



## agriculture & rural development

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



# Annual Report — 2015/16 —

TOGETHER WE HAVE MADE  
KZN A BETTER PROVINCE TO LIVE IN









Annual Report  
— 2015/16 —

Publish in the Republic of South Africa

**Department of Agriculture & Rural Development KwaZulu-Natal**

Compiled by the Directorate: Monitoring and Evaluation

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

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

### 3. FOREWORD BY THE MEC



It is with great honour and privilege that I table the Annual Report of the Department of Agriculture and Rural Development for 2015/16 financial year, as required by the Public Finance Management Act (PFMA) 1 of 1999, as amended.

The Department is tasked with the critical mandate of executing both agricultural and rural development of our province. At the apex priority of this Department has been to help reduce poverty, inequality and unemployment in the province as envisioned in the National Development Plan (NDP), Agricultural Policy Action Plan (APAP), and Provincial Growth and Development Plan (PGDP) among others.

The 2015/16 Annual Report of the Department of Agriculture and Rural Development, gives a detailed account of the progress made by the department in delivering on its mandate. The Report also highlights the challenges faced by the Department and the steps it will be taking to deal effectively with those challenges.

During the 2015/16 financial year, KwaZulu-Natal, had continued to experience the serious impact of drought and its accumulated effect on agricultural production and food security. Despite this, the Department had in period review led interventions to help boost the agricultural sector. These interventions included, the provision of input support to farmers across the province, fast-tracking agricultural infrastructure development, agricultural relief schemes, supporting the growth and further development of the sector.

The Department has introduced several major programmes which serve as a catalyst for sustained agricultural reform and development. The Strategy for Agrarian Transformation served as the guide for implementation of Departmental programmes. The strategy is supported by four pillars which include land reform, agri-village, communal estate and river valley which will ensure holistic agriculture production both in communal and commercial areas.

The Department had strengthened its partnerships with organised agriculture, commodity associations and our communities working together for us to meet our development goals. The Department will continue to strengthen these and other partnership as we advance in developing a thriving agricultural sector.

A handwritten signature in black ink, appearing to read 'Themba Mthembu', written over a horizontal line.

Mr Themba Mthembu  
MEC: Agriculture and Rural Development  
Date: 31 August 2016



## 4. REPORT OF THE ACCOUNTING OFFICER



It is with pleasure to present the 2015/16 Annual Report for the Department of Agriculture and Rural Development as required. The highlights of performance in 2015/16 of critical implementation programs, agriculture and Rural Development are here on expressed.

The country and the province in 2015/16 were under constraints of extreme drought agriculturally and as such performance was adversely affected and influenced. In the implementation of the approved, current Strategic Plan, the Department was compelled to channel a considerable portion of its resource to drought relief support initiatives introduced during the dry season. Despite the natural disaster, significant gains have been made in delivering services for farmers, and rural communities of KZN.

Through Management Performance Assessment Tool the Department continued to focus on the improved administrative process and establishment of effective and efficient management control systems. The ideal is a functional administration system institutionalised and updated as and when is required by good governance principles.

The Rural Development of the Department continued in its endeavours and plans to make agri-parks a reality in identified districts of the Province and the establishment of such will be pursued to completion. Stakeholder engagement has demonstrated successful in making cooperative governance required to deliver on this mandate smooth working relations.

Agriculture still remains one of the key economic drivers and as such forms an important part for economic development, rural development and ultimately poverty alleviation. The sector has huge potential for job creation and ensuring food security. The department in the year in question has been able to create seasonal paid part-time jobs in communities where projects were rolled out. The ultimate outcome pursued is the agrarian transformation of the sector in the province of KZN to ensure unlocked full agriculture potential.

Rehabilitation of degraded agricultural land remained the centre of support and initiatives in great effort of preventing and eradication of land degradation to ensure optimal land use. This has been achieved through the commitment of the internal departmental professional service units. Heartfelt gratitude is expressed to all stakeholders in the form of other government departments, entities, oversight institutions, and Chapter 9 institutions for contribution in improved operations and success in delivering on the mandates.

A handwritten signature in black ink, appearing to read 'Siphwe Mkhize', written over a horizontal line.

Dr Siphwe Mkhize  
Head of Department  
Date: 31 August 2016



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

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

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

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

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

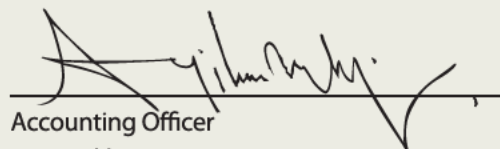
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2016.

Yours faithfully



Accounting Officer

Dr SF Mkhize

31 August 2016

### VISION

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

### MISSION

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

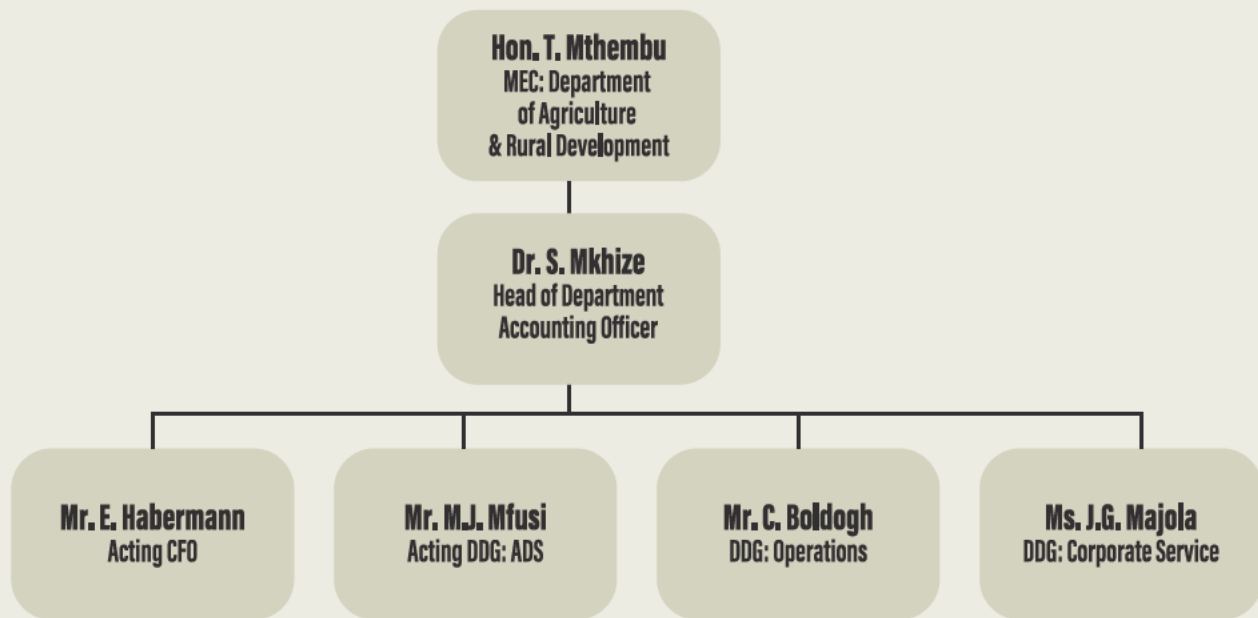
### VALUES

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** - Department is an agent of state 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 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.



## ORGANISATIONAL STRUCTURE



## 7. 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
<b>Mjindi Farming (Pty) LTD</b>	Mjindi Farming (Pty) Ltd was established under the Companies Act 61 of 1973 (as amended), as a private company with share capital.	In terms of section 38 (1)(j) of the Public Finance Management Act 1 of 1999 (as amended), Mjindi must provide written assurance to the Department that the entity implements good financial management and internal control system before the Department transfers funds to the Entity.	Mjindi is responsible for agricultural development in the northern estates of the province.

<p><b>Agribusiness Development Agency (ADA)</b></p>	<p>ADA was established in terms of cabinet resolution No. 79 of 29 July 2009. The agency draws its operational mandate from:</p> <ul style="list-style-type: none"> <li>i) The national policy for Comprehensive Agricultural Support Programme (CASP).</li> <li>ii) Land Reform policy guidelines.</li> <li>iii) Amended Trust Deed for agribusiness Development Agency.</li> </ul>	<p>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.</p>	<p>The agency provides holistic agricultural support services to entrant farmers, focusing mainly on previously disadvantaged farmers. ADA.</p>
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