		23 000	4 963
Unconditional grants		–	–
Departmental revenue and NRF Receipts	14	21 212	22 103
Aid assistance	3	1 233	(908)
SURPLUS/(DEFICIT) FOR THE YEAR		62 092	26 203

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
ASSETS			
Current assets		45 869	28 559
Cash and cash equivalents	10	39 645	56
Prepayments and advances	11	37	87
Receivables	12	6 187	10 389
Aid assistance receivable	3	–	18 027
TOTAL ASSETS		45 869	28 559
LIABILITIES			
Current liabilities		44 580	28 050
Voted funds to be surrendered to the Revenue Fund	13	39 647	946
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	151	488
Bank overdraft	15	–	23 946
Payables	16	2 960	2 080
Aid assistance repayable	3	1 822	590
TOTAL LIABILITIES		44 580	28 050
NET ASSETS		1 289	509
Represented by:			
Capitalisation reserve		–	–
Recoverable revenue		1 289	509
Retained funds		–	–
Revaluation reserves		–	–
TOTAL		1 289	509

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2014

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Recoverable revenue			
Opening balance		509	385
Transfers		780	124
Debts revised		994	(3)
Debts recovered (included in Departmental receipts)		(539)	(175)
Debts raised		325	302
Closing balance		1 289	509
 TOTAL		 1 289	 509

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2013/14 R'000	2012/13 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 873 388	2 871 381
Annual appropriated funds received	1	2 850 023	2 850 158
Departmental revenue received	2	20 850	19 354
Interest Received	2.3	224	19
Aid assistance received	3	2 291	1 850
Net (increase)/ decrease in working capital		5 132	(9 081)
Surrendered to Revenue Fund		(22 495)	14 796
Expenditure charged to the vote		18 026	–
Current payments		(1 888 290)	(1 885 994)
Interest Paid		(112)	(27)
Payments for financial assets		(1 073)	–
Transfers and subsidies paid		(741 598)	(714 839)
Net cash flow available from operating activities	17	242 978	276 236
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(180 361)	(251 110)
Proceeds from sale of capital assets	2	138	2 730
Net cash flows from investing activities		(180 223)	(248 380)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		780	124
Net cash flows from financing activities		780	124
Net increase/ (decrease) in cash and cash equivalents		63 535	27 980
Cash and cash equivalents at beginning of period		(23 890)	(51 870)
Cash and cash equivalents at end of period	18	39 645	(23 890)

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

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.

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 exchange rates prevailing at the date of payment / receipt.

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

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

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

7.2 Departmental revenue

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

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

7.3 Accrued departmental revenue

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

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

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

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

8. Expenditure

8.1 Compensation of employees

8.1.1 *Salaries and wages*

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

8.1.2 *Social contributions*

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

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

8.2 Other expenditure

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

8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the Department.

Accrued expenditure payable is measured at cost.

8.4 Leases

8.4.1 *Operating leases*

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

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

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

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

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

- cost, being the fair value of the asset; 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.

9. Aid Assistance

9.1 Aid assistance received

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

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

9.2 Aid assistance paid

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

10. Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

11. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

Prepayments are expensed when expenditure has been incurred.

12. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

13. Investments

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

14. Impairment of financial assets

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

15. Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

16. Payables

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

17. Capital Assets

17.1 Immovable capital assets

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

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

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

17.2 Movable capital assets

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.

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

Subsequent expenditure that is of a capital nature 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.

17.3 Intangible assets

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

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

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

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are 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.

18. Provisions and Contingents

18.1 Provisions

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

18.2 Contingent liabilities

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

18.3 Contingent assets

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

18.4 Commitments

Commitments 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

19. Unauthorised expenditure

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

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

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

20. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

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

21. Irregular expenditure

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

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

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

22. Prior period errors

In 2011/12 financial year the Department had incorrectly disclosed an amount of R6,265m as irregular expenditure. This error has been adjusted for retrospectively by adjusting the opening balance for the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. Annual Appropriation

1.1 Annual Appropriation

		2013/14		2012/13
	Final	Actual Funds	Funds not	Appropriation
	Appropriation	Received	requested/ not received	Received
Programmes	R'000	R'000	R'000	2011/12 R'000
Administration	327 683	327 683	-	334 887
Agricultural Development Service	1 699 264	1 699 264	-	1 702 294
Environmental Management	231 327	231 327	-	258 484
Conservation	591 749	591 749	-	554 493
Total	2 850 023	2 850 023	-	2 850 158

1.2 Conditional grants**

	Note	2013/14 R'000	2012/13 R'000
Total grants received	36	287 586	273 381

2. Departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Sales of goods and services other than capital assets	2.1	17 751	16 806
Fines, penalties and forfeits	2.2	1 279	705
Interest, dividends and rent on land	2.3	224	27
Sales of capital assets	2.4	138	2 730
Transactions in financial assets and liabilities	2.5	1 820	1 835
Departmental revenue collected		21 212	22 103

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

2.1 Sales of goods and services other than capital assets

	Note	2013/14	2012/13
	2	R'000	R'000
Sales of goods and services produced by the Department		17 748	16 780
Sales by market establishment		4 024	4 843
Administrative fees		1 529	1 530
Other sales		12 195	10 407
Sales of scrap, waste and other used current goods		3	26
Total		17 751	16 806

2.2 Fines, penalties and forfeits

	Note	2013/14	2012/13
	2	R'000	R'000
Fines		1 279	703
Penalties		-	2
Total		1 279	705

2.3 Interest, dividends and rent on land

	Note	2013/14	2012/13
	2	R'000	R'000
Interest		224	19
Rent on land		-	8
Total		224	27

2.4 Sale of capital assets

	Note	2013/14	2012/13
		R'000	R'000
Tangible capital assets	2		
Machinery and equipment	30	-	2 431
Biological assets	30	138	299
Total		138	2 730

2.5 Transactions in financial assets and liabilities

	Note	2013/14	2012/13
	2	R'000	R'000
Receivables		479	868
Stale cheques written back		-	59
Other Receipts including Recoverable Revenue		1 341	908
		1 820	1 835

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

3. Aid assistance**3.1 Aid assistance received in cash from other sources**

	2013/14 R'000	2012/13 R'000
Foreign		
Opening Balance	(17 437)	(16 529)
Revenue	2 291	1 850
Expenditure	(1 058)	(2 758)
Current	(1 058)	(2 719)
Capital	-	(39)
Transfers	-	-
Surrendered to the donor	18 026	-
Closing Balance	1 822	(17 437)

3.2 Analysis of balance

	<i>Note</i> 3.1	2013/14 R'000	2012/13 R'000
Aid assistance receivable		-	(18,027)
Other sources		-	(18,027)
Aid assistance repayable		1 822	590
Other sources		1 822	590
Closing Balance		1 822	(17,437)

R18 026 million was transferred from donor funding to expenditure voted funds.

The integrated Food security Programme was prefinanced in 2011/12 however the donor has formally indicated that they are making any further contributions to this programme. Therefore this expenditure is charged to the vote.

4. Compensation of employees**4.1 Salaries and Wages**

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Basic salary		644 299	581,939
Performance award		10 493	9,198
Service Based		3 754	2,372
Compensative/circumstantial		12 635	15,799
Periodic payments		7 026	5,409
Other non-pensionable allowances		117 813	119,355
		796 020	734,072

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

4.2 Social contributions

	2013/14 R'000	2012/13 R'000
Employer contributions		
Pension	77 642	69,077
Medical	44 737	43,231
Bargaining council	227	203
Total	122 606	112,511
Total compensation of employees	918 626	846,583
Average number of employees	3 817	3,788

5. Goods and services

	Note	2013/14 R'000	2012/13 R'000
Administrative fees		303	104
Advertising		21 136	22,280
Minor Assets	5.1	10 067	6,286
Bursaries (employees)		6 086	12,369
Catering		8 046	8,961
Communication		44 116	31,816
Computer services	5.2	32 145	18,738
Consultants, contractors and agency/outsourced services	5.3	367 618	344,152
Entertainment		-	-
Audit cost – external	5.4	3 776	3,789
Fleet services		36 486	29,782
Inventory	5.5	188 291	358,240
Consumables	5.6	38 488	
Operating leases		25 586	25,544
Property payments	5.7	58 369	48,692
Rental and hiring		97	1,710
Transport provided as part of the Departmental activities		1 092	1,170
Travel and subsistence	5.8	101 612	93,800
Venues and facilities		4 902	8,324
Training and staff development		12 676	12,866
Other operating expenditure	5.9	7 714	8,069
Total		968 606	1,036,692

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5.1 Minor Assets

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Tangible assets	5	10 067	6,275
Biological assets		2 682	628
Machinery and equipment		7 385	5,647
Intangible assets		-	11
Total		10 067	6,286

5.2 Computer services

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
SITA computer services	5	27 450	16,827
External computer service providers		4 695	1,911
Total		32 145	18,738

The increase in expenditure for computer services is due to a recovery of under charged fees by SITA being for LAN and hardware support in line with SITA SLA, paid retrospectively.

5.3 Consultants, contractors and agency/outsourced services

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Business and advisory services	5	10 780	1,718
Infrastructure and planning		148 623	125,176
Laboratory services		-	5
Legal costs		4 184	4,409
Contractors		76 408	62,165
Agency and support/outsourced services		127 623	150,679
Total		367 618	344,152

5.4 Audit cost – External

	<i>Note</i>	2013/14	2012/13
		R'000	R'000
Regularity audits	5	3 776	3,789
Total		3 776	3,789

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5.5 Inventory

	Note 5	2013/14 R'000	2012/13 R'000
Clothing material and accessories		6 063	7 196
Farming supplies		147 505	212 338
Food and food supplies		8	260
Fuel, oil and gas		10 338	12 188
Learning and teaching support material		919	1 150
Materials and supplies		5 551	21 997
Medical Supplies		592	326
Medicine		17 315	42 122
Total		188 291	297 577

5.6 Consumables

	Note	2013/14 R'000	2012/13 R'000
Consumable supplies		26 328	50 180
Uniform and Clothing		88	-
Household Supplies		2 496	1 979
Building Material and Supplies		18 530	45 569
Communication Accessories		1	-
IT Consumables		125	-
Other Consumables		5 088	2 632
Stationery, printing and office supplies		12 160	10 483
Total		38 488	60 663

5.7 Property payments

	Note 5	2013/14 R'000	2012/13 R'000
Municipal services		25 120	20,378
Property maintenance and repairs		32 317	26,014
Other		932	2,300
Total		58 369	48,692

5.8 Travel and subsistence

	Note 5	2013/14 R'000	2012/13 R'000
Local		99 930	91,061
Foreign		1 682	2,739
Total		101 612	93,800

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

5.9 Other operating expenditure

	<i>Note</i> 5	2013/14 R'000	2012/13 R'000
Professional bodies, membership and subscription fees		34	30
Resettlement costs		822	500
Other		6 858	7,539
Total		7 714	8,069

R6,858m disclosed as "Other" Operating Expenditure mostly comprises insurance payments for subsidised vehicles for departmental officials.

6. Interest and rent on land

	2013/14 R'000	2012/13 R'000
Interest paid	112	27
	112	27

7. Payments for financial assets

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Debts written off	7.1	1 071	-
Other material losses written off	7.2	2	-
Total		1 073	-

7.1 Debts written off

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Other debt written off			
Irrecoverable debts written off	7	979	-
Pension Recoverable	7	92	-
Total debt written off		1 071	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

7.2 Other Material Losses Written off

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Salary Insurance Deductions written off		2	-
Total		2	-

8. Transfers and subsidies

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Provinces and municipalities	<i>Annex 1B</i>	1 469	1,225
Departmental agencies and accounts	<i>Annex 1C</i>	668 918	615,653
Public corporations and private enterprises	<i>Annex 1E</i>	55 235	71,008
Non-profit institutions	<i>Annex 1G</i>	5 477	15,290
Households	<i>Annex 1H</i>	10 455	11,637
Gifts, donations and sponsorships made	<i>Annex 1K</i>	44	26
		741 598	714,839

9. Expenditure for capital assets

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Tangible assets		180 318	250,432
Buildings and other fixed structures	30	133 464	155,083
Machinery and equipment	30	46 380	85,807
Biological assets	30	474	9,542
Intangible assets		43	678
Software	31	43	678
Total		180 361	251,110

9.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	180 318	-	180 318
Buildings and other fixed structures	133 464	-	133 464
Machinery and equipment	46 380	-	46 380
Biological assets	474	-	474
Intangible assets	43	-	43
Software	43	-	43
Total	180 361	-	180 361

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

9.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	250 393	39	250 393
Buildings and other fixed structures	155 083	–	155 083
Machinery and equipment	85 768	39	85 807
Biological assets	9 542	–	9 542
Intangible assets	678	–	678
Software	678	–	678
Total	251 071	39	251 110

10. Cash and cash equivalents

	Note	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General Account		40 506	–
Cash on Hand		(918)	–
Disbursements		57	56
Total		39 645	56

11. Prepayments and advances

	2013/14 R'000	2012/13 R'000
Travel and subsistence	37	87
Total	37	87

12. Receivables

Detail	Note	2013/14			Total R'000	2012/13
		Less than one year R'000	One to three years R'000	Older than three years R'000		Total R'000
Claims recoverable	12.1 Annex 3	951	175	16	1 142	5 511
Recoverable expenditure	12.2	7	–	–	7	77
Staff debt	12.3	710	470	2 544	3 724	3 599
Other debtors	12.4	–	718	596	1 314	1 202
Total		1 668	1 363	3 156	6 187	10 389

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

12.1 Claims recoverable

	Note 12	2012/13 R'000	2011/12 R'000
National Departments		16	483
Provincial Departments		1 126	698
Public entities		—	4.330
Total		1 142	5,511

12.2 Recoverable expenditure (disallowance accounts)

	Note 12	2013/14 R'000	2012/13 R'000
(Group major categories, but list material items)			
Disallowance Miscellaneous		2	49
Salary Tax Debt:CA		5	28
Total		7	77

12.3 Staff debt

	Note 12	2013/14 R'000	2012/13 R'000
(Group major categories, but list material items)			
Staff Overpayments and Salary Tax Debts		3 340	3 012
T&S Debt		311	464
Misuse of State property		1	—
Other		—	16
Bursary Debt		72	87
Strike Debts		—	20
Total		3 724	3 599

12.4 Other debtors

	Note 12	2013/14 R'000	2012/13 R'000
(Group major categories, but list material items)			
Salary Pension Fund:CL		—	2
Salary Insurance Deductions		1	4
Supplier Debt		1 313	1 196
Total		1 314	1 202

12.5 Impairment of Receivables

	Note	2013/14 R'000	2012/13 R'000
Estimate of impairment of Receivables		3 103	2 725
Total		3 103	2 725

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

13. Voted funds to be surrendered to the Revenue Fund

	Note	2013/14 R'000	2012/13 R'000
Opening balance		946	(36,553)
Transfer from statement of financial performance		39 647	5,008
Voted funds not requested/not received	1.1	-	(4,062)
Paid during the year		(946)	36,553
Closing balance		39 647	946

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2013/14 R'000	2012/13 R'000
Opening balance		488	142
Transfer from Statement of Financial Performance		21 212	22,103
Paid during the year		(21 549)	(21,757)
Closing balance		151	488

15. Bank Overdraft

	Note	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General Account		-	23,946
		-	23,946

16. Payables – current

	Note	2013/14 R'000	2012/13 R'000
Advances received	16.1	547	638
Clearing accounts	16.2	227	764
Other payables	16.3	2 186	678
Total		2 960	2,080

16.1 Advances Received

	Note	2013/14 R'000	2012/13 R'000
(Identify major categories, but list material amounts)	16		
Provincial Departments		547	-
National Departments Annex 7B		-	638
		547	638

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

16.2 Clearing accounts

	Note	2013/14	2012/13
(Identify major categories, but list material amounts)	16	R'000	R'000
Salary ACB Recalls		140	739
Salary Deduction		1	1
Disallowance Dishonoured Cheque		12	12
Salary Reversal Control		74	12
Total		227	764

16.3 Other payables

	Note	2013/14	2012/13
(Identify major categories, but list material amounts)	16	R'000	R'000
Pension Recoverable Account		92	3
Unallocated credits		-	4
Credit balances in staff debtors		55	56
Credit balances in T&S Dom		5	10
Salary Income Tax		1 394	394
Salary Insurance		272	201
Salary Pension		365	-
Sal: Medical Aid		3	10
Total		2 186	678

17. Net cash flow available from operating activities

	Note	2013/14	2012/13
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		62 092	26,203
Add back non cash/cash movements not deemed operating activities		180 886	250,033
(Increase)/decrease in receivables – current		4 202	(5,525)
(Increase)/decrease in prepayments and advances		50	1,006
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		880	(4,562)
Proceeds from sale of capital assets		(138)	(2,730)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		180 361	251,110
Surrenders to Revenue Fund		(22 495)	14,796
Surrenders to RDP Fund/Donor		18 026	-
Voted funds not requested/not received		-	(4,062)
Net cash flow generated by operating activities		242 978	276,236

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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

	Note	2013/14 R'000	2012/13 R'000
Consolidated Paymaster General account		40 506	(23 946)
Disbursements		(918)	-
Cash on hand		57	56
Total		39 645	(23 890)

19. Contingent liabilities and contingent assets

19.1 Contingent Liabilities

		Note	2013/14 R'000	2012/13 R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 2A	666	610
Claims against the Department		Annex 2B	25 287	69,058
Intergovernmental payables (unconfirmed balances)		Annex 4	1 922	2,838
Total			27 875	72,506

20. Commitments

	2013/14 R'000	2012/13 R'000
Current expenditure	101 046	123,003
Approved and contracted	101 046	123,003
Approved but not yet contracted	-	-
Capital expenditure	124 474	175,776
Approved and contracted	124 474	175,776
Approved but not yet contracted	-	-
Total Commitments	225 520	298,779

21. Accruals

	2013/14 R'000			2012/13 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	18 887	5 954	24 841	16 565
Transfers and subsidies	-	-	-	-
Capital assets	104	-	104	392
Total	18 991	5 954	24 945	16 957

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

		2013/14	2012/13
		R'000	R'000
Listed by programme level			
Administration		7 742	6,099
Agricultural Development Service		15 086	10,184
Environmental Management		2 117	674
		24,945	16,957
	Note	2013/14	2012/13
		R'000	R'000
Confirmed balances with other Departments	Annex 5	3 184	1,379
Total		3 184	1,379

22. Employee benefits

	<i>Note</i>	2013/14 R'000	2012/13 R'000
Leave entitlement		61 898	49,662
Service bonus (Thirteenth cheque)		25 387	22,758
Performance awards		14 772	13,848
Capped leave commitments		140 838	138,228
Other		-	125
Total		242 895	224,621

Leave entitlement includes negative of R219k.

23. Lease commitments

23.1 Operating leases expenditure

2013/14	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	8 582	2 349	10 931
Later than 1 year and not later than 5 years	-	-	8 930	1 988	10 918
Total lease commitments	-	-	17 512	4 337	21 849

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
2012/13					
Not later than 1 year	-	-	7 534	1 677	9 211
Later than 1 year and not later than 5 years	-	-	6 837	1 409	8 246
Later than five years	-	-	-	-	-
Total lease commitments	-	-	14 371	3 086	17 457

23.2 Finance leases expenditure**

	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
2013/14					
Not later than 1 year	-	-	-	8 583	8 583
Later than 1 year and not later than 5 years	-	-	-	2 903	2 903
Total present value of lease liabilities	-	-	-	11 486	11 486

	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
2012/13					
Not later than 1 year	-	-	-	2 607	2 607
Later than 1 year and not later than 5 years	-	-	-	2 019	2 019
Total present value of lease liabilities	-	-	-	4 626	4 626

** This note excludes leases relating to public private partnerships as they are separately disclosed to [note no. 39](#).

24. Accrued Departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Sales of goods and services other than capital assets		8 208	8,201
		8 208	8,201

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

24.1 Analysis of Accrued departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Opening balance		8 201	6,916
Less: amounts received		8 690	7,314
Add: amounts recognised		8 697	8,599
Closing balance		8 208	8,201

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	Note	2013/14 R'000	2012/13 R'000
Opening balance		176 694	68 142
Add: Irregular expenditure - relating to prior year		-	-
Add: Irregular expenditure - relating to current year		22 335	117 829
Less: Prior year amounts condoned		44 141	9 277
Less: Current year amounts condoned		-	-
Irregular expenditure awaiting condonation		154 888	176 694

	2013/14 R'000	2012/13 R'000
Analysis of awaiting condonation per age classification		
Current year	22 335	117,829
Prior years	132 553	58 865
Total	154 888	176 694

Provincial Treasury embarked on an exercise to reconcile the disclosures with the departmental registers and to investigate each case with the responsible departments. Provincial Treasury consulted and assisted departments in verifying the amounts involved and the circumstances prevailing at the time of the transgression. The payments were individually evaluated and recommended for condonement by a committee consisting of the Acting Accountant General and representatives of Supply Chain Management Unit and Internal Control unit at Provincial Treasury. Where information was insufficient to make recommendation the case was referred back to departments for further investigation. Cases that are under forensic or other investigations were not considered at this stage pending outcome of investigation. In evaluating each case the following was considered: circumstances of transgression; extent of expenditure; nature/seriousness of transgression; outstanding investigations; effect on service delivery; was service provided and value for money; potential cost of further investigating; steps taken by Department to rectify matters; possible misinterpretation to prescripts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

25.2 Details of irregular expenditure – current year

	2013/14
Incident	R'000
Quote - Sole Supplier	1 337
3 Quotes not received(3 or more requested)	2 635
3 Quotes not obtained(less than 3 requested)	700
Month to Month	2 358
No Contract	1 661
Contract Expired	4 768
No Order	96
Variation Order	457
Single Source	164
Non Compliance with SCM Processes	899
Utilised services of supplier outside of contract	5 605
Use of Prohibited Supplier	1 655
	22 335

25.3 Details of irregular expenditure condoned

	2013/14
Incident	R'000
3 quotes not obtained	105
3 quotes not requested	2 060
Actual invoice greater than order	1 346
Competitive bidding process not followed	18 006
Conflict of interest	358
Delegations not adhered to	15 822
Month to month contract	4 169
National contract	537
No Contract	13
No order issued	15
No service level agreement signed	43
No supporting documentation	139
Potential irregular expenditure	68
Preferred supplier unable to deliver	8
Single source	1 444
Supplier not on database	8
	44 141

In evaluating each case the Provincial Treasury considered the ff:

- the circumstances of the transgression
- the extent of the expenditure involved
- the nature and seriousness of the transgression;
- outstanding investigations or court proceedings
- the effect of compliance on service delivery
- whether the service was provided and a check on value for money
- the potential cost involved in further investigations into old cases
- steps taken by Departments to rectify matters.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

25.4 Details of irregular expenditure under investigation

	2013/14
Incident	R'000
3 quotes not obtained	14 411
3 quotes not requested	4 595
Actual invoice greater than order	15
Competitive Bidding process not followed	31 963
Conflict of Interest	13
Month to month contract	19 703
No order	2
No order issued	30
No supporting documentation	447
Potential irregular expenditure	6
Splitting of orders	643
Transversal contract not used	60 725
Total	132 553

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	Note	2013/14 R'000	2012/13 R'000
Opening Balance		322	226
Fruitless and wasteful expenditure – relating to prior year		-	17
Fruitless and wasteful expenditure – relating to current year		799	79
Fruitless and wasteful expenditure awaiting condonation		1 121	322

26.2 Analysis of awaiting condonement per economic classification

Current	1 121	322
Total	1 121	322

26.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
Interest on Overdue Accounts		116
Service Fees for no shows		3
Late Cancellation of Service		652
Accommodation Fees for no Show		28
Total		799

No disciplinary steps have been taken as yet. The cases are yet to be reviewed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

27. Related Parties

The following are related parties to the Department:

- KZN Nature Conservation Board
- Mjindi Farming (Pty) Ltd
- Agric Development Agency
- Ntingwe Tea (Pty) Ltd

Refer to annexures 1B, 1C, 2A and 2B for details of transactions with the above entities.

28. Key management personnel

	No. of individuals	2013/14 R'000	2012/13 R'000
Political office bearers (provide detail below)	1	1 680	1,609
Officials:			
Level 15 to 16	6	5 727	5,259
Level 14 (incl. CFO if at a lower level)	8	6 716	8,106
Family members of key management personnel		-	285
		14 123	15,259

29. Impairment

	Note	2013/14 R'000	2012/13 R'000
Provision for Bad debts		3 103	2,725
Total		3 103	2,725

30. Provisions

	Note	2013/14 R'000	2012/13 R'000
Donor funding claim disputed			
Flemish Govt: Food Security Prog		-	18,027

30.1 Reconciliation of movement in provisions - 2013/14

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	18 027	-	-	-	18 027
Increase in provision		-	-	-	-
Settlement of provision	(18 027)	-	-	-	(18 027)
Closing balance	-	-	-	-	-

R18 027 million was transferred from Donor Funding to Expenditure voted funds.

The integrated food security programme was prefinanced in 2011/12. However the Donor has formally indicated that they are not making any further contributions to this programme. Therefore this expenditure is charged to the vote.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

31. Movable Tangible Capital Assets

Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	454 209	(2 699)	50 144	227	501 427
Transport assets	124 939	134	19 889	-	144 962
Computer equipment	81 567	(2 754)	15 273	217	93 869
Furniture and office equipment	15 650	89	1 868	10	17 597
Other machinery and equipment	232 053	(168)	13 114	-	244 999
Biological Assets	2 714	(199)	390	258	2 647
Biological assets	2 714	(199)	390	258	2 647
Total Movable Tangible Capital Assets	456 923	(2 898)	50 534	485	504 074

31.1 Additions

Additions to Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	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	41 837	8 307	-	-	50 144
Transport assets	16 254	3 635			19 889
Computer equipment	11 020	4 253			15 273
Furniture and office equipment	1 687	181			1 868
Other machinery and equipment	12 876	238			13 114
Biological Assets	390	-	-	-	390
Biological assets	390	-	-	-	390
Total Additions to Movable Tangible Capital Assets	42 227	8 307	-	-	50 534

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

31.2 Disposals

Disposals of Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	Sold for Cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
Machinery and Equipment	-	227	227	-
Transport assets	-	-	-	-
Computer equipment	-	217	217	-
Furniture and office equipment	-	10	10	-
Biological Assets	258	-	258	258
Biological assets	258	-	258	258
Total Disposal of Movable Tangible Capital Assets	258	227	485	138

31.3 Movement for 2012/13

Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2013

	Opening balance R'000	Curr year adjustments to prior year balances	Additions R'000	Disposals R'000	Closing Balance R'000
Machinery and Equipment	389 201	(1 889)	74 572	7 675	454 209
Transport assets	82 875	115	49 546	7 597	124 939
Computer equipment	67 974	141)	13 812	78	81 567
Furniture and office equipment	14 017	(15)	1 648	-	15 650
Other machinery and equipment	224 335	(1 848)	9 566	-	232 053
Biological Assets	3 115	(172)	9 455	9 684	3,115
Biological assets	3 115	(172)	9 455	9 684	2 714
Total Movable Tangible Capital Assets	392 316	(2 061)	84 027	17 359	456 923

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

31.4 Minor assets

Movement in Minor Assets per the Asset Register for the year ended 31 March 2014

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	56	22 365	9 732	32 153
Curr Year Adjustments to Prior Yr Balance	-	(9)	2 320	2 311
Additions	-	2 209	-	2 209
Disposals	-	2	1 332	1 334
Total Minor Assets	56	24 563	10 720	35 339

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	27 239	-	27 239
Number of minor assets at cost	27	18 007	5 701	23 735
Total Number of Minor Assets	27	45 246	5 701	50 974

Minor assets

Movement in Minor Assets per the Asset Register for the year ended 31 March 2012

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	50	20 438	8 855	29 343
Curr Year Adjustments to Prior Yr Balance	(5)	(7)	2 332	2 320
Additions	11	1 934	14	1 959
Disposals	-	-	1 469	1 469
Total Minor Assets	56	22 365	9 732	32 153

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	30 008	-	30 008
Number of minor assets at cost	27	14 078	4 928	19 033
Total Number of Minor Assets	27	44 086	4 928	49 041

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

32. Intangible Capital Assets

Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2014

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer software	2 721	-	43	-	2 764
Total Intangible Capital Assets	2 721	-	43	-	2 764

32.1 Additions

Additions to Intangible Capital Assets per Asset Register for the year ended 31 March 2014

	Cash	Non-Cash	(Development work in progress – current costs)	Received current year, not paid	Total
	R'000	R'000	R'000	R'000	R'000
Computer software	43				43
Total Additions to Intangible Capital Assets	43				43

32.2 Movement for 2012/13

Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2013

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Computer software	2 043	-	678	-	2 721
Total Intangible Capital Assets	2 043	-	678	-	2 721

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

33. Immovable Tangible Capital Assets

33.1 Additions

Additions to Immovable Tangible Capital Assets per Asset Register for the year ended 31 March 2014

	Cash	Non-Cash	(Capital work in progress – current costs)	Received current year, not paid	Total
	R'000	R'000	R'000	R'000	R'000
Building And Other Fixed Structures	129 737	-	(129 737)	-	-
Dwellings	129 737	-	(129 737)	-	-
	129 737	-	(129 737)	-	-

34. S42 Immovable assets

	No of Assets	Value of Assets
Assets subjected to transfer in terms of S42 of the PFMA - 2013/14		
Building And Other Fixed Structures	3	10 085
Dwellings		
Non-residential buildings	3	10 085
Other fixed structures		
Heritage Assets	3	10 085
Heritage assets		
Land and Subsoil Assets		
Land		
Mineral and similar non-regenerative resources		
Total	3	10 085

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

35. Prior period errors**35.1 Correction of prior period error for secondary information**

2012/13
R'000

The comparative amounts in Note 31: Irreg Exp were restated as follows

Opening Balance	68 142
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Net effect on the note

68 142

In the prior years an amount of R6 265 m was erroneously disclosed as irregular due to incorrect classification.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

NOTE 36 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION				SPENT				2012/13		
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	Under/ (over- spending)	% of available funds spent by Department	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%	R'000	R'000
Land Care	18 746				18 746	18 746	18 746	-	100%	21 009	16 046
Comp Agricultural Support Programme	202 522	-	-	-	202 522	202 522	202 522	-	100%	183 726	183 726
Lilima/Letsema Project	65 768	-	-	-	65 768	65 768	42 768	23 000	65%	63 000	63 000
EPWP											
incentive grant for Provinces	550	-	-	-	550	550	550	-	100%	9 708	9 708
	287 586	-	-	-	287 586	287 586	264 586	23 000		277 443	272 480

Departments are reminded of the DORA requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of a province.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

NOTE 37
STATEMENT OF UNCONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION			TRANSFER		SPENT			2012/13	
	Amount	Roll Overs	Other Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Department	Amount spent by Department	% of available funds spent by Department	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
PD Vehicle Licence	972			972	869	89%				1 225
	972			972	869	89%				1 225

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2012/13	
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	% of available funds spent by municipality %	Total Available R'000	
Umzinyathi Municipality				-					400	
Amajuba Municipality				-					400	
Ilembe Municipality				-					100	
Sisonke Municipality				-					100	
Newcastle Municipality	400			400	400	100%				
Maphumulo Municipality	100			100	100	100%				
Greater Kokstad Municipality	100			100	100	100%				
Endumeni Municipality	400			400	-	0%				
	1 000	-	-	1 000	600		-		1 000	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2012/13 Appropriation Act R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %
Ezemvelo KZN Wildlife	606 034		(19 512)	586 522	586 522	100%
Agri Business Development Agency	63 000		19 394	82 394	82 394	100%
Com: Licences (Radio & tv)			2	2	2	100%
	669 034	-	(116)	668 918	668 918	615 653

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1C

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2012/13 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Public Corporations							
Transfers							
Mjindi Farming	46 607			46 607	46 607	100%	68 399
Soil conservation subsidy	1 657		(226)	1 431	1 431	100%	1 120
Sub:Fin Public Corp Product - Agric show societies	1 133		(1 133)	-	-		960
Sub Total	49 397	-	(1 359)	48 038	48 038	-	70 479
Private Enterprises							
Transfers							
Peoples Bio Oil (pty) ltd	-		6 000	6 000	6 000	100%	
SA Sugar Research Institute	1 395		-	1 395	1 197	86%	1 439
SA Nat Comm Irrigation & Drainage	-		-	-	-		30
Sub Total	1 395	-	6 000	7 395	7 197	-	1 469
Total	50 792	-	4 641	55 433	55 235	-	71 948

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2012/13 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Transfers							
WESSA	400			400	-	0%	400
SPCA	-			-			10 290
SA Association for Marine Bio Res	5 227		-	5 227	5 227	100%	4 600
Zakhe Agricultural College	-		1 000	1 000	250	25%	
Total	5 627	-	1 000	6 627	5 477		15 290

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2012/13 Appropriation Act
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Injury on duty	585		(557)	28	27	96%	7
Severance Package	30		326	356	356	100%	902
Leave Gratuity	5 224		4 834	10 058	10 058	100%	9 890
Claims against state	-		6	6	-		648
Ex-Gratia payments	-		-	-	-		190
Bursaries non-employees	26		(12)	14	14	100%	
				-		-	
Total	5 865	-	4 597	10 462	10 455		11 637

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1F
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14	2012/13
		R'000	R'000
Received in cash			
DPSA - National Batho Pele Awards	Cash Voucher (R 5 000.00)	5	
DPSA - National Batho Pele Awards	Cash Voucher (R 10 000.00)	10	
Subtotal		15	-
Made in kind			
Department of Agriculture , Forestry & Fisheries	Mobile Truck for Primary Animal Health Care	2 980	
DPSA - National Batho Pele Awards	I-Pad (R6 999.00)	7	
DPSA - National Batho Pele Awards	I-Pad (R6 999.00)	7	
Department of Agriculture , Forestry & Fisheries	Computer equipment	1 407	
Department of Agriculture , Forestry & Fisheries	Computer equipment for Veterinary Services	2 647	
Department of Agriculture , Forestry & Fisheries	Computer and Office equipment	793	-
Subtotal		7 841	-
Total		7 856	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1G
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Flemish Government	Empowerment for food security programme	(18 027)		(18 027)	-
World Health Organisation	Project implementation	589	2 291	1 059	1 821
Total		(17 438)	2 291	(16 968)	1 821

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	(Group major categories but list material items including name of organisation)		2013/14	2012/13
			R'000	R'000
Received in cash				
Donations made to destitute families for funerals			36	26
Sponsorship to attend World Soya Bean Research Conference			8	–
Subtotal			44	26
Made in kind				
Cattle donation			82	172
Gifts purchased for Chinese delegation visiting the Dept			–	6
Obsolete Laptops			-	-
Gifts for speakers who presented at departmental events			3	-
Seed, Cattle x 10 Ploughing			86	-
Subtotal			171	178
Total			215	204

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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		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
		13/14	12/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13			
National/Provincial Public Entity												
Mjindi Farming (Proprietary) Limited	Schedule 3D	100	100	100	100	8 757	8 757	32 556	33 392	(836)	7 071	No
Total				100	100	8 757	8 757	32 556	33 392	(836)	7 071	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (continued)

NAME OF PUBLIC ENTITY	Nature of business	Cost of investment R'000		Net Asset value of Investment R'000		Amounts owing to Entities R'000		Amounts owing by Entities R'000	
		2013/14	2012/13	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
Controlled entities									
Ntingwe Tea (Pty)Ltd	This is the joint venture between the Department of Agriculture and Ithala Development Finance Corporate Ltd, whose main purpose is to provide funding, investing and establishing a viable commercial tea business in Northern KwaZulu Natal. The company of Ntingwe (Pty) Ltd- the operating company. Department of Agriculture owns 62% of the shares in Ntingwe Tea (Pty) and Ithala owns 38%	1	1	(66 889)	(61 585)	-	-	23 033	23 033
Total		1	1	(66 889)	(61 585)	-	-	23 033	23 033

Ntingwe Tea (Pty) Ltd is currently running at losses and the Department is engaging with Ithala (Pty)Ltd and other stakeholders in developing a turnaround strategy for the entity.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2013	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2014	Guaranteed interest for year ended 31 March 2014	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Firstrand Bank		-	65	-	-	-	65	-	-
ABSA		-	343	34	61	-	316	-	-
Nedbank Limited		-	29	-	-	-	29	-	-
Old Mutual		-	48	-	-	-	48	-	-
SA Home Loan pty ltd		-	32	-	-	-	32	-	-
Standard Bank		-	93	83	-	-	176	-	-
		-	610	117	61	-	666	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liability	Opening balance 1 April 2013	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2014
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Accidental Claims	1 162	341	547	-	956
Damage to Property	18 552	1	105	-	18 448
Goods and Services	13 884	1 704	12 219	-	3 369
Lease Agreement Dispute	102	-	99	-	3
Medical & Injury Claims	1 194	-	1 194	-	-
General Claims	34 164	2	31 655	-	2 511
Totals	69 058	2 048	45 819	-	25 287

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2013/14*	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		
Department								
NAT: Department of Justice		-	16	16	16	16		
KZN Social Welfare and Development	950	-	-	496	950	496	03 April 2014	950
Dept of Arts and Culture		27		-	-	27		
NAT: Department of Agriculture		401	-	66	-	467		
Department of Transport		-	175	175	175	175		
Sub-Total	950	428	191	753	1 141	1 181		950
Other Government Entities								
Ezemvelo KZN Wildlife		2 979	-	1 351	-	4 330		
Sub-Total		2 979	-	1 351	-	4 330		
Total	950	3 407	191	2 104	1 141	5 511		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2013/14*	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		
Departments								
Current								
Office of the Premier		18		-	-	18		
KZN Works		-		161	-	161		
Dept of Transport	3 138	1 090	1 679	2 051	4 817	3 141		
National Environmental Affairs	34	3		-	34	3		
Dept of Arts and Culture		1		-	-	1		
The Presidency		-		1	-	1		
Department of Justice		267		625	-	892		
Social Development			243		243	-		
KZN Health	12				12	-		
Total	3 184	1 379	1 922	2 838	5 106	4 217		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

**ANNEXURE 6
INVENTORY**

Note	2013/14		2012/13	
	Quantity	R'000	Quantity	R'000
Inventory				
Opening balance		2 841		11 244
Add/(Less): Adjustments to prior year balance				104
Add: Additions/Purchases - Cash		7 343		271 183
Add: Additions - Non-cash		-		-
(Less): Disposals		-		-
(Less): Issues				279 690
Add/(Less): Adjustments		-		-
Closing balance	-	10 184	-	2 841

ANNEXURE 7**Movement in Capital Work-in-Progress
MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2014**

	Opening balance R'000	Current year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Dwellings	-	-	-	-
Non-residential buildings	28 025	129 737	25 426	132 336
Other fixed structures	-	-	-	-
Total	28 025	129 737	25 426	132 336

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ANNEXURE 8
INTER-ENTITY ADVANCES RECEIVED (note 16)

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current						
National Department of Science and Technology	–	638	–	–	–	638
Sub Total	–	638	–	–	–	638
PROVINCIAL DEPARTMENTS						
Office of the Premier	547	–	–	–	547	–
Total	547	–	–	–	547	–

NOTES

[illegible]