



agriculture & rural development

Department: Agriculture
& Rural Development

PROVINCE OF KWAZULU-NATAL

2014/15 ANNUAL REPORT

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KZN DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Compiled by the Directorate: Monitoring and Evaluation

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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



I am delighted to be tabling the Annual Report for the KwaZulu-Natal Department of Agriculture and Rural Development for the 2014/15 financial year, as required by the Public Finance Management Act 1 of 1999, as amended.

The Department takes its responsibilities to account to oversight institutions of the Republic and the public very seriously.

It will be recalled that the 2014/2015 financial year was an important year for our nascent democracy. The country held national general elections that ushered in a new administration for this term of government. From that period, the preparation of this Annual Report coincides with one year since we were elected into government as this executive collective. Since the appointment to the Department there has been vast improvements made in bringing about stability to the institution. The Department has reflected deeply about the state of agriculture in the province with a view to ascertain if its programmes and interventions are appropriate and efficient. This has entailed a detailed review of all its agricultural offerings.

In the preceding financial year, being the first of the five year term, the Department has engaged in a series of planning processes. These processes has yielded new strategic direction that the Department intends taking, and has in effect started implementing, to bring about agrarian transformation and rural development in the Province. The development of the Department's five year Strategic Plan and the Agrarian Transformation Strategy were major achievements. The 2015-2020 Strategic Plan outlines the policy and strategic priorities that the Department will be pursuing in this term linked to Programme of Government as detailed in the Medium Term Strategic Framework; National Development Plan and the KZN Provincial Growth and Development Plan.

The Agrarian Reform Strategy is a sector blueprint that the Department has developed and offered to farmers and all role players in the agricultural value chain as the genesis of the interventions

in this critical industry. It serves as the game changer, in some respect, given how it unpacks a marked departure from the "business as usual" approach. This Strategy has been developed with acknowledgement that Departments programmes and funding models are subject to fundamental scientific and business principles.

The message to farmers is that they must get the basics right first, if they harbour any realistic ambitions of being successful commercial farmers. It is not enough, the strategy reminds our communal farmers, to farm for subsistence only. To achieve a greater level of efficiency in production and to graduate into the next level of the farming business, farmers have to approach the sector through the commercial market prism. This includes having to take further responsibility in the production process and the financial risks associated with such.

The project approval and funding regime in the Department has accordingly been changed to align with the new strategy. The Department can thus confidently report that the foundations for radical changes have taken root since the beginning of the financial year under reporting.

The organisational structure has also been revised and approved accordingly to enable the Department to have sufficient capacity, deployed appropriately, for maximum effect. In essence, the Department has been judicious in a manner in which the financial and the human resources are to be utilised for maximum effect to achieve organisational goals.

With a sound strategy and organisational structure in place, the Department has made the necessary preparations to accelerate the implementation of its new programmes that aim to change the landscape of agriculture and rural development in the Province.

.....
Mr C. Xaba (MPL)

MEC: Agriculture and Rural Development

Date: 31 May 2015

4. REPORT OF THE ACCOUNTING OFFICER



The Department is pleased to table its Annual Report for the financial year 2014/2015 to the Legislature, oversight institutions and the

public. The report highlights performance in all the critical programmes of the Department as far as the twin mandates of agriculture and rural development are concerned.

The 2014/2015 financial year was the first year of the new term of government and the bulk of it was dedicated to reviewing programmes, preparing new plans and strategies and mapping out new direction. The Department has successfully executed these tasks to refine its strategic thrusts.

Agriculture, as is already established, forms an important part of government's plan for economic development and poverty alleviation. The industry offers plenty of opportunity to generate new employment opportunities for people with all skills sets, whilst ensuring national and household food security. It further offers realistic opportunities for holistic rural development, especially as it relates to anchoring new forms of rural livelihood.

The Department has spent a great amount of time in the financial year under reporting to explore avenues of harnessing and unleashing agricultural potential in the province. The outcome has been an Agrarian Transformation Strategy that aims to unlock vast agricultural opportunities in KZN. The principles of this strategy are manifestly grounded in science.

It advocates assessment and conservation of natural resources; scientific research and technology development and extension support as the basis of support to farmers and agricultural interventions. The strategy identifies several pillars that can help rewrite the agrarian story in this province. They include communal estates; agri-villages; river valley catalytic projects; agro-processing and land reform support. It is in these areas that the Department aims

to see greater impact and returns on investments in the numbers of new farmers that are becoming commercial players, agricultural employment and rural integration.

Corporate governance of the department has received greater attention this year. It is important that corporate and financial services continuously render appropriate support to agriculture and rural development programmes in order for the Department to realise its mandates and priorities. In the absence of adequate support and controls, the Department may suffer irreparable damage on the service delivery front. The approval of the organisational structure is an important achievement to report. It's at the centre of using the talent and funds available to the organisation to achieve strategic goals that have been set.

In this financial year, the Department has continued to fulfil its legislative responsibilities as they relate to animal disease control, prevention of zoonotic diseases, inspection services and primary health care services. The surveillance of diseases is an important veterinary services function that helps the province readiness for disease outbreaks. The Department is alert and continues to reassure the industry about the Foot and Mouth Disease status in the North of the Province.

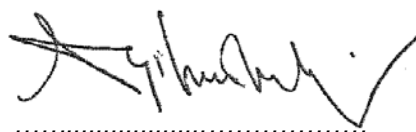
The rural development mandate is intractably linked to agriculture, since it is through this sector that the Department and government intend to provide rural development opportunities. Thriving agriculture could be a precursor to vibrant rural communities that the National Development Plan envisages. Rural development can be realised with strategic partnerships and cooperation with stakeholders within and outside government.

The people are the champions of their own development. That is the philosophy that the Department has adopted in this regard. It further calls upon government to provide support to the development that the rural people themselves have had a decisive voice in determining if it is the kind

of development they wish. Development cannot be imposed but has to be mutually agreed upon and properly supported.

The Department believes that 2014/2015 has been an important year to build a solid foundation for the outer years of the MTEF. The Strategies and Plans have been endorsed. This calls for acceleration of implementation of the Department programmes. The support of the political principal, senior management

officials and all stakeholders are greatly appreciated as we move the Department forward.



Dr SF Mkhize
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.

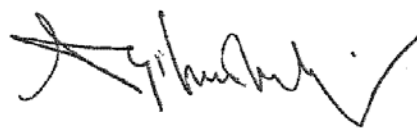
The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable as-

surance 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 2015.

Yours faithfully



Accounting Officer
Dr SF Mkhize

31 May 2015

6. STRATEGIC OVERVIEW

6.1 VISION

A united, sustainable and vibrant agricultural sector with thriving rural communities in balance with nature.

6.2 MISSION

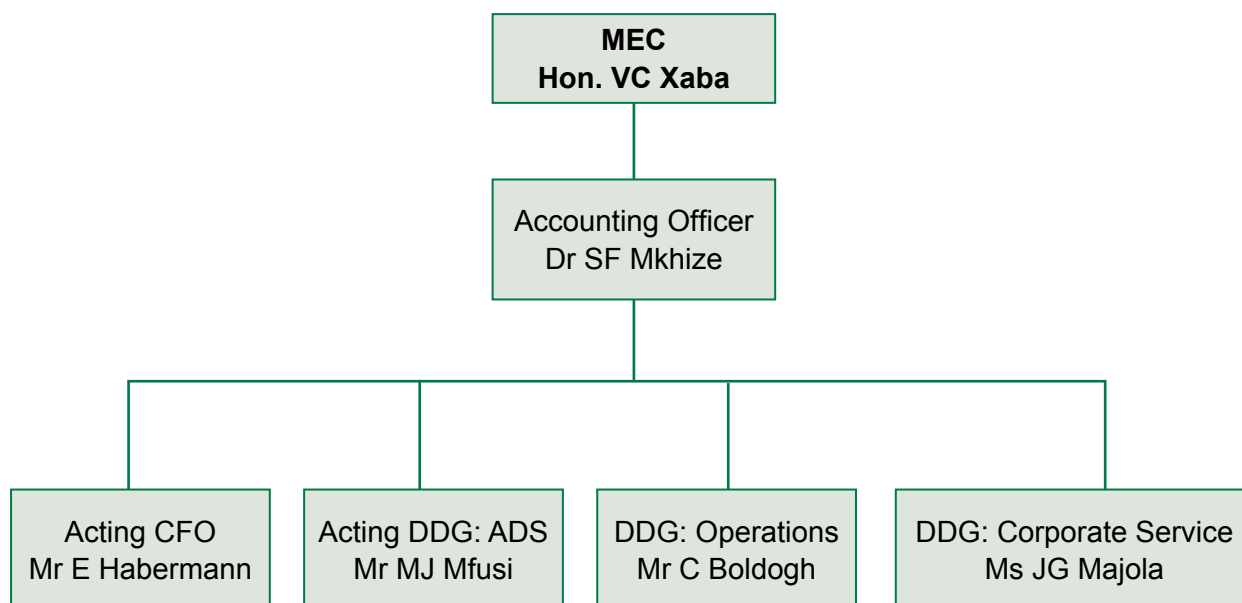
To promote, through partnerships, sound agricultural practices that stimulate economic growth, food security and advancement of rural communities in KwaZulu-Natal.

6.3 VALUES

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

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

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
Mjindi Farming (Pty) LTD	Mjindi Farming (Pty) Ltd was established under the Companies Act 61 of 1973 (as amended), as a private company with share capital.	In terms of section 38 (1) (j) of the Public Finance Management Act 1 of 1999 (as amended), Mjindi must provide written assurance to the Department that the entity implements good financial management and internal control system before the Department transfers funds to the Entity.	Mjindi is responsible for agricultural development in the northern estates of the province.
Agribusiness Development Agency (ADA)	ADA was established in terms of Cabinet Resolution No. 79 of 29 July 2009. The agency draws its operational mandate from: <ul style="list-style-type: none"> i) The national policy for Comprehensive Agricultural Support Programme (CASP). ii) Land reform policy guidelines. Department of Rural Development Recapitalization Programme. iii) Amended Trust Deed for Agribusiness Development Agency. 	In terms of section 38 (1) (j) of the Public Finance Management Act 1 of 1999 (as amended), ADA must provide written assurance to the Department that the entity implements good financial management and internal control system before the Department transfers funds to the Entity.	The agency provides holistic agricultural support services to entrant farmers, focusing mainly on previously disadvantaged farmers. ADA also seeks to develop strategies to address inequalities, create opportunities for farmers to participate in value chain, provide access to markets and foster sustainability in the agricultural sector.

PART B:

PERFORMANCE INFORMATION



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 Rural Development. The 2014/15 year marked the end of the strategic cycle, where priorities and outcomes pursued for the corresponding administration were concluded. Through various priority projects, the Department provided critical services to 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, Landcare, and agricultural research.
Veterinary Services	Animal disease control, prevention of zoonotic diseases, inspection services and primary health care services.

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.

Agriculture in its basic form is a business where the farmer buys inputs, uses these inputs with her/his skills, knowledge and abilities to produce a product that he/she then sells to a market place. Due a lack in some of these skills, knowledge and abilities including other very important issues such as the availability of finances farming is challenging in the rural areas. The lack of success in the rural areas can thus be accounted to among other factors to such as the lack of adapted business models and principles for commercial agricultural production. This is further exacerbated by the fact that farmers duties relate to “farm employees” which are not clearly defined, resulting in the lack of accountability.

Farmers lack farming skills to utilize the existing land to its correct capacity and this can lead to incorrect farm usage which has caused vast farm areas to experience soil erosion, thus significantly reducing yields and profitability. Furthermore, cultural and generational beliefs result in a lack of commitment and willingness to farm, which have resulted in the under-utilization of farming land.

Many farmers do not keep basic accounting and farming records of farm operations. This makes it very difficult for farmers to apply for funding to expand or improve farm operations through investment. This further leads to farmers not being able to afford to pay for services to successfully operate a commercial agricultural business (electricity, water, maintenance of irrigation etc.), due to financial constraints. Some farmers prefer to obtain employment in other sectors of the economy, which may result in the abandonment of farms.

The demise of the marketing boards presented a major marketing problem for farmers in general and this is just another problem for small and emergent farmers who already struggle with basic agricultural production. This is just another demotivator for farmers to improve operations.

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.

1.3 Key legislative changes and policy mandates

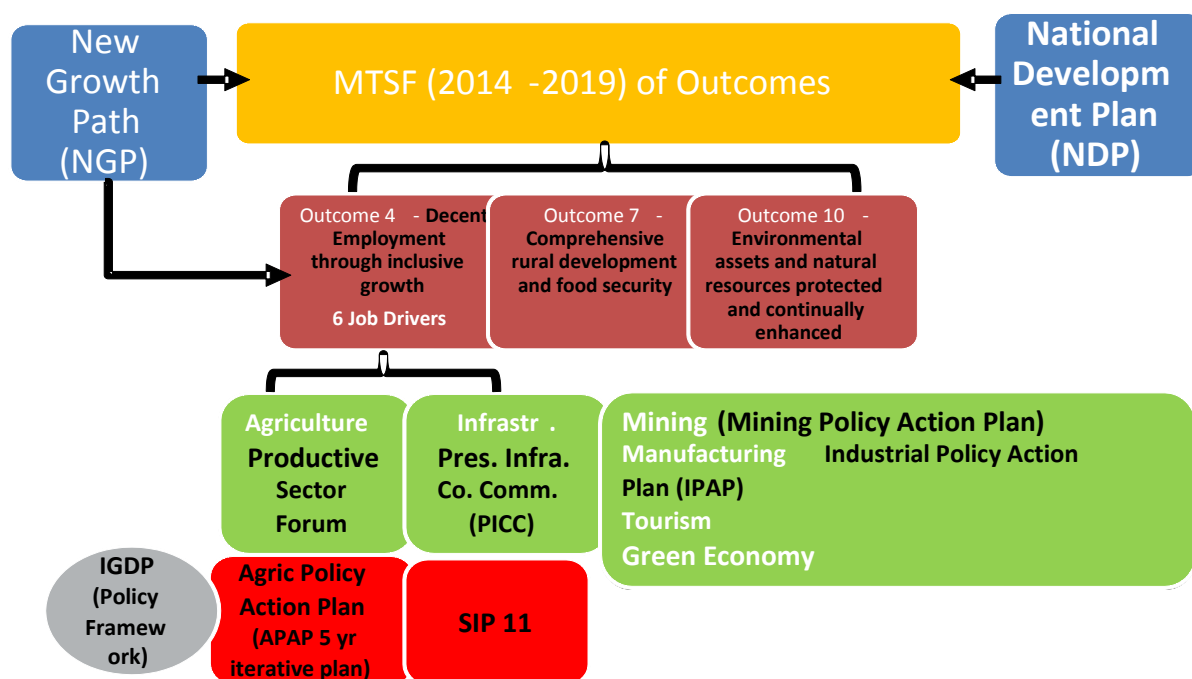
The legislative mandate of the Department is derived from various sections of the constitution. The Department executes a concurrent national and provincial legislative mandate in terms of schedule 4 of

the constitution. Section 27 of the Bill of Rights of the South African Constitution, Act of 108 of 1996, gives obligation to the state to uphold health care, food, water and social security rights. Section 27 1(b) states, “everyone has the right to have access to sufficient food and water”. Section 27 1 (c) states, “everyone has the right to social security, including, if they are unable to support themselves and their dependents, appropriate social assistance”. Section 27 (2) states, “the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of each of these rights. The Department is primarily responsible for Acts related to agriculture and Environment as key core functions and is responsible for implementation of provincial and national strategies applicable to its core business.

Other key policy imperatives include:

- National Development Plan (Vision 2030)
- New Growth Path (NGP)
- Industrial Policy Action Plan (IPAP)
- Agricultural Policy Action Plan (APAP)
- National Food and Nutrition Security Strategy (Fetsa Tlala)
- Integrated Growth and Development Policy (IGDP)
- Operation Phakisa

The Department’s policy mandate is derived from various national and provincial policy frameworks as reflected in Figure 1 below.



Source: APAP, 2014.

1.4 Departmental Revenue, Expenditure, and Other Specific Topics

1.4.1 Collection of Departmental Revenue

The table below provides the summary of the departmental receipts for 2013/14 and 2014/15 financial years by type of receipt. The total actual revenue for 2014/15 exceeded the estimated revenue by R10.965 million or 51 per cent. The main reason for such a high over-collection is in respect of the *sale of capital assets* that took place in 2013/14 but the proceeds thereof were only receipted in the 2014/15 financial year. The department undertakes an auction of redundant assets at least annually. In essence, this means that

PART B: PERFORMANCE INFORMATION

the 2014/15 revenue reflects the proceeds from the sale of redundant assets for two financial years. This was also reported in the 2013/14 Annual Report as an under-collection in that particular year. Other reasons for over collection are provided by category as follows:

- *Sale of goods and services other than capital assets* over-collected by R2.539 million. This category comprises mainly of receipts relating to the rendering of academic services, such as registration, tuition fees and accommodation at the department's agricultural colleges. The higher than budgeted revenue is mainly due to outstanding prior year's academic fees from the UKZN for the three year Agricultural Degree offered at the Cedara College. Also contributing to the higher than estimated revenue is the sale of assets less than R5 000 during the year.
- *Fines, penalties and forfeits* is reflecting that no revenue was collected in 2014/15 compared to R1.279 million in 2013/14. This is due to the shift of the environmental management function from this department to the Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) with effect from 1 April 2014. This means that the revenue previously collected for the contravention of Environmental Legislation will now be reflected under DEDTEA.
- An amount of R369 000 was collected against *Interest, dividends and rent on land*, against a budget of R20 000. The high receipts relate to the accounting transaction for the approved write-off of irrecoverable debts. Revenue collections from this source are difficult to estimate with accuracy due to the nature of staff debts.
- *Transactions in financial assets and liabilities* exceeded projections substantially by R1.284 million. This relates mainly to the accounting transaction for the written-off of irrecoverable debt.

Departmental Own Receipts by main revenue category

Departmental receipts	2013/2014			2014/15		
	Estimate	Actual amount collected	(Over)/ Under Collection	Estimate	Actual amount collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	15 724	17 751	(2 027)	16 981	19 520	(2 539)
Fines, penalties and forfeits	-	1 279	(1 279)	-	-	-
Interest, dividends and rent on land	20	224	(204)	20	369	(349)
Sale of capital assets	3 240	138	3 102	3 801	10 594	(6 793)
Financial transactions in assets and liabilities	500	1 820	(1 320)	500	1 784	(1 284)
TOTAL	19 484	21 212	(1 728)	21 302	32 267	(10 965)

Tariff policy

The Department reviewed the fees charged for services rendered and where possible aligned the fees with national and provincial norms. The review was done in consultation with all relevant role players and submitted to the Provincial Treasury for approval. The approved fees for the 2014/15 financial year were circulated for implementation with effect from 1 April 2014.

The tariffs will be reviewed on an annual basis as part of the budget process and the revised tariffs will be implemented on 1 April of every year.

Free Services

The Department does not provide free services, except extension services.

2. PERFORMANCE INFORMATION BY PROGRAMME

2.1 PROGRAMME 1: ADMINISTRATION

The main role of the service rendered 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 Rural Development. The Department continued to forge links with the community of KwaZulu-Natal, including organized agriculture, Amakhosi, farming communities and various other institutions. This was very critical as the Department prepared to launch its transformation strategy, which set to redefine agricultural activity in the province.

OFFICE OF THE HEAD OF DEPARTMENT

The purpose of the Office of the Head of Department 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. The Internal Task Team introduced to the Department in 2013, with the task to turn around and stabilize the Department, was released in October 2014. A new Accounting Officer was appointed to act in the post of Head of Department, until the post was filled.

CORPORATE SERVICES

Organizational Structure

The Departmental structure has been finalized taking into consideration the strategies and objectives of the Departmental Strategic Plan. Some points worthy of noting include the transfer of Environmental Affairs to the Department of Economic Development and Tourism and the inclusion of Rural Development was included into the organizational structure as pronounced. This will ensure the continuous improvement of sustainable rural livelihood as well as the development of rural enterprises and industries for KZN. The new

structure further ensures improved coordination and service delivery for Agricultural Development Services supported by a new service delivery line function model. To further support the agriculturalist and improve service delivery efforts the Department has strengthened its corporate support services, with a new and improved modus operandi. This will allow for district and local offices to focus on core agricultural related activities, contributing more effectively to the alleviation of poverty and increased food security.

The future planning regarding the implementation of the structure upon its approval will be followed up by the mapping of business processes to further enhance and promote organizational efficiency and service delivery.

Legal Services

Reviewed, amended and translated the Promotion of Access to Information Manual in 3 official languages and published same in the Government Gazette in June 2014. This resulted in an increase in the MPAT score from a 2 to a 3.

The Department also successfully defended the urgent application brought by Sbu Makhathini & others against the Department of Agriculture and Rural Development, Office of the Premier and Provincial Treasury with regard to the appointment of service providers to provide seed and fertilizer for the Department. The Department was able to proceed with the procurement of seed and fertilizer in the midst of the planting season having successfully defended this matter.

Information Communications Technology

The Department successfully implemented the Department ICT Governance Framework. ICT connectivity was also provided to seven offices, which enabled access to Internet and email systems.

Integrated Human Resource Management

The posts were filled as follows: 1 Political Office Bearer, 4 SMS posts, 153 permanent posts on levels 2-12, 480 contract posts on levels 2-12. The total number of posts filled is 638.

Employee Relations

Relations between the employer and organized labour was intensely improved, there were no industrial action during 2014/15. Misconducts and grievances were effectively and efficiently managed, there were no suspensions during the said period.

Facilities

The first phase of the roll out IP telephone Service was implemented. This included the Telephone Management System which ensures efficient intra-departmental communication and billing.

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). The Department maintained its systems to ensure accurate planning, implementation and reporting is achieved by the Department in 2014/15.

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 result 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 2014/15 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.

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/ Sub programme	Performance Measures	Actual Performance Against Target		Reason for variance
		Target	Actual outputs	
Legal services	No. of legal contracts and opinions finalized	95	102	The annual output was demand driven.
ICT	Approved Knowledge Management Strategy	1	1	
HRM	No. of HR policies developed	4	5	A need arose during the performance cycle to review 5 HR policies.
M&E	No. of performance reports compiled	4	4	

Programme expenditure

Expenditure by sub-programme

Sub-programme	2013/2014			2014/15		
	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	27 738	27 738	-	20 756	17 968	2 788
Senior Management	35 745	35 745	-	28 386	27 492	894
Corporate Services	161 076	161 076	-	168 429	167 271	1 158
Financial Management	66 856	61 091	5 765	84 515	64 957	19 558
Communications	36 268	36 268	-	32 125	24 153	7 972
TOTAL	327 683	321 918	5 765	334 211	301 841	32 370

The under expenditure of R32.370 million is mainly in respect of rehabilitation of Departmental offices where some R15 million was not spent due to slower than anticipated progress in implementation which is reflected against the sub-programme: Financial Management. The Department's tender process for the signage of departmental offices was not finalized which led to the under expenditure against the Communications sub-programme. The other sub-programmes also recorded under expenditure and relate to vacant posts and outstanding commitments in respect of orders issued but services and invoices not received by close of the financial year.

2.2 PROGRAMME 2: AGRICULTURAL DEVELOPMENT SERVICES

OVERVIEW OF PROGRAMME PERFORMANCE

The main purpose of the Agricultural Development Services branch is to engage, empower and transform farmers at all levels to participate in sustainable agricultural practices in order to realize economic development and food security in the Province.

The branch also played a pivotal role on the implementation, monitoring and evaluation of departmental programmes/ projects in line with departmental policies and strategic objectives.

The year 2014/2015 experienced the drought in some parts of the province with less than 700mm of rainfall in certain Districts that are accustomed to double this figure per annum.

Mechanization

In the 2014/2015 financial year, the Province of KZN planned to plough and plant 14 500ha of maize, and 5 850ha of beans using the Department tractors. However, a total of 10 281 was planted to maize and 2 826ha to dry beans. This was mainly due to the impact of the drought and challenges with procurement processes.

SAB Yellow Maize Project

During the 2014/2015 financial year the province ploughed and planted 1883ha of Yellow Maize using 56 tractors and as well as the services of Local Tractor Contractors to supplement State Tractor fleet. The state provided Mechanisation, while the farmers provided their own input in partnership with SAB input scheme.

Infrastructure projects

A number of infrastructure projects were set to be implemented in the 2014/15 financial year. Unfortunately slow procurement process seriously affected the delivery of these projects and the department was not able to meet its targets in the areas of diptanks, boreholes and irrigation schemes.

Fencing Projects

During the 2014/2015 financial year, the province has fenced 252 Km for both arable and grazing land. Fencing is provided to animal houses, community gardens, land reform beneficiaries. Uncontrolled animals are a threat to agricultural production and this can only be mitigated by the provision fencing material for agricultural crop production.

Tunnels

The Department has also been involved in constructing tunnel projects to assist vegetable producing farmers to produce good quality vegetables for market and thus increasing their Income generation and be able to produce out of season vegetables to fetch high prices. During the current Financial Year, the Department has established five (5) tunnels at the cost of R1.1million with 25 farmers benefiting.

Irrigation

The Department in the North Region has, in partnership with DRDLR implemented 3 irrigation schemes which are: Bululwane in Zululand, Ndumu A and B in Umkhanyakude as well Nsuze in Uthungulu Districts. These irrigation schemes are to be completed this financial year 2015/16.

Livestock Production

UMkhanyakude has constructed the Esikhaleni, Mpelanyane, Nompondo and Mayenzeke goat sheds and supplied with goats. The department has constructed goat shed with Jojo tanks and fencing for 4.3 km with bonnox at the cost of R1 Million.



Mayenzeke Goat Shed UMkhanyakude



Indigenous Goat Production

The department has implemented 4 goat production projects at Ilembe District. These 3 projects have been completed during 2014/15 financial year.

Sheep Shearing Sheds

The department implemented 4 sheep shearing sheds at Umzimkhulu. These 4 projects were not completed during 2014/15. It is expected to be completed in this financial year 2015/16.

Broilers

The Department has also been involved in broiler projects to assist broiler community projects for both Food Security and Income generation. During the current financial year 4x 8000 Broiler Units were established with 82 farmers benefitting at Central and North Regions namely Simunye, Idiphi and Dongolwethu poultry projects.

Layers

The Department has also been involved in Layer projects to assist the community to produce eggs for both Food Security and Income generation. During the current financial year three unit of Two Thousand five hundred Units (2 500 Layer Unit) were established with supply feeds, inputs and layer birds and the second Two Thousand Units (2 000) is under implementation at Amajuba District and is at 60% complete.

Poultry Houses

The Department has built three structures in the North Region.

Land Care Projects

The province has implemented 48 Land Care Projects in the province to the value of R55 771 000.00 The Department has cleared the alien plants and completed fencing in these forty eight projects.

ANNUAL OUTPUT 2014/15: AGRICULTURAL DEVELOPMENT SERVICES

Sub-programmes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Sustainable Resource Management							
Engineering Services	Provide technical support, extension, specialist advisory and mentorship to households and farmers	12	Number of agricultural engineering advisory reports prepared	12	23	11	There were more requests for engineering advisory requests than initially planned.
		74	Number of designs with specification for agricultural engineering solutions provided	250	116	(134)	Output is based on requests received from Regions.
		161	Number of clients provided engineering advices during official visits	272	154	(118)	Fewer clients required advice than initially planned.
		8	Number of final certificates issued for infrastructure constructed	240	89	(151)	Fewer certificates have been issued since some infrastructure projects were still under construction
		33	No. of diptanks rehabilitated	40	2	(38)	There was a delay with the processing of requests for procurement.
Infrastructure	Provide technical support, extension, specialist advisory and mentorship to households and farmers	6	No. of new diptanks established	10	4	(6)	There was a delay with the processing of requests for procurement.
		48	No. of boreholes established	50	19	(31)	There was a delay with the processing of requests for procurement.
		11	Number of irrigation schemes established	50	3	(47)	There was a delay with the processing of requests for procurement.
		6	Number of irrigation schemes revitalised	30	2	(28)	There was a delay with the processing of requests for procurement.

PART B: PERFORMANCE INFORMATION

Sub-pro-grammes	Strategic objec- tives per pro- gramme or sub- programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual re- ported per- formance value	Variances between planned targets and actual perfor- mance achieved	Comment on deviations
Land use	Ensure environmentally sustainable development	139	Number of recommendations made on subdivision/rezoning/ change of agricultural land use	280	182	(98)	Total output is based on the number of application received
Disaster Risk Management		3	Number of early warning advisory reports issued	12	12	0	
		10	*Number of awareness campaigns conducted on Land Care within approved land care projects	10	10	0	
Land Care		6	*Number of capacity building exercises conducted	5	5	0	
	827	*Number of beneficiaries trained within capacity building skills transfer within approved land care projects	250	403	153	Demand driven, the output is dependent on the number of people showing up for training.	
	0	Number of farm land hectares improved through conservation measures	20	20	0		
	40	No of beneficiaries adopting/ practicing sustainable production technologies and practices	40	40	0		
	8 604	Number of degraded hectares rehabilitated	6 500	6 689	189	More hectares were rehabilitated due to follow-up clearing.	
	3 269	*Number of green jobs created through Land Care	2 000	2 293	293	The number of projects beneficiaries increased as a result more jobs were created.	
		244	*No. of km of fencing erected under Land Care	85	85	0	

Sub-pro-grammes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Farmer Support and Development							
Farmer Settlement(Land Use)	Provide technical support, extension, specialist advisory and mentorship to households and farmers	40	Number of farm assessments completed	55	76	21	The unit receive requests from other sister departments .In 2014/15 fewer farm assessment requests were received
		18	Number of farm plans completed	55	15	(40)	The output is demand-driven. There were fewer requests received.
		6 096	Number of smallholder farmers supported	100	132	32	More farmers were supported than anticipated during the planting season.
		0	Number of commercial farmers supported	22	11	(11)	Fewer projects were approved at the planning phase. Fewer farmers were then supported.
Specialist Agricultural Advisory Services		81	Number of scientific evaluation reports on commodity based projects	90	66	(24)	Fewer projects were implemented in 2014/15.
		New indicator	Number of on farm research reports	22	10	(12)	Less research was undertaken as fewer projects were implemented.
		51	Number of scientific value adding reports in diversified agricultural products	60	46	(14)	Fewer projects were implemented in 2014/15. This lead to less scientific activity and resultant reports.
		New indicator	Number of agricultural business plans supported	110	10	(100)	This depends on demand from clients

PART B: PERFORMANCE INFORMATION

Sub-pro-grammes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Mentorship		55	No. of projects mentored	30	10	(20)	Most of the projects mentored reached the end of contracts on 30 September 2014. New mentorship applications to transfer skills to farmers will be considered in 2015/16.
Value Adding and Product Handling	Creating and facilitating improved access to a stable and diversified food supply for improved nutritional well-being and improvement in household income	34	No. of agri-processing courses presented	40	40	0	
		452	No. of clients trained in agri-processing	480	603	123	There was more demand for training on agro-processing.
Extension and Advisory Services	Provide technical support, extension, specialist advisory and mentorship to households and farmers.	6 931	No of agricultural demonstrations facilitated.	11 788	7 259	(4 529)	Drought hampered service delivery
		227	No of farmers days held	469	264	(205)	Drought hampered service delivery
		10	No. of functional commodity groups supported.	10	40	30	
		60 747	Number of consultations to farmers.	63 450	62 091	(1 359)	Drought hampered service delivery
		24 643	Number of farmers reached through consultations.	18 982	26 634	7 652	Demand driven indicator.

Sub-programmes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Crop Production	Provide technical support, extension, specialist advisory and mentorship to households and farmers	6 580	Number of hectares of maize established under mechanisation programme.	14 500	10 281	(4 219)	Drought hampered service delivery
		3 990	Number of hectares of beans established under mechanisation programme.	5 850	2 826	(3 024)	Drought hampered service delivery
		1 427	Number of hectares of other crops established.	1 365	1 955	590	Excess is due to vegetables being under irrigation.
		0	Number of hectares limed.	1 500	865	(635)	Drought hampered service delivery. Ground too hard to be disced.
Food Security		478 826	No. of verified food insecure households supported.	550 000	173 678	(376 322)	There was a delay with the processing of requests for procurement.
		4	No. of food security status reports compiled.	4	4	0	
		100	No. of community gardens established	100	59	(41)	Communities mobilised themselves and established gardens
		35 625	No. Of household gardens established	1 100	3 180	2 080	There were more households assisted with maintaining the gardens.
		355	No. of tunnels established	385	0	(385)	There was a delay with the processing of requests for procurement.
		172	No. Of institutional gardens established	200	142	(58)	There was a delay with the processing of requests for procurement.
		40 000	No of people trained within the Food Security Programme	30 000	10 456	(19 544)	There was a delay with the processing of requests for procurement. Unavailability of training material led to agricultural cooperatives sending individuals for training, instead of groups.

Sub-pro-grammes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Cooperatives		89	No. of agricultural cooperatives established	150	123	(27)	The unit concentrated on youth cooperative training development.
		126	No. of established agricultural cooperatives linked to the market	60	95	35	Department of Education was able to link with more cooperatives through SFP than anticipated.
Veterinary Services							
Animal Health	Prevention, control and/or eradication of animal diseases	997 348	No. of animal vaccinations against controlled animal disease	797 000	1 127 386	330 386	Intensified vaccination campaigns resulted in an increase in performance measure target.
		376 579	*No. of animals vaccinated against anthrax	499 140	477 595	(21 545)	The outbreak of anthrax warranted more efforts on the vaccination.
Animal Health		351 579	No. of animals vaccinated against rabies	416 000	277 549	(138 451)	Fewer animals were presented for vaccination due to outbreak of anthrax.
		38 946	*Number of cattle vaccinated against Brucellosis	32 892	26 953	(5 939)	Fewer animals were presented for vaccination due to outbreak of anthrax.
		72 551	*Number of poultry vaccinated against New Castle Disease	172 430	413 278	240 848	The community is always associating any poultry disease to Newcastle so when NCD vaccinations are rendered there is always an overwhelming attendance.
		1 544	Number of primary animal health care (PAHC) interactions held	1 260	2 937	1 677	The initiative received enormous participation from the community as the services are rendered free of charge.

Sub-programmes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Primary Animal Health Care		44 143	Number of animals attended to during PAHC sessions	358 940	480 738	121 798	More animals were presented as the services are rendered free of charge.
		235	Number of official veterinary movement documents issued	260	461	201	The lifting of the international ban against movements due to foot and mouth disease allowed for more animals to be moved around.
		4 147	Number of animals sampled/ tested for disease surveillance purpose	5 300	5 337	37	Demand based.
		132	Number of animal health information days held (knowledge transfer/ extension)	212	208	(4)	Some communities were grouped to minimize costs linked to convening information sessions.
		6 595	*Number of animals tested with skin TB test	8 000	3 280	(4 720)	There was lack of tuberculin supply in the country (a specimen used to test TB skin).
		26 733	Number of CA samples collected	39 679	18 176	(21 503)	Fewer samples were brought to the laboratory.
		23 961	Number of dipping sessions	1 200	81 804	80 604	Demand driven. Programme is popular because dipping chemicals are supplied by the DARD.
		426 438	Number of inspections for regulatory purposes	295 000	432 459	137 459	FMD cases required more than one visit so to be conducted.
		671 525	No of cattle dewormed	165 640	329 171	163 531	Demand driven
		104 297	No of sheep/goat dewormed	116 806	166 673	49 867	Fewer animals were presented for deworming.

PART B: PERFORMANCE INFORMATION

Sub-programmes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Export Control		704	Number of veterinary export certificates issued	890	673	(217)	There was less demand for export authorization.
		341	Number of export establishment registered	20	14	(6)	There was less demand for registration.
VPH		New indicator	No. of samples collected for residue monitoring at export establishment	30	0	(30)	National DAFF request these tests and fund them. They have not requested these this financial year.
		New indicator	Number of abattoirs registered	43	0	(43)	Fewer requests were received for registration of new abattoirs. The facilities for which registration was required did not meet regulatory requirements.
		1 004	Number of abattoirs inspections conducted	1 156	1 096	(60)	There was a higher level of compliance in abattoirs, which minimized the need for multiple inspections.
		522	Number of facilities processing animal product and by-products inspected	496	500	4	Follow-up inspections had to be conducted.
		59	Number of public awareness sessions held	12	51	39	More reported incidences required additional public awareness sessions.
		28	Number of illegal slaughtering investigations held	16	32	16	In addition to the planned investigations, community members reported more incidences of illegal slaughtering that required more investigations.
		57	Number of contact sessions (days) held with all role players	20	40	20	More reported cases from community members demanded more contact sessions to be held.

Sub-programmes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Veterinary Laboratory services		36	Number of control audit reports	25	30	5	The lab is still preparing for accreditation; therefore it had to do more audit reports.
		52	Number of external quality control reports	55	32	(23)	External quality control reports are done outside the lab. The output was determined by requests received by the laboratory.
		115 775	*Number of specimens tested	110 000	89 819	(20 181)	The output is dependent on the specimens received.
		1 188	Number of food safety specimens tested	760	919	159	The lab received more food safety specimen than planned
		54	Number of abattoir hygiene monitoring specimens tested.	60	36	(24)	Specimens tested depend on specimen received by the lab.
Veterinary Laboratory services		76 328	Number of specimens tested for Controlled/Notifiable diseases.	68 000	53 982	(14 018)	Total output is based on the specimen received.
		37 554	Number of specimens tested for Non-Controlled/Notifiable diseases	45 600	40 080	(5 520)	The lab received fewer specimens than planned.
		157 928	No of tests performed	170 000	122 307	(47 693)	Output is determined by the number of specimen received
		4	Number of epidemiological studies conducted	2	3	1	
		491	Number of necropsy specimens processed	600	883	283	There was unexpected increase in the number of submissions for poultry post-mortem.
Animal Identification		10 949	Number of Animals subjected to identification measures	4 000	6 316	2 316	Demand based

Sub-pro-grammes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Veterinary Empowerment		10 419	Number of farmers supported in veterinary matters	40 000	34 080	(5 920)	Due to the extensive disease control that took place in the province, more farmers and animal owners were supported.
		10	Number of veterinary facilities supported	15	3	(12)	This indicator is demand driven
Technology Research and Development Services							
Research and Technology Development.	Undertake appropriate adaptive agricultural research, technology development and transfer to advance agriculture	14	Number of research project plans approved which address specific commodity's production constraints	18	15	(3)	Some projects were not approved by the Research Committee.
		68	Number of research projects implemented which address specific commodity's production constraints.	69	70	1	The additional was a project carried over from 2013/14.
		10	Number of research projects completed which address specific commodity's production constraints.	19	32	13	The shortfall was due to research that took longer to complete, based on the experimental nature of research projects.
		8	Number of scientific papers published.	11	7	(4)	Some scientific papers were not ready for publication.
		4	Number of presentations made at scientific events.	4	4	0	On target
		37 545	Number of samples analysed.	34 200	31 698	(2 502)	Total output is based on the samples received.
		108 423	No of mushroom packs produced.	220 000	64 086	(155 914)	Unavailability of Bagasse

Sub-programmes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Infrastructure and Support Services		11	Number of research infrastructure provided.	11	0	(11)	Funds for erecting infrastructure was reprioritised for maintaining and reviving already existing structures.
		11	Number of research infrastructure maintained	11	11	0	
Technology Transfer Services		3	Number of presentations made at technology transfer events	4	5	1	The output is based on demand.
		10	Number of demonstration trials conducted	14	13	(1)	One trial had to be cancelled due to shortage of seeds.
		6	Number of popular articles in media	6	10	4	More research developments were achieved and disseminated through articles.
		8	*No of information packs disseminated (developed)	21	26	5	The output is based on demand.
		24	Number of technology transfer events conducted	18	27	9	The output is based on demand.

Sub-pro-grammes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Agricultural Economics							
Agri-business Development and Support.	Provide accurate agricultural economic information to support farmers	12	Number of Agri-Business supported with agricultural economics advice towards accessing markets.	20	14	(6)	There were fewer requests for advice than anticipated.
		21	Number of Agricultural economics studies conducted	40	40	0	
		1 338	Number of clients supported with agricultural economic advice.	2 000	2 352	352	There were fewer requests for advice than anticipated.
		419	Number of Smallholder farmers/producers accessing marketing information.	1 500	1 491	(9)	Fewer farmers needed marketing information.
		3	Number of new enterprise budgets developed.	4	4	0	
Macro-economic support		18	Number of enterprise budgets updated.	98	98	0	
		589	Number of marketing/statistical reports developed.	6	6	0	
		479	number of macroeconomic information requests responded to	1 500	588	(912)	The output depends on requests from clients.
		4	number of macroeconomic reports developed	4	4	0	

Sub-programmes	Strategic objectives per programme or sub-programme	Actual output 2013/14	Performance indicators	List planned performance targets	Actual reported performance value	Variances between planned targets and actual performance achieved	Comment on deviations
Structured Agricultural Training							
Further Education and Training	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	2 484	Number of trained farmers receiving certification	2 500	3 121	621	The Department received more demand from the public for training than initially planned.
		1 054	Number of learners completing accredited skills programme	400	546	146	The Department received more demand from the public for training than initially planned.
		225	Number of learners completing non accredited short course	300	2 054	1 754	The Department received more demand from the public for training than initially planned.
		352	Number of students registered into accredited Higher Education and Training (HET) qualifications	315	351	36	The Department received more demand from the public for training than initially planned.
		99	Number of students completing Higher Education and Training (HET) qualification.	90	83	(7)	The shortfall was due to failure to fulfil course requirements by some students.

Expenditure by sub-programme

Sub-programme	2013/14			2014/15		
	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	112 361	112 361	-	79 655	77 460	2 195
Farmer Support and Development	1 158 775	1 126 825	31 950	1 253 807	1 167 294	86 513
Veterinary Services	135 812	135 812	-	183 047	182 517	530
Research & Technology Development	163 704	163 704	-	171 693	169 990	1 703
Agricultural Economic Services	5 641	5 641	-	6 561	6 262	299
Structured Agricultural Education and Training	122 971	122 221	750	102 072	97 680	4 392
TOTAL	1 699 264	1666 564	32 700	1 796 835	1 701 203	95 632

Programme 2: Agricultural Development Services recorded under expenditure of R95 632 million which equates to 95 per cent of the Final Appropriation. This under-spending is due to the late rains and drought in certain areas coupled with unforeseen challenges during the procurement for mechanization and food security programme which is reflective under the Farmer Support and Development sub-programme.

The challenges within Supply Chain Management also affected the department's planned infrastructure projects with many not being implemented, resulting in the under expenditure of some R18 million under buildings and other fixed structures.

3. TRANSFER PAYMENTS

3.1 Transfer payments to public entities

The Department had one public entity and one government business entity reporting to the Department during 2014/15 financial year. The entities produce their own separate annual reports that provide details of their mandates, outputs and achievements. The purpose of the entities is as follows:

Agri-business Development Agency (ADA) is 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 2014/15 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 2014/15 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

Entity Name	Amount transferred to the public entity	Amount spent by the public entity	(Over)/Under Expenditure
	R'000	R'000	R'000
ADA	106 410	95 664	10 746
Mjindi	60 816	40 781	20 035
TOTAL	167 226	136 445	30 781

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 2014. The entities have requested that these committed funds be rolled over to the 2015/16 financial year.

3.2 Transfer payments to all organisations other than public entities

In addition to the transfers to the entities under the control of the department, other transfers were made to various organizations 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.

Transfers to other entities – 2014/15 financial year

Name of transferee	Type of organisation	Purpose for which the funds were used	Amount transferred	Amount spent by the entity	Reasons for the funds unspent by the entity
			R'000	R'000	
Ithala Finance Corporation	Government Business Entity	Financial assistance to Ntingwe Tea Estate	11 080	10 580	An amount of R500 000 to be transferred to Ntingwe after 31 March 2015
Radley JH	Private	Soil conservation subsidy	697	697	
Aquasan Construction	Private	Soil conservation subsidy	571	571	
Peoples Bio Oil (Pty) Ltd	Private	Infrastructure and equipment for bio oil factory	2 000	2 000	
SA Sugar Research Institute	Private Private	Agricultural Research	918	918	
SA Sugar Association	Private	Assistance for small scale farmers	14 604		The assistance to farmers will continue past 31 March 2015 in line with the SLA.
Lungisisa Indlela Village NPC (LIV)	Private	Horticulture projects	1 200	987	The remainder will be paid once installation is complete as per the SLA
Animal Anti-Cruelty League	Non profit	KZN Outreach Programme	5 300	2 150	The implementation of the project will continue past 31 March 2015.
Households	Private	Various employee benefits	12 266	n/a	It is not possible to determine the amount spent as the transfer refers to a number of individual former employees and forms part of their exit payments.
Donations	Private	Cash donations	75	75	

The table below provides details of transfers that were budgeted for in the period 1 April 2014 to 31 March 2015 but 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
LIV	Cut flower project	2 118	-	Challenge with the land that was identified for the project that needed to be resolved first.
Unallocated for soil conservation	Subsidising farmers that implement soil conservation measures	488	-	Lower demand than anticipated.
Unallocated – Agricultural Show Societies	Financial Assistance for hosting Agricultural Shows	1 201	-	Lower demand for assistance.
Zakhe Agricultural College	Improvement of facilities at school	750	-	The College did not implement the projects as per the Agreement.

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 2014 to 31 March 2015.

4.1.1 Land Care Programme Grant

Department who transferred the grant	KwaZulu-Natal Department of Agriculture & Rural Development
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community based initiatives that support 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"> • 1600 Junior LandCare participants involved in the programme • 380 hectares of water resources protected and rehabilitated • 10 awareness campaigns conducted and LandCarers attended • 1310 hectares of land where weeds and invader plants are under control • 37.8 kilometres of fence erected
Actual outputs achieved	<ul style="list-style-type: none"> • 1754 Junior LandCare participants involved in the programme • 382 hectares of water resources protected and rehabilitated • 10 awareness campaigns conducted and LandCarers attended • 1310 hectares of land where weeds and invader plants are under control • 22.1 kilometres of fence erected
Amount per amended DORA	R10 854 000
Amount received	R10 854 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department	R10 854 000
Reasons for the funds unspent	N/A
Reasons for deviation on performance	<p>The Transferring Department is DAFF and Monitoring is done through:</p> <ul style="list-style-type: none"> • Quarterly reports by the province (Financial and Non-Financial performance) • Physical project site visits by province and DAFF Annual Report by the province (Financial and Non-Financial performance)

4.1.2 Comprehensive Agriculture Support Programme

Department who transferred the grant	KwaZulu-Natal Department of Agriculture & Rural Development
Purpose of the grant	To provide universal and comprehensive agricultural support (products and services) to individual farmers, land reform beneficiaries and farming communities.

Department who transferred the grant	KwaZulu-Natal Department of Agriculture & Rural Development
Expected outputs of the grant	<ul style="list-style-type: none"> • Hectares of grain planted: 11 050 ha • Piggeries: 9*10 Sow units • Poultry Units established: 14*1 500 • Goat sheds constructed : 6 • No of irrigation systems developed: 6 • Citrus projects developed: 1 (20ha) • Number of sugarcane projects: 6 • Number of beef projects supported: 6 • Fencing erected: 45 Km • Dairy projects supported: 2 • Revitalisation of Agricultural Colleges Infrastructure: <ul style="list-style-type: none"> – OSCA: <ul style="list-style-type: none"> • Library Renovation • Student Residence • FET building – Cedara: <ul style="list-style-type: none"> • Student Residence • Extension Recovery Plan <ul style="list-style-type: none"> – No of vehicle procured : 30 – Digital pen implementation : 3392 projects registered on the system – SACNASP registration: 400 Extension officers – ESO users : 1421 Extension officers – Qualification and upgrading (Registered): 20 Honours, 10 Masters, 2 PhDs – ICDL for managers: 2 courses organized – Notebooks distributed : 300 • Training and Mentorship <ul style="list-style-type: none"> – Number of farmers who attended noncredit bearing courses : 2704 – Number of farmers who attended credit bearing courses : 426 – Number of farmers mentored : 279
Actual outputs achieved	<ul style="list-style-type: none"> • Hectares of grain planted: 11 050 ha • Piggeries: 4*10 Sow units • Poultry Units established: 4*1 500 • Goat sheds constructed : 4 • No of irrigation systems developed: 9 • Citrus projects developed: 1 (20ha) • Number of sugarcane projects: 6 • Number of beef projects supported: 6 • Fencing erected: 45 Km • Dairy projects supported: 1 • Revitalisation of Agricultural Colleges Infrastructure: <ul style="list-style-type: none"> – OSCA: <ul style="list-style-type: none"> • Library Renovation • Student Residence • FET building – Cedara: <ul style="list-style-type: none"> • Student Residence • Extension Recovery Plan – No of vehicle procured : 30 – Digital pen implementation : 3392 projects registered on the system – SACNASP registration: 400 Extension officers – ESO users : 1421 Extension officers – Qualification and upgrading (Registered): 20 Honours, 10 Masters, 2 PhDs – ICDL for managers: 2 courses organized – Notebooks distributed : 300 • Training and Mentorship <ul style="list-style-type: none"> • Number of farmers who attended noncredit bearing courses : 2704 • Number of farmers who attended credit bearing courses : 426 • Number of farmers mentored : 279

PART B: PERFORMANCE INFORMATION

Department who transferred the grant	KwaZulu-Natal Department of Agriculture & Rural Development
Amount per amended DORA	R 212 632 000. 00
Amount transferred	R 212 632 000. 00
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R 212 632 000. 00
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	<p>The Transferring Department is DAFF and Monitoring is done through:</p> <ul style="list-style-type: none"> Quarterly reports by the province (Financial and Non-Financial performance) Physical project site visits by province and DAFF Annual Report by the province (Financial and Non-Financial performance)

4.1.2 Ilima/Letsema Project grant

Department who transferred the grant	Kwa-Zulu Natal Department of Agriculture & Rural Development
Purpose of the grant	To contribute towards the implementation of Departmental objectives which are to increase food production, reduce poverty, unemployment and inequalities in rural farming communities.
Expected outputs of the grant	<ul style="list-style-type: none"> Grain production Land Preparation i.e. Ploughing and Discing (1 500ha) Supply of inputs Provision of infrastructure i.e. fencing Cotton production Supply and deliver production inputs Irrigation Development Irrigation repairs and canals Mechanisation Programme Land preparation including Ploughing, Discing, and Planting Food Security Supply mechanization services, inputs and infrastructure (FetsaTlala programme)
Actual outputs achieved	<ul style="list-style-type: none"> Grain production Land Preparation i.e. Ploughing and Discing: 12 604 ha Supply of inputs Provision of infrastructure i.e. fencing Cotton production Supply and deliver production inputs: 1 project supported Irrigation Development Irrigation repairs and canals: 9 projects Mechanisation Programme Land preparation including Ploughing, Discing, and Planting Food Security Supply mechanization services, inputs and infrastructure (FetsaTlala programme): 25 000 households
Amount per amended DORA	<p>DORA: R 69 093 000.00</p> <p>Provincial Roll-over R23 000 000.00</p> <p>Total: R92 063 000.00</p>

Department who transferred the grant	Kwa-Zulu Natal Department of Agriculture & Rural Development
Amount transferred	R 92 063 000.00
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R 92 063 000.00
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	The Transferring Department is DAFF and Monitoring is done through: <ul style="list-style-type: none"> Quarterly reports by the province (Financial and Non-Financial performance) Physical project site visits by province and DAFF Annual Report by the province (Financial and Non-Financial performance)

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	200 Job opportunities 8.7km Km of fencing constructed 119 beneficiaries to be trained 26ha of conservation structures completed 1101 Ha rehabilitated
Actual outputs achieved	200 jobs opportunities created 8.7km fencing constructed 119 beneficiaries received training 26ha implemented with conservation structures 1101ha of agricultural lands rehabilitated
Amount per amended DORA (R'000)	R4 181 000
Amount received (R'000)	R4 181 000
Reasons if amount as per DORA was not received	n/a
Amount spent by the Department (R'000)	R4 181 000
Reasons for the funds unspent by the Department	n/a
Reasons for deviation on performance	n/a
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 2014/15 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 Organization.

5.2.1 Donor Fund: World Health Organisation

Name of donor	Bill Gates Foundation through World Health Organisation
Full amount of the funding	\$2 179 371
Purpose of the funding	Prevention of human rabies through the control of dog rabies
Expected outputs	<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.
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.
Amount received in current period (R'000)	R1 822 000 roll-over
Amount spent by the department (R'000)	R1 410 000
Reasons for the funds unspent	Funds have been fully committed and will be spent by 31 December 2015 when the agreement comes to an end.
Monitoring mechanism by the donor	Regular Financial and Performance Reports from the Department.

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 on-going concerns such as the filling of critical posts and finalizing the organizational structure will be completed in 2014/15.

8. SCOPA RESOLUTIONS

The Public Accounts Standing Committee met with the department on 4 November 2014 to deliberate on the Auditor-General report for the 2014/15 financial year. The table below are resolutions that emanated from the hearing that pertain specifically to the department. The responses, as submitted to the committee, are also provided. 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
3/2014	Predetermined Objectives	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.	<p>The Department held a Workshop on the 12th December with Operational staff, more particularly the Senior and District Managers in the areas of Agriculture and the Veterinary Services. The AG's findings were discussed in detail and solutions to the challenges debated in detail. It was agreed that there was a disjuncture between reports emerging from the Head Office and reports from Regional and Districts Offices. It was agreed that performance reporting can only be accurate if the Department adopts the principle of subsidiarity i.e. performance information comes from the lowest possible level of implementation staff viz Local Manager: Agriculture or the Local State Vet as it is impossible for them to be unaware of activities or projects in their local municipality area. It was resolved that Local Managers and State Vets will report on all performance information in their local municipalities and sign these off. This process will then cascade upwards with each level of management signing off on the accuracy of the information submitted until it eventually reaches the Accounting Officer.</p> <p>Secondly, the meeting resolved that Portfolios of Evidence will be consolidated each month in the District Office. Subsequently, on a quarterly basis, the Head Office through the Monitoring and Evaluation Unit will do verification on Portfolios of Evidence kept in each District Office.</p> <p>Inaccuracies discovered will be immediately communicated to Supervisors and in this manner the latter will be able to make corrections to the reports and / or take informal or formal disciplinary action where officials repeatedly provide either inaccurate, deliberate false information.</p>

Resolution No.	Subject	Details	Response by the Department
4/2014	Procurement and Contract Management	<p>Procurement of goods and services below R500 000 without obtaining the required price quotations</p> <p>Measures for combating abuse of SCM system not implemented as there were awards made to providers who had committed a corrupt or fraudulent act in competing for the contract</p>	<p>The department also operationalized QBIX as from the 14th of November 2014. QBIX is an electronic procurement system replacing the manual system that had been utilized by the department. The system ensures requisition of quotations from service providers on a rotational basis, thus giving more service providers an opportunity to bid. This system has been in place since 14 November 2014.</p> <p>It should however be noted that in some instances, it is not possible to obtain the required three quotations, even though quite a number of service providers or suppliers are contacted. In such instances, less than three quotes are accepted.</p> <p>The Auditor – General's finding was based on the fact that they found that the Department had traded with suppliers that were blacklisted in terms of the National Treasury Database.</p> <p>The following measures have been implemented:</p> <ul style="list-style-type: none"> • With effect from 01 April 2014 The National Treasury's database of prohibited suppliers has been downloaded, is downloaded monthly, and given to the quotations and bids sections to ensure that no awards are made to prohibited suppliers. • The Accounting Officer has instructed the CFO to address the issue of service providers implicated on the recent forensic report.
57/2014	Overtime payment in excess of legislated limits	Employees received overtime compensation in excess of 30% of their monthly salaries in contravention of Public Service Regulation	<p>Research and Farm staff needs to be on site at all times to ensure that the farm is running smoothly. A pre-approval had been sourced for their staff. The employees that substantially benefited from this payment were mainly operating in the MEC's Office. Due to the exceptional circumstances under which they operate the environment dictates that they work extended hours. An authority was therefore obtained for this category of employees to be exempted from such overtime limit.</p> <p>To address the issue raised, a staff circular No 31 of 2014 was issued by the Accounting Officer directing employees and supervisors to manage the overtime remuneration to be within the approved policy's parameters.</p> <p>The investigation on the contravention of the overtime policy is underway and the Responsibility Managers who contravened the policy will be subjected to disciplinary action. Following the review of the overtime policy, the blanket approval for remuneration overtime to Ministry staff has since been lifted.</p>

Resolution No.	Subject	Details	Response by the Department
6/2014	Review of public entities: Mjindi Farming and AgriBusiness Development Agency	<p>The MEC for Agriculture and Rural Development is reviewing the mandates of the two entities and will be table a report once completed.</p> <p>The Committee resolved that the Portfolio Committee on Agriculture and Rural Development to consider the reports once finalised and report to SCOPA with the department on the outcomes of the review.</p>	<p>The review of Mjindi and ADA are still underway. Once this is completed, a formal report will be forwarded to the Executive Council, Portfolio Committee and the Public Accounts Standing Committee.</p> <p>As it stands:</p> <ul style="list-style-type: none"> • The Makhathini Operation Phakisa Team as established following the Cabinet resolution of July 2014, is of the view that the proposed changes to Makhathini Development Strategy (e.g. establishment of farmer holding entity and consolidation of small plots towards sustainable farming operations) will require that the role of Mjindi, in its current form, to be revised. • The Agri-Business Development will focus on (a) Secondary Agriculture or Agro-processing, (b) Off-Farm Infrastructure, (c) Land Reform, and (d) facilitating Catalytic Projects, and unlocking private sector Investment into Agriculture whilst DARD focuses on Primary Agriculture. The Agency will however be expected to unlock significant funds outside of Government sources i.e. Financial Development Institutions, local and international Investors and Strategic Partners.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department received an unqualified audit opinion for 2013/14 financial year.

10. INTERNAL CONTROL UNIT

The Internal Control unit improved and strengthened internal controls, monitored and managed risk management processes.

11. 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 by, amongst others, reviewing the following:

- (a) the effectiveness of the internal control systems;
- (b) the effectiveness of the internal audit function;
- (c) the risk areas of the institution's operations covered in the scope of internal and external audits;
- (d) the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- (e) any accounting and auditing concerns identified as a result of internal and external audits;
- (f) the institution's compliance with legal and regulatory provisions; and
- (g) the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

The PARC is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit and Risk Committees that provide oversight to provincial departments. The Department of Agriculture is served by the Economic Cluster Audit & Risk Committee.

The Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts; and also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Committee is therefore, pleased to present its report for the financial year ended 31 March 2015.

2. Audit Committee Members and Attendance

During the financial year under review, a new committee was appointed on 23 February 2015 and consisted of the PARC and the Economic CARC members listed in the table below. The table also outlines the meetings held and attendance thereof by members; to enable the Committee to discharge their responsibilities relating to matters under review during the reporting period.

#	Name of Member	PARC Meetings Attended	Governance and Administration CARC Meetings Attended	Special Meetings
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	2	2	2
2.	Mr R Dehal	2	2	2
3.	Mr V Ramphal	2	2	2
4.	Mr P Christianson	2	N/A	2
5.	Mr D O'Connor	2	N/A	2
6.	Ms T Njozela	2	N/A	2

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:

- Policies and procedures manual/ guidelines for the Isikhowe Juncao Mushroom Project
- Overtime claims
- Vacant positions
- Expenditure Management- Irregular expenditure
- Delivery Strategy and Coordination (One Home One Garden)

4. Risk Management

The Committee noted that department is progressing towards building a credible risk register both at the business unit level and at the corporate level. The committee further noted that the department has an approved risk management policy, business continuity plan, and an internal risk committee as the relative minimum governance structures for risk management. The monitoring of the implementation of risk mitigation strategies and reporting such to the Committee, on a quarterly basis, is also taking place.

The Committee appreciates the effort and progress being made on risk management in the department, and believes that by implementing the following on a continuous and consistent basis, the culture of risk management within the department will mature:

- a. Validating and measuring the impact that completed risk mitigation plans make on the risk exposure, together with regular updates to the risk register;
- b. Identifying and reporting on emerging risks on a quarterly basis;
- c. Identifying critical risks in the light of the department's exposure to meeting its objectives effectively, efficiently and economically;
- d. Capacitating the department and its Risk Management Officer, hence enabling them to execute risk management activities on their own.
- e. Establishing additional capacity in the department to ensure that each programme has a risk champion that will be responsible for undertaking the daily risk management responsibilities and reporting to the Risk Management Officer.

5. Forensics Investigations

During the period under review, the Committee noted that there were six (8) forensic investigations, all relating to alleged procurement and human resource irregularities, which the department has referred to the Provincial Internal Audit Services for investigation. One (1) investigation was completed, the other two (2) were still in progress and five (5) reports are at draft stage. The department and the Provincial Internal Audit Service are urged to promptly finalize the outstanding investigations, and work together to implement recommendations on the finalised investigation.

The Committee is unable to comment on the completeness of the investigations conducted during the year under review as the department failed to respond to the request to furnish the Provincial Internal Audit Services (PIAS) with a list of any other 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.

6. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance 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. The department had materially underspent the budget of the agriculture development services programme to the amount of R95,63 million. The underspending can be attributed to the late rains, procurement challenges affecting the food security programme and agricultural infrastructure as well as slow progress on the planned rehabilitation and renovations at departmental offices

Based on the reports of Internal Auditors and the Auditor General, the Committee has not noted any material findings on the usefulness and reliability of the reported performance information.

7. 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;
- Reviewed the Department's processes for compliance with legal and regulatory provisions, concerns were noted in relation to non filling of funded vacant posts within 12 months, not preventing irregular expenditure, not reporting within the stipulated timeframe on the Departments' performance in respect of funded programmes or functions.
- Reviewed material misstatements in the annual performance report submitted for auditing, management subsequently corrected the misstatements therefore no material findings were noted on the usefulness and reliability of the reported performance information

8. 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.

9. Auditor-General's Report

The Committee has 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.

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.

10. 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.



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Mr S Simelane
Acting Chairman: Provincial Audit and Risk Committee
Date: 11 August 2015

PART D:

HUMAN RESOURCE MANAGEMENT



1. OVERVIEW OF HUMAN RESOURCES

The Department had challenges in filling critical, vacant posts during 2014/15. This was related to the finalization of the organizational structure.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

The tables included hereunder detail statistics on various disciplines within Human Resource Management.

TABLE 1.1 - Main Service for Service Delivery Improvement and Standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
Extended Agricultural Support Service	Emerging & Commercial Farmers Organised Agriculture	N/A	150 x Live Stock Watering Dams 40 x revitalized irrigation schemes 55 x Irrigation schemes established 450km fencing erected 30 x Agric processing courses 5 500 Farmer training certification	75 Dams scooped 6 irrigation schemes revitalised 17 Irrigation schemes established 244km Fencing erected 34 courses conducted 2484 Farmers received training certification

TABLE 1.2 - Consultation Arrangements for Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
150 x Farmers Days 25 x Livestock meetings Complaints/Suggestion boxes	Emerging Farmers Emerging Farmers Farmers	Commercial Farmers Commercial Farmers N/A	227 Farmers Days 25 Livestock meetings 8 boxes distributed

TABLE 1.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
30 x new diptanks 150 x rehabilitated diptanks 100 x new boreholes established	6 Diptanks constructed 33 diptanks rehabilitated 48 Boreholes

TABLE 1.4 - Service Information Tool

Type of Information Tool	Actual Achievements
25 x Livestock meetings All Departmental documents translated into isiZulu 9 320 Agricultural Demonstrations 42 x Training of farmers associations	25 Livestock meetings Documents in isiZulu Not measured 42 training sessions

TABLE 1.5 - Complaint Mechanism

Complaint Mechanism	Actual Achievements
Establish Regional Agricultural Forums Complaints Procedure - complaints acknowledged within 3 working days Complaints progress within 10 working days	Complaints discussed at Agricultural Management meetings at Regional District and Local level. All complaints acknowledged within 1 day Within 4 days

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	300 668	124 147	0	0	41.3	43	2 865
Agricultural develop serv	1 690 614	726 919	0	0	43	254	2 865
Conservation	0	0	0	0	0	0	2 865
Environmental management	0	0	0	0	0	0	2 865
Z=Total as on Financial Systems (BAS)	2 003 547	851 066	0	0	42.5	297	2 865

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)	6 286	0.6	123 255	985 364	51
Skilled (Levels 3-5)	218 399	22.2	174 999	985 364	1 248
Highly skilled production (Levels 6-8)	291 510	29.6	354 204	985 364	823
Highly skilled supervision (Levels 9-12)	330 340	33.5	563 720	985 364	586
Senior management (Levels 13-16)	42 478	4.3	987 860	985 364	43
Contract (Levels 1-2)	11 738	1.2	255 174	985 364	46
Contract (Levels 3-5)	4 986	0.5	184 667	985 364	27
Contract (Levels 6-8)	9 095	0.9	413 409	985 364	22
Contract (Levels 9-12)	9 901	1	550 056	985 364	18
Contract (Levels 13-16)	991	0.1	991 000	985 364	1
Periodical Remuneration	4 716	0.5	20 154	985 364	234
TOTAL	930 440	94.4	300 239	985 364	3 099

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	92 436	67.9	1 664	1.2	2 838	2.1	4 889	3.6	136 081
Agriculture develop services	529 476	67.7	4 730	0.6	23 048	2.9	35 925	4.6	782 155
Environmental management	47 362	71.7	0	0	1 240	1.9	2 251	3.4	66 051
Prog 1:administration.	733	68.1	0	0	107	9.9	48	4.5	1 076
TOTAL	670 007	68	6 394	0.6	27 233	2.8	43 113	4.4	985 363

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)	4 456	70.7	321	5.1	348	5.5	255	4	6 300
Skilled (Levels 3-5)	145 564	66.5	3 523	1.6	12 709	5.8	17 548	8	218 991
Highly skilled production (Levels 6-8)	207 122	68.7	1 506	0.5	8 690	2.9	14 682	4.9	301 482
Highly skilled supervision (Levels 9-12)	245 031	66.9	968	0.3	4 982	1.4	9 816	2.7	366 429
Senior management (Levels 13-16)	34 231	70.2	0	0	326	0.7	606	1.2	48 769
Contract (Levels 1-2)	11 712	98.5	6	0.1	0	0	0	0	11 893
Contract (Levels 3-5)	4 603	92.3	41	0.8	23	0.5	49	1	4 989
Contract (Levels 6-8)	8 252	88.6	6	0.1	40	0.4	49	0.5	9 309
Contract (Levels 9-12)	8 190	72.4	24	0.2	117	1	103	0.9	11 310
Contract (Levels 13-16)	847	72.1	0	0	0	0	5	0.4	1 175
Periodical Remuneration	0	0	0	0	0	0	0	0	4 717
TOTAL	670 008	68	6 395	0.6	27 235	2.8	43 113	4.4	985 364

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	639	375	41.3	0
Agriculture develop services, Permanent	2 952	2 485	15.8	0
Agriculture develop services, Temporary	1	1	0	0
Environmental management, Permanent	9	2	77.8	0
Prog 1:administration., Permanent	3	2	33.3	0
TOTAL	3 604	2 865	20.5	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	119	53	55.5	0
Skilled (Levels 3-5), Permanent	1 449	1 247	13.9	0
Highly skilled production (Levels 6-8), Permanent	1 089	822	24.5	0
Highly skilled supervision (Levels 9-12), Permanent	761	585	23.1	0
Highly skilled supervision (Levels 9-12), Temporary	1	1	0	0
Senior management (Levels 13-16), Permanent	71	43	39.4	0
Contract (Levels 1-2), Permanent	46	46	0	0
Contract (Levels 3-5), Permanent	27	27	0	0
Contract (Levels 6-8), Permanent	22	22	0	0
Contract (Levels 9-12), Permanent	18	18	0	0
Contract (Levels 13-16), Permanent	1	1	0	0
TOTAL	3 604	2 865	20.5	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	72	49	31.9	0
Agricul animal oceanography forestry & other scien, Permanent	74	61	17.6	0
Agriculture related, Permanent	321	240	25.2	0
Agriculture related, Temporary	1	1	0	0
All artisans in the building metal machinery etc., Permanent	15	4	73.3	0
Archivists curators and related professionals, Permanent	1	1	0	0
Artisan project and related superintendents, Permanent	5	3	40	0
Auxiliary and related workers, Permanent	48	45	6.3	0
Biochemistry pharmacol. zoology & life scie.techni, Permanent	163	140	14.1	0
Biologists botanists zoologists & rei professional, Permanent	4	3	25	0
Bookbinding and related machine operators, Permanent	2	2	0	0
Building and other property caretakers, Permanent	43	42	2.3	0
Bus and heavy vehicle drivers, Permanent	23	18	21.7	0
Civil engineering technicians, Permanent	11	10	9.1	0
Cleaners in offices workshops hospitals etc., Permanent	116	99	14.7	0
Client inform clerks(switchb receipt inform clerks), Permanent	4	4	0	0
Communication and information related, Permanent	10	10	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	15	12	20	0
Electrical and electronics engineering technicians, Permanent	2	2	0	0
Engineering sciences related, Permanent	13	11	15.4	0
Engineers and related professionals, Permanent	42	13	69	0
Farm hands and labourers, Permanent	643	576	10.4	0
Farming forestry advisors and farm managers, Permanent	5	5	0	0
Finance and economics related, Permanent	18	16	11.1	0
Financial and related professionals, Permanent	32	26	18.8	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	82	73	11	0
Food services aids and waiters, Permanent	1	1	0	0
Forestry labourers, Permanent	7	6	14.3	0
General legal administration & rel. professionals, Permanent	17	2	88.2	0
Health sciences related, Permanent	1	1	0	0
Horticulturists foresters agricul.& forestry techn, Permanent	522	456	12.6	0
Household and laundry workers, Permanent	10	9	10	0
Household food and laundry services related, Permanent	4	3	25	0
Housekeepers laundry and related workers, Permanent	9	9	0	0
Human resources & organisat developm & relate prof, Permanent	60	25	58.3	0
Human resources clerks, Permanent	121	80	33.9	0
Human resources related, Permanent	111	28	74.8	0
Information technology related, Permanent	1	1	0	0
Language practitioners interpreters & other commun, Permanent	15	10	33.3	0
Legal related, Permanent	1	1	0	0
Librarians and related professionals, Permanent	4	3	25	0
Library mail and related clerks, Permanent	2	2	0	0
Life sciences related, Permanent	1	0	100	0
Light vehicle drivers, Permanent	34	30	11.8	0
Logistical support personnel, Permanent	27	27	0	0
Material-recording and transport clerks, Permanent	2	1	50	0
Mechanical engineering technicians, Permanent	8	8	0	0
Messengers porters and deliverers, Permanent	25	24	4	0
Motor vehicle drivers, Permanent	52	50	3.8	0
Motorised farm and forestry plant operators, Permanent	16	11	31.3	0
Natural sciences related, Permanent	15	2	86.7	0
Nature conservation and oceanographical rel.techni, Permanent	1	1	0	0
Other administrat & related clerks and organisers, Permanent	218	190	12.8	0
Other administrative policy and related officers, Permanent	29	22	24.1	0

Critical Occupations	No. of Posts	No. of Posts Filled	Vacancy Rate	No. of posts filled additional to the establishment
Other information technology personnel., Permanent	5	2	60	0
Other machine operators, Permanent	5	4	20	0
Other occupations, Permanent	90	72	20	0
Production advisers : factories, Permanent	2	2	0	0
Risk management and security services, Permanent	15	3	80	0
Safety health and quality inspectors, Permanent	6	5	16.7	0
Saps, Permanent	1	1	0	0
Secretaries & other keyboard operating clerks, Permanent	71	43	39.4	0
Security guards, Permanent	183	161	12	0
Security officers, Permanent	9	3	66.7	0
Senior managers, Permanent	53	28	47.2	0
Statisticians and related professionals, Permanent	2	1	50	0
Trade labourers, Permanent	5	2	60	0
Veterinarians, Permanent	46	41	10.9	0
Veterinary assistants, Permanent	22	19	13.6	0
Water plant and related operators, Permanent	3	3	0	0
TOTAL	3 604	2 865	20.5	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)	119	0	0	0	0	10	0
Contract (Levels 1-2)	46	0	0	0	0	0	0
Contract (Levels 3-5)	27	0	0	0	0	0	0
Contract (Levels 6-8)	22	0	0	0	0	0	0
Contract (Levels 9-12)	18	0	0	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	1 449	0	0	0	0	10	0
Highly skilled production (Levels 6-8)	1 089	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	762	0	0	0	0	0	0
Senior Management Service Band A	52	0	0	0	0	0	0
Senior Management Service Band B	10	0	0	0	0	0	0
Senior Management Service Band C	7	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
TOTAL	3 604	0	0	0	0	20	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	50	6	1	2
Skilled (Levels 3-5), Permanent	1 353	7	98	7.2
Highly skilled production (Levels 6-8), Permanent	975	9	27	2.8
Highly skilled supervision (Levels 9-12), Permanent	674	11	31	4.6
Highly skilled supervision (Levels 9-12), Temporary	1	0	0	0
Senior Management Service Band A, Permanent	35	1	1	2.9
Senior Management Service Band B, Permanent	4	1	1	25
Senior Management Service Band C, Permanent	4	0	1	25
Senior Management Service Band D, Permanent	1	1	1	100
Contract (Levels 1-2), Permanent	148	53	522	352.7
Contract (Levels 3-5), Permanent	34	0	4	11.8
Contract (Levels 6-8), Permanent	24	6	21	87.5
Contract (Levels 9-12), Permanent	17	6	5	29.4
Contract (Band A), Permanent	2	0	1	50
TOTAL	3 322	101	714	21.5

5.2 Annual Turnover Rates by Critical Occupation

Occupation	Employment at beginning of period (April 2010)	Appointments	Terminations	Turnover rate
Administrative related, Permanent	63	0	3	4.8
Agricul animal oceanography forestry & other scien, Permanent	63	0	4	6.3
Agriculture related, Permanent	254	6	22	8.7
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	4	0	1	25
Auxiliary and related workers, Permanent	54	0	0	0
Biochemistry pharmacol. zoology & life scie.techni, Permanent	144	2	4	2.8
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	55	0	2	3.6
Bus and heavy vehicle drivers, Permanent	20	0	2	10
Civil engineering technicians, Permanent	9	0	0	0
Cleaners in offices workshops hospitals etc., Permanent	105	11	14	13.3
Client inform clerks(switchb receipt inform clerks), Permanent	5	0	0	0
Communication and information related, Permanent	9	2	0	0
Community development workers, Permanent	1	0	0	0
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	13	0	0	0
Electrical and electronics engineering technicians, Permanent	2	0	0	0
Engineering sciences related, Permanent	1	10	0	0
Engineers and related professionals, Permanent	14	0	0	0
Farm hands and labourers, Permanent	755	14	530	70.2
Farming forestry advisors and farm managers, Permanent	5	0	0	0
Finance and economics related, Permanent	13	1	0	0
Financial and related professionals, Permanent	27	1	1	3.7
Financial clerks and credit controllers, Permanent	62	15	5	8.1
Food services aids and waiters, Permanent	2	0	1	50

Occupation	Employment at beginning of period (April 2010)	Appointments	Terminations	Turnover rate
Forestry labourers, Permanent	6	0	0	0
General legal administration & rel. professionals, Permanent	2	0	0	0
Health sciences related, Permanent	1	0	0	0
Horticulturists foresters agricul. & forestry techn, Permanent	501	0	37	7.4
Household and laundry workers, Permanent	10	0	1	10
Household food and laundry services related, Permanent	3	0	0	0
Housekeepers laundry and related workers, Permanent	9	0	0	0
Human resources & organisat developm & relate prof, Permanent	26	0	1	3.8
Human resources clerks, Permanent	81	3	7	8.6
Human resources related, Permanent	28	1	2	7.1
Information technology related, Permanent	1	0	0	0
Language practitioners interpreters & other commun, Permanent	10	0	0	0
Legal related, Permanent	1	0	0	0
Librarians and related professionals, Permanent	3	0	0	0
Library mail and related clerks, Permanent	2	0	0	0
Light vehicle drivers, Permanent	35	0	5	14.3
Logistical support personnel, Permanent	1	1	4	400
Material-recording and transport clerks, Permanent	1	0	0	0
Mechanical engineering technicians, Permanent	9	0	1	11.1
Messengers porters and deliverers, Permanent	25	0	1	4
Motor vehicle drivers, Permanent	60	0	7	11.7
Motorised farm and forestry plant operators, Permanent	13	0	1	7.7
Natural sciences related, Permanent	103	4	7	6.8
Nature conservation and oceanographical rel. techn, Permanent	82	0	2	2.4
Other administrat & related clerks and organisers, Permanent	188	21	9	4.8
Other administrative policy and related officers, Permanent	24	0	1	4.2
Other information technology personnel., Permanent	3	0	1	33.3
Other machine operators, Permanent	4	0	0	0
Other occupations, Permanent	62	1	7	11.3
Production advisers : factories, Permanent	2	0	0	0
Risk management and security services, Permanent	4	0	2	50

Occupation	Employment at beginning of period (April 2010)	Appointments	Terminations	Turnover rate
Safety health and quality inspectors, Permanent	6	0	0	0
Saps, Permanent	1	0	0	0
Secretaries & other keyboard operating clerks, Permanent	49	2	5	10.2
Security guards, Permanent	170	0	16	9.4
Security officers, Permanent	3	0	0	0
Senior managers, Permanent	28	1	2	7.1
Social work and related professionals, Permanent	1	0	0	0
Statisticians and related professionals, Permanent	1	0	0	0
Trade labourers, Permanent	2	0	0	0
Veterinarians, Permanent	41	4	3	7.3
Veterinary assistants, Permanent	19	1	1	5.3
Water plant and related operators, Permanent	4	0	1	25
TOTAL	3 322	101	714	21.5

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	29	4.1	0.9	714	3 322
Resignation, Permanent	55	7.7	1.7	714	3 322
Expiry of contract, Permanent	535	74.9	16.1	714	3 322
Discharged due to ill health, Permanent	2	0.3	0.1	714	3 322
Dismissal-misconduct, Permanent	1	0.1	0	714	3 322
Retirement, Permanent	92	12.9	2.8	714	3 322
TOTAL	714	100	21.5	714	3 322
Resignations as % of Employment					
21.5					

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	63	0	0	33	52.4
Agricul animal oceanography forestry & other scien	63	2	3.2	41	65.1
Agriculture related	255	6	2.4	184	72.2
All artisans in the building metal machinery etc.	5	0	0	2	40
Archivists curators and related professionals	1	0	0	0	0
Artisan project and related superintendents	4	0	0	0	0
Auxiliary and related workers	54	0	0	30	55.6
Biochemistry pharmacol. zoology & life scie.techni	144	0	0	97	67.4
Biologists botanists zoologists & rel professional	3	0	0	1	33.3
Bookbinding and related machine operators	2	0	0	0	0
Building and other property caretakers	55	0	0	18	32.7
Bus and heavy vehicle drivers	20	0	0	8	40
Civil engineering technicians	9	0	0	5	55.6
Cleaners in offices workshops hospitals etc.	105	0	0	1	1
Client inform clerks(switchb recept inform clerks)	5	0	0	3	60
Communication and information related	9	0	0	7	77.8
Community development workers	1	0	0	1	100
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	13	0	0	2	15.4
Electrical and electronics engineering technicians	2	0	0	1	50
Engineering sciences related	1	0	0	0	0
Engineers and related professionals	14	1	7.1	9	64.3
Farm hands and labourers	755	0	0	218	28.9
Farming forestry advisors and farm managers	5	0	0	1	20
Finance and economics related	13	1	7.7	8	61.5
Financial and related professionals	27	1	3.7	24	88.9
Financial clerks and credit controllers	62	0	0	37	59.7
Food services aids and waiters	2	0	0	0	0
Forestry labourers	6	0	0	2	33.3
General legal administration & rel. professionals	2	0	0	2	100
Health sciences related	1	0	0	0	0
Horticulturists foresters agricul. & forestry techn	501	0	0	257	51.3
Household and laundry workers	10	0	0	3	30
Household food and laundry services related	3	0	0	1	33.3
Housekeepers laundry and related workers	9	0	0	2	22.2
Human resources & organisat developm & relate prof	26	1	3.8	22	84.6
Human resources clerks	81	1	1.2	50	61.7
Human resources related	28	5	17.9	25	89.3
Information technology related	1	0	0	0	0
Language practitioners interpreters & other commun	10	0	0	6	60
Legal related	1	0	0	1	100
Librarians and related professionals	3	0	0	2	66.7
Library mail and related clerks	2	0	0	2	100
Light vehicle drivers	35	0	0	18	51.4
Logistical support personnel	1	0	0	1	100
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	8	88.9
Messengers porters and deliverers	25	0	0	1	4
Motor vehicle drivers	60	0	0	41	68.3
Motorised farm and forestry plant operators	13	0	0	0	0
Natural sciences related	103	7	6.8	41	39.8
Nature conservation and oceanographical rel.techni	82	0	0	35	42.7
Other administrat & related clerks and organisers	188	1	0.5	131	69.7
Other administrative policy and related officers	24	0	0	18	75
Other information technology personnel.	3	0	0	2	66.7
Other machine operators	4	0	0	0	0
Other occupations	62	0	0	10	16.1
Production advisers : factories	2	0	0	2	100
Risk management and security services	4	0	0	3	75
Safety health and quality inspectors	6	0	0	4	66.7
Saps	1	0	0	1	100
Secretaries & other keyboard operating clerks	49	1	2	24	49
Security guards	170	0	0	3	1.8
Security officers	3	0	0	2	66.7
Senior managers	28	1	3.6	25	89.3
Social work and related professionals	1	0	0	1	100
Statisticians and related professionals	1	0	0	1	100
Trade labourers	2	0	0	0	0
Veterinarians	41	0	0	27	65.9
Veterinary assistants	19	1	5.3	16	84.2
Water plant and related operators	4	0	0	0	0
TOTAL	3 322	29	0.9	1 524	45.9

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	50	0	0	0	0
Skilled (Levels 3-5), Permanent	1353	1	0.1	411	30.4
Highly skilled production (Levels 6-8), Permanent	975	3	0.3	663	68
Highly skilled supervision (Levels 9-12), Permanent	674	23	3.4	382	56.7
Highly skilled supervision (Levels 9-12), Temporary	1	0	0	1	100
Senior management (Levels 13-16), Permanent	44	2	4.5	34	77.3
Contract (Levels 1-2), Permanent	148	0	0	0	0
Contract (Levels 3-5), Permanent	34	0	0	13	38.2
Contract (Levels 6-8), Permanent	24	0	0	17	70.8
Contract (Levels 9-12), Permanent	17	0	0	3	17.6
Contract (Levels 13-16), Permanent	2	0	0	0	0
TOTAL	3 322	29	0.9	1 524	45.9

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	1	14	2	10	0	1	11	2	29
Professionals, Permanent	207	4	14	225	45	185	2	27	214	29	513
Professionals, Temporary	0	0	0	0	0	0	0	0	0	1	1
Technicians and associate professionals, Permanent	388	2	9	399	27	336	2	14	352	12	790
Clerks, Permanent	102	0	2	104	0	245	8	21	274	14	392
Service and sales workers, Permanent	156	0	0	156	1	23	0	0	23	0	180
Craft and related trades workers, Permanent	8	0	1	9	0	0	0	0	0	0	9
Plant and machine operators and assemblers, Permanent	115	0	0	115	0	3	0	0	3	0	118
Elementary occupations, Permanent	486	1	1	488	2	338	0	3	341	0	831
Other, Permanent	1	0	0	1	0	1	0	0	1	0	2
TOTAL	1 476	7	28	1 511	77	1 141	12	66	1 219	58	2 865
	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	15	0	0	15	1	7	0	0	7	1	24

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	1	2	0	0	2	0	4
Senior Management, Permanent	17	0	1	18	7	10	1	1	12	2	39
Professionally qualified and experienced specialists and mid-management, Permanent	280	4	20	304	59	169	1	23	193	29	585
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	294	2	3	299	7	451	6	36	493	23	822
Semi-skilled and discretionary decision making, Permanent	802	1	4	807	3	425	4	6	435	2	1 247
Unskilled and defined decision making, Permanent	38	0	0	38	0	15	0	0	15	0	53
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	11	0	0	11	0	6	0	0	6	1	18
Contract (Skilled technical), Permanent	10	0	0	10	0	12	0	0	12	0	22
Contract (Semi-skilled), Permanent	12	0	0	12	0	15	0	0	15	0	27
Contract (Unskilled), Permanent	10	0	0	10	0	36	0	0	36	0	46
TOTAL	1 476	7	28	1 511	77	1 141	12	66	1 219	58	2 865

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	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	1	0	0	1	0	1	0	0	1	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	4	0	1	5	1	2	0	1	3	2	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	0	0	4	0	5	0	0	5	0	9
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	0	6	1	0	7	0	7
Unskilled and defined decision making, Permanent	3	0	0	3	0	3	0	0	3	0	6
Contract (Professionally qualified), Permanent	4	0	0	4	0	1	0	0	1	1	6
Contract (Skilled technical), Permanent	4	0	0	4	0	2	0	0	2	0	6
Contract (Unskilled), Permanent	16	0	0	16	0	37	0	0	37	0	53
TOTAL	37	0	1	38	1	57	1	1	59	3	101
No data	0	0	0	0	0	0	0	0	0	0	0

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
Top Management, Permanent	0	0	0	0	2	2	0	0	2	0	4
Senior Management, Permanent	16	0	1	17	5	7	1	1	9	1	32
Professionally qualified and experienced specialists and mid-management, Permanent	173	4	17	194	49	118	0	24	142	20	405
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	221	2	5	228	5	373	6	33	412	21	666
Semi-skilled and discretionary decision making, Permanent	237	0	1	238	1	166	3	3	172	1	412
Contract (Professionally qualified), Permanent	2	0	0	2	0	1	0	0	1	0	3
Contract (Skilled technical), Permanent	7	0	0	7	0	10	0	0	10	0	17
Contract (Semi-skilled), Permanent	4	0	0	4	0	9	0	0	9	0	13
TOTAL	660	6	24	690	62	686	10	61	757	44	1553
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	1 903
	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	0	3	0	0	3	0	6

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
Top Management, Permanent	1	0	0	1	1	0	0	0	0	0	2
Senior Management, Permanent	1	0	1	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	19	0	0	19	3	8	0	0	8	1	31
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	12	0	1	13	1	12	0	0	12	1	27
Semi-skilled and discretionary decision making, Permanent	67	0	0	67	0	31	0	0	31	0	98
Unskilled and defined decision making, Permanent	0	0	0	0	0	1	0	0	1	0	1
Contract (Senior Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Professionally qualified), Permanent	4	0	0	4	0	1	0	0	1	0	5
Contract (Skilled technical), Permanent	7	0	0	7	0	14	0	0	14	0	21
Contract (Semi-skilled), Permanent	2	0	0	2	0	1	0	1	2	0	4
Contract (Unskilled), Permanent	205	0	1	206	0	314	0	2	316	0	522
TOTAL	319	0	3	322	5	382	0	3	385	2	714
	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	1	0	0	1	0	1	0	0	1	0	2

6.6 Disciplinary Action

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	Not Available
TOTAL	0	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	257	1134	22.7	3 354	13 051
African, Male	309	1461	21.1	3 853	12 470
Asian, Female	42	66	63.6	690	16 421
Asian, Male	19	28	67.9	377	19 840
Coloured, Female	7	12	58.3	100	14 266
Coloured, Male	6	7	85.7	114	19 039
Total Blacks, Female	306	1 212	25.2	4 144	13 541
Total Blacks, Male	334	1 496	22.3	4 344	13 007
White, Female	31	57	54.4	606	19 561
White, Male	35	76	46.1	965	27 571
Employees with a disability	7	24	29.2	79	11 305
TOTAL	713	2 865	24.9	10 138	14 219

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)	2	51	3.9	11	5 500
Skilled (Levels 3-5)	218	1 248	17.5	1 459	6 693
Highly skilled production (Levels 6-8)	264	823	32.1	3 422	12 962
Highly skilled supervision (Levels 9-12)	222	586	37.9	5 047	22 734
Contract (Levels 1-2)	0	46	0	0	0
Contract (Levels 3-5)	0	27	0	0	0
Contract (Levels 6-8)	1	22	4.5	20	20 000
Contract (Levels 9-12)	3	18	16.7	68	22 667
Periodical Remuneration	0	234	0	0	0
TOTAL	710	3 055	23.2	10 027	14 123

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	17	49	34.7	304	17 882
Agricul animal oceanography forestry & other scien	15	61	24.6	296	19 733
Agriculture related	66	241	27.4	1 190	18 030
All artisans in the building metal machinery etc.	1	4	25	11	11 000
Archivists curators and related professionals	0	1	0	0	0
Artisan project and related superintendents	2	3	66.7	15	7 500
Auxiliary and related workers	23	45	51.1	187	8 130
Biochemistry pharmacol. zoology & life scie.techni	45	140	32.1	820	18 222
Biologists botanists zoologists & rel professional	0	3	0	0	0
Bookbinding and related machine operators	0	2	0	0	0
Building and other property caretakers	4	42	9.5	31	7 750
Bus and heavy vehicle drivers	3	18	16.7	25	8 333
Civil engineering technicians	3	10	30	62	20 667
Cleaners in offices workshops hospitals etc.	17	99	17.2	108	6 353
Client inform clerks(switchb receipt inform clerks)	0	4	0	0	0
Communication and information related	0	10	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	56	18 667
Conservation labourers	0	1	0	0	0
Economists	3	12	25	67	22 333
Electrical and electronics engineering technicians	0	2	0	0	0
Engineering sciences related	1	11	9.1	32	32 000
Engineers and related professionals	6	13	46.2	185	30 833
Farm hands and labourers	100	576	17.4	721	7 210
Farming forestry advisors and farm managers	1	5	20	11	11 000
Finance and economics related	7	16	43.8	191	27 286
Financial and related professionals	9	26	34.6	180	20 000
Financial clerks and credit controllers	12	73	16.4	157	13 083
Food services aids and waiters	0	1	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	10	10 000
General legal administration & rel. professionals	2	2	100	45	22 500
Health sciences related	0	1	0	0	0
Horticulturists foresters agricul. & forestry techn	94	455	20.7	1 686	17 936
Household and laundry workers	1	9	11.1	5	5 000
Household food and laundry services related	0	3	0	0	0
Housekeepers laundry and related workers	2	9	22.2	15	7 500
Human resources & organisat developm & relate prof	7	25	28	109	15 571
Human resources clerks	28	79	35.4	346	12 357
Human resources related	11	28	39.3	257	23 364
Information technology related	1	1	100	23	23 000
Language practitioners interpreters & other commun	0	10	0	0	0
Legal related	1	1	100	24	24 000
Librarians and related professionals	1	3	33.3	15	15 000
Library mail and related clerks	0	2	0	0	0
Light vehicle drivers	9	30	30	57	6 333
Logistical support personnel	2	27	7.4	12	6 000
Material-recording and transport clerks	0	1	0	0	0
Mechanical engineering technicians	4	8	50	52	13 000
Messengers porters and deliverers	2	24	8.3	10	5 000
Motor vehicle drivers	14	50	28	90	6 429
Motorised farm and forestry plant operators	0	11	0	0	0
Natural sciences related	32	2	1 600	536	16 750
Nature conservation and oceanographical rel.techni	47	1	4 700	754	16 043
Other administrat & related clerks and organisers	56	190	29.5	606	10 821
Other administrative policy and related officers	9	22	40.9	118	13 111
Other information technology personnel.	1	2	50	13	13 000
Other machine operators	0	4	0	0	0
Other occupations	12	72	16.7	81	6 750
Production advisers : factories	1	2	50	12	12 000

Critical occupation	Number of beneficiaries	Total employment	% of total employment	Cost (R'000)	Average cost per beneficiary
Rank: Unknown	0	2	0	0	0
Risk management and security services	1	3	33.3	13	13 000
Safety health and quality inspectors	2	5	40	71	35 500
Saps	0	1	0	0	0
Secretaries & other keyboard operating clerks	15	43	34.9	149	9 933
Security guards	3	161	1.9	17	5 667
Security officers	1	3	33.3	13	13 000
Senior managers	0	28	0	0	0
Social work and related professionals	1	0	0	11	11 000
Statisticians and related professionals	0	1	0	0	0
Trade labourers	0	2	0	0	0
Veterinarians	13	41	31.7	309	23 769
Veterinary assistants	1	19	5.3	26	26 000
Water plant and related operators	0	3	0	0	0
TOTAL	713	2 865	24.9	10 134	14 213

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	3	36	8.3	111	37 000	0.3	37 225
Band B	0	4	0	0	0	0	0
Band C	0	3	0	0	0	0	0
Band D	0	1	0	0	0	0	0
TOTAL	3	44	6.8	111	37 000	0.3	37 225

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	0
Highly skilled supervision (Levels 9-12)	6	50	7	58.3	1	0	12	12	0
Contract (Levels 9-12)	5	41.7	4	33.3	-1	0	12	12	0
TOTAL	12	100	12	100	0	0	12	12	0

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	0
Professionals and managers	10	83.3	9	75	-1	0	12	12	0
Technicians and associated professionals	1	8.3	2	16.7	1	0	12	12	0
TOTAL	12	100	12	100	0	0	12	12	0

9. LEAVE

9.1 Sick Leave for January 2014 to December 2014

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)	163	98.8	22	1.3	7	70	1 640	161
Skilled (Levels 3-5)	4 436	91.7	613	37.4	7	2 483	1 640	4 067
Highly skilled production (Levels 6-8)	3 915	84.1	562	34.3	7	4 318	1 640	3 293
Highly skilled supervision (Levels 9-12)	2 093	85.3	346	21.1	6	3 796	1 640	1 785
Senior management (Levels 13-16)	146	86.3	21	1.3	7	452	1 640	126
Contract (Levels 1-2)	101	78.2	32	2	3	24	1 640	79
Contract (Levels 3-5)	142	89.4	22	1.3	6	82	1 640	127
Contract (Levels 6-8)	125	88.8	17	1	7	121	1 640	111
Contract (Levels 9-12)	48	87.5	5	0.3	10	97	1 640	42
TOTAL	11 169	87.7	1 640	100	7	11 443	1 640	9 791

9.2 Disability Leave (Temporary and Permanent) for January 2014 to December 2014

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)	690	100	25	39.1	28	380	690	64
Highly skilled production (Levels 6-8)	549	100	22	34.4	25	540	549	64
Highly skilled supervision (Levels 9-12)	286	100	10	15.6	29	506	286	64
Senior management (Levels 13-16)	39	100	2	3.1	20	120	39	64
Contract (Levels 6-8)	59	100	5	7.8	12	60	59	64
TOTAL	1 623	100	64	100	25	1 606	1 623	64

9.3 Annual Leave for January 2014 to December 2014

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	627	13	50
Skilled (Levels 3-5)	28 720	23	1241
Highly skilled production (Levels 6-8)	20 329	21	978
Highly skilled supervision (Levels 9-12)	14 501	22	673
Senior management (Levels 13-16)	839	20	42
Contract (Levels 1-2)	1 954	7	273
Contract (Levels 3-5)	244	9	26
Contract (Levels 6-8)	307	9	36
Contract (Levels 9-12)	214	13	17
Contract (Levels 13-16)	8	8	1
TOTAL	67 743	20	3 337

9.4 Capped Leave for January 2014 to December 2014

	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)	132	5	101	26	90 673	895
Highly skilled production (Levels 6-8)	60	5	79	13	28 984	368
Highly skilled supervision (Levels 9-12)	49	7	146	7	54 574	375
Senior management (Levels 13-16)	3	3	116	1	2 312	20
TOTAL	244	5	106	47	176 543	1 658

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 2014/15	11 802	178	66 303
Current leave payout on termination of service for 2014/15	1 289	77	16 740
TOTAL	13 091	255	51 337

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	0	0	0

11.2 Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
TOTAL	0	0	0

11.3 Grievances lodged

Number of grievances addressed	Number	Percentage of Total	Total
Not resolved	6	28.6	21
Resolved	15	71.4	21
TOTAL	21	100	21

11.4 Disputes lodged

Number of disputes addressed	Number	Percentage of Total
Upheld	0	0
Dismissed	0	0
Total	0	0

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 TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON VOTE NO. 3: AGRICULTURE AND RURAL DEVELOPMENT 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 and Rural Development set out on pages 91 to 159, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, 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 these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2014 (Act No.10 of 2014) (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 these financial statements based on my audit. I conducted my audit in accordance with 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 and Rural Development as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

Emphasis of matter

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

Material underspending of the budget

8. As disclosed in the appropriation statement, the department had materially underspent the budget of the agriculture development services programme to the amount of R95,63 million. This can be attributed to the late rains, procurement challenges affecting the food security programme and agricultural infrastructure as well as slow progress on the planned rehabilitation and renovations at departmental offices.

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 160 to 174 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 Public Audit Act of South Africa, 2004 (Act No. 25 of 2004)(PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and 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 programme 2: agricultural development services on pages 17 to 32, presented in the annual performance report of the department for the year ended 31 March 2015.
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. I did not identify any material findings on the usefulness and reliability of the reported performance information for the agricultural development services programme.

Additional matters

17. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programme, I draw attention to the following matters:

Adjustment of material misstatements

18. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for the agricultural development services programme. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

Achievement of planned targets

19. Refer to the annual performance report on page 15 and pages 19 to 31 for information on the achievement of planned targets for the year.

Compliance with laws and regulations

20. 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 non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Human resource management and compensation

21. Funded vacant posts were not filled within 12 months as required by public service regulation VII/ C.1A.2A.

Expenditure management

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

Conditional grants

23. The department did not report within the stipulated timeframe on its performance in respect of programmes or functions funded by the allocation, as required by section 11(6)(a) of the DoRA.

Internal control

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the non-compliance with legislation included in this report.

Leadership

25. High turnover in leadership positions and in key management positions resulting from vacancies and the use of acting positions affected leadership's ability to create an effective internal control environment in respect of compliance with laws and regulations and monitoring thereof. Policies, standard operating procedures and related controls were not adequately developed, implemented and monitored by the appropriate level of management to facilitate effective monitoring of compliance with laws and regulations to prevent and detect non-compliance.

OTHER REPORTS

Investigations

26. At the request of the MEC of the department, independent consulting firms performed forensic investigations, which covered the period November 2011 to July 2012. The forensic investigations covered aspects relating to the supply of goods and services and matters related to human resource management. The department had received the final reports and is in the process of analysing the recommendations and evidence provided.
27. The provincial treasury internal audit performed investigations covering the period April 2009 to March 2015, based on allegations of possible irregularities in supply chain management process. These investigations were still in progress at the date of this report.
28. The commercial crime unit is performing an investigation covering the period April 2014 to March 2015, based on an allegation that signatures were fraudulently obtained to process payment to a supplier.

Auditor-General

PIETERMARITZBURG

31 July 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

2. ANNUAL FINANCIAL STATEMENTS

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APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

Appropriation per programme									
2014/15							2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	334 211	-	-	334 211	301 841	32 370	90.3%	327 683	321 918
2. Agriculture and Rural Development	1 796 835	-	-	1 796 835	1 701 203	95 632	94.7%	1 699 264	1 666 564
Subtotal	2 131 046	-	-	2 131 046	2 003 044	128 002	94.0%	2 026 947	1 988 482
Statutory Appropriation	-	-	-	-	-	-	-	-	-
TOTAL	2 131 046	-	-	2 131 046	2 003 044	128 002	94.0%	2 026 947	1 988 482

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

2014/15			2013/14	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	32 267		21 212	
NRF Receipts	-		-	
Aid assistance	-		2 291	
Actual amounts per statement of financial performance (total revenue)	2 163 313		2 050 450	
ADD				
Aid assistance		1 410		1 058
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		2 004 454	*	1 989 540

*The difference in prior year totals between the Appropriation Statement and the Statement of Financial Performance relate to the move of Environmental Affairs to Department of Economic Development and Tourism on 1 April 2014 and therefore no comparative figures are reflected for the relevant programmes.

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

Appropriation per economic classification									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 782 711	(1 938)	(138 125)	1 642 648	1 565 342	77 306	95.3%	1 682 407	1 659 407
Compensation of employees	870 178	-	(17 814)	852 364	851 046	1 318	99.8%	834 225	834 225
Salaries and wages	751 534	-	(15 991)	735 543	734 304	1 239	99.8%	722 866	722 866
Social contributions	118 644	-	(1 823)	116 821	116 742	79	99.9%	111 359	111 359
Goods and services	912 533	(1 938)	(120 482)	790 113	714 125	75 988	90.4%	848 077	825 077
Administrative fees	637	-	(560)	77	77	-	100.0%	303	303
Advertising	10 270	-	(830)	9 440	9 440	-	100.0%	20 639	20 639
Minor assets	11 740	-	(7 336)	4 404	4 348	56	98.7%	9 406	9 406
Audit costs: External	8 228	-	(2 889)	5 339	5 324	15	99.7%	14 013	14 013
Bursaries: Employees	793	-	-	793	793	-	100.0%	6 086	6 086
Catering: Departmental activities	2 914	-	76	2 990	2 990	-	100.0%	8 650	8 650
Communication	38 734	-	4 656	43 390	40 538	2 852	93.4%	43 000	43 000
Computer services	31 415	-	9 581	40 996	40 996	-	100.0%	32 144	32 144
Consultants: Business and advisory services	5 312	-	(3 479)	1 833	1 789	44	97.6%	115	115
Infrastructure and planning services	149 958	-	(37 689)	112 269	74 731	37 538	66.6%	148 215	148 215
Laboratory services	11	-	43	54	54	-	100.0%	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 502	-	-	2 502	1 986	516	79.4%	4 184	4 184
Contractors	76 198	-	(28 355)	47 843	47 843	-	100.0%	74 576	74 576
Agency and support / outsourced services	46 264	-	(20 002)	26 262	25 975	287	98.9%	9 998	9 998
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	37 523	-	(2 016)	35 507	35 507	-	100.0%	35 815	35 815
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	4 619	-	244	4 863	4 863	-	100.0%	5 813	5 813
Inventory: Farming supplies	153 039	-	15 215	168 254	139 717	28 537	83.0%	166 060	143 060

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

Appropriation per economic classification									
	2014/15					2013/14			
	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
Inventory: Food and food supplies	1 979	-	(1 960)	19	-	19	-	7	7
Inventory: Fuel, oil and gas	9 803	-	(3 726)	6 077	6 077	-	100.0%	10 339	10 339
Inventory: Learner and teacher support material	1 582	-	37	1 619	1 619	-	100.0%	920	920
Inventory: Materials and supplies	12 322	-	(6 822)	5 500	5 500	-	100.0%	5 550	5 550
Inventory: Medical supplies	518	-	5	523	523	-	100.0%	592	592
Inventory: Medicine	21 048	-	(3 153)	17 895	17 859	36	99.8%	17 316	17 316
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	2 444	-	1 155	3 599	3 599	-	100.0%	2 861	2 861
Consumable supplies	62 088	-	(13 973)	48 115	44 875	3 240	93.3%	23 295	23 295
Consumable: Stationery, printing and office supplies	11 298	-	(2 691)	8 607	8 119	488	94.3%	10 971	10 971
Operating leases	26 673	-	(1 026)	25 647	25 647	-	100.0%	25 126	25 126
Property payments	60 205	-	841	61 046	61 046	-	100.0%	58 369	58 369
Transport provided: Departmental activity	282	-	-	282	282	-	100.0%	1 044	1 044
Travel and subsistence	85 445	-	(5 123)	80 322	78 054	2 268	97.2%	92 350	92 350
Training and development	16 819	(1 938)	(6 841)	8 040	8 040	-	100.0%	10 430	10 430
Operating payments	10 324	-	(1 450)	8 874	8 874	-	100.0%	6 752	6 752
Venues and facilities	9 202	-	(2 424)	6 778	6 686	92	98.6%	3 080	3 080
Rental and hiring	344	-	10	354	354	-	100.0%	58	58
Interest and rent on land	-	-	171	171	171	-	100.0%	105	105
Interest	-	-	108	108	108	-	100.0%	105	105
Rent on land	-	-	63	63	63	-	100.0%	-	-

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

Appropriation per economic classification									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	192 657	1 938	29 563	224 158	219 116	5 042	97.8%	150 042	149 189
Provinces and municipalities	788	-	449	1 237	1 237	-	100.0%	972	869
Provinces	788	-	415	1 203	1 203	-	100.0%	972	869
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	788	-	415	1 203	1 203	-	100.0%	972	869
Municipalities	-	-	34	34	34	-	100.0%	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	34	34	34	-	100.0%	-	-
Departmental agencies and accounts	110 771	(2 423)	3	108 351	108 351	-	100.0%	82 396	82 396
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	110 771	(2 423)	3	108 351	108 351	-	100.0%	82 396	82 396
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	67 252	4 361	24 641	96 254	91 962	4 292	95.5%	55 243	55 243
Public corporations	65 252	2 882	6 719	74 853	73 165	1 688	97.7%	48 038	48 038
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	65 252	2 882	6 719	74 853	73 165	1 688	97.7%	48 038	48 038
Private enterprises	2 000	1 479	17 922	21 401	18 797	2 604	87.8%	7 128	7 205
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	2 000	1 479	17 922	21 401	18 797	2 604	87.8%	7 128	7 205
Non-profit institutions	6 050	-	-	6 050	5 300	750	87.6%	1 000	250
Households	7 796	-	4 470	12 266	12 266	-	100.0%	10 431	10 431
Social benefits	7 796	-	4 410	12 206	12 206	-	100.0%	10 382	10 382
Other transfers to households	-	-	60	60	60	-	100.0%	49	49

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Appropriation per economic classification									
2014/15							2013/14		
	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
Payments for capital assets	155 678		105 154	260 832	215 178	45 654	82.5%	193 425	178 813
Buildings and other fixed structures	101 487	-	115 837	217 324	182 814	34 510	84.1%	142 311	133 464
Buildings	18 969	-	424	19 393	3 654	15 739	18.8%	10 678	10 678
Other fixed structures	82 518	-	115 413	197 931	179 160	18 771	90.5%	131 633	122 786
Machinery and equipment	53 092	-	(9 958)	43 134	32 180	10 954	74.6%	50 597	44 832
Transport equipment	16 305	-	5 078	21 383	20 481	902	95.8%	20 689	16 254
Other machinery and equipment	36 787	-	(15 036)	21 751	11 699	10 052	53.8%	29 908	28 578
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	586	-	(328)	258	145	113	56.2%	474	474
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	513	-	(397)	116	39	77	33.6%	43	43
Payments for financial assets	-	-	3 408	3 408	3 408	-	100.0%	1 073	1 073
Total	2 131 046	-	-	2 131 046	2 003 044	128 002	94.0%	2 026 947	1 988 482

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Programme 1: ADMINISTRATION									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.1 Office of the MEC	24 239	-	(3 483)	20 756	17 968	2 788	86.6%	27 738	27 738
1.2 Senior Management	39 876	-	(11 490)	28 386	27 492	894	96.9%	35 745	35 745
1.3 Corporate Services	156 062	-	12 367	168 429	167 271	1 158	99.3%	161 076	161 076
1.4 Financial Management	81 909	-	2 606	84 515	64 957	19 558	76.9%	66 856	61 091
1.5 Communication Services	32 125	-	-	32 125	24 153	7 972	75.2%	36 268	36 268
Total for sub programmes	334 211	-	-	334 211	301 841	32 370	90.3%	327 683	321 918
Economic classification									
Current payments	288 213	(1 938)	(4 217)	282 058	274 813	7 245	97.4%	294 280	294 280
Compensation of employees	127 295	-	(2 481)	124 814	124 146	668	99.5%	121 433	121 433
Salaries and wages	112 700	-	(3 593)	109 107	108 518	589	99.5%	106 308	106 308
Social contributions	14 595	-	1 112	15 707	15 628	79	99.5%	15 125	15 125
Goods and services	160 918	(1 938)	(1 810)	157 170	150 593	6 577	95.8%	172 767	172 767
Administrative fees	1	-	-	1	1	-	100.0%	-	-
Advertising	9 273	-	-	9 273	9 273	-	100.0%	20 070	20 070
Minor assets	1 941	-	(507)	1 434	1 378	56	96.1%	1 059	1 059
Audit costs: External	8 228	-	(2 889)	5 339	5 324	15	99.7%	14 013	14 013
Bursaries: Employees	204	-	-	204	204	-	100.0%	305	305
Catering: Departmental activities	561	-	-	561	561	-	100.0%	707	707
Communication	17 346	-	4 545	21 891	19 039	2 852	87.0%	24 759	24 759
Computer services	30 370	-	9 581	39 951	39 951	-	100.0%	29 558	29 558
Consultants: Business and advisory services	5 312	-	(3 479)	1 833	1 789	44	97.6%	23	23
Infrastructure and planning services	744	-	-	744	744	-	100.0%	165	165
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Programme 1: ADMINISTRATION										
	2014/15						2013/14			
	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	
Legal services	2 502	-	-	2 502	1 986	516	79.4%	4 184	4 184	
Contractors	10 460	-	-	10 460	10 460	-	100.0%	9 472	9 472	
Agency and support / outsourced services	6 633	-	(6 000)	633	442	191	69.8%	1	1	
Entertainment	-	-	-	-	-	-	-	-	-	
Fleet services	6 869	-	(458)	6 411	6 411	-	100.0%	6 321	6 321	
Housing	-	-	-	-	-	-	-	-	-	
Inventory: Clothing material and supplies	413	-	-	413	413	-	100.0%	56	56	
Inventory: Farming supplies	-	-	-	-	-	-	-	1	1	
Inventory: Food and food supplies	19	-	-	19	-	19	-	-	-	
Inventory: Fuel, oil and gas	2	-	-	2	2	-	100.0%	1	1	
Inventory: Learner and teacher support material	172	-	-	172	172	-	100.0%	146	146	
Inventory: Materials and supplies	502	-	-	502	502	-	100.0%	184	184	
Inventory: Medical supplies	78	-	-	78	78	-	100.0%	9	9	
Inventory: Medicine	-	-	-	-	-	-	-	85	85	
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	
Consumable supplies	1 227	-	32	1 259	1 210	49	96.1%	764	764	
Consumable: Stationery, printing and office supplies	5 132	-	-	5 132	4 644	488	90.5%	5 500	5 500	
Operating leases	1 676	-	-	1 676	1 676	-	100.0%	1 300	1 300	
Property payments	24 893	-	(35)	24 858	24 858	-	100.0%	25 356	25 356	
Transport provided: Departmental activity	15	-	-	15	15	-	100.0%	372	372	
Travel and subsistence	19 349	-	(2 600)	16 749	14 481	2 268	86.5%	22 415	22 415	
Training and development	5 447	(1 938)	-	3 509	3 509	-	100.0%	4 734	4 734	
Operating payments	1 187	-	-	1 187	1 187	-	100.0%	1 033	1 033	

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Programme 1: ADMINISTRATION									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	356	-	-	356	277	79	77.8%	174	174
Rental and hiring	6	-	-	6	6	-	100.0%	-	-
Interest and rent on land	-	-	74	74	74	-	100.0%	80	80
Interest	-	-	74	74	74	-	100.0%	80	80
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 473	1 938	808	4 219	4 219	-	100.0%	1 144	1 144
Provinces and municipalities	541	-	78	619	619	-	100.0%	471	471
Provinces	541	-	78	619	619	-	100.0%	471	471
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	541	-	78	619	619	-	100.0%	471	471
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	1 938	-	1 938	1 938	-	100.0%	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	1 938	-	1 938	1 938	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	8	8
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

Programme 1: ADMINISTRATION									
	2014/15					2013/14			
	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
Private enterprises	-	-	-	-	-	-	-	8	8
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	8	8
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	932	-	730	1 662	1 662	-	100.0%	665	665
Social benefits	932	-	730	1 662	1 662	-	100.0%	660	660
Other transfers to households	-	-	-	-	-	-	-	5	5
Payments for capital assets	44 525	-	1	44 526	19 401	25 125	43.6%	31 186	25 421
Buildings and other fixed structures	18 969	-	424	19 393	3 654	15 739	18.8%	10 678	10 678
Buildings	18 969	-	424	19 393	3 654	15 739	18.8%	10 678	10 678
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	25 479	-	(423)	25 056	15 747	9 309	62.8%	20 508	14 743
Transport equipment	13 935	-	-	13 935	13 033	902	93.5%	15 606	11 171
Other machinery and equipment	11 544	-	(423)	11 121	2 714	8 407	24.4%	4 902	3 572
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	77	-	-	77	-	77	-	-	-
Payments for financial assets	-	-	3 408	3 408	3 408	-	100.0%	1 073	1 073
Total	334 211	-	-	334 211	301 841	32 370	90.3%	327 683	321 918

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

1.1 Office of the MEC									
Economic classification	2014/15					2013/14			
	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	24 087	-	(3 608)	20 479	17 691	2 788	86.4%	27 705	27 705
Compensation of employees	11 374	-	(1 040)	10 334	10 196	138	98.7%	12 261	12 261
Goods and services	12 713	-	(2 568)	10 145	7 495	2 650	73.9%	15 444	15 444
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	74	-	-	74	74	-	100.0%	1	1
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	74	-	-	74	74	-	100.0%	1	1
Payments for capital assets	78	-	125	203	203	-	100.0%	32	32
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	78	-	125	203	203	-	100.0%	32	32
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	24 239	-	(3 483)	20 756	17 968	2 788	86.6%	27 738	27 738

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

1.2 Senior Management									
2014/15									
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	39 117	-	(11 915)	27 202	26 308	894	96.7%	35 541	35 541
Compensation of employees	15 213	-	586	15 799	15 741	58	99.6%	15 856	15 856
Goods and services	23 904	-	(12 501)	11 403	10 567	836	92.7%	19 685	19 685
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	685	-	(587)	98	98	-	100.0%	63	63
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	8	8
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	685	-	(587)	98	98	-	100.0%	55	55
Payments for capital assets	74	-	79	153	153	-	100.0%	141	141
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	74	-	79	153	153	-	100.0%	141	141
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	39 876	-	933	933	933	-	100.0%	35 745	35 745
Total	39 876	-	(11 490)	28 386	27 492	894	96.9%	35 745	35 745

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

1.3 Corporate Services									
2014/15							2013/14		
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	148 629	(1 938)	16 261	162 952	162 252	700	99.6%	153 855	153 855
Compensation of employees	57 509	-	(3 333)	54 176	53 756	420	99.2%	53 267	53 267
Goods and services	91 120	(1 938)	19 527	108 709	108 429	280	99.7%	100 515	100 515
Interest and rent on land	-	-	67	67	67	-	100.0%	73	73
Transfers and subsidies	91	1 938	809	2 838	2 838	-	100.0%	181	181
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	1 938	-	1 938	1 938	-	100.0%	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	91	-	809	900	900	-	100.0%	181	181
Payments for capital assets	7 342	-	(4 703)	2 639	2 181	458	82.6%	7 040	7 040
Buildings and other fixed structures	-	-	424	424	424	-	100.0%	4 951	4 951
Machinery and equipment	7 338	-	(5 127)	2 211	1 757	454	79.5%	2 089	2 089
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	4	-	-	4	-	4	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	156 062	-	12 367	168 429	167 271	1 158	99.3%	161 076	161 076

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

1.4 Financial Management									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	45 286	-	(455)	44 831	44 671	160	99.6%	41 332	41 332
Compensation of employees	34 085	-	(4)	34 081	34 029	52	99.8%	31 246	31 246
Goods and services	11 201	-	(458)	10 743	10 635	108	99.0%	10 079	10 079
Interest and rent on land	-	-	7	7	7	-	100.0%	7	7
Transfers and subsidies	617	-	586	1 203	1 203	-	100.0%	895	895
Provinces and municipalities	541	-	78	619	619	-	100.0%	471	471
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	76	-	508	584	584	-	100.0%	424	424
Payments for capital assets	36 006	-	-	36 006	16 608	19 398	46.1%	23 556	17 791
Buildings and other fixed structures	18 969	-	-	18 969	3 230	15 739	17.0%	5 727	5 727
Machinery and equipment	16 964	-	-	16 964	13 378	3 586	78.9%	17 829	12 064
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	73	-	-	73	-	73	-	-	-
Payments for financial assets	-	-	2 475	2 475	2 475	-	100.0%	1 073	1 073
Total	81 909	-	2 606	84 515	64 957	19 558	76.9%	66 856	61 091

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

1.5 Communication Services									
	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	31 094	-	(4 500)	26 594	23 891	2 703	89.8%	35 847	35 847
Compensation of employees	9 114	-	1 310	10 424	10 424	-	100.0%	8 803	8 803
Goods and services	21 980	-	(5 810)	16 170	13 467	2 703	83.3%	27 044	27 044
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	6	-	-	6	6	-	100.0%	4	4
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	6	-	-	6	6	-	100.0%	4	4
Payments for capital assets	1 025	-	4 500	5 525	256	5 269	4.6%	417	417
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 025	-	4 500	5 525	256	5 269	4.6%	417	417
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	32 125	-	-	32 125	24 153	7 972	75.2%	36 268	36 268

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

Programme 2: Agriculture and Rural Development									
2014/15							2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
2.1 Sustainable Resource Management	99 532	-	(19 877)	79 655	77 460	2 195	97.2%	112 361	112 361
2.2 Farmer Support and Development	1 239 099	-	14 708	1 253 807	1 167 294	86 513	93.1%	1 158 775	1 126 825
2.3 Veterinary Services	142 061	-	40 986	183 047	182 517	530	99.7%	135 812	135 812
2.4 Research and Technology Development	166 192	-	5 501	171 693	169 990	1 703	99.0%	163 704	163 704
2.5 Agricultural Economic Services	6 561	-	-	6 561	6 262	299	95.4%	5 641	5 641
2.6 Structured Agricultural Education and Training	143 390	-	(41 318)	102 072	97 680	4 392	95.7%	122 971	122 221
Total for sub programmes	1 796 835	-	-	1 796 835	1 701 203	95 632	94.7%	1 699 264	1 666 564
Economic classification									
Current payments	1 494 498	-	(133 908)	1 360 590	1 290 529	70 061	94.9%	1 388 127	1 365 127
Compensation of employees	742 883	-	(15 333)	727 550	726 900	650	99.9%	712 792	712 792
Salaries and wages	638 834	-	(12 398)	626 436	625 786	650	99.9%	616 558	616 558
Social contributions	104 049	-	(2 935)	101 114	101 114	-	100.0%	96 234	96 234
Goods and services	751 615	-	(118 672)	632 943	563 532	69 411	89.0%	675 310	652 310
Administrative fees	636	-	(560)	76	76	-	100.0%	303	303
Advertising	997	-	(830)	167	167	-	100.0%	569	569
Minor assets	9 799	-	(6 829)	2 970	2 970	-	100.0%	8 347	8 347
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	589	-	-	589	589	-	100.0%	5 781	5 781
Catering: Departmental activities	2 353	-	76	2 429	2 429	-	100.0%	7 943	7 943
Communication	21 388	-	111	21 499	21 499	-	100.0%	18 241	18 241
Computer services	1 045	-	-	1 045	1 045	-	100.0%	2 586	2 586
Consultants: Business and advisory services	-	-	-	-	-	-	-	92	92
Infrastructure and planning services	149 214	-	(37 689)	111 525	73 987	37 538	66.3%	148 050	148 050

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Programme 2: Agriculture and Rural Development									
	2014/15					2013/14			
	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
Laboratory services	11	-	43	54	54	-	100.0%	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	65 738	-	(28 355)	37 383	37 383	-	100.0%	65 104	65 104
Agency and support / outsourced services	39 631	-	(14 002)	25 629	25 533	96	99.6%	9 997	9 997
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	30 654	-	(1 558)	29 096	29 096	-	100.0%	29 494	29 494
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	4 206	-	244	4 450	4 450	-	100.0%	5 757	5 757
Inventory: Farming supplies	153 039	-	15 215	168 254	139 717	28 537	83.0%	166 059	143 059
Inventory: Food and food supplies	1 960	-	(1 960)	-	-	-	-	7	7
Inventory: Fuel, oil and gas	9 801	-	(3 726)	6 075	6 075	-	100.0%	10 338	10 338
Inventory: Learner and teacher support material	1 410	-	37	1 447	1 447	-	100.0%	774	774
Inventory: Materials and supplies	11 820	-	(6 822)	4 998	4 998	-	100.0%	5 366	5 366
Inventory: Medical supplies	440	-	5	445	445	-	100.0%	583	583
Inventory: Medicine	21 048	-	(3 153)	17 895	17 859	36	99.8%	17 231	17 231
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	2 444	-	1 155	3 599	3 599	-	100.0%	2 861	2 861
Consumable supplies	60 861	-	(14 005)	46 856	43 665	3 191	93.2%	22 531	22 531
Consumable: Stationery, printing and office supplies	6 166	-	(2 691)	3 475	3 475	-	100.0%	5 471	5 471
Operating leases	24 997	-	(1 026)	23 971	23 971	-	100.0%	23 826	23 826
Property payments	35 312	-	876	36 188	36 188	-	100.0%	33 013	33 013
Transport provided: Departmental activity	267	-	-	267	267	-	100.0%	672	672
Travel and subsistence	66 096	-	(2 523)	63 573	63 573	-	100.0%	69 935	69 935

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

Programme 2: Agriculture and Rural Development									
	2014/15					2013/14			
	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
Training and development	11 372	-	(6 841)	4 531	4 531	-	100.0%	5 696	5 696
Operating payments	9 137	-	(1 450)	7 687	7 687	-	100.0%	5 719	5 719
Venues and facilities	8 846	-	(2 424)	6 422	6 409	13	99.8%	2 906	2 906
Rental and hiring	338	-	10	348	348	-	100.0%	58	58
Interest and rent on land	-	-	97	97	97	-	100.0%	25	25
Interest	-	-	34	34	34	-	100.0%	25	25
Rent on land	-	-	63	63	63	-	100.0%	-	-
Transfers and subsidies	191 184	-	28 755	219 939	214 897	5 042	97.7%	148 898	148 045
Provinces and municipalities	247	-	371	618	618	-	100.0%	501	398
Provinces	247	-	337	584	584	-	100.0%	501	398
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	247	-	337	584	584	-	100.0%	501	398
Municipalities	-	-	34	34	34	-	100.0%	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	34	34	34	-	100.0%	-	-
Departmental agencies and accounts	110 771	(4 361)	3	106 413	106 413	-	100.0%	82 396	82 396
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	110 771	(4 361)	3	106 413	106 413	-	100.0%	82 396	82 396
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	67 252	4 361	24 641	96 254	91 962	4 292	95.5%	55 235	55 235
Public corporations	65 252	2 882	6 719	74 853	73 165	1 688	97.7%	48 115	48 038
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	65 252	2 882	6 719	74 853	73 165	1 688	97.7%	48 115	48 038

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

Programme 2: Agriculture and Rural Development									
2014/15							2013/14		
	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
Private enterprises	2 000	1 479	17 922	21 401	18 797	2 604	87.8%	7 120	7 197
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	2 000	1 479	17 922	21 401	18 797	2 604	87.8%	7 120	7 197
Non-profit institutions	6 050	-	-	6 050	5 300	750	87.6%	1 000	250
Households	6 864	-	3 740	10 604	10 604	-	100.0%	9 766	9 766
Social benefits	6 864	-	3 680	10 544	10 544	-	100.0%	9 722	9 722
Other transfers to households	-	-	60	60	60	-	100.0%	44	44
Payments for capital assets	111 153	-	105 153	216 306	195 777	20 529	90.5%	162 239	153 392
Buildings and other fixed structures	82 518	-	115 413	197 931	179 160	18 771	90.5%	131 633	122 786
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	82 518	-	115 413	197 931	179 160	18 771	90.5%	131 633	122 786
Machinery and equipment	27 613	-	(9 535)	18 078	16 433	1 645	90.9%	30 089	30 089
Transport equipment	2 370	-	5 078	7 448	7 448	-	100.0%	5 083	5 083
Other machinery and equipment	25 243	-	(14 613)	10 630	8 985	1 645	84.5%	25 006	25 006
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	586	-	(328)	258	145	113	56.2%	474	474
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	436	-	(397)	39	39	-	100.0%	43	43
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 796 835	-	-	1 796 835	1 701 203	95 632	94.7%	1 699 264	1 666 564

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

2.1 Sustainable Resource Management									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	94 926	-	(22 633)	72 293	70 594	1 699	97.6%	106 138	106 138
Compensation of employees	24 386	-	117	24 503	24 503	-	100.0%	24 153	24 153
Goods and services	70 540	-	(22 750)	47 790	46 091	1 699	96.4%	81 985	81 985
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 183	-	6	2 189	1 702	487	77.8%	1 485	1 485
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	1 756	-	-	1 756	1 269	487	72.3%	1 431	1 431
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	427	-	6	433	433	-	100.0%	54	54
Payments for capital assets	2 423	-	2 750	5 173	5 164	9	99.8%	4 738	4 738
Buildings and other fixed structures	-	-	3 977	3 977	3 968	9	99.8%	2 268	2 268
Machinery and equipment	2 355	-	(1 159)	1 196	1 196	-	100.0%	2 443	2 443
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	68	-	(68)	-	-	-	-	27	27
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	99 532	-	(19 877)	79 655	77 460	2 195	97.2%	112 361	112 361

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

2.2 Farmer Support and Development									
Economic classification	2014/15					2013/14			
	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	984 903	-	(125 329)	859 574	795 628	63 946	92.6%	888 740	865 740
Compensation of employees	432 948	-	(15 833)	417 115	417 096	19	100.0%	398 163	398 163
Goods and services	551 955	-	(109 524)	442 431	378 504	63 927	85.6%	490 560	467 560
Interest and rent on land	-	-	28	28	28	-	100.0%	17	17
Transfers and subsidies	181 849	-	27 854	209 703	205 898	3 805	98.2%	142 924	142 821
Provinces and municipalities	247	-	337	584	584	-	100.0%	501	398
Departmental agencies and accounts	110 771	(4 361)	2	106 412	106 412	-	100.0%	82 394	82 394
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	65 496	4 361	24 641	94 498	90 693	3 805	96.0%	53 804	53 804
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5 335	-	2 874	8 209	8 209	-	100.0%	6 225	6 225
Payments for capital assets	72 347	-	112 183	184 530	165 768	18 762	89.8%	127 111	118 264
Buildings and other fixed structures	58 682	-	118 178	176 860	158 098	18 762	89.4%	109 866	101 019
Machinery and equipment	13 576	-	(6 051)	7 525	7 525	-	100.0%	17 161	17 161
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	73	-	72	145	145	-	100.0%	84	84
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	16	-	(16)	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 239 099	-	14 708	1 253 807	1 167 294	86 513	93.1%	1 158 775	1 126 825

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

2.3 Veterinary Services									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	133 654	-	37 243	170 897	170 367	530	99.7%	131 438	131 438
Compensation of employees	93 322	-	8 215	101 537	101 537	-	100.0%	94 869	94 869
Goods and services	40 332	-	29 028	69 360	68 830	530	99.2%	36 569	36 569
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 593	-	272	5 865	5 865	-	100.0%	1 938	1 938
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	1	1	1	-	100.0%	2	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	5 300	-	-	5 300	5 300	-	100.0%	-	-
Households	293	-	271	564	564	-	100.0%	1 936	1 936
Payments for capital assets	2 814	-	3 471	6 285	6 285	-	100.0%	2 436	2 436
Buildings and other fixed structures	-	-	5 277	5 277	5 277	-	100.0%	-	-
Machinery and equipment	2 814	-	(1 806)	1 008	1 008	-	100.0%	2 436	2 436
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	142 061	-	40 986	183 047	182 517	530	99.7%	135 812	135 812

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

2.4 Research and Technology Development									
Economic classification	2014/15					2013/14			
	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	138 817	-	24 802	163 619	163 619	-	100.0%	149 800	149 800
Compensation of employees	118 971	-	5 694	124 665	124 665	-	100.0%	117 596	117 596
Goods and services	19 846	-	19 044	38 890	38 890	-	100.0%	32 204	32 204
Interest and rent on land	-	-	64	64	64	-	100.0%	-	-
Transfers and subsidies	519	-	491	1 010	1 010	-	100.0%	1 404	1 404
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	519	-	491	1 010	1 010	-	100.0%	1 404	1 404
Payments for capital assets	26 856	-	(19 792)	7 064	5 361	1 703	75.9%	12 500	12 500
Buildings and other fixed structures	21 936	-	(19 792)	2 144	2 144	-	100.0%	5 528	5 528
Machinery and equipment	4 807	-	-	4 807	3 217	1 590	66.9%	6 566	6 566
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	113	-	-	113	-	113	-	390	390
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	16	16
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	166 192	-	5 501	171 693	169 990	1 703	99.0%	163 704	163 704

APPROPRIATION STATEMENT **FOR THE YEAR ENDED 31 MARCH 2015**

2.5 Agricultural Economic Services									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 506	-	-	6 506	6 262	244	96.2%	5 641	5 641
Compensation of employees	5 558	-	-	5 558	5 491	67	98.8%	4 998	4 998
Goods and services	948	-	-	948	771	177	81.3%	643	643
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	55	-	-	55	-	55	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	55	-	-	55	-	55	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	6 561	-	-	6 561	6 262	299	95.4%	5 641	5 641

APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

2.6 Structured Agricultural Education and Training									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	135 692	-	(47 991)	87 701	84 059	3 642	95.8%	106 370	106 370
Compensation of employees	67 698	-	(13 526)	54 172	53 608	564	99.0%	73 013	73 013
Goods and services	67 994	-	(34 470)	33 524	30 446	3 078	90.8%	33 349	33 349
Interest and rent on land	-	-	5	5	5	-	100.0%	8	8
Transfers and subsidies	1 040	-	132	1 172	422	750	36.0%	1 147	397
Provinces and municipalities	-	-	34	34	34	-	100.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	750	-	-	750	-	750	-	1 000	250
Households	290	-	98	388	388	-	100.0%	147	147
Payments for capital assets	6 658	-	6 541	13 199	13 199	-	100.0%	15 454	15 454
Buildings and other fixed structures	1 900	-	7 773	9 673	9 673	-	100.0%	13 971	13 971
Machinery and equipment	4 006	-	(519)	3 487	3 487	-	100.0%	1 483	1 483
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	400	-	(400)	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	352	-	(313)	39	39	-	100.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	143 390	-	(41 318)	102 072	97 680	4 392	95.7%	122 971	122 221

NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Administration	334 211	301 841	32 370	9.69%
Agriculture and Rural Development	1 796 835	1 701 203	95 632	5.32%

"This underspending for Administration is due to the following:

- R15.739 million relates to the buildings and other fixed structures as a result of the slow progress of implementing projects by the Department of Works who is the implementing agent for all infrastructure related activities at the department's administrative buildings
- The tender process was not finalized during the year for the project to replace the signage of all departmental offices since the department's offices are poorly marked and also have out-dated name of the department."

"This underspending for Agriculture and Rural Development is due to the following:

- Late rains and challenges of procurement for mechanization and food security programme had a negative impact on the expenditure and resulted in under-expenditure under the goods and services
- The challenges within Supply Chain Management also affected the department's planned infrastructure projects with many not being implemented, resulting in the under expenditure of some R18 million under buildings and fixed structures.
- Under expenditure of R5.042 million under transfer payments is due to:
- Lower than expected claims for soil conservation subsidy and financial assistance for organized agricultural shows,
- Challenges at Zakhe Agricultural College and therefore the remaining R750 000 not being transferred;
- The cut-flower project at LIV was not implemented as there were some challenges with regard to the land to be used that needed to be addressed by LIV before this project could commence."

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	852 364	851 046	1318	0.15%
Goods and services	790 113	714 125	75 988	9.62%
Interest and rent on land	171	171	-	-
Transfers and subsidies:				
Provinces and municipalities	1 237	1 237	-	-
Departmental agencies and accounts	108 351	108 351	-	-
Higher education institutions	-	-	-	-
Public corporations and private enterprises	96 254	91 962	4 292	4.46%
Foreign governments and international organisations	-	-	-	-
Non-profit institutions	6 050	5 300	750	12.40%
Households	12 266	12 266	-	-
Payments for capital assets:				
Buildings and other fixed structures	217 324	182 814	34 510	15.88%
Machinery and equipment	43 134	32 180	10 954	25.40%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	258	145	113	43.80%
Land and subsoil assets	-	-	-	-
Intangible assets	116	39	77	66.38%
Payments for financial assets	-	-	-	-

- Compensation of employees was marginally under-spent by R1.318 million of Final Appropriation, due to the vacancies within the department.
- Goods and services reflect significant under-expenditure of R75.988 million of the Final Appropriation, mainly as a result of the following:
 - The late rains and procurement challenges for the mechanization and food security programmes
 - Outstanding commitments in respect of various orders issued for which the service has not yet been received.
- With regard to Transfers and subsidies:
 - Non-profit institutions was under-spent by R750 000 of Final Appropriation, due to the Zakhe Agricultural College not meeting the conditions of the funding agreement entered into with the department.
 - Other reflects under-expenditure of R4.292 million of Final Appropriation, due to the lower demand for soil conservation subsidy, financial assistance for agricultural shows and the transfer to LIV for the cut-flower project that did not materialise as planned.

- With regard to Payments for capital assets:
 - Buildings and other fixed structures reflects under-spending of R34.510 million of the Final Appropriation spent. This under-spending relates to the slow progress by DoW for infrastructure projects relating to the administrative buildings of the department as well as the effect of the SCM challenges on the agricultural infrastructure projects as already mentioned above.
 - Machinery and equipment also shows under-spending of R10.954 million relating to various equipment ordered but not delivered and the tender for the signage of departmental offices that could not be finalized during the year.

4.3 Per conditional grant:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Land Care	10 854	10 854	-	-
Comp Agricultural Support Programme	212 632	212 632	-	-
Lima/ Letsema Project	92 093	92 093	-	-
EPWP Incentive grant for Provinces	4 181	4 181	-	-

Conditional Grants 100% spent.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
REVENUE			
Annual appropriation	1	2 131 046	2 850 023
Departmental revenue	2	32 267	21 212
Aid assistance	3	-	2 291
TOTAL REVENUE		2 163 313	2 873 526
EXPENDITURE			
Current expenditure			
Compensation of employees	4	851 046	918 626
Goods and services	5	714 125	968 606
Interest and rent on land	6	171	112
Aid assistance	3	1 410	1 058
Total current expenditure		1 566 752	1 888 402
Transfers and subsidies			
Transfers and subsidies	8	219 116	741 598
Total transfers and subsidies		219 116	741 598
Expenditure for capital assets			
Tangible capital assets	9	215 139	180 318
Intangible assets	9	39	43
Total expenditure for capital assets		215 178	180 361
Payment for financial assets	7	3 408	1 073
TOTAL EXPENDITURE		2 004 454	2 811 434
SURPLUS/(DEFICIT) FOR THE YEAR		158 859	62 092
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		128 002	39 647
Annual appropriation		128 002	16 647
Conditional grants			23 000
Departmental revenue and NRF Receipts	14	32 267	21 212
Aid assistance	3	(1 410)	1 233
SURPLUS/(DEFICIT) FOR THE YEAR		158 859	62 092

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
ASSETS			
Current assets		90 907	45 869
Cash and cash equivalents	10	71 254	39 645
Prepayments and advances	11	-	37
Receivables	12	19 653	6 187
Investments	12	2 075	-
Other financial assets			
TOTAL ASSETS		92 982	45 869
LIABILITIES			
Current liabilities		92 468	44 580
Voted funds to be surrendered to the Revenue Fund	13	88 002	39 647
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	3 492	151
Payables	15	562	2 960
Aid assistance repayable	3	412	1 822
TOTAL LIABILITIES		92 468	44 580
NET ASSETS		514	1 289
Represented by:			
Recoverable revenue		514	1 289
TOTAL		514	1 289

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Recoverable revenue			
Opening balance		1 289	509
Transfers		(775)	780
Debts revised		-	994
Debts recovered (included in Departmental receipts)		(1 652)	(539)
Debts raised		877	325
Closing balance		514	1 289
 TOTAL		 514	 1 289

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Note	2014/15 R'000	2013/14 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 112 719	2 873 388
Annual appropriated funds received	1.1	2 091 046	2 850 023
Departmental revenue received	2	21 304	20 850
Interest received	2.3	369	224
Aid assistance received	3	-	2 291
Net (increase)/ decrease in working capital		(17 902)	5 132
Surrendered to Revenue Fund		(68 573)	(22 495)
Surrendered to RDP Fund/Donor		-	18 026
Current payments		(1 566 644)	(1 888 290)
Interest paid	6	(108)	(112)
Payments for financial assets		(3 408)	(1 073)
Transfers and subsidies paid		(219 116)	(741 598)
Net cash flow available from operating activities	16	236 968	242 978
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(215 178)	(180 361)
Proceeds from sale of capital assets	2.4	10 594	138
Net cash flows from investing activities		(204 584)	(180 223)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(775)	780
Net cash flows from financing activities		(775)	780
Net increase/(decrease) in cash and cash equivalents		31 609	63 535
Cash and cash equivalents at beginning of period		39 645	(23 890)
Cash and cash equivalents at end of period	17	71 254	39 645

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2015

Summary of significant accounting policies

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

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. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7 Revenue

7.1 Appropriated funds

Appropriated funds 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 Payables

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

16 Capital Assets

16.1 Immovable capital asset

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

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) may be recorded at R1.

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

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

16.2 Movable capital assets

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

Where the cost of movable capital assets cannot be determined 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) may be recorded at R1.

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

Subsequent expenditure that is of a capital nature 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.

16.3 Intangible assets

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

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

Where the cost of intangible assets cannot be determined 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) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

17 Provisions and Contingents

17.1 Provisions

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

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 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

18 Unauthorised expenditure

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

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

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

19 Fruitless and wasteful expenditure

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

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

20 Irregular expenditure

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

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery 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.

21 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

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

22 Events after the reporting date

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

23 Departures from the MCS requirements

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

24 Capitalisation reserve

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

25 Recoverable revenue

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

26 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.

27 Inventories (Effective from 1 April 2016)

At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements. Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Annual Appropriation

1.1 Annual Appropriation

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

		2014/15		2013/14
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received 2011/12
Programmes	R'000	R'000	R'000	R'000
Administration	334 211	334 211	-	327 683
Agriculture and Rural Development	1 796 835	1 756 835	40 000	1 699 264
Environmental Management				231 327
Conservation				591 749
Total	2 131 046	2 091 046	40 000	2 850 023

Provincial Treasury and the Department discussed the level of expenditure towards the end of March 2015 and agreed that it was not necessary to transfer the entire amount appropriated as the department was realising an under expenditure for 2014/15 financial year.

1.2 Conditional grants

	Note	2014/15 R'000	2013/14 R'000
Total grants received	46	319 760	287 586

The total amount appropriated for conditional grants was received for the 2014/15 and 2013/14 financial year.

2. Departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	19 520	17 751
Fines, penalties and forfeits	2.2	-	1 279
Interest, dividends and rent on land	2.3	369	224
Sales of capital assets	2.4	10 594	138
Transactions in financial assets and liabilities	2.5	1 784	1 820
Total revenue collected		32 267	21 212
Departmental revenue collected		32 267	21 212

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

The significant increase in departmental revenue between 2013/14 and 2014/15 is largely due to the proceeds from an auction of redundant assets that occurred in 2013/14 only being received by the department in the 2014/15 financial year. This is reflected against the item Sale of capital assets. On the other hand, the revenue for Fines, penalties and forfeits reflects zero collections in 2014/15 compared to R1.279 million in 2013/14 due to this item of revenue being linked to environmental contraventions which has been shifted to Vote 4: Economic Development, Tourism and Environmental Affairs.

2.1 Sales of goods and services other than capital assets

	Note	2014/15	2013/14
	2	R'000	R'000
Sales of goods and services produced by the Department		19 518	17 748
Sales by market establishment		3 325	4 024
Administrative fees		5	1 529
Other sales		16 188	12 195
Sales of scrap, waste and other used current goods		2	3
Total		19 520	17 751

2.2 Fines, penalties and forfeits

	Note	2014/15	2013/14
	2	R'000	R'000
Fines		-	1 279
Total		-	1 279

2.3 Interest, dividends and rent on land

	Note	2014/15	2013/14
	2	R'000	R'000
Interest		369	224
Total		369	224

2.4 Sale of capital assets

	Note	2014/15	2013/14
		R'000	R'000
Tangible capital assets	2	10 594	138
Machinery and equipment	30	10 366	-
Biological assets	30	228	138
Total		10 594	138

2.5 Transactions in financial assets and liabilities

	Note	2014/15	2013/14
	2	R'000	R'000
Receivables		737	479
Other Receipts including Recoverable Revenue		1 047	1 341
		1 784	1 820

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

3. Aid assistance

	2014/15 R'000	2013/14 R'000
Opening Balance	1 822	(17 437)
Prior period error	-	-
As restated	1 822	(17 437)
Transferred from statement of financial performance	(1 410)	(1 058)
Transfers to or from retained funds		2 291
Paid during the year		18 026
Closing Balance	412	1 822

3.1 Aid assistance received by source

	Note 3	2014/15 R'000	2013/14 R'000
Aid assistance from RDP		412	1 822
Aid assistance from other sources			-
CARA			-
Closing Balance		412	1 822

The department receives funding from the World Health Organisation for funding of the rabies elimination programme in the province.

It must be noted in 2013/14 the aid assistance was incorrectly classified as Aid Assistance from Other Sources, this has been corrected and disclosed correctly as Aid Assistance from RDP.

3.2 Analysis of balance

	Note 3	2014/15 R'000	2013/14 R'000
Aid assistance receivable			
Aid assistance prepayments			
Aid assistance unutilised			
Aid assistance repayable		412	1 822
Closing Balance		412	1 822

The funding arrangement with the World Health Organisation will end in December 2015 and the amount remaining of R412 000 will be utilised by that date, together with any new fund still to be received during 2015/16 financial year.

3.3 Prior period error

	Note 3	2013/14 R'000
Nature of prior period error		
Relating to 2013/14		1 822
Closing Balance		1 822

The aid assistance was not correctly classified as funding received through the RDP funding which has now been corrected in 2014/15 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Basic salary		597 091	644 299
Performance award		8 727	10 493
Service Based		1 808	3 754
Compensative/circumstantial		11 435	12 635
Periodic payments		4 961	7 026
Other non-pensionable allowances		110 282	117 813
		734 304	796 020

4.2 Social contributions

		2014/15	2013/14
		R'000	R'000
Employer contributions			
Pension		75 670	77 642
Medical		40 866	44 737
Bargaining council		206	227
Total		116 742	122 606
Total compensation of employees		851 046	918 626
 Average number of employees		 2 901	 3 817

The significant reduction in the number of employees is due to the contracts of the assistant extension officers coming to an end during 2014/15 financial year as well as the function shift of the Environmental Management function to Department of Economic Development, Tourism and Environmental Affairs.

5. Goods and services

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Administrative fees		77	303
Advertising		9 440	21 136
Minor assets	5.1	4 350	10 067
Bursaries (employees)		793	6 086
Catering		2 990	8 046
Communication		40 538	44 116
Computer services	5.2	40 996	32 145

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Consultants: Business and advisory services		2 724	10 780
Infrastructure and planning services		74 728	148 623
Laboratory services		54	-
Legal services		1 987	4 184
Contractors		72 742	76 408
Agency and support / outsourced services		1 076	127 623
Audit cost – external	5.3	4 389	3 776
Fleet services		35 507	36 486
Inventory	5.4	176 157	188 291
Consumables	5.5	56 595	38 488
Operating leases		25 647	25 586
Property payments	5.6	61 045	58 369
Rental and hiring		355	97
Transport provided as part of the departmental activities		282	1 092
Travel and subsistence	5.7	78 053	101 612
Venues and facilities		6 686	4 902
Training and development		8 040	12 676
Other operating expenditure	5.8	8 874	7 714
Total		714 125	968 606

The reduction in the expenditure in 2014/15 is due to the transfer of the environmental management function from this department to Economic Development, Tourism and Environmental Affairs. This is particularly evident against the item Agency and support / outsourced services which housed the expenditure for the Invasive Alien Species Programme.

5.1 Minor Assets

	Note	2014/15	2013/14
	5	R'000	R'000
Tangible assets		4 350	10 067
Biological assets		569	2 682
Machinery and equipment		3 781	7 385
Intangible assets		-	11
Total		4 350	10 067

The acquisition of biological assets is dependent on the type and magnitude of research undertaken and the reduction in 2014/15 is therefore an indication that the requirement was less than in the previous year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

5.2 Computer services

	<i>Note</i> 5	2014/15 R'000	2013/14 R'000
SITA computer services		39 951	27 450
External computer service providers		1 045	4 695
Total		40 996	32 145

The increase in the SITA costs is due to the review of the SLA which included alignment to the actual number of users in the department. The previous SLA was based on outdated departmental information which did not take into account the growth in the department over time.

5.3 Audit cost – External

	<i>Note</i> 5	2014/15 R'000	2013/14 R'000
Regularity audits		4 389	3 776
Total		4 389	3 776

The audit costs are in line with the audit fees agreed to with the Auditor-General.

5.4 Inventory

	<i>Note</i> 5	2014/15 R'000	2013/14 R'000
Clothing material and accessories		4 863	6 063
Farming supplies		139 717	147 505
Food and food supplies		-	8
Fuel, oil and gas		6 076	10 338
Learning and teaching support material		1 619	919
Materials and supplies		5 501	5 551
Medical Supplies		523	592
Medicine		17 858	17 315
Total		176 157	188 291

The slight reduction in actual expenditure is in respect of agricultural inputs under the Farming supplies item which was affected by the late rains and drought as well as procurement challenges resulting in under expenditure during the 2014/15 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

5.5 Consumables

	Note 5	2014/15 R'000	2013/14 R'000
Consumable supplies		48 475	26 328
Uniform and Clothing		16	88
Household Supplies		2 388	2 496
Building Material and Supplies		38 994	18 530
Communication Accessories		-	1
IT Consumables		94	125
Other Consumables		6 983	5 088
Stationery, printing and office supplies		8 120	12 160
Total		56 595	38 488

The increase in building material and supplies is linked to the red line fence that was erected in the northern parts of the province as a control measure to maintain the Foot and Mouth Disease free status.

5.6 Property payments

	Note 5	2014/15 R'000	2013/14 R'000
Municipal services		23 490	25 120
Property maintenance and repairs		36 818	32 317
Other		737	932
Total		61 045	58 369

5.7 Travel and subsistence

	Note 5	2014/15 R'000	2013/14 R'000
Local		77 638	99 930
Foreign		415	1 682
Total		78 053	101 612

The reduction in expenditure is due to the transfer of the environmental management function to Economic Development, Tourism and Environmental Affairs

5.8 Other operating expenditure

	Note 5	2014/15 R'000	2013/14 R'000
Professional bodies, membership and subscription fees		640	34
Resettlement costs		649	822
Other		7 585	6 858
Total		8 874	7 714

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

6. Interest and rent on land

	2014/15 R'000	2013/14 R'000
Interest paid	108	112
Rent on land	63	-
Total	171	112

7. Payments for financial assets

	Note	2014/15 R'000	2013/14 R'000
Other material losses written off	7.2	933	2
Debts written off	7.3	2 475	1 071
Total		3 408	1 073

7.1 Other Material Losses Written off

	Note 7	2014/15 R'000	2013/14 R'000
Nature of losses			
Salary related deductions		-	2
Penalties to SARS		933	-
Total		933	2

7.2 Debts written off

	Note 7	2014/15 R'000	2013/14 R'000
Other debt written off			
Irrecoverable debts written off		2 475	979
Pension Recoverable		-	92
Total debt written off		2 475	1 071

In terms of Section 6.3.5 of the Debt Management Policy; possible write-offs should firstly be identified. All reason-able steps should have been taken to recover the debt. A submission should be prepared with recommendation and supporting documentation to the accounting officer who will approve that the debt be removed from BAS. Funds to write-off the debt against must be identified.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

8. Transfers and subsidies

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Provinces and municipalities	35	1 237	1 469
Departmental agencies and accounts	<i>Annex 1A</i>	108 351	668 918
Public corporations and private enterprises	<i>Annex 1B</i>	91 962	55 235
Non-profit institutions	<i>Annex 1C</i>	5 300	5 477
Households	<i>Annex 1D</i>	12 267	10 455
Total		219 117	741 554

The decrease against Departmental agencies and accounts is in respect of KZN Wildlife that has shifted to EDTEA. The increase against Public corporation and private enterprise is due to the transfer to SA Sugar Association of R14.604 million to assist small scale sugar cane farmers affected by the drought, increase against Public corporation and private enterprise is due to the transfer to SA Sugar Association of R14.604 million to assist small scale sugar cane farmers affected by the drought, increase allocation to Mjindi Farming in respect of irrigation and farming equipment of R14 million as well as transfer to LIV for hydroponics and cut flower project of R3.3 million, irrigation and farming equipment of R14 million as well as transfer to LIV for hydroponics and cut flower project of R3.3 million.

9. Expenditure for capital assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Tangible assets		215 139	180 318
Buildings and other fixed structures	32	182 814	133 464
Machinery and equipment	30	32 181	46 380
Biological assets	30	144	474
Intangible assets		39	43
Software	31	39	43
Total		215 178	180 361

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

9.1 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	215 139		215 139
Buildings and other fixed structures	182 814		182 814
Machinery and equipment	32 181		32 181
Biological assets	144		144
Intangible assets	39		39
Software	39		39
Total	215 178	–	215 178

9.2 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

10. Cash and cash equivalents

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account		71 568	40 506
Cash receipts		2	–
Disbursements		(352)	(918)
Cash on hand		36	57
Total		71 254	39 645

11. Prepayments and advances

	2014/15 R'000	2013/14 R'000
Travel and subsistence	–	37
Total	–	37

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

12. Receivables

Detail	Note	2014/15			Total R'000	2013/14 Total R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
Claims recoverable	12.1 Annex 4	19 072	–	–	19 072	1 142
Recoverable expenditure	12.3	203	–	–	203	7
Staff debt	12.4	325	616	677	1 618	3 724
Other debtors	12.5	53	782	–	835	1 314
Total		19 653	1 398	677	21 728	6 187

12.1 Claims recoverable

	Note 12	2013/14 R'000	2011/12 R'000
National Departments		190	16
Provincial Departments		18 882	1 126
Total		19 072	1 142

12.2 Recoverable expenditure (disallowance accounts)

	Note 12	2014/15 R'000	2013/14 R'000
Disallowance Miscellaneous		–	2
Salary Tax Debt		203	5
Total		203	7

12.3 Staff debt

	Note 12	2014/15 R'000	2013/14 R'000
Staff Overpayments and Salary Tax Debts		1 321	3 340
T&S Debt		272	311
Misuse of State property		–	1
Bursary Debt		25	72
Total		1 618	3 724

12.4 Other debtors

	Note 12	2014/15 R'000	2013/14 R'000
Salary Insurance Deductions		5	1
Salary Pension Fund		33	–
Supplier Debts		797	1 313
Total		835	1 314

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

12.5 Impairment of Receivables

	Note	2014/15	2013/14
	17	R'000	R'000
Estimate of impairment of Receivables		646	3 103
Total		646	3 103

13. Voted funds to be surrendered to the Revenue Fund

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		39 647	946
Transfer from statement of financial performance		128 002	39 647
Voted funds not requested/not received	1.1	(40 000)	-
Paid during the year		(39 647)	(946)
Closing balance		88 002	39 647

The amount to be surrendered has increased in 2014/15 as a result of the under-expenditure recorded by the department.

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

	Note	2014/15	2013/14
		R'000	R'000
Opening balance		151	488
Transfer from Statement of Financial Performance		32 267	21 212
Paid during the year		(28 926)	(21 549)
Closing balance		3 492	151

15. Payables – current

	Note	2014/15	2013/14
		R'000	R'000
Advances received	15.1	-	547
Clearing accounts	15.2	121	227
Other payables	15.3	441	2 186
Total		562	2 960

15.1 Advances Received

	Note	2014/15	2013/14
	15	R'000	R'000
National departments		-	-
Provincial departments		-	547
		-	547

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

15.2 Clearing accounts

	Note 15	2014/15 R'000	2013/14 R'000
Salary ACB Recalls		62	140
Salary Deduction Disallowance		-	1
Disallowance Dishonoured Cheques		12	12
Salary Reversal Control		19	74
Disallowance Miscellaneous		28	-
Total		121	227

15.3 Other payables

	Note 15	2014/15 R'000	2013/14 R'000
Pension Recoverable			92
Salary Motor Finance		74	-
Credit balances in Staff debts		-	55
Credit balances in T&S Dom		-	5
Salary Income Tax		258	1 394
Salary Insurance Deductions		-	272
Salary Pension Fund		-	365
Salary Medical Aid		109	3
Total		441	2 186

16. Net cash flow available from operating activities

	Note	2014/15 R'000	2013/14 R'000
Net surplus/(deficit) as per Statement of Financial Performance		158 859	62 092
Add back non cash/cash movements not deemed operating activities		78 109	180 886
(Increase)/decrease in receivables – current		(15 541)	4 202
(Increase)/decrease in prepayments and advances		37	50
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(2 398)	880
Proceeds from sale of capital assets		(10 594)	(138)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		215 178	180 361
Surrenders to Revenue Fund		(68 573)	(22 495)
Surrenders to RDP Fund/Donor		-	18 026
Voted funds not requested/not received		(40 000)	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		236 968	242 978

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General account		71 568	40 506
Cash receipts		2	-
Disbursements		(352)	(918)
Cash on hand		36	57
Total		71 254	39 645

18. Contingent liabilities and contingent assets

18.1 Contingent Liabilities

		Note	2014/15 R'000	2013/14 R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	349	666
Claims against the Department		Annex 3B	13 516	25 287
Intergovernmental payables (unconfirmed balances)		Annex 5	1 103	1 922
Total			14 968	27 875

Housing loan guarantees are being phased out and no new guarantees are being issued.
Claims against the department relate to legal cases currently pending. The finalisation is dependant on the outcome of the cases to be determined by State Attorney.

19. Commitments

	2014/15 R'000	2013/14 R'000
Current expenditure	37 583	101 046
Approved and contracted	37 583	101 046
Approved but not yet contracted	-	-
Capital expenditure	160 638	124 474
Approved and contracted	160 638	124 474
Approved but not yet contracted	-	-
Total Commitments	198 221	225 520

Commitments disclosed relate to no longer than one financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

20. Accruals and payables not recognised

	2014/15			2013/14
	R'000			R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	25 298	3 013	28 311	24 841
Transfers and subsidies	-	-	-	-
Capital assets	189	-	189	104
Total	25 486	3 013	28 500	24 945
	2014/15			2013/14
	R'000			R'000
Listed by programme level				
Administration			8 081	7 742
Agricultural Development Service			20 419	15 086
Environmental Management			-	2 117
			28 500	24 945
	Note	2014/15	2013/14	
		R'000	R'000	
Confirmed balances with other Departments	Annex 5	39	3 184	
Total		39	3 184	

21. Employee benefits

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Leave entitlement		62 508	61 898
Service bonus (Thirteenth cheque)		24 483	25 387
Performance awards		14 474	14 772
Capped leave commitments		139 863	140 838
Other		-	-
Total		241 328	242 895

Negative Vacation leave of R176k is included in leave entitlement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

22. Lease commitments

22.1 Operating leases expenditure

	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15					
Not later than 1 year	-	-	11 471	2 381	13 852
Later than 1 year and not later than 5 years	-	-	28 192	1 384	29 576
Total lease commitments	-	-	39 663	3 765	43 428
2013/14					
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

Buildings and other fixed structures relates to Office accommodation leased through Public Works.
Machinery and equipment relates to Photocopier leases contracted on a 3 year basis

22.2 Finance leases expenditure**

	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15					
Not later than 1 year	-	-	-	2 088	2 088
Later than 1 year and not later than 5 years	-	-	-	343	343
Total lease commitments	-	-	-	2 431	2 431
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 lease commitments	-	-	-	11 486	11 486

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

23. Accrued Departmental revenue

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Sales of goods and services other than capital assets		5 784	8 208
		5 784	8 208

23.1 Analysis of accrued departmental revenue

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Opening balance		8 208	8 201
Less: amounts received		12 181	8 690
Add: amounts recognised		9 796	8 697
Less: amounts written-off/reversed as irrecoverable		39	-
Closing balance		5 784	8 208

23.2 Accrued department revenue written off

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Nature of losses			
Melda Dairies interest on capital		39	-
Total		39	-

24. Irregular expenditure**25.1 Reconciliation of irregular expenditure**

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Opening balance		151 764	176 694
Add: Irregular expenditure - relating to prior year		-	-
Add: Irregular expenditure - relating to current year		17 360	21 977
Less: Prior year amounts condoned		124 020	44 141
Less: Current year amounts condoned		-	-
Less: Amounts not condoned and recoverable		18	-
Less: Amounts not condoned and not recoverable		1 205	-
Closing balance		43 881	151 764
Analysis of awaiting condonation per age classification			
Current year		17 360	19 569
Prior years		26 521	132 195
Total		43 881	151 764

Provincial Treasury continued the exercise of reconciling the disclosures in the departments register and investigating each case with the department. Provincial Treasury reviewed each case individually by inspecting payment documents. Where information was insufficient to make recommendations the case was referred back to the department for further investigation. Cases where the recommendation was not to condone were consolidated as a first charge against the department's budget.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

24.2 Details of irregular expenditure – current year

	2014/15
Incident	R'000
3 Quotes not received(3 or more requested)	864
3 Quotes not obtained(less than 3 requested)	62
Month to Month Contracts	13 749
No Contract	251
Single source	55
Non Compliance with SCM Processes	2 007
Use of prohibited suppliers	372
Total	17 360

The largest portion of irregular expenditure identified related to expired contracts.

24.3 Details of irregular expenditure condoned

	2014/15
Incident	R'000
3 quotes not requested	5 812
Competitive bidding process not followed	17 818
Month to month contract	28 904
No order issued	45
No SBD 4 form	20
Requested for 3 or more quotes, but received less than 3	10 418
Suppliers not on the National Contract	51
Transversal contract not used	60 724
Variation in terms of reference.	132
Variation on order	96
Total	124 020

In evaluating each case the Provincial Treasury considered the following:

- 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 check on value for money
- the potential cost involved in further investigations into old cases
- steps taken by Departments to rectify matters.

24.4 Details of irregular expenditure recoverable (not condoned)

	2014/15
Incident	R'000
Incorrect supplier paid	18
Total	18

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

24.5 Details of irregular expenditure not recoverable (not condoned)

	2014/15
Incident	R'000
3 quotes not requested	352
Month to month contract	397
Competitive bid process not followed	426
No order	30
Total	1 205

24.6 Details of irregular expenditures under investigation

	2014/15
Incident	R'000
3 quotes not requested	3 044
Month to month contract	5 232
Requested for 3 or more quotes, but received less than 3	659
No contract	251
Competitive bidding process not followed	14 131
No order	15
Supplier restricted	1 654
Variations in terms of Reference	432
Conflict of interest	13
No supporting docs	447
Splitting of orders	643
Total	26 521

24.7 Prior period error

	2014/15
Nature of prior period error	R'000
Relating to other	(2 766)
Incorrectly classified 2012/13	(2 748)
incorrectly classified 2011/12	(18)
Relating to 2013/14	(358)
Incorrectly classified 2013/14	(358)
Total	(3 124)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

25. Fruitless and wasteful expenditure**25.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2014/15 R'000	2013/14 R'000
Opening balance		1 121	322
Prior period error			-
Fruitless and wasteful expenditure – relating to prior year			-
Fruitless and wasteful expenditure – relating to current year		334	799
Less: Amounts resolved		-	-
Less: Amounts transferred to receivables for recovery		-	-
Fruitless and wasteful expenditure awaiting resolution		1 455	1 121

25.2 Analysis of awaiting condonement per economic classification

Current	1 455	1 121
Total	1 455	1 121

25.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
Interest on Overdue Accounts		108
Cancellation Fees		3
Late Registration Fee		1
Damages to Hired Vehicle		103
No show: Accommodation Fees		119
Total		334

Investigations are currently being undertaken into each transaction and officials requested to provide explanations for each case.

26. Related parties

The following are related parties to the Department:

- Mjindi Farming (Pty) Ltd
- Agric Development Agency
- Ntingwe Tea (Pty) Ltd

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

27. Key management personnel

	No. of individuals	2014/15 R'000	2013/14 R'000
Political office bearers (provide detail below)	2	1 928	1 680
Officials:			
Level 15 to 16	5	5 580	5 727
Level 14 (incl. CFO if at a lower level)	6	5 718	6 716
Family members of key management personnel		-	-
		13 226	14 123

28. Impairment: other

	Note	2014/15 R'000	2013/14 R'000
Bad debts		646	3 103
Total		646	3 103

Reconciliation of movement in provisions - 2013/14

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance				18 027
Change in provision due to change is estimation inputs				(18 027)
Closing balance				-

29. Non-adjusting events after reporting date

No material subsequent events. The financial statements were approved by the Accounting Officer on 29 May 2015.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

30. Movable Tangible Capital Assets

Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Machinery and Equipment	502 427	42 387	34 888	509 571
Transport assets	145 670	25 789	31 474	139 985
Computer equipment	93 587	5 977	2 514	97 050
Furniture and office equipment	17 235	1 182	355	18 062
Other machinery and equipment	245 580	9 439	545	254 474
Biological Assets	1 476	-	305	1 171
Biological assets	1 476	-	305	1 171
Total Movable Tangible Capital Assets	503 548	42 387	35 193	510 742

30.1 Additions

Additions to Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2015

	Cash R'000	Non- cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
Machinery and Equipment	30 189	12 198			42 387
Transport assets	20 336	5 453			25 789
Computer equipment	5 713	264			5 977
Furniture and office equipment	1 013	169			1 182
Other machinery and equipment	3 127	6 312			9 439
Total Additions to Movable Tangible Capital Assets	30 189	12 198			42 387

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

30.2 Disposals

Disposals of Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2015

	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	22 483	12 405	34 888	10 366
Transport assets	21 769	9 705	31 474	10 366
Computer equipment	217	2 297	2 514	-
Furniture and office equipment	-	355	355	-
Other machinery and equipment	497	48	545	-
Biological Assets	305	-	305	228
Biological assets	305		305	228
Total Disposal of Movable Tangible Capital Assets	22 788	12 405	35 193	10 594

30.3 Movement for 2014/15

Movement in Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2015

	Opening balance R'000	Prior period error	Additions R'000	Disposals R'000	Closing Balance R'000
Machinery and Equipment	454 854	(2 699)	50 144	227	502 072
Transport assets	125 647	134	19 889	-	145 670
Computer equipment	81 285	(2 754)	15 273	217	93 587
Furniture and office equipment	15 288	89	1 868	10	17 235
Other machinery and equipment	232 634	(168)	13 114	-	245 580
Biological Assets	1 543	(199)	390	258	1 476
Biological assets	1 543	(199)	390	258	1 476
Total Movable Tangible Capital Assets	456 397	(2 898)	50 534	485	503 548

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

30.4 Minor assets

Movement in Minor Assets per the Asset Register for the year ended 31 March 2015

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	56	24 415	8 182	32 653
Additions	-	1 645		1 645
Disposals	-	1 071	1 476	2 547
Total Minor Assets	56	24 989	6 706	31 751

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	26 338	-	26 338
Number of minor assets at cost	-	18 217	4 141	22 358
Total Number of Minor Assets	-	44 555	4 141	48 696

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
Prior period error	-	(9)	(218)	(227)
Additions	-	2 061	-	2 061
Disposals	-	2	1 332	1 334
Total Minor Assets	56	24 415	8 182	32 653

	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

30.4.1 Prior period error

	Note 30.4	2013/14 R'000
Nature of prior period error		
Relating to 2013/14		(2 686)
Machinery and equipment		(148)
Biological assets		(2 538)
Total		(2 686)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

31. Intangible Capital Assets

Movement in Intangible Capital Assets per Asset Register for the year ended 31 March 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	2 764	39	-	2 803
Total Intangible Capital Assets	2 764	39	-	2 803

31.1 Additions

Additions to Intangible Capital Assets per Asset Register for the year ended 31 March 2015

	Cash R'000	Non-Cash R'000	(Development work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
Software	39				39
Total Additions to Intangible Capital Assets	39				39

31.2 Movement for 2013/14

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	2 721	-	43	-	2 764
Total Intangible Capital Assets	2 721	-	43	-	2 764

31.2.1 Prior period error

	Note 39.4	2013/14 R'000
Nature of prior period error		
Relating to 2013/14		(2)
Software		(2)
Total		(2)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

32. Immovable Tangible Capital Assets**32.1 Additions**

Additions to Immovable Tangible Capital Assets per Asset Register for the year ended 31 March 2015

	Cash	Non-Cash	(Capital work in progress – current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Building And Other Fixed Structures	182 815	-	(182 815)		
Non-residential buildings	182 815		(182 815)		
Total Additions to Immovable Tangible Capital Assets	182 815	-	(182 815)		

33. Transfer of functions

A proclamation by the President of The Republic of South Africa on the 15 August 2014, effected the transfer of a function, namely Environmental Affairs from the erstwhile Department of Agriculture and Environmental Affairs to the erstwhile Department of Economic Development and Tourism. The effective date of the transfer of function took place on the 1 April 2014. Development, Tourism and Environmental Affairs.

33.1 Statement of Financial Position

	Bal per dept 2013/14AFS before transfer	Functions per dept (transferred) / received	Functions per dept (transferred) / received	Functions per dept (transferred) / received	2013/14 Bal after transfer
	2013/14 R'000	2013/14 R'000	2013/14 R'000	2013/14 R'000	2013/14 R'000
ASSETS					
Current Assets	45 869				45 869
Unauthorised expenditure	-				-
Cash and cash equivalents	39 645				39 645
Other financial assets	-				-
Prepayments and advances	37				37
Receivables	6 187				6 187
Total Assets	45 869	-			45 869

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

	Bal per dept 2013/14AFS before transfer	Functions per dept (trans- ferred) / received	Functions per dept (trans- ferred) / received	Functions per dept (trans- ferred) / received	2013/14 Bal after transfer
	2013/14 R'000	2013/14 R'000	2013/14 R'000	2013/14 R'000	2013/14 R'000
ASSETS					
LIABILITIES					
Current Liabilities	44 580	(1 182)			43 398
Voted funds to be surrendered to the Revenue Fund	39 647	(1 182)			38 465
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	151	-			151
Bank Overdraft	-	-			-
Payables	2 960	-			2 960
Aid assistance repayable	1 822	-			1 822
Aid assistance unutilised	-	-			-
Total Liabilities	44 580	(1 182)			43 398
Net Assets	1 289	1 182			2 471

33.2 Notes

	Bal per dept 2013/14AFS before transfer	Functions per dept (trans- ferred) / received	Functions per dept (trans- ferred) / received	Functions per dept (trans- ferred) / received	2013/14 Bal after transfer
	2013/14 R'000	2013/14 R'000	2013/14 R'000	2013/14 R'000	2013/14 R'000
Contingent liabilities	27 875	(12 477)			15 398
Contingent assets	-	-			-
Commitments	225 520	(1 286)			224 234
Accruals and payables not recognised	24 945	(2 117)			22 828
Employee benefits	242 895	(9 612)			233 283
Lease commitments					
Operating lease	21 849	(260)			21 589
Finance lease	11 486	(916)			10 570
Operating lease revenue	-	-			-
Accrued departmental revenue	8 208	-			8 208
Irregular expenditure	154 888	(101)			154 787
Fruitless and wasteful expenditure	1 121	(77)			1 044
Impairment	3 108	-			3 108
Provisions	-	-			-
Movable tangible capital assets	504 074	(13 468)			490 606
Immovable tangible capital assets	-	-			-
Intangible capital assets	2 764	-			2 764

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Included in movable tangible assets is an amount of R1 062 000 that relates to minor assets.

Proclamation No. 61 of 2014 was signed on the 15 August 2014, effecting the transfer of the function of Environmental Affairs to the Department of Economic Development, Tourism and Environmental Affairs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

34. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2013/14	
	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	10 854	-	-	-	10 854	10 854	10 854	-	100%	18 746	18 746
Comp Agricultural Support Programme	212 632	-	-	-	212 632	212 632	212 632	-	100%	202 522	202 522
Lloma/Letsema Project	69 093	-	-	23 000	92 093	92 093	92 093	-	100%	65 768	42 768
EPWP											
incentive grant for Provinces	4 181	-	-	-	4 181	4 181	4 181	-	100%	550	550
	296 760	-	-	23 000	319 760	319 760	319 760	-		287 586	264 586

Department has received all funding through Provincial Treasury. All funds were deposited into the Department's PMG account.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

35. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Re-allocations by National Treasury or National Department R'000
Other transfer to Municipalities	-	-	34	34	34	-
PD VEHICLE LICENCES	533	-	670	1 203	1 203	-
	533	-	704	1 237	1 237	

The above amounts are in respect of payments for vehicle licence fees and municipal rates and are not a grant to the municipality.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 1A
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2013/14 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	-	-	-	-	-	586 522
Agri Business Development Agency	106 410	-	-	106 410	106 410	100%
Com: Licences (Radio & tv)	-	-	3	3	3	100%
Skills Development Levy	-	-	1 938	1 938	1 938	100%
	106 410	-	1 941	108 351	108 351	668 918

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 1B

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE			2013/14 Appropriation Act R'000	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Capital R'000		
						%			
Public Corporations									
Transfers									
Mjindi Farming	60 816	-	-	60 816	60 816	100.0%	-	60 816	46 607
Sub: Fin Public Corp Product – Agric show society	1 201	-	-	1 201	-	-	-	-	-
Ithala Development Finance	-	-	11 080	11 080	11 080	100.0%	-	11 080	-
Sub Total	62 017	-	11 080	73 097	71 896	98.4%	-	71 896	46 607
Private Enterprises									
Peoples Bio Oil (pty)ltd	-	-	2 000	2 000	2 000	100.0%	-	2 000	6 000
SA Sugar Research Institute	1 479	-	-	1 479	918	62.1%	-	918	1 395
SA Sugar Association	-	-	14 604	14 604	14 604	100.0%	-	14 604	-
Lungiswa IndlelaVillage NPC	-	-	3 318	3 318	1 200	36.2%	-	1 200	-
Donations & Gifts Private Ent	-	-	75	75	75	100.0%	-	75	-
Soil Conservation subsidy:									
Unallocated	1 756	-	(1 269)	487	-	-	-	-	-
Radley JH	-	-	697	697	697	100.0%	-	697	-
Aquason Construction	-	-	572	572	572	100.0%	-	572	-
Sub Total	3 235	-	19 997	23 232	20 066	86.4%	-	20 066	7 395
Total	65 252	-	31 077	96 329	91 962	95.5%	-	91 962	54 002

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 1C
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2013/14 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
NON-PROFIT INSTITUTIONS							
Transfers							
WESSA	-	-	-	-	-	-	400
SPCA	-	-	-	-	-	-	-
SA Association for Marine Bio Res	-	-	-	-	-	-	5 227
Zakhe Agricultural College	-	-	750	750	-	0%	1 000
Animal Anti Cruelty League	-	-	5 300	5 300	5 300	100%	-
Total	-	-	6 050	6 050	5 300		6 627

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 1D
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2013/14 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %
Transfers						
Injury on duty	-	-	256	256	256	100%
Severance Package	-	-	588	588	588	100%
Leave Gratuity	6 217	-	5 146	11 363	11 363	100%
Claims against state	-	-	60	60	60	100%
Bursaries non-employees	-	-	-	-	-	-
Total	6 217	-	6 050	12 267	12 267	10 462

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2014/15	2013/14
		R'000	R'000
Received in cash			
DPSA - National Batho Pele Awards		-	15
Subtotal		-	15
Received in kind			
Department of Agriculture, Forestry & Fisheries	Computer and Office equipment	7 004	4 847
Department of Agriculture, Forestry & Fisheries	Vehicles for Colleges and Veterinary Service	5 453	2 980
DPSA - National Batho Pele Awards		-	14
Subtotal		12 457	7 841
Total		12 457	7 856

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 1F
STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING	REVENUE	EXPENDITURE	CLOSING
		BALANCE			BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
World Health Organisation (Rabies) Project	Project Implementation	1 822	-	1 410	412
Total		1 822	-	1 410	412

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 1G
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP	(Group major categories but list material items including name of organisation)		2014/15	2013/14
			R'000	R'000
Made in kind				
Livestock for Community Project meeting at Inanda			4	-
Livestock for Stakeholder's meeting at Chesterville			5	-
Sheep for Fire victims, 3 families in Kokstad			3	-
6 Cattle for President's visit to Impendle			18	-
5 Cattle for the Kings Wedding			23	-
Gifts for speakers who presented at departmental events			-	3
Seed, Cattle x 10 Ploughing			-	86
Cattle donation			-	82
Made in kind				
Summerhill Zulu dancers International trip			75	-
Donations made to destitute families for funerals			-	36
Sponsorship for Indoni Cultural Festival - Indoni S.A.			100	-
Sponsorship to attend World Soya Bean Research Conference			-	8
Total			228	215

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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 14/15	% Held 13/14	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
				2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
National/Provincial Public Entity												
Mjindi Farming (Proprietary) Limited	Schedule 3D	100	100	100	100	8 757	8 757	50 295	38 664	11 630	(836)	No
Total		100	100	100	100	8 757	8 757	50 295	38 664	11 630	(836)	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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	
		2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
Controlled entities									
Ntingwe Tea (Pty)Ltd	This is the joint venture between the Department of Agriculture and Ithala Development Finance Corporation Ltd, whose main purpose is to provide funding investing and establishing a viable commercial tea business in Northern KwaZulu Natal. The company is the holding company of Ntingwe Farming (Pty) Ltd - the operating company. Department of Agriculture owns 62% of the shares in Ntingwe Tea (Pty)Ltd and Ithala owns 38%	1	1	(71 546)	(66 889)	-	-	-	23 033
Total		1	1	(71 546)	(66 889)	-	-	-	23 033

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 – LOCAL

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2014	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 2015	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
Housing									
Firststrand Bank		-	65	31	-	-	34	-	-
ABSA		-	316	171	-	-	145	-	-
Nedbank Limited		-	29	-	-	-	29	-	-
Old Mutual		-	48	-	-	-	48	-	-
SA Home Loan pty ltd		-	32	32	-	-	-	-	-
Standard Bank		-	176	83	-	-	93	-	-
Total		-	666	317	-	-	349	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of Liability	Opening balance 1 April 2014	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2015
	R'000	R'000	R'000	R'000	R'000
Claims against the Department					
Accidental Claims	956	292	91	-	1 157
Damage to property	18 448	25	9 977	-	8 496
Goods and Services	3 369	7 927	7 727	-	3 569
Lease Agreement Dispute	3	-	-	-	3
Medical & Injury claims	-	-	-	-	-
General Claims	2 511	280	2 500	-	291
Total	25 287	8 524	20 295	-	13 516

Nature of the cases are ongoing, dependant on the outcome of the legal processes.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15* Receipt date up to six (6) working days after year end	Amount
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014		
	R'000	R'000	R'000	R'000	R'000	R'000		
Department								
Nat: Department of Justice	-	-	-	16	-	16	-	-
KZN Social Development	-	950	-	-	-	950	-	-
Department of Transport	-	-	-	175	-	175	-	-
Economic Development	13 093	-	5 638	-	18 731	-	01/04/2015	13 093
National Agriculture	-	-	190	-	190	-	-	-
COGTA	16	-	-	-	16	-	-	-
Dept of Arts and Culture	135	-	-	-	135	-	-	-
Total	13 244	950	5 828	191	19 072	1 141		13 093

ANNEXURE 5
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15*	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	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								
Dept of Transport	-	3 138	1 099	1 679	1 099	4 817	31/03/2015	449
National Environmental Affairs	-	34	-	-	-	34		-
Social Development	-	-	-	243	-	243		-
KZN Health	8	12	4	-	12	12		-
Premier	7	-	-	-	7	-		-
Dept of Works	-	-	-	-	-	-	31/03/2015	14 482
Mineral Resources	24	-	-	-	24	-		-
Total	39	3 184	1 103	1 922	1 142	5 106		14 931

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 6
INVENTORY

	2014/15		2013/14	
	Quantity	R'000	Quantity	R'000
Note				
Inventory				
Opening balance		10 184		2 841
Add/(Less): Adjustments to prior year balance				
Add: Additions/Purchases - Cash		11 354		7 343
Add: Additions - Non-cash				
(Less): Disposals				
(Less): Issues		(10 184)		-
Add/(Less): Adjustments				
Closing balance		11 354		10 184

ANNEXURE 7
MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Current year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	132 336	182 814	-	315 150
Dwellings	-	-	-	-
Non-residential buildings	132 336	182 814	-	315 150
Other fixed structures	-	-	-	-
Total	132 336	182 814	-	315 150

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

ANNEXURE 8B
INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	R'000	R'000	R'000	R'000	R'000	R'000
PROVINCIAL DEPARTMENTS						
Office of the Premier	-	547	-	-	-	547
Total	-	547	-	-	-	547

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